

annual report 2024

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

Page	CONTENTS
2	Company Profile
	Governance
3	Company Information
4	Management Committees
7	Vision and Mission Statement
8	Code of Conduct
	Stakeholders' Information
10	Ten Years' Review
11	Six Years' Performance at a Glance
12	Notice of Annual General Meeting
16	Chairperson's Review Report (English/Urdu)
18	Directors' Report to the Shareholders (English/Urdu)
28	Shareholders' Information
29	Pattern of Shareholding
31	Independent Auditors' Review Report
32	Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations 2019
35	Independent Auditors' Report to the Members
39	UN Consolidated Financial Statements
86	Consolidated Financial Statements
170	Proxy Form

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

Company Profile

The Premier Sugar Mills & Distillery Company Limited (the Company) was incorporated on 24 July, 1944 as a Public Company and its shares are quoted on Pakistan Stock Exchange. The Company is principally engaged in manufacturing and sale of white sugar and spirit including the following:

- a) To purchase, manufacture, produce, refine, prepare, import, export, sell and generally to deal in sugar, sugarcane, sugar beets, gur, jaggery, molasses, syrups and melada and alcohol and all products or by-products thereof and food products generally and in connection therewith to acquire, erect, construct, establish, operate and maintain sugar or other refineries, buildings, mills, factories, distilleries and other works;
- b) To manufacture any other article or articles of food made from cereals, fruits, vegetables, seeds or oils, etc.;
- c) To manufacture chemicals of all description, to prepare drugs and medicines;
- d) To manufacture starch and yeast floor from maize, wheat or any other material;
- e) To manufacture straw-boards and paper;
- f) To plant, cultivate, produce and raise sugarcane, maize, sugar beets and/or any other agricultural crops;
- g) To acquire by purchase, mortgage, lease, exchange, or otherwise, any moveable or immovable property, patents, inventions licenses, secret formula or processes, rights or privileges which the Company may think necessary or convenient for the purpose of its business and to construct, erect, manage, improve, alter, extend, demolish or reconstruct any buildings, machineries or works necessary or convenient of the purposes of the Company;
- h) To sell and purchase from time to time and deal in all such stock in trade, goods, chattels and effects as may be necessary or convenient for any business, for the time being, carried on by the Company an especially sugar, sugarcane, raw sugar, gur, molasses cereals, fruits and vegetables, seeds, oil, mill stores, stocks, spare machinery and all other materials or things necessary for the same;
- i) To purchase or otherwise acquire, by cultivation or any other manner, seeds and agricultural product of any description which may be necessary or be required for the production of sugar and its by-products, or the manufacture of any material, or article which the Company is authorized under;
- j) To establish, in Pakistan or elsewhere, agencies or branches for the purchase and sale of goods of all description;
- k) To appoint agents to assist the working of the Company with such powers and on such terms as the Company may generally or in any special case determine;
- l) Any other business as mentioned in the Memorandum of Association.

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

Company Information

Board of Directors

Begum Laila Sarfaraz	- Chairperson
Mr. Abbas Sarfaraz Khan	- Chief Executive
Ms. Zarmine Sarfaraz	- Director
Ms. Najda Sarfaraz	- Director
Mr. Iskander M. Khan	- Director
Mr. Shahbaz Haider Agha	- Independent Director
Mrs. Shahida Ahmad	- Independent Director

Company Secretary

Mr. Mujahid Bashir

Chief Financial Officer

Mr. Rizwan Ullah Khan

Head of Internal Audit

Mr. Zaheer Mir

Auditors

M/s. ShineWing Hameed Chaudhri & Co.,
Chartered Accountants

Tax Consultants

M/s. ShineWing Hameed Chaudhri & Co.,
Chartered Accountants

Legal Advisor

Mr. Isaac Ali Qazi
Advocate

Bankers

Bank Al-Habib Limited	The Bank of Khyber
MCB Bank Limited	United Bank Limited
Allied Bank Limited	The Bank of Punjab
Bank Al-Falah Limited	National Bank of Pakistan
Habib Bank Limited	Soneri Bank Limited

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

Management Committees

Executive Committee

Mr. Abbas Sarfaraz Khan (Executive Director)	Chairman
Ms. Najda Sarfaraz (Non-Executive Director)	Member
Mr. Iskander M. Khan (Executive Director)	Member

Executive Committee is involved in day-to-day operations of the Company and is authorized to conduct every business except the businesses to be carried out by Board of Directors as required by section 183 of the Companies Act, 2017. Executive Committee meets periodically to review operating performance of the Company against pre-defined objectives, commercial business decisions, investments and funding requirements.

Audit Committee

Mr. Shahbaz Haider Agha (Independent Director)	Chairman
Ms. Najda Sarfaraz (Non-Executive Director)	Member
Ms. Zarmine Sarfaraz (Non-Executive Director)	Member
Mr. Mujahid Bashir	Secretary

The terms of reference of the Audit Committee have been derived from the Code of Corporate Governance applicable to listed companies. Thereby Audit Committee shall, among other things, be responsible for recommending to the Board of Directors the appointment of external auditors by the Company's shareholders and shall consider any questions of resignation or removal of external auditors, audit fees and provision by external auditors of any service to the Company in addition to audit of its financial statements. In the absence of strong grounds to proceed otherwise, the Board of Directors shall act in accordance with the recommendations of the Audit Committee in all these matters.

The terms of reference of the Audit Committee also include the following:

- a) determination of appropriate measures to safeguard the Company's assets;

- b) review of annual and interim financial statements of the Company, prior to their approval by the Board of Directors, focusing on:
- major judgmental areas;
 - significant adjustments resulting from the audit;
 - going-concern assumption;
 - any changes in accounting policies and practices;
 - compliance with applicable accounting standards;
 - compliance with these regulations and other statutory and regulatory requirements; and
 - all related party transactions.
- c) review of preliminary announcements of results prior to external communication and publication;
- d) facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- e) review of management letter issued by external auditors and management's response thereto;
- f) ensuring coordination between the internal and external auditors of the Company;
- g) review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
- h) consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- i) ascertaining that the internal control system including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- j) review of the Company's statement on internal control systems prior to endorsement by the board of directors and internal audit reports;
- k) instituting special projects, value for money studies or other investigations on any matter specified by the board of directors, in consultation with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body;
- l) determination of compliance with relevant statutory requirements;

- m) monitoring compliance with these regulations and identification of significant violations thereof;
- n) review of arrangement for staff and management to report to audit committee in confidence, concerns, if any about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- o) recommend to the board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements. The board of directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof.
- p) Consideration of any other issue or matter as may be assigned by the Board of Directors.

Human Resource and Remuneration Committee

Mr. Shahbaz Haider Agha (Independent Director)	Chairman
Ms. Najda Sarfaraz (Non-Executive Director)	Member
Mr. Iskander M. Khan (Executive Director)	Member
Mr. Mujahid Bashir	Secretary

The Committee is responsible for:

- i) recommend to the board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the board which shall normally include the first layer of management below the chief executive officer level;
- ii) undertaking annually a formal process of evaluation of performance of the board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing name, qualification and major terms of appointment;
- iii) recommending human resource management policies to the board;
- iv) recommending to the board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;
- v) consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and
- vi) where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company.

Vision Statement

- Efficient organization with professional competence of top order is engaged to remain a market leader in the sugar industry in manufacturing and marketing of white sugar.
- To ensure attractive returns to business associates and optimizing the shareholders' value as per their expectations.

Mission Statement

- Quality objectives are designed with a view to enhance customer satisfaction and operational efficiencies.
- To be a good corporate citizen to fulfil the social responsibilities.
- Commitment to building, Safe, Healthy and Environment friendly atmosphere.
- We with professional and dedicated team, ensure continual improvement in quality and productivity through effective implementation of Quality Management System. Be a responsible employer and reward employees according to their ability and performance.
- The quality policy encompasses our long-term **Strategic Goals** and **Core Values**, which are integral part of our business.

STRATEGIC GOALS

- Providing customer satisfaction by serving with superior quality production of white sugar and industrial alcohol at lowest cost.
- Ensuring security and accountability by creating an environment of security and accountability for employees, production facilities and products.
- Expanding customer base by exploring new national and international markets and undertaking product research and development in sugar industry.
- Ensuring Efficient Resource Management by managing human, financial, technical and infrastructural resources so as to support all strategic goals and to ensure highest possible value addition to stakeholders.

CORE VALUES

- Striving for continuous improvement and innovation with commitment and responsibility;
- Treating stakeholders with respect, courtesy and competence;
- Practicing highest personal and professional integrity;
- Maintaining teamwork, trust and support with open and candid communication; and
- Ensuring cost consciousness in all decision and operations.

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

Code of Conduct

The Premier Sugar Mills & Distillery Company Limited has built a reputation for conducting its business with integrity in accordance with high standards of ethical behavior and in compliance with the laws and regulations that govern our business. This reputation is among our most valuable assets and ultimately depends upon the individual actions of each of our employees all over the country.

The Company Code of Conduct has been prepared to assist each of us in our efforts to not only maintain but enhance this reputation. It provides guidance for business conduct in a number of areas and references to more detailed corporate policies for further direction. The adherence of all employees to high standards of integrity and ethical behavior is mandatory and benefits all stakeholders including our customers, our communities, our shareholders and ourselves.

The Company carefully checks for compliance with the Code by providing suitable information, prevention and control tools and ensuring transparency in all transactions and behaviors by taking corrective measures if and as required.

The Code of Conduct applies to all affiliates, employees and others who act for us countrywide, within all sectors, regions, areas and functions.

The Code of Conduct of the Company includes the policies in respect of followings:

- Standard of Conduct;
- Obeying the law;
- Human Capital;
- Consumers;
- Shareholders;
- Business Partners;
- Community involvement;
- Public activities;
- The environment;
- Innovation;
- Competition;
- Business integrity;
- Conflicts of interests; and
- Compliance, monitoring and reporting.

General Principles

Compliance with the law, regulations, statutory provisions, ethical integrity and fairness is a constant commitment and duty of all the employees and characterizes the Conduct of the organization.

The Company's business and activities have to be carried out in a transparent, honest and fair way, in good faith and in full compliance. Any form of discrimination, corruption, forced or child labor is rejected. Particular attention is paid to the acknowledgment and safeguarding of the dignity, freedom and equality of human beings.

All employees, without any distinction or exception whatsoever, respect the principles and contents of the Code in their actions and behaviors while performing their functions according to their responsibilities, because compliance with the Code is fundamental for the quality of their working and professional performance. Relationships among employees, at all levels, must be characterized by honesty, fairness, cooperation, loyalty and mutual respect.

The belief that one is acting in favor or to the advantage of the Company can never, in any way, justify-not even in part – any behavior that conflict with the principles and content of the Code.

Every employee is expected to adhere to, and firmly inculcate in his/her everyday conduct; this mandatory framework; any contravention or deviation will be regarded as misconduct and may attract disciplinary action in accordance with the Company service rules and relevant laws.

Statement of Ethical Practices

It is the basic principle of The Premier Sugar Mills & Distillery Company Limited to obey the law of the land and comply with its legal system. Accordingly, every director and employee of the Company shall obey the law. Any director and employee guilty of violation will be liable to disciplinary consequences because of the violation of his / her duties.

Employees must avoid conflicts of interest between their private financial activities and conduct of Company business.

All business transactions on behalf of the Company must be reflected accordingly in the accounts of the Company. The image and reputation of the Company is determined by the way each and every of us acts and conducts him / her at all times.

We are an equal opportunity employer. Our employees are entitled to a safe and healthy workplace.

Every manager and supervisor shall be responsible to see that there is no violation of laws within his / her area of responsibility which proper supervision could have prevented. The manager and supervisor shall still be responsible if he / she delegates particular tasks.

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

TEN YEAR'S REVIEW

YEAR	CANE			BEET		
	CANE CRUSHED	RECOVERY	SUGAR PRODUCED	BEET SLICED	RECOVERY	SUGAR PRODUCED
	M. Tons	%	M. Tons	M. Tons	%	M. Tons

2015	95,526.000	9.11	9,019.00	NOT OPERATED
2016	178,273.000	9.94	17,677.00	
2017	268,864.455	9.32	25,003.00	
2018	204,775.000	11.12	22,708.00	
2019	154,414.000	10.90	16,768.00	
2020	36,528.000	8.77	3,149.00	
2021	22,590.385	8.32	1,817.50	
2022	32,104.000	6.40	1,980.00	
2023	102,302.250	10.35	10,536.40	
2024	130,269.075	9.61	12,477.30	

PRODUCTION OF INDUSTRIAL ALCOHOL

YEARS	MOLASSES TONS	RECOVERY GLNS PER MND	PRODUCTION IN GALLONS
2015	NOT OPERATED		
2016			
2017			
2018			
2019			
2020	15,034.99	2.00	751,755.00
2021	16,144.42	1.92	776,585.00
2022	32,075.63	2.05	1,641,103.61
2023	18,515.81	1.99	920,400.00
2024	NOT OPERATED		

