

**41<sup>st</sup> ANNUAL REPORT  
2023-2024**



**MACCA GROUP**

# **Abdullah Shah Ghazi Sugar Mills Limited**

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## CORPORATE INFORMATION

### **Board of Directors**

Muhammad Dawood  
Chief Executive/Director  
Yasir Iqbal  
Muhammad Rasheed Rana  
Amjad Abbas  
Muddssar Iqbal  
Fiaz Qadeer Butt  
Bilqees Begum

### **Audit Committee**

Fiaz Qadeer Butt  
Muddssar Iqbal  
Amjad Abbas

### **Chief Financial Officer**

Sohail Azam Khan

### **Company Secretary**

Saleem Abbas

### **Internal Auditors'**

Mamoon Ahmad Moon

### **Auditors'**

Zahid Jamil & Co.  
Chartered Accountants

### **Registrar**

CDC Shares Registrar Services Limited,  
CDC House, 99-B, Block-B, S.M.C.H.S.,  
Main Shahrah-e-Faisal, Karachi, Pakistan

### **Registered Office**

7/10, A-2 Arkay Square  
Shahrah-e-Liaqat, New Challi, Karachi

### **Mills**

Abdullah Shah Ghaziabad, Garho,  
District Thatta, Sindh

### **Bankers**

Bank Islami Pakistan Limited  
Bank Al-Falah Limited  
Silk Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
Habib Metropolitan Bank Limited  
United Bank Limited  
Allied Bank Limited

### **Web Presence:**

[www.asgsm.com](http://www.asgsm.com)

## **Mission Statement**

To be the premier sugar and allied product's manufacturer while providing our clients with flexibility, on-time delivery, and consistent quality and to achieve sustainable and equitable expansion and growth through efficient and effective resources and at the same time developing a corporate business environment most suited to all the employees and people Concerned.

## **Vision Statement**

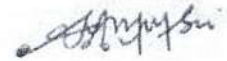
To transform the Company into a market leader for the Quality Sugar Manufacturing, while keeping our focus on the growing customer base, be characterized by a high degree of professionalism and is accountable for the successful fulfillment of the company's mission, and to play a meaningful role in the economy of Pakistan



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 41<sup>st</sup> Annual General Meeting (“AGM”) of Abdullah Shah Ghazi Sugar Mills Limited (the “Company”) will be held on Monday January 27, 2025 at 9:00 a.m. at Diamond Banquet, Plot No. C-36, 37 Extension, Gulshan-e- Hadeed, Phase-1, Karachi and via video link to transact the following Ordinary Business:

1. To receive, consider and adopt the Chairman's Review Report, Reports of Directors and Auditors together with Audited Annual Financial Statements of the Company for the year ended 30 September 2024.
2. To appoint Company's auditors and fix their remuneration. The members are hereby notified that the Audit Committee and the Board of directors have recommended the name of retiring auditors M/s Zahid Jamil & Co, Chartered Accountants for re-appointment as auditors of the Company. Lahore: January 06, 2025 By Order of the Board



**Saleem Abbas**  
Company Secretary

Lahore: January 06, 2025

### Notes:

1. The Share Transfer Books of the Company will remain closed from January 21, 2025 to January 27, 2025 (both days inclusive). Transfers received in order at the office of the Company's Independent Share Registrar, M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block B, S.M.C.H.S. Main Shahrah-e-Faisal, Karachi by the close of business (5:00 PM) on January 20, 2025, will be treated in time for the purposes of entitlement to attend, speak and vote at the AGM.
2. The Company has arranged participation of members in the meeting via video link as directed by SECP. The members can attend the AGM via video link using smart phones/tablets/computers for safety and well-being of the members of the Company and general public. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) through WhatsApp at 03028407700 or email at [saleem.magsi@maccagroup.com](mailto:saleem.magsi@maccagroup.com) by January 24, 2025.

Name of member	CNIC No.	CDC Account No/Folio No.	Cell Number.	Email address

The members who are registered after the necessary verification shall be provided a video link by the Company on the same email address that they email with the Company with. The Login facility will remain open from start of the meeting till its proceedings are concluded.

3. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her and a proxy so appointed shall have the same rights, as respects attending, speaking and voting at the AGM as are available to the members. A Proxy must be a member of the Company.
4. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting. Proxy Forms, in English and Urdu languages, have been dispatched to the members along with the notice of AGM.
5. Members who have deposited their shares into Central Depository Company of Pakistan Limited (“CDC”) will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

#### **A. For Attending the Meeting**

- a. In case of Individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.
- b. In case of corporate entity, the Board's resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

#### **B. For Appointing Proxies**

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- e. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

#### **6. Change of address**

Members are requested to promptly notify to the Company's Share Registrar of any change in their addresses.



**7. Placement of Financial Statements and Other Information on Company's website**

The Company has placed a copy of the Notice of AGM, Annual Financial Statements for the year ended September 30, 2024 along with Auditors and Directors Reports thereon, Chairman's Review and other information on the website of the Company: [www.asgsml.com](http://www.asgsml.com)

**8. Computerized National Identity Card (CNIC) of Shareholders (Mandatory)**

Shareholders are requested to provide if not already provided, copy of their valid CNIC to the Company's Independent Share Registrar at the address given herein below. A legible scanned copy of the same can also be forwarded at [saleem.magsi@maccagroup.com](mailto:saleem.magsi@maccagroup.com) along with folio number and updated address for correspondence

**9. Deposit of Physical Shares into CDC Account**

The shareholders having physical shareholding may open CDC sub-account with any of the brokers or investor account directly with CDC to place their physical shares into script-less form. This will facilitate them in many ways including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Stock Exchange. Further, Section 72 of the Act states that after the commencement of the Act from a date notified by SECP, a company having share capital, shall have shares in book-entry form only. Every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding four years from the commencement of the Act.



## سالانہ اجلاس عام کی اطلاع

بذریعہ بڑا اطلاع دی جاتی ہے کہ عبداللہ شاہ غازی شوگر ملز لمیٹڈ ("کمپنی") کا 41<sup>واں</sup> سالانہ اجلاس عام ("AGM") بروز پیر 27 جنوری 2025 صبح 9:00 بجے ڈائریکٹرز میٹنگ روم، پلاٹ نمبر

IC-36,37 انٹرنیشنل گلشن حدید، فیز-1، کراچی پر اور بذریعہ ڈیولپمنٹ، درج ذیل عام امور کی انجام دہی کیلئے میں منعقد کیا جائیگا:

- 30 ستمبر 2024 کو ختم ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں بشمول اس پر بیٹریٹمنٹ کی جائزہ رپورٹ، ڈائریکٹرز رپورٹ اور ڈیولپمنٹ رپورٹ کو وصول کرنے اور اس کو اپنانے کیلئے۔
- آڈٹرز کا تقرر کرنے اور ان کے معائنہ کا تعین کرنے کیلئے۔ ممبران کو بذریعہ بڑا اطلاع کیا جاتا ہے کہ آڈٹ کمپنی اور بورڈ آف ڈائریکٹرز نے ریٹائر ہونے والے آڈٹرز ڈیوٹی رولز اور ایگزیکٹو، چارٹرڈ اکاؤنٹنٹس کی کمپنی کے آڈٹرز کی حیثیت سے دوبارہ تقرری کی سفارش کی ہے۔

حسب الحکم بورڈ

سلیم عباس  
کمپنی سیکریٹری

لاہور، 06 جنوری 2025

نوٹس:

- کمپنی کی شیئرز اسٹاکس 21 جنوری 2025 اور 27 جنوری 2025 (دونوں دن شامل ہیں) بند رہیں گی۔ کمپنی کے انڈیپنڈنٹ شیئرز رجسٹرار، میسرز سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی کے دفتر میں 20 جنوری 2025 کو (شام 5 بجے) کارڈ کے اختتام تک موصول ہونے والے فرانسٹرز AGM میں شرکت کرنے، ہاتھ کرنے اور ووٹ دینے کے مقصد کیلئے رہت تصدیق نامے حاصل کریں گے۔
- کمپنی نے ڈیولپمنٹ کے ذریعہ شرکت کا انتظام کیا ہے، ممبران اپنی اور عوام الناس کی حفاظت اور بہبود کیلئے اسٹاکس رجسٹریشن اور ایگزیکٹو کے استعمال کرتے ہوئے ڈیولپمنٹ کے ذریعہ شرکت کر سکتے ہیں، ڈیولپمنٹ کے ذریعہ اجلاس میں شرکت کیلئے ممبران اور ان کے پراکسی سے درخواست کی جاتی ہے کہ وہ کمپنی کو ذمہ داری کی شناختی کارڈ (دونوں اطراف) / پاسپورٹ، بورڈ کی قرارداد کی تصدیق شدہ کاپی / پاور آف ایٹارنی کی کاپی (کارڈ پورٹ شدہ شیئرز ہولڈرز کی صورت میں) کیساتھ 24 جنوری 2025 تک درج ذیل معلومات بذریعہ ایس ایم سی ایچ ایچ 0302-8407700 یا ای میل [saleem.magsi@maccagroup.com](mailto:saleem.magsi@maccagroup.com) فراہم کر سکتے ہیں۔

ممبر کا نام	CNIC نمبر	CDC کارڈ نمبر / ٹریڈ لیٹر	موبائل فون نمبر	رجسٹرڈ ای میل ایڈریس

ضروری تصدیق کے بعد رجسٹرڈ ہونے والے ممبران کو کمپنی کی جانب سے اسی ای میل ایڈریس پر ایک ڈیولپمنٹ فراہم کیا جائیگا جس سے وہ کمپنی کو ای میل کرتے ہیں۔

لاگ ان کی سہولت اجلاس کے آغاز سے اس کی کارروائی کے اختتام تک کھلی رہے گی۔

جو شیئرز ہولڈرز AGM کے ایجنڈے پر اپنی رائے اظہار یا بیٹریٹمنٹ دینے کے مقصد سے شرکت کرنا چاہتے ہیں وہ کمپنی کو [saleem.magsi@maccagroup.com](mailto:saleem.magsi@maccagroup.com) پر ای میل کر سکتے ہیں۔

شیئرز ہولڈرز کی حوصلہ افزائی کی جاتی ہے کہ وہ کمپنی سے کم نمبری کیلئے پراکسی کے ذریعے اپنی حاضری اور شرکت کو یقینی بنائیں۔

- اس اجلاس میں شرکت کرنے اور ووٹ دینے کا حقدار ممبر اپنی جگہ کسی دوسرے ممبر کو شرکت کرنے اور ووٹ دینے کیلئے اپنا پراکسی مقرر کر سکتے ہیں اور اس طرح مقرر کردہ پراکسی کو وہی حقوق حاصل ہوں گے، جو کہ AGM میں شرکت کرنے، ہاتھ کرنے اور ووٹ دینے کے حوالے ممبران کو دیا گیا ہے، ایک پراکسی کا کمپنی کا ممبر ہونا ضروری ہے۔

- ایک پراکسی کو تقرر کرنے والا اسٹروٹمنٹ اور پاور آف ایٹارنی یا دیگر اتھارٹی جس کے تحت اس پر دستخط کیے گئے ہیں یا پاور آف ایٹارنی کی ذمہ داری تصدیق شدہ کاپی اجلاس کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں جمع کرائی جانا چاہئے، انگلش اور اردو زبانوں میں پراکسی فارم ممبران کو AGM کے نوٹس کے ساتھ بھیجے گئے ہیں۔

- جن ممبران نے اپنے شیئرز ڈیپازٹریٹری کمپنی آف پاکستان لمیٹڈ ("CDC") میں جمع کرائے ہیں انہیں مزید ذیل میں دی گئی ہدایات پر عمل کرنا ہوگا جیسا کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے وضع کیا ہے۔

### A- میٹنگ میں شرکت کے لیے

- افراد کے معاملے میں، کارڈ نمبر ہولڈرز اور یا ذیلی کارڈ نمبر ہولڈرز جن کی رجسٹریشن کی تصدیقات سی ڈی سی کے ضوابط کے مطابق آپ کو کی گئی ہیں، اجلاس میں شرکت کے وقت اپنا اصل CNIC یا اصل پاسپورٹ دکھانا اپنی شناخت کی تصدیق کرنا ہوگی۔
- کارپوریٹ ادارے کی صورت میں، اجلاس کے وقت بورڈ کی قرارداد / پاور آف ایٹارنی جس میں ممبران کے نمونے کے دستخط ہوں، (اگر سے پہلے فراہم نہ کیا گیا ہو) پیش کرنا ہوں گے۔

### B- پراکسیوں کی تقرری کے لیے

- افراد کے معاملے میں، کارڈ نمبر ہولڈرز اور یا ذیلی کارڈ نمبر ہولڈرز جن کی رجسٹریشن کی تصدیقات CDC کے ضوابط کے مطابق آپ کو کی گئی ہیں، مندرجہ بالا تقاضوں کے مطابق پراکسی فارم جمع کرائیں گے۔
- پراکسی فارم پر ہولڈرز کی تصدیق کریں گے، جن کے نام، پتے اور CNIC نمبر فارم پر درج ہوں گے۔
- تفصیلات اور پراکسی کے CNIC یا پاسپورٹ کی تصدیق شدہ کاپیاں، پراکسی فارم کے ساتھ منسلک کرنا ہوں گی۔
- پراکسی اجلاس کے وقت اپنا اصل CNIC یا اصل پاسپورٹ پیش کرے گا۔
- کارپوریٹ ادارے کی صورت میں، کمپنی کو پراکسی فارم کے ساتھ بورڈ کی قرارداد / پاور آف ایٹارنی کو نمونے کے دستخط کے ساتھ پیش کرنا ہوگا۔ (اگر یہ پہلے فراہم نہ کیا گیا ہو)

### 6. پیکر تبدیلی

ممبران سے درخواست ہے کہ وہ اپنے پتوں میں کسی بھی تبدیلی کے بارے میں کمپنی کے شیئرز رجسٹرار کو فوری طور پر مطلع کریں۔

7. کمپنی کی ویب سائٹ پر مالی گوشواروں اور دیگر معلومات کی دستیابی

کمپنی نے AGM کے نوٹس کی ایک کاپی 30 ستمبر 2024 کو ختم ہونے والے سال کی سالانہ مالیاتی گوشواروں کیساتھ اس پراڈیگنٹ اور ڈائریکٹرز رپورٹ، بیٹریٹمنٹ کا جائزہ اور دیگر معلومات کمپنی کی ویب سائٹ [www.asgsmi.com](http://www.asgsmi.com) پر رکھی ہیں۔

8. شیئرز ہولڈرز کا کمپیوٹرائزڈ ذمہ داری کی شناختی کارڈ (CNIC) (لازمی)

شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ اگر پہلے فراہم نہ کیے گئے ہوں، تو اپنے کارڈ نمبر ہولڈرز کی شناختی کارڈ CNIC کی کاپی کمپنی کے انڈیپنڈنٹ شیئرز رجسٹرار کو ذمہ داری میں دینے کے لیے پراکسی کریں۔ خط و کتابت کیلئے فوٹو ایڈریس اور آپ ڈیولپمنٹ فراہم کرنا اس کی ایک واضح اسکرین شدہ کاپی [saleem.magsi@maccagroup.com](mailto:saleem.magsi@maccagroup.com) پر بھیجی جاسکتی ہے۔

9. سی ڈی سی کارڈ نمبر میں فزیکل شیئرز جمع کروانا

فزیکل شیئرز ہولڈرز کو اپنے فزیکل شیئرز کو اسکرینڈ میں رکھنے کیلئے فراہم کرنا ضروری ہے، یہ انہیں اپنی طریقوں سے سہولت فراہم کرے گا، بشمول شیئرز کی محفوظ نگہداشت اور فروخت، وہب دیا جائے، کیونکہ اسٹاک ایکسچینج کے موجودہ ضوابط کے مطابق فزیکل شیئرز کی تجارت دی اجازت نہیں ہے، مزید، ایک کاسٹیکشن 72 کہتا ہے کہ SECP کی جانب سے مطلع کردہ تاریخ سے ایکٹ کے آغاز کے بعد، ایک کمپنی شیئرز کی پمپل صرف ایک انٹری فارم میں شیئرز رکھ سکتی ہے، ہر سہولت کو پراکسی ہولڈرز کو ہوا کہ وہ اپنے فزیکل شیئرز کو ایک انٹری فارم کیساتھ اس طریقے سے تبدیل کرے جیسا کہ بیان کیا گیا ہے اور SECP کی جانب سے مطلع کردہ تاریخ سے، ایکٹ کے آغاز سے پانچ سال کی مدت کے اندر۔

## CHAIRMAN'S REVIEW

I am pleased to present this review report on the performance of the Board of Directors (hereinafter the "Board") and effectiveness of the role played by the Board and its Committees in achieving the company's objectives. The Board consists of competent and efficient members (independent, non-executive, executive including female directors) having immense experience in various business sectors and has been constituted in accordance with the provisions of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Companies Act, 2017.

The annual report of the Company for the year ended 30 September, 2024 contains financial and other information and disclosures as required under the applicable legal framework. The Board is responsible for the management of Company affairs, for formulating and approving significant policies and strategies. The Board acknowledges its responsibility for the corporate and financial reporting framework and is committed to good corporate governance. The Board has constituted two committees of the Board - the Audit Committee and Human Resource & Remuneration Committee. The Committees comprise of suitably qualified persons having relevant competencies. The Committees perform their functions in line with their respective Terms of Reference assigned to them by the Board. The Board also monitored the compliance with best corporate practices and governance, encouraging diversity and ethical behavior and development of skills to attain advancement and excellence. The Board is also well aware of its corporate social responsibility especially towards education, health safety and environment. The Board is satisfied with its efforts towards ensuring our corporate social responsibility and hope to improve the efforts with each passing year.

