

ANNUAL REPORT 2024



**SHAHMURAD
SUGAR MILLS LTD.**



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Company Information

BOARD OF DIRECTORS

MR. NOOR MOHAMMAD ZAKARIA

MR. ZIA ZAKARIA

MR. ABDUL AZIZ AYOOB

MRS. SANOBAR HAMID ZAKARIA

MR. ASAD AHMED MOHIUDDIN

MR. RUMI MOIZ

MR. SHEIKH ASIM RAFIQ

BOARD AUDIT COMMITTEE

MR. RUMI MOIZ

MR. NOOR MOHAMMAD ZAKARIA

MRS. SANOBAR HAMID ZAKARIA

HUMAN RESOURCE AND REMUNERATION COMMITTEE

MR. RUMI MOIZ

MR. NOOR MOHAMMAD ZAKARIA

MR. ZIA ZAKARIA

CHIEF FINANCIAL OFFICER

MR. ZAID ZAKARIA

COMPANY SECRETARY

MR. MOHAMMAD YASIN MUGHAL
FCMA

AUDITORS

M/s. KRESTON HYDER BHIMJI & CO.
Chartered Accountants

LEGAL ADVISOR

MR. IRFAN
Advocate

REGISTERED OFFICE

96-A, Sindhi Muslim Society, Karachi-74400 Tel: 34550161-63 Fax: 34556675

www.shahmuradsugar.co

REGISTRAR & SHARES REGISTRATION OFFICE

C & K Management Associates (Pvt) Ltd.
M-13, Progressive Plaza, Civil Lines Quarter
Near P.I.D.C, Beaumont Road,
Karachi - 75530

FACTORY

Jhok Sharif,
Taluka Mirpur Bathoro,
District Sujawal (Sindh)



Mission

To gain strength through industry leadership in the manufacturing and marketing of sugar and allied products, to have a strong presence in these products markets while retaining the options to diversify in other lucrative ventures.

To operate efficiently, ethically and while maximizing profits and satisfying customers' needs and stakeholders' interests.

To assist in the socio economic development of Pakistan especially in the rural areas through industrial expansion and development.

Vision

To be a leading company producing sugar and allied products of international quality by maintaining high level of ethical and professional standards.

CODE OF CONDUCT

Shahmurad Sugar Mills Limited is guided by the following principles in its pursuit of excellence in all activities for the attainment of the Company's Objectives.

THE COMPANY

- Fulfills all statutory requirements of the Regulatory Authority and follows all applicable laws of the Country together with compliance of accepted accounting principles, rules and procedures required.
- Deals with all stakeholders in an objective and transparent manner so as to meet the expectations of those who rely on the Company.
- Meet the expectations of the spectrum of the society and the Regulatory Authority by implementing an effective and fair system of financial reporting and internal controls.
- Uses all means to protect the environment and ensures health and safety of the employees.
- Activities and involvement of directors and employees of the Company in no way conflict with the interest of the Company. All acts and decisions of the management are motivated by the interest of the Company rather than their own.
- Ensures efficient and effective utilization of its resources.

AS DIRECTORS

- Promote and develop attractive environment through responsive policies and guidelines to facilitate viable and timely decisions.
- Maintain organizational effectiveness for the achievement of the Company's goals.
- Support and adherence to compliance of legal and industry requirements.
- Safeguard the interest and assets of the Company to meet and honor all obligations of the Company.
- Promote a culture that supports enterprise and innovation with appropriate short-term and long term performance related rewards that are fair and achievable in motivating management and employees effectively and productively.

AS EXECUTIVE AND MANAGERS

- Ensure cost effectiveness and profitability of operations.
- Provide directions and leadership for the organization and take viable and timely decisions.
- Develop and cultivate work ethics and harmony among colleagues and associates.
- Encourage initiatives and self-realization in employees through meaningful empowerment.
- Promote and develop culture of excellence, conservation and continuous improvement.
- Provide pleasant work atmosphere and ensure equitable way of working and rewarding system.
- Institute commitment to environmental, health and safety performance.

AS EMPLOYEES AND WORKERS

- Observe company's policies, regulations and Codes of Best Business Practices.
- Exercise prudence in effective, efficient and economical utilization of resources of the Company.
- Make concerted struggle for excellence and quality.
- Devote productive time and continued efforts to strength the Company.
- Protect and safeguard the interest of the Company and avoid the conflict of interest. Ensure the primary interest in all respects is that of the Company.
- Maintain financial integrity and must avoid making personal gain at the Company's cost by participating in or assisting activities which compete with the Company.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 46th Annual General Meeting of SHAHMURAD SUGAR MILLS LIMITED will be held at the Registered Office of the Company at 96-A, Sindhi Muslim Society, Karachi on Tuesday, January 28, 2025 at 03.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the 45th Annual General Meeting held on January 25, 2024.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended September 30, 2024 together with the Directors' and Auditors' Reports thereon.

In accordance with Section 223 of the Companies Act, 2017, and pursuant to SRO. 389(i)2023 dated March 21, 2023 the financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following web link:

<https://www.shahmuradsugar.co/financial-statements.html>



3. To appoint Auditors and to fix their remuneration for the year 2024-25. The present Auditors M/s Kreston Hyder Bhimji & Co., Chartered Accountants, retire and offer themselves for re-appointment.

SPECIAL BUSINESS

4. To ratify and approve transactions conducted with Related Parties in normal course of business for the year ended September 30, 2024, and authorize the Board of Directors of the Company to approve the related parties transactions by passing the following special resolution with or without modifications:
 - a) "RESOLVED that the transactions carried out in normal course of business with related parties as disclosed in Note No. 37 of the audited financial statements for the year ended September 30, 2024, be and are hereby ratified and approved."
 - b) "FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorized to approve all related party transactions to be carried out during the financial year ending September 30, 2025. These transactions shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next AGM for their formal ratification/approval.

OTHER BUSINESS

5. To transact any other business with permission of the Chair.

Attached to this notice is a statement of Material Facts covering the above mentioned Special Business, as required under section 134(3) of the Companies Act, 2017.

By Order of the Board



M. YASIN MUGHAL
COMPANY SECRETARY

Karachi: December 30, 2024

NOTES:

1. Closure of Share Transfer Books:

The Register of the Members of the Company will remain closed from January 21, 2025 to January 28, 2025 (Both days inclusive) for the purpose of attending the Annual General Meeting /Transfer of shares.

2. Participation in Annual General Meeting and appointing proxies:

A member of the Company entitled to attend and vote may appoint another member as his/her proxy to attend and vote on his/her behalf . PROXIES MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

In pursuance of Circular No.1 of SECP dated January 26, 2000 the CDC Account holders/subaccount holders are requested to bring with them their original CNICs or Passports alongwith Participant(s) ID Number and CDC account numbers at the time of attending the Annual General Meeting for identification purpose. If proxies are granted by such shareholders the same must be accompanied with attested copies of the CNICs or the Passports of the beneficial owners. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures of the nominee shall be submitted along with Proxy form to the Company. The nominee shall produced his original CNIC at the time of attending the meeting for identification.

3. Participation in the Annual General Meeting Electronically.

In Pursuance of Circular No. SMD/SL/2(20)/2021/117 dated 15-02-2021 issued by SECP to ensure the participant Members may attend the Meeting Electronically. To attend the Meeting Electronically a Member is required to send an e-mail to agm.shsmi@alnoorgroup.co with e-mail address, name, folio number, CNIC Number, Cell Number and number of shares held in his / her name with subject "Registration for AGM of SHSML". A video link to join the Meeting will be shared with Members whose e-mails, containing all the required particulars, are received not later than 48 (forty-eight) hours before the time of the Meeting.

4. Submission of copies of CNIC

Individual Shareholders are once again reminded to submit a copy of their valid CNIC, if not provided earlier, to the Company's Share Registrar. In case of non-availability of a valid copy of the Shareholders' CNIC in the records of the Company, the company shall be constrained to withhold the Dividend, under the provisions of Section 243 of the Companies Act 2017.

5. Payment of Cash Dividend Electronically:

As per provision of Section 242 of Companies Act, 2017 any dividend payable in cash 'shall only be paid through electronic mode directly in to the bank account designated by the entitled shareholders. A notice of the foregoing seeking information from shareholders for payment of dividend through electronic mode was sent earlier. The shareholders are now once again requested to provide their folio number, name and details of bank account including bank name, branch name, branch code and address, Account number, Title of Account and IBAN/swift code in which they desire their dividend to be credited, failing which the Company will be unable to pay the dividend through any other mode. Standard request form has also been placed on website of the Company. The members are requested to send the information on the same at the earliest possible.

In case shares are held in CDC then the form must be submitted directly to shareholder's broker /participant CDC Investor account services.

6. Unclaimed Dividend / Shares :

Shareholders who could not collect their dividend/physical shares are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares, if any.

7. Consent For Video Conference Facility:

Pursuant to Section 134(1)(b) of the Act, if the Company receives consent from shareholders holding aggregate 10% or more shareholding residing at a geographical location to participate in the meeting through video conference at least seven days before the date of the meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city

8. Transmission of Audited Financial Statements / Notices Through Email

Under the provisions of section 223(6) of the Act, all listed companies are permitted to circulate their annual financial statements, along with the Auditor's Report, Directors' Report, Chairman Review Report along with notice of Annual General Meetings ("Annual Report"), to its shareholders through email subject to the written consent of the shareholders. The printed copy of the financial statement can be provided to the member upon request.

9. Deposit of Physical Shares into CDC Accounts.

As per Section 72 of the Companies Act, 2017 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 the Commission, within a period not exceeding four years from commencement of the Companies Act, 2017.

The shareholders having physical shareholding may open CDC sub-account with any of the brokers or investor's account directly with the CDC to place their physical shares into scrip less form. This will facilitate them in many ways including safe custody and sale of shares, anytime they want as the trading of physical shares is not permitted as per existing Regulations of Pakistan Stock Exchange.

10. Financial Statements and relevant reports have been placed on the website of the company which can be seen on www.shahmuradsugar.co

11. E-Voting

Members may exercise their right to vote by means of postal ballot i.e. by post or through electronic mode subject to the requirements of section 143 and 144 of the Companies Act, 2017. Pursuant to Companies (Postal Ballot) Regulations, 2018, for the purposes of Special Business members will be allowed to exercise their right to vote through postal ballot /electronic mode in accordance with the requirement and procedures contained in the aforesaid Regulations. The schedule and procedure of postal ballot/electronic voting shall be placed on the Company's website i.e. www.shahmuradsugar.co seven (7) days before the meeting.

12. Change of Address and Non-Deduction of Zakat Declaration Form:

Shareholders are requested to inform the Company's Share Registrar, M/s. C & K Management Associates (Pvt.) Limited, **M13, Progressive Plaza**, Civil Lines Quarter, Near P.I.D.C., Beaumont Road, Karachi - 75530. of any change in their addresses and provide their non-deduction of zakat declaration Form immediately.

Statement under Section 134(3) of the Companies Act, 2017 Regarding Special Business

Agenda No. 4

- a. All transactions carried out by the company with related parties during the year ended September 30, 2024, given in the related parties note No. 37 of the Annual Financial Statement of the Company

The Company carried out transactions with related parties as per the approved Related Party Transactions Policy and approved by the Board as recommended by the Audit Committee on a quarterly basis pursuant to Section 208 of the Companies Act 2017 and clause 15 of the Listed Companies Code of Corporate Governance Regulations 2019.

The transactions with related parties have been approved by the Board in Quarterly and annual financial statements during the financial year ended September 30, 2024. However, the Board decided to place the related party transactions before the shareholders in the AGM for ratification and approval, considering the interest/concerns of the majority directors due to common directorship.

- b. Authorization to the Board of Directors for all transactions to be carried out with related parties during the ensuing year ending September 30, 2025. The Company is expected to be conducting transactions with related parties as per the approved Related Party Transactions Policy. All transactions entered into or to be entered with related parties require the recommendation of the Audit Committee and such transactions shall be placed before the Board of Directors for approval. In order to promote transparent business practices, the shareholders are recommended to authorize the Board of Directors of the Company to approve transactions with the related parties for the year ending September 30, 2025, which transactions shall be deemed to be approved by the shareholders. These transactions shall be placed before the shareholders in the next AGM for their formal ratification/approval.

The Directors are interested in the resolution only to the extent of their common directorships and their shareholding in the associated companies.

CHAIRMAN'S REVIEW REPORT

The concluded year under consideration ending September 30, 2024 the Company has achieved constructive development for its stakeholders under the challenging circumstances. During the period under review the Company has faced major challenges due to impact of long confrontation of Russia and Ukraine, middle east conflict, increasing financial cost, supply chain disruption, higher sea freight cost and recession in world major economics.

The company has managed to achieved profit before tax amounting to Rs. 423.629 million as against Rs.4,410.475 million earned during the previous year. The Company was also able to achieve highest net sales valuing Rs.25.737 billion as against Rs.22.884 billion achieved last year. Keeping in view the higher cost the profit has decline during the year under review.

The Board implemented and complied with requirement of companies Act 2017 and the listed companies Code of corporate Governance regulation 2019 with respect to the constitution, procedures, and meetings of the Board of Directors and committees thereof. The Board constituted audit committee and Human Resource and Remuneration Committee. Audit committee thoroughly examined the financial statements of the company before presentation of the same to the Board. The company comprehensively focused on mission and vision of the company to be a leading company in the production of refined sugar and ethanol in the country.

I would also like to thank our shareholders for their continued support on the Board and management of the Company.



NOOR MOHAMMAD ZAKARIA
CHAIRMAN

Karachi
December 30, 2024

DIRECTORS' REPORT

IN THE NAME OF ALLAH THE MOST GRACIOUS AND MOST MERCIFUL

Dear members Aslamu Alaikum

I feel great pleasure to place on behalf of the Board of Directors the audited financial statements of your company along with Directors' and Auditors' reports thereon for the year ended September 30, 2024. The principal activities of your company is to produce Sugar and Ethanol of good quality.

FINANCIAL PERFORMANCE:	2023-24	2022-23
	(Rupees in thousands)	
Profit before levies and income tax	423,629	4,410,475
Provision for levies and income tax	(371,229)	(582,864)
Profit for the year	52,400	3,827,611
Earnings per share - basic and diluted - Rupees	Rs.2.48	Rs.181.24

Your company has earned a profit after tax amounting to Rs. 52.400 million as against a profit of Rs.3,827.611 million earned during the previous year.

Salient comparative production and financial data are provided as under:

OPERATIONAL RESULTS:	2023-24	2022-23
Sugarcane crushed (metric tons)	654,604	567,913
Sugar produced (metric tons)	71,905	60,303
Sugar recovery rate (percentage)	10.98	10.60
Molasses produced (metric tons)	30,450	26,720
Ethanol produced (metric tons)	59,967	69,738

FINANCIAL DATA:	(Rupees in thousands)	
Sales	25,737,193	22,884,469
Cost of sales	(23,555,774)	(17,246,001)
Gross profit	2,181,419	5,638,468
Distribution cost	(151,576)	(176,762)
Administrative expenses	(456,022)	(373,448)
Other expenses	(51,427)	(330,040)
Financial cost	(1,650,038)	(1,012,861)
Other income	551,315	665,166
Share of loss in associate	(42)	(48)
Profit before levies and income tax	423,629	4,410,475

PERFORMANCE REVIEW

SUGAR DIVISION:

By the blessing of Almighty ALLAH, the performance of your company was good during the period under review. Recovery rate also enhanced from 10.60 percent to 10.98 percent which was due to improved quality of sugar cane. The sugar produced was 71,905 metric tons which was 19.24 percent higher than the previous year's production of 60,303 metric tons. This was due to higher crushing volume as the availability of raw material improved and increase in the recovery rate.

ETHANOL DIVISION

During the period under consideration ethanol plant operated satisfactorily and produced 59,967 metric tons of ethanol as against 69,738 metric tons produced last year. The production is lower when compared with the production of last year which was kept under control keeping in view the demand of the product. Your company exported 61,181 metric tons of ethanol as against 68,980 metric tons exported last year and the company earned much needed foreign exchange for the country. The management has worked extensively to develop a portfolio of various products mixes in order to ensure optimum utilization of the plant capacity in order to improve the bottom line.

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CORPORATE GOVERNANCE:

1. The Financial Statements prepared by the management of the Company present fairly its states of affairs, the results of operations, cash flow and changes in equity.
2. The Company has maintained proper books of accounts as required under the law.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Company's ability to continue as going concern.
7. There has been no material departure from the best practices of the Code of Corporate Governance as detailed in the Listing Regulations of Pakistan Stock Exchange.
8. There have been no outstanding statutory payments, except those under normal course of business and some disputed cases which are appearing in the relevant notes to the financial statements.
9. The pattern of shareholding in the Company as on September 30, 2024 is also included in the Annual Report.
10. The Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, their spouses or minor children carried out no trade in the shares of the Company except as otherwise indicated in the relevant notes to the financial statements.
11. The investment out of the provident fund have been made in accordance with the provision of Section 218 of the Companies Act 2017 and rules formulated for this purpose.
12. The key operating and financial data of the last ten years and pattern of shareholding have been included in the Annual Report. There has been no significant change in the holding of directors or their spouses except otherwise indicated.

COMPOSITION OF BOARD OF DIRECTORS:

During the period under review there has been no change in the composition of Board of Directors.

During the period under consideration four meetings of the Board were held and presence of each director was as under.

	NAMES OF DIRECTORS	ATTENDANCE	STATUS
01.	Mr. Noor Muhammad Zakaria	4	Non-Executive
02.	Mr. Zia Zakaria	4	Executive
03.	Mr. A. Aziz Ayoob	4	Executive
04.	Mrs. Sanobar Hamid Zakaria	4	Non-Executive
05.	Mr. Asad Ahmad Mohiuddin	4	Non Executive
06.	Mr. Rumi Moiz	4	Independent Director
07.	Mr. Sheikh Asim Rafiq	4	Independent Director

The details of remuneration of executive and non-executive directors have also been provided in the relevant note to the financial statements as required under the Listing Regulations of Pakistan Stock Exchange Limited. No remuneration is paid to non-executive directors except meeting fee.

AUDIT COMMITTEE:

The Board has also constituted an Audit Committee comprising of the following directors. During the period under consideration, four meetings of the Audit Committee were held and attendance of each director was as under:

	<u>NAME OF DIRECTORS</u>	<u>ATTENDED</u>	<u>STATUS</u>
1.	Mr. Rumi Moiz (Chairman)	4	Independent Director
2.	Mr. Noor Muhammad Zakaria	4	Non-executive Director
3.	Mrs. Sanobar Hamid Zakaria	4	Non-executive Director

Terms of Reference of the Audit Committee have also been determined by the Board in accordance with the guidelines provided in the Listing Regulations of the Pakistan Stock Exchange Limited.

HUMAN RESOURCE AND REMUNERATION COMMITTEE:

The Board has also constituted Human Resource and Remuneration Committee in accordance with the guide lines provided in the Listing Regulations of Pakistan Stock Exchange Limited consisting of the following Directors. During the period one meeting of the Committee was held and all the members attending the meeting as indicated hereunder.

1.	Mr. Rumi Moiz	Chairman	Independent Director
2.	Mr. Noor Muhammad Zakaria	Member	Non-Executive Director
3.	Mr. Zia Zakaria	Member	Executive Director

DIRECTORS' REMUNERATION POLICY:

As per articles of the Company, the Board of Directors is authorized to fix remuneration of executive and non-executive and independent Directors. Approval of members in general meeting is required in accordance with the articles of the Company and Companies Act 2017. The Board of Directors has developed a Directors' Remuneration Policy which describes in detail, the objectives and sets a transparent procedure for determination of the remuneration packages of individual director. Salient features, amongst other, of Directors' Remuneration Policy include that the level of remuneration shall be competitive and sufficient to attract and retain qualified and skilled individuals. Details of the aggregate amount of remuneration of executive and non-executive directors are disclosed in note no. 39 to the financial statements.

CREDIT RATING OF THE COMPANY:

VIS Credit Rating Company has assigned initial medium to long term entity rating of 'A-/A-2' (Single A minus/ A-two) to the Company an outlook on medium to long term rating as "stable".