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

SIX YEAR'S PERFORMANCE AT A GLANCE

PARTICULARS	2024	2023	2022	2021	2020	2019
(RUPEES IN THOUSAND)						
Turnover	1,404,393	3,045,962	679,216	548,875	938,404	1,072,460
(Loss)/ profit from Operations	(196,399)	165,045	(64,164)	(179,672)	47,148	150,059
(Loss)/ profit before tax	(449,006)	14,741	(121,405)	(207,843)	(48,470)	30,870
(Loss)/ profit after tax	(173,111)	72,984	(98,412)	(202,250)	(48,749)	184
Share capital	37,500	37,500	37,500	37,500	37,500	37,500
Shareholders' equity	1,867,969	2,039,757	1,017,496	1,120,574	1,324,441	993,464
Non-current assets	3,596,809	2,601,412	1,352,295	1,470,500	1,600,476	1,265,092
Total assets	4,096,468	3,249,961	2,625,754	1,975,697	2,030,464	1,924,249
Non current liabilities	983,885	420,731	112,444	152,825	192,939	31,774
Current assets	499,659	648,549	1,273,459	500,555	429,988	659,157
Current liabilities	1,244,614	249,508	955,849	432,298	513,084	899,011
Dividend						
Cash dividend	-	-	-	-	-	-
Ratios:						
Profitability (%)						
Operating (loss) / profit	(13.98)	5.42	(9.45)	(32.73)	5.02	13.99
Loss before tax	(31.97)	0.48	(17.87)	(37.87)	(5.17)	2.88
Loss after tax	(12.33)	2.40	(14.49)	(36.85)	(5.19)	0.02
Return to Shareholders						
ROE - Before tax	(24.04)	0.72	(11.93)	(18.55)	(3.66)	3.11
ROE - After tax	(4.81)	3.58	(9.67)	(18.05)	(3.68)	0.02
Return on Capital Employed	0.92	2.97	(8.71)	(15.88)	(3.21)	0.02
(Loss)/ earning per share - after tax	(46.16)	19.46	(26.24)	(53.93)	(13.00)	0.05
Activity						
Total assets turnover	0.38	1.04	0.30	0.27	0.47	0.60
Non-current assets turnover	0.45	1.54	0.48	0.36	0.65	0.88
Liquidity/Leverage						
Current ratio	0.40	2.60	1.33	1.16	0.84	0.73
Break up value per share	498.1	543.9	271.3	298.8	353.2	264.9
Total Liabilities to equity (Times)	(1.19)	(0.26)	(0.69)	(0.42)	(0.53)	(0.94)

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT 79th Annual General Meeting of the shareholders of **The Premier Sugar Mills & Distillery Company Limited** will be held on February 26, 2025 at 11:30 AM at the Registered Office of the Company at Nowshera Road, Mardan, for transacting the following business :-

ORDINARY BUSINESS:

1. To confirm the minutes of the Annual General Meeting held on February 26, 2024.
2. To receive, consider and adopt the Audited Financial Statements of the Company together with the Directors' and Auditors' reports for the year ended September 30, 2024.
3. To appoint the Auditors of the Company and to fix their remuneration for the financial year ending September 30, 2025. The present auditors' M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants retire and being eligible offer themselves for re-appointment.
4. To transact any other business of the Company as may be permitted by the Chair.

SPECIAL BUSINESS:

5. To consider and if thought fit to pass the following resolutions, with or without amendment(s) as the Special Resolution:

TO APPROVE RELATED PARTIES TRANSACTIONS

- a. To ratify and approve the transactions carried out by the Company with related parties for the year ended September 30, 2024, and to pass the following Special Resolution(s) with or without modification(s):

"RESOLVED THAT the transactions conducted in ordinary course of business with Related Parties during the year ended September 30, 2024 be and are hereby ratified, approved and confirmed"

- b. To approve transactions with related parties and to authorize the Board of Directors of the Company to carry out such related party transactions from time to time which require approval of shareholders u/s 207 and/or 208 of the Companies Act, 2017 and to pass the following Special Resolution(s) with or without modification(s):

"RESOLVED THAT the Company may carry out transactions including but not limited to sale and purchase of stores and spares, shared expenses, toll manufacturing, sale and purchase of products/mid-products/raw material/assets and purchase of packaging material, payment against sales collections, lease rentals and license fee, fee for services, with related parties from time to time with related parties during the year ending September 30, 2025.

FURTHER RESOLVED THAT details of transactions incurred up to date of the next meeting of shareholders shall be presented in the next meeting of shareholders for ratification.

FURTHER RESOLVED THAT within the parameters approved above by the shareholders of the Company, the Board of Directors of the Company may approve specifically related party transactions from time to time in compliance with the Company's policy pertaining to related party transactions and notwithstanding any interest of the directors of the Company in any related party transaction(s) which has been noted by the shareholders and the transactions approved by the Board shall be deemed to have been approved by the shareholders u/s 207 and/or 208 of the Companies Act, 2017."

The share transfer books of the Company will remain closed from February 16, 2025 to February 26, 2025 (both days inclusive).

Mardan
February 03, 2025

By Order of the Board


(MUJAHID BASHIR)
Company Secretary

Notes:

1. A member, eligible to attend and vote at this meeting, may appoint another member as his/her proxy to attend, speak and vote instead of himself/herself. Proxies in order to be effective must be valid and received by the Company not less than 48 hours before the time for holding of the Meeting and must be duly stamped, signed and witnessed. A member shall not be entitled to appoint more than one proxy.
2. Members are requested to notify the Shares Registrar of the Company of any change in their addresses immediately.
3. CDC shareholders are requested to bring their original Computerized National Identity Card (CNIC) or Original Passport, account, sub account number and participant's number in the Central Depository System for identification purpose for attending the Meeting. In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.
4. Members who desire to receive annual financial statement and notice of meeting for the financial year ended on September 30, 2024 or onward through email, instead of registered post/ courier, may submit their consent on the form available for the purpose on Company's website.
5. The Financial Statements of the Company for the year ended September 30, 2024 along with reports have been placed at website of the Company www.premiersugarmills.com
6. **Video-Link Facility**
The SECP vide circular no 4 of 2021 has advised to provide participation of the members through electronic means. Members interested to participate in the AGM are requested to email their Name, Folio Numbers, Number of Shares held in their name. Cell Number, CNIC Number (along with valid copy of both sides of CNIC) with subject **"Registration for Participation in AGM"** at mujahid@premiergrouppk.com.



Video link and login credentials shall be shared with only those members whose emails, containing all the required particulars, are received by the close of business hours (till 5:00 pm) on Monday February 24, 2025.

7. Conversion of Physical Shares into Book Entry Form

The SECP through its letter No. CSD/ED/Misc/2016-639-640 dated March 26, 2021 has advised the listed companies to adhere to the provision of Section-72 of the Companies Act, 2017 (the "Act") requiring all the existing companies to replace shares issued by them in physical form with shares in Book-Entry form in a manner as may be specified and from the date notified by the SECP but not exceeding four (04) years from the date of promulgation of the Act.

8. Unclaimed dividend / shares

Shareholders who have not collected their dividend / physical shares are advised to contact our shares registrar to collect / enquire about their unclaimed dividend or shares, if any.

9. Postal Balloting / E-Voting

For voting through post for the special business at the ANNUAL General Meeting of **"The Premier Sugar Mills & Distillery Company Limited"** to be held on Wednesday, February 26, 2025 at 11:30 AM (PST) at Nowshera Road, Mardan. Designated email address of the Company Secretary at which the duly filled in ballot paper may be sent: mujahid@premiergrouppk.com Annexure of postal balloting available in website and attached with notice as well.

Procedure for E-Voting

- a) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on February 24, 2025.
- b) The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS by the Share Registrar (being the e-voting service provider).
- c) Identity of the Members intending to cast vote through e Voting shall be authenticated through electronic signature or authentication for login.
- d) Members shall cast vote online at any time from February 24, 2025, 9:00 a.m. to February 25, 2025. Voting shall close on February 25, 2025, at 5:00 p.m. Once the vote on the resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

Procedure for voting through postal ballot paper

The members shall ensure that duly filled and signed ballot paper along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post on the Company's address at The Company Secretary, Chashma Sugar Mills Limited, Kings Arcade, 20-A Markaz F-7, Islamabad. or email

mujahid@premiergrouppk.com one day before the day of poll, during working hours. The signature on the ballot paper shall match with the signature on CNIC.

Statement of Material Facts under Section 134(3) of the Companies Act, 2017

This statement sets out the material facts pertaining to special business.

Material Facts:

This statement sets out the material facts pertaining to the special business, being Items on the notice, intended to be transacted at the Annual General Meeting of the Company to be held on February 26, 2025.

- a. Transactions carried out by the Company with its related parties constitute a small fraction of the Company's entire business. The Company carries out transactions with its Associated Companies and related parties in the normal course of business. It is also emphasized that the Company carries out such transactions in a fair and transparent manner and on an arm's length basis. All transactions entered into with Associated Companies and related parties require the approval of the Audit Committee of the Company, which is chaired by the Independent Director of the Company. The Audit Committee reviews the transactions and ensures that the pricing method is transparent and at par with running market practice and that the terms are as per the Company's practices. Only upon the recommendation of the Audit Committee, such transactions are placed before the board of directors for approval.

The transactions with related parties carried out during the fiscal year 2023-2024 to be ratified have been disclosed in the financial statements for the year ended September 30, 2024. All such transactions were recommended by the Audit Committee and were carried out at arm length basis.

Due to the composition of the Board of Directors of the Company, many Directors may be deemed to be treated as interested in transactions with certain related parties due to their common directorships and/or shareholding. Therefore, the shareholders are being approached to grant a broad and prior approval for such transactions to be entered into by the Company, from time to time, at the discretion of the Board and irrespective of its composition and interest of directors due to their common directorship and holding of shares in the associated companies/related parties, triggering approval of shareholders under section 207 and/or 208 of the Companies Act, 2017, for the year ending September 30, 2025, which transactions shall be deemed to be approved by the shareholders. The Company shall ensure that such transactions with related parties, if needed, continue to be carried out in a fair and transparent manner and at Arm's Length Basis.

Transactions intended to be carried out by the Company include, but are not limited to, the sale/purchase of molasses and other necessary goods, as well as the purchase of PP bags and other necessary goods and commodities including receipts/ payments of dividends with the following related parties including, but are not limited to:

- | | |
|--|--|
| a) Chashma Sugar Mills Limited | b) Premier Board Mills Limited |
| c) Syntron Limited | d) Syntronics Limited |
| e) Whole Foods (Private) Limited | f) Arpak International Investments Limited |
| g) The Frontier Sugar Mills & Distillery Limited | h) Azlak Enterprises (Pvt.) Limited |
| i) Phipson & Co Pakistan (Pvt.) Limited | i) Ultimate Whole Foods (Pvt.) Limited |

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

CHAIRPERSON'S REVIEW REPORT

I am pleased to welcome you to the 79th Annual Report of your Company, it gives me great pleasure to present the Review Report along with the Audited Financial Statements for the year ended September 30, 2024, on behalf of the Board of Directors, on the performance of your Company, as required by Section 192 of the Companies Act, 2017.

As Chairperson, I am pleased to highlight the active role played by the Board throughout the year. We focused on fostering open communication and teamwork, ensuring that all perspectives were considered in our decision-making process. Regular reviews of the Company's goals, strategies, and financial performance helped us stay aligned with our objectives and remain adaptable to any changes in the market environment

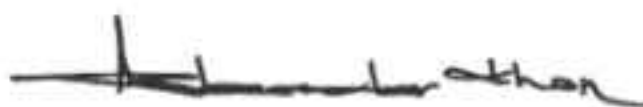
The annual evaluation of the Board of Directors as required under the Code of Corporate Governance has been carried out to measure the performance and effectiveness of the Board against the objectives of the Company set at the beginning of the year. I am pleased to report that the overall performance of the Board has remained satisfactory on the basis of the criteria set for its purpose. The Board has performed their duty diligently and honestly in the best interest of the Company particularly in relation to the strategic objectives of the company, and the Board remained focused on business growth, risk Management and future options especially relating to the procurement/monitoring of sugarcane price, extent of borrowing utilization and expansion/improvement in operational facilities.

For the 2024-25 season, the Company is facing high sugarcane prices and a low market price for sugar, which make production unprofitable. The upgradation of the Ethanol Plant is now complete, with its capacity increased to 65,000 liters of Extra Neutral Alcohol per day. This improvement is expected to enhance efficiency, boost sales, and increase profitability. Additionally, The Board approved the establishment of a jaggery plant in Mardan to meet the growing demand in the KPK region and compete with illegal gur production. This initiative is expected to expand the Company's market reach and operational scope.

As the Chairperson of the Board, I maintained a commitment to ensuring regular provision of comprehensive reports to Board members on financial matters, budgets, production updates, and other crucial aspects. This practice empowered the Board with essential information, enabling informed and effective decision-making processes.

The information about the financial results explained in detail in the attached Directors' Report and Financial Statements which give a comprehensive overview of the performance of Company during the year ended September 30, 2024.

On behalf of the Board of your Company, I take this opportunity to acknowledge the devoted and sincere services of employees of the Company. I am also thankful to the valuable shareholders for their patronage and confidence in the Company.