The Board carries out a review of its effectiveness and performance and of its committees each year after the closure of the fiscal year, on a self-assessment basis. Overall performance and effectiveness of the role played by the Board and its committees was assessed as satisfactory.

The Board shall continue to play a vital role in setting the course of the Company, promoting its success and performance and guiding the management to conduct operations in conformity with the strategies approved by the Board while upholding the principles of good corporate governance.



**Muhammad Rasheed Rana**  
Chairman

Lahore  
January 06, 2025



## چیئر مین کی جائزہ رپورٹ

مجھے یہ جائزہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے جو بورڈ آف ڈائریکٹرز (آگے "بورڈ" کہا جائے گا) کی کارکردگی اور کمپنی کے مقاصد کے حصول میں بورڈ اور اس کی کمیٹیوں کے کردار کی مؤثر کارکردگی پر مبنی ہے۔ بورڈ تجربہ کار اور قابل اراکین پر مشتمل ہے (آزاد، نان ایگزیکٹو، ایگزیکٹو، بشمول خواتین ڈائریکٹرز) جو مختلف کاروباری شعبوں میں وسیع تجربہ رکھتے ہیں اور اسے لسٹڈ کمپنیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز 2019 اور کمپنیز ایکٹ 2017 کے تحت تشکیل دیا گیا ہے۔

کمپنی کی سالانہ رپورٹ برائے سال اختتام پذیر 30 ستمبر 2024 مالی اور دیگر معلومات اور انکشافات پر مشتمل ہے جو متعلقہ قانونی فریم ورک کے تحت درکار ہیں۔ بورڈ کمپنی کے معاملات کے انتظام، اہم پالیسیوں اور حکمت عملیوں کی تشکیل اور منظوری کا ذمہ دار ہے۔ بورڈ کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کی ذمہ داری کو تسلیم کرتا ہے اور اچھے کارپوریٹ گورننس کے لیے پر عزم ہے۔ بورڈ نے دو کمیٹیاں تشکیل دی ہیں۔ آڈٹ کمیٹی اور انسانی وسائل و تنخواہوں کی کمیٹی۔ یہ کمیٹیاں موزوں طور پر اہل افراد پر مشتمل ہیں جن کے پاس متعلقہ مہارتیں ہیں۔ کمیٹیاں اپنے متعلقہ دائرہ کار کے مطابق کام انجام دیتی ہیں جو انہیں بورڈ کی جانب سے تفویض کیا گیا ہے۔

بورڈ نے بہترین کارپوریٹ اصولوں اور گورننس کی تعمیل کی نگرانی کی، تنوع اور اخلاقی رویے کی حوصلہ افزائی کی، اور ترقی اور برتری کے لیے مہارتوں کی ترقی پر زور دیا۔ بورڈ اپنی کارپوریٹ سماجی ذمہ داری، خاص طور پر تعلیم، صحت، تحفظ اور ماحولیات کے حوالے سے بخوبی آگاہ ہے۔ بورڈ اپنی کارپوریٹ سماجی ذمہ داری کے حوالے سے اپنی کوششوں سے مطمئن ہے اور امید رکھتا ہے کہ ہر گزرتے سال کے ساتھ ان کوششوں میں بہتری لائی جائے گی۔

بورڈ ہر مالی سال کے اختتام کے بعد اپنی اور اپنی کمیٹیوں کی مؤثریت اور کارکردگی کا جائزہ لیتا ہے، جو خود تشخیصی بنیادوں پر کیا جاتا ہے۔ مجموعی کارکردگی اور بورڈ اور اس کی کمیٹیوں کے کردار کو مؤثر اور اطمینان بخش قرار دیا گیا۔

بورڈ کمپنی کی کامیابی، کارکردگی کو فروغ دینے اور مینجمنٹ کو ایسی حکمت عملیوں کے مطابق آپریشنز چلانے میں رہنمائی فراہم کرنے میں اپنا کردار ادا کرتا رہے گا جو بورڈ کے ذریعے منظور کی گئی ہیں، اور اچھے کارپوریٹ گورننس کے اصولوں کو برقرار رکھتے ہوئے۔



محمد رشید رانا

چیئر مین

لاہور

6 جنوری 2025



## DIRECTORS' REPORT

IN THE NAME OF ALLAH THE MOST GRACIOUS AND MOST MERCIFUL

Dear Members; Assalam-o-Alaikum:

The Board of Directors are pleased to present before you their report with respect to the state of the company's affairs together with the annual audited financial statements of the company, statement of compliance along-with the auditors' reports thereon and other relevant documents for the year ended 30.09-2024:

### ECONOMY REVIEW:

During the financial year 2024, Pakistan's economy experienced a mix of challenges and gradual recovery, aided by international financial support and domestic policy measures. GDP growth remained modest at 0.92%, with agriculture and services contributing positively, while the industrial sector faced contraction. Inflation, a key concern, declined significantly to single digits by year-end, prompting the State Bank of Pakistan to reduce interest rates to 17.5%. Fiscal measures improved tax revenues, while a \$7 billion IMF loan helped stabilize foreign reserves and support structural reforms. The KSE-100 index recorded significant growth, driven by increased investor confidence. However, structural vulnerabilities, a constrained industrial sector, and the need for robust reforms highlighted the ongoing challenges for achieving sustainable and inclusive growth.

### BUSINESS OVERVIEW:

The financial year 2024 posed significant challenges for the Company as the mill remained non-operational throughout the year. In contrast, during the previous financial year, the mill was operational for a limited period of 35 days. Despite these constraints, the Company made considerable efforts to optimize its financial position by focusing on cost control and operational efficiency.

The key operating and financial data in summarized form is also annexed for the consideration of shareholders which, in brief is as under:

Particulars	2024 Rupees	2023 Rupees
Net Sales	--	385,282,154
Gross Loss	<b>(220,528,678)</b>	(457,974,230)
Net Loss after Tax	<b>(191,533,374)</b>	(283,613,765)
Key performance indicators		
Gross loss as % to sales	--	(119) %
Net loss % to sales	--	(74) %
Loss per share	<b>(2.42)</b>	(3.58)

In 2023, the mill operated for only 35 days, which significantly influenced the financial performance for that year. The mill's complete non-operational status during 2024 further underscored the need for effective cost management to mitigate losses. The gross loss decreased from (457.97) million in 2023 to (220.53) million in 2024, a substantial improvement of 237.44 million (51.8%). Similarly, the net loss after tax reduced by 92.08 million, from (283.61) million in 2023 to (191.53) million in 2024, reflecting a 32.5% reduction. The loss per share improved from (3.58) in 2023 to (2.42) in 2024, demonstrating progress in mitigating the financial impact on shareholders.

### FUTURE OUTLOOK:

The financial performance of the sugar mills reflects persistent challenges, including non-operational status in 2024, leading to no net sales compared to the previous year's sales of PKR 385.3 million. While the gross and

net losses have decreased year-on-year, the absence of revenue highlights the urgent need for operational and strategic changes. Key performance indicators show improvement, with gross and net losses as a percentage of sales reducing from (119%) and (74%) in 2023, respectively, due to cost-cutting measures. However, the lack of sales and continued loss per share of PKR (2.42) emphasize the critical financial strain.

#### **Future Outlook and Strategic Priorities:**

**Operational Revival:** Restarting operations is essential to generate revenue and stabilize financials. Focus on addressing technical stoppages, upgrading machinery, and securing consistent sugarcane supplies is imperative.

**Cost Optimization:** Continued efforts to reduce operational inefficiencies and fixed costs can help mitigate losses.

**Diversification:** Exploring value-added products like ethanol, energy cogeneration, or other agro-based businesses can provide alternative revenue streams.

**Stakeholder Engagement:** Building trust with farmers, suppliers, and investors is crucial. Timely payments and incentives to farmers can secure raw material supplies, while clear communication with investors can maintain confidence.

**Debt and Financing Strategy:** Refinancing existing liabilities and seeking strategic partnerships or equity infusion can address liquidity constraints.

**Policy Advocacy:** Engaging with policymakers to ensure favorable government policies, subsidies, or incentives for sugarcane farming and mill operations.

While the current situation presents significant challenges, the substantial reduction in losses indicates effective cost management, providing a foundation for future recovery. The Company's focus will be on reviving operations, optimizing costs, and building resilience to ensure long-term growth and sustainability.

With the support of shareholders and stakeholders, the management is confident that strategic initiatives will enable the Company to overcome current difficulties and restore profitability.

#### **CASH DIVIDEND & BONUS SHARES:**

The Board of Directors have not recommended any dividend due to accumulated losses.

#### **CORPORATE AND FINANCIAL REPORTING FRAMEWORK:**

- (a) The financial statements, prepared by the management of the Company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity.
- (b) Proper books of account of the Company have been maintained.
- (c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- (d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- (e) The systems of internal control whether financial or non-financial are sound in design and have been effectively implemented and monitored.
- (f) There are no significant doubts upon the Company's ability to continue as a going concern.
- (g) The information about taxes and levies is given in the notes to the financial statements.
- (h) There has been no departure from the best practices of Corporate Governance as detailed in the Listed Companies (Code of Corporate Governance) Regulations, 2019. A statement to this effect is annexed with this report.



**RISK MANAGEMENT AND INTERNAL CONTROL:**

- a) A system of sound internal financial control has been developed and implemented at all levels within the company. The system of internal financial control is sound and adequate in design for ensuring achievement of Company's objective, its operational effectiveness, efficiency, reliable financial reporting, compliance with laws, regulations and policies.
- b) The Company has developed a mechanism for identification of risks and devised appropriate mitigation measures which are regularly monitored and implemented by the Management across all major functions of the Company and presented to the Board Audit Committee for information and review.
- c) The Internal Audit function is responsible for providing assurance on the effectiveness and adequacy of internal control and risk management framework in managing risks within acceptable levels throughout the Company.
- d) The Board Audit Committee has met regularly with Management to understand the risks that the Company faces and has reviewed the management of Company's material business, to assess the effectiveness of those systems in minimizing risks that may impact adversely on the business objectives of the Company.

**ENVIRONMENTAL, SOCIAL, AND GOVERNANCE ESG FACTORS:**

The Company has conducted a thorough assessment of sustainability-related risks including environmental, social, and governance (ESG) factors. Key risks have been identified, and robust strategies are in place to manage and mitigate these risks. This involves adopting sustainable practices, ensuring compliance with relevant regulations and actively monitoring and addressing potential ESG impacts to minimize our environmental footprint and enhance operational resilience.

**DIVERSITY, EQUITY AND INCLUSION:**

The Company is dedicated to promoting Diversity, Equity, and Inclusion (DE & I) throughout its operations. The Company has implemented policies and initiatives aimed at creating a diverse and inclusive workplace. The efforts are focused on ensuring equal opportunities for all employees and to ensure that all employees feel valued, respected and empowered, fostering an inclusive culture and supporting a wide range of perspectives. These measures are regularly reviewed and updated to align with Company's core values and contribute to the overall success and sustainability of the Company.

**GENDER PAY GAP:**

The Company is committed to fostering a workplace free from gender discrimination. Employee remuneration is determined by multiple factors, including professional experience, tenure, education, job role, performance, market dynamics, and geographical location. Compensation is based on objective, merit-based criteria, with no gender bias.

**BOARD OF DIRECTORS:**

The Board of Directors and its Committees worked with a marked level of diligence and assiduity to advise and guide the Company towards achieving its potential in the face of a significantly challenging economic scenario.

**COMPOSITION OF THE BOARD:**

The current composition of the Board of Directors in compliance with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 is as under:

Total number of Directors is 7 of which:

- |     |                     |   |
|-----|---------------------|---|
| (a) | Male Directors are: | 6 |
| (b) | Female Director is: | 1 |

Further, from the board of 7 directors the status wise summary is as under:



(i)	Independent Directors:	2
(ii)	Non- Executive Directors:	3
(iii)	Executive Directors:	2

During the period between the end of financial year to which the attached financial statements relate and the date of this Directors' Report, no casual vacancy occurred on the Board of Directors.

At present, the following directors are serving on the Board of Directors of the Company:

**BOARD MEMBERS:**

Status / Category	Names
Independent Directors:	Mr. Fiaz Qadeer Butt Mrs. Bilqees Begum (Female Director)
Non-Executive Directors:	Mr. Muhammad Rasheed Rana (Chairman) Mr. Amjad Abbas Mr. Muddssar Iqbal
Executive Directors:	Mr. Muhammad Dawood (Chief Executive) Mr. Yasir Iqbal

The Board of Directors completed its tenure of three years on June 30, 2024. The members were elected unopposed as directors in the Extraordinary General meeting held on June 29, 2024 under the provisions of section 159 of the Companies Act, 2017 for the next term of three years (i.e., from June 30, 2024 to June 29, 2027) by the shareholders of the Company.

Mr. Muhammad Rasheed Rana was elected as chairman of the Board of Directors of the Company and Mr. Muhammad Dawood appointed as a continuing CEO for the next term of three years (i.e., from June 30, 2024 to June 29, 2027).

**BOARD MEETINGS:**

During the year under report, 4 meetings of the board were held. The attendance of the Board members was as follows:

Sr.	Name of Director	Board Meeting Attended
1	Mr. Fiaz Qadeer Butt	1/4
2	Mrs. Bilqees Begum	1/4
3	Mr. Muhammad Rasheed Rana	4/4
4	Mr. Amjad Abbas	4/4
5	Mr. Muddssar Iqbal	1/4
6	Mr. Muhammad Dawood	4/4
7	Mr. Yasir Iqbal	4/4

**COMMITTEES OF THE MEMBERS OF THE BOARD OF DIRECTORS:**

The Board has constituted the Audit Committee (AC) and Human Resource & Remuneration Committee (HRRC) for its assistance. The detail of members and scope is as under:

**AUDIT COMMITTEE (AC):**

1	Mr. Fiaz Qadeer Butt	Chairman Audit Committee
2	Mr. Muddssar Iqbal	Member
3	Mr. Amjad Abbas	Member

The Audit Committee reviewed the quarterly, half yearly and annual financial statements before submission to the board and their publication. The audit committee also reviewed internal audit findings and held

separate meetings with internal and external auditors. The audit committee had discussed with external auditors the points mentioned in their transmission letter. The Audit Committee also conducts a review of the effectiveness of risk management procedures by focusing on monitoring and reviewing all material controls (financial, operational, and compliance), ensuring that risk mitigation measures are robust, financial information integrity is maintained and an appropriate level of disclosure of the Company's risk framework and internal control system is provided in the Directors' report.

During the year under report, 4 meetings of the audit committee were convened. The attendance of the members of audit committee was as follows:

Sr.	Name of Director	Audit Committee Meetings Attended
1	Mr. Fiaz Qadeer Butt	1 / 4
2	Mr. Mudassar Iqbal	1 / 4
3	Mr. Amjad Abbas	4 / 4

The aforementioned board members, in the mentioned capacities, have been appointed for the next term from June 30, 2024, to June 29, 2027 except for Mr. Muhammad Nawaz who has been succeeded by Mr. Fiaz Qadeer Butt and Mr. Atif Butt who has been succeeded by Mr. Mudassar Iqbal.

#### HUMAN RESOURCE & REMUNERATION COMMITTEE (HR&R):

1.	Mr. Fiaz Qadeer Butt	Chairman HR&R Committee
2.	Mr. Yasir Iqbal	Member
3.	Mr. Amjad Abbas	Member

The HR & R committee has been constituted to address and improve the area of Human Resource Development. The main aim of the committee is to assist the Board and guide the management in the formulation of the market driven HR policies regarding performance management, HR staffing, nominations, compensation and benefits, that are compliant with the laws and regulations. The HR & R Committee also administer nominations for the Board by considering and making recommendations to the Board regarding the Board's committees, the chairmanship of the Board's committees, regular review of the structure, size, and composition of the Board and making necessary recommendations for any required changes.

During the year under report, one meeting of the human resource & remuneration committee was held. The attendance of the members of human resource & remuneration committee was as follows:

Sr.	Name of Director	HR & R Committee Meetings Attended
1	Mr. Fiaz Qadeer Butt	1 / 1
2	Mr. Yasir Iqbal	1 / 1
3	Mr. Amjad Abbas	1 / 1

The aforementioned board members, in the mentioned capacities, have been appointed for the next term from June 30, 2024, to June 29, 2027 except for Mr. Muhammad Nawaz who has been succeeded by Mr. Fiaz Qadeer Butt and Mr. Atif Butt who has been succeeded by Mr. Mudassar Iqbal.

#### RELATED PARTY TRANSACTIONS & INVESTMENT IN ASSOCIATED COMPANIES:

All the related party transactions are disclosed under Note No. 13 of the annexed Notes to the Financial Statements.

It is hereby confirmed that all related party transactions executed during the year under review were conducted with formal approvals or under the binding agreements in compliance with applicable laws and regulations.



**REMUNERATION OF DIRECTORS:**

There is no remuneration or any other fee paid to directors during the financial year ended 30.09.2024.

**PATTERN OF SHAREHOLDING:**

Pattern of shareholding as at September 30, 2024 is annexed.

**AUDITORS:**

The present auditors M/s Zahid Jamil and Company, Chartered Accountants, have completed their term of appointment and offer themselves for reappointment. As recommended by the audit committee the board of directors has endorsed the reappointment as auditors of the company for the financial year ending September 30, 2025. The reappointment of auditors and their remuneration is subject to the approval of members in the forthcoming annual general meeting.

**CORPORATE SOCIAL RESPONSIBILITY (CSR):**

In its efforts to sustain the environment, the Company responded appropriately to curtail flow of wastewater and carbon emissions into the atmosphere. Your Company has a comprehensive air quality measurement program that enables it to identify the limits of pollution parameters in the ambient air in and around the plant site. All of the parameters monitored are well below their respective limits specified in the National Environmental Quality Standards (NEQS).