CORPORATE SOCIAL RESPONSIBILITY:

The benefits of corporate social responsibility are evident form higher productivity among employees, enhance company reputation in market place and contributing the strength of the company. The company is committed to accomplish its Corporate and Social Responsibility (CSR) goals and continued to take initiatives by supporting education, healthcare, environments and other social causes around the Mills area in order to bring improvement in the lives of lesser privileged communities of the locality. The Company undertook continuously numbers of welfare activities in its franchise area i.e. established a school up to secondary level, holding of medical camps on interval basis, financial assistance to deserving villagers, provide fertilizer and seed to growers, supply of free ration and medical assistance to needy persons as and when required.

FUTURE OUTLOOK:

SUGAR DIVISION

Last year the Government of Sind vide Notification No B(142)/SO(Est)/2023-24 has notified that the price of sugarcane for the crushing season is Rs.425/= per forty kgs whereas the same was Rs.302/= per forty kgs during the previous year, this has increased the cost of raw material by Rs.123/= per forty kgs. This has increased the cost of production. In spite of good return paid to the growers during the crushing season 2023-24, the growers were reluctant to sell their produce at the notified price. Crop was better in the province as would be observed from the volume of crushing and production of sugar. Crushing season 2024-25 has just commenced and it is expected that the production of sugar would be more than last year but factual position would emerge after sizeable volume of crushing is achieved. It is a great concern of the sugar industry in the country that raw material is controlled by the Government whereas the price of the end product is left opened to market forces.

ETHANOL DIVISION:

The availability of molasses is expected to be better due to good cane crop in the country. The price of ethanol is range bound and there is uncertainty due to continuous war between Russia and Ukrain and Middle East conflict which effected supply chain disruption of easy access of export routes and increase the cost of sea freight. In addition to recessionary trend in Europe and China which may affect the export of ethanol negatively. The management is aggressively pursuing various avenues to develop product mixes which would help improve the profit margin of ethanol division.

HEALTH, SAFTY AND ENVIRONMENT:

The company strongly believes in high standards of health and safety, the management is well aware of its responsibilities towards maintaining good environment so that its negative impacts can be eliminated and it is committed to sustainable development of the society. Your company is determined to minimize environmental impact by reducing waste and emissions and conduct its business with the highest standards of health and safety of its employees, customers, suppliers, neighbors and the general public. The management initiates tree plantation drives to support the environment within the community and surrounding areas of the mills. The production facility of the company is fully compliant with the applicable environment and safety standards in the country.

RELATED PARTIES TRANSACTIONS:

All related parties' transactions carried out during the period are placed before the Board's Audit Committee and thereafter before the Board for final approval as required under the Listing Regulation of Pakistan Stock Exchange. Related parties' transactions carried out at arm's length price as provided in Companies Act 2017.

CONTRIBUTION TO NATIONAL EXCHEQUER:

The company is also enhancing the resources of the country in the form of taxes, duties and earning foreign exchange through export of sugar as and when allowed by the Government and ethanol in order to reduce trade deficit being faced by the country. During the period under review your company has exported 1250 metric tons of sugar and 61,181 metric tons of ethanol and earned valuable foreign exchange for the country.

RISK MANAGEMENT AND OPPORTUNITIES:

The Board of Directors of the company keep close watch on financial and economic environment and emerging consequential internal and external risk that may affect smooth operations and performance of the company. The Company operates in a challenging environment and the management has also set up an effective mechanism for identification, evaluation and mitigation of risk which enables smooth operation and ensures that focus remains on business growth in order to improve the health of the company.

CREDIT RISK:

The company usually sells the products against advance payments but in case of credit sale proper due diligence of customers is exercised to whom credit is extended. Credit exposure is managed through the application limit to customers, incase allowed, and raw material suppliers and as well as through diversification of investments

MARKET RISK:

The company is exposed to risk of changes in the price of its raw materials and finished products. This is managed by planning of stock levels and continuous monitoring of markets for purchases and sales through various sources at time and intervals found appropriate.

LIQUIDITY RISK:

The Company managed working capital requirements from various banks to cater to the mismatch between sales receipts and payment for purchases in order to meet its business obligations. The Board periodically reviews major risk faced by the business and take necessary actions in order to mitigate the risk. Audit Committee also reviews the financial and compliance risks. The Human Resource and Remuneration Committee reviews the compensation and reward policies to ensure that these are competitive and effective for retention and attraction of talented and experienced staff.

MECHANISM FOR EVALUATION OF THE BOARD:

The Board and Board's committee's members are highly experienced personnel and continuously striving to improve their effectiveness and undertake annual review to assess the Board's performance. The Board also reviews the developments taking place in the corporate sector and governance to ensure that the company remains aligned with the best practices.

DIVIDEND:

The Board of Directors in its meeting held on December 30, 2024 has not recommended a dividend for the year ended September 30, 2024.


APPOINTMENT OF AUDITORS:

The present Auditors, M/s Kreston Hyder Bhimji & Co., Chartered Accountants, will stand retired with the conclusion of Annual General Meeting for the year 2024 and being eligible have offered themselves for re-appointment for the year 2024-25. Audit Committee also recommended their re-appointment for the year 2024-25 and the Board of your company also endorsed the recommendation of the Audit Committee for re-appointment of M/s Kreston Hyder Bhimji and Company, Chartered Accountants, till the conclusion of next Annual General Meeting.

STAFF RELATIONS:

Finally, the directors place on record their appreciation for devotion of duty and dedicated hard work of the executives, staff members and employees for the smooth running of the company's affairs, meeting the objectives and targets in the current demanding environments and are confident that they will continue to demonstrate the same zeal and vigor in future under the blessing of our Creator.

By order of the Board



ZIA ZAKARIA
Managing Director & CEO



A. AZIZ AYOOB
Director

Karachi

Dated: December 30, 2024

STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS 2019 FOR THE YEAR ENDED SEPTEMBER 30, 2024

Shahmurad Sugar Mills Limited ("The company") has complied with the requirements of the Regulations in the following manner:

The total number of directors on the Board are seven as per following:

- a) Male Six
- b) Female One

2. The composition of the Board is as follows:

a. Independent directors

- i) Mr. Rumi Moiz
- ii) Mr. Sheikh Asim Rafiq

b. Non-executive directors

- i) Mr. Noor Muhammad Zakaria
- ii) Mr. Asad Ahmad Mohiuddin
- iii) Mrs. Sanober Hamid Zakaria

c. Executive directors


- i) Mr. Zia Zakaria
- ii) Mr. Abdul Aziz Ayoob

Following the election of Directors, the Board was reconstituted on March 29, 2022 comprising of 7 directors including 2 independent directors. One third of seven comes to 2.33 and the fraction was not rounded upward to one to have three independent directors in observance of general mathematic principle.

- 3. The directors have confirmed that none of them is serving as 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. A complete record of significant policies along with the dates on which they were approved or amended has been maintained.
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and the 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 Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
- 8. The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.
- 9. The Chairman and two directors have prescribed education and experience required for exemption under clause 19(2) of the CCG Regulations accordingly they are exempt from attending directors training program pursuant to clause 19(2) of the CCG Regulations. Furthermore, two of the directors have acquired the required certification and other directors would be provided the facilities to acquired the certification.
- 10. The Board has approved the appointment of Chief Financial Officer (CFO) including his remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. The remuneration, terms and conditions of the employment CFO, Company Secretary and Head of Internal Audit and any change thereto have been approved by the Board.
- 11. CFO and CEO duly endorsed the financial statements before approval of the Board.

- 12 The Board has constituted committees comprising of the following members.
- a) Audit Committee:**
- | | |
|----------------------------|----------|
| Mr. Rumi Moiz | Chairman |
| Mr. Noor Muhammad Zakaria | Member |
| Mrs. Sanobar Hamid Zakaria | Member |
- b) H.R and Remuneration Committee:**
- | | |
|---------------------------|----------|
| Mr. Rumi Moiz | Chairman |
| Mr. Noor Muhammad Zakaria | Member |
| Mr. Zia Zakaria | Member |
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committee were as per following.
- | | |
|----------------------------------|-------------------------|
| a) Audit Committee | Four quarterly meetings |
| b) HR and Remuneration Committee | One annual meeting |
15. The Board has set up an effective Internal Audit function in the Company managed by qualified and experience professional, who are conversant with the policies and procedures of the Company and the industry's best practices. They are involved in the internal audit functions on full time basis. The head of internal audit department functionally reports to the Board's Audit Committee.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and Auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirmed that all other requirements of Code of Corporate Governance 2019 and the relevant Regulations have been complied with except the following.
- i. The requirement of Nomination Committee is optional in regulation no 29. The Board takes care of the responsibilities prescribed for nomination committee so a separate nomination committee is not considered necessary.
 - ii. The requirement of Risk Management Committee is optional in regulation no 30. The risk management carried out at the overall Company's level by the executive management of the Company headed by the CEO. The Company's management monitors potential risk and risk management procedures are carried out to identify, assess and mitigate any identified or potential risk. The Board is also apprised from time to time about the risks and their management. Therefore, it is not considered necessary to have a separate committee in the respect.
 - iii. Since the requirement with respect to disclosure of significant policies on the website is optional in regulation no 35(1), the company has uploaded only limited information in this respect on the Company's website. However, significant related information in respect of salient policies is disclosed in the annual reports of the Company which are duly uploaded on the website and are available for every one assessing the website. The company will however, review and place key elements of other policies if considered necessary.

- iv. Securities and Exchange Commission of Pakistan (SECP) has made certain amendments in the Regulations through its notification dated June 12, 2024, whereby certain additional requirements are introduced which includes requirements with respect to anti-harassment policy and company's sustainability and Diversity, Equity and Inclusion (DE&I) related strategies. At present, these matters are taken care by the senior management of the Company with oversight by the relevant board committees and also where needed the Board provides governance and oversight in relation to the Company's initiatives on Environmental, social and Governance (ESG) matters. Nevertheless, the specific requirements introduced through said notification will be complied with in due course.



NOOR MOHAMMAD ZAKARIA
Chairman



ZIA ZAKARIA
Chief Executive Officer

Karachi: December 30, 2024

KEY OPERATION & FINANCIAL DATA FOR LAST TEN YEARS

(Rupees in thousand)

2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
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FINANCIAL POSITION:

Share capital	211,187	211,187	211,187	211,187	211,187	211,187	211,187	211,187	211,187	211,187
Revenue reserves	7,470,931	7,640,876	4,591,245	3,141,065	3,178,204	2,690,419	1,750,761	920,125	937,213	858,025
Surplus on revaluation of fixed assets	4,038,379	5,966,455	1,212,117	1,309,151	1,389,650	1,476,197	1,582,959	546,707	568,724	587,964
Long-term financing	260,431	388,654	656,877	895,100	1,163,612	1,340,813	1,659,686	1,542,234	756,942	774,675
Deferred taxation	2,716,464	956,059	162,110	70,279	17,212	(25,726)	(68,700)	(81,034)	53,862	56,458
Current liabilities	7,138,104	7,434,794	6,217,140	4,304,474	5,351,671	4,672,241	4,925,666	3,456,917	1,428,785	2,642,076
Operating assets	10,770,737	10,859,038	5,551,147	5,260,906	5,386,952	5,498,699	5,315,321	3,052,313	2,541,075	2,424,275
Long-term deposits	3,149	3,149	2,599	2,429	2,429	2,429	2,429	2,429	2,428	2,395
Long-term investment	1,208	973	1,094	958	1,006	1,351	1,815	2,673	3,097	3,759
Current assets	11,058,974	11,732,998	7,494,696	4,665,568	5,919,925	4,860,438	4,529,303	3,537,186	1,407,923	2,696,867

FINANCIAL PERFORMANCE

Turnover	25,737,193	22,884,469	17,806,813	9,934,493	11,143,607	9,497,552	7,220,127	5,055,682	5,909,743	5,199,162
Gross profit	2,181,419	5,638,468	3,451,259	762,110	1,591,640	2,010,195	810,408	583,894	670,379	805,191
Operating profit	2,073,709	5,423,384	2,455,514	665,226	1,275,897	1,705,403	783,430	128,636	343,522	541,563
Profit/(Loss) before tax	423,629	4,410,475	1,966,674	298,439	931,588	1,354,532	548,249	(74,397)	170,136	262,783
Profit after tax	52,400	3,827,611	1,650,851	135,666	760,556	1,205,546	601,258	7,268	125,148	184,723
Earning per share	2.48	181.24	78.17	6.42	36.00	57.08	28.47	0.34	5.93	8.75
Cash dividend	NIL	500%	200%	30%	120%	170%	70%	5%	24%	35%
Bonus shares	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

SUGAR PRODUCTION

Cane Crushed (M.Tons)	654,604	567,913	601,695	441,293	444,430	500,270	744,578	672,747	496,109	596,006
Sugar Produced (M.Tons)	71,905	60,303	66,683	47,220	48,786	55,425	82,366	72,755	52,578	65,791
Recovery (%)	10.98%	10.60%	11.08%	10.70%	11.00%	11.08%	11.06%	10.82%	10.60%	11.02%



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SHAHMURAD SUGAR MILLS LIMITED

Review Report on the Statement of Compliance contained in the 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 **Shahmurad 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.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended September 30, 2024.

Chartered Accountants

Karachi.

Date: December 30, 2024

UDIN: CR202410729kqKN8yDRJ

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**INDEPENDENT AUDITOR’S REPORT
TO THE MEMBERS OF SHAHMURAD SUGAR MILLS LIMITED
Report on the Audit of the Financial Statements**

Opinion

We have audited the annexed financial statements of **Shahmurad Sugar Mills Limited**, (“the Company”) which comprise the statement of financial position as at September 30, 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2024 and of the profit and 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.

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. Following are the Key audit matters:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1.	<p>Borrowings</p> <p>The Company has significant amounts of borrowings from Banks and other financial institutions amounting to Rs. 5,914.246 million, being 58.47% of total liabilities, as at reporting date.</p> <p>Given the significant level of borrowings, finance costs and gearing impact, the disclosure given by the management in financial statements and compliance with various loan covenants, this is considered to be a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Review of loan agreements and facility letters to ascertain the terms and conditions of repayment, rates of markup used and disclosed by management for finance costs and to ensure that the borrowings have been approved at appropriate level. Verification of disbursement of loans and utilization on sample basis. Review of charge registration documents.

S.No.	Key Audit Matter	How the matter was addressed in our audit
	<p>(Refer Notes 3.11, 20 and 24 to the financial statements).</p>	<ul style="list-style-type: none"> • Verification of repayments made by the Company during the year on sample basis to confirm that repayments are being made on time and no default has been made. • Understating and assessing procedures designed by management to comply with the debt covenants and performing covenant tests on sample basis. • Obtaining confirmation from Banks and other lenders of the Company to confirm balances, terms and conditions stated in the term sheets and compliance thereof. • Performing analytical procedures, recalculations and other related procedures for verification of finance costs. • Ensuring that the outstanding liabilities have been properly classified and related securities and other terms are adequately disclosed in the financial statements.
<p>2.</p>	<p>Recognition of Revenue</p> <p>Revenue from sale of the Company's products has increased by approximately 12.47% as compared to last year. Revenue is recognized when performance obligations are satisfied by transferring control of promised goods to customer, generally on delivery of goods.</p> <p>There is inherent risk that revenue may be overstated since the Company focuses on revenue as a key performance indicator, which could create an incentive for revenue to be recognized before control has been transferred.</p> <p>Considering revenue recognition as a significant risk area, we have identified this as a key audit matter.</p> <p>(Refer to note 3.15 and 27 to the financial statements).</p>	<p>Our audit procedures to assess the recognition of revenue included the following:</p> <ul style="list-style-type: none"> • Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards including management's assessment of impact of IFRS-15 "Revenue from Contracts with Customers". • Obtaining an understanding of management's internal controls over the revenue process and testing effectiveness of controls relevant to such process; • Performing analytical procedures and test of details by selecting sample of transactions for comparing with sales orders, sales invoices, delivery orders and other underlying records. • Comparing a sample of revenue transactions recorded around the year end with the sales orders, sales invoices, delivery orders and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • Reviewing the adequacy of disclosure as required under applicable financial reporting framework.

S.No.	Key Audit Matter	How the matter was addressed in our audit
3.	<p>Contingencies</p> <p>The Company is under litigations in respect of various matters including industry wide matters as well as pending tax matters and other miscellaneous claims in respect of the assets/ payables of the company as disclosed in note 26 of the annexed financial statements.</p> <p>These contingencies require management's judgments and estimates in relation to the interpretation of relevant laws, notifications and regulations and the recognition and measurement of any provisions that may be required against such contingencies. Due to inherent uncertainties and the time period such matters may take to resolve, the management judgments and estimates in relation to such contingencies may be complex and can significantly impact the annexed financial statements.</p> <p>Accordingly, these are considered as key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Assessing management's processes to identify new possible litigations, obligations and changes in existing obligations through inquiries from management and review of the minutes of meetings of the Board of Directors and Audit Committee. • Review of the relevant information including case proceedings, related industry information and correspondence in respect of the ongoing litigations. • Obtaining confirmation from the legal counsel of the company to evaluate the status of the pending litigations and view point of the company's legal counsel thereon. • Examining legal and professional expenses to confirm that all pending legal matters are identified and disclosed. • Assessing the appropriateness of the related disclosures made in the accompanying financial statements in light of IAS-37 "Provisions and Contingencies."

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the 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.

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Taswar Hussain.



Chartered Accountants

Karachi

Dated: December 30, 2024

UDIN: AR202410729SwsD0kvC9

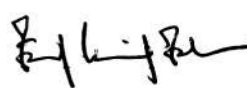
STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2024

	Note	2024 (Rupees in thousand)	2023
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	10,770,737	10,859,038
Intangible asset	5	-	-
Long term investment	6	1,208	973
Long term loans	7	1,428	1,867
Long term deposits	8	3,149	3,149
		10,776,522	10,865,027
CURRENT ASSETS			
Stores and spares	9	514,016	356,283
Stock-in-trade	10	5,443,492	4,562,106
Trade debts	11	778,139	870,395
Loans and advances	12	611,516	710,205
Trade deposits and short term prepayments	13	2,090	1,168
Other receivables	14	74,592	109,064
Short term investments	15	2,824,317	24,242
Cash and bank balances	16	810,812	5,099,535
		11,058,974	11,732,998
		21,835,496	22,598,025
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 25,000,000 ordinary shares of Rs. 10 each		250,000	250,000
Issued, subscribed and paid-up capital	17	211,187	211,187
Revenue reserve			
General reserve	18	80,000	80,000
Unappropriated profit		7,392,922	7,563,144
Share of associate's unrealized loss on remeasurement of its investment at fair value through other comprehensive income	6.2	(1,991)	(2,268)
Revaluation surplus on property, plant and equipment	19	4,038,379	5,966,455
		11,720,497	13,818,518
NON CURRENT LIABILITIES			
Long term financing	20	260,431	388,654
Deferred taxation	21	2,716,464	956,059
		2,976,895	1,344,713
CURRENT LIABILITIES			
Trade and other payables	22	1,259,930	2,437,950
Accrued finance cost	23	138,678	127,089
Short term borrowings	24	5,575,592	4,562,307
Loan from related parties	25	-	8,032
Unclaimed dividend		24,288	22,330
Current portion of long term financing	20	78,223	178,223
Income tax provision - net of payments		61,393	98,863
		7,138,104	7,434,794
CONTINGENCIES AND COMMITMENTS			
	26	-	-
		21,835,496	22,598,025

The annexed notes 01 to 47 form an integral part of these financial statements.


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOOB
Director


ZAID ZAKARIA
Chief Financial Officer

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

	Note	2024 (Rupees in thousand)	2023
Sales	27	25,737,193	22,884,469
Cost of sales	28	(23,555,774)	(17,246,001)
Gross profit		2,181,419	5,638,468
Profit from trading activities	29	2,230	1,398
		2,183,649	5,639,866
Distribution cost	30	(151,576)	(176,762)
Administrative expenses	31	(456,022)	(373,448)
Other expenses	32	(51,427)	(330,040)
		(659,025)	(880,250)
Other income	33	549,085	663,768
Operating profit		2,073,709	5,423,384
Finance cost	34	(1,650,038)	(1,012,861)
		423,671	4,410,523
Share of loss in associate	6.1.2	(42)	(48)
Profit before levies and income tax		423,629	4,410,475
Levies	35.1	(339,148)	(363,094)
Profit before income tax		84,481	4,047,381
Income tax	35.2	(32,081)	(219,770)
Profit for the year		52,400	3,827,611
Earnings per share - Basic and diluted - Rupees.	36	2.48	181.24

The annexed notes 01 to 47 form an integral part of these financial statements.