Chairperson/Director

Mardan: February 03, 2025

دی پریمنیر شوگر ملز اینڈ ڈسٹیلری کمپنی لمیٹڈ

چئیرپرسن کی جائزہ رپورٹ

مجھے آپ کی کمپنی کی 79 ویں سالانہ رپورٹ میں خوش آمدید کہتے ہوئے خوشی ہو رہی ہے، مجھے 30 ستمبر 2024 کو ختم ہونے والے سال کے لئے آڈٹ شدہ مالی بیانات کے ساتھ جائزہ رپورٹ پیش کرتے ہوئے بہت خوشی ہو رہی ہے، بورڈ آف ڈائریکٹرز کی جانب سے، جو کہ 2017 کے کمپنیز ایکٹ کی دفعہ 192 کے مطابق ہے۔

چئیرپرسن کی حیثیت سے مجھے سال بھر بورڈ کی جانب سے ادا کیے جانے والے فعال کردار پر روشنی ڈالتے ہوئے خوشی ہو رہی ہے۔ ہم نے کھلی مواصلات اور ٹیم ورک کو فروغ دینے پر توجہ مرکوز کی، اس بات کو یقینی بنایا کہ ہمارے فیصلہ سازی کے عمل میں تمام نقطہ نظر پر غور کیا جائے۔ کمپنی کے اہداف، حکمت عملی، اور مالی کارکردگی کے باقاعدگی سے جائزے نے ہمیں اپنے مقاصد کے ساتھ منسلک رہنے اور مارکیٹ کے ماحول میں کسی بھی تبدیلی کے مطابق رہنے میں مدد کی ہے۔

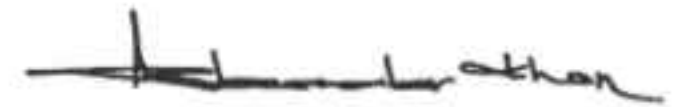
کوڈ آف کارپوریٹ گورننس کے تحت بورڈ آف ڈائریکٹرز کا سالانہ جائزہ لیا گیا ہے تاکہ سال کے آغاز میں طے شدہ کمپنی کے مقاصد کے مقابلے میں بورڈ کی کارکردگی اور تاثیر کی پیمائش کی جاسکے۔ مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ بورڈ کی مجموعی کارکردگی اس مقصد کے لئے مقرر کردہ معیار کی بنیاد پر تسلی بخش رہی ہے۔ بورڈ نے کمپنی کے بہترین مفاد میں خاص طور پر کمپنی کے اسٹریٹجک مقاصد کے سلسلے میں اپنی ذمہ داریاں تنذیبی اور ایمانداری سے انجام دی ہیں، اور بورڈ نے کاروباری نمو، رسک مینجمنٹ اور مستقبل کے آپشنز خاص طور پر گئے کی قیمت کی خریداری / نگرانی، قرض کے استعمال کی حد اور آپریشنل سہولیات میں توسیع / بہتری سے متعلق توجہ مرکوز کی ہے۔

سیزن 2024-25 کے لیے کمپنی کو گئے کی اونچی قیمتوں اور چینی کی کم مارکیٹ قیمت کا سامنا ہے جس کی وجہ سے پیداوار غیر منافع بخش ہو گئی ہے۔ ایتھنول پلانٹ کی اپ گریڈیشن اب مکمل ہو چکی ہے، اس کی صلاحیت میں 65,000 لیٹر اضافی نیوٹرل الکوحل یومیہ تک اضافہ ہوا ہے۔ اس بہتری سے کارکردگی میں اضافہ، فروخت میں اضافہ اور منافع میں اضافہ متوقع ہے۔ مزید برآں، بورڈ نے مردان میں گڑ کا پلانٹ لگانے کی منظوری دی تاکہ کے پی کے ریجن میں بڑھتی ہوئی طلب کو پورا کیا جاسکے اور غیر قانونی گڑ کی پیداوار سے مقابلہ کیا جاسکے۔ توقع ہے کہ اس اقدام سے کمپنی کی مارکیٹ تک رسائی اور آپریشنل دائرہ کار میں اضافہ ہوگا۔

بورڈ کی چئیرپرسن کی حیثیت سے میں نے مالی معاملات، بجٹ، پروڈکشن اپ ڈیٹس اور دیگر اہم پہلوؤں پر بورڈ ممبران کو باقاعدگی سے جامع رپورٹس کی فراہمی کو یقینی بنانے کے عزم کو برقرار رکھا۔ اس عمل نے بورڈ کو ضروری معلومات کے ساتھ باختیار بنایا، جس سے باخبر اور موثر فیصلہ سازی کے عمل کو ممکن بنایا گیا۔

مالی نتائج کے بارے میں معلومات منسلک ڈائریکٹرز کی رپورٹ اور مالیاتی بیانات میں تفصیل سے بیان کی گئی ہیں جو 30 ستمبر 2024 کو ختم ہونے والے سال کے دوران کمپنی کی کارکردگی کا جامع جائزہ پیش کرتی ہیں۔

آپ کی کمپنی کے بورڈ کی طرف سے، میں اس موقع پر کمپنی کے ملازمین کی مخلص اور مخلص خدمات کا اعتراف کرتا ہوں۔ میں کمپنی پر ان کی سرپرستی اور اعتماد کے لئے قیمتی حصص داروں کا بھی شکر گزار ہوں۔



چئیرپرسن / ڈائریکٹر

مردان: 03 فروری 2025

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

DIRECTORS' REPORT

The Directors of The Premier Sugar Mills & Distillery Company Limited, are pleased to present Directors' Report of the Company together with the audited financial statements for the year ended September 30, 2024.

1. SUMMARISED FINANCIAL RESULTS

The financial results of the Company for the year under review are as under: -

	2024	2023
	<u>Rupees in thousand</u>	
(Loss)/Profit before revenue tax and income tax	(431,417)	14,741
- Minimum tax – levy	(17,589)	(12,804)
(Loss) / profit before income tax	(449,006)	1,937
- Taxation	275,895	71,047
(Loss)/Profit after taxation	(173,111)	72,984
	<u>-----Rupees -----</u>	
(Loss) / earnings per share - basic and diluted (Rs)	<u>(46.16)</u>	<u>19.46</u>

2. REVIEW OF OPERATIONS

2.1 - CRUSHING SEASON 2023-24

The Sugar Cane crushing season 2023-24 commenced on October 25, 2023. The mills have crushed 130, 269 tons of sugarcane and have produced 12,477 M. Tons of sugar till December 15 2023. Unfortunately, the operations had to be closed for the season due to diversion of sugarcane towards tax free commencement of Gur Manufacturing.

2.2- CRUSHING SEASON 2024-25

The Company is facing severe competition with tax free gur manufacturing, due to this the sugarcane prices in the area are 30% higher as compared to rest of the sugar producing areas. The management in order to address the above situation decided to made jaggery alongside sugar manufacturing. The installation of Jaggery plant is in progress.

This year the sugarcane availability was less than the prior years, and it was not feasible to sugar plant, so the management decided to close sugar operations in the start of season.

3. SUGAR PRICE

3.1- SUGAR - SEASON 2023-24

For ongoing crushing season 2023-24, notified support prices of sugarcane have again been increased to Rs. 400 from Rs. 300 per 40 kgs by the Provincial Government of Khyber Pakhtunkhwa (KPK) and

Punjab (net increase of 33%). This increased the cost of production manifolds and due to excessive availability of sugar and regular influence by the provincial government in the open market. The cost of production is higher than the sugar prices.

3.2- SUGAR - SEASON 2024-25

Unlike previous years, the Provincial Governments have not regulated sugarcane prices this season. According to government forecasts, sugar production for the 2024-25 season is expected to increase by 3%, reaching 6.1 million tons, due to improved cane area and yields.

While domestic sugar consumption is anticipated to grow, driven by population increase and rising demand from the food processing industry, export opportunities remain limited due to government measures aimed at stabilizing domestic prices and maintaining supply.

4. DISTILLERY

The Ethanol Fuel Plant did not produce ethanol during the year ended September 30, 2024, due to the upgradation process initiated last year. The BMR (Balancing, Modernization, and Replacement) of the Ethanol Plant has been completed in Jan 2025. The plant's capacity has been upgraded to 65,000 liters per day of Extra Neutral Alcohol (ENA). The trial run has been successfully completed, and production is started. This upgradation is expected to significantly benefit the company by improving efficiency, increasing sales, and enhancing profitability.

5. FUTURE OUTLOOK/INVESTMENT

During the year, the Board approved the establishment of a jaggery plant within the mill premises in Mardan, recognizing the growing demand for jaggery in the KPK region and the opportunity to compete with illegal gur production. **The installation of the plant**, with a capacity of 750 TCD (Tons Crushing Per Day), **is currently in progress**. This initiative is expected to benefit the mill by capitalizing on market demand and enhancing its operational scope.

6. ECONOCMIC OVERVIEW

The financial year 2024 started with high inflation, strict financial policies, and economic pressures. These factors increased business costs and reduced consumer spending, which led to slower demand and manufacturing. However, some improvements were seen toward the end of the year.

In September 2024, the IMF approved a loan of about US\$7 billion for Pakistan. Between June and December 2024, the State Bank of Pakistan reduced interest rates from 22% to 13%, which will help lower business costs and improve profits in the future, with more rate cuts expected.

7. STAFF

The Management and Labor relations remained cordial during the year. However, due to application of fund in expansion of Distillery Plant, no bonus was paid to the employees during the year.

8. PATTERN OF SHAREHOLDING

The Pattern of Shareholding, as required under section 227(2)(f) of the Companies Act, 2017 is annexed.

9. CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- The financial statements, prepared by the management of The Premier Sugar Mills & Distillery Company Limited present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account have been maintained.

- All appropriate accounting policies have been consistently applied while preparing financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements.
- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon Company's ability to continue as a 'going concern'.
- The Company has followed code of corporate governance as detailed in the listing regulations.
- Key operating and financial data for the last six years available in summarized form is annexed.
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as at September 30, 2024, except for those disclosed in the financial statements.
- The value of investments of staff provident fund, based on audited accounts, was Rs. 65.454 million as at September 30, 2024.
- Majority of the Directors of the Company are exempted from the requirement of Directors Training Program.

10. IMPACT OF THE COMPANY'S BUSINESS ON ENVIRONMENT

The Company is cognizant of its responsibility towards environment. All efforts are being made to ensure sustainability of healthy environment. In this connection the Company has implemented various procedures for energy management, water preservation and resource efficiency. All these steps reflect the Company's strong commitment to achieve the ultimate goal to control and minimize the impact on environment on sustainable basis. Use of effluent treatment plant, waste water recycling / reuse demonstrates our continuous commitment for environment, safety and quality.

11. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board has set-up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company. The scope of internal auditing within the Company is clearly defined which broadly involves review and evaluation of its' internal control systems.

12. CORPORATE AND SOCIAL RESPONSIBILITY

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 area.

The Company undertook continuously numbers of welfare activities in its Mills Area i.e. provision of free secondary school to worker's children, provision of subsidized meals to workers, supply of free ration/medical assistance to needy persons. The Company also runs a free Dispensary in Mills area and provides free medicines to the poor patients.

13. TRADING IN SHARES

During the year, no trade in the shares of the Company were carried-out by the Directors, CFO, Company Secretary and their spouses and minor children except the CEO who purchased 9,200 ordinary shares in electronic form (PSX), during the year.

14. PRINCIPLES RISKS AND UNCERTAINTIES

The company is exposed to the following risks and uncertainties:

- Sugarcane Availability on competitive prices
- Unregulated Gur Manufacturing in the region

- Higher Inflation
- Inconsistent Government policies specially for export

These risks may have a significant impact on the company's performance and require careful management to mitigate potential negative effects.

15. **RELATED PARTY TRANSACTIONS**

The Related Parties transactions mentioned in Note 38 to the financial statements were placed before the Board Audit Committee and were approved by the Board. These transactions were in-line with the requirements of International Financial Reporting Standards (IFRS) and the Companies Act, 2017. The Company maintains a complete record of all such transactions. All transactions entered into with the related parties will also be placed before shareholders in their AGM for approval purposes. The Directors have no interest in any of the transaction, and all transactions are conducted on an arm's length basis.

16. **GENDER PAY GAP ANALYSIS**

The company is committed to promoting equal pay and follows a strict gender pay gap policy to ensure fairness and transparency in compensation. We do not tolerate any form of bias in our pay practices and ensure that all employees, regardless of gender, receive equal pay for equal work. The company regularly reviews its compensation structure to eliminate any discrepancies and ensure that both men and women are compensated fairly for their skills, experience, and performance. By fostering an inclusive and equitable work environment, we aim to support the growth and development of all employees, regardless of gender.

17. **ROLE OF SHAREHOLDERS**

The Board aims to ensure that the Company's shareholders are timely informed about the major developments affecting the Company's state of affairs. To achieve this objective, information is communicated to the shareholders through quarterly, half yearly and annual reports. The Board of Directors encourages the shareholder's participation at the annual general meeting to ensure high level of accountability.

18. **COMPOSITION OF BOARD AND BOARD MEETINGS**

The total number of Directors on the Board is 7 and its composition is as follows:

Male Directors	3
Female Directors	4

During the year, ten (10) meetings were held and attendance by each director is as following;

Name of Directors	Board Meetings	Board Audit Committee Meetings	Human Resource and Remuneration Committee
	Attended	Attended	Attended
Non- Executive Directors			
Begum Laila Sarfaraz	4	-	-
Ms. Zarmine Sarfaraz	4	4	-
Najda Sarfaraz	3	-	1
Executive Directors			
Mr. Abbas Sarfaraz Khan	4	-	-
Mr. Iskander M. Khan	5	-	1
Independent Directors			
Mr. Shahbaz Haider Agha	4	4	1
Mrs. Shahida Ahmed	2	-	-

- Leave of absence was granted to directors who could not attend some of the Board Meetings.

19. **DIVIDEND**

The Directors do not recommend any dividend due to application of funds in expansion of Distillery Plant.

20. **EXTERNAL AUDITORS**

The present Auditors, M/s ShineWing Hameed Chaudhri & Co., Chartered Accountants, Lahore, retire at the conclusion of forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment. As suggested by the Audit Committee in terms of the Code of Corporate Governance, the Board of Directors has recommended their appointment as Auditors of the Company for the year ending September 30, 2025.

21. **COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE**

The requirements of the Code of Corporate Governance set out in the Listed Companies (Code of Corporate Governance) Regulations, 2019 relevant for the year ended September 30, 2024 have been duly complied with. A statement to this effect is annexed with the report.

22. **ACKNOWLEDGEMENT**

The Directors would like to express their gratitude for the hard work and dedication displayed by Staff and the Executives of the Organization and the valuable support of our Bankers.

Finally, the Board wishes to thank the valued shareholders for their patronage and confidence reposed in the Company and consistent support in the present challenging scenario.