**ACKNOWLEDGEMENT:**

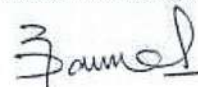
The Board acknowledges the continued support and cooperation extended by the shareholders, bankers, sugarcane farmers and all other stakeholders. The Board also places on record its appreciation for employees of the Company for their devotion and hard work.



**YASIR IQBAL**  
(DIRECTOR)

Lahore: January 06, 2025

On behalf of Board of Directors



**MUHAMMAD DAWOOD**  
(CHIEF EXECUTIVE)

## ڈائریکٹرز رپورٹ برائے ممبران

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

اللہ کے نام سے جو بڑا مہربان اور نہایت رحم والا ہے

محترم اراکین! السلام علیکم:

ڈائریکٹرز بورڈ کو یہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے جو کہ کمپنی کی موجودہ صورت حال، سالانہ آڈٹ شدہ مالیاتی بیانات، تعمیل کی رپورٹ، آڈیٹرز کی رپورٹ اور دیگر متعلقہ دستاویزات پر مشتمل ہے، جو مالی سال 30 ستمبر 2024 کو اختتام پذیر ہوا۔

## معاشی جائزہ:

مالی سال 2024 کے دوران پاکستان کی معیشت نے مختلف چیلنجز اور ہندرتج بھالی کا سامنا کیا، جو بین الاقوامی مالیاتی معاونت اور ملکی پالیسی اقدامات سے ممکن ہوا۔ جی ڈی پی کی شرح نمو 0.92% پر برقرار رہی، جس میں زراعت اور خدمات کے شعبے نے مثبت کردار ادا کیا، جبکہ صنعتی شعبہ سیکڑا کا شکار رہا۔

افراط زر، جو ایک اہم مسئلہ تھا، سال کے آخر تک نمایاں کمی کے ساتھ سنگل ڈیجٹ تک پہنچ گیا، جس کے نتیجے میں اسٹیٹ بینک آف پاکستان نے شرح سود 17.5% کر دی۔ مالیاتی اقدامات سے ٹیکس محصولات میں بہتری آئی، جبکہ 7 بلین ڈالر کے آئی ایم ایف قرضے نے زرمبادلہ کے ذخائر کو مستحکم کرنے اور ساختی اصلاحات کی حمایت کی۔

کے ایس ای-100 انڈیکس نے سرمایہ کاروں کے اعتماد میں اضافے کی بدولت نمایاں ترقی کی۔ تاہم، ساختی کمزوریاں، صنعتی شعبے کی محدودیت، اور پائیدار و جامع ترقی کے حصول کے لیے مضبوط اصلاحات کی ضرورت، موجودہ چیلنجز کو اجاگر کرتی ہیں۔

## کاروباری جائزہ:

مالی سال 2024 کمپنی کے لیے خاصی مشکلات کا حامل رہا کیونکہ مل پورے سال غیر فعال رہی۔ اس کے برعکس، پچھلے مالی سال کے دوران، مل صرف 35 دنوں کے لیے فعال رہی۔ ان چیلنجز کے باوجود، کمپنی نے لاگت کو کنٹرول کرنے اور آپریشنل کارکردگی کو بہتر بنانے پر توجہ مرکوز کرتے ہوئے اپنی مالی حالت کو بہتر بنانے کی بھرپور کوشش کی۔

شیرز ہولڈرز کے غور کے لیے کلیدی آپریشنل اور مالیاتی ڈیٹا مختصر شکل میں منسلک ہے، جو مختصر آڈرنگ ڈیل ہے:

تفصیلات	2024 (روپے)	2023 (روپے)
خالص فروخت	--	385,282,154
مجموعی نقصان	(220,528,678)	(457,974,230)
ٹیکس کے بعد خالص نقصان	(191,533,374)	(283,613,765)
کلیدی کارکردگی کے اشاریے		
مجموعی نقصان فیصد فروخت سے	--	(119)%
خالص نقصان فیصد فروخت سے	--	(74)%
فی شیر نقصان	(2.42)	(3.58)

2023 میں، مل صرف 35 دنوں کے لیے فعال رہی، جس نے اس سال کی مالی کارکردگی کو نمایاں طور پر متاثر کیا۔ 2024 میں مل کی مکمل غیر فعالی نے نقصان کو کم کرنے کے لیے مؤثر لاگت کے انتظام کی ضرورت کو اجاگر کیا۔ مجموعی نقصان 2023 کے (457.97) ملین سے کم ہو کر 2024 میں (220.53) ملین ہو گیا، جو 237.44 ملین (51.8%) کی نمایاں بہتری ہے۔ اسی طرح، ٹیکس کے بعد خالص نقصان 2023 کے (283.61) ملین سے کم ہو کر 2024 میں (191.53) ملین ہو گیا، جو 32.5% کی کمی کو ظاہر کرتا ہے۔ فی شیر نقصان 2023 کے (3.58) سے بہتر ہو کر 2024 میں (2.42) ہو گیا، جس سے شیرز ہولڈرز پر مالی اثر کو کم کرنے میں پیش رفت ظاہر ہوتی ہے۔



### مستقبل کی حکمت عملی:

شوگر ملز کی مالی کارکردگی مسلسل چیلنجز کی عکاسی کرتی ہے، جن میں 2024 میں غیر فعالی شامل ہے، جس کے نتیجے میں گزشتہ سال کی 385.3 ملین روپے کی فروخت کے مقابلے میں کوئی خالص فروخت نہیں ہوئی۔ اگرچہ سال بہ سال مجموعی اور خالص نقصانات میں کمی ہوئی، لیکن آمدنی کی عدم موجودگی آپریشنل اور حکمت عملی کی تبدیلیوں کی فوری ضرورت کو اجاگر کرتی ہے۔ خالص نقصانات میں سال بہ سال کمی واقع ہوئی ہے، لیکن آمدنی کی عدم موجودگی آپریشنل اور اسٹریٹجک تبدیلیوں کی فوری ضرورت کو اجاگر کرتی ہے۔ کلیدی کارکردگی کے اشاریے بہتری ظاہر کرتے ہیں، کیونکہ فروخت کے تناسب سے مجموعی اور خالص نقصانات 2023 کے (119%) اور (74%) سے کم ہوئے ہیں، جو لاگت میں کمی کے اقدامات کی وجہ سے ممکن ہوا۔ تاہم، فروخت کی عدم موجودگی اور فی شیئر (2.42) کا مسلسل نقصان کمپنی کے اہم ہالیوڈ کو ظاہر کرتا ہے۔

### مستقبل کی حکمت عملی اور ترجیحات:

1. آپریشنل بحالی: آپریشنل بحالی آمدنی پیدا کرنے اور مالی صورتحال کو مستحکم کرنے کے لیے ضروری ہے۔ تکنیکی رکاوٹوں کو دور کرنا، مشینری کو اپ گریڈ کرنا، اور گئے کی مستقل سپلائی کو یقینی بنانا اہم ہے۔
2. لاگت کی اصلاح: آپریشنل غیر موثریت اور مقررہ اخراجات کو کم کرنے کی مسلسل کوششیں نقصانات کو کم کرنے میں مددگار ثابت ہو سکتی ہیں۔
3. تنوع (Diversification): ویلیو ایڈڈ مصنوعات جیسے اسٹینڈل، اڑتی کو جزیشن، یادگیر زریعی کاروباروں کو تلاش کرنا متبادل آمدنی کے ذرائع فراہم کر سکتا ہے۔
4. اسٹیک ہولڈرز کے ساتھ روابط: کسانوں، سپلائرز، اور سرمایہ کاروں کے ساتھ اعتماد قائم کرنا اہم ہے۔ کسانوں کو بروقت ادائیگیاں اور مراعات فراہم کرنا خام مال کی سپلائی کو یقینی بنا سکتا ہے، جبکہ سرمایہ کاروں کے ساتھ واضح روابط ان کے اعتماد کو برقرار رکھ سکتا ہے۔
5. قرض اور مالی حکمت عملی: موجودہ ذمہ داریوں کو دوبارہ فنانس کرنا اور اسٹریٹجک شرائط کو داری یا کیو بی کے ذریعے سرمایہ حاصل کرنا کیو بی کے مسائل کو حل کر سکتا ہے۔
6. پالیسی کی حمایت: پالیسی سازوں کے ساتھ روابط قائم کرنا تاکہ گئے کی کاشت اور ملز کے آپریشنز کے لیے سازگار حکومتی پالیسیاں، سبسڈیاں یا مراعات حاصل کی جاسکیں۔

اگرچہ موجودہ صورتحال میں نمایاں چیلنجز ہیں، لیکن نقصانات میں نمایاں کمی موثر لاگت کے انتظام کی نشاندہی کرتی ہے، جو مستقبل میں بحالی کے لیے ایک بنیاد فراہم کرتی ہے۔ کمپنی کا فوکس آپریشنز کو بحال کرنے، لاگت کو بہتر بنانے اور چلک پیدا کرنے پر ہو گا تاکہ طویل مدتی ترقی اور پائیداری کو یقینی بنایا جاسکے۔ شیئر ہولڈرز اور اسٹیک ہولڈرز کی حمایت کے ساتھ، انتظامیہ کو یقین ہے کہ اسٹریٹجک اقدامات کمپنی کو موجودہ مشکلات پر قابو پانے اور منافع بحال کرنے کے قابل بنائیں گے۔

### نقد منافع اور نوٹس شیئرز:

ڈائریکٹرز کے بورڈ نے جمع شدہ نقصانات کی وجہ سے کوئی منافع تقسیم کرنے کی سفارش نہیں کی۔

### کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک:

1. کمپنی کے انتظامیہ کے تیار کردہ مالیاتی بیانات کمپنی کی موجودہ صورتحال، آپریشنز کے نتائج، کیش فلو، اور ایکویٹی میں تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔
2. کمپنی کے صحیح اکاؤنٹس کی کتابیں برقرار رکھی گئی ہیں۔

3. مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیز کو مستقل طور پر لاگو کیا گیا ہے اور اکاؤنٹنگ تخمینے معقول اور محتاط فیصلے پر مبنی ہیں۔
4. مالیاتی بیانات کی تیاری میں پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات کی پیروی کی گئی ہے، اور اس سے کوئی انحراف واضح طور پر بیان کیا گیا ہے۔
5. اندرونی کنٹرول کے نظام، چاہے وہ مالی ہوں یا غیر مالی، ڈیزائن میں مضبوط ہیں اور مؤثر طور پر نافذ اور مانیٹر کیے گئے ہیں۔
6. کمپنی کے بطور "جاری ادارہ" جاری رہنے کی صلاحیت پر کوئی اہم شک نہیں ہے۔
7. ٹیکسز اور ریورٹس سے متعلق معلومات مالیاتی بیانات کے نوٹس میں فراہم کی گئی ہیں۔
8. کارپوریٹ گورننس کے بہترین طریقوں سے کوئی انحراف نہیں ہوا، جیسا کہ لسٹڈ کمپنیز (کارپوریٹ گورننس کوڈ) ریگولیشنز، 2019 میں تفصیل دی گئی ہے۔ اس اثر کی ایک بیان اس رپورٹ کے ساتھ منسلک ہے۔

### خطرے کے انتظام اور اندرونی کنٹرول:

#### مالیاتی داخلی کنٹرول کا نظام:

کمپنی کے تمام سطحوں پر ایک مضبوط مالیاتی داخلی کنٹرول کا نظام تیار اور نافذ کیا گیا ہے۔ یہ نظام کمپنی کے مقاصد کے حصول، آپریشنل موثریت، مؤثر کارکردگی، قابل اعتماد مالی رپورٹنگ، اور قوانین، ضوابط، اور پالیسیوں کی تعمیل کو یقینی بنانے کے لیے مناسب اور مؤثر ڈیزائن پر مبنی ہے۔

#### خطرات کی شناخت اور کمی کے اقدامات:

کمپنی نے خطرات کی شناخت کے لیے ایک مؤثر طریقہ کار تیار کیا ہے اور مناسب کمی کے اقدامات وضع کیے ہیں، جن کی انتظامیہ باقاعدگی سے نگرانی اور عمل درآمد کرتی ہے۔ ان اقدامات کو بورڈ آڈٹ کمیٹی کے سامنے معلومات اور جائزے کے لیے پیش کیا جاتا ہے۔

#### داخلی آڈٹ کا کردار:

داخلی آڈٹ کا شعبہ اس بات کو یقینی بنانے کے لیے ذمہ دار ہے کہ اندرونی کنٹرول اور خطرے کے انتظام کے نظام مؤثر اور مناسب ہیں اور قابل قبول سطح پر خطرات کا انتظام کرتے ہیں۔

#### بورڈ آڈٹ کمیٹی:

بورڈ آڈٹ کمیٹی نے انتظامیہ کے ساتھ باقاعدگی سے ملاقاتیں کی ہیں تاکہ کمپنی کو درپیش خطرات کو سمجھا جاسکے اور کمپنی کے اہم کاروباری امور کا جائزہ لیا جاسکے۔ کمیٹی نے ان نظاموں کی موثریت کا جائزہ لیا ہے تاکہ ایسے خطرات کو کم کیا جاسکے جو کمپنی کے کاروباری مقاصد پر منفی اثر ڈال سکتے ہیں۔

#### ماحولیاتی، سماجی، اور گورننس (ESG) عوامل:

کمپنی نے ماحولیاتی، سماجی، اور گورننس (ESG) عوامل سمیت پائیداری سے متعلق خطرات کا جامع جائزہ لیا ہے۔ اہم خطرات کی نشاندہی کی گئی ہے اور ان خطرات کو منظم کرنے اور کم کرنے کے لیے مضبوط حکمت عملیاں وضع کی گئی ہیں۔ اس میں پائیدار طریقوں کو اپنانا، متعلقہ قوانین کی تعمیل کو یقینی بنانا، اور ممکنہ ESG اثرات کی نگرانی اور ان کا ہمدارک شامل ہے تاکہ ماحولیاتی اثرات کو کم کیا جاسکے اور آپریشنل چک کو بہتر بنایا جاسکے۔

#### تنوع، مساوات، اور شمولیت (DE&I):

کمپنی اپنے تمام آپریشنز میں تنوع، مساوات، اور شمولیت (DE&I) کو فروغ دینے کے لیے پرعزم ہے۔ کمپنی نے پالیسیز اور اقدامات نافذ کیے ہیں جن کا مقصد ایک متنوع اور شمولیتی ماحول پیدا کرنا ہے۔ ان کوششوں کا محور تمام ملازمین کو برابر مواقع فراہم کرنا ہے تاکہ وہ خود کو قدر یافتہ، معزز، اور باختیار محسوس کریں۔ یہ اقدامات کمپنی کے بنیادی اقدار کے ساتھ ہم آہنگ کیے گئے ہیں اور کامیابی اور پائیداری میں معاون ہیں۔



**صنعتی اجرت کے فرق: (Gender Pay Gap)**

کچنی صنعتی امتیاز سے پاک کام کی جگہ کو فروغ دینے کے لیے پر عزم ہے۔ ملازمین کی تنخواہیں مختلف عوامل کی بنیاد پر متعین کی جاتی ہیں، جیسے پیشہ ورانہ تجربہ، ملازمت کا دورانیہ، تعلیم، کام کا کردار، کارکردگی، مارکیٹ کے حالات، اور جغرافیائی مقام۔ معاوضہ میرٹ پر مبنی معیار پر مبنی ہے اور اس میں صنعتی تعصب شامل نہیں ہے۔

**بورڈ آف ڈائریکٹرز:**

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں نے نمایاں مستعدی اور لگن کے ساتھ کام کیا ہے تاکہ کمپنی کو ایک مشکل اقتصادی ماحول میں اپنی صلاحیتوں کے حصول کے لیے رہنمائی فراہم کی جا سکے۔

**بورڈ کی تشکیل:**

لسٹڈ کمپنیز (کارپوریٹ گورننس کوڈ) ریگولیشنز، 2019 کی ضروریات کے مطابق، بورڈ آف ڈائریکٹرز کی موجودہ تشکیل درج ذیل ہے:

کل ڈائریکٹرز کی تعداد: 7

مرد ڈائریکٹرز: 6

خاتون ڈائریکٹرز: 1

مزید، 7 ڈائریکٹرز پر مشتمل بورڈ کی حیثیت کے لحاظ سے تفصیلات درج ذیل ہیں:

(i) آزاد ڈائریکٹرز: 2

(ii) نان ایگزیکٹو ڈائریکٹرز: 3

(iii) ایگزیکٹو ڈائریکٹرز: 2

مالی سال کے اختتام اور اس ڈائریکٹرز کی رپورٹ کی تاریخ کے درمیان، بورڈ آف ڈائریکٹرز میں کوئی اتفاقیہ خالی نشست پیدا نہیں ہوئی۔

**بورڈ کے موجودہ اراکین:**

بورڈ آف ڈائریکٹرز میں درج ذیل اراکین شامل ہیں:

نام	استیثس / ازمرہ
جناب فیاض قدر بٹ محترمہ بلقیس بیگم (خاتون ڈائریکٹر)	آزاد ڈائریکٹرز:
جناب محمد رشید رانا (چیئرمین) جناب امجد عباس جناب مدثر اقبال	نان ایگزیکٹو ڈائریکٹرز:
جناب محمد داؤد (چیف ایگزیکٹو) جناب یاسر اقبال	ایگزیکٹو ڈائریکٹرز:

**بورڈ کا انتخاب:**

بورڈ آف ڈائریکٹرز نے اپنی تین سالہ مدت 30 جون 2024 کو مکمل کی۔ کمپنی کے شیئر ہولڈرز نے 29 جون 2024 کو ہونے والے غیر معمولی جنرل اجلاس میں کمپنیز ایکٹ، 2017 کی دفعہ 159 کے تحت آگلی تین سالہ مدت (یعنی 30 جون 2024 سے 29 جون 2027 تک) کے لیے بورڈ ممبران کو بلا مقابلہ منتخب کیا۔