ZIA ZAKARIA
Managing Director & CEO



AZIZ AYOUB
Director



ZAID ZAKARIA
Chief Financial Officer

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

	Note	2024 (Rupees in thousand)	2023
Profit for the year		52,400	3,827,611
Other comprehensive income			
Items that shall not be reclassified subsequently to profit or loss			
Surplus on revaluation of property, plant and equipment during the year	19	-	5,395,357
Related deferred tax		-	(540,963)
		-	4,854,394
Deferred tax related to surplus on revaluation due to change in tax regime		(1,728,324)	-
		(1,728,324)	4,854,394
Share of associate's unrealized gain/(loss) on remeasurement of its investment at fair value through other comprehensive income	6.2	277	(73)
Other comprehensive (loss)/income for the year		(1,728,047)	4,854,321
Total comprehensive (loss)/income for the year		(1,675,647)	8,681,932

The annexed notes 01 to 47 form an integral part of these financial statements.



ZIA ZAKARIA
Managing Director & CEO



AZIZ AYOOB
Director



ZAID ZAKARIA
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Issued, Subscribed & paid up capital	General reserves	Un- appropriated profit	Share of associate's unrealized (loss)/ Gain on remeasurement of investment	Revaluation surplus on property, plant and equipment	Total
..... Rupees in thousand						
Balance as at start of October 1, 2022	211,187	80,000	4,513,440	(2,195)	1,212,117	6,014,549
During the year ended September 30, 2023						
Transaction with owners						
Final dividend for 30-September-2022 @ Rs. 10 per Share	-	-	(211,187)	-	-	(211,187)
Interim dividend 2022 @ Rs. 30 per Share	-	-	(633,560)	-	-	(633,560)
	-	-	(844,747)	-	-	(844,747)
Total comprehensive income for the year						
Profit for the year	-	-	3,827,611	-	-	3,827,611
Other comprehensive (loss)/income	-	-	-	(73)	4,854,394	4,854,321
	-	-	3,827,611	(73)	4,854,394	8,681,932
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax (Note-19)	-	-	66,840	-	(66,840)	-
Deferred tax adjustment due to change in tax rate directly debited to revaluation surplus (Note-21)	-	-	-	-	(33,216)	(33,216)
Balance as at close of September 30, 2023	211,187	80,000	7,563,144	(2,268)	5,966,455	13,818,518
Balance as at start of October 1, 2023	211,187	80,000	7,563,144	(2,268)	5,966,455	13,818,518
During the year ended September 30, 2024						
Transaction with owners						
Final dividend for 30-September-2023 @ Rs. 20 per Share	-	-	(422,374)	-	-	(422,374)
Total comprehensive income for the year						
Profit for the year	-	-	52,400	-	-	52,400
Other comprehensive income/(loss)	-	-	-	277	(1,728,324)	(1,728,047)
	-	-	52,400	277	(1,728,324)	(1,675,647)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax (Note-19)	-	-	199,752	-	(199,752)	-
Balance as at close of September 30, 2024	211,187	80,000	7,392,922	(1,991)	4,038,379	11,720,497

The annexed notes 01 to 47 form an integral part of these financial statements.


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOOB
Director


ZAID ZAKARIA
Chief Financial Officer

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

	Note	2024 (Rupees in thousand)	(Restated) 2023
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before levies and income tax		423,629	4,410,475
Adjustment for:			
Depreciation on property, plant and equipment	4.1.1	560,681	359,414
(Gain) on disposal of property, plant and equipment	4.1.2 & 33	(3,654)	(1,485)
Share of loss in associate	6.1.2	42	48
Impairment allowance for obsolescence and slow moving items	32	-	5,150
Impairment allowance for advance against purchase and services	32	7,134	-
(Reversal)/charge of export price differential	33	(20,662)	47,377
Balances written off	33	(152)	4,800
Finance cost	34	1,650,038	1,012,861
		2,193,427	1,428,165
Cash generated before working capital changes (Increase) / decrease in current assets		2,617,056	5,838,640
Stores and spares		(157,733)	(119,700)
Stock in trade		(881,386)	(1,024,411)
Trade debts		92,256	188,753
Loans and advances		94,504	(146,295)
Trade deposits and short term prepayments		(922)	4,753
Other receivables		55,134	(141,078)
		(798,147)	(1,237,978)
Increase/(decrease) in current liabilities			
Trade and other payables		(1,178,020)	1,118,034
		640,889	5,718,696
(Payments)/receipts for			
Income tax		(376,618)	(274,316)
Finance cost		(1,638,449)	(946,983)
Long term loans - net		(2,358)	(1,217)
Long term deposits		-	(550)
		(2,017,425)	(1,223,066)
Net cash (outflows)/inflows from operating activities		(1,376,536)	4,495,630
B. CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(473,568)	(272,883)
Sale proceeds from disposal of property, plant and equipment	4.1.2	4,842	2,420
Net cash (outflow) from investing activities		(468,726)	(270,463)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term financing	20.1	(228,223)	(328,223)
Loan repaid to related parties		(8,032)	(33,103)
Short term borrowings		1,000,000	25,800
Dividend paid		(420,416)	(836,848)
Net cash inflow/(outflow) from financing activities		343,329	(1,172,374)
Net (decrease)/increase in cash and cash equivalents (A+B+C)		(1,501,933)	3,052,793
Cash and cash equivalents at the beginning of the year		5,069,470	2,016,677
Cash and cash equivalents at the end of year		3,567,537	5,069,470
Cash and cash equivalent			
- Cash and bank balances	16	810,812	5,099,535
- Short term investment	15	2,824,317	24,242
- Short term borrowings - running finance	24.1	(67,592)	(54,307)
		3,567,537	5,069,470

The annexed notes 01 to 47 form an integral part of these financial statements.


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOOB
Director


ZAID ZAKARIA
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

1 THE COMPANY AND ITS OPERATIONS

Shahmurad Sugar Mills Limited ("the Company") was incorporated in Pakistan as a public limited company on April 9, 1979. Its shares are quoted at the Pakistan Stock Exchange Limited. The registered office of the Company is located at 96-A, Sindhi Muslim Cooperative Housing Society, Karachi, Sindh.

The Company owns and operates Sugar and Ethanol manufacturing units which are located at Jhok Sharif, District Sujawal in the Province of Sindh. The total area of factory land, owned by the Company is 333.32 Acres.

2 BASIS OF PREPARATION

2.1 BASIS OF MEASUREMENT

These financial statements have been prepared under the 'historical cost convention' except otherwise specifically stated in these financial statements. The Company uses accrual basis of accounting except for cash flow statement.

2.2 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 as applicable in Pakistan comprise of:

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

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

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements have been prepared in Pak Rupees, which is the Company's functional currency.

2.4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

a) Property, plant and equipment

The Company reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of asset is made for possible impairment. In making these estimates, the Company uses technical resources available with the Company. The Company also uses judgements and estimates in determining fair values of items carried at revalued amounts. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effects on the depreciation and impairment.

b) Intangibles

The Company reviews appropriateness of useful life. Further, where applicable, an estimate of recoverable amount of intangible asset is made for possible impairment as and when any such condition arise.

c) Impairment of investment in Associated Company

In making an estimate of recoverable amount of the Company's investment, the management considers breakup value of shares of respective period.

d) Stores, spare parts and loose tools with respect to impairment allowance for obsolescence and slow moving items

The estimates of slow moving and obsolete stores, spare parts and loose tools, are made, using and appropriately judging the relevant inputs and applying the parameters i.e. age analysis, physical condition, obsolescence, etc, as the management considers appropriate, which, on actual occurrence of the subsequent event, may fluctuate. The effect of variation is accounted for as and when it takes place.

e) Stock-in-trade

The Company reviews the net realizable value of stock in trade to assess any diminution in the respective carrying values. Net realizable value is estimated with reference to the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

f) Impairment of financial assets

The Company reviews the recoverability of its financial assets i.e. trade debts, loans, deposits, short term investments, and other receivables to assess amount of expected credit loss required there against on annual basis. While determining impairment allowance, the Company considers financial health, market and economic information, aging of receivables, credit worthiness, credit rating, lifetime expected losses, past records and business relationship.

g) Impairment of non-financial assets

The Company reviews carrying amount of assets periodically to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated and impairment losses are recognized in the statement of profit or loss.

h) Taxation

In making the estimate for income tax payable by the Company, the Company takes into account the applicable tax laws and decision by appellate authorities on certain issues in past. Due weightage is given to past history while determining the ratio of future export sales for the purposes of calculating deferred taxation.

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

i) Contingencies

The assessment of contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future event(s).

2.5 STANDARDS, AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARD AND INTERPRETATIONS

2.5.1 Standards, interpretations and amendments to published approved accounting standards that became effective during the year

There were certain new amendments to the approved accounting standards and a new interpretation issued by the International Financial Reporting Interpretations Committee (IFRIC) which became effective during the year but are considered not to be relevant or have any significant effect on the Company's operations, therefore, not disclosed in these financial statements except for application of IFRIC 21 in light of guidance issued by Institute of Chartered Accountants of Pakistan (ICAP).

2.5.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

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

Amendment or Improvement		Effective date (annual periods beginning on or after)
IAS 1	Presentation of financial statements (Amendments)	1-Jan-2024
IAS 7	Statement of Cash Flows (Amendments)	1-Jan-2024
IFRS 16	Leases (Amendments)	1-Jan-2024
IAS-21	The Effects of changes in Foreign Exchange Rates (Amendments)	1-Jan-2025
IFRS-7	Financial instruments	1-Jan-2026
IFRS-17	Insurance Contracts	1-Jan-2026
IFRS 09	Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	1-Jan-2026

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at September 30, 2024;

IFRS 1	First time adoption of International Financial Reporting Standards
IFRS 17	Insurance Contracts
IFRS 18	Presentation and Disclosure in the Financial Statements
IFRS 19	Subsidiaries without Public Accountability
IFRIC-12	Service concession agreement

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted and consistently applied on the financial statements are set out below:

3.1 Property Plant and Equipment

a) Operating fixed assets

Recognition/measurement

Operating fixed assets except furniture, fixture and fittings, office equipment and vehicles are stated at revalued amounts less accumulated depreciation and impairment, if any. Furniture, fixture and fittings, office equipment and vehicles are stated at cost less accumulated depreciation and impairment, if any.

Depreciation

Depreciation is charged to income applying the reducing balance method over the expected useful lives of the assets at the rates specified in assets note no. 4.1. Depreciation on additions is charged from the quarter in which the assets are put to use while no Depreciation is charged in the quarter in which the assets are disposed off.

Subsequent cost

The costs of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits associated with the part will flow to the Company and its cost can be measured reliably. Major renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the Company. The costs of day-to-day servicing of property, plant and equipment are recognized in statement of profit or loss as incurred.

Revaluation surplus

Revaluation of freehold land, buildings on freehold land and plant and machinery is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. Any revaluation increase in the carrying amount of freehold land, factory and non-factory buildings on freehold land and plant and machinery is recognized, net of tax, in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment" except to the extent that it reverses a revaluation decrease / deficit for the same asset previously recognized in statement of profit or loss, in which case the increase is first recognized in statement of profit or loss to the extent of the decrease previously charged. Any decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset, all other decreases are charged to statement of profit or loss. The revaluation reserve is not available for distribution to the Company's shareholders. Each year, revaluation surplus related to items derecognized / disposed off as well as incremental depreciation i.e. the difference between depreciation based on the revalued carrying amount of the asset charged to statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation reserve to retained earnings through statement of changes in equity.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal; or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in statement of profit or loss when the item is derecognized.

b) Capital work-in-progress

Capital work-in-progress is stated at cost accumulated up to the reporting date less impairment if any and represents costs / expenditures incurred on property, plant and equipment during the course of construction, installation and implementation, etc. These are transferred to specific assets as and when assets are available for intended use.

3.2 Intangible Asset

Intangible assets acquired by the Company are stated at cost less accumulated amortization and impairment if any. Amortization is charged to income on straight line basis over the period specified in note 5.

3.3 Investment in Associates

The Investment in associates, where the company has significant influence, is accounted for under equity method. Under this method, the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss and other comprehensive income of the investee after the date of acquisition which is recognized in the statement of profit or loss and statement of comprehensive income respectively. Dividend received, if any, reduces the carrying amount of investment. Changes recognized directly in the associate's equity are recognized directly in the Company's equity in proportion of the equity held.

Investment is de-recognized when the Company has transferred substantially all risks and rewards of ownership and rights to receive cash flows from the investment has expired or has been transferred.

3.4 Stores and Spares

Stores and spares are valued at cost, using weighted average method. Items in transit are valued at cost comprising invoice value and other charges incurred thereon up to the reporting date. Adequate impairment allowance is made for obsolescence and slow moving items as and when required based on parameters set out by management and as stated in note 2.4 (d).

3.5 Stock-in-Trade

These are stated at lower of weighted average cost and net realizable value.

Cost in relation to finished goods and semi finished goods represents cost of raw material and an appropriate portion of manufacturing overheads. Cost in respect of semi finished goods is adjusted to an appropriate stage of completion of process.

3.6 Trade Debts

Trade Debts are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognized at fair value and subsequently at amortized cost. An allowance is made for lifetime expected credit losses using simplified approach as mentioned in note 3.14. Trade debts are written off when there is no reasonable expectation of recovery, i.e, when these are considered irrecoverable.

3.7 Employees post employment benefits

Defined Contribution Plan

The Company operates an approved provident fund scheme for all its employees eligible to the benefit and equal monthly contributions thereto are made both by the Company and the employees in accordance with the terms of the scheme @ 10% of the basic salary plus applicable cost of living allowances.

3.8 Compensated unavailed leaves

The Company accounts for its liability towards unavailed leaves accumulated by employees on accrual basis.

3.9 Taxation

a) Current Income Tax

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any, or minimum tax or alternate corporate tax under section 113 of the Income Tax Ordinance, 2001, whichever is higher. The charge for current tax also includes adjustments, where considered necessary, to provision for taxation made in previous years arising from assessments framed during the year for such years.

b) Deferred taxation

Deferred tax is recognized using liability method, on all temporary differences at the reporting date between the tax base of assets and liabilities and their carrying values for financial reporting purposes. During the year, consequent to amendment in Income Tax Ordinance, 2001. Final Tax Regime has been abolished and hence the Company is now subject to normal tax and minimum tax.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that the deductible temporary differences will reverse in the future and sufficient taxable income will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be utilized.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

c) Levies

Tax charged under the Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the income tax amount calculated based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit of loss in accordance with the "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" issued by Institute of Chartered Accountant of Pakistan (ICAP).

d) Sales tax and Federal Excise Duty

Revenues, expenses and assets are recognized net off amount of sales tax / federal excise duty (FED) except:

- i) Where sales tax / FED incurred on a purchase of asset or service is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- ii) Receivables or payables that are stated with the amount of sales tax included.
- iii) The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3.10 Trade and other payables

Liabilities for trade and other payables are recognized at cost which is the fair value of the consideration to be paid for goods and services received plus directly attributable costs and these are subsequently measured at amortized cost.

3.11 Borrowings and their costs

Borrowings are recorded at the amount of proceeds received which is usually their fair value and subsequently carried at amortized cost.

Borrowing costs incurred on finances obtained for the construction / installation of qualifying assets are capitalized up to date the respective assets are available for the intended use. All other mark-up, interest and other related charges are taken to the statement of profit or loss.

3.12 Provisions and contingencies

Provisions are recognized when the Company has present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.13 Financial Instruments

3.13.1 Recognition

Financial assets and liabilities are recognized when the company become party to the contractual provision of the instrument.

3.13.2 Initial measurement

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortized cost as the case may be.

3.13.3 Classification of financial assets

"The Company determines the classification of financial assets at initial recognition. The classification of financial instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. A financial asset is initially measured at fair value plus, transaction costs that are directly attributable to its acquisition.

The Company classifies its financial instruments in the following categories:

- at amortized cost.
- at fair value through profit or loss ("FVTPL"),
- at fair value through other comprehensive income ("FVTOCI"), or

Financial assets that meet the following conditions are classified as financial assets at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are classified as financial assets at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are classified as financial assets at FVTPL.

3.13.4 Classification of financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition.

3.13.5 Subsequent measurement

Financial assets and liabilities at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. In case of financial assets the amortized cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial assets at fair value through other comprehensive income (FVTOCI)

These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income. On derecognition of a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to statement profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to statement profit or loss, but is transferred to statement of changes in equity.

Financial assets and liabilities at fair value through profit or loss (FVTPL)

These are subsequently measured at fair value. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL and any interest / markup or dividend income are included in the statement profit or loss.

Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income/(loss).

3.13.6 Derecognition of Financial Instruments

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Any gain or loss on derecognition of financial asset or liability is also included to the statement profit or loss .

3.13.7 Offsetting of financial assets and liabilities

All financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if the Company has a legal enforceable right to set off the recognized amounts and intends either to settle on net basis or to realize the assets and settle the liabilities simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the company or the counter parties.

3.13.8 Derivative financial instruments

The Company uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. Derivatives qualifying for hedge accounting are accounted for accordingly whereas, derivatives that do not qualify for hedge accounting are accounted for as held for trading instruments. All changes in the fair value are recognized in the statement of profit or loss.

3.14 Impairment

a) Financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company applies the simplified approach to recognize lifetime expected credit losses for trade and other receivables, if any.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

"The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortized cost are deducted from the Gross carrying amount of the assets. The Gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

The Company considers evidence of impairment for receivable and other financial assets at specific asset level. Impairment losses are recognized as expense in statement of profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognized.

b) Non-Financial assets

The carrying amount of non-financial assets is assessed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the recoverable amount of such assets is estimated.

An impairment loss is recognized if the carrying amount of a specific asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

Impairment losses are recognized in statement of profit or loss. Impairment losses recognized in respect of cash-generating units are allocated to reduce the carrying amount of the assets of the unit on a pro-rata basis. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.15 Revenue Recognition

Revenue is recognized when or as performance obligation are satisfied. Revenue is measured at the fair value of the consideration received or receivable and is recognized on following basis:

- Revenue from sale of goods is recognized when the control of the goods have transferred to the buyer, usually on dispatch of the goods to customers.
- Return on bank deposits is recognized on a time proportion basis on the principal amount outstanding at the rate applicable.
- Mark-up on grower loan is accounted for in line with the recovery of the respective loan due to exigencies involved in such matters. Recognition of mark-up on loans considered doubtful is deferred.
- Dividend income is recognized when the Company's right to receive the payment is established.

3.16 Foreign currency transactions and translation:

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

3.17 Cash and Cash Equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprises of short term investments having maturity within 3 months, cash and cheques in hand, balances with banks on current, savings and/or deposit accounts less short term running finance disclosed as part of short term borrowings.

3.18 Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relates to transactions with any of the company's other components. Operating segments are reported in a manner consistent with the internal reporting structure based on the operating (business) segments of the company. An operating segment's operating results are regularly reviewed by the management and the chief executive officer for the purpose of making decisions regarding resource allocation and performance assessment.

Segment results, assets and liabilities include items directly attributable to segment as well as those that can be allocated on a reasonable basis. Segment assets, consist primarily of property, plant and equipment, intangibles, stores and spares, stock in trade and other debts. Segment liabilities comprise of operating liabilities and exclude items that are common to all operating segments.

The accounting policies of the reportable segments are the same as the Company's accounting policies described in this note. Inter-segment transactions are recorded at fair value. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets.

The Company has following reportable segments on the basis of product characteristics and the criteria defined by the "IFRS 8 Operating Segments".

Sugar Division - Manufacturing and sale of Refined Sugar

Ethanol Division - Manufacturing and sale of Ethyl Ethanol.

3.19 Dividends and other appropriations

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved.

3.20 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.21 Change in accounting policy regarding presentation of levies, final tax and minimum tax

During the year the Institute of Chartered Accountant of Pakistan (ICAP) has withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum tax (which is not adjustable against future income tax liability) and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) — 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the statement of financial position, the statement of changes in equity, the statement of cash flows and earning per share as a result of this change.