FOR AND ON BEHALF OF THE BOARD



(ISKANDER M. KHAN)
DIRECTOR



(ABBAS SARFARAZ KHAN)
CHIEF EXECUTIVE

Mardan: February 03, 2025

دی پریمنیر شوگر ملز اینڈ ڈسٹیلری کمپنی لمیٹڈ

ڈائریکٹرز کی رپورٹ

دی پریمنیر شوگر ملز اینڈ ڈسٹیلری کمپنی لمیٹڈ کے ڈائریکٹرز نے 30 ستمبر 2024 کو ختم ہونے والے سال کے آڈٹ شدہ مالی گوشواروں کے ساتھ کمپنی کی ڈائریکٹرز رپورٹ پیش کرنے پر خوشی کا اظہار کیا ہے۔

1. مالی نتائج کا خلاصہ

کمپنی کی مالیاتی کارکردگی کا ذیل میں خلاصہ پیش ہے -

2023	2024	
(ہزار روپے)		
14,741	(431,417)	(نقصان)/ریونیو ٹیکس اور انکم ٹیکس سے پہلے منافع
(12,804)	(17,589)	- کم سے کم ٹیکس - لیوی
1,937	(449,006)	(نقصان) / انکم ٹیکس سے پہلے منافع
71,047	275,895	- ٹیکس
72,984	(173,111)	(نقصان)/بعد از ٹیکس منافع
-----روپے-----		
<u>19.46</u>	<u>(46.16)</u>	(نقصان) / فی حصص آمدنی - بنیادی اور کمزور (روپے)

2. آپریشنز کا جائزہ

2.1 - کرشنگ سیزن 2023-24

گنے کی کرشنگ سیزن 2023-24 کا آغاز 25 اکتوبر 2023 کو ہوا تھا۔ ملز نے 15 دسمبر 2023 تک 130,269 ٹن گنے کو کرش کیا اور 12,477 ملین ٹن چینی پیدا کی۔ بدقسمتی سے گنے کو گر مینوفیکچرنگ کے ٹیکس فری آغاز کی طرف موڑنے کی وجہ سے سیزن کے لئے آپریشن بند کرنا پڑا۔

2.2 - کرشنگ سیزن 2024-25

کمپنی کو ٹیکس فری گوڑ مینوفیکچرنگ سے شدید مسابقت کا سامنا ہے جس کی وجہ سے علاقے میں گنے کی قیمتیں باقی چینی پیدا کرنے والے علاقوں کے مقابلے میں 30 فیصد زیادہ ہیں۔ انتظامیہ نے مذکورہ صورتحال سے نمٹنے کے لئے چینی مینوفیکچرنگ کے ساتھ گڑ بنانے کا فیصلہ کیا۔ گڑ کے پلانٹ کی تنصیب کا کام جاری ہے۔ اس سال گنے کی دستیابی پچھلے سالوں کے مقابلے میں کم تھی اور شوگر پلانٹ کے لئے یہ ممکن نہیں تھا، لہذا انتظامیہ نے سیزن کے آغاز میں چینی کا آپریشن بند کرنے کا فیصلہ کیا۔

3. چینی کی قیمت

3.1 - چینی - سیزن 2023-24

جاری کرشنگ سیزن 2023-24 کے لیے خیر پختونخوا (کے پی کے) اور پنجاب کی صوبائی حکومتوں کی جانب سے گنے کی امدادی قیمت 300 روپے فی 40 کلو گرام سے بڑھا کر 400 روپے کر دی گئی ہے۔ اس سے پیداواری لاگت میں کئی گنا اضافہ ہوا اور چینی کی زیادہ دستیابی اور اوپن مارکیٹ میں صوبائی حکومت کے باقاعدگی سے اثر و رسوخ کی وجہ سے۔ پیداواری لاگت چینی کی قیمتوں سے زیادہ ہے۔

3.2- شوگر - سیزن 2024-25

گزشتہ سالوں کے برعکس صوبائی حکومتوں نے اس سیزن میں گنے کی قیمتوں کو ریگولیٹ نہیں کیا۔ حکومتی پیش گوئیوں کے مطابق گنے کے رقبے اور پیداوار میں بہتری کی وجہ سے سیزن 2024-25 کے لیے چینی کی پیداوار میں 3 فیصد اضافے کا امکان ہے جو 6.1 لاکھ ٹن تک پہنچ جائے گی۔

آبادی میں اضافے اور فوڈ پروسیسنگ انڈسٹری کی جانب سے بڑھتی ہوئی طلب کی وجہ سے چینی کی گھریلو کھپت میں اضافے کی توقع ہے، لیکن گھریلو قیمتوں کو مستحکم کرنے اور رسد کو برقرار رکھنے کے حکومتی اقدامات کی وجہ سے برآمدات کے مواقع محدود ہیں۔

ڈسٹری

4.

ایتھنول فیول پلانٹ نے 30 ستمبر، 2024 کو ختم ہونے والے سال کے دوران ایتھنول کی پیداوار نہیں کی، جس کی وجہ پچھلے سال شروع کی گئی اپ گریڈیشن کا عمل تھا۔ ایتھنول پلانٹ کا بی ایم آر (بیلنسنگ، ماڈرنائزیشن اور ریپلیسمنٹ) جنوری 2025 میں مکمل ہو چکا ہے۔ پلانٹ کی گنجائش کو 65,000 لیٹر یومیہ اضافی نیوٹرل الکوحل (ای این اے) تک اپ گریڈ کیا گیا ہے۔ آزمائشی دوڑ کامیابی سے مکمل ہو چکی ہے، اور پیداوار شروع کر دی گئی ہے۔ توقع ہے کہ اس اپ گریڈیشن سے کمپنی کو کارکردگی میں بہتری، فروخت میں اضافہ اور منافع میں اضافے سے نمایاں فائدہ ہوگا۔

مستقبل کا نقطہ نظر / سرمایہ کاری

5.

سال کے دوران، بورڈ نے مردان میں مل کے احاطے میں گڑ پلانٹ کے قیام کی منظوری دی، کے پی کے خطے میں گڑ کی بڑھتی ہوئی طلب اور غیر قانونی گڑ کی پیداوار سے مقابلہ کرنے کا موقع تسلیم کیا۔ 750 ٹی سی ڈی (ٹن کرشنگ فی دن) کی صلاحیت کے ساتھ پلانٹ کی تنصیب فی الحال جاری ہے۔ توقع ہے کہ اس اقدام سے مارکیٹ کی طلب پر سرمایہ کاری کر کے اور اس کے آپریشنل دائرہ کار کو بڑھا کر مل کو فائدہ ہوگا۔

معاشی جائزہ

6.

مالی سال 2024 کا آغاز افراط زر، سخت مالیاتی پالیسیوں اور معاشی دباؤ کے ساتھ ہوا۔ ان عوامل نے کاروباری اخراجات میں اضافہ کیا اور صارفین کے اخراجات کو کم کیا، جس کی وجہ سے طلب اور مینوفیکچرنگ سست ہو گئی۔ تاہم، سال کے آخر میں کچھ بہتری دیکھی گئی۔ ستمبر 2024 میں آئی ایم ایف نے پاکستان کے لیے تقریباً 7 ارب ڈالر کے قرضے کی منظوری دی تھی۔ بیچ جون اور دسمبر 2024 میں اسٹیٹ بینک آف پاکستان نے شرح سود کو 22 فیصد سے کم کر کے 13 فیصد کر دیا جس سے کاروباری اخراجات کو کم کرنے اور مستقبل میں منافع کو بہتر بنانے میں مدد ملے گی۔

سٹاف

7.

سال کے دوران انتظامیہ اور مزدوروں کے تعلقات مثالی رہے۔ تاہم ڈسٹری پلانٹ کی توسیع میں فنڈز کے اطلاق کی وجہ سے ملازمین کو سال کے دوران کوئی بونس ادا نہیں کیا گیا۔

شر ہولڈنگ کی ترتیب

8.

کمپنیز ایکٹ 2017 کے سیکشن 227 سب سیکشن (2f) کے مطابق، حصص داران کی ترتیب منسلک ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک

9.

- دی پریمر شوگر ملز اینڈ ڈسٹری کمپنی لمیٹڈ کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے، رقم کی آمد و رفت، کاروباری سرمایہ میں ہونے والی تبدیلیاں اور تمام معاملات کو واضح پیش کرتے ہیں۔
- کمپنی کے حسابداری کے کھاتے باقاعدگی سے مرتب کئے جاتے ہیں۔

- مناسب حسابداری کے اصول تسلسل سے مالیاتی حسابات بنانے میں استعمال ہوتے ہیں۔ یہ گوشوارے ہمیشہ انتہائی منطقی اور محتاط اندازوں پر مشتمل ہوتے ہیں۔

- انٹرنیشنل اکاؤنٹنگ فنانشل رپورٹنگ سٹینڈرز، جو پاکستان میں لاگے ہوتے ہیں ان پر عمل کرتے ہوئے مالیاتی گوشوارے تیار کئے جاتے ہیں۔
- اندرونی کنٹرول کا نظام ڈیزائن مضبوط ہے اور مؤثر طریقے سے نافذ اور نگران کیا گیا ہے۔
- کمپنی کے قائم نامہ نامہ کے حوالے سے کسی قسم کا کوئی خدشہ نہیں پایا جاتا ہے۔
- کمپنی نے کارپوریٹ گورننس کے کوڈ پر عمل کیا ہے جیسا کہ لسٹنگ ریگولیشنز میں تفصیل سے بتایا گیا ہے۔
- خلاصہ کی شکل میں دستیاب پچھلے چھ سالوں کے کلیدی آپریٹنگ اور مالیاتی اعداد و شمار منسلک ہیں۔
- 30 ستمبر، 2024 تک کسی قسم کے کوئی ٹیکس، فرائض، ڈیوٹیوں، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگی واجب الادا نہیں ہے، سوائے ان کے جو مالیاتی گوشواروں میں ظاہر کیے گئے ہیں۔
- آڈٹ شدہ کھاتوں پر مبنی اسٹاف پروویڈنٹ فنڈ کی سرمایہ کاری کی مالیت 30 ستمبر 2024 تک 65.454 ملین روپے تھی۔
- کمپنی کے زیادہ تر ڈائریکٹرز ڈائریکٹرز ٹریننگ پروگرام کی ضرورت سے مستثنیٰ ہیں۔

10. ماحولیات پر کمپنی کے کاروبار کے اثرات

کمپنی ماحولیات کے تئیں اپنی ذمہ داری سے آگاہ ہے۔ صحت مند ماحول کی پائیداری کو یقینی بنانے کے لئے تمام کوششیں کی جارہی ہیں۔ اس سلسلے میں کمپنی نے توانائی کے انتظام، پانی کے تحفظ اور وسائل کی کارکردگی کے لئے مختلف طریقہ کار نافذ کیا ہے۔ یہ تمام اقدامات پائیدار بنیادوں پر ماحولیات پر اثرات کو کنٹرول کرنے اور کم سے کم کرنے کے حتمی ہدف کو حاصل کرنے کے لئے کمپنی کے مضبوط عزم کی عکاسی کرتے ہیں۔ فضلہ ٹریٹمنٹ پلانٹ، فضلے کے پانی کی ری سائیکلنگ / دوبارہ استعمال کا استعمال ماحول، حفاظت اور معیار کے لئے ہماری مسلسل وابستگی کو ظاہر کرتا ہے۔

11. داخلی مالیاتی کنٹرول کی مناسبت

بورڈ نے ایک موثر انٹرنل آڈٹ فنکشن قائم کیا ہے جو اس مقصد کے لئے مناسب طور پر اہل اور تجربہ کار سمجھا جاتا ہے اور کمپنی کی پالیسیوں اور طریقہ کار سے واقف ہے۔ کمپنی کے اندر داخلی آڈٹنگ کا دائرہ کار واضح طور پر بیان کیا گیا ہے جس میں وسیع پیمانے پر اس کے اندرونی کنٹرول سسٹم کا جائزہ اور تشخیص شامل ہے۔

12. کارپوریٹ اور سماجی ذمہ داری

کمپنی اپنے کارپوریٹ اور سماجی ذمہ داری (سی ایس آر) کے اہداف کو حاصل کرنے کے لئے پرعزم ہے اور علاقے کی کم مراعات یافتہ برادریوں کی زندگیوں میں بہتری لانے کے لئے ملز کے علاقے کے آس پاس تعلیم، صحت کی دیکھ بھال، ماحولیات اور دیگر سماجی مقاصد کی حمایت کر کے اقدامات جاری رکھے ہوئے ہے۔

کمپنی نے اپنے ملز ایریا میں مسلسل متعدد فلاحی سرگرمیاں انجام دیں جیسے مزدوروں کے بچوں کو مفت ثانوی اسکول کی فراہمی، مزدوروں کو سبسڈی والے کھانے کی فراہمی، ضرورت مند افراد کو مفت راشن / طبی امداد کی فراہمی۔ کمپنی ملز کے علاقے میں ایک مفت ڈسپنسری بھی چلاتی ہے اور غریب مریضوں کو مفت ادویات فراہم کرتی ہے۔

سال کے دوران ڈائریکٹرز، سی ایف او، کمپنی سیکریٹری اور ان کے شریک حیات اور نابالغ بچوں کی جانب سے کمپنی کے حصص میں کوئی تجارت نہیں کی گئی سوائے اس سی ای او کے جنہوں نے سال کے دوران الیکٹرانک فارم (پی ایس ایکس) میں 9,200 عام حصص خریدے۔

اصولوں کے خطرات اور غیر یقینی

14

کمپنی کو مندرجہ ذیل خطرات اور غیر یقینی صورتحال کا سامنا ہے:

- مسابقتی قیمتوں پر گنے کی دستیابی
- خطے میں غیر منظم گر مینوفیکچرنگ
- افراط زر میں اضافہ
- خاص طور پر برآمدات کے حوالے سے متضاد حکومتی پالیسیاں

ان خطرات کا کمپنی کی کارکردگی اور ضرورت پر نمایاں اثر پڑ سکتا ہے ممکنہ منفی اثرات کو کم کرنے کے لئے محتاط انتظام کی ضرورت ہے۔