جناب محمد رشید رانا کو کمپنی کے بورڈ آف ڈائریکٹرز کے چیئرمین اور جناب محمد داؤد کو آئندہ تین سالہ مدت (یعنی 30 جون 2024 سے 29 جون 2027 تک) کے لیے چیف ایگزیکٹو مقرر کیا گیا۔

**بورڈ میٹنگز:**

رپورٹ کے تحت سال کے دوران بورڈ کی 4 میٹنگز ہوئیں۔ بورڈ ممبران کی حاضری درج ذیل ہے:

نمبر	ڈائریکٹر کا نام	میٹنگ میں شرکت کی تفصیل
1	جناب فیاض قدیر بٹ	4/1
2	محترمہ بلقیس بیگم	4/1
3	جناب محمد رشید رانا	4/4
4	جناب امجد عباس	4/4
5	جناب مدثر اقبال	4/1
6	جناب محمد داؤد	4/4
7	جناب یاسر اقبال	4/4

**بورڈ آف ڈائریکٹرز کی کمیٹیاں:**

بورڈ نے اپنی معاونت کے لیے آڈٹ کمیٹی (AC) اور انسانی وسائل و معاوضہ کمیٹی (HRRC) تشکیل دی ہیں۔ ان کمیٹیوں کے ممبران اور ان کے دائرہ کار کی تفصیل درج ذیل ہے:

**آڈٹ کمیٹی: (AC)**

نمبر	نام	عہدہ
1	جناب فیاض قدیر بٹ	چیئرمین آڈٹ کمیٹی
2	جناب مدثر اقبال	ممبر
3	جناب امجد عباس	ممبر

آڈٹ کمیٹی نے بورڈ کو پیش کرنے اور شائع کرنے سے قبل سہ ماہی، ششماہی، اور سالانہ مالیاتی گوشواروں کا جائزہ لیا۔ کمیٹی نے داخلی آڈٹ کی فائنڈنگز کا بھی جائزہ لیا۔ داخلی اور خارجی آڈٹرز کے ساتھ علیحدہ اجلاس منعقد کیے گئے۔ آڈٹ کمیٹی نے بیرونی آڈٹرز کے ساتھ ان کے ٹرانسمیشن لیٹر میں ذکر کیے گئے نکات پر تبادلہ خیال کیا۔ آڈٹ کمیٹی نے رسک مینجمنٹ کے طریقہ کار کی موثریت کا جائزہ بھی لیا، جس میں تمام اہم کنٹرولز (مالیاتی، آپریشنل، اور تعمیل) کی نگرانی اور جائزہ شامل تھا۔ کمیٹی اس بات کو یقینی بناتی ہے کہ خطرے کے خاتمے کے اقدامات مضبوط ہوں، مالیاتی معلومات کی درستگی برقرار رکھی جائے، اور کمپنی کے رسک فریم ورک اور داخلی کنٹرول نظام کی مناسب سطح پر وضاحت ڈائریکٹرز کی رپورٹ میں شامل ہو۔



رپورٹ شدہ سال کے دوران، آڈٹ کمیٹی کی 4 میٹنگز منعقد ہوئیں۔ آڈٹ کمیٹی کے اراکین کی حاضری درج ذیل رہی :

نمبر	ڈائریکٹر کا نام	آڈٹ کمیٹی میٹنگز میں شرکت
1	جناب فیاض قدیر بٹ	4 / 1
2	جناب مدثر اقبال	4 / 1
3	جناب امجد عباس	4 / 4

مندرجہ بالا بورڈ اراکین کو ان کے مذکورہ عہدوں کے لیے اگلی مدت (30 جون 2024 سے 29 جون 2027 تک) کے لیے مقرر کیا گیا ہے، سوائے جناب محمد نواز کے جن کی جگہ جناب فیاض قدیر بٹ اور جناب عاطف بٹ کے جن کی جگہ جناب مدثر اقبال مقرر ہوئے ہیں۔

#### انسانی وسائل و معاوضہ کمیٹی (HR & R)

نمبر	نام	عہدہ
1	جناب فیاض قدیر بٹ	چیئر مین HR & R کمیٹی
2	جناب یاسر اقبال	ممبر
3	جناب امجد عباس	ممبر

یہ کمیٹی انسانی وسائل کی ترقی کے شعبے کو بہتر بنانے کے لیے تشکیل دی گئی ہے۔ کمیٹی کا بنیادی مقصد بورڈ کی معاونت اور انتظامیہ کو ایسی مارکیٹ پر مبنی پالیسیوں کی تشکیل میں رہنمائی فراہم کرنا ہے جو کارکردگی، منجمنت، انسانی وسائل کی بھرتی، نامزدگیاں، معاوضے، اور مراعات کے حوالے سے قوانین اور ضوابط سے ہم آہنگ ہوں۔ HR & R کمیٹی بورڈ کے لیے نامزدگیاں بھی دیکھتی ہے، بورڈ کمیٹیوں کی تشکیل اور ان کے سربراہان کی نامزدگی پر سفارشات فراہم کرتی ہے، اور بورڈ کے ڈھانچے، حجم، اور ترکیب کا باقاعدہ جائزہ لے کر ضروری تبدیلیاں تجویز کرتی ہے۔

رپورٹ شدہ سال کے دوران، انسانی وسائل و معاوضہ کمیٹی کی ایک میٹنگ منعقد ہوئی۔ اراکین کی حاضری درج ذیل رہی :

نمبر	نام	HR & R میٹنگز میں شرکت
1	جناب فیاض قدیر بٹ	1/1
2	جناب یاسر اقبال	1/1
3	جناب امجد عباس	1/1

مندرجہ بالا بورڈ اراکین کو ان کے مذکورہ عہدوں کے لیے اگلی مدت (30 جون 2024 سے 29 جون 2027 تک) کے لیے مقرر کیا گیا ہے، سوائے جناب محمد نواز کے جن کی جگہ جناب فیاض قدیر بٹ اور جناب عاطف بٹ کے جن کی جگہ جناب مدثر اقبال مقرر ہوئے ہیں۔

#### متعلقہ پارٹی لین دین اور منسلک کمپنیوں میں سرمایہ کاری :

تمام متعلقہ پارٹی لین دین کو مالیاتی گوشواروں کے ساتھ منسلک نوٹ نمبر 13 میں ظاہر کیا گیا ہے۔

یہ تصدیق کی جاتی ہے کہ جائزہ شدہ سال کے دوران کیے گئے تمام متعلقہ پارٹی لین دین باقاعدہ منظوریوں کے ساتھ یا لازمی معاہدوں کے تحت قوانین اور ضوابط کے مطابق انجام دیے گئے۔

ڈائریکٹرز کی معاوضہ:

مالی سال 30 ستمبر 2024 کو ختم ہونے والے دوران ڈائریکٹرز کو کوئی معاوضہ یا کوئی اور فیس ادا نہیں کی گئی۔

شیئر ہولڈنگ کا پیٹرن:

30 ستمبر 2024 تک شیئر ہولڈنگ کا پیٹرن منسلک کیا گیا ہے۔

آڈیٹرز:

موجودہ آڈیٹرز، زاہد جمیل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، نے اپنی تعیناتی کی مدت مکمل کر لی ہے اور دو بارہ تقرری کے لیے پیش ہیں۔ آڈٹ کمیٹی کی سفارش پر، بورڈ آف ڈائریکٹرز نے انہیں مالی سال 30 ستمبر 2025 تک کمپنی کے آڈیٹرز کے طور پر دو بارہ تعینات کرنے کی منظوری دی ہے۔ آڈیٹرز کی دو بارہ تعیناتی اور ان کی فیس آئندہ سالانہ جرنل میٹنگ میں ممبران کی منظوری سے مشروط ہوگی۔

کارپوریٹ سوشل ریسپانسیبلیٹی (CSR):

ماحولیاتی استحکام کی کوششوں کے تحت، کمپنی نے فضلے کے پانی کے بہاؤ اور کاربن کے اخراج کو کم کرنے کے لیے مناسب اقدامات کیے ہیں۔ کمپنی کے پاس ایک جامع ایئر کوالٹی مانیٹرنگ پروگرام ہے، جو پلانٹ کی جگہ کے اندر اور اس کے آس پاس ماحولیاتی ہوائیں آلودگی کے عوامل کی حدود کو شناخت کرنے کے قابل بناتا ہے۔ نگرانی کیے گئے تمام عوامل قومی ماحولیاتی معیار (NEQS) میں بیان کردہ حدود سے نیچے ہیں۔

شکریہ:

بورڈ شیئر ہولڈرز، بینکرز، گنے کے کاشیکاروں، اور دیگر تمام اسٹیک ہولڈرز کی مسلسل حمایت اور تعاون کو تسلیم کرتا ہے۔ بورڈ کمپنی کے ملازمین کی لگن اور محنت کو بھی سراہتا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

محمد داؤد  
(چیف ایگزیکٹو)

سجاد علی  
یا سراقال  
(ڈائریکٹر)

لاہور:

6 جنوری 2025



## 6 YEARS OPERATING HIGHLIGHTS

(Figure in Thousand)

	2024	2023	2022	2021	2020	2019
<b>OPERATING HIGHLIGHTS</b>						
Gross sales		502,407	-	-	68,360	168,625
Net sales		385,282	-	-	58,427	153,110
Cost of sales	220,529	843,256	195,595	200,934	260,827	327,372
Gross profit	(220,529)	(457,974)	(195,595)	(200,934)	(202,400)	(174,262)
Administrative and selling expenses	14,905	33,666	25,729	31,066	14,465	21,565
<b>Operating Profit / (Loss)</b>	<b>(235,434)</b>	<b>(491,641)</b>	<b>(221,324)</b>	<b>(232,000)</b>	<b>(216,865)</b>	<b>(195,826)</b>
Interest expenses	195,265	149,876	88,642	35,024	77,878	62,811
Other expenses	-	-	-	-	-	-
Other income	208,201	448,049	239	92,410	-	-
Profit before taxation	(222,498)	(193,468)	(309,727)	(174,615)	(294,743)	(258,637)
Profit after taxation	(191,533)	(283,614)	(319,537)	(222,152)	(209,298)	(54,022)
Basic earnings per share Rs.	(2.42)	(3.58)	(4.03)	(2.80)	(2.64)	(0.68)
<b>PRODUCTION DATA</b>						
Crushing days		35	-	-	-	38
Cane Crushed	TPD	1,236	-	-	-	652
Sugar production	M.Tons	3,902	-	-	-	1,755
Sugar recovery	% age	9.23	-	-	-	7.33
Molasses production	M.Tons	2,170	-	-	-	1,600
Molasses recovery	% age	5.03	-	-	-	6.59

**PATTERN OF SHAREHOLDING AS AT SEPTEMBER 30,2024**

FORM "34" THE COMPANIES ACT 2017 (Section 227)(2)(f)

1 Incorporation Number

2 Name of Company

3 Pattern of holding of the shares held by the shareholding as 30-09-2024

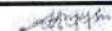
# Of Shareholders	Shareholdings'Slab			Total Shares Held
769	1	to	100	59,218
678	101	to	500	256,657
153	501	to	1000	139,697
187	1001	to	5000	540,783
60	5001	to	10000	479,112
19	10001	to	15000	246,247
21	15001	to	20000	395,193
3	20001	to	25000	73,669
8	25001	to	30000	230,200
5	30001	to	35000	167,200
6	35001	to	40000	228,001
2	40001	to	45000	84,500
5	45001	to	50000	245,850
2	50001	to	55000	104,555
4	55001	to	60000	231,500
3	60001	to	65000	195,000
1	65001	to	70000	68,000
3	70001	to	75000	220,000
1	75001	to	80000	76,000
2	80001	to	85000	166,000
1	85001	to	90000	90,000
1	90001	to	95000	94,500
1	95001	to	100000	95,389
2	100001	to	105000	204,400
1	105001	to	110000	108,500
1	110001	to	115000	114,109
1	120001	to	125000	123,100
1	165001	to	170000	167,000
1	175001	to	180000	175,575
1	195001	to	200000	200,000
1	215001	to	220000	220,000
1	270001	to	275000	270,202
1	305001	to	310000	305,500
1	345001	to	350000	346,500
1	495001	to	500000	500,000
1	530001	to	535000	530,500
1	2030001	to	2035000	2,033,500
1	2880001	to	2885000	2,883,000
1	4495001	to	4500000	4,500,000
1	62090001	to	62095000	62,092,509
<b>1953</b>				<b>79,261,666</b>

## CATEGORIES OF SHAREHOLDING AS AT SEPTEMBER 30, 2024

Categories of Shareholders	Shareholders	Shares Held	Percentage	
<b>Directors and their spouse(s) and minor children</b>				
MR. FAIZ QADEER BUTT		1	100	0.00
MUHAMMAD RASHID RANA		1	400	0.00
YASIR IQBAL		1	400	0.00
MR. MUHAMMAD DAWOOD		1	400	0.00
MR. AMJAD ABBAS		1	100	0.00
MR. MUDDSSAR IQBAL		1	100	0.00
MRS. BILQEES BEGUM		1	100	0.00
<b>Associated Companies, undertakings and related parties</b>				
HAQ BAHU SUGAR MILLS (PVT) LTD		2	62,215,609	78.49
NIT and ICP		1	20,000	0.03
<b>Executives</b>				
Banks, development finance institutions, non-banking finance companies,		2	433	0.00
Insurance Companies		1	500	0.00
Mutual Funds and Modarabas		1	101,400	0.13
<b>General Public</b>				
	a. Local	1,911	16,649,572	21.01
	b. Foreign	15	102,274	0.13
<b>Others</b>				
		13	170,278	0.21
<b>Totals</b>		<b>1,953</b>	<b>79,261,666</b>	<b>100.00</b>

Share holders holding 10% or more	Shares Held	Percentage	
6776	HAQ BAHU SUGAR MILLS (PVT) LTD	123,100	78.49
03525-70701	HAQ BAHU SUGAR MILLS (PVT) LTD	62,092,509	

6 Signature of Company Secretary



7 Name of Signatory

Saleem Abbas

8 Designation

Company Secretary

9 CNIC Number

32304-8810990-5

10 Date

9/30/2024



## INDEPENDENT AUDITOR'S REPORT

To the members of **ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED**  
Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of **ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED**, which comprise the statement of financial position as at **September 30, 2024**, and the statement of profit or loss, the statement of other 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 other 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 September 30, 2024 and of the loss, other 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.

### Material Uncertainty Relating to Going Concern

We draw attention to Note 2, which indicates that as at statement of financial position date, the Company incurred a net loss before tax of Rs.222,498,716/- (2023: Rs.193,468,246/-) in the current year including depreciation of Rs.152,904,200/- (2023: Rs.161,601,329/-). The current liabilities exceed the current assets by an amount of Rs. 2,694,161,239 /- (2023: Rs. 2,723,732,256/-) and its accumulated loss stands out at Rs.2,548,814,371/- (2023: Rs. 2,420,228,387/-). The operations of the company also remained closed during the year and there was no crushing done during the year. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and therefore the Company may not be able to realize its assets and discharge its liabilities in the normal course of business. However, these financial statements have been prepared on "going concern basis" in consideration of mitigating factors mentioned in Note 2 of these financial statements. Our opinion is not modified in respect of this matter.



### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current 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. We have determined the matters below to be the key audit matters to be communicated in our report.

### Following are the key audit matters:

Key audit matter	How the matter was addressed in our audit
<p><b>Creditors and advances from customers</b> As referred in note 16 to the accompanying financial statements, the creditors and advances from customers represent a significant portion of the financial statements in the context of materiality, therefore these areas have been determined as key audit matter to be reported.</p>	<p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> <li>- obtained list of parties and circularized confirmations on sample basis.</li> <li>- performed arithmetic tests and analytical procedures.</li> <li>- checked that the Company has performance obligation outstanding to creditors and customers.</li> <li>- checked that appropriate presentation and disclosure is made in the financial statements.</li> </ul>
<p><b>Pending litigations</b> As referred in note no. 20.1. to the accompanying financial statements, the Company faces a number of pending litigations. There is a high level of judgment required in estimating the level of provisioning and/or the level of disclosure required. Where the impact of possible and present obligations is not probable or not reliably measurable, and thus no provision is recorded, failure to adequately disclose the nature of these circumstances within the financial statements may distort the reader's view as to the potential risks faced by the Company. Given the nature and amounts involved in such cases and the appellate forums at which these are pending, the ultimate outcome and the resultant accounting in the financial statements is subject to significant judgment, which can change over time as new facts emerge and each legal case progresses, and therefore, we have identified this as key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- circularized confirmations to relevant third-party legal representatives;</li> <li>- assessed management's processes to identify new possible obligations and changes in existing obligations for compliance with Company policy and IAS 37 requirements;</li> <li>- analyzed significant changes from prior periods and obtained a detailed understanding of these items and assumptions applied</li> <li>- reviewed the subsequent position of pending litigations and</li> <li>- assessed the adequacy of disclosures in note no. 20.1. to the financial statements.</li> </ul>





<p><b>Revenue recognition</b></p> <p>As referred in note no. 4.15 and 21 to the accompanying financial statements, the Company had no revenue in the current financial year, whereas it had generated sufficient revenue in the preceding fiscal year.</p> <p>We identified the revenue recognition as a key audit matter as it is one of the Key Performance Indicators of the Company and gives rise to an inherent risk of material misstatement.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- obtained an understanding of the process relating to recording of revenue and testing the design, implementation and operating effectiveness of relevant key internal controls over recording of revenue.</li> <li>- assessed the appropriateness of the Company's accounting policy for recording of revenue and its compliance with International Financial Reporting Standard - Revenue from contracts with customers (IFRS 15).</li> <li>- reviewed a sample of contractual arrangements entered into by the Company with its customers and checking the performance obligations involved, transaction price and recognition of revenue based on satisfaction of performance obligation.</li> <li>- compared a sample of sale transactions recorded before and after the year end with relevant underlying documentation to assess whether revenue has been recorded in the correct accounting period.</li> <li>- assessed the adequacy of disclosures in the financial statements to be in accordance with the applicable accounting and reporting standard.</li> </ul>
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**Information other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the information 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.