2024			2023		
Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy

-----Rs'000'-----

Effect on statement of profit or loss

Profit before income tax	423,629	(339,148)	84,481	4,410,475	(363,094)	4,047,381
Levies	-	(339,148)	(339,148)	-	(363,094)	(363,094)
Income tax	(371,229)	339,148	(32,081)	(582,864)	363,094	(219,770)

4	PROPERTY, PLANT AND EQUIPMENT	Note	2024	2023
			(Rupees in thousand)	
	Operating fixed assets	4.1	10,679,626	10,715,513
	Capital work in progress (CWIP)	4.2	91,111	143,525
			10,770,737	10,859,038

OPERATING FIXED ASSETS

PARTICULARS	Year ended September 30, 2024										DEPRECIATION RATE PER ANNUM	
	NET CARRYING VALUE					GROSS CARRYING VALUE						
	AS ON OCTOBER 1, 2023	DIRECT ADDITIONS	TRANSFER FROM CWIP	DISPOSAL	REVALUATION SURPLUS	DEPRECIATION	As ON SEPTEMBER 30, 2024	COST	ACCUMULATED DEPRECIATION	NET CARRYING VALUE AT SEP 30, 2024		
Rupees in thousand												
FREEHOLD LAND												
Cost	31,575	-	-	-	-	-	31,575	31,575	-	31,575	-	-
Revaluation	368,425	-	-	-	-	-	368,425	368,425	-	368,425	-	-
FACTORY BUILDING												
Cost	55,331	-	-	-	-	5,533	49,798	175,009	125,211	49,798	10%	
Revaluation	186,764	-	-	-	-	18,677	168,087	186,764	18,677	168,087	10%	
NON FACTORY BUILDING												
Cost	61,565	-	54,073	-	-	3,754	111,884	191,061	79,177	111,884	5%	
Revaluation	387,612	-	-	-	-	19,881	377,731	387,612	19,881	377,731	5%	
RES QTR FOR LABOUR												
Cost	2,366	-	-	-	-	236	2,130	30,308	28,178	2,130	10%	
Revaluation	18,665	-	-	-	-	1,866	16,799	18,665	1,866	16,799	10%	
PLANT AND MACHINERY												
Cost	3,739,259	-	437,463	-	-	199,300	3,977,422	6,762,164	2,784,742	3,977,422	5%	
Revaluation	5,740,738	-	-	-	-	287,037	5,453,701	5,740,738	287,037	5,453,701	5%	
FURNITURE, FIXTURE AND FITTINGS												
Cost	2,603	684	-	-	-	293	3,004	11,805	8,801	3,004	10%	
OFFICE EQUIPMENT												
Cost	25,196	6,534	-	-	-	2,833	28,897	72,764	43,867	28,897	10%	
VEHICLES												
Cost	85,414	27,218	-	1,188	-	21,271	90,173	186,705	96,532	90,173	20%	
TOTAL												
Carrying value	4,003,309	34,446	491,536	1,188	-	233,220	4,294,883	7,461,391	3,166,508	4,294,883		
Revaluation	6,712,204	-	-	-	-	327,461	6,384,743	6,712,204	327,461	6,384,743		
	10,715,513	34,446	491,536	1,188	-	560,681	10,679,626	14,173,595	3,493,969	10,679,626		

4.1.1 Allocation of Depreciation

Depreciation has been allocated as follows:

		2024			2023		
		SUGAR	ETHANOL	TOTAL	SUGAR	ETHANOL	TOTAL
		----- (Rupees in thousand) -----			----- (Rupees in thousand) -----		
Manufacturing cost	28	169,957	340,590	510,547	102,680	225,369	328,049
Administrative expense	31	27,542	22,592	50,134	16,777	14,588	31,365
		197,499	363,182	560,681	119,457	239,957	359,414

4.1.2 Disposal of Property, Plant and Equipment - Vehicles

Description	Sold to	Original Cost	Accumulated Depreciation	Net Carrying Value	Sale proceeds	Gain on Disposal	Mode of Disposal
----- (Rupees in thousand) -----							
VEHICLES							
Toyota Corolla BEP-413	Seema Zubair	1,969	1,688	281	3,000	2,719	Negotiation
Two vehicles each having carrying value less than Rs. 500,000	Various	2,750	1,843	907	1,842	935	Negotiation
2024		4,719	3,531	1,188	4,842	3,654	
2023		3,553	2,618	935	2,420	1,485	

4.1.3 The Company carries its land, building and plant and machinery on revaluation model in accordance with IAS -16 "Property, Plant and Equipment". Revaluation is carried out by independent valuator and last revaluation was carried out in the year ended September 30, 2023 through report dated October 21, 2023.

Market value and forced sale values based on that valuation as of September 30, 2023 were as follows:"

	Market Value	Forced Sale Value
	(Rupees in thousand)	
Freehold Land	400,000	320,000
Building including factory/ non-factory and other building	722,300	577,840
Plant & Machinery	9,480,000	6,636,000

4.2 Capital Work-in-Progress

	Balance as at beginning of the year	During the year		Balance as at close of the year
		Capital expenditure incurred	Transferred to operating fixed assets	
(Rupees in thousand)				
2024				
Civil Works	-	54,073	(54,073)	-
Plant and Machinery-under installation	143,525	385,049	(437,463)	91,111
	143,525	439,122	(491,536)	91,111
2023				
Civil Works	-	14,698	(14,698)	-
Plant and Machinery-under installation	371,665	208,421	(436,561)	143,525
	371,665	223,119	(451,259)	143,525

	Note	2024 (Rupees in thousand)	2023
5 INTANGIBLE ASSET			
Software - SAP Application			
Cost	5.1	5,917	5,917
Accumulated Amortization		(5,917)	(5,917)
		-	-
Amortization period		3 years	

5.1 The cost of software has been fully amortized in the year 2016. However, the software is still in use of the Company.

6 LONG TERM INVESTMENT

Under Equity Method

Investment in associate - Al-Noor Modaraba Management (Private) Limited

Opening balance		973	1,094
Share of (loss) for the year	6.1.2	(42)	(48)
Share of associate's unrealized gain/(loss) on remeasurement of associate's investment at fair value through other comprehensive income	6.2	277	(73)
		235	(121)
Closing balance		1,208	973

- 6.1 The Company holds 500,000 (14.29%) fully paid ordinary shares of Al-Noor Modaraba Management (Private) Limited (ANMM) originally acquired at cost of Rs. 5 million. ANMM is a group company of Al-Noor Group and it is an associate by virtue of common directorship. The principal activity of ANMM is to float and manage MODARABA and its principal place of business is 96-A, S.M.C.H.S. Karachi. Chief Executive of ANMM is Mr. Zainuddin Aziz.

This strategic investment is accounted for using equity method. In view of regulatory framework applicable in Pakistan the financial year end of ANMM is June 30 and since there are no significant changes in the associate's financial affairs up to September 30, therefore, the unaudited financial results of ANMM as of June 30, 2024 have been used for the purpose of application of equity method. The summarized financial information of ANMM based on its unaudited financial statements for the year ended June 30, 2024 is as under:

	Note	2024 (Rupees in thousand)	2023
6.1.1 Assets and Liabilities of ANMM			
Assets			
Fixed assets		139	207
Long term investments		16,586	14,560
Current assets		37	39
		16,762	14,806
Liabilities			
Non - current liabilities		(1,126)	(1,126)
Current liabilities		(1,169)	(1,157)
		(2,295)	(2,283)
Net Assets			
		14,467	12,523
Less: Loan from directors of associates included in equity		6,019	5,719
		8,448	6,804
Share of Shahmurad Sugar Mills Limited			
- Breakup value of investment		1,208	973
		1,208	973
6.1.2 Profit and loss of ANMM			
Expenses		(297)	(386)
Unrealized (loss) on remeasurement and impairment loss on investment at fair value through profit or loss.		-	36
Other income		1	13
Loss for the year before taxation		(296)	(337)
Taxation		-	-
Loss for the year after taxation		(296)	(337)
Share of Shahmurad Sugar Mills Limited		(42)	(48)
		(42)	(48)
6.1.3 ANMM has not earned any management fee income since the modaraba managed by ANMM is incurring losses.			
6.2 Share of Associate's unrealized loss on re-measurement of associate's investment at fair value through OCI			
Opening balance		2,268	2,195
Unrealized (gain)/loss on re-measurement of investment at fair value through other comprehensive income		(277)	73
Closing balance		1,991	2,268
		1,991	2,268

	Note	2024 (Rupees in thousand)	2023
7 LONG TERM LOANS			
- Unsecured & Interest free			
Considered Good			
- Due from executives	7.2 & 7.3	1,833	-
- Due from other employees		5,701	5,176
		<u>7,534</u>	<u>5,176</u>
Less: Current Portion of:			
- Due from executives		(1,833)	-
- Due from other employees	12	(4,273)	(3,309)
		<u>(6,106)</u>	<u>(3,309)</u>
		<u>1,428</u>	<u>1,867</u>
7.1	Loans and advances have been given in accordance with the terms of employment and are recoverable, in monthly instalments, within three years following the reporting date. These interest free loans are carried at cost since the effect of amortization is immaterial.		
7.2	Movement of loans to executives		
	Balance at the beginning of the year	-	450
	Disbursed during the year	3,400	-
	Recovered during the year	(1,567)	(450)
	Balance at the end of the year	<u>1,833</u>	<u>-</u>
7.3	The maximum aggregate amount due from executives at any month end during the year was Rs. 2.70 million (2023: 0.45 million).		
8 LONG TERM DEPOSITS			
Unsecured & Interest free			
Utilities		1,209	1,209
Others		1,940	1,940
		<u>3,149</u>	<u>3,149</u>
9 STORES AND SPARES			
Stores		359,045	201,214
Spare parts		241,683	239,926
Stores in transit		-	1,855
		<u>600,728</u>	<u>442,995</u>
Less: Impairment allowance for obsolescence and slow moving items	9.1	(86,712)	(86,712)
		<u>514,016</u>	<u>356,283</u>

	Note	2024 (Rupees in thousand)	2023
9.1 Movement of impairment allowance for obsolescence and slow moving items:			
Opening Balance		86,712	81,562
Provision for the year	32	-	5,150
Closing balance		86,712	86,712
10 STOCK-IN-TRADE			
Raw Material - Molasses	10.1	2,550,109	1,533,205
Sugar in process		8,922	8,608
Trading stock of fertilizers		6,882	4,444
Finished goods			
Sugar	10.1	1,978,237	2,004,434
Ethanol		899,342	1,011,415
		2,877,579	3,015,849
		5,443,492	4,562,106
10.1 Stock of sugar pledged against short term finances under mark-up arrangement as referred in note No. 24.3 amounted to Rs. nil (2023: Rs. 727.516 million).			
11 TRADE DEBTS			
Considered good			
Export sales		613,596	869,876
Local sales		164,543	519
		778,139	870,395

11.1 The ageing analysis of unimpaired trade debts due from related parties is as follows:

	Total	Current	0-30 days	31-90 days	90 and above days
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-----Rupees-----

Al Noor Sugar Mills Limited	10,925	-	-	10,925	-
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11.2 The maximum amount outstanding from related parties at any time during the year calculated by reference to month end balance are as follows:

	Note	2024 (Rupees in thousand)	2023
Al Noor Sugar Mills Limited		10,925	-

	Note	2024 (Rupees in thousand)	2023
12 LOANS AND ADVANCES			
Unsecured - Considered Good			
Current portion of long term loans	7	6,106	3,309
Advances against purchases and services		595,374	699,359
Advances against expenses		10,036	7,537
		<u>611,516</u>	<u>710,205</u>
Considered doubtful		7,134	-
		<u>618,650</u>	<u>710,205</u>
Less: Impairment allowance on advance against purchases and services	32	(7,134)	-
		<u>611,516</u>	<u>710,205</u>
13 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Short term deposits		1,148	353
Short term prepayments			
Prepaid insurance		942	809
Prepaid markup		-	6
		<u>942</u>	<u>815</u>
		<u>2,090</u>	<u>1,168</u>
14 OTHER RECEIVABLES			
- Unsecured Considered Good			
Accrued profit		44,437	55,921
Fair value of foreign currency forward contracts		1,964	53,143
Export price differentials	14.2	20,662	-
		<u>67,063</u>	<u>109,064</u>
- Considered Doubtful			
Export subsidies	14.1	281,785	281,785
Export price differentials	14.2	26,715	47,377
		<u>308,500</u>	<u>329,162</u>
Less: Impairment allowance		(308,500)	(329,162)
		-	-
Other receivables	22.3	7,529	-
		<u>74,592</u>	<u>109,064</u>

14.1 These represent freight subsidy of Rs. 47.005 million (2023: Rs. 47.005 million) on sugar exports receivable from Trade Development Authority of Pakistan and export subsidy Rs. 234.780 million (2023: Rs. 234.780 million) receivable from State Bank of Pakistan and Sindh Government respectively. The Company is following up for the recovery however, due to uncertainties regarding its recoverability, impairment allowance has been made as a matter of prudence.

14.2 During the preceeding year 2022-23, sugar mills were allowed export of sugar subject to certain conditions and specified quota share. Government of Sindh allowed quota of 2,500 metric tons for export to each sugar mill operating in Sindh, however, the same was disputed by certain sugar mills and the matter was taken before the Honorable High Court of Sindh. The Court through interim arrangement, as agreed by all concerned sugar mills, directed all sugar mills to export the quantity as allowed by Government of Sindh, i.e., 2,500 metric tons, provided the sugar mills deposit differential amount of Rs. 96,100 per metric ton (Being the difference of net export price, i.e., Rs. 196,100 per metric ton and local price i.e., Rs. 100,000 per metric ton) for disputed quantity of export i.e., 493 tons (as specified in the interim order) per sugar mill. The Court ordered to deposit the said amount and same shall be invested by the Court and upon final decision the amount deposited along with profit earned thereon would be returned to respective sugar mills if the matter is decided in their favor otherwise the amount would be disbursed to the aggrieved sugar mills. The Company opted to export the said disputed quantity of sugar and has deposited amount of Rs. 47.377 million with the Honorable Court. Subsequent to the year-end, the Honourable Court has announced the decision and the amount of Rs. 20.662 million has been refunded to the Company (respondent), which are appearing as receivable. Moreover, as a matter of prudence and abundant precaution, the Company has maintained the provision against the remaining said amount.

	Note	2024 (Rupees in thousand)	2023
15 SHORT TERM INVESTMENTS			
At Amortised Cost			
Term Deposit Receipt	15.1	23,763	-
Barkat Islamic Investment Certificate	15.2	2,800,000	-
Special Sharikah Certificates	15.3	-	23,763
		2,823,763	23,763
At fair value through profit or loss			
Meezan Rozana Amdani Fund	15.4	554	479
	15.5	2,824,317	24,242

15.1 This represent term deposit receipt which carry profit ranges 16.89% to 21.40% p.a . The investment has maturity of upto six month.

15.2 This represent Barkat Islamic Investment Certificate which carry profit of 17% p.a. The investment has maturity of upto one month.

15.3 These special sharikah certificates carry profit ranges Nil (2023: 9.35% to 20.90%). The investment had maturity of upto one month.

15.4 This represents investment in units of Meezan Rozana Amdani Fund and its net asset value per unit as at year end was Rs. 50.

15.5 All short term investments made are shariah compliant.

	Note	2024 (Rupees in thousand)	2023
16 CASH AND BANK BALANCES			
Cash in hand		972	976
Islamic banks			
Current accounts		78,365	242,556
Saving accounts	16.1	643,095	4,791,829
		721,460	5,034,385
Conventional banks			
Current accounts		87,937	63,799
Saving accounts	16.1	443	375
		88,380	64,174
		810,812	5,099,535

16.1 These carry profit at the rate ranging between 19.50% to 20.00% (2023: 14.51% to 20.01%) p.a.

17 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2024	2023		2024	2023
No. of Shares			(Rupees in thousand)	
11,730,368	11,730,368	Ordinary shares of Rs.10 each allotted for consideration paid in cash	117,304	117,304
9,388,295	9,388,295	Ordinary shares of Rs.10 each allotted as bonus shares	93,883	93,883
21,118,663	21,118,663		211,187	211,187

17.1 Associated companies hold 4,923,200 (23.31%) shares of the Company (2023: 5,021,000 i.e. 23.76%).

17.2 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

18 GENERAL RESERVE

This represents amount appropriated out of profit in past years and retained in order to meet future exigencies.

	Note	2024	2023
		(Rupees in thousand)	
19 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT			
Opening balance - Gross		6,712,205	1,394,805
Transfer to equity on account of incremental depreciation			
Incremental depreciation - net of deferred tax		(199,751)	(66,840)
Deferred tax on incremental depreciation		(127,710)	(11,117)
		(327,461)	(77,957)
Revaluation surplus during the year arising on fresh revaluation	4.1	-	5,395,357
Closing balance - Gross		6,384,744	6,712,205
Related deferred tax liability	21	(2,346,365)	(745,750)
Revaluation surplus net of deferred tax		4,038,379	5,966,455

19.1 The revaluation surplus on property, plant and equipment is not available for distribution to shareholders of the Company in accordance with the section 240(2) of the Companies Act 2017.

20 LONG TERM FINANCING

Banking Companies		252,990	462,477
Non-Banking Financial institutions		85,664	104,400
		338,654	566,877
Less: Current maturity		(78,223)	(178,223)
	20.1	260,431	388,654

20.1

	BANKING COMPANIES		NON BANKING FINANCIAL INSTITUTION	TOTAL	
	Bank Alfalah Limited	Meezan Bank Limited		Subtotal	2024
Opening balance	312,477	150,000	104,400	566,877	895,100
Repayment	(59,487)	(150,000)	(18,736)	(228,223)	(328,223)
Closing balance	252,990	-	85,664	338,654	566,877
Current Maturity shown under current liabilities	(59,487)	-	(18,736)	(78,223)	(178,223)
	193,503	-	66,928	260,431	388,654

Description	Long Term Finance	Diminishing Musharaka	Long Term Finance
Effective rate of mark-up (per annum)	SBP Rate + 0.75%	6 M KIBOR + 0.50% (Cap 20%)	SBP Rate + 0.75%
Facility tenor	10 years	7 years	10 years
Number of installments	32	10	32
Principal amount of each installment (Rs in million)	Various	50,000	Various
Installments Payable	Half yearly	Half yearly	Quarterly
Date of Disbursement	12-07-2017	11-07-2017	06-02-2018
Grace Period	2 Years	2 Years	2 years
Date of payment of 1st installment	12-01-2020	11-01-2020	06-05-2021
Date of payment of final installment	26-03-2029	30-09-2024	30-04-2029

SECURITIES

Bank Alfalah Limited Rs 500 M First pari passu equitable mortgage & hypothecation charge over all fixed assets including Land, Building, Plant & Machinery of the Company.

Meezan Bank Limited Rs 500 M First pari passu equitable mortgage & hypothecation charge over all fixed assets including Land, Building, Plant & Machinery of the Company.

Pak Oman Investment Company Limited Rs 150M First pari passu equitable mortgage & hypothecation charge over all fixed assets including Land, Building, Plant & Machinery of the Company.

Shariah Compliant

Long term financing under shariah compliant arrangements amounted to Rs. nil (2023: Rs. 150 million)

	Note	2024 (Rupees in thousand)	2023
21 DEFERRED TAXATION			
Opening balance		956,059	162,110
Charged to statement of profit or loss	35	32,081	219,770
Deferred tax related to surplus on revaluation during the year charged to statement of other comprehensive income		-	540,963
Deferred tax related to surplus on revaluation due to change in tax regime - SOCI		1,728,324	-
Effect of change in tax rate on deferred tax related to surplus on revaluations taken to statement of changes in equity		-	33,216
Closing balance		2,716,464	956,059
21.1 Deferred tax arises due to:			
Taxable temporary differences in respect of			
Accelerated tax depreciation		948,256	365,439
Revaluation surplus on property, plant and equipment	19	2,346,364	745,750
		3,294,620	1,111,189
Deductible temporary differences in respect of			
Impairment allowances and other provisions		(145,715)	(45,576)
Unabsorbed business loss/ tax depreciation		(192,070)	(55,579)
Minimum tax carried forward		(240,372)	(53,975)
		(578,157)	(155,130)
		2,716,464	956,059
22 TRADE AND OTHER PAYABLES			
Creditors	26.10 & 26.11	902,907	812,353
Accrued expenses		42,191	45,018
Advance from customers	22.1	186,616	1,457,698
Retention money payables	22.2	8,838	8,838
Sales tax and federal excise duty payable- net		70,794	23,029
Gratuity payable		1,930	1,930
Worker's profit participation fund	22.3	-	43,275
Worker's welfare fund		44,993	44,437
Payable to staff provident fund		1,661	1,372
		1,259,930	2,437,950

22.1 During the year, performance obligation underlying the opening contract liability of Rs. 1,457.698 million were satisfied in full. Accordingly, the said liability was recorded as revenue during the year. In addition, information regarding the timing of satisfaction of performance obligations underlying the closing contract liability of Rs. 186.616 million is not presented since the expected duration of all the contracts entered into with the customers is less than one year.