متعلقہ پارٹی کے لین دین

15

مالی گوشواروں میں نمبر 38 میں ذکر کردہ متعلقہ فریقوں کے لین دین کو بورڈ آڈٹ کمیٹی کے سامنے رکھا گیا تھا اور بورڈ نے اس کی منظوری دی تھی۔ یہ لین دین انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (آئی ایف آر ایس) اور کمپنیز ایکٹ 2017 کے تقاضوں کے مطابق تھا۔ کمپنی اس طرح کے تمام لین دین کا مکمل ریکارڈ رکھتی ہے۔ متعلقہ فریقوں کے ساتھ کیے گئے تمام لین دین کو منظوری کے مقاصد کے لئے ان کی اے جی ایم میں شیئر ہولڈرز کے سامنے بھی رکھا جائے گا۔ ڈائریکٹرز کو کسی بھی لین دین میں کوئی دلچسپی نہیں ہے، اور تمام لین دین بازو کی لمبائی کی بنیاد پر کیے جاتے ہیں۔

صنفي تنخواہ کے فرق کا تجزیہ

16

کمپنی مساوی تنخواہ کو فروغ دینے کے لئے پرعزم ہے اور معاوضے میں منصفانہ اور شفافیت کو یقینی بنانے کے لئے ایک سخت صنفی تنخواہ کے فرق کی پالیسی پر عمل پیرا ہے۔ ہم اپنی تنخواہ کے طریقوں میں کسی بھی قسم کے تعصب کو برداشت نہیں کرتے ہیں اور اس بات کو یقینی بناتے ہیں کہ تمام ملازمین، صنف سے قطع نظر، مساوی کام کے لئے مساوی تنخواہ حاصل کریں۔ کمپنی باقاعدگی سے اپنے معاوضے کے ڈھانچے کا جائزہ لیتی ہے تاکہ کسی بھی تضاد کو ختم کیا جاسکے اور اس بات کو یقینی بنایا جاسکے کہ مرد اور خواتین دونوں کو ان کی مہارت، تجربے اور کارکردگی کے لئے منصفانہ معاوضہ دیا جائے۔ ایک جامع اور مساوی کام کے ماحول کو فروغ دے کر، ہمارا مقصد صنف سے قطع نظر تمام ملازمین کی ترقی اور ترقی کی حمایت کرنا ہے۔

شیئر ہولڈرز کا کردار

17

بورڈ کا مقصد اس بات کو یقینی بنانا ہے کہ کمپنی کے شیئر ہولڈرز کو کمپنی کے معاملات کو متاثر کرنے والی اہم پیشرفتوں کے بارے میں بروقت آگاہ کیا جائے۔ اس مقصد کے حصول کے لیے سہ ماہی، ششماہی اور سالانہ رپورٹس کے ذریعے شیئر ہولڈرز کو معلومات فراہم کی جاتی ہیں۔ بورڈ آف ڈائریکٹرز اعلیٰ سطح کے احتساب کو یقینی بنانے کے لئے سالانہ عام اجلاس میں شیئر ہولڈرز کی شرکت کی حوصلہ افزائی کرتا ہے۔

بورڈ اور بورڈ کے اجلاسوں کی تشکیل

18

بورڈ میں ڈائریکٹرز کی کل تعداد 7 ہے اور اس کی تشکیل درج ذیل ہے:

- 3 مرد ڈائریکٹرز
- 4 خواتین ڈائریکٹرز

سال کے دوران، دس (10) اجلاس منعقد ہوئے اور ہر ڈائریکٹر کی حاضری درج ذیل ہے۔

ڈائریکٹرز کے نام	بورڈ آف ڈائریکٹرز کے اجلاس میں حاضری	آڈٹ کمیٹی کے اجلاس شرکت کی	ہومن ریسورس اور معاوضہ کمیٹی میں حاضری
نان ایگزیکٹو ڈائریکٹرز			
بیگم لیلی سرفراز	4	-	-
محترمہ زرمین سرفراز	4	4	-
نجدہ سرفراز	3	-	1
ایگزیکٹو ڈائریکٹرز			
جناب عباس سرفراز خان	4	-	-
جناب اسکندر محمد خان	5	-	1
آزاد ڈائریکٹرز			
جناب شہباز حیدر آغا	4	4	1
محترمہ شاہدہ احمد	2	-	-

بورڈ کے کچھ اجلاسوں میں شرکت نہ کرنے والے ڈائریکٹرز کو غیر حاضری کی چھٹی دی گئی۔

19. ڈیویڈنڈ

ڈسٹیلری پلانٹ کی توسیع میں فنڈز کے اطلاق کی وجہ سے ڈائریکٹرز کسی منافع کی سفارش نہیں کرتے ہیں۔

20. آڈیٹرز

موجودہ آڈیٹرز، میسرز شائن ونگ حمید چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، لاہور، آئندہ سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو رہے ہیں اور اہل ہونے کی وجہ سے دوبارہ تقرری کے لیے خود کو پیش کر چکے ہیں۔ کوڈ آف کارپوریٹ گورننس کے حوالے سے آڈٹ کمیٹی کی تجویز کے مطابق بورڈ آف ڈائریکٹرز نے 30 ستمبر 2025 کو ختم ہونے والے سال کے لئے کمپنی کے آڈیٹرز کے طور پر ان کی تقرری کی سفارش کی ہے۔

21. کارپوریٹ گورننس کے کوڈ کی تعمیل

30 ستمبر، 2024 کو ختم ہونے والے سال کے لئے لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں طے شدہ کوڈ آف کارپوریٹ گورننس کی ضروریات کی مناسب طور پر تعمیل کی گئی ہے۔ اس سلسلے میں ایک بیان رپورٹ کے ساتھ منسلک کیا گیا ہے۔

22. اعتراف

ڈائریکٹرز ادارے کے عملے اور ایگزیکٹوز کی محنت اور لگن اور ہمارے بینکرز کی قابل قدر حمایت پر اظہار تشکر کرنا چاہتے ہیں۔

آخر میں، بورڈ قابل قدر شیئر ہولڈرز کا شکریہ ادا کرنا چاہتا ہے جنہوں نے کمپنی پر ان کی سرپرستی اور اعتماد کا اظہار کیا اور موجودہ چیلنجنگ منظر نامے میں مستقل حمایت کا اظہار کیا۔

بورڈ کے لئے اور اس کی طرف سے

(عباس سرفراز خان)
چیف ایگزیکٹو

(اسکندر محمد خان)
ڈائریکٹر
مردان: 03 فروری 2025

Shareholders' Information

Registered Office

Nowshera Road Mardan,
Khyber Pakhtunkhwa.
Tel: 92 937 862051-52
Fax: 92 937 862989

Head Office

King's Arcade, 20-A, Markaz F-7, Islamabad.
Tel: 92 51 2650805-7
Fax: 92 51 2651285-6

Shares Registrar

Hameed Majeed Associates (Pvt.) Limited,
HM House, 7-Bank Square, Lahore.
Tel: 92 42 37235081-2
Fax: 92 42 37358817

M/s. Hameed Majeed Associates (Pvt.) Limited is managed by a well-experienced team of professionals and is equipped with the necessary infrastructure in terms of computer facilities and comprehensive set of systems and procedures for conducting the Registration function.

The Shares Registrar has online connectivity with Central Depository Company of Pakistan Limited. It undertakes activities pertaining to dematerialization of shares, share transfers, transmissions, issue of duplicate/re-validated dividend warrants, and issue of duplicate/replaced share certificates, change of address and other related matters.

Listing on Stock Exchange

The Premier Sugar Mills & Distillery Company's equity shares are listed on Pakistan Stock Exchange (PSX).

Listing Fees

The annual listing fee for the financial year 2024-25 has been paid to Pakistan Stock Exchange.

Statutory Compliance

During the year, the Company has complied with all applicable provisions, filed all returns/forms and furnished all the relevant particulars as required under the Companies Act, 2017 and allied rules, the Securities and Exchange Commission of Pakistan (SECP) Regulations and the listing requirements.

Stock Code

The stock code for dealing in equity shares of The Premier Sugar Mills & Distillery Company Limited at PSX is **Premier Sug.**

Book Closure Dates

The Register of Members and Share Transfer books of the Company will remain closed from 16.02.2025 to 26.02.2025.

Web Presence

Updated information regarding the Company can be accessed at website www.premiersugarmills.com. The website contains the latest financial results of the Company together with Company's profile.

THE COMPANIES ACT, 2017
COMPANIES REGULATIONS, 2024
[Section 227 (2)(f) and Regulation 30]
PATTERN OF SHAREHOLDING

FORM - 20

PART - I

1.1. Name of the Company

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

PART - II

2.1. Pattern of holding of the shares held by the shareholders as at

30/09/2024

2.2 <u>No.of Shareholders</u>	<u>Shareholdings</u>	<u>Total Shares held</u>
447	shareholding from 1 to 100	15,154
249	shareholding from 101 to 500	60,324
85	shareholding from 501 to 1000	61,782
98	shareholding from 1001 to 5000	211,463
17	shareholding from 5001 to 10000	117,929
5	shareholding from 10001 to 20000	58,714
5	shareholding from 20001 to 50000	138,754
1	shareholding from 50001 to 100000	66,699
1	shareholding from 100001 to 400000	400,000
0	shareholding from 400001 to 1000000	-
1	shareholding from 1000001 to 3000000	2,619,181
909	Total	3,750,000

2.3	<u>Categories of Shareholders</u>	<u>Shares Held</u>	<u>Percentage</u>
2.3.1	Directors, Chief Executive Officers and their Spouses and their minor children	2,749,791	73.33
2.3.2	Associated Companies undertakings and related parties	400,000	10.67
2.3.3	NIT and ICP	-	-
2.3.4	Banks, Development Financial Institutions, Non Banking Financial Institutions	7,146	0.19
2.3.5	Insurance Companies	-	-
2.3.6	Modarba and Mutual Funds	-	-
2.3.7	Shareholder holdings 10%	3,068,231	81.82
2.3.8	General Public		
	Local	482,075	12.86
	Foreign	-	-
2.3.9	Others (to be Specified) (Public Sector Companies & Corporations)	110,981	2.96

Categories of shareholders	Numbers of Shareholders	No of shares held	Shares held	Percentage of paid up capital
Directors and their Spouse and Minor Children	7		2,714,102	
Begum Laila Sarfaraz		170		0.00
Mr. Abbas Sarfaraz Khan		2,668,231		71.15
Ms. Zamine Sarfaraz		22,925		0.61
Ms. Najda Sarfaraz		22,274		0.59
Mr. Iskander M. Khan		500		0.01
Mr. Shahbaz Haider Agha		1		0.00
Mrs. Shahida Ahmed		1		0.00
Shares held by Relatives	3		35,689	
Babar Ali Khan		1,484		0.04
Mr. Abdul Qadar Khattak		33,705		0.90
Mahnaz Saigol		500		
Company Secretary	1		7	
Mujahid Bashir		7		0.00
Associated Companies	1		400,000	
Arpak International Investments Ltd.		400,000		10.67
Banks, Development Finance Institutions, Non Banking Financial Institutions, Insurance Companies, Modarabas and Mutual Funds	6		16,146	
CDC Trustee National Bank of Pakistan Limited		6,952		0.19
CDC - TRUSTEE GOLDEN ARROW STOCK FUND		2,800		0.07
CDC - TRUSTEE AKD OPPORTUNITY FUND		6,200		0.17
National Bank of Pakistan		41		0.00
United Bank Limited		37		0.00
Investment Corporation of Pakistan		116		0.00
Public Sector Companies and Corporation	16		101,981	
The Society for the Rehabilitation of crippled children		174		0.00
Chief Administrator of Auqaf		3,798		0.10
The Ida Rieu Poor Welfare Association		349		0.01
BCGA (Punjab) Limited		5,268		0.14
Bibojee Services Limited		10,396		0.28
Robberts Cotton Association Limited		4,444		0.12
Madrassa Haqania Akora Khattak		52		0.00
Pyramid Investments (Pvt.) Limited		500		0.01
Secretary Municipal Committee Mardan.		226		0.01
Frontier Co-operative Bank Limited		8,452		0.23
Maple Leaf Capital Limited		1		0.00
Freedom Enterprises (Pvt.) Limited		1,000		0.03
Y.S Securities Limited		2		0.00
Sarfaraz Mehmood Private Limited		100		0.00
Mohammad Ahmed Nadeem Securities (SMC-Pvt) Limited		520		0.01
AKIK CAPITAL (PRIVATE) LIMITED		66,699		1.78
Shares held by General Public				
Held by General Public	875		482,075	12.86
	909		3,750,000	100.0
Shareholders holding 10% or more voting Interest in the Company				
Mr. Abbas Sarfaraz Khan		2,668,231		71.15
M/s. Arpak International Investments Limited		400,000		10.67
		3,068,231		81.82
Trade in shares by Directors, CEO, CFO, Company Secretary, Executives and their Spouses and Minor Children				
Name	Designation	No of Shares Purchased	No of Shares Sold	
Abbas Sarfaraz Khan	CEO	9,200	-	

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF THE PREMIER SUGAR MILLS &
DISTILLERY COMPANY 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 **THE PREMIER SUGAR MILLS & DISTILLERY COMPANY 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.

Shinewing Hameed Chaudhri & Co.

LAHORE; FEBRUARY 11, 2025
UDIN: CR202410104Z20oPxIzB

SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS
Audit Engagement Partner: Osman Hameed Chaudhri

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

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

The Company has complied with the requirements of the regulations in the following manners:

1. The total numbers of Directors are seven as per the following;
 - a. Male 3
 - b. Female 4
2. The composition of the Board of Directors (the Board) is as follows:

Category	Names
Independent Director	Mr. Shahbaz Haider Agha, Mrs. Shahida Ahmad
Non-Executive Director	Laila Sarfaraz, Ms. Zarmine Sarfaraz, Ms. Najda Sarfaraz
Executive Directors	Mr. Abbas Sarfaraz Khan
	Mr. Iskander M. Khan
Female Directors	Begum Laila Sarfaraz Ms. Zarmine Sarfaraz Ms. Najda Sarfaraz

3. The Directors have confirmed that none of them is serving as a director in more than seven listed Companies including this, Company.
4. The Company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with the date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.
7. The meetings of the Board were presided over by the Chairman and in his absence, by a director elected by the Board for this purpose. The Board has complied with the

requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.