Based on the work, we have performed as to report any material misstatement of this other information; 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 is 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.





### 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 period were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Adeel Anwar (ACA).

*Zahid Jamil & Co.*

Chartered Accountants

Place: Lahore

Date: January 06, 2025

UDIN: AR202410366fzbFTBMvN



**STATEMENT OF COMPLIANCE  
WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE)  
REGULATIONS, 2019**

Name of Company: **ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED**

Year Ended: **September 30, 2024**

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

The total number of directors is seven as per the following:

- a Male: 6  
b Female: 1

2 The composition of the board is as follows:

Category	Names
<b>Independent Directors</b>	Mr. Fiaz Qadeer Butt Mst. Bilqees Begum
<b>Non-Executive Directors</b>	Mr. Amjad Abbas Mr. Muddssar Iqbal Mr. Muhammad Rasheed Rana
<b>Executive Directors</b>	Mr. Muhammad Dawood Mr. Yasir Iqbal
<b>Female Directors</b>	Mst. Bilqees Begum

- 3 The directors have confirmed that none of them is serving as a director on more than seven listed Companies including this, Company.
- 4 The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- 5 The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
- 6 All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
- 8 The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.



- 9 Five members of the Board have requisite education and experience on the Board(s) of listed companies and are exempt from Directors' Training Program. Three directors have already completed training course as required.
- 10 The board has approved appointment of CFO, Company Secretary and head of internal audit, including their remuneration, terms, and conditions of employment complied with relevant requirements of the regulations.
- 11 Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board.
- 12 The Board has formed committees comprising of members given below:

Names of Committee	Names of Members and Chairman
Audit Committee	Mr. Fiaz Qadeer Butt (Chairman/Member) Mr. Muddssar Iqbal (Member) Mr. Amjad Abbas (Member)
Human Resource and Remuneration Committee	Mr. Fiaz Qadeer Butt (Chairman/Member) Mr. Muddssar Iqbal (Member) Mr. Amjad Abbas (Member)

- 13 The term of reference of the aforesaid committee have been formed, documented and advised to the committee for compliance.
- 14 The frequency of meetings (quarterly/half yearly/ yearly) were as per following:
- a Audit Committee Quarterly
- b HR&R Committee Yearly
- 15 The Board has set up an effective outsourced internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
- 16 The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, Company secretary or director of the Company.
- 17 The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 18 We confirm that all other requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the regulations have been complied with.

- 19 Explanation for noncompliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below;

Sr. No.	Requirements	Explanations	Regulations No.
1	Constitution of Risk Management Committee	The function of risk of management committee are currently performed by chief internal auditor who apprises the board accordingly.	30
2	Disclosure of Significant Policies on Website	The company intends to disclose its significant policies on website before the close of current fiscal year.	35

On behalf of the board of director



**Muhammad Rasheed Rana**  
(Chairman)

Lahore

6 January 2025



**Independent Auditor's Review Report****Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Abdullah Shah Ghazi Sugar Mills Limited (the Company) for the year ended **September 30, 2024** in accordance with the requirements of regulation 36 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.

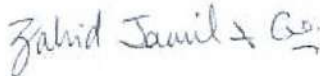
As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control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

Following instances of non-compliance with the requirement of the Regulations were observed which is not explained in the Statement of Compliance:

- i) There is no female director in Company. (Regulation number 7)
- ii) Risk management committee has not been constituted (Regulation number 30).

Based on our review, except for the above instances of non-compliance, 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 2024.

**ZAHID JAMIL & CO.****CHARTERED ACCOUNTANTS**

Place: Lahore

(Engagement Partner: Adeel Anwar, ACA)

Date: January 06, 2025

UDIN: CR2024103664CziUEyxW



**STATEMENT OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2024**

	NOTE	2024 RUPEES	2023 RUPEES
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5.	3,239,137,229	3,392,202,188
<b>CURRENT ASSETS</b>			
Stores and spares		54,291,647	38,974,131
Stock in trade	6.	-	194,400
Advances	7.	23,290,605	83,632,857
Other receivables	8	302,735	16,117,735
Tax refunds due from the government	9.	13,241,394	8,116,831
Cash and bank balances	10.	1,292,593	3,344,710
		92,418,974	150,380,664
		<u>3,331,556,203</u>	<u>3,542,582,852</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital			
Authorised			
100,000,000 (2023: 100,000,000)		1,000,000,000	1,000,000,000
Ordinary shares of Rs. 10/- each		<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and paid-up	11.	792,616,660	792,616,660
Capital reserve			
Surplus on revaluation of property, plant and equipment - net	12.	1,110,654,739	1,171,239,257
Revenue reserve:			
Accumulated loss	12.	(2,548,814,371)	(2,420,228,387)
		(645,542,972)	(456,372,470)
<b>NON-CURRENT LIABILITIES</b>			
Long term loan from related party - unsecured	13.	731,369,788	622,073,947
Long term financing	14.	236,028,000	247,000,000
Deferred liabilities	15.	223,121,174	255,768,455
		1,190,518,962	1,124,842,402
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16.	2,188,946,493	2,450,313,226
Accrued mark-up	17.	567,688,720	393,854,694
Short term borrowings	18.	18,973,000	18,973,000
Current portion of long term financing	19.	10,972,000	10,972,000
		2,786,580,213	2,874,112,920
<b>CONTINGENCIES AND COMMITMENTS</b>			
	20.	-	-
		<u>3,331,556,203</u>	<u>3,542,582,852</u>

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

		
CHIEF EXECUTIVE OFFICER	DIRECTOR	CHIEF FINANCIAL OFFICER

**STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	NOTE	2024 RUPEES	2023 RUPEES
Sales - net	21.	-	385,282,154
Cost of sales	22.	220,528,678	843,256,384
Gross loss		(220,528,678)	(457,974,230)
Administrative and general expenses	23.	14,905,419	33,666,356
Operating loss		(235,434,097)	(491,640,586)
Other income	24.	208,200,655	448,048,713
Loss before interest and tax		(27,233,442)	(43,591,873)
Finance cost	25.	195,265,274	149,876,373
Loss before tax		(222,498,716)	(193,468,246)
Taxation	26.	30,965,342	(90,145,519)
Loss for the year		(191,533,374)	(283,613,765)
Loss per share - basic and diluted	27.	(2.42)	(3.58)

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

		
CHIEF EXECUTIVE OFFICER	DIRECTOR	CHIEF FINANCIAL OFFICER

**STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	NOTE	2024 RUPEES	2023 RUPEES
Loss for the year		(191,533,374)	(283,613,765)
Other comprehensive income:			
Items that will not be subsequently reclassified to statement of profit or loss:			
Re-measurement of defined benefit liability - net of deferred tax	15.1.5.	2,362,872	561,966
Total comprehensive loss for the year		<u>(189,170,503)</u>	<u>(283,051,799)</u>

The annexed notes 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, 2024**

	Reserves			Total Reserves	Total Equity
	Capital	Revenue	Accumulated Loss		
	Surplus on Revaluation of PPE (Net)				
<b>RUPEES</b>					
<b>Balance as at September 30, 2022</b>	792,616,660	1,235,349,333	(2,201,286,664)	(965,937,331)	(173,320,671)
Loss for the year ended September 30, 2023	-	-	(283,613,765)	(283,613,765)	(283,613,765)
Other comprehensive income	-	-	561,966	561,966	561,966
	-	-	(283,051,799)	(283,051,799)	(283,051,799)
Incremental depreciation on property, plant and equipment for the year (net of deferred taxation)	-	(64,110,076)	64,110,076	-	-
<b>Balance as at September 30, 2023</b>	792,616,660	1,171,239,257	(2,420,228,387)	(1,248,989,130)	(456,372,470)
Loss for the year ended September 30, 2024	-	-	(191,533,374)	(191,533,374)	(191,533,374)
Other comprehensive income	-	-	2,362,872	2,362,872	2,362,872
	-	-	(189,170,503)	(189,170,503)	(189,170,503)
Incremental depreciation on property, plant and equipment for the year (net of deferred taxation)	-	(60,584,518)	60,584,518	-	-
<b>Balance as at September 30, 2024</b>	792,616,660	1,110,654,739	(2,548,814,371)	(1,438,159,632)	(645,542,973)

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


		
CHIEF EXECUTIVE OFFICER	DIRECTOR	CHIEF FINANCIAL OFFICER

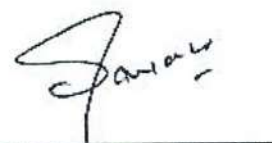
**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<b>2024</b>	<b>2023</b>
	<b>RUPEES</b>	<b>RUPEES</b>
<b>A-CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(222,498,716)	(193,468,246)
Adjustments for non-cash income and expenses:		
Depreciation	152,904,200	161,601,329
Financial charges	174,723,689	149,876,373
Provision for gratuity	942,808	1,849,869
Long term deposits written-off	-	1,826,165
Gain on vehicle	(2,807,239)	-
Creditor written-back	(205,393,416)	(355,449,945)
	120,370,042	(40,296,209)
Cash flows before working capital changes	(102,128,674)	(233,764,454)
Effect on cash flows due to changes in working capital:		
<b>(Increase) / decrease in current assets :</b>		
Stores and spares	(15,317,516)	1,380,973
Stock in trade	194,400	150,717,086
Advances	60,342,252	(714,733)
Other receivables	15,815,000	(62,963)
Tax refunds due from the government	(4,701,394)	(4,451,660)
	56,332,742	146,868,702
<b>Increase/(decrease) in current liabilities :</b>		
Trade and other payables	(55,973,318)	340,937,854
Cash (used in) / generated from operations	(101,769,250)	254,042,102
Income tax paid	(423,169)	(4,885,204)
Finance cost paid	(889,664)	(120,286,789)
Gratuity paid	(261,875)	(950,220)
	(1,574,708)	(126,122,213)
Net cash (used in) / generated from operating activities	(103,343,958)	127,919,889
<b>B-CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for acquisition of property, plant and equipment	(22,000)	(362,454,729)
Net cash used in investing activities	(22,000)	(362,454,729)
<b>C-CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments against long term financing	(10,972,000)	(15,798,518)
Proceeds from sales of assets	2,990,000	-
Proceeds from long term loan from related party	109,295,841	250,608,917
Net cash generated from financing activities	101,313,841	234,810,399
<b>Net (decrease)/ increase in cash and bank balances (A+B+C)</b>	(2,052,117)	275,559
<b>Cash and bank balances at the beginning of the year</b>	3,344,710	3,069,151
<b>Cash and bank balances at the end of the year</b>	1,292,593	3,344,710

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

  
CHIEF EXECUTIV OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2024

### 1. STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan on February 25, 1984 as a Private Limited Company and was subsequently converted into a Public Limited Company on February 11, 1990. The Company is listed on Pakistan Stock Exchange. The principal business of the Company is manufacturing and selling of refined sugar and by-products.

The Company has been classified as Public Interest Company as per the guidelines of SECP and ICAP.

Business Unit	Geographical Location
■ Head / Registered Office	Registered office of the Company is situated at 7/10, A-2 Arkay Square, Shahra - e - Liaquat, New Challi, Karachi.
■ Mills / Plant	Garho, District Thatta, Sindh, Pakistan.

### 2. MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

The financial statements of the Company for the year ended September 30, 2024, show that the Company incurred a net loss before tax of 222,498,716 (2023: Rs. 193,468,246/-) in the current year including depreciation of Rs.152,904,200/- (2023: Rs.161,601,329/-). The current liabilities exceed the current assets by an amount of Rs 2,694,161,239/- (2023: Rs 2,723,732,256/-) and its accumulated loss stands out at Rs 2,548,814,371/- (2023 Rs 2,420,228,387/-). These conditions indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as going concern and therefore the Company may not be able to realize its assets and discharge its liabilities in the normal course of business. In spite of the above-stated circumstances, the management of the Company considers that the going concern assumption used for the preparation of these financial statements is appropriate due to the following mitigating factors:

- (a) Arbitration efforts to resolve issues with TCP are underway and it is expected that the Company will be able to settle the subject amount in a favorable and sustainable manner. Also see note no.20.1. (a) and (b).
- (b) The sponsors have unconditional commitment to enable Company to continue as a going concern.
- (c) The financing arrangement with Bank Islami Pakistan Limited has been successfully restructured. As per the restructured agreement, the loan will be repaid in installments upto June 30, 2032. The Bank Islami Limited had filed a recovery suit for Rs. 360,907,225 on account of loan recovery against the Company, on May 2021, which will be withdrawn on completion of payments under restructuring agreement. Further details regarding the legal proceedings have been disclosed in note 20.1. (c).

Accordingly, these financial statements have been prepared on going concern basis.

### 3. BASIS OF PREPARATION

#### 3.1 Statement of Compliance

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

- International Financial Reporting Standards (IFRSs) 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 IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### 3.2 Basis of Measurement

These financial statements have been prepared under the historicalcost convention except of certain classes of property, plant and equipment which are stated at revalued amount and employee retirement benefits which are stated at fair value.

#### 3.3 Functional and Presentation Currency

These financial statements are presented in Pak (Rs./ Rupees), which is the Company's functional and presentation currency. All financial information presented in Pak Rupee has been rounded off to the nearest Rupee unless stated otherwise.



### 3.4 Accounting Policies

The accounting policies adopted for the preparation of these financial statements are consistent with those applied in the preparation of the preceding annual financial statements of the Company for the year ended September 30, 2023, to the extent and manner stated.

### 3.5 Change in Accounting Standards, Interpretations and Amendments to Published Approved Accounting Standards

The following new standards and interpretations are not effective for the financial year beginning on October 01, 2023 and have not been early adopted by the Company:

	Effective date (annual reporting periods beginning on or after)
Amendments to IAS 7 'Statement of Cash Flows'	January 1, 2024
Amendments to IFRS 10 and 28 -Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely
Amendments to IFRS 7 'Financial Instruments'	January 1, 2024
Amendments to IFRS 16 'Leases'	January 1, 2024

The management anticipates that adoption of above amendments in future periods will have no material impact on the financial statements other than in presentation / disclosures.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1 First-time Adoption of International Financial Reporting Standards  
IFRS 17 Insurance Contracts

The following interpretations issued by the IASB have been waived off by SECP:

IFRIC 4 Determining whether an arrangement contains lease  
IFRIC 12 Service Concession Arrangements

### 3.6. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In process of applying the Company's accounting policies, the management has made following estimates and judgements which are significant to financial statements:

- (i) Useful life, residual value and depreciation method of property, plant and equipment (notes 4.1 & 5)
- (ii) Stores and spares (note 4.2)
- (iii) Stock-in-trade (notes 4.3 & 7)
- (iv) Measurement of defined benefit obligation - Key actuarial assumptions (notes 4.11 & 15.1.6)
- (v) Provision for taxation (notes 4.12 & 26 )
- (vi) Provisions (note 4.14)
- (vii) Impairment (note 4.16)

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### 4.1 Property, Plant and Equipment

###### (a) Operating Fixed Assets

- Fixed assets including additions are stated at cost less accumulated depreciation and less accumulated impairment loss if any, except that certain assets which are stated at revalued amount less accumulated depreciation and less accumulated impairment loss if any.
- Depreciation on operating fixed assets is provided on the reducing balance method over its useful life at the rates specified in the operating fixed assets schedule.
- Depreciation is charged to income applying the reducing balance method at the rates specified in property, plant and equipment note. In respect of additions and disposals during the year, depreciation is charged from the date of acquisition or capitalisation, up to the date preceding the day of disposal respectively. Depreciation on factory building, plant and machinery, electric installation, tools and equipment, tents and tarpaulins, and scales and weighbridges is charged to cost of goods manufactured and the rest is charged to administrative and general expenses.
- Subsequent costs are included in the asset's carrying amounts 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 Company and the cost of the item can be measured reliably.
- Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major repairs and improvements, which increase the asset's remaining useful economic life or the performance beyond the current estimated levels, are capitalized.
- Gain or loss on scrapping or disposal of assets, if any, is charged to statement of profit or loss.
- The incremental depreciation charged on revalued assets during the year is transferred to retained earnings/accumulated loss to record realization of surplus to the extent of incremental depreciation.

###### (b) Capital Work in Progress

Capital work in progress is stated at cost less identified impairment losses, if any. All expenditure including applicable borrowing costs, if any, connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these are available for use.

###### (c) Revaluation

Operating fixed assets are stated at revalued amount being the fair value at the date of revaluation, less any subsequent accumulated depreciation and accumulated impairment losses, if any. Revaluations are performed with sufficient regularity so that the fair value and carrying value do not differ materially at the date of statement of financial position. Increases in the carrying amounts arising on revaluation of fixed assets are recognised, net of tax (other than on land), in other comprehensive income and accumulated in revaluation surplus in shareholders' equity and to the extent that increase reverses a decrease previously recognised in the statement of profit or loss, the increase is first recognised in the statement of profit or loss. Decreases, that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property, plant and equipment to accumulated loss. Depreciation is charged to income applying reducing balance method to write-off the cost over the estimated remaining useful life of assets. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

The revaluation reserve is not available for distribution to the Company's shareholders.

#### 4.2 Stores and Spares

Stores and spares and loose tools are valued at lower of cost, which is calculated according to moving average cost, and net realizable value. The cost is determined using weighted average method.

Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make the sale.

Stores in transit are valued at invoice values including other charges, if any, incurred thereon.