22.2 These are utilized for the purpose of the business as per agreements, in compliance with requirements of section 217 of the Companies Act, 2017.

	Note	2024 (Rupees in thousand)	2023
22.3 Worker's profit participation fund			
Opening balance		43,275	104,821
Interest on funds utilized	34	541	775
Allocation for the year	32	23,655	233,276
		<u>67,471</u>	<u>338,872</u>
Payments made during the year		(75,000)	(295,597)
Closing balance	14	<u>(7,529)</u>	<u>43,275</u>
22.3.1 This carries interest rate prescribed under Companies Profit (Workers Participation) Act, 1968 and effective rate of interest applied during the year was 2024: 22.50% (2023: 22.50%).			
23 ACCRUED FINANCE COST			
Conventional			
On long term financing		2,466	3,035
On short term borrowings		38,475	38,791
		<u>40,941</u>	<u>41,826</u>
Islamic			
On long term financing		-	1,644
On short term borrowings		97,737	83,619
		<u>97,737</u>	<u>85,263</u>
		<u>138,678</u>	<u>127,089</u>
24 SHORT TERM BORROWINGS			
From banking companies - Secured			
Conventional Banks			
Cash / Running finance	24.1	67,592	54,307
Export refinance scheme	24.2	2,658,000	2,158,000
		<u>2,725,592</u>	<u>2,212,307</u>
Islamic banks			
Musawama / IERF / Murabaha	24.3	2,850,000	2,350,000
		<u>5,575,592</u>	<u>4,562,307</u>
24.1 The facilities are available up to Rs. 3,900 million (2023: Rs. 3,550 million) and are secured against pledge of sugar / molasses/ ethanol and first pari passu charge on property, plant and equipment. The effective rate of mark-up ranges from 3M / 6M Kibor + 0.10% to 0.50% (2023: 3M / 6M Kibor + 0.10% to 0.50%). Unutilized facilities as on year end amounted to Rs. 3,823.408 million (2023: Rs. 3,496 million).			
24.2 The facilities are available under SBP export finance scheme up to limit of Rs. 2,690 million (2023: Rs. 2,390 Million) and are secured by first pari passu equitable mortgage charge and hypothecation over current and future Property, plant and equipment of the company and pledge of sugar / molasses / ethanol . The effective rate of mark-up is 0.25% to 1.00% over SBP ERF rate 13.75% to 19% (2023: 5.50% to 19%). Unutilized facilities as on year end amounted to Rs. 32 million (2023: Rs. 232 million).			
24.3 Musawama / IERF / Murabaha has been obtained from shariah compliant banks. The aggregate limit of Musawama / IERF / Murabaha arrangements is up to Rs. 7,100 million (2023: Rs 5,650 million). These are secured by Pledge of sugar, molasses and ethanol ranking charge over stocks and book debts and pari passu hypothecation charge on Property Plant & Equipment and Pledge of Sugar (refer note 10.1). The effective rates of profit are ranging between Respective 3M/6M Kibor + 0.50% and SBP rate + 1.00% (2023: Respective 3M/ 6M Kibor + 0.40 % to 0.50% and SBP rate + 1.00%). The unavailed facility at the year end amounted to Rs. 4,250 million (2023: Rs. 3,300 million).			

	Note	2024 (Rupees in thousand)	2023
25 LOANS FROM RELATED PARTIES			
Loans from related parties	25.1	-	8,032

25.1 This represent loans from related parties which are repayable on demand and do not carry markup. This has been fully paid during the year.

26 CONTINGENCIES AND COMMITMENTS

a) CONTINGENCIES

26.1 The Company filed petition before Honorable High Court of Sindh challenging the levy of further tax against taxable supplies made to unregistered person under section 3(1A) of the Sales Tax Act, 1990. The amount involving further tax till November 30, 2000 was paid by the Company, in the month of December 2000 to avoid any further surcharge or penalties. As per the judgment by the Honorable High Court of Sindh, awarded against the department, the Company has claimed refund of said further tax amounting to Rs. 45.190 million out of which an amount of Rs.7.144 million was refunded by the department. In view of the contingencies involved in this case, the Company has not accounted for the remaining refund amount being the further sales tax paid.

The Department of Sales Tax has thereafter filed an Appeal before the Honorable Supreme Court against the Order of the Honorable High Court of Sindh. The Honorable Supreme Court has allowed the Appeal with direction to the department to act in accordance with law; however the Ratio Decided as ordered by the High Court of Sindh has not been reversed, over ruled or amended. Sales Tax department has however raised demands of further tax involving amount of Rs. 54 million, which had been contested by the company in the light of Sindh High Court Judgment on which the Sales Tax Tribunal had issued orders in favor of the company. Against the order of the tribunal, the sales tax department filed appeal before the Honorable High Court which is pending. Considering the earlier decision of the Court and facts of the case the legal counsel of the company is of the view that the final outcome of the matter will be in favor of the Company.

26.2 The Company has filed a petition before the Honorable High Court of Sindh on 11 June 2011 against the imposition of special excise duty and recovery by the Inland Revenue Department (the Department) of 70% of the total amount of Rs 7.073 million against excise duty involved. The case was decided in favor of the company declaring Special Excise Duty as void ab-initio and of no legal effect. Thereafter the Department has filed an appeal before Honorable Supreme Court of Pakistan against the decision of Honorable High Court which is pending. The Company as a matter of abundant prudence has provided for the amount of said duty in the financial statements. During the year 2013, the Company received show-cause notice no C.No.01(01)RP/Zone-II/2013/ dated 10 December 2013 from the Department against refund claim of Special Excise Duty amounting to Rs. 48.457 million filed by the Company in compliance with the order of Honorable High Court of Sindh. The Company filed appeal in the Honorable High Court of Sindh on 30 December 2013 against that show cause notice issued by the Department and the Honorable High Court issued stay order against the proceedings on show cause notice. No provision is made in the financial statement as the outcome of case is expected to be in favor of the company as per legal counsel.

26.3 The Company's appeal in the Honorable Supreme Court dated 19 February 2004 against the Order of the Sindh High Court for levy of Quality Premium was accepted by the Honorable Supreme Court by assailing the Order of Sindh High Court. Furthermore Federal Government steering committee through its decision on 16-07-2007 held that the quality premium shall remain suspended till decision of Honorable Supreme Court or consensus on uniform formula to be developed by MINFAL.

During the year 2017-2018, the Honorable Supreme Court of Pakistan through its order dated 5 March 2018 has decided the matter against the Sugar Manufacturing Companies and the Legal Counsel of the Company is of the view that the Honorable Supreme Court has now simply prescribed the criteria for future, which if followed properly, would make quality premium applicable in the future, and in relation to the past (other than crushing season 1998 – 1999) it appears that no liability arose as no legally binding notification under section 16(v) can be said to be in the field in the light of the decision of the Honorable Supreme Court. Accordingly, no liability arises for the past except for the year 1998 – 99 for which quality premium amounted to Rs. 93.7 million against which no provision is made as the Company has already paid price higher than the minimum notified price for the said year.

- 26.4** There are certain litigations pending in the Honorable Sindh High Court, Hyderabad pertaining to ex-employees. The sixth Sindh labor court awarded decision in favor of the company and the ex-employees filed an appeal in Labor Appellate Tribunal at Hyderabad the outcome of which has also been decided in favor of the Company. The ex-employees have now filed suit before the Honorable Sindh High Court, Hyderabad. The financial liability may arise only if these cases are finally decided against the Company. The amount of liability is not ascertainable and hence, no provision has been made in this regard as in the management view the same is not likely to crystallize.
- 26.5** Cases regarding possession of land of the Company are pending in the Honorable High Court of Sindh which were filed on 01 January 2010 and 22 July 2010 and the financial impact of the same is not presently determinable with any accuracy. The Company is confident that the same is not likely to be decided against the Company.
- 26.6** The Company in 2010 received a show cause notice from the Competition Commission of Pakistan (CCP) for violation of the Competition Ordinance 2009. The Company along with other sugar mills filed a CP before the Sindh High Court dated 14 January 2010 challenging the jurisdiction of the Competition Commission. The High Court of Sindh, granted a stay against the proceedings of the CCP and restrained the CCP to pass the final order in respect of the showcause notice. The CCP filed an Appeal before Honorable Supreme Court of Pakistan, which was disposed off by Supreme Court dated 25-03-2010 on the ground that the matter was pending before the Honorable High Courts. After several hearings and arguments for last many years, on January 17, 2022, the petition was dismissed by the Honorable High Court. Against the dismissal order of Honorable Sindh High Court, The Company and other Sugar Mills have filed the Civil Petitions for Leave to Appeal before the Honorable Supreme Court. There are no financial implications related to this at the moment.
- 26.7** Pakistan Standards and Quality Control Authority (the Authority) has demanded a marking fee payment @ 0.1% of ex-factory price for the year 2008-09 amounting to Rs. 1.45 million. The Company is of the view that demand notifications so raised are without any lawful authority under the PSQCA Act-VI of 1996 and are violation of the constitution. The Company has filed a petition before the Honorable High Court of Sindh dated 01 September 2010 challenging the levy of marking fee under PSQCA Act-VI of 1996 and the Honorable court accepted the petition and termed that the impugned notification has been issued without lawful authority and suspended the operation of the impugned notifications. In the meantime the legal counsel of the company filed caveat in respect of an appeal to be filed by the PSQCA against the Judgment in Honorable Supreme Court of Pakistan. The Pakistan Standards and Quality Control Authority have filed an appeal before the Honorable Supreme Court of Pakistan against the decision of Honorable High Court of Sindh. No provision has been made in this respect.
- 26.8** A show cause notice was issued by the Department of Inland Revenue LTU Karachi, regarding the reduced rate of Federal Excise Duty availed by the Company amounting to Rs. 99.801 million under SRO 77 (1) / 2013 dated February 7, 2013. The Company has filed suit in the Honorable High Court of Sindh Karachi dated 30 December 2013 against the show cause notice and the matter is pending before the Honorable High Court of Sindh. Pending the outcome of the case no provision has been made as the outcome of the case is expected to be in favor of the company as per legal counsel.
- 26.9** Excise, taxation and Narcotics department, Government of Sindh had notified fee on storage of rectified spirit in a private bonded warehouse at Rs. 0.5 per litre. The Company has filed appeal before the Honorable High Court of Sindh against the notification dated 08 July 2014. The Honorable High Court has issued stay order against the recovery of the storage charges on rectified spirit. Amount of the storage fee up-to September 30, 2015 works out to Rs. 70.044 million and no provision is made in the financial statements as the outcome of case is expected to be in the favor of Company as per legal counsel.
- 26.10** Against the sugarcane purchase price of Rs. 172 per 40 Kgs as fixed for the season 2013-2014, the company had filed a Constitutional Petition, dated 21 January 2014, before the Honorable High Court of Sindh for linkage with prevailing market sugar price which was dismissed and the matter was taken up with the Honorable Supreme Court of Pakistan on 05 January 2015. In the due course of time, the Government of Sindh fixed the price of sugarcane at Rs. 182 per 40 kgs for the season 2014-15 in pursuance of which the Sindh Chamber of Agriculture filed a petition in the Honorable High Court of Sindh. The Honourable High Court disposed of the case upon settlement with the consent of all the stake holders whereby it was settled that Sugar Mills shall purchase the sugarcane from growers at Rs. 160 per 40 kgs for crushing season 2014-15 whereas Rs. 12 per 40 kgs will be paid by the Government of Sindh. The Honorable High Court has subjected this interim arrangement to the decision of Civil appeal No 48 of 2015, dated 20 January 2015, which is pending before the Honorable Supreme Court of Pakistan and also have ordered that the fate of remaining Rs. 10 i.e., difference of Rs. 182 and 172 will also be dependent on upon the decision of Honorable Supreme Court of Pakistan. The Company based on the discussion with legal council is of the view that this difference will not be payable, hence no provision of Rs 149 million is maintained.

- 26.11** During the year 2017-2018, the Government of Sindh issued a notification no. 8(142)/ S.O(EXT)2017, according to which, the minimum price of sugarcane has been fixed at the rate of Rs. 182 per 40 kg for the crushing season 2017-2018. The Company along with other Sugar mills has filed a petition in the High Court of Sindh dated 19 December 2017 against the said notification. Thereafter, the Honorable Court after deliberations with all stakeholders announced the judgement fixing the purchase price at the Rs. 160 to be paid to growers and the balance of Rs. 22 per 40 kg to be decided by the Supreme Court of Pakistan which is pending. However, the Company, as a matter of prudence accounted for the said difference of Rs. 22 per 40 kgs these financial statements aggregating to Rs.409.518 million.
- 26.12** During the year 2016-17, Deputy Commissioner has raised a demand of Rs. 4.01 million in respect of claim of inadmissible input through order dated 21 August 2017 in light of proceedings of showcase notice no C.No. DCIR/SSML/Inadmissible/E&C-3&4/Zone-II/LTU/2017 dated 02 May 2017. The Company filed an appeal with Commissioner Inland Revenue (Appeals), dated 15 September 2017 and the case was decided in favor of the Company. Being aggrieved by the said order, the Department has filed appeal in the Appellate Tribunal Inland Revenue which is yet to be decided. The management and advisor of the Company are of the view that the Company has reasonable grounds and favorable outcome is expected so no provision is made.
- 26.13** The Competition Commission of Pakistan (CCP) in August 2021 passed an orders dated 13 August 2021 and imposed penalty on PSMA and member sugar mills alleging them to be guilty of collusive activities and cartelization. The penalty imposed on the Company is Rs. 575 million. The PSMA and our Company along with other sugar mills filed the Suit against the order of the Competition Commission of Pakistan (CCP) at Sindh High Court (SHC). The Honorable Court passed an interim order on October 7, 2021 stating that the operation of impugned orders dated 06.08.2021 and 13.08.2021 shall remain suspended till the hearing is underway. The Company expect favorable outcome in the matter.
- 26.14** The Federal Board of Revenue (FBR) issued notices for conducting tax audits for multiple years commencing from 2015 to 2019 under section 177 of the Income Tax Ordinance, 2001 and despite providing all records, submission of evidences and details, audit proceedings for the said tax year were concluded by passing detrimental orders under section 122(1)/(5) of the Income Tax Ordinance 2001 whereby frivolous tax demand of Rs. 23,455 million for these tax years has been created and also penalty has been imposed for tax years 2015 and 2016 which aggregates to Rs. 8,797 million. The demand was based on arbitrary and illogical observations against which the company preferred appeals to the Commissioner Inland Revenue [Appeals-I], Karachi (CIRA) which has been decided in favour of the company in the said tax demand as well as penalty has been deleted by CIRA. The department has filed an appeal before the appellate tribunal inland revenue (ATIR) which is still pending before it. Since the demanded tax is not based on fact and records and in the view of tax advisor, favorable outcome is expected in the appeal, hence no provision has been made in the financial statements against said demands.
- 26.15** During the year 2021-2022, the Assistant / Deputy Commissioner Inland Revenue issued show cause notice under section 161 (1A) of the Income Tax Ordinance 2002 for tax year 2016, 2017, 2019 and 2020, and has passed order there under that the Company should have to charge and deposit tax u/s 236 H of the Income Tax Ordinance 2001 on the sale to unregistered buyers treating them as non-filers retailers instead of depositing tax u/s 236 G by treating unregistered buyers as whole sellers/distributors/dealers. The officer has created aggregate demand of Rs. 80.577 million in respect of the above mentioned tax years. However the Company filed Appeal before the Commissioner Inland Revenue Appeals (CIRA) which has been decided in favour of the company. However, the department has filed an appeal before ATIR which is still pending before it. The Company is confident that the matter will be decided in favor of the Company hence no provision is made in this respect.

	2024	2023
	(Rupees in thousand)	
b) COMMITMENTS		
The Company's commitment as on September 30, are as follows:		
Capital expenditures	-	32,031
Stores and spares	31,241	31,810
	<u>31,241</u>	<u>63,841</u>
Bank Guarantees		
In favor of Excise and Taxation Department	<u>500</u>	<u>500</u>

	SUGAR		ETHANOL		TOTAL	
	2024	2023	2024	2023	2024	2023
	----- (Rupees in thousand) -----					
27 SALES						
Local sales inclusive of sales tax and federal excise duty	10,608,330	5,048,234	-	-	10,608,330	5,048,234
Export sales	178,673	406,570	16,649,106	18,210,558	16,827,779	18,617,128
	10,787,003	5,454,804	16,649,106	18,210,558	27,436,109	23,665,362
Less:						
Sales Tax against local sales	(1,618,220)	(764,169)	-	-	(1,618,220)	(764,169)
Federal excise duty	(69,825)	-	-	-	(69,825)	-
Commission	(3,272)	(3,362)	(7,599)	(13,362)	(10,871)	(16,724)
	(1,691,317)	(767,531)	(7,599)	(13,362)	(1,698,916)	(780,893)
Net sales	9,095,686	4,687,273	16,641,507	18,197,196	25,737,193	22,884,469
28 COST OF SALES						
Manufacturing cost:						
Raw material consumed	8,584,414	4,990,324	11,402,068	11,609,565	19,986,482	16,599,889
Salaries, wages and others benefits 28.1	148,523	139,289	81,911	62,037	230,434	201,326
Stores and spares parts consumed	228,320	223,919	86,202	87,457	314,522	311,376
Packing materials	80,296	54,708	1,639,409	729,963	1,719,705	784,671
Fuel and oil	26,675	22,007	240,316	265,082	266,991	287,089
Power and water	5,523	6,435	3,249	2,977	8,772	9,412
Chemicals and process materials	78,877	75,617	127,433	110,114	206,310	185,731
Repair and maintenance	65,759	53,660	57,020	55,963	122,779	109,623
Insurance	3,750	7,320	18,618	13,211	22,368	20,531
Other manufacturing expenses	21,937	17,209	12,083	10,728	34,020	27,937
Depreciation 4.1.1	169,957	102,680	340,590	225,369	510,547	328,049
	9,414,031	5,693,168	14,008,899	13,172,466	23,422,930	18,865,634
Opening stock of work in process 10	8,608	14,463	-	-	8,608	14,463
Closing stock of work in process 10	(8,922)	(8,608)	-	-	(8,922)	(8,608)
	(314)	5,855	-	-	(314)	5,855
	9,413,717	5,699,023	14,008,899	13,172,466	23,422,616	18,871,489
Molasses transfer to Ethanol Division	(975,525)	(888,016)	-	-	(975,525)	(888,016)
Bagasse transfer to Ethanol Division	(234,835)	(141,329)	-	-	(234,835)	(141,329)
Bagasse/Fussel oil sale 28.2	(21,488)	(17,574)	(20,863)	(23,200)	(42,351)	(40,774)
	(1,231,848)	(1,046,919)	(20,863)	(23,200)	(1,252,711)	(1,070,119)
	8,181,869	4,652,104	13,988,036	13,149,266	22,169,905	17,801,370
Opening stock of finished goods 10	2,004,434	1,162,492	1,011,415	661,426	3,015,849	1,823,918
Closing stock of finished goods 10	(1,978,237)	(2,004,434)	(899,342)	(1,011,415)	(2,877,579)	(3,015,849)
	26,197	(841,942)	112,073	(349,989)	138,270	(1,191,931)
Export freight and related charges	-	-	1,247,599	636,562	1,247,599	636,562
	8,208,066	3,810,162	15,347,708	13,435,839	23,555,774	17,246,001

28.1 Includes Rs. 7.003 million (2023 : Rs. 6.258 million) in respect of contribution towards provident fund.

28.2 Sale of bagasse/fusel oil is net of sales tax of Rs 3.868 million (2023: Rs 3.3057 million) and Rs nil (2023: Rs nil) respectively.