8. The Board of directors has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
9. Two of the Directors of our Company have completed the training Certification for the Directors Training Program, while all other remaining directors are exempt from this Program.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed Committees comprising of members given below:

Board Audit Committee	
i. Mr. Shahbaz Haider Agha	Chairman
ii. Ms. Najda Sarfaraz	Member
iii. Ms. Zarmine Sarfaraz	Member
 Human Resource and Remuneration Committee	
i. Mr. Shabaz Haider Agha	Chairman
ii. Ms. Najda Sarfaraz	Member
iii. Mr. Iskander M. Khan	Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the Committee were as per following;

a) Board Audit Committee	Quarterly
b) Human Resource and Remuneration Committee	Yearly
15. The Board has set-up an effective internal audit function.
16. The statutory Auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company. .

17. The statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the Auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 have been complied with. However, fraction (0.33) contained in one-third number for independent directors has not been rounded up as one, on the existing independent directors have the requisite skills, knowledge and diversified work experience to take independent decision in the interest of the Company.

Mardan:

February 03, 2025



CHAIRPERSON / DIRECTOR

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED** (the Company), which comprise the statement of financial position as at September 30, 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including 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 and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2024 and of the loss and other comprehensive income, 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 Auditors' 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 matters	How the matter was addressed in our audit
1.	<p>Contingencies</p> <p>The Company is subject to material litigations involving different Courts pertaining to taxation and other matters, which require management to make assessments and judgements with respect to likelihood and impact of such litigations on the financial statements of the Company.</p> <p>The management has engaged independent legal counsels on these matters.</p> <p>The assessment of provisioning against such litigations is a complex exercise and requires significant judgements to determine the level of certainty on these matters.</p> <p>The details of contingencies along with management's assessments are disclosed in note 26 to the financial statements.</p>	<p>In response to this matter, we performed the following audit procedures:</p> <ul style="list-style-type: none"> - discussed legal cases with the internal legal department of the Company to understand the management 's view point, obtained and reviewed the litigation documents to assess the facts and circumstances; - obtained opinions from legal counsels dealing with such cases in the form of confirmations; - evaluated the possible outcome of these legal cases in line with the requirements of IAS 37 (Provisions, contingent liabilities and contingent assets); and - disclosures of legal exposures and provisions were assessed for completeness and accuracy.

S.No.	Key audit matters	How the matter was addressed in our audit
2.	<p>Capital expenditures & revaluation of property, plant and equipment (note 5)</p> <p>The Company invested in capital projects with significant capital expenditure incurred during the year ended Sep 30, 2024. The significant level of capital expenditure requires consideration of the nature of the costs incurred to ensure that their capitalization in property, plant and equipment meets the specific recognition criteria as per the Company's accounting policy. Further, determining which costs meet the criteria for capitalisation, capitalisation of borrowing costs and related expenses are the areas where management judgement is involved.</p> <p>The management also carries its buildings on freehold land & buildings and roads on leasehold land, plant, machinery & equipment under revaluation model. Under the said model, an entity may carry all items of property, plant and equipment of a class at a revalued amount, which is the fair value of the items at the date of revaluation less any subsequent accumulated depreciation.</p> <p>As at September 30, 2024 the carrying value of the Company's property, plant & equipment aggregates to Rs.3,405 million. The fair value of the Company's assets was assessed by management based on independent valuation performed by an external property valuation Expert.</p> <p>The carrying values of these assets have been assessed based on present market value of buildings and civil works and assessed depreciated market value of plant, machinery and equipment.</p> <p>We identified property, plant and equipment as a key audit matter due to the significant carrying values and the significant management judgment and estimation involved in determining their values due to factors described above.</p>	<p>In response to this matter, we performed the following audit procedures:</p> <ul style="list-style-type: none"> - obtained an understanding of the design and implementation of management controls over capitalisation and performed tests of controls over authorization of capital expenditure and accuracy of its recording in the system; - assessed whether the costs incurred and borrowing cost capitalised met the relevant criteria for capitalization as per the applicable financial reporting framework; - evaluated the competence, capabilities and objectivity of the independent external property valuation Expert engaged by the management as management Expert for valuation; - obtained understanding of the valuation process and techniques adopted by the valuation Expert to assess the reasonableness of the report; - obtained the valuation report of external valuation Expert and tested mathematical accuracy of the report; and - assessed the adequacy of the disclosures presented in the financial statements regarding property, plant and equipment based on the applicable accounting standards and requirements of Companies Act, 2017.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors' 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 auditors' 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 auditors' 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 upto the date of our auditors' 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 auditors' 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 and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Osman Hameed Chaudhri.

LAHORE; FEBRUARY 11, 2025
UDIN: AR2024101041ifhHRuV

Shinewing Hameed Chaudhri & Co.
SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

		2024	2023
	Note	Rupees in thousand	
ASSETS			
Non-current Assets			
Property, plant and equipment	5	3,405,361	2,409,696
Investment property	6	19,633	19,901
Long term investments	7	170,006	170,006
Security deposits		1,809	1,809
		<u>3,596,809</u>	<u>2,601,412</u>
Current Assets			
Stores and spares	8	131,585	114,587
Stock-in-trade	9	240,950	134,622
Trade debts - unsecured, considered good		29	37,319
Advances	10	33,669	198,534
Trade deposits and short term prepayments	11	5,119	5,085
Other receivables	12	6,924	10,125
Income tax refundable, advance tax and tax deducted at source	13	19,166	23,540
Bank balances	14	62,217	120,095
		<u>499,659</u>	<u>643,907</u>
Non-current assets classified as held-for-sale	15	-	4,642
		<u>499,659</u>	<u>648,549</u>
TOTAL ASSETS		<u>4,096,468</u>	<u>3,249,961</u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised capital			
5,750,000 (2023: 5,750,000) ordinary shares of Rs.10 each		<u>57,500</u>	<u>57,500</u>
Issued, subscribed and paid-up capital	16	<u>37,500</u>	<u>37,500</u>
Capital reserves			
- share redemption		1	1
- revaluation surplus on property, plant and equipment	17	1,500,552	1,634,949
General revenue reserve		900,000	900,000
Accumulated loss		<u>(570,084)</u>	<u>(532,693)</u>
Shareholders' Equity		<u>1,867,969</u>	<u>2,039,757</u>
LIABILITIES			
Non-current Liabilities			
Lease liabilities	18	5,835	3,402
Staff retirement benefits - gratuity	19	43,345	39,132
Long term finances	20	839,102	-
Deferred taxation	21	95,603	378,197
		<u>983,885</u>	<u>420,731</u>
Current Liabilities			
Trade and other payables	22	407,485	177,429
Contract liabilities		36,538	15,780
Unclaimed dividends		7,470	7,470
Accrued mark-up		93,881	12,672
Short term borrowings	23	524,323	35
Current portion of non-current liabilities	24	147,015	1,082
Levies and income taxation	25	27,902	35,040
		<u>1,244,614</u>	<u>249,508</u>
Liabilities directly associated with non-current assets classified as held-for-sale	15	-	539,965
Total Liabilities		<u>2,228,499</u>	<u>1,210,204</u>
Contingencies and commitments	26		
TOTAL EQUITY AND LIABILITIES		<u>4,096,468</u>	<u>3,249,961</u>

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



Chief Financial Officer



Chief Executive



Director

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Note	2024 Rupees in thousand	2023 (Restated)
Sales - net	27	1,404,393	3,045,962
Cost of sales	28	2,141,415	2,688,096
Gross (loss) / profit		(737,022)	357,866
Distribution cost	29	4,718	67,826
Administrative expenses	30	136,537	94,180
Other expenses	31	4	50,772
		141,259	212,778
		(878,281)	145,088
Other income	32	681,882	19,957
(Loss) / profit from operations		(196,399)	165,045
Finance cost	33	235,018	150,304
(Loss) / profit before revenue tax and income tax		(431,417)	14,741
Final taxes - levy	34	17,589	12,804
(Loss) / profit before income tax		(449,006)	1,937
Income tax	34	(275,895)	(71,047)
Profit after taxation		(173,111)	72,984
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss:			
- loss on remeasurement of staff retirement benefit obligation - gratuity	19	1,863	(8,844)
- impact of tax		(540)	2,565
		1,323	(6,279)
- surplus arisen upon revaluation of property, plant and equipment	5.3	-	1,345,854
- deferred taxation	17.2	-	(390,298)
		-	955,556
Total comprehensive (loss) / income		(171,788)	1,022,261
		----- Rupees -----	
(Loss) / earnings per share	35	(46.16)	19.46

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



Chief Financial Officer



Chief Executive



Director

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED SEPTEMBER 30, 2024

		2024	2023
	Note	Rupees in thousand	
Cash flows from operating activities			
(Loss) / profit for the year - before taxation		(431,417)	14,741
Adjustments for non-cash charges and other items:			
Depreciation	5.5	227,692	106,922
Depreciation on investment property	30	268	282
Staff retirement benefits-gratuity (net)		7,776	1,311
Unclaimed payable balances written-back	32	(529)	(160)
Gain on disposal of vehicles	32	-	(146)
Gain on disposal of investment property	32	(586,208)	-
Uncollectible receivable balances written-off	31	-	639
Dividends	32	(68,755)	-
Finance cost		227,173	149,161
(Loss) / profit before working capital changes		(624,000)	272,750
Effect on cash flows due to working capital changes			
(Increase) / decrease in current assets:			
Stores and spares		(16,998)	(7,877)
Stock-in-trade		(106,328)	625,881
Trade debts		37,290	7,752
Advances		164,865	51,710
Trade deposits and short term prepayments		(34)	(1,068)
Other receivables		3,201	(215)
Sales tax refundable		-	417
Increase / (decrease) in trade and other payables and contract liabilities		249,643	(26,696)
		331,639	649,904
Cash (used in) / generated from operations		(292,361)	922,654
Income tax paid		(27,592)	(21,093)
Net cash (used in) / generated from operating activities		(319,953)	901,561
Cash flows from investing activities			
Additions to property, plant and equipment		(1,223,357)	(11,711)
Sale proceeds of vehicles	5.6	-	780
Sale proceeds of investment property		50,885	-
Dividends received		68,755	-
Net cash used in investing activities		(1,103,717)	(10,931)
Cash flows from financing activities			
Long term finances obtained		983,558	-
Long term finances repaid		-	(6,228)
Lease finances - net		2,017	3,470
Finance cost paid		(144,071)	(138,477)
Short term borrowings - net		524,288	(700,965)
Net cash generated from / (used in) financing activities		1,365,792	(842,200)
Net (decrease) / increase in cash and cash equivalents		(57,878)	48,430
Cash and cash equivalents - at beginning of the year	5.6	120,095	71,665
Cash and cash equivalents - at end of the year		62,217	120,095

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



Chief Financial Officer



Chief Executive



Director

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Share capital	Reserves				Total
	Capital		Revenue		
	Share redemption	Revaluation surplus on property, plant and equipment	General	Accumulated loss	

----- Rupees in thousand -----

Balance as at September 30, 2022 37,500 1 732,941 900,000 (652,946) 1,017,496

Total comprehensive income for the
year ended September 30, 2023

- Profit for the year	-	-	-	-	72,984	72,984
- other comprehensive income	-	-	955,556	-	(6,279)	949,277
	-	-	955,556	-	66,705	1,022,261

Transfer from revaluation surplus
on property, plant and equipment
on account of incremental depreciation
for the year (net of deferred taxation)

-	-	(53,548)	-	53,548	-
---	---	----------	---	--------	---

Balance as at September 30, 2023 37,500 1 1,634,949 900,000 (532,693) 2,039,757

Total comprehensive loss for the
year ended September 30, 2024

- loss for the year	-	-	-	-	(173,111)	(173,111)
- other comprehensive income	-	-	-	-	1,323	1,323
	-	-	-	-	(171,788)	(171,788)

Transfer from revaluation surplus
on property, plant and equipment
on account of incremental depreciation
for the year (net of deferred taxation)

-	-	(134,397)	-	134,397	-
---	---	-----------	---	---------	---

Balance as at September 30, 2024 37,500 1 1,500,552 900,000 (570,084) 1,867,969

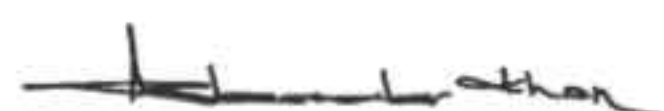
The annexed notes form an integral part of these financial statements.



Chief Financial Officer



Chief Executive



Director

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

The Premier Sugar Mills & Distillery Company Limited (the Company) was incorporated on July 24, 1944 as a Public Company and its shares are quoted on Pakistan Stock Exchange Ltd. The Company is principally engaged in manufacture and sale of white sugar and spirit. The Company's Mills and Registered Office are located at Mardan (Khyber Pakhtunkhwa) whereas the Head Office is situated at King's Arcade, 20-A, Markaz F-7, Islamabad. The Company has shifted its distillery from Mardan to Ramak, Dera Ismail Khan during the financial year ended September 30, 2020.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention, except where otherwise specifically stated.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. Amounts presented in the financial statements have been rounded off to the nearest thousand unless otherwise stated.

2.4 Critical accounting estimates, assumptions and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognised prospectively.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- Useful lives, residual values and depreciation method of property, plant and equipment and investment property. - notes 4.1, 4.2, 5 & 6.
- Provision for impairment of inventories - notes 4.4, 4.5, 8 & 9.
- Impairment loss of non-financial assets other than inventories - note 4.8.

- Allowance for expected credit loss - notes 4.6
- Staff retirement benefits - gratuity - notes 4.10 & 19.
- Estimation of provisions - note 4.12.
- Estimation of contingent liabilities - notes 4.13 & 26.
- Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses) - notes 4.14, 21 & 25.

2.5 No critical judgment has been used in applying the accounting policies.

3. CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Standards, interpretations and amendments to published approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting periods which began on October 01, 2023. However, these do not have any significant impact on the Company's financial reporting.