#### 4.3 Stock-in-trade

These are valued at lower of cost and net realizable value. The cost is determined as follows:

Raw materials:	Weighted average cost
Goods in transit:	Cost comprising invoice value plus other charges incurred thereon.
Work in process:	Weighted average manufacturing cost
Finished goods:	Average manufacturing cost
Molasses:	Contracted price / net realizable value

Net realizable value signifies the estimated selling price in ordinary course of business less expenses necessary to be incurred in order to make the sale.

#### 4.4 Advances & Taxes Receivable

These are carried at cost less provision made for doubtful receivables based on review of all outstanding amounts at the year end. Advances or taxes receivable considered irrecoverable are written off.

#### 4.5 Cash and Cash Equivalent

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

#### 4.6 Financial Instruments

All the financial assets and liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset or a portion of a financial asset when, and only when, the enterprise loses control of the contractual rights that comprise the financial asset or portion of the financial asset. While a financial liability or part of a financial liability is derecognized from the statement of financial position, when, and only when it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expires.

##### (a) Financial Assets

Financial assets may include long term deposits, short term loans and advances, other receivable and cash and bank balances. These are initially recognized at cost which represent fair value of consideration given for them. Subsequent to initial recognition, financial assets are carried at cost, if fair value is not materially different at the date of statement of financial position.

##### (b) Financial Liabilities

Financial liabilities are classified according to the substance of the contractual agreements entered into. Significant financial liabilities are long term loans, short term finances and trade and other payables. All financial liabilities are initially recognized at cost, which represents fair value of the consideration received at initial recognition. After initial recognition, financial liabilities held for trading are carried at fair value and all other financial liabilities are measured at amortized cost.

#### 4.7 Financial Assets Classification

Effective October 01, 2020, the Company classifies its financial assets in the following measurement categories:

- (i) Amortised cost where the effective interest rate method will apply;
- (ii) Fair value through profit or loss; and
- (iii) Fair value through other comprehensive income.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit or loss or other comprehensive income (OCI).



**Recognition and Derecognition**

Regular-way purchases and sales of financial assets are recognised on trade-date, which is the date on which the Company commits to purchase or sell the asset. Further, financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

**Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

**Definition of Default**

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

**Impairment of Financial Assets**

Effective October 01, 2020, the Company assesses on a historical as well as forward-looking basis, the expected credit loss (ECL) as associated with its trade debts. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the ECL model:

- Trade debts
- Cash and bank balances

**Simplified Approach for Trade Debts**

The Company recognises life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

**Recognition of Loss Allowance**

The Company recognises an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

**Write-off**

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

**Financial Liabilities****Classification, Initial Recognition and Subsequent Measurement**

Financial liabilities are classified in the following categories:

- i) Fair value through profit or loss; and
- ii) Other financial liabilities.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in case of other financial liabilities, also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

**Fair value through Profit or Loss**

Financial liabilities at fair value through profit or loss include financial liabilities held-for trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

**Other Financial Liabilities**

After initial recognition, other financial liabilities, which are interest bearing, are subsequently measured at amortised cost, using the effective interest rate method. Gains and losses are recognised in profit or loss for the year, when the liabilities are derecognised as well as through effective interest rate amortisation process.

**Derecognition of Financial Liabilities**

The Company derecognises financial liabilities when and only when the Company's obligations are discharged, cancelled or expired.

**4.8 Off Setting of Financial Instruments**

A financial asset and a financial liability are 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.

**4.9 Issued, Subscribed and Paid-up Capital**

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**4.10 Borrowings**

Loans and borrowings are recorded at their fair value being the proceeds received. Financial charges are accounted for by applying effective interest rate method and included in accrued liabilities.

**4.11 Staff Retirement Benefits**

The Company operates an un-funded gratuity scheme covering all employees eligible to the benefit. Provisions are made on the basis of actuarial recommendations. The actuarial valuations are carried out as at 30th September 2024, using the Projected Unit Credit Method, as required by International Accounting Standards (IAS-19).

The amount recognized in statement of financial position represents the present value of the defined benefit obligation as on 30th September 2024, as adjusted for unrecognized actuarial gains and losses.

The amendments in IAS 19 require the recognition of changes in defined benefit obligation and fair value of plan asset when they occur, thus eliminating 'Corridor Approach' permitted under previous version of IAS 19, thus accelerating recognition of past service cost. All actuarial gains and losses are recognized immediately through 'Other Comprehensive Income'.

**4.12 Taxation****(a) Current Income Tax**

Provision for current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for tax on income is calculated at the current rates of taxation as applicable after taking into account tax credit and tax rebates available, if any. Income tax expense is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

**(b) Deferred Tax**

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

Deferred tax asset is recognized for all the deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the asset may be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that related tax benefits will be realized. Deferred tax liabilities are recognized for all the taxable temporary differences.

Deferred tax asset and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantially enacted by the statement of financial position date.

Deferred tax is charged in the statement of profit or loss, except in the case of items charged to other comprehensive income or equity, in which case it is included in other comprehensive income or equity.

**(c) Sales Tax / Excise Duty**

Revenues, expenses and assets are recognized net of the amount of sales tax / FED except:

- Where the sales tax / FED incurred on purchase of assets or services is not recoverable from the taxation authority.
- Receivables and payables balances that are stated with the amount of sales tax / FED included.

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

**4.13 Trade and Other Payables**

Trade and other payables are carried at cost which is the fair value of consideration to be paid for goods and/or services received, whether or not billed to the Company.

**4.14 Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event and is probable that an outflow of resources embodying economic benefits will be required to settle the obligation of which reliable estimate can be made. The expense related to provision is presented in profit and loss, net of any reimbursements. The provision is recognized at its present value, accounting for time value of money, except where the impact for discounting is considered to be immaterial. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

**4.15 Revenue Recognition****Revenue from Customers:**

The Company recognizes revenue from contracts with customers based on a five step model as set out in IFRS-15:

**Step-1:** Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

**Step-2:** Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

**Step-3:** Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

**Step-4:** Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

**Step-5: Recognize revenue when (or as) the Company satisfies a performance obligation.**

Mentioned below are different revenue streams of the Company and their terms of recognition of revenue after satisfying all the five steps of revenue recognition in accordance with IFRS 15.



- (a) **Sale of Goods**  
The Company's contracts with customers for the sale of goods generally include one performance obligation, which is recognized at a point of time. Revenue is recognized when goods are dispatched to customers and bill of lading is prepared. It is the time when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing involvement of management, and the goods and the amount of revenue can be measured reliably. Revenue from sale of goods is measured at fair value of the consideration received or receivable, net of discounts and applicable taxes.
- (b) **Interest Income**  
Interest and rental income are recognized on accrual basis.
- (c) **Dividend income**  
Dividend income is recognized when the Company's right to receive the dividend is established.
- (d) **Scrap Sales**  
Sale of scrap is recognized on actual realization basis.
- (e) **Others**  
Return on deposits is accounted for on accrual basis.

#### **Contract Assets and Contract Liabilities**

##### **Contract Assets**

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due.

##### **Contract Liabilities**

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs its performance obligations under the contract.

##### **Presentation and Disclosure Requirements**

As required for the financial statements, the Company disaggregated revenue recognized from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

#### **4.16 Impairment**

##### **(a) Financial Assets**

The Company assesses at each date of statement of financial position whether there is any objective evidence that a financial asset or a group of financial asset is impaired. A financial asset is deemed to be impaired if and only if there is an objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Any impairment loss on financial assets, including the financial assets carried at amortized cost, is recognized in statement of profit or loss.

##### **(b) Non-financial Assets**

The Company continually assesses at each date of statement of financial position whether there is any indication that an asset may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in statement of profit or loss for the year. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

When impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized. Reversal of impairment loss is recognized as income.

**4.17 Related Party Transactions**

All transactions between Company and related parties are accounted for in the normal course of business and carried out on mutually agreed terms. The Company voluntarily places the related party transactions before the Board of Directors for their consideration and approval, distinguishing between transactions carried out on terms equivalent to those that prevail in accordance with normal business price, recording proper justification for using if any, alternate pricing mechanism.

**4.18 Dividends**

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved.

**4.19 Earnings Per Share (EPS)**

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders' of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by using profit and loss attributable to ordinary shareholders' and the weighted average number of ordinary shares outstanding, adjusted for the effect of all dilutive potential ordinary shares.

**4.20 Segment Reporting**

A segment is a distinguishable component within the Company that is engaged in providing products and under a common control environment (geographical segment), which is subject to risks and returns that are different from those of other segments. Segments results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment. The principal business of the Company is manufacturing and selling of refined sugar and by-products therefore no segmentation has been provided.

5. Property, plant and equipment	NOTES	2024	2023
		RUPEES	RUPEES
Operating fixed assets	5.1.	3,239,137,229	2,969,717,849
Capital work in progress	5.2.	-	422,484,339
		<u>3,239,137,229</u>	<u>3,392,202,188</u>

## 5.1. Operating fixed assets

Particulars	Land free hold	Experimental land	Building on free hold lands		Plant and machinery	Electric installations	Tools and equipment	Telephone installation	Electric equipment	Furniture and fixture	Office equipment	Arms and ammunitions	Tents and tarpaulins	Computers	Vehicles	Scales and weighbridges	Total
			Factory	Non factory													
As at October 01, 2021																	
Cost	9,337,791	11,644,064	270,950,261	106,000,769	4,426,646,485	12,529,128	3,536,877	1,030,151	7,291,203	7,717,229	4,439,008	453,677	3,210,660	3,281,263	12,479,065	14,000	4,880,763,651
Accumulated depreciation	-	-	195,012,227	78,955,942	1,436,886,152	12,086,758	3,108,762	969,604	6,266,189	6,933,956	3,121,399	404,038	2,203,423	2,664,086	11,489,107	10,798	1,750,110,471
Book value	9,337,791	11,644,064	85,938,034	27,044,827	2,989,760,333	442,370	428,095	60,547	1,024,914	793,273	1,317,609	49,639	1,007,237	617,177	989,958	3,202	3,130,653,180
Year ended September 30, 2022:																	
Additions	-	-	-	-	-	-	-	-	-	213,298	-	-	-	444,700	-	-	657,998
Disposal:																	
- cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	8,593,803	2,704,483	149,488,116	44,237	42,810	6,055	102,501	94,770	121,761	4,964	100,724	88,793	197,992	320	161,601,209
Book value	9,337,791	11,644,064	77,344,231	24,340,344	2,840,272,207	386,133	385,285	54,492	922,513	911,801	1,185,948	44,675	906,513	973,864	791,966	2,882	2,969,717,849
Year ended September 30, 2024:																	
Additions	-	-	-	-	422,484,339	-	22,000	-	-	-	-	-	-	-	-	-	422,506,339
Disposal:																	
- cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	7,734,423	2,434,034	142,013,710	36,813	38,950	5,449	92,251	91,180	118,585	4,468	96,651	97,308	142,090	288	152,994,020
Book value	9,337,791	11,644,064	69,609,808	21,906,310	3,122,744,836	358,320	368,335	49,043	830,262	820,623	1,067,263	40,207	815,862	875,776	466,115	2,594	3,229,137,229
As at September 30, 2023																	
Cost	9,337,791	11,644,064	270,950,261	106,000,769	4,426,646,485	12,529,128	3,536,877	1,030,151	7,291,203	7,930,529	4,439,008	453,677	3,210,660	3,725,963	12,479,065	14,000	4,880,423,651
Accumulated depreciation	-	-	193,606,030	81,660,425	1,586,374,278	12,130,995	3,151,592	975,659	6,366,690	7,016,726	3,253,160	409,002	2,354,147	2,752,879	11,687,099	11,118	1,911,709,800
Book value	9,337,791	11,644,064	77,344,231	24,340,344	2,840,272,207	398,133	385,285	54,492	922,513	911,803	1,185,948	44,675	906,513	973,864	791,966	2,882	2,969,717,851
As at September 30, 2024																	
Cost	9,337,791	11,644,064	270,950,261	106,000,769	4,849,132,624	12,529,128	3,536,877	1,030,151	7,291,203	7,930,529	4,439,008	453,677	3,210,660	3,725,963	10,022,565	14,000	5,301,481,460
Accumulated depreciation	-	-	201,340,453	84,094,459	1,728,387,380	12,170,808	3,190,542	980,108	6,460,941	7,109,906	3,371,745	413,470	2,294,798	2,850,187	9,596,450	11,496	2,052,394,261
Book value	9,337,791	11,644,064	69,609,808	21,906,310	3,120,744,836	358,320	368,335	49,043	830,262	820,623	1,067,263	40,207	815,862	875,776	466,115	2,594	3,229,137,229
Depreciation rate (%)	0	0	10	10	5	10	10	10	10	10	10	10	10	10	29	10	

## 5.1.1. Depreciation for the period has been allocated as under :

Cost of goods manufactured	149,917,835	158,270,010
Administrative expenses	2,986,365	3,331,319
	<u>152,904,200</u>	<u>161,601,329</u>

## 5.1.2. Had there been no revaluation, the carrying amount of revalued assets would have been as follows:

Land freehold	3,937,054	3,937,054
Experimental land	2,490,004	2,490,004
Building on land freehold		
Factory	41,725,897	46,362,108
Non-factory	10,178,577	11,309,530
Plant and machinery	2,524,426,319	2,335,491,089
	<u>2,582,757,851</u>	<u>2,399,589,785</u>

5.1.3. Forced sale value, as at September 30, 2019, as per revaluation of freehold land was Rs. 18.09 M, building was Rs 140.40 M and plant and machinery was 2.88 B.



	NOTE	2024 RUPEES	2023 RUPEES
<b>5.2. Capital work in progress - at cost</b>			
Opening balance		422,484,339	60,687,608
Add: Additions during the year			361,796,731
Less: Transfer to property, plant and equipment		(422,484,339)	-
	<b>5.2.1.</b>	<u>-</u>	<u>422,484,339</u>
<b>5.2.1. Breakup is as follows</b>			
Plant and machinery		-	422,484,339
The management carried out an impairment review at the year end as per IAS 36 and is of the view that there is no impairment that needs to be accounted for in the financial statements relating to capital work in progress.			
<b>6. Stock in trade</b>			
Work in process		-	194,400
Finished goods		-	-
		<u>-</u>	<u>194,400</u>
<b>7. Advances</b>			
Unsecured			
Considered good			
Growers		4,852,896	51,997,712
Contractors		1,170,425	2,023,610
Suppliers		9,565,755	18,092,571
Employees against salaries		858,153	1,352,857
Employees for other expenses		6,843,376	10,166,107
		<u>23,290,605</u>	<u>83,632,857</u>
<b>8 Other receivables</b>			
Export rebate receivable	<b>8.1.</b>	-	15,815,000
Other receivable		302,735	302,735
		<u>302,735</u>	<u>16,117,735</u>
<b>8.1.</b> The management conferred that since the claim still holds good against the authority and the authority has not rejected the claim till date, therefore no provision / impairment is required. Also see note no. 31 (a).			
<b>9. Tax refunds due from the government</b>			
Income tax refundable		4,088,340	3,665,171
Sales tax refundable		9,153,054	4,451,660
		<u>13,241,394</u>	<u>8,116,831</u>
<b>10. Cash and bank balances</b>			
Cash in hand		510,645	2,068,388
Cash at banks			
-Current accounts		680,877	1,175,251
-Saving accounts		101,071	101,071
		<u>1,292,593</u>	<u>3,344,710</u>
<b>11. Issued, subscribed and paid up capital</b>			
		<b>2024</b>	<b>2023</b>
		-----Number of Shares-----	
		79,261,666	79,261,666
		Ordinary shares of Rs. 10/- each fully paid in cash	792,616,660
		<u>79,261,666</u>	<u>792,616,660</u>
<b>11.1.</b> 62,215,609 (2023: 62,215,609) ordinary shares are held by M/s Haq Bahu Sugar Mills (Private) Limited (holding Company) representing 78.49% (2023: 78.49%) shareholding in the Company.			
<b>11.2.</b> Voting rights, board selection, right of first refusal and block voting are in proportion to the shareholding of the shareholders.			
<b>12. Reserves</b>			
Capital reserves			
Surplus on revaluation of property, plant and equipment (Net)	<b>12.1.</b>	1,110,654,739	1,171,239,257
Revenue reserves			
Accumulated loss		(2,548,814,371)	(2,420,228,387)
		<u>(1,438,159,632)</u>	<u>(1,248,989,130)</u>

**12.1. Surplus on revaluation of property, plant and equipment - net**

The latest revaluation of property, plant and equipment of the Company was carried out by independent professional valuers, Unicorn International Surveyors (Approved business valuers on the panel of Pakistan Bank's Association), which resulted in the revaluation surplus of Rs. 1,372,972,411/- and report was issued on September 30, 2019. The Company has incorporated the revaluation adjustments in the relevant financial statements.