	Note	SUGAR		ETHANOL		TOTAL	
		2024	2023	2024	2023	2024	2023
(Rupees in thousand)							
29	PROFIT FROM TRADING ACTIVITIES						
Sales		29,125	15,556	-	-	29,125	15,556
Sales tax		(2,533)	-	-	-	(2,533)	-
		26,592	15,556	-	-	26,592	15,556
Less: Cost of sales							
Opening stock	10	4,444	72	-	-	4,444	72
Purchases		26,800	18,530	-	-	26,800	18,530
Closing stock	10	(6,882)	(4,444)	-	-	(6,882)	(4,444)
		24,362	14,158	-	-	24,362	14,158
		2,230	1,398	-	-	2,230	1,398
30	DISTRIBUTION COST						
Sugar handling and other charges		82,554	27,503	-	-	82,554	27,503
Storage charges		-	-	53,562	64,928	53,562	64,928
Distribution and transportation expense		-	-	15,460	84,331	15,460	84,331
		82,554	27,503	69,022	149,259	151,576	176,762
31	ADMINISTRATIVE EXPENSES						
Salaries, allowances and other benefits	31.1	90,637	77,014	79,015	65,477	169,652	142,491
Staff welfare		12,975	13,902	38,703	22,869	51,678	36,771
Repair and maintenance		12,527	11,228	22,191	18,971	34,718	30,199
Legal and professional		5,054	5,501	488	1,526	5,542	7,027
Auditors' remuneration	31.2	1,473	1,397	766	586	2,239	1,983
Vehicle running expense		24,080	20,904	17,468	13,942	41,548	34,846
Insurance		607	607	-	-	607	607
Communication		1,333	1,053	6,104	5,660	7,437	6,713
Entertainment		5,607	4,490	13,175	11,429	18,782	15,919
Printing and stationery		1,102	1,532	1,458	1,486	2,560	3,018
Fees and subscription		6,610	6,858	12,732	7,566	19,342	14,424
Advertisement		595	514	-	-	595	514
Depreciation	4.1.1	27,542	16,777	22,592	14,588	50,134	31,365
Others		18,397	17,336	32,791	30,235	51,188	47,571
		208,539	179,113	247,483	194,335	456,022	373,448
31.1	Includes Rs. 5.773 million (2023 : Rs. 5.277 million) in respect of contribution towards provident fund.						
31.2	Auditors' remuneration						
Kreston Hyder Bhimji & Co							
Statutory audit		951	827	607	528	1,558	1,355
Half yearly review		92	80	59	51	151	131
Corporate Governance		21	11	-	7	21	18
CDC certification		-	125	-	-	-	125
Sindh sales tax on services		160	120	100	-	260	120
Haroon Zakaria & Co - Cost audit		249	234	-	-	249	234
		1,473	1,397	766	586	2,239	1,983

	Note	2024 (Rupees in thousand)	2023
32 OTHER EXPENSES			
Charity and donation	32.1 & 32.2	8,341	4,796
Impairment allowance for obsolescence and slow moving store and spares	9.1	-	5,150
Impairment of export price differential		-	47,377
Impairment of advance against purchase and services		7,134	-
Directors meeting fee		800	650
Worker's profit participation fund	22.3	23,655	233,276
Worker's welfare fund		11,497	21,731
Net exchange loss on import of machinery		-	12,260
Balances written-off		-	4,800
		51,427	330,040
32.1	None of the directors or their spouses had any interest in the above donees.		
32.2	The Company has not given donation to any single donee exceeding ten per cent of Company's total amount of donation or Rs. 1 million.		
33 OTHER INCOME			
Income from financial assets and others			
Net exchange gain on export sales		5,239	438,484
Income on saving bank accounts			
Islamic banks		442,780	185,705
Conventional banks		80	52
		442,860	185,757
Income on Term Deposits -Islamic banks		35,523	-
Unrealized gain on foreign currency forward contract		1,964	-
Dividend income from mutual fund - Islamic		69	69
		485,655	624,310
Income from non financial assets			
Gain on disposal of property, plant and equipment	4.1.2	3,654	1,485
Reversal of impairment of export price differential		20,662	-
Export performance rebate		31,993	22,765
Insurance claim		4,172	7,615
Scrap sales	33.1	2,797	7,593
Liabilities written back		152	-
		63,430	39,458
		549,085	663,768
33.1	This is net of sales tax of Rs 0.504 million (2023: Rs 1.291 million).		

	Note	2024 (Rupees in thousand)	2023
34 FINANCE COST			
Islamic			
Profit on long-term borrowings		22,630	59,772
Profit on short-term borrowings		1,006,368	465,649
Bank charges		154	463
		1,029,152	525,884
Conventional			
Markup on long-term borrowings		14,306	17,222
Markup on short-term borrowings		600,179	465,193
Bank charges		5,860	3,787
		620,345	486,202
Others			
Interest on workers' profit participation fund		541	775
		1,650,038	1,012,861
35 LEVIES AND INCOME TAX			
35.1 LEVIES			
Levies - minimum tax		339,148	363,094
35.2 INCOME TAX			
Deferred	21	32,081	219,770
		371,229	582,864
35.1 Reconciliation of tax expense:			
Accounting profit before tax		423,629	4,410,475
Applicable tax rate		29%	29%
Tax expense based on accounting profit		122,852	1,279,038
Add/(less)			
Effects of FTR		-	(977,794)
Effects of minimum tax		168,254	53,975
Effect of super tax		57,639	83,895
Change in tax rate for future periods		-	4,258
Adjustment of carry forward losses		(166,718)	-
Others		189,201	139,492
		248,376	(696,174)
		371,229	582,864

35.2 The management believes that the tax provision made in the financial statements is sufficient. A comparison of last three years of income tax provision with tax assessed is presented below:

Accounting Year	As per Financial Statements	As per Return/ Assessment
Rupees in thousand		
2023	363,094*	265,131
2022	207,735*	178,371
2021	109,706	109,377

* Inclusive of provision for super tax u/s 4C of Rs. 34.435 million and Rs. 19.407 million in accounting year 2023 and 2022.

	2024	2023
36 EARNINGS PER SHARE - BASIC AND DILUTED		
Profit for the year (Rupees in thousand)	52,400	3,827,611
Weighted average number of ordinary shares	21,118,663	21,118,663
Earnings per share - Rupees	2.48	181.24

36.1 There is no dilutive effect on the basic earnings per share.

37 TRANSACTIONS WITH RELATED PARTIES

37.1 The related parties comprise of associate companies, directors, executives being the key management personnel and post employment contribution plan. The company in the normal course of business carries out transactions with various related parties. Balances due from and to related parties are shown under respective notes, and remuneration of executives and directors and key management personnel, being executives, have been disclosed in note 39. Transactions with related parties are as follow:

Relationships	Nature of Transactions	Note	2024 (Rupees in thousand)	2023
Associates				
Al Noor Sugar Mills Limited	- Purchase of Goods		1,502,500	1,065,332
	- Sales of Goods		10,925	-
	- Dividend paid		65,996	131,991
Al Noor Modaraba Management (Private) Limited	- Share of loss		(42)	(48)
Reliance Insurance Company Limited	- Insurance premium		33,901	32,360
	- Insurance claim		4,172	7,615
Related Parties - Directors and their family members	Loan repayment		8,032	33,104
Staff Provident Fund	- Contribution of the Company		12,007	11,535

37.2 During the year the Company entered transactions / arrangement with following related parties on the basis of relationship mentioned below:

Name of related parties	Relationship	Percentage of shareholding	
Al Noor Modaraba Management (Pvt.) Ltd.	Common directorship and Shareholding	14.29%	14.29%
Al-Noor Sugar Mills Limited	Common directorship	-	-
Reliance Insurance Company Limited	Common directorship	-	-
Staff provident fund	Common directorship	-	-

37.3 Outstanding balances with related parties have been separately disclosed at their respective notes to these financial statements.

2024 **2023**
(Rupees in thousand)

38. CAPACITY AND PRODUCTION IN MATRIC TONS

38.1 Sugar Division

Installed cane crushing capacity per day (M.Tons)	11,000	11,000
No of days Mill operated	92	97
Total crushing capacity on basis of no. of days mill operated (M.Tons)	1,012,000	1,067,000
Actual crushing (M.Tons)	654,604	567,913
Sugar Production (M.Tons)	71,905	60,303

The sugar production plant capacity is based on crushing sugar cane on daily basis and the sugar production is dependent on certain factors which include sucrose recovery. Capacity is under utilized due to lesser availability of sugar cane.

38.2 Ethanol Division

Plant - I

Installed ethanol production capacity per day (M.Tons)	100	100
No of days Mill operated	291	340
Total ethanol production capacity on basis of no. of days mill operated (M.Tons)	29,100	34,000
Production in M.Tons	27,718	33,055

Plant - II

Installed ethanol production capacity per day (M.Tons)	100	100
No of days Mill operated	332	352
Total ethanol production capacity on basis of no. of days mill operated (M.Tons)	33,200	35,200
Production in M.Tons	32,248	36,683

The ethanol plant production capacity under-utilization is due to technical factors.

39 CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES' REMUNERATION

The aggregate amount charged in the financial statements in respect of remuneration including all benefits to Chief Executive, Director and Executives of the Company during the year were as follows:

	2024				2023			
	Chief Executive	Executive Directors	Executives	Total	Chief Executive	Executive Directors	Executives	Total
Rupees in thousand								
Managerial Remuneration	9,768	12,108	41,552	63,428	8,140	10,090	35,065	53,295
Provident fund	977	1,211	4,117	6,305	814	1,009	3,453	5,276
Perquisite (including house rent and bonus)	5,494	6,811	37,188	49,493	4,579	5,676	35,509	45,764
Reimbursable expenses including travelling expenses	2,747	2,598	-	5,345	2,196	1,907	-	4,103
	18,986	22,728	82,857	124,571	15,729	18,682	74,027	108,438
Number of persons	1	1	13	15	1	1	13	15

- i. The Chief Executive, Executive Directors and all the Executives are also provided with free use of company's maintained cars.
- ii. Meeting fee paid to non-executive directors aggregates to Rs. 800,000 (2023: Rs.650,000).
- iii. Executives are those employees whose annual basic salary is equal to or more than twelve hundred thousands.

40 SEGMENT INFORMATION

The operating results, assets and liabilities and other significant information of each segment is as follows:

	Note	Sugar Division		Ethanol Division		Total	
		2024	2023	2024	2023	2024	2023
----- Rupees in thousand -----							
REVENUE							
External sales	27	9,095,686	4,687,273	16,641,507	18,197,196	25,737,193	22,884,469
Inter-segment transfers		1,210,360	1,029,345	-	-	1,210,360	1,029,345
		<u>10,306,046</u>	<u>5,716,618</u>	<u>16,641,507</u>	<u>18,197,196</u>	<u>26,947,553</u>	<u>23,913,814</u>
RESULTS							
Profit from operations		596,527	670,495	977,294	4,417,763	1,573,821	5,088,258
Profit from trading activity		2,230	1,398	-	-	2,230	1,398
Other Income		31,399	13,254	517,686	650,514	549,085	663,768
		<u>630,156</u>	<u>685,147</u>	<u>1,494,980</u>	<u>5,068,277</u>	<u>2,125,136</u>	<u>5,753,424</u>
Other expenses						(51,427)	(330,040)
Finance cost						(1,650,038)	(1,012,861)
Share of loss from associate						(42)	(48)
Profit before levies and income tax						423,629	4,410,475
Levies						(339,148)	(363,094)
Profit before income tax						84,481	4,047,381
Income tax						(32,081)	(219,770)
Profit for the year						<u>52,400</u>	<u>3,827,611</u>
STATEMENT OF FINANCIAL POSITION							
Segment assets		6,389,065	6,372,639	15,044,754	15,824,413	21,433,819	22,197,052
Unallocated Assets						400,469	400,000
Long term investment						1,208	973
Total assets						<u>21,835,496</u>	<u>22,598,025</u>
Liabilities							
Segment liabilities		1,745,571	2,860,571	8,334,878	5,831,223	10,080,449	8,691,794
Unallocated liabilities						34,550	87,713
Total liabilities						<u>10,114,999</u>	<u>8,779,507</u>
OTHER INFORMATION							
Additions to property, plant and equipment		212,289	102,160	261,279	170,723	473,568	272,883
Depreciation		197,499	119,457	363,182	239,957	560,681	359,414

Revenue from major customers

During the year external sales to major customers amounted to Rs. 8,564 million (2023: 5,901 million).

	Note	2024 (Rupees in thousand)	2023
Geographical Information			
All non-current assets of the Company are located in Pakistan. Company's local external net sales represent sales to various customers in Pakistan as well as outside Pakistan as follows:			
Pakistan		8,917,013	4,280,703
Tanzania		2,787,182	368,923
Ghana		2,369,131	1,948,596
Netherlands		1,578,063	4,481,540
Cameroon		1,428,930	425,042
Angola		1,420,620	469,987
Japan		1,006,672	721,394
Jordan		694,299	349,750
Taiwan		478,776	1,269,690
Philippines		470,977	187,085
Singapore		442,135	417,964
South Korea		429,976	1,092,057
Saudi Arabia		370,341	17,617
Italy		367,937	1,246,937
Congo		358,695	180,668
UAE		339,746	1,635,760
Kenya		325,242	75,413
Ivory Coast		298,255	346,257
Lebanon		226,806	146,289
Thailand		200,961	824,581
Iraq		193,051	275,753
Afghanistan		178,673	-
Australia		142,291	81,995
Kuwait		132,529	56,307
Egypt		115,668	4,071
New Zealand		49,367	86,556
Liberia		44,293	85,105
Turkey		29,158	223,104
Togo		27,029	146,381
Spain		-	551,195
Indonesia		-	447,768
Tajikistan		-	195,836
Others		313,377	244,145
		25,737,193	22,884,469

41 FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities of the company as at September 30 are as follows:

2024						
Mark-up / Interest Based			Non-Mark-up / Non-Interest Based			Total
Maturity up to One Year	Maturity after One Year	Sub Total	Maturity up to One Year	Maturity after One Year	Sub Total	

------(Rupees in thousand)-----

FINANCIAL ASSETS

At cost / amortized cost

Long term loans	-	-	-	6,106	1,428	7,534	7,534
Long term and short term deposits	-	-	-	1,148	3,149	4,297	4,297
Trade debts	-	-	-	778,139	-	778,139	778,139
Other receivables	-	-	-	44,437	-	44,437	44,437
Short term investments	2,823,763	-	2,823,763	20,662	-	20,662	2,844,425
Cash and bank balances	643,577	-	643,577	167,235	-	167,235	810,812

At fair value

Short term investment	-	-	-	554	-	554	554
	3,467,340	-	3,467,340	1,018,281	4,577	1,022,858	4,490,198

FINANCIAL LIABILITIES

At cost / amortized cost

Long term financing	78,223	260,431	338,654	-	-	-	338,654
Trade and other payables	-	-	-	957,527	-	957,527	957,527
Accrued finance cost	-	-	-	138,678	-	138,678	138,678
Short term borrowings	5,575,592	-	5,575,592	-	-	-	5,575,592
Unclaimed dividend	-	-	-	24,288	-	24,288	24,288
	5,653,815	260,431	5,914,246	1,120,493	-	1,120,493	7,034,739

2023						
Mark-up / Interest Based			Non-Mark-up / Non-Interest Based			Total
Maturity up to One Year	Maturity after One Year	Sub Total	Maturity up to One Year	Maturity after One Year	Sub Total	

------(Rupees in thousand)-----

FINANCIAL ASSETS

At cost / amortized cost

Long term loans	-	-	-	3,309	1,867	5,176	5,176
Long term and short term deposits	-	-	-	353	3,149	3,502	3,502
Trade debts	-	-	-	870,395	-	870,395	870,395
Other receivables	-	-	-	55,921	-	55,921	55,921
Short term investments	24,242	-	24,242	-	-	-	24,242
Cash and bank balances	4,792,204	-	4,792,204	307,331	-	307,331	5,099,535

At fair value

Short term investment	-	-	-	479	-	479	479
	4,816,446	-	4,816,446	1,237,788	5,016	1,242,804	6,059,250

FINANCIAL LIABILITIES

At cost / amortized cost

Long term financing	178,223	388,654	566,877	-	-	-	566,877
Trade and other payables	43,275	-	43,275	869,515	-	869,515	912,790
Accrued finance cost	-	-	-	127,089	-	127,089	127,089
Short term borrowings	4,562,307	-	4,562,307	-	-	-	4,562,307
Loan from related parties	-	-	-	8,032	-	8,032	8,032
Unclaimed dividend	-	-	-	22,330	-	22,330	22,330
	4,783,805	388,654	5,172,459	1,026,966	-	1,026,966	6,199,425

42 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

42.1 Financial Risk Management Objectives

The Company's activities expose it to a variety of financial risks that include credit risk, liquidity risk and market risk (including interest/ mark-up rate risk, currency risk and other price risk). The Company's overall risk management programs focuses on the under predictability of financial markets and seek to minimize potential adverse effects on the Company's financial performance.

This note presents information about the Company's Exposure to each of the above risk, the Company's objectives, policies and procedures for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Company's Board of Directors provides policies for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest/ mark-up rate risk , credit risk, financial instruments and investment of excess liquidity. The Board of Directors reviews and agrees policies for managing each of these risks.

The information about the Company's exposure to each of the above risk, the Company's objectives, policies and procedures for measuring and managing risk, and the Company's management of capital, is as follows;

A Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's operating activities exposes it to credit risks arising mainly in respect of loans and advances, deposits, trade debts, other receivables, short-term investment and bank balances. The maximum exposure to credit risk at the reporting date is as follows:

	2024	2023
	(Rupees in thousand)	
Loans to executive and other employees	7,534	5,176
Long term and short term deposits	4,297	3,502
Trade debts	778,139	870,395
Other receivables	44,991	56,400
Short term investment	2,824,317	24,242
Bank balances	809,840	5,098,559
	<u>4,469,118</u>	<u>6,058,274</u>

Loans

These represent loans to executive and other employees against which the Company pursues for the recovery through monthly deductions from salaries of these employees and also the Company retains right to adjust retirement balance in case of default hence there is no significant credit risk in this respect. Certain loans are receivable from growers; however, considering the uncertainty about their recovery an impairment allowance is made there against as disclosed in note 12.2.C66

Deposits

These represent security deposits against utilities and other services and contracts. These are not significant and further based on past experience and credit worthiness of the counterparties the Company does not expect that these counter parties will fail to meet their obligations hence the Company believes that it is not exposed any significant credit risk in respect of deposits.

Trade debts

Trade debts are due from local and foreign customers. The Company manages credit risk in respect of trade debts interalia by obtaining advance against sales / or through letter of credits and by monitoring and follow up of customers. All the export debts are secured under irrevocable letter of credit, document acceptance contracts and other acceptable banking instruments. Further the Company actively pursue for the recovery and the significant amounts have been recovered subsequent to the year end date. Furthermore, these are neither past due nor impaired, hence no impairment allowance is necessary in respect of trade debts. Aging of trade debts is as follows:

1 to 6 months	<u>778,139</u>	<u>870,395</u>
---------------	----------------	----------------

Short term investment and Bank balances

The Company limits its exposure to credit risk by investing funds and maintaining bank accounts only with financial institution that have stable credit rating. Given these high credit ratings, management does not expect that any counter party will fail to meet their obligations.