3.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after October 01, 2024. However, these will not have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

3.3 IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes (the Guidance) issued by ICAP

The Institute of Chartered Accountants of Pakistan (ICAP) issued the aforementioned Guidance through Circular No. 07 / 2024 dated May 15, 2024. In light of the said Guidance, as the minimum taxes and final taxes are not calculated on the 'taxable income' as defined in IAS 12 (Income Taxes) but calculated on turnover or other basis (as per relevant sections of the Income Tax Ordinance, 2001 (the Ordinance); accordingly, minimum taxes and final taxes should be accounted for under IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) / IFRIC 21 (Levies) as levies (though these are charged under tax law) and not under IAS 12 as income taxes. Based on the Guidance, the minimum taxes under the Ordinance are hybrid taxes, which comprise of a component within the scope of IAS 12 and a component within the scope of IFRIC 21.

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, Earnings per share and Statement of Changes in Equity as a result of this change. The impact of the above change has been tabulated below:

	As at Sep 30, 2024			As at Sep 30, 2023		
	Had there been no change in accounting policy	Impact of change in accounting policy	After change in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After change in accounting policy
	----- Rupees in thousand -----					
Effect on profit or loss and other comprehensive income						
Final taxes - levy	-	17,589	17,589		(12,804)	(12,804)
(Loss) / profit before income tax	(431,417)	17,589	(413,828)	14,741	(12,804)	1,937
Income tax expense	(293,484)	17,589	(275,895)	(58,243)	(12,804)	(71,047)

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended September 30, 2024.

4.1 Property, plant and equipment

(a) Owned

Measurement

Buildings on leasehold and freehold land and plant, machinery and equipment are shown at fair value, based on valuations carried-out with sufficient regularity by external independent Valuers, less subsequent amortisation / depreciation. Any accumulated amortisation / depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The remaining property, plant and equipment, except freehold land and capital work-in-progress, are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Freehold land and capital work-in-progress are stated at cost.

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

Revaluation

Increases in the carrying amounts arising on revaluation of property, plant and equipment are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in statement of profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the revaluation surplus on property, plant and equipment to retained earnings.

Depreciation

Depreciation on operating fixed assets, except leasehold land, is taken to statement of profit or loss using the reducing balance method so as to write-off the depreciable amount of an asset over its remaining useful life at the rates stated in note 5.1. Leasehold land is amortised over the lease term using the straight-line method.

Depreciation on additions to property, plant and equipment is charged from the date the asset acquired or capitalised has become available for use. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held-for-sale and the date that the asset is derecognised.

Disposal

Gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in other income in the statement of profit or loss. In case of the sale or retirement of a revalued property, plant and equipment, the attributable revaluation surplus remaining in the revaluation surplus on property, plant and equipment is transferred directly to unappropriated profit / accumulated loss.

Judgment and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any change in estimates is accounted for on a prospective basis.

(b) Right of use assets and related liabilities

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company.

The lease liabilities are initially measured at the present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Lease liabilities have been discounted using the Company's incremental borrowing rate ranging from 20.72% to 23.35% (2023 : 23.92% to 24.77%) per annum. Lease payment includes fixed payments with annual increments. The lease liabilities are subsequently measured at amortised cost using the effective interest rate.

Right-of-use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use assets are depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The carrying amount of the right-of-use asset is reduced by impairment losses, if any.

4.2 Investment property

Property not held for own use or for sale in the ordinary course of business is classified as investment property. The Company uses cost model for valuation of its investment property; freehold land has been valued at cost whereas buildings on freehold land have been valued at cost less accumulated depreciation and any identified impairment loss.

Depreciation on investment property is taken to statement of profit or loss applying the reducing balance method at the rates stated in note 6. Depreciation on additions is charged from the date the asset acquired or capitalised has become available for use. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held-for-sale and the date that the asset is derecognised. Impairment loss or its reversal, if any, is taken to statement of profit or loss.

4.3 Investments

Investments in associates and subsidiaries are carried at cost less impairment loss, if any. Gain / loss on sale of investments is included in statement of profit or loss. Bonus shares are accounted for by increase in number of shares without any change in value.

The Company issues consolidated financial statements along with its separate financial statements in accordance with the requirements of IFRS 10 'Consolidated financial statements'. Investments in associates, in these unconsolidated financial statements, have been accounted for at cost method.

At each reporting date, the Company reviews the carrying amounts of the investments in subsidiaries and associates to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of impairment loss, if any. In making an estimate of recoverable amount of these investments, the management considers future dividend stream and the net assets value of these investments. Impairment losses are recognised as expense in the statement of profit or loss.

Investments in subsidiaries and associates, that suffered an impairment, are reviewed for possible reversal of impairment at each reporting date. Impairment losses recognised in the statement of profit or loss on investments in subsidiaries and associates are reversed through the statement of profit or loss.

4.4 Stores and spares

Stores and spares are stated at the lower of cost and net realisable value. The cost of inventory is based on moving average cost. Items in transit are stated at cost accumulated upto the reporting date. The Company reviews the carrying amount of stores and spares on a regular basis and provision is made for identified obsolete and slow moving items.

4.5 Stock-in-trade

- a) Stock of manufactured products is valued at the lower of cost and net realisable value. Molasses inventory is valued at net realisable value.
- b) Cost in relation to finished goods and work-in-process represents the annual average manufacturing cost, which comprises of prime cost and appropriate production overheads.
- c) Net realisable value signifies the selling price in the ordinary course of business less cost of completion and cost necessary to be incurred to effect such sale.

Judgments and estimates

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines.

4.6 Trade debts and other receivables

Trade debts are initially recognised at original invoice amount, which is the fair value of consideration to be received in future and subsequently measured at cost less allowance for Expected Credit Loss (ECL). Carrying amounts of trade debts and other receivables are assessed at each reporting date and allowance is made for doubtful debts and receivables when collection of the amount is no longer probable. Debts and receivables considered irrecoverable are written-off.

4.7 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents consist of cash-in-hand and balances with banks.

4.8 Impairment of non-financial assets other than inventories

The assets that are subject to depreciation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised. The Company recognises the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

4.9 Borrowings and borrowing costs

Borrowings are recognised initially at fair value.

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

4.10 Staff retirement benefits

(a) Defined contribution plan

The Company is operating a provident fund scheme for all its permanent employees; equal monthly contribution to the fund is made at the rate of 9% of the basic salaries both by the employees and the Company.

(b) Defined benefit plan

The Company operates an un-funded retirement gratuity scheme for its eligible employees. Provision for gratuity is made annually to cover obligation under the scheme in accordance with the actuarial recommendations. Latest actuarial valuation was conducted on September 30, 2024 on the basis of projected unit credit method by an independent Actuary.

Actuarial gains and losses are recognised in other comprehensive income in the period in which these occur and past-service costs are recognised immediately in the statement of profit or loss.

4.11 Trade and other payables

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

4.12 Provisions

Provisions are recognised when the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, prices and conditions, and can take place many years in future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustment to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

4.13 Contingent liabilities

A contingent liability is disclosed when the Company

- has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or
- has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of obligation cannot be measured with sufficient reliability.

4.14 Taxation

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

The Company designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognise it as current income tax expense. The amount calculated not on the basis of taxable income, is then recognized as a levy falling under the scope of IFRIC 21/IAS 37.

(a) Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any. The charge for current year also includes adjustments where necessary, relating to prior years which arise from assessments framed / finalised during the year.

(b) Deferred

Deferred tax is recognised using the statement of financial position liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts appearing in the financial statements. Deferred tax liability is recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that temporary differences will reverse in the future and taxable income will be available against which the temporary differences can be utilised.

Deferred tax is charged or credited to the profit or loss except for deferred tax arising on surplus on revaluation of property, plant and equipment, which is charged to revaluation surplus.

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

4.15 Dividend and appropriation to reserves

Dividend distribution to the Company's shareholders and appropriation to reserves are recognised in the period in which these are approved.

4.16 Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognised at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of profit or loss.

a) Financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- i) amortised cost where the effective interest rate method is applied;
- ii) fair value through profit or loss; and
- iii) fair value through other comprehensive income.

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

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

Recognition and derecognition

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

Measurement

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

Definition of default

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

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

Impairment of financial assets

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

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

- Trade debts
- Bank balances

Simplified approach for trade debts

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

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

Recognition of loss allowance

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

Write-off

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

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

b) Financial Liabilities

Classification, initial recognition and subsequent measurement

Financial liabilities are classified in the following categories:

- fair value through profit or loss; and
- other financial liabilities.

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

i) Fair value through profit or loss

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

ii) Other financial liabilities

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

Derecognition of financial liabilities

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

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amount and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

4.17 Foreign currency translation

Foreign currency transactions are recorded in Pakistan Rupees using the exchange rates prevailing at the dates of transactions. Monetary assets and liabilities in foreign currencies are translated in Pakistan Rupees at the rates of exchange prevailing at the reporting date. Exchange gains and losses are taken to statement of profit or loss.

4.18 Revenue recognition

The Company sells its products in separately identifiable contracts. The contracts entered into with the customers generally include one performance obligation i.e. the provision of goods to the customer.

Revenue from local sale of goods is recognised when the Company satisfies a performance obligation under a contract by transferring promised goods to the customer. Goods are considered to be transferred at the point in time when the customer obtains control over the goods (i.e. on dispatch of goods from the mills to the customer). Revenue from export sale of goods is recognised at the point in time when the customer obtains control over the goods dependent on the relevant incoterms of shipment. Generally it is on the date of bill of lading or at the time of delivery of goods to the destination port.

Contract assets

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

Contract liabilities

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

Others

Return on deposits is accounted for on 'accrual basis'.

Dividend income and entitlement of bonus shares are recognised when right to receive such dividend and bonus shares is established.

4.19 Development expenditure

Expenditure incurred on development of sugar cane and beet is expensed in the year of incurrence.

4.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes strategic decisions.

Segment 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 & equipment, stores, spares & loose tools and stock-in-trade. Segment liabilities comprise of long term finances, lease liabilities, short term borrowings and trade & other payables.

On the basis of its internal reporting structure, the Company has two reportable segments i.e. sugar and ethanol.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	2024 Rupees in thousand	2023
Operating fixed assets	5.1	2,191,100	2,409,696
Advance against lease vehicle		455	-
Capital work-in-progress	5.9	1,213,806	-
		3,405,361	2,409,696

5.1 PROPERTY, PLANT AND EQUIPMENT (Operating fixed assets - tangible)

Particulars	Land		Buildings on freehold land	Buildings and roads on leasehold land	Plant, machinery and equipment	Furniture, fittings & office equipment	Railway rolling stock and vehicles	Sub-total	Leased vehicles (right of use assets)	Total
	Leasehold	Freehold								
	Rupees in thousand									
As at September 30, 2022										
Cost / revaluation	2,725	12,065	224,992	211,813	925,673	90,641	19,687	1,487,596	1,559	1,489,155
Accumulated depreciation	692	-	37,502	35,522	179,467	58,027	17,417	328,627	841	329,468
Book value	2,033	12,065	187,490	176,291	746,206	32,614	2,270	1,158,969	718	1,159,687
Year ended September 30, 2023:										
Additions	-	-	-	-	-	3,213	1,926	5,139	6,572	11,711
Transfer from leased to owned										
- cost	-	-	-	-	-	-	1,559	1,559	(1,559)	-
- depreciation	-	-	-	-	-	-	(841)	(841)	841	-
Revaluation adjustments										
- cost / revaluation	-	-	47,620	47,052	925,339	-	-	1,020,011	-	1,020,011
- depreciation	-	-	36,046	35,616	254,181	-	-	325,843	-	325,843
Disposals										
- cost	-	-	-	-	-	-	(1,559)	(1,559)	-	(1,559)
- depreciation	-	-	-	-	-	-	925	925	-	925
Depreciation charge for the year	28	-	13,555	11,863	74,714	5,057	663	105,880	1,042	106,922
Book value as at September 30, 2023	2,005	12,065	257,601	247,096	1,851,012	30,770	3,617	2,404,166	5,530	2,409,696
Year ended September 30, 2024:										
Additions	-	-	-	-	-	2,608	-	2,608	6,488	9,096
Depreciation charge for the year	28	-	17,260	17,054	185,859	4,672	723	225,596	2,096	227,692
Book value as at September 30, 2024	1,976	12,065	240,342	230,042	1,665,152	28,707	2,894	2,181,178	9,922	2,191,100
As at September 30, 2023										
Cost / revaluation	2,725	12,065	272,612	258,865	1,851,012	93,854	21,613	2,512,746	6,572	2,519,318
Accumulated depreciation	720	-	15,011	11,769	-	63,084	17,996	108,580	1,042	109,622
Book value	2,005	12,065	257,601	247,096	1,851,012	30,770	3,617	2,404,166	5,530	2,409,696
As at September 30, 2024										
Cost / revaluation	2,725	12,065	272,612	258,865	1,851,012	96,462	21,613	2,515,354	13,060	2,528,414
Accumulated depreciation	748	-	32,271	28,823	185,859	67,756	18,719	334,176	3,138	337,314
Book value	1,976	12,065	240,342	230,042	1,665,152	28,707	2,894	2,181,178	9,922	2,191,100
Depreciation rate (%)	1.01	-	5-10	5-10	10-12	10-15	10-20		20	

5.2 Particulars of immovable property

Location	Usage of immovable property	Total Area (square feet)	Covered Area (In square feet) approx.
Land - freehold			
Saro Shah, Takht Bahi	Agricultural	5,378,299	-
Nowshera Road, Mardan	Industrial	999,158	
Land - leasehold			
Nowshera Road, Mardan	Industrial	5,268,037	
		6,267,195	807,188
		11,645,494	807,188

5.3 Had the revalued fixed assets of the Company been recognised under the cost model, the carrying values of these assets would have been as follows:

	2024	2023
	Rupees in thousand	
- buildings on freehold land	11,316	12,244
- buildings on leasehold land	742	802
- plant, machinery and equipment	127,483	141,672
	139,541	154,718

5.4 Based on the revaluation report of K.G. Traders (Pvt.) Ltd. dated September 30, 2023, the forced sale values of the revalued fixed assets have been assessed as follows:

	Rupees in thousand
Buildings and civil works	401,778
Plant, machinery and equipment	1,295,707
	1,697,485

5.5 Depreciation for the year has been allocated as follows:

	2024	2023
	Rupees in thousand	
Cost of sales	224,046	103,178
Administrative expenses	3,646	3,744
	227,692	106,922

5.6 Disposal of vehicle

During the preceding year, a vehicle was disposed off to an employee having cost of Rs.1.559 million and written down value of Rs.634 thousand,

- 5.7** The Board of Directors, during the financial year ended September 30, 2018, had decided to shift the Company's distillery operations from Mardan to Ramak, Dera Ismail Khan due to easy approach to power and raw materials. Dismantling, shifting and erection work of distillery was completed during the financial year ended September 30, 2020.
- 5.8** The Company had availed its option of renewal of leasehold land agreement expired during the financial year ended September 30, 2008. Buildings on leasehold land, however, were revalued during the financial years ended September 30, 2009, September 30, 2011, September 30, 2014, September 30, 2017, September 30, 2020 and September 30, 2023 and revaluation surplus on these assets aggregating Rs.116.886 million, Rs.17.376 million, Rs.76.240 million, Rs.5.328 million, Rs.99.021 million and Rs.1,345.854 million respectively was incorporated in the books of account.