	NOTE	2024 RUPEES	2023 RUPEES
Opening balance		1,642,624,345	1,732,920,227
Add: Revaluation during the year		-	-
Less: Transferred to equity in respect of:			
Incremental depreciation on revalued asset		(60,584,518)	(64,110,076)
Related deferred tax liability		(24,745,790)	(26,185,806)
		(85,330,308)	(90,295,882)
Closing balance - gross		1,557,294,037	1,642,624,345
Less: Related deferred tax liability			
Related deferred tax liability on revaluation surplus		471,385,088	497,570,894
Amount realized during the year on account of incremental depreciation		(24,745,790)	(26,185,806)
		(446,639,298)	(471,385,088)
Closing balance	12.1.1.	1,110,654,739	1,171,239,257
12.1.1. The revaluation surplus on property, plant and equipment is a capital reserve and is not available for distribution to the shareholders of the Company in accordance with the section 241 of the Companies Act, 2017.			
<b>13. Long term loan from related party - unsecured</b>			
Loan from the holding Company		731,369,788	622,073,947
The loan has been advanced by M/s. Haq Bahu Sugar Mills (Pvt.) Ltd. which carries mark-up @ 3 months KIBOR plus 1% (2023: @ 3 months KIBOR plus 1%) payable half yearly. Since the loan will not be repayable within next twelve months therefore the same has been classified as a long term liability. The loan is subject to BOD resolution / approval.			
<b>14. Long term financing</b>			
From banking companies			
Secured			
-Under mark-up arrangements			
Term finance			
Silk Bank Limited	14.1.	-	972,000
Islamic finance			
Bank Islami Pakistan Limited	14.2.	247,000,000	257,000,000
		247,000,000	257,972,000
Less: Current portion of long term financing		(10,972,000)	(10,972,000)
		236,028,000	247,000,000
14.1. The facility has been obtained from Silk Bank Limited amounting to Rs. 100 million. As per the facility sanctioned advice, the facility carries no mark-up. The facility is secured against pledge of refined sugar with 10% margin. The Silk Bank limited entered into a restructuring programme in the earlier years. The liability regarding principal amount of loan towards the Bank has been fully settled. Out of the total outstanding finance facility of Rs. 58.103 million, Rs. 57.131 million have been paid and remaining Rs. 0.972 million shall be paid in coming year. The mark up charged earlier is no longer payable upon satisfactory/ timely repayment of loan, as agreed under settlement letter with reference number "SILKBANK/SAMG/16/06".			
14.2. The Bank Islami Limited had filed a recovery suit for Rs. 360,907,225/- on account of loan recovery against the Company. On May 2021, the learned court has reserved its judgment on this issue. Although, the case would be discharged from the court once the loan matures and NOC issued by the bank is filed with the court, but both the Company and the bank have mutually agreed to restructure the financing arrangement. Under the restructured financing arrangement, the Company shall pay principal amount of Rs. 275 Million, mark-up amount of Rs. 36.444 Million and an estimated additional rental / future profit of Rs. 126.358 Million to the bank by June 30, 2032, with markup payments starting from September 2028. Further details regarding the legal proceedings have been disclosed in note 20.1 (c).			
<b>15. Deferred liabilities</b>			
Staff retirement benefits - gratuity	15.1.	4,567,651	7,214,707
Deferred taxation	15.2.	218,553,523	248,553,748
		223,121,174	255,768,455
15.1. Staff retirement benefits - gratuity			
The Company operates an un-funded gratuity scheme covering all employees eligible to the benefit. Provisions are made on the basis of actuarial recommendations. The latest actuarial valuations are carried out as at 30th September 2024 using the Projected Unit Credit Method, as required by International Accounting Standards (IAS-19).			
15.1.1. Amount recognized in the statement of financial position			
Present value of defined benefit obligation	15.1.2.	4,567,651	7,214,707
15.1.2. Movement in liability			
Opening balance		7,214,707	7,106,560
Current service cost		420,831	971,202
Interest cost on defined benefit obligation		521,977	878,667
Re-measurements chargeable in other comprehensive income		(3,327,989)	(791,502)
Benefits paid		(261,875)	(950,220)
		4,567,651	7,214,707

	2024 RUPEES	2023 RUPEES
<b>15.1.3. Amount charged to statement of profit or loss</b>		
Current service cost	420,831	971,202
Interest cost on defined benefit obligation	521,977	878,667
	<u>942,808</u>	<u>1,849,869</u>
<b>15.1.4. Expenses recognised in statement of profit or loss</b>		
Cost of sales	395,980	776,945
Administrative and general expenses	546,828	1,072,924
	<u>942,808</u>	<u>1,849,869</u>
<b>15.1.5. Re-measurements chargeable in other comprehensive income</b>		
Remeasurement of plan obligation:		
Actuarial gains/(losses) from changes in demographic assumptions	-	-
Actuarial gains/(losses) from changes in financial assumptions	3,327,989	(27,653)
Experience adjustments	-	819,155
	<u>3,327,989</u>	<u>791,502</u>
Related deferred tax liability @ 29%	(965,117)	(229,536)
	<u>2,362,872</u>	<u>561,966</u>
<b>15.1.6. Principal actuarial assumptions</b>		
Discount rate used for interest cost in statement of profit or loss	14.40%	13.25%
Discount rate used for year end obligation	12%	16.75%
Salary increase used for year end obligation	N/A	N/A
Net salary is increased at	01/01/2025	01/01/2024
Mortality rates	According to SLIC 2001-2005 table, with one year setback	According to SLIC 2001-2005 table, with one year setback
Withdrawal rates	Age-Based	Age-Based
Retirement assumption	Age 60	Age 60
<b>15.1.7. Year end sensitivity analysis (± 100 bps) on defined benefit obligation</b>		
Discount rate + 100 BPS	4,391,780	6,991,586
Discount rate - 100 BPS	4,753,202	7,467,194
Salary Increase + 100 BPS	4,754,920	7,473,210
Salary Increase - 100 BPS	4,387,070	6,982,413
The average duration of the defined benefit obligation is 3 years.		
<b>15.1.8. Expected maturity profile</b>		
Following are the expected distribution and timing of benefit payments at the year end:		
<b>Year</b>	<b>2024</b>	
2025	347,142	
2026	89,069	
2027	82,218	
2028	79,477	
2029	75,366	
2030 to 2034	347,142	
2035 onward	3,800,742	
Average duration of defined benefit obligation:	3.56 years	
<b>15.1.9. Projected charge to statement of profit or loss for the year ending September 30, 2025 is as follows:</b>		
	<b>2025</b>	
	<b>RUPEES</b>	
Current service cost	580,754	
Interest cost	479,230	
	<u>1,059,984</u>	
<b>15.2. Deferred taxation</b>		
The liability of deferred tax comprises of temporary differences relating to:		
<b>Taxable temporary differences</b>		
Accelerated tax depreciation	246,768,786	246,055,576
Revaluation surplus	446,639,298	471,385,088
	<u>693,408,084</u>	<u>717,440,664</u>
<b>Deductible temporary differences</b>		
Retirement benefit obligation	(1,324,619)	(2,745,361)
Unused tax losses	(473,529,942)	(466,141,555)
	<u>(474,854,561)</u>	<u>(468,886,916)</u>
	<u>218,553,523</u>	<u>248,553,748</u>
Deferred tax asset on business losses has been provided on the basis of expectation of future availability of normal taxable profits in the future against which this deferred tax asset could be utilized.		



	NOTE	2024 RUPEES	2023 RUPEES
<b>15.2.1. Movement in deferred tax balances is as follows:</b>			
At beginning of the year		248,553,748	162,994,720
Effect of rate change		-	-
<b>Recognized in statement of profit or loss:</b>			
Accelerated tax depreciation / amortization		713,211	3,245,437
Incremental depreciation		(24,745,790)	(26,185,806)
Tax credits / unused tax losses		(7,388,387)	108,476,093
Retirement benefit obligation		455,625	(206,232)
		(30,965,341)	85,329,492
<b>Recognized in statement of other comprehensive income:</b>			
Other comprehensive income		965,117	229,536
<b>At end of the year</b>		<b>218,553,523</b>	<b>248,553,748</b>
<b>16. Trade and other payables</b>			
Creditors for goods and services		851,577,980	1,080,352,672
Advance from customers	16.1.	1,168,529,857	1,217,056,443
Accrued liabilities		15,899,803	19,746,072
Deposits		39,076	39,076
Road cess		-	2,448,191
Income tax withheld		2,015,031	3,962,742
Workers' profit participation fund	16.2.	131,749,551	112,702,781
Workers' welfare fund	16.3.	10,339,868	8,845,054
Sales tax payable		-	-
Other liabilities		8,795,327	5,160,195
		<b>2,188,946,493</b>	<b>2,450,313,226</b>
16.1. It includes an amount of Rs. 521.162 million related to a disputed balance with the Trading Corporation of Pakistan. Refer to note 20.1 (a & b) for detailed information regarding the dispute. The matter is sub - judice with the appellate authority.			
<b>16.2. Workers' profit participation fund</b>			
Opening balance		112,702,781	89,595,978
Created during the year		-	-
Interest charged		19,046,770	23,106,803
		131,749,551	112,702,781
Paid during the year		-	-
		<b>131,749,551</b>	<b>112,702,781</b>
No provision has been recognized in the current year and preceding year due to accounting loss. Furthermore, mark up has been charged including late payment surcharge @ 1 year KIBOR plus 2.5% (2023:2.5%).			
<b>16.3. Workers' welfare fund</b>			
Workers' welfare fund		10,339,868	8,845,054
No provision has been recognized in the current year and preceding year due to taxable losses. Furthermore, mark up has been charged including late payment surcharge @ 1 year KIBOR plus 2.5% (2023:2.5%).			
<b>17. Accrued mark-up</b>			
Islamic mode of financing:			
Long term financing		105,806,387	87,811,875
Other		-	-
Long term financing	17.1.	461,882,333	306,042,819
		567,688,720	393,854,694
17.1. The mark-up is payable to M/s Haq Bahu Sugar Mills (Pvt.) Limited, holding Company, calculated @ 3 month KIBOR +1% (2023: 3 month KIBOR +1%).			
<b>18. Short term borrowings</b>			
Other Financing (Unsecured)	18.1.	18,973,000	18,973,000
18.1. The financing facility has been obtained from Mr. Azhar Qadeer Butt (related party). This loan is interest free, unsecured and repayable on demand.			
<b>19. Current portion of long term financing</b>			
Current portion of long term financing	14.	10,972,000	10,972,000
<b>20. Contingencies and commitments</b>			
<b>20.1. Contingencies</b>			
(a) The Company received advances from Trading Corporation of Pakistan (TCP) under four different sugar supply agreements. The Company contends that this amount is not due as the buyer did not fulfil its performance obligations. As a prudent policy, adjustments would be made on finalization of the dispute. The Company is of the view that Trading Corporation of Pakistan has made numerous breaches of the agreements causing enormous losses to the Company and has filed a civil suit in court of Honourable Civil Judge, Lahore praying to refer the dispute for arbitration under the terms of the agreements. The matter is a pending arguments before the Court.			

- (b) During the previous years, the TCP filed a complaint with National Accountability Bureau (NAB), Sindh for recovery of the amount advanced by it as referred in preceding paragraph. Total amount claimed by TCP is Rs. 1,311,528 million being principal amount of Rs. 570,913 million plus Rs. 740,615 million being penalty, mark-up and other incidental charges. The matter is pending with NAB for disposal and the management expects that outcome will be in its favour. The penalty, mark-up and other incidental charges of Rs. 740,615 million would not be payable, hence no provision has been made in these financial statements. During the previous years, TCP has encashed margin on Guarantee deposited by the Company with the banks and therefore the principal amount claimed has been reduced to Rs. 521,162 million.
- (c) Bank Islami Limited had filed a recovery suit for Rs. 360,907,225/- on account of loan recovery against the Company. On May 2021, the learned court has reserved its judgment on this issue. Although, the case would be discharged from the court once the loan matures and NOC issued by the bank is filed with the court, but both the Company and the bank have mutually agreed to restructure the financing arrangement. Under the restructured financing arrangement, the Company shall pay principal amount of Rs. 275 Million, mark-up amount of Rs. 36,444 Million and an estimated additional rental / future profit of Rs. 126,358 Million to the bank by June 30, 2032, with markup payments starting from September 2028.
- (d) The Company had deposited an amount of Rs. 20,832 million of excise duty in 1991-92 under protest with Collector of Custom and Central Excise, Hyderabad on account of rebate of excise duty earlier claimed as per the incentive given by the government. The Honourable High Court of Sindh has decided the case in favour of Collector of Customs. The Company has filed an appeal in Supreme Court of Pakistan which is pending for hearing. The management of the Company expects favourable outcome.

## 20.2. Commitments

There have been no known commitments as at statement of financial position date (2023: Nil).

	NOTE	2024 Rupees	2023 Rupees
<b>21. Sales - net</b>			
Gross local sales			
Sugar		-	412,594,091
Molasses		-	89,812,433
Total gross sales		-	502,406,524
Less : Sales tax		-	(74,382,046)
Less : Discounting due to sales tax notify price		-	(42,742,324)
		-	385,282,154
<b>22. Cost of sales</b>			
Cost of sugar cane		-	372,040,248
Stores and spares consumed		19,624,422	22,716,645
Oil and lubricants consumed		1,440,196	3,543,898
Packing material consumed		-	2,807,143
Chemical consumed		84,591	5,155,144
Salaries, wages and benefits	22.1.	38,649,252	80,294,716
Water, fuel and power		7,508,246	33,586,420
Vehicle running and maintenance		741,475	3,902,534
Freight, handling and octroi		480,470	3,748,714
Depreciation	5.1.1.	149,917,835	158,270,010
Others		1,887,793	6,473,826
		220,334,278	692,539,298
Work in process			
Opening stock		194,400	150,911,486
Closing stock		-	(194,400)
Cost of goods manufactured		220,528,678	843,256,384
Finished goods			
Opening stock		-	-
Closing stock		-	-
		220,528,678	843,256,384
<b>22.1.</b>	It includes an amount of Rs. 395,980/- (2023: 776,945/-) relating to staff retirement benefits - gratuity.		
<b>23. Administrative and general expenses</b>			
Salaries, wages and benefits	23.1.	2,877,903	5,061,949
Fees, subscription and renewals		1,101,578	4,398,006
Vehicle running and maintenance		109,906	1,581,630
Legal and professional charges		1,784,500	3,553,000
Printing and stationery		280,178	185,832
Travelling, conveyance and entertainment		470,600	-
Rent, rates and taxes		137,600	1,588,866
Auditor's remuneration	23.2.	1,150,000	1,000,000
Depreciation	5.1.1.	2,986,365	3,331,319
Long term deposits written-off		-	1,826,165
Entertainment		224,665	-
Miscellaneous		3,782,123	11,139,589
		14,905,419	33,666,356
<b>23.1.</b>	It also includes an amount of Rs. 546,828/- (2023: 1,072,924/-) relating to staff retirement benefits - gratuity.		
<b>23.2. Auditors' remuneration</b>			
Annual audit fee		950,000	850,000
Review of code of corporate governance		100,000	75,000
Half yearly review		100,000	75,000
		1,150,000	1,000,000

		2024 RUPEES	2023 RUPEES
<b>24. Other income</b>			
Mark up waived off	24.1.	-	92,004,213
Bank profit		-	594,555
Gain/loss on sales of vehicle		2,807,239	
Creditor written-back	24.2.	205,393,416	355,449,945
		<u>208,200,655</u>	<u>448,048,713</u>
<b>24.1.</b>	In the earlier years, the mark up on outstanding loans was charged in the financial statement relating to Silk Bank, the Bank and the Company were in litigation. The liability regarding principal amount of loan towards the Bank has been fully settled. Out of the total outstanding finance facility of Rs. 58.103 million, Rs. 57.131 million have been paid and remaining Rs. 0.972 million shall be paid in coming year. The mark up charged earlier is no longer payable upon satisfactory/ timely repayment of loan, as agreed under settlement letter with reference number "SILKBANK/SAMG/16/06", and has been written back as other income.		
<b>24.2.</b>	This represents an amount that is regarded as not being payable anymore to Khalid Pipe Stores and others, and thus has now been realized as the Company's other income.		
<b>25. Finance cost</b>			
Mark up on related party's loan - Haq Bahu Sugar Mills (Private) Limited		156,685,104	121,593,799
Mark up on long term loan		17,994,512	3,201,482
Mark up on WPPF and WWF		20,541,584	24,920,253
Bank charges and commission		44,074	160,839
		<u>195,265,274</u>	<u>149,876,373</u>
<b>26. Taxation</b>			
Current	26.1.	-	4,816,027
Deferred			
Relating to origination and reversal of temporary differences		(30,965,342)	85,329,492
		<u>(30,965,342)</u>	<u>90,145,519</u>
<b>26.1. Relationship between tax expense and accounting profit</b>			

The provision for taxation related to current and preceding financial year represents the Minimum Tax Liability under section 113 of the Income Tax Ordinance, 2001. Accordingly, reconciliation between tax expense and accounting profit for current and preceding financial year has not been prepared and presented.

<b>27. Loss per share - basic and diluted</b>			
Loss after taxation for the year attributable to ordinary shareholders		(191,533,374)	(283,613,765)
		<b>NUMBER OF SHARES</b>	
Weighted average number of ordinary shares outstanding during the year		79,261,666	79,261,666
Loss Per share		<u>(2.42)</u>	<u>(3.58)</u>

**27.1. Diluted earning per share**

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

**28. Remuneration of chief executive, directors and executives**

The aggregate amount charged in the accounts for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company was as follows:

	Chief Executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
Management remuneration	-	-	-	-	2,791,750	4,200,000
Perquisites	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,791,750</u>	<u>4,200,000</u>
Number of persons	1	1	1	1	3	2

**29. Transaction with related parties**

Related parties comprise of holding company, subsidiary, associated undertakings, directors of the Company, key employees and staff retirement fund. The Company in normal course of business carries out transactions with various related parties on mutually agreed terms and conditions subjected to BOD approval. Amounts due from and to related parties are shown under receivables and payables. Parent, subsidiary and associated undertakings also have some common directorship.

Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements, are as follows:

Name of related party	Relationship with the Company	Nature of Transactions	2024	2023
			RUPEES	RUPEES
Haq Bahu Sugar Mills (Private) Limited	Holding Company	Mark-up accrued	156,685,104	121,593,799
		Sales of raw sugar	-	5,850,000
		Loan received	109,295,841	256,458,917
		Loan outstanding as at year end	731,369,788	622,073,947
Mr. Azhar Qadeer Butt	Major Shareholder in Holding Company	Loan received	-	-
		Loan repaid	-	-
		Loan outstanding as at year end	18,973,000	18,973,000



30. Financial assets and liabilities  
As at September 30, 2024

	Amortised Cost	Fair Value Through Profit and Loss	Fair Value Through Other Comprehensive Income	Total
Rupees				
<b>Financial assets:</b>				
Maturity upto one year				
Advances	23,290,605	-	-	23,290,605
Other receivables	302,735	-	-	302,735
Tax refund due from government	13,241,394	-	-	13,241,394
Cash and bank balances	1,292,593	-	-	1,292,593
	<b>38,127,327</b>	-	-	<b>38,127,327</b>
		<b>Other Financial Liabilities- At Amortized Cost</b>	<b>Fair Value Through Profit and Loss</b>	<b>Total</b>
Rupees				
<b>Financial Liabilities:</b>				
<b>Other financial liabilities</b>				
Maturity upto one year				
Trade and other payables		2,188,946,493	-	2,188,946,493
Current maturity of non-current liabilities		10,972,000	-	10,972,000
Accrued mark-up		567,688,720	-	567,688,720
Short term borrowings		18,973,000	-	18,973,000
Maturity after one year				
Long term finances		236,028,000	-	236,028,000
Long term loan from related party - unsecured		731,369,788	-	731,369,788
		<b>3,753,978,001</b>	-	<b>3,753,978,001</b>
<b>Sensitivity gap</b>				(3,715,850,674)
<b>Interest bearing financial liabilities</b>				1,545,086,508
<b>Non-Interest bearing financial liabilities</b>				2,208,891,493

As at September 30, 2023

	Amortised Cost	Fair Value Through Profit and Loss	Fair Value Through Other Comprehensive Income	Total
Rupees				
<b>Financial assets:</b>				
Maturity upto one year				
Advances	83,632,857	-	-	83,632,857
Other receivables	16,117,735	-	-	16,117,735
Tax refund due from government	8,116,831	-	-	8,116,831
Cash and bank balances	3,344,710	-	-	3,344,710
Maturity after one year				
Long term deposits	-	-	-	-
	<b>111,212,133</b>	-	-	<b>111,212,133</b>
		<b>Other Financial Liabilities- At Amortized Cost</b>	<b>Fair Value Through Profit and Loss</b>	<b>Total</b>
Rupees				
<b>Financial liabilities:</b>				
<b>Other financial liabilities</b>				
Maturity upto one year				
Trade and other payables		2,450,313,226	-	2,450,313,226
Current maturity of non-current liabilities		10,972,000	-	10,972,000
Accrued mark-up		393,854,694	-	393,854,694
Short term borrowings		18,973,000	-	18,973,000
Maturity after one year				
Long term finances		247,000,000	-	247,000,000
Long term loan from related party - unsecured		622,073,947	-	622,073,947
		<b>3,743,186,867</b>	-	<b>3,743,186,867</b>

Sensitivity gap	(3,631,974,733)
Interest bearing financial liabilities	1,271,956,641
Non-Interest bearing financial liabilities	2,471,230,226

The Company's activities are exposed to a variety of financial risks. The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's overall risk management strategy seeks to minimize adverse effects from the unpredictability of financial markets on the Company's financial performance. The Company sets policies, strategies and mechanisms, which aim at effective management of these risks within its unique operating environment. The key financial risks include credit risk, liquidity risk and interest rate risk.

Risk management is carried out in accordance with established policies and guidelines approved by the Board of Directors. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management objectives and policies are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company is exposed to the following risk:

- Credit risk
- Liquidity risk
- Market risk

**a) Credit risk**

Credit risk represents the accounting loss that would be recognized at the reporting date if counter-parties failed completely to perform as contracted. To reduce exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management also continuously monitors credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. Credit risk of the Company arises principally from the trade debts, loans and advances, trade deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

Financial assets	2024 RUPEES	2023 RUPEES
Advances	23,290,605	83,632,857
Bank balances	781,948	1,276,322
	<u>24,072,553</u>	<u>84,909,179</u>

**Credit quality of financial assets:**

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty.

**(i) Counterparties without external credit ratings**

The Company has a policy to provide for impairment of expected credit loss based upon the ageing analysis which is being implemented. Based on past experience the management believes that no further impairment allowance is necessary in respect of trade debts as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time.

**(ii) Other financial assets**

Based on past experience the management believes that no impairment allowance is necessary in respect of advances and other receivables as there are reasonable grounds to believe that these balances will be recovered.

**(iii) Counterparties with external credit ratings**

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non performance by these counter parties on their obligations to the Company. Accordingly credit risk is minimal. The credit quality of Company's bank balances can be assessed with reference to external credit rating agencies as follows:

Bank balances are held only with reputable banks. The credit rating of banks holding balances is given below:

	Short-term	Long-term	Agency	30-Sep-24	30-Sep-23
Bank Al Habib Ltd.	A1+	AAA	PACRA	75,952	75,952
Meezan Bank Ltd.	A-1+	AAA	VIS	58,995	262,428
Mcb Bank Ltd.	A-1+	AAA	PACRA	296,277	588,018
Habib Bank Ltd.	A-1+	AAA	VIS	31,238	31,238
Sindh Bank Ltd.	A-1	A+	VIS	1,035	635
National Bank of Pakistan	A-1+	AAA	PACRA	85,811	85,811
Silk Bank Ltd.	A-2	A-	VIS	-	-
JS Bank Ltd.	A-1+	AA-	PACRA	16,078	15,678
Soneri Bank Ltd.	A-1+	AA-	PACRA	146,730	146,730
Summit Bank Ltd.	A-3	BBB-	VIS	69,832	69,832
				<u>781,948</u>	<u>1,276,322</u>

**Concentration of credit risk:**

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial assets is broadly diversified and all transactions are entered into with credit-worthy counterparties there-by mitigating any significant concentrations of credit risk.

	2024 RUPEES	2023 RUPEES
<b>Financial assets</b>		
Advances	23,290,605	83,632,857
Bank balances	781,948	1,276,322
	<u>24,072,553</u>	<u>84,909,179</u>

The Company has established a credit policy for its industrial and retail customers under which each new customer is analyzed individually for credit worthiness before the Company enters into a commercial transaction. The Company's review includes identity checks, minimum security deposits, bank guarantees and in some cases bank references. Credit limits are established for each customer in accordance with the security deposit or bank guarantee received, which represents the maximum open amount without requiring approval from the higher management; customer limits are reviewed on a regular basis and once the credit limits of individual customers are exhausted, further transactions are discontinued.

Trade debtors	91-180 Days	181-365 Days	> 365 Days	Total
As at 30-09-2024	-	-	-	-
Loss allowance	-	-	-	-
As at 30-09-2023	-	-	-	-
Loss allowance	-	-	-	-

ECL on trade receivables is calculated using simplified approach. The Company has no receivables outstanding at the year end.

As at the reporting date, Company envisages that default risk on account of non-realisation of other receivables and advances is minimal and thus based on historical trends adjusted to reflect current and forward looking information, loss allowance has been estimated by the Company using a range of probable recovery pattern of related other receivables and assigning a time value of money to same. As per the aforementioned approach, the loss allowance for other receivables was determined as follows:

	2024 RUPEES	2023 RUPEES
Gross carrying amount	23,290,605	83,632,857
Loss Allowance	-	-

ECL on other receivables is calculated using general approach.

The credit risk related to balances with banks, in term deposits, savings accounts and current accounts, is managed in accordance with the Company's policy of placing funds with approved financial institutions and within the limits assigned in accordance with the counter party risk policy. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counter party failure.

#### (b) Liquidity risk

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate actions for new requirements. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

Non Derivative Financial Liabilities	Carrying Amount 2024	Contractual Cash Flows	One Year or Less	More Than One But Less Than Five Year	More Than Five Years
Long term loan from related party - unsecured	731,369,788	731,369,788	-	731,369,788	-
Long term financing	247,000,000	247,000,000	10,972,000	93,500,000	142,528,000
Short term borrowings	18,973,000	18,973,000	18,973,000	-	-
Finance cost payable	567,688,720	567,688,720	567,688,720	-	-
Trade and other payables	2,188,946,493	2,188,946,493	2,188,946,493	-	-
	<u>3,753,978,001</u>	<u>3,753,978,001</u>	<u>2,786,580,213</u>	<u>824,869,788</u>	<u>142,528,000</u>
Non Derivative Financial Liabilities	Carrying Amount 2023	Contractual Cash Flows	One Year or Less	More Than One But Less Than Five Year	More Than Five Years
Long term loan from related party - unsecured	622,073,947	622,073,947	-	622,073,947	-
Long term financing	257,972,000	257,972,000	10,972,000	93,500,000	153,500,000
Short term borrowings	18,973,000	18,973,000	18,973,000	-	-
Finance cost payable	393,854,694	393,854,694	393,854,694	-	-
Trade and other payables	2,450,313,226	2,450,313,226	2,450,313,226	-	-
	<u>3,743,186,867</u>	<u>3,743,186,867</u>	<u>2,874,112,920</u>	<u>715,573,947</u>	<u>153,500,000</u>

The contractual cash flows relating to the loan from Bank Islami Pakistan Limited have been determined on the basis of Cost of Funds as provided by SBP as at the date of restructuring of the financing facility. Amount of loans from respective banks along with their credit ratings are:

	Short-term	Long-term	Agency	30-Sep-24	30-Sep-23
Silk Bank Limited	A-2	A-	VIS	-	972,000
Bank Islami Pakistan Limited	A1	AA-	PACRA	247,000,000	257,000,000

#### (c) Market risk

##### (i) Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the risk of changes in interest rates relates primarily to the following:





31. **Capital management**

The primary objective of the Company's management is to ensure that it maintains a strong credit rating and healthy capital ratios while continue as going concern in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholder, issue new shares or sell assets to reduce debts or raise debts, if required.

As of the balance sheet date, the management considers that the capital of the Company is sufficient to meet the requirements of the business.

The Company monitors capital on the basis of the gearing ratio. The ratio is calculated as under:

	2024 RUPEES	2023 RUPEES
Long term loan from related party - unsecured	731,369,788	622,073,947
Long term financing	247,000,000	257,972,000
Short term borrowings	18,973,000	18,973,000
Less: cash and cash equivalents	(1,292,593)	(3,344,710)
<b>Net Debt</b>	<b>998,635,381</b>	<b>902,363,657</b>
Net Equity	(645,542,972)	(456,372,470)
Total capital employed	353,092,409	445,991,187
<b>Gearing Ratio</b>	<b>283%</b>	<b>202%</b>

32. **Number of employees**

The total and average number of employees during the year and as at September 30, 2024 and 2023, respectively, are as follows:

	2024	2023
Average number of employees during the year	55	96
Number of employees as at year end	76	54

33. **Capacity and production**

Years	No. of Days Mill Operated	Crushing Capacity (M.Tons)/Day	Total Crushing Capacity (M.Tons)	Sugar Production (M.Tons)	Actual Crushing (M.Tons)
2024	-	5,500	-	-	-
2023	35	5,500	192,500	3,901.5000	43,255.1530

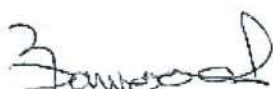
Due to non availability of sugarcane in the area and some technical reasons, mill was non operational

34. **Corresponding figures**

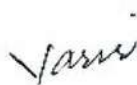
The corresponding and comparative figures have been rearranged and reclassified for the purpose of comparison and better presentation. However, there has been no significant reclassification, effecting the financial results.

35. **Authorization date**

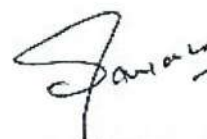
These financial statements have been authorized for issue on **January 06, 2025** by the Board of Directors of the Company.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

**PROXY FORM**

**ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED**

**41 ANNUAL GENERAL MEETING**

I / We \_\_\_\_\_ S/o \_\_\_\_\_ r/o \_\_\_\_\_  
\_\_\_\_\_ being a member of **Abdullah Shah Ghazi Sugar Mills Limited** and  
holder of \_\_\_\_\_ ordinary shares as per registered Folio / CDC Participant ID #. \_\_\_\_\_  
and CDC Sub Account # / CDC Investor Account ID # \_\_\_\_\_  
hereby appoint Mr. \_\_\_\_\_ s/o \_\_\_\_\_ r/o \_\_\_\_\_  
\_\_\_\_\_ having  
registered Folio / CDC Participant ID #. \_\_\_\_\_ and CDC Sub Account # / CDC Investor  
Account ID # \_\_\_\_\_ as my/our proxy to attend and vote on my/our behalf at the 40<sup>th</sup> Annual  
General Meeting of the Company to be held at 9:00 a.m. on 27 January, 2025 at \_\_\_\_\_ or at  
any adjournment thereof.

Affix Rs. 5/-  
Revenue Stamp

\_\_\_\_\_  
**Signature of Member**  
(Signature should agree with the  
specimen Registered with the  
Company).

Dated this \_\_\_\_ day of \_\_\_\_\_, 2025

**Witnesses:**

1	Signature	_____	2	Signature	_____
	Name	_____		Name	_____
	Address	_____		Address	_____
		_____			_____
	CNIC or Passport #	_____		CNIC or Passport #	_____

**Important notes:**

1. No person shall act as proxy unless he himself is member of the Company, except that a corporate entity may appoint a person who is not a member. Non-natural members must furnish board resolution / power of attorney with specimen signatures of proxy along with the proxy form.
2. Attested copies of the CNIC or the Passport of the member and the proxy shall be furnished with the proxy form. The proxy shall produce original CNIC or original passport at the time of the meeting.
3. Proxies in order to be effective must be received by the Company at its Registered Office not less than forty-eight (48) hours before the time for holding the meeting.
4. CDC Shareholders and their proxies are each requested to attach an attested photocopy of their Computerized National Identity Card (CNIC) or Passport with the proxy form before submission to the Company (Original CNIC / Passport is required to be produced at the time of the meeting).
5. In case of corporate entity, the Board of Directors  resolution / power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted (unless it has been provided earlier) along with proxy form to the Company.



پراکسی فارم  
[کمپنیز ایکٹ، 2017 کی دفعہ 137]

عبداللہ شاہ غازی شوگر ملز لمیٹڈ

41 واں سالانہ اجلاس عام

کمپنی سیکریٹری،

عبداللہ شاہ غازی شوگر ملز لمیٹڈ،

7/10، A-2 آر کے اسکوائر، شاہراہ اولیاء، نیو چالی،

کراچی۔

میں/ہم \_\_\_\_\_ ولدیت \_\_\_\_\_ ساکن \_\_\_\_\_ عبداللہ شاہ غازی شوگر ملز لمیٹڈ کارکن اور رجسٹرڈ فوٹیو/سی ڈی سی کے شراکتی ID # کے مطابق \_\_\_\_\_ عام حصص کا حامل ہوں۔ اور سی ڈی سی سب اکاؤنٹ # / سی ڈی سی انویسٹر اکاؤنٹ کی شناخت # \_\_\_\_\_ بذریعہ ہذا \_\_\_\_\_ مسٹر \_\_\_\_\_ ولدیت \_\_\_\_\_ ساکن \_\_\_\_\_ رجسٹرڈ فوٹیو/سی ڈی سی شراکتی ID # \_\_\_\_\_ اور CDC سب اکاؤنٹ # / CDC انویسٹر اکاؤنٹ ID # \_\_\_\_\_ کمپنی کے 41 ویں سالانہ اجلاس عام مورخہ 27 جنوری 2025 کو صبح 9 بجے منعقد یا ملتوی ہونے والے میں رائے دہندگی کیلئے اپنا/ہمارا نامندہ مقرر کرتا کرتے ہیں۔

برائے کرم پانچ روپے  
مالیت کے ریویونیوٹ  
چسپاں کریں۔

دستخط برائے ممبر/ممبران \_\_\_\_\_  
(دستخط کمپنی میں درج نمونہ دستخط کے مطابق ہونے چاہئے)

دستخط شدہ تاریخ \_\_\_\_\_ بروز \_\_\_\_\_ 2025

گواہان:

1	دستخط _____	2	دستخط _____
	نام _____		نام _____
	پتہ _____		پتہ _____
	کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر _____		کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر _____

اہم نوٹ:

1. کوئی شخص اس وقت تک پراکسی کے طور پر کام نہیں کرے گا جب تک کہ وہ خود کمپنی کا ممبر نہ ہو، سوائے اس کے کہ ایک کارپوریٹ ادارہ کسی ایسے شخص کی تقرری کر سکتا ہے جو ممبر نہیں ہے۔ غیر فطری ممبروں کو پراکسی فارم کے ساتھ، بورڈ پر ریویویشن/پاور آف انارنی کے ساتھ پراکسی کے نمونوں کے دستخطوں کے ساتھ پیش کرنا ضروری ہے۔
2. ممبر کی سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں، پراکسی فارم کے ساتھ پیش کی جائے گی۔ پراکسی اجلاس کے وقت اصل CNIC یا اصل پاسپورٹ ہمراہ لائے گا۔
3. ہر لحاظ سے مکمل اور دستخط شدہ فارم میٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کو اس کے رجسٹرڈ آفس میں وصول ہونا چاہئے۔
4. سی ڈی سی شیئر ہولڈرز اور ان کی پراکسیس ہر ایک سے درخواست کی جاتی ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی تصدیق شدہ فوٹوکاپی کو کمپنی میں جمع کروانے سے پہلے پراکسی فارم کے ساتھ منسلک کریں (اصل / CNIC پاسپورٹ میٹنگ کے وقت دکھانا ضروری ہے)
5. کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف انارنی مع دستخط کے نمونے (اگر یہ پہلے فراہم نہ کیا گیا ہو) کارپوریٹ ادارے کی جانب سے نمائندگی اور ووٹ ڈالنے کے لئے نامزد کردہ شخص کی جانب سے چینی میں پراکسی فارم کے ساتھ جمع کرنا ہوگی۔