The bank balances along with credit ratings are tabulated below:

	Long Term Ratings	Short Term Ratings	2024 Rupees in thousand	2023
In Local Currency				
United Bank Limited	AAA	A-1+	24,102	24,746
Al-Baraka Bank (Pakistan) Limited	A+	A-1	12,405	12,978
Habib Metropolitan Bank Limited	AA+	A1+	2,528	111
National Bank of Pakistan Limited	AAA	A1+	8,804	2,136
Standard Chartered Bank (Pakistan) Limited	AAA	A1+	3,589	1,088
MCB Bank Limited	AAA	A1+	25,216	1,135
MCB Islamic Bank Limited	A+	A1	1,503	989
Allied Bank Limited	AAA	A1+	2,340	182
Faysal Bank Limited	AA	A1+	2,063	12,614
Askari Bank Limited	AA+	A-1+	796	955
BankIslami Pakistan Limited	AA-	A-1	644,531	4,993,495
Habib Bank Limited	AAA	A-1+	412	412
Samba Bank Limited	AA	A1	478	478
Meezan Bank Limited	AAA	A-1+	57,015	13,154
Dubai Islamic Bank Pakistan Limited	AA	A-1+	2,119	926
Bank Al-Habib Limited	AAA	A1+	7,265	6,420
JS Bank Limited	AA	A1+	816	47
Soneri Bank Limited	AA-	A1+	40	40
			796,022	5,071,906
In Foreign Currency				
Habib Bank Limited	AAA	A-1+	72	74
Bank Al-Falah Limited	AAA	A1+	3,483	10,390
MCB Bank Limited	AAA	A1+	8,583	15,195
Meezan Bank Limited	AAA	A-1+	1,680	994
			13,818	26,653
			809,840	5,098,559

Financial assets that are either past due or impaired

The credit quality of financial assets that are either past due or impaired is assessed by reference to past experience and external ratings or to historical information about counter party default rates.

As at the reporting date amounts of Rs. 7.134 million (2023: 25.018 million) receivable from growers were past due against which impairment allowance have been made. These past due loans to growers are outstanding for more than three years.

B Liquidity risk

Liquidity risk represents the risk where the Company will encounter difficulty in meeting obligations associated with financial liabilities when they fall due. The exposure to liquidity risk along with contractual maturities of the financial liabilities is as follows:

Year ended 30 September 2024	Carrying Amount	Contractual Cashflows	With in One Year	1 to 5 years	> 5 years
..... (Rupees in thousand)					
Long term financing	338,654	369,438	89,927	279,511	-
Trade and other payables	957,527	957,527	939,265	-	-
Accrued finance cost	138,678	138,678	138,678	-	-
Short-term borrowings	5,575,592	5,575,592	5,575,592	-	-
Unclaimed dividend	24,288	24,288	24,288	-	-
	7,034,739	7,065,523	6,767,750	279,511	-

Year ended 30 September 2023	Carrying Amount	Contractual Cashflows	With in One Year	1 to 5 years	> 5 years
..... (Rupees in thousand)					
Long term financing	566,877	641,254	218,144	423,110	-
Trade and other payables	912,790	912,790	912,790	-	-
Accrued finance cost	127,089	127,089	127,089	-	-
Short-term borrowings	4,562,307	4,939,617	4,939,617	-	-
Loan from related parties	8,032	8,032	8,032	-	-
Unclaimed dividend	22,330	22,330	22,330	-	-
	6,199,425	6,651,112	6,228,002	423,110	-

The Company manages liquidity risk by maintaining sufficient cash and ensuring the fund availability through adequate credit facilities. At September 30, 2024 the Company has Rs. 8,114 million (2023: Rs. 7,028 million) available unutilized short term financing limit from financial institutions and also has Rs. 810,812 (2023: Rs. 5,099.535 million) being cash and bank balances. The Company has also made investment of Rs. 2,824 million (2023: Rs. 24.242 million) in short term securities which can be realized as well.

C Market Risk

Market risk is the risk that the fair value or future cash flows of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. Market risk comprises of three types of risks: interest rate risk, currency risk and other price risk. The Company is subject only interest rate risk and currency risk whereas there were no financial instrument as at year end that were subject to other price risk.

D Interest/ mark-up rate risk management

Interest rate risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market interest rates. The Company's major interest / markup rate exposure arises from long term financings, short term borrowings and payables. The Company analyses its interest / markup rate exposure on a regular basis by monitoring mark-up/interest rate trends and taking appropriate actions. As at the year end the interest / markup rate profile of the Company's interest / markup bearing financial instruments is:

	Note	Carrying Values	
		2024 (Rupees in thousand)	2023
Financial Liabilities			
<u>Variable Rate Instruments</u>			
Long term financing	20	338,654	566,877
Trade and other payables	22.3	-	43,275
Short term borrowings	24	5,575,592	4,562,307
		5,914,246	5,172,459
Financial Assets			
<u>Variable Rate Instruments</u>			
Short term investment	15	2,824,317	24,242
Bank balances (PLS savings)	16.1	643,577	4,792,204
		3,467,894	4,816,446
Net exposure		2,446,352	356,013

Fair value sensitivity analysis

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest / markup rate at the reporting date would not effect profit or loss of the Company.

Cash flow sensitivity analysis

An increase / decrease of 100 basis points in interest rates at the reporting date would have decreased /increased profit for the year before tax by the amount of Rs. 244.079 million (2023: Rs. 35.601 million) assuming that all other variables remains constant.

E Foreign exchange risk management

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

Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivables / payable from / to the foreign entities and balances in foreign currencies with local entities. Management regularly analyses and monitors exchange rates and in appropriate cases, the Company takes out forward contracts to mitigate risk. The Company's exposure to foreign currency risk is as follows:

	2024	2023	2024	2023
			(Rupees in thousand)	
Statement of Financial Position Exposure				
Foreign debtors	\$ 2,217,832	\$ 3,014,124	615,559	869,876
Bank balances	\$ 49,786	\$ 92,353	13,818	26,653
			629,377	896,529
Off Statement of Financial Position Exposure				
Commitments				
US Dollars	\$ 84,252	\$ 86,000	23,426	24,863
Chinese Yuan	¥ 0	¥ 0	-	-
Japanese Yen	¥ 0	¥ 158,000	-	306
EUROS	€ 25,160	€ 21,831	7,815	6,641
			31,241	31,810
			2024	2023
The following significant exchange rates have been applied:				
Rupee per USD				
Average rate			277.80	288.85
Reporting date rate - Selling			278.05	289.10
Reporting date rate - Buying			277.55	288.60
Rupee per Euro				
Average rate			310.34	303.95
Reporting date rate - Selling			310.62	304.21
Reporting date rate - Buying			310.06	303.69
Rupee per Chinese Yuan				
Average rate			40.17	39.71
Reporting date rate - Selling			40.20	39.74
Reporting date rate - Buying			40.13	39.67

Sensitivity analysis

A 10 percent strengthening / weakening of the PKR against USD at 30 September would have decreased / increased profit before tax by the amount of Rs. 62.937 million (2023: Rs. 89.65 million). The effect of commitments in foreign currency would have been Rs. 3.124 million (2023: Rs. 3.181 Million) .This analysis assumes that all other variables, in particular interest rates, remains constant.

F Capital risk management

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix amongst various sources of finance to minimize risk.

The primary objectives of the Company when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure. 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 or issue new shares.

During 2024 the Company's strategy was to maintain leveraged gearing. The gearing ratios as at September 30, 2024 and 2023 were as follows:

	2024	2023
	(Rupees in thousand)	
Total borrowings	5,914,246	5,129,184
Less: Cash and bank balances and term deposit receipt with maturity upto 3 months	<u>(3,635,129)</u>	<u>(5,123,777)</u>
Net debt	2,279,117	5,407
Total equity	<u>11,720,497</u>	<u>13,818,518</u>
Total equity and debt	<u>13,999,614</u>	<u>13,823,925</u>
Gearing ratio (%)	<u>16.28%</u>	<u>0.04%</u>

43 FAIR VALUES / MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

A number of the Company's accounting policies and disclosure require the measurement of fair values, for both financial, if any and non-financial assets and liabilities. When measuring the fair value of an asset or a liability, the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Management assessed that the fair values of cash & cash equivalent, short term investment and short term deposits, trade receivables, trade payables, short term borrowing and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. For long term deposit asset and long term liabilities, management considers that their carrying values approximates fair value. Fair value of forward contracts is determined using level 2 input.

The fair value of land and buildings and plant and machinery is a level 3 recurring fair value measurement. Management engages an independent external expert / valuator to carry out periodic valuation of its non-financial assets (i.e. Land, Building and Plant and Machinery) and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained by the valuer.

Land and Building

The valuation is considered on the factors of location, need of the buyers, the overall prevailing market situation and other considerations linked with this.

Plant and Machinery

Factors taken into consideration in order to assess the present value of the machinery and equipments include Make, Model, Quality, Operational Capacity, Existing Condition, Demand and Resale Prospects, Depreciation and Obsolescence etc.

44 PROVIDENT FUND RELATED DISCLOSURES

The investment out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and rules formulated for this purpose.

45 NUMBER OF EMPLOYEES

Number of persons employed as on year end were 377 (2024: 370) and average number of employee during the year were 392 (2023: 404).

46 DATE OF AUTHORIZATION

These financial statements were authorized for issue in the Board of Directors meeting held on December 30, 2024.

47 GENERAL

Amounts have been rounded off to the nearest thousand rupee unless otherwise stated.



ZIA ZAKARIA
Managing Director & CEO



AZIZ AYOUB
Director



ZAI ZAKARIA
Chief Financial Officer

**PATTERN OF HOLDING OF THE SHARES HELD BY THE
SHAREHOLDERS AS ON SEPTEMBER 30, 2024**

NO. OF SHAREHOLDERS	SHARE HOLDINGS	TOTAL SHARES HELD
1449	1	100
525	101	500
100	501	1000
99	1001	5000
26	5001	10000
8	10001	15000
5	15001	20000
4	20001	25000
2	30001	35000
1	35001	40000
1	40001	45000
2	45001	50000
1	60001	65000
2	65001	70000
2	75001	80000
2	80001	85000
3	95001	100000
1	100001	105000
1	110001	115000
1	115001	120000
1	135001	140000
1	155001	160000
1	185001	190000
1	190001	195000
1	205001	210000
1	215001	220000
1	220001	225000
1	225001	230000
2	255001	260000
1	285001	290000
1	310001	315000
2	315001	320000
1	360001	365000
1	375001	380000
1	420001	425000
1	515001	520000
1	545001	550000
1	585001	590000
1	595001	600000
2	610001	615000
1	615001	620000
1	640001	645000
1	735001	740000
1	785001	790000
1	960001	965000
1	1020001	1025000
1	1270001	1275000
1	1500001	1505000
1	3295001	3300000
2267	Total	21,118,663

CATEGORIES OF SHAREHOLDING AS ON SEPTEMBER 30, 2024

SR. NO.	CATEGORIES OF SHARE HOLDERS	NUMBER OF SHARE HOLDERS	SHARES HELD	PERCENTAGE %
1	INDIVIDUALS	2238	14,328,696	67.85%
2	INSURANCE COMPANIES	1	23,551	0.11%
3	JOINT STOCK COMPANIES	15	4,908,782	23.24%
4	FINANCIAL INSTITUTIONS	4	260,004	1.23%
5	MUTUAL FUND	1	1,274,959	6.04%
6	MODARABAS	1	15	0.00%
7	OTHERS	7	322,656	1.53%
	TOTAL:-	2267	21,118,663	100.00%

CATEGORIES OF SHAREHOLDING AS AT SEPTEMBER 30, 2024

Categories of Shareholders	No. of Share holders	Sheres Held	Percentage
ASSOCIATED COMPANIES UNDERTAKINGS AND RELATED PARTIES			
Al-Noor Sugar Mills Ltd.	1	3,299,784	15.62%
Reliance Insurance Co. Ltd.	1	23,551	0.11%
Noori Trading Corporation (Pvt.) Ltd.	2	576,666	2.73%
Zain Trading Corporation (Pvt.) Ltd.	1	1,023,199	4.84%
NBP, NIT & ICP			
NATIONAL BANK OF PAKISTAN, TRUSTEE DEPARTMENT	1	100	0.00%
NATIONAL BANK OF PAKISTAN	1	1,358	0.01%
TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST.	1	7,757	0.04%
TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	1	221,055	1.05%
MUTUAL FUND			
CDC TRUSTEE NATIONAL INVESTMENT (UNIT) FUND TRUST	1	1,274,959	6.04%
DIRECTORS , CEO & THEIR SPOUSES AND MINOR CHILDREN			
MR. ABDUL AZIZ AYOOB	1	45,817	0.22%
MR. NOOR MOHAMMAD ZAKARIA	1	614,269	2.91%
MR. ZIA ZAKARIA	1	422,428	2.00%
MRS. SANOBER HAMID ZAKARIA	1	10,641	0.05%
MR. ASAD AHMED MOHIUDDIN	1	595,345	2.82%
MR. RUMI MOIZ	1	1,000	0.00%
MRS. MEHRUNNISA A. AZIZ (W/O A. AZIZ AYOOB)	1	43,613	0.21%
MRS. SHEHNAZ SATTAR ZAKARIA (W/O NOOR MOHAMMAD ZAKARIA)	1	614,769	2.91%
PUBLIC SECTOR COMPANIES AND CORP.			
EMPLOYEES OLD AGE BENEFITS INSTITUTION	1	258,446	1.22%
BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON BANKING FINANCE COMPANIES, INSURANCE COMPANIES, MODARABAS, LEASING, TAKAFUL AND PENSION FUND.	2	115	0.00%
JOINT STOCK COMPANIES	11	9,133	0.04%
OTHERS	5	93,844	0.44%
GENERAL PUBLIC			
FOREIGN	---	---	---
LOCAL	2230	11,980,814	56.73%
TOTAL:-	2267	21,118,663	100.00%

Share holder holding 10% or more	SHARES HELD	%age
1. AL-NOOR SUGAR MILLS LIMITED	3,299,784	15.62%

Details of trading in the shares by the Directors, Excutives and their spouses and minor children:	Purchase	Sale
MR. NOOR MOHAMMAD ZAKARIA	15,000	--
MRS. SHEHNAZ SATTAR ZAKARIA (W/O NOOR MOHAMMAD ZAKARIA)	15,000	--

ڈیویڈنڈ:

بورڈ آف ڈائریکٹرز نے 30 دسمبر 2024ء کو ہونے والے اپنے اجلاس میں 30 ستمبر 2024ء کو ختم ہونے والے سال کیلئے ڈیویڈنڈ کی سفارش نہیں کی ہے۔

آڈیٹرز کی تقرری:

موجودہ آڈیٹرز، میسرز کرسٹن حیدر بھیجی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، سال 2024 کے سالانہ عام اجلاس کے اختتام کے ساتھ ریٹائر ہو جائیں گے اور اہل ہونے کی وجہ سے انہوں نے سال 2024-25 کے لیے دوبارہ تقرری کے لیے خود کو پیش کیا ہے۔ آڈٹ کمیٹی نے سال 2024-25 کے لیے ان کی دوبارہ تقرری کی بھی سفارش کی اور آپ کی کمپنی کے بورڈ نے بھی میسرز کرسٹن حیدر بھیجی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کے لیے آڈٹ کمیٹی کی سفارش کی توثیق کی سالانہ اجلاس عام میں منظوری دی جائے گی۔

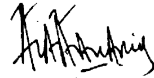
عملے کے تعلقات:

آخر میں، ڈائریکٹرز نے ڈیویڈنڈ کی لگن اور کمپنی کے معاملات کو خوش اسلوبی سے چلانے، اہداف اور اہداف کو پورا کرنے کے لیے ایگزیکٹوز، سٹاف ممبران اور ملازمین کی لگن محنت کی تعریف کی اور یقین دلایا کہ وہ موجودہ مشکل ماحول میں کام کریں گے۔ اپنے خالق کی برکت سے مستقبل میں بھی اسی جوش و جذبے کا مظاہرہ کرتے رہیں گے۔

بحکم بورڈ



اے عزیز ایوب
ڈائریکٹر



ضیاء زکریا
میجنگ ڈائریکٹر/چیف ایگزیکٹو آفیسر (CEO)

کراچی: بتاریخ: 30 دسمبر 2024

قومی خزانے میں شراکت:

کمپنی ٹیکسوں، ڈیوٹیوں کی صورت میں ملک کے وسائل میں اضافہ کر رہی ہے اور حکومت کی طرف سے اجازت ملنے پر چینی اور اتھنول کی برآمد سے زر مبادلہ کما رہی ہے تاکہ ملک کو درپیش تجارتی خسارے کو کم کیا جاسکے۔ زیر جائزہ مدت کے دوران آپ کی کمپنی نے 1250 میٹرک ٹن چینی اور 61,181 میٹرک ٹن اتھنول برآمد کیا ہے اور ملک کے لیے قیمتی زر مبادلہ کمایا ہے۔

رسک مینجمنٹ اور مواقع:

کمپنی کے بورڈ آف ڈائریکٹرز مالیاتی اور اقتصادی ماحول اور ابھرتے ہوئے نتیجے میں پیدا ہونے والے اندرونی اور بیرونی خطرات پر گہری نظر رکھتے ہیں جو کمپنی کی ہموار کارروائیوں اور کارکردگی کو متاثر کر سکتے ہیں۔ کمپنی ایک چیلنجنگ ماحول میں کام کرتی ہے اور انتظامیہ نے خطرے کی شناخت، تشخیص اور تخفیف کے لیے ایک موثر طریقہ کار بھی ترتیب دیا ہے جو ہموار آپریشن کو قابل بناتا ہے اور اس بات کو یقینی بناتا ہے کہ کمپنی کی صحت کو بہتر بنانے کے لیے کاروبار کی ترقی پر توجہ مرکوز رکھی جائے۔

کریڈٹ رسک:

کمپنی عام طور پر پیشگی ادائیگیوں کے عوض مصنوعات فروخت کرتی ہے لیکن کریڈٹ کی فروخت کی صورت میں ان صارفین کی مناسب احتیاط برتی جاتی ہے جن کو کریڈٹ دیا جاتا ہے۔

مارکیٹ کا رسک:

کمپنی اپنے خام مال اور تیار مصنوعات کی قیمتوں میں تبدیلی کے خطرے سے دوچار ہے۔ اس کا انتظام اسٹاک کی سطح کی منصوبہ بندی اور مناسب پائے جانے والے وقفوں پر مختلف ذرائع سے خریداری اور فروخت کے لیے مارکیٹوں کی مسلسل نگرانی کے ذریعے کیا جاتا ہے۔

لیکویڈیٹی رسک:

کمپنی نے اپنی کاروباری ذمہ داریوں کو پورا کرنے کے لیے فروخت کی رسیدوں اور خریداریوں کی ادائیگی کے درمیان مماثلت کو پورا کرنے کے لیے مختلف بینکوں سے ورکنگ کیپیٹل کی ضروریات کا انتظام کیا۔ بورڈ وقتاً فوقتاً کاروبار کو درپیش بڑے خطرے کا جائزہ لیتا ہے اور خطرے کو کم کرنے کے لیے ضروری اقدامات کرتا ہے۔ آڈٹ کمیٹی مالیاتی اور تعمیل کے خطرات کا بھی جائزہ لیتی ہے۔ انسانی وسائل اور معاوضے کی کمیٹی اس بات کو یقینی بنانے کے لیے معاوضے اور انعام کی پالیسیوں کا جائزہ لیتی ہے کہ یہ باصلاحیت اور تجربہ کار عملے کو برقرار رکھنے اور اپنی طرف متوجہ کرنے کے لیے مسابقتی اور موثر ہیں۔

بورڈ کی تشخیص کا طریقہ کار:

بورڈ اور بورڈ کی کمیٹی کے اراکین انتہائی تجربہ کار اہلکار ہیں اور اپنی تاثیر کو بہتر بنانے کے لیے مسلسل کوشش کرتے ہیں اور بورڈ کی کارکردگی کا جائزہ لینے کے لیے سالانہ جائزہ لیتے ہیں۔ بورڈ کارپوریٹ سیکٹر اور گورننس میں ہونے والی پیشرفت کا بھی جائزہ لیتا ہے تاکہ یہ یقینی بنایا جاسکے کہ کمپنی بہترین طریقوں سے ہم آہنگ رہے۔

مستقبل کا نقطہ نظر:

شوگر ڈویژن:

حکومت سندھ نے نوٹیفکیشن نمبر B(142)/SO(Est)/2023-24 کے ذریعے کرشنگ سیزن کے لیے گنے کی قیمت =/425 فی چالیس کلوگرام کے حساب سے مطلع کی ہے جو کہ گزشتہ سال مطلع کردہ =/302 روپے تھی۔ خام مال کی قیمت میں =/123 روپے فی چالیس کلوگرام اضافہ کیا گیا ہے جس سے کرشنگ سیزن کے لیے چینی کی پیداواری لاگت میں اضافہ ہوگا۔ کرشنگ سیزن 2023-24 کے دوران کاشتکاروں کو اچھی واپسی کی ادائیگی کے باوجود صوبے میں گنے کی فصل بہتر نہیں تھی جیسا کہ چینی کی کرشنگ اور پیداوار کے حجم سے معلوم ہوتا ہے۔ سندھ میں پانی کی کمی ایک بڑی رکاوٹ ہے۔ کرشنگ سیزن 2024-25 کا آغاز ہو چکا ہے اور توقع ہے کہ چینی کی پیداوار گزشتہ سال کی طرح ہوگی لیکن گنے کی کرشنگ کا بڑا حجم حاصل ہونے کے بعد حقیقی پوزیشن قائم ہوگی۔ ملک میں شوگر انڈسٹری کے لیے یہ ایک بہت بڑی تشویش ہے کہ خام مال کو حکومت کنٹرول کرتی ہے جب کہ حتمی مصنوعات کی قیمتوں کو مارکیٹ فورسز کے لیے کھلا چھوڑ دیا جاتا ہے۔

اتھنول ڈویژن:

ملک میں گنے کی اچھی فصل ہونے کی وجہ سے راب کی دستیابی بہتر ہونے کی امید ہے۔ اتھنول کی قیمت حد سے زیادہ ہے اور روس اور یوکرین کے درمیان مسلسل جنگ اور مشرق وسطیٰ کے تنازعات کی وجہ سے غیر یقینی صورتحال ہے جس کی وجہ سے برآمدی راستوں تک آسانی میں سپلائی چین میں خلل پڑتا ہے اور سمندری مال برداری کی لاگت میں اضافہ ہوتا ہے۔ یورپ اور چین میں کساد بازاری کے رجحان کے علاوہ جو اتھنول کی برآمد کو منفی طور پر متاثر کر سکتا ہے۔ انتظامیہ پروڈکٹس مکس تیار کرنے کے لیے جارحانہ طریقے سے مختلف طریقوں پر عمل پیرا ہے جس سے اتھنول ڈویژن کے منافع کے مارجن کو بہتر بنانے میں مدد ملے گی۔

صحت، حفاظت اور ماحول:

کمپنی صحت اور حفاظت کے اعلیٰ معیارات پر پختہ یقین رکھتی ہے، انتظامیہ اچھے ماحول کو برقرار رکھنے کے حوالے سے اپنی ذمہ داریوں سے بخوبی آگاہ ہے تاکہ اس کے منفی اثرات کو ختم کیا جاسکے اور وہ معاشرے کی پائیدار ترقی کے لیے پر عزم ہے۔ آپ کی کمپنی فضلہ اور اخراج کو کم کر کے ماحولیاتی اثرات کو کم کرنے اور اپنے ملازمین، صارفین، سپلائرز، پڑوسیوں اور عام لوگوں کی صحت اور حفاظت کے اعلیٰ ترین معیارات کے ساتھ اپنے کاروبار کو چلانے کے لیے پر عزم ہے۔ انتظامیہ ملوں کے کمیونٹی اور آس پاس کے علاقوں میں ماحول کو سہارا دینے کے لیے درخت لگانے کی مہم شروع کرتی ہے۔ کمپنی کی پیداواری سہولت ملک میں قابل اطلاق ماحول اور حفاظتی معیارات کے ساتھ پوری طرح مطابقت رکھتی ہے۔

متعلقہ فریقین کے لین دین:

اس مدت کے دوران کئے گئے تمام متعلقہ فریقین کے لین دین کو بورڈ کی آڈٹ کمیٹی کے سامنے اور اس کے بعد پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشن کے تحت مطلوبہ حتمی منظوری کے لیے بورڈ کے سامنے رکھا جاتا ہے۔ متعلقہ فریقوں کے لین دین مارکیٹ کی قیمت پر کئے گئے جیسا کہ کمپنیز ایکٹ 2017 میں فراہم کیا گیا ہے۔

انسانی وسائل اور معاوضہ کمیٹی:

بورڈ نے پاکستان اسٹاک ایکسچینج لمیٹڈ کے لسٹنگ ریگولیشنز میں فراہم کردہ گائیڈ لائنز کے مطابق ہیومن ریسورس اینڈ ریمونریشن کمیٹی بھی تشکیل دی ہے جو درج ذیل ڈائریکٹرز پر مشتمل ہے۔ اس مدت کے دوران کمیٹی کا ایک اجلاس ہو اور اجلاس میں شریک تمام ممبران جیسا کہ ذیل میں اشارہ کیا گیا ہے۔

ڈائریکٹرز کے نام	عہدہ	درجہ
جناب رومی معیز	چیئرمین	آزاد ڈائریکٹر
جناب نور محمد زکریا	ممبر	نان ایگزیکٹو ڈائریکٹر
جناب ضیاء زکریا	ممبر	ایگزیکٹو ڈائریکٹر

ڈائریکٹرز کے معاوضے کی پالیسی:

کمپنی کے آرٹیکلز کے مطابق، بورڈ آف ڈائریکٹرز ایگزیکٹو اور نان ایگزیکٹو اور آزاد ڈائریکٹرز کے معاوضے طے کرنے کا مجاز ہے۔ کمپنی ایکٹ 2017 کے آرٹیکلز کے مطابق جنرل میٹنگ میں ممبران کی منظوری درکار ہے۔ بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کے معاوضے کی پالیسی تیار کی ہے جس میں تفصیل، مقاصد اور معاوضے کے پیکیجز کے تعین کے لیے ایک شفاف طریقہ کار کا تعین کیا گیا ہے۔ انفرادی ڈائریکٹر کے ڈائریکٹرز کے معاوضے کی پالیسی کی دیگر اہم خصوصیات میں یہ شامل ہے کہ معاوضے کی سطح مسابقتی اور قابل اور ہنرمند افراد کو راغب کرنے اور برقرار رکھنے کے لیے کافی ہوگی۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معاوضے کی مجموعی رقم کی تفصیلات نوٹ نمبر 39 میں ظاہر کی گئی ہیں۔

کمپنی کی کریڈٹ ریٹنگ:

وی آئی ایس (VIS) کریڈٹ ریٹنگ کمپنی کی ابتدائی میڈیم سے لوگ ٹرم ریٹنگ کے مطابق ہماری کمپنی کو "A-/A-2" (Single A Minus/A-Two) کا درجہ دیا ہے یعنی میڈیم سے لانگ ٹرم ریٹنگ میں ہماری کمپنی کو Stable یعنی مستحکم قرار دیا ہے۔

کارپوریٹ سماجی ذمہ داری:

کارپوریٹ سماجی ذمہ داری کے فوائد ملازمین کے درمیان اعلیٰ پیداواری صلاحیت، مارکیٹ میں کمپنی کی ساکھ کو بڑھانے اور کمپنی کی مضبوطی میں حصہ ڈالنے سے واضح ہیں۔ کمپنی اپنے کارپوریٹ اور سماجی ذمہ داری (CSR) کے اہداف کو پورا کرنے کے لیے پرعزم ہے اور ملز کے علاقے کے ارد گرد تعلیم، صحت کی دیکھ بھال، ماحولیات اور دیگر سماجی وجوہات کی حمایت کرتے ہوئے پہل کرنا جاری رکھے ہوئے ہے تاکہ علاقے کی کم مراعات یافتہ کمیونٹی کی زندگیوں میں بہتری لائی جا سکے۔ کمپنی نے اپنے فرنیچر ایریا میں مسلسل کئی فلاحی سرگرمیاں کیں یعنی سینڈری لیول تک ایک سکول قائم کیا، وقفہ وقفہ سے میڈیکل کمپ کا انعقاد، مستحق دیہاتیوں کو مالی امداد، کاشتکاروں کو کھاد اور بیج فراہم کرنا، مفت راشن اور طبی امداد کی فراہمی۔ ضرورت مند افراد کو فراہم کر رہے ہیں۔

بورڈ آف ڈائریکٹرز کی تشکیل:

زیر جائزہ مدت کے دوران بورڈ آف ڈائریکٹرز کی تشکیل میں کوئی تبدیلی نہیں کی گئی۔
زیر غور مدت کے دوران بورڈ کے چار اجلاس منعقد ہوئے اور ہر ڈائریکٹر کی موجودگی حسب ذیل تھی۔

درجہ	شرکت	ڈائریکٹر کے نام	
نان ایگزیکٹو	4	جناب نور محمد زکریا	-1
ایگزیکٹو	4	جناب ضیاء زکریا	-2
ایگزیکٹو	4	جناب اے عزیز ایوب	-3
نان ایگزیکٹو	4	مسز صنوبر حامد زکریا	-4
نان ایگزیکٹو	4	جناب اسد احمد علی الدین	-5
آزاد ڈائریکٹر	4	جناب رومی معیز	-6
آزاد ڈائریکٹر	4	جناب شیخ عاصم رفیق	-7

پاکستان اسٹاک ایکسچینج لمیٹڈ کے لسٹنگ ریگولیشنز کے تحت درکار مالیاتی گوشواروں کے متعلقہ نوٹ میں ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معاوضے کی تفصیلات بھی فراہم کی گئی ہیں۔ مینٹنگ فیس کے علاوہ نان ایگزیکٹو ڈائریکٹرز کو کوئی معاوضہ ادا نہیں کیا جاتا۔

آڈٹ کمیٹی:

بورڈ نے ایک آڈٹ کمیٹی بھی تشکیل دی ہے جس میں درج ذیل ڈائریکٹرز شامل ہیں۔ زیر غور مدت کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے اور ہر ڈائریکٹر کی حاضری حسب ذیل تھی۔

درجہ	عہدہ	شرکت	ڈائریکٹر کے نام	
آزاد ڈائریکٹر	چیئرمین	4	جناب رومی معیز (چیئرمین)	-1
نان ایگزیکٹو	ممبر	4	جناب نور محمد زکریا	-2
نان ایگزیکٹو	ممبر	4	مسز صنوبر حامد زکریا	-3

آڈٹ کمیٹی کے ٹرمز آف ریفرنس کا تعین بھی بورڈ نے پاکستان اسٹاک ایکسچینج لمیٹڈ کے لسٹنگ ریگولیشنز میں فراہم کردہ رہنما خطوط کے مطابق کیا ہے۔

کارکردگی کا جائزہ

شوگر ڈویژن:

اللہ تعالیٰ کے فضل و کرم سے زیر نظر مدت میں آپ کی کمپنی کی کارکردگی اچھی رہی۔ ریکوری کی شرح بھی 10.60 فیصد سے بڑھ کر 10.98 فیصد ہو گئی جس کی وجہ گنے کے معیار میں بہتری ہے۔ چینی کی پیداوار 71,905 میٹرک ٹن تھی جو پچھلے سال کی 60,303 میٹرک ٹن کی پیداوار سے 19.24 فیصد زیادہ ہے۔ اس کی وجہ کرشنگ کا زیادہ حجم تھا کیونکہ خام مال کی دستیابی میں بہتری اور ریکوری کی شرح میں اضافہ ہوا۔

اتھنول ڈویژن:

زیر غور مدت کے دوران اتھنول پلانٹ نے اطمینان بخش طریقے سے کام کیا اور 59,967 میٹرک ٹن اتھنول کی پیداوار کی جو کہ گزشتہ سال 69,738 میٹرک ٹن تھی۔ گزشتہ سال کی پیداوار کے مقابلے میں پیداوار کم ہے جسے مصنوعات کی طلب کو مد نظر رکھتے ہوئے کنٹرول میں رکھا گیا تھا۔ آپ کی کمپنی نے گزشتہ سال 68,980 میٹرک ٹن کے مقابلے میں 61,181 میٹرک ٹن اتھنول برآمد کیا اور کمپنی نے ملک کے لیے بہت ضروری زرمبادلہ کمایا۔ انتظامیہ نے مختلف پراڈکٹس ملکر کا ایک پورٹ فولیو تیار کرنے کے لیے بڑے پیمانے پر کام کیا ہے تاکہ پلانٹ کی صلاحیت کے زیادہ سے زیادہ استعمال کو یقینی بنایا جاسکے۔

کارپوریٹ گورننس کے بہترین طریقوں کے ساتھ تعمیل کا بیان:

- 1۔ کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات اس کے معاملات، آپریشن کے نتائج، کمیشن فلو اور ایکویٹی میں تبدیلیوں کو کافی حد تک پیش کرتے ہیں۔
- 2۔ قانون کے تحت ضرورت کے مطابق کمپنی نے کھاتوں کی مناسب کتابیں رکھی ہیں۔
- 3۔ مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- 4۔ بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالی بیانات کی تیاری میں بیرونی کی گئی ہے۔
- 5۔ اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔
- 6۔ کمپنی کو جاری رکھنے کی کمپنی کی صلاحیت پر کوئی خاص شک نہیں ہے۔
- 7۔ پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز میں تفصیل کے مطابق کوڈ آف کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی اخراج نہیں ہوا ہے۔
- 8۔ کوئی بقایا قانونی ادائیگی نہیں ہوئی ہے، سوائے ان کے جو معمول کے کاروبار کے تحت ہیں اور کچھ تنازعہ معاملات جو مالیاتی گوشواروں کے متعلقہ نوٹوں میں ظاہر ہو رہے ہیں۔

9۔ 30 ستمبر 2024 تک کمپنی میں شیئر ہولڈنگ کا پیٹرن بھی سالانہ رپورٹ میں شامل ہے۔

10۔ ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری، ان کی شریک حیات یا نابالغ بچوں نے کمپنی کے حصص میں کوئی تجارت نہیں کی سوائے اس کے کہ مالی بیانات کے متعلقہ نوٹس میں دوسری صورت میں ظاہر کیا گیا ہے۔

11۔ پراویڈنٹ فنڈ میں سے سرمایہ کاری کمپنیز ایکٹ 2017 کے سیکشن 218 اور اس مقصد کے لیے وضع کردہ قواعد کے مطابق کی گئی ہے۔

12۔ گزشتہ دس سالوں کے اہم آپریشننگ اور مالیاتی ڈیٹا اور شیئر ہولڈنگ کے پیٹرن کو سالانہ رپورٹ میں شامل کیا گیا ہے۔ ڈائریکٹرز یا ان کی شریک حیات کے انعقاد میں کوئی خاص تبدیلی نہیں آئی سوائے دوسری صورت میں ظاہر کیا گیا ہے۔

ڈائریکٹرز رپورٹ برائے ممبران

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

محترم ممبران السلام علیکم!

مجھے بورڈ آف ڈائریکٹرز کی جانب سے آپ کی کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ 30 ستمبر 2024 کو ختم ہونے والے سال کے لیے ڈائریکٹرز اور آڈیٹرز کی رپورٹیں پیش کرتے ہوئے بہت خوشی محسوس ہو رہی ہے۔ آپ کی کمپنی کی بنیادی سرگرمیاں اچھے معیار کی شوگر اور اتھنول کی پیداوار ہے۔

2022-23	2023-24	مالیاتی کارکردگی :
(روپے ہزاروں میں)		
4,410,475	423,629	☆ منافع قبل از ٹیکس
(582,864)	(371,229)	☆ ٹیکس کے لئے فراہمی
3,827,611	52,400	☆ منافع بعد از ٹیکس
Rs.181.24	Rs.2.48	☆ منافع فی شیئر بنیادی

آپ کی کمپنی نے ٹیکس کے بعد روپے کا منافع کمایا ہے۔ پچھلے سال کے دوران 3,827.611 ملین روپے کے منافع کے مقابلے میں 52.400 ملین۔ نمایاں تقابلی پیداوار اور مالیاتی اعداد و شمار درج ذیل فراہم کیے گئے ہیں:

2022-23	2023-24	معلومات بابت پیداوار
567,913	654,604	☆ گنے کی پسائی (میٹرک ٹن)
60,303	71,905	☆ چینی کی پیداوار (میٹرک ٹن)
10.60	10.98	☆ ریکوری برائے چینی (فیصد)
26,720	30,450	☆ پیداوار برائے راب (میٹرک ٹن)
69,738	59,967	☆ اتھنول کی پیداوار (میٹرک ٹن)
		مالی اعداد و شمار:
		☆ فروخت
		☆ لاگت برائے فروختگی
		☆ خالص منافع
		☆ تقسیمی لاگت
		☆ انتظامی اخراجات
		☆ دیگر عملیاتی اخراجات
		☆ مالیاتی اخراجات
		☆ دیگر آمدنی
		☆ ایسوسی ایٹ میں نقصان کا حصہ
		☆ قبل از ٹیکس منافع

PROXY FORM

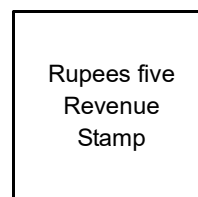
I/We
 in the district of being a Member of **SHAHMURAD SUGAR MILLS LIMITED**
 and holder of Ordinary Shares as per Share
 (Number of Shares)

Register **Folio No.** and/or **CDC Participant I.D. No.** and **Sub Account No.**
 hereby appoint of
 or failing him
 of..... also a member; as my/our Proxy in my/our absence to
 attend and vote for me/us at the 46th Annual General Meeting of the Company to be held on the 28th day of January two
 thousand Twenty five at 03:00 p.m. and at any adjournment thereof :

Signed this day of 2025

WITNESSES:

1. Signature
 Name:
 Address
 CNIC or
 Passport No.



2. Signature
 Name:
 Address
 CNIC or
 Passport No.

 Signature of Member(s)

NOTE:

1. This Proxy Form, duly completed and signed, must be received at the office of our Shares Registered office not later than 48 hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instruments of proxies are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
3. For CDC Account Holders / Corporate Entities
 In addition to the above the following requirements have to be met.
 - (i) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
 - (ii) In case of a corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier alongwith proxy form to the Company).

پراکسی فارم

میں / ہم _____ ساکن _____
 _____ شاہ مراد شوگر ملز لمیٹڈ
 کے رکن و حامل _____ عام حصص بمطابق شیئرز رجسٹرڈ فولیو نمبر _____
 اور یا سی ڈی سی کے شراکتی آئی ڈی نمبر _____ اور ڈیلی کھاتہ نمبر _____
 بذریعہ ہذا _____ ساکن _____ یا بصورت دیگر _____
 ساکن _____ جو کہ خود بھی ایک ممبر ہے کو اپنی / ہماری غیر موجودگی میں کمپنی کے
 46 واں سالانہ اجلاس عام مورخہ 28 جنوری 2025 بوقت 03:00 بجے منعقد یا ملتوی ہونے والے میں رائے دہندگی کیلئے اپنا نمائندہ مقرر کرتا / کرتی ہوں۔

دستخط شدہ بتاریخ _____ بروز _____ 2025

گواہان:

برائے کرم پانچ روپے
 مالیت کے ریونیو ٹکٹ
 چسپاں کریں۔

1- دستخط _____
 نام _____
 پتہ _____

کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر _____

2- دستخط _____
 نام _____
 پتہ _____

دستخط برائے ممبر / ممبران _____
 (دستخط کمپنی میں درج نمونہ کے دستخط کے مطابق ہونے چاہیے)

کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر _____

نوٹ:

- 1- ہر لحاظ سے مکمل اور دستخط شدہ یہ فارم میٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کے شیئرز رجسٹر کے دفتر میں موصول ہونا چاہیے۔
- 2- اگر کوئی ممبر ایک سے زائد پراکسی نامزد کرتا ہے اور ایک سے زیادہ انسٹرومنٹس آف پراکسی جمع کراتا ہے تو اس صورت میں تمام انسٹرومنٹس آف پراکسی کا عدم قرار دیئے جائیں گے۔
- 3- سی ڈی سی اکاؤنٹ رکھنے والے / کارپوریٹ ادارے مزید برآں درج شرائط کو پورا کریں گے۔
- (i) پراکسی فارم کے ہمراہ مالکان کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول بھی دی جائیں۔
- (ii) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی مع دستخط کے نمونے (اگر پہلے جمع نہ کرایا ہو) کمپنی میں پراکسی فارم کے ساتھ جمع کرانی ہوگی۔



Shahmurad Sugar Mills Ltd.
96-A, Sindhi Muslim Society
Karachi 74400
www.shahmuradsugar.co