Clause 6 of the lease agreement dated July 09, 1947, which was for a period of 60 years, empowers the Company to renew the lease. On August 10, 2007, the Company, in terms of the aforesaid clause 6, had exercised the option of renewal of the lease and indicated its desire to extend the lease for a further period of 60 years (commencing from January 01, 2008) on such terms as may be agreed between the parties and invited the legal heirs of the lessor to negotiate the terms of the extended lease agreement. The legal heirs of the lessor had failed to agree on the terms of the extended lease; hence, the matter was referred to arbitration.

Two of the legal heirs of the lessor have filed civil suits impugning the validity of arbitration. These suits are frivolous, barred by law and liable to be dismissed in due course under relevant provisions of the Arbitration Act, 1940.

The arbitration proceedings were finalised during the financial year ended September 30, 2016 and the Arbitrator (a Senior Advocate of the Supreme Court of Pakistan) announced the award by extending the lease term for a further period of 60 years. The same was filed before the Senior Civil Judge, Mardan to make it 'Rule of the Court'.

5.9 Capital work-in-progress - cost	Notes	2024 Rupees in thousand	2023
Balance as at July 01,		-	-
Additions during the year		1,213,806	-
Transfers during the year		-	-
Balance as at July 30,		<u>1,213,806</u>	<u>-</u>
Breakup of capital work-in-progress:			
Building		48,266	-
Plant and machinery {(Including in transit aggregating Rs. 321.245 million)}		833,777	-
Furniture and fixtures		344	-
Store held for capital expenditure		56,461	-
Electric fittings and installations		48,016	-
Un-allocated capital expenditure	5.9.1	154,916	-
Office equipment		46	-
Advances to suppliers - unsecured,	5.9.2	71,980	-
	5.9.3	<u>1,213,806</u>	<u>-</u>
5.9.1 This amount mainly include to fabrication material issues to third party contractor for further processing			
5.9.2 These mainly includes advances against plant and machinery and are in the normal course of business.			
5.9.3 This includes borrowing cost capitalized amounting to Rs. 91.497 million incurred on bank borrowings at an effective rate of 20.58% to 24.41%.			

6. INVESTMENT PROPERTY

Particulars	Freehold land	Buildings on freehold land	Total
-------------	---------------	----------------------------	-------

----- Rupees in thousand -----

As at September 30, 2022:

Cost	14,544	18,256	32,800
Accumulated depreciation	-	12,617	12,617
Book value	14,544	5,639	20,183

Year ended September 30, 2023:

Depreciation charge	-	282	282
Book value	14,544	5,357	19,901

Year ended September 30, 2024:

Depreciation charge	-	268	268
Book value	14,544	5,089	19,633

Depreciation rate (%)	-	5-10
-----------------------	---	------

6.1 These represent free-hold land situated at PIDC Karachi having an area of 8,229 square yards. This also include free-hold land and building having an area of 3,200 square yards situated at F-6 Islamabad and 15,556 square yards situated at Risalpur Cantt.

6.2 Fair value of the investment property, based on the management's estimation, as at September 30, 2024 was Rs.320 million (2023: Rs.320 million).

7. LONG TERM INVESTMENTS - in Related Parties

SUBSIDIARY COMPANIES	2024 Share-holding %	2023	2024 Rupees in thousand	2023
QUOTED:				
Chashma Sugar Mills Ltd.				
13,751,000 (2023: 13,751,000) ordinary shares of Rs.10 each (note 7.1)	47.93	47.93	137,584	137,584
- Market value Rs.825.060 million (2023: Rs.782.569 million)				
- Value of investments based on net assets shown in the audited financial statements for the year ended September 30, 2024 Rs.6,298.582 million (2023: Rs.6,967.632 million)				
Balance c/f			137,584	137,584

	2024	2023	2024	2023
	Share-holding %		Rupees in thousand	
Balance b/f			137,584	137,584
UN-QUOTED				
The Frontier Sugar Mills & Distillery Ltd.				
1,113,637 (2023: 1,113,637) ordinary shares of Rs.10 each	82.49	82.49	26,509	26,509
42,984 (2023: 42,984) 7% irredeemable preference shares of Rs.10 each	85.97	85.97	597	597
- Value of investments based on net assets shown in the audited financial statements for the year ended September 30, 2024 Rs.822.67 million (2023: Rs.958.752 million)				
			27,106	27,106
ASSOCIATED COMPANIES				
QUOTED:				
Arpak International Investments Ltd. (AIIIL)				
229,900 (2023: 229,900) ordinary shares of Rs.10 each	5.75	5.75	2,846	2,846
Market value Rs.11.782 million (2023: Rs.14.829 million)				
UN-QUOTED:				
National Computers (Pvt.) Ltd. (NCPL)				
14,450 (2023: 14,450) ordinary shares of Rs.100 each	48.17	48.17	322	322
Less: impairment loss			322	322
- Value of investments based on net assets shown in the un-audited financial statements for the year ended June 30, 2013 - Rs.Nil (note 7.2)			-	-
Premier Board Mills Ltd.				
47,002 (2023: 47,002) ordinary shares of Rs.10 each	0.83	0.83	470	470
- Value of investments based on net assets shown in the audited financial statements for the year ended June 30, 2024 Rs.6.544 million (2023: Rs.6.477 million)				
Azlak Enterprises (Pvt.) Ltd.				
200,000 (2023: 200,000) ordinary shares of Rs.10 each	40.00	40.00	2,000	2,000
- Value of investments based on net assets shown in the un-audited financial statements for the year ended June 30, 2024 Rs.889.421 million (2023: Rs.768.409 million)				
			170,006	170,006

- 7.1 The Company directly and indirectly controls / beneficially owns more than fifty percent of Chashma Sugar Mills Ltd.'s (CSM) paid-up capital and also has the power to elect and appoint more than fifty percent of its directors; accordingly, CSM has been treated a Subsidiary of the Company with effect from the financial year ended September 30, 2010.
- 7.2 NCPL has no known assets and liabilities as at June 30, 2023 and June 30, 2022 and has also seized its operations. NCPL, on January 15, 2015, has filed an application with the Joint Registrar, Securities and Exchange Commission of Pakistan for striking-off its name from the Register of Companies under the Companies (Easy Exit) Regulations, 2014.

8. STORES AND SPARES

	2024	2023
	Rupees in thousand	
Stores	57,582	46,254
Spares	74,003	68,333
	<u>131,585</u>	<u>114,587</u>

- 8.1 Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

9. STOCK-IN-TRADE

In process:

- sugar	23,432	10,544
- molasses	3,948	-
	<u>27,380</u>	<u>10,544</u>

Finished goods:

- sugar	139,132	124,078
- molasses	74,438	-
	<u>213,570</u>	<u>124,078</u>
	<u>240,950</u>	<u>134,622</u>

- 9.1 Sugar inventory as at September 30, 2024 was stated at net realisable value; the amount charged to statement of profit or loss in respect of inventory write-down to net realisable value worked-out to Rs.88.838 million approximately.

10. ADVANCES - Considered good

Due from Chashma Sugar Mills Ltd.
(CSM - a Subsidiary Company)

Suppliers and contractors

Employees

10.1	-	150,161
	27,500	42,939
10.2	6,169	5,434
	<u>33,669</u>	<u>198,534</u>

- 10.1 Maximum amount due from CSM at any month-end during the year aggregated Rs.148.033 million (2023:Rs.221.096 million).

- 10.2 No amount was due from key management personnel of the Company during the current and preceding years.

11. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Excise duty deposit		136	136
Short term prepayments		2,121	2,087
Deposits against decretal amounts	11.1	2,862	2,862
		<u>5,119</u>	<u>5,085</u>

- 11.1 These have been deposited with the Commissioner for Workers' Compensation and Authority under the Payment of Wages Act, 2013 for Mardan.

12. OTHER RECEIVABLES	Note	2024 Rupees in thousand	2023
Sugar export subsidy		2,991	2,991
Gas infrastructure development cess paid under protest - refundable	26.3	3,018	3,018
Lease rentals receivable from Premier Board Mills Ltd. (PBM) - a related party	12.1	-	2,140
Others		915	1,976
		<u>6,924</u>	<u>10,125</u>

- 12.1 Maximum amount due from PBM at any month-end during the year aggregated Rs.Nil (2023: Rs.2.140 million).

13. INCOME TAX REFUNDABLE, TAX DEDUCTED AT SOURCE AND ADVANCE TAX

The movement in this account during the year was as follows:

Opening balance		23,540	20,280
Add: taxes deducted at source during the year		19,134	21,092
Add: prior year adjustment		11,532	-
Less: adjusted against completed assessments		(35,040)	(17,832)
Balance as at September 30,		<u>19,166</u>	<u>23,540</u>

14. BANK BALANCES

Cash at banks on:

- PLS accounts	14.1	981	20,887
- current accounts		57,502	89,474
- deposit accounts	14.3	8,734	8,734
- deposits with a non-banking finance company - unsecured	14.4	-	6,000
		<u>67,217</u>	<u>125,095</u>
Less: provision for doubtful bank balance	14.5	5,000	5,000
		<u>62,217</u>	<u>120,095</u>

- 14.1 These include Rs.476 thousand (2023: Rs.402 thousand) in security deposit account.

- 14.2 PLS and deposit accounts during the year carried profit / mark-up at the rates ranging from 20.58% to 24.87% (2023:17.76% to 24.41%) per annum.

- 14.3** These include deposits amounting Rs.3.734 million (2023: Rs.3.734 million), which are under lien of a bank against guarantees issued by it in favour of Sui Northern Gas Pipelines Ltd. on behalf of the Company.
- 14.4** The Securities and Exchange Commission of Pakistan (SECP) winding-up petition filed against Innovative Investment Bank Limited was decided by the Lahore High Court, Lahore (LHC) and LHC appointed Joint Official Liquidators (JOLs). The Company, as per the LHC's orders upto November, 2020, has received three tranches aggregating Rs.33 million and the remaining balance of Rs.6 million has been received during the year.

The Company has not accrued profit on these deposits during the current and preceding financial years.

- 14.5** The Company had deposited Rs.5 million in Term Deposit with Mehran Bank Limited at Peshawar for a period of six months @ 12.5% per annum on September 25, 1993 vide TDR No.007902, which was to mature on March 25, 1994. The aforesaid TDR could not be encashed because of the crisis of Mehran Bank's affairs which were being administered by the State Bank of Pakistan (SBP). Mehran Bank Limited was eventually merged into National Bank of Pakistan (NBP).

The Company, through its lawyers, had issued legal notices to SBP, NBP and the defunct Mehran Bank Limited. In response, the Company had received a letter from NBP dated November 05, 1995 stating that the investment by the Company was shown in Fund Management Scheme, which was an unrecorded liability of Mehran Bank Limited. The Company had filed a suit with the Civil Court for recovery of the said amount along with profit @ 12.5% per annum with effect from September 25, 1993 till the date of payment. The Civil Judge, Peshawar, vide his judgment dated May 13, 2004, had decreed against SBP. SBP, against the said judgment, filed an appeal before the Peshawar High Court. The said appeal was remanded back to Additional District Judge, Peshawar. The appeal has been disposed-off vide judgment dated November 29, 2019. The judgment states that the Company is entitled to recover Rs.5 million with profit at the rate of 12.5% per annum from NBP from the year 1999. The said execution petition is pending adjudication. Full provision for the said amount exists in these financial statements.

15. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

- 15.1** The Company's Board of Directors, vide resolution dated May 27, 2021, had authorised and approved the sale of a commercial property (2nd and 3rd floors) situated at 20-A King's Arcade, F-7 Markaz, Islamabad with total area of 11,700 square feet along with fittings, fixtures and installations thereon having book value of Rs.4.642 million to Chashma Sugar Mills Ltd.(CSM - a Subsidiary Company) at the present market value of Rs.590.850 million.
- 15.2** CSM paid a partial sale consideration of Rs.539.965 million as earnest money and the balance amount of Rs.50.885 million has been received during the year. Possession of the said property has been handed over to CSM whereas property is in process of transfer to CSM. As per the revaluation report conducted by M/s. K.G.Traders, 3rd Floor, Galaxy Arcade, Markaz, Islamabad dated February 26, 2021, the said property had market value of Rs.590.850 million.

16. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2024			2023	
(No. of shares)			Rupees in thousand	
1,476,340	1,476,340	ordinary shares of Rs.10 each fully paid in cash	14,763	14,763
2,273,660	2,273,660	ordinary shares of Rs.10 each issued as fully paid bonus shares	22,737	22,737
3,750,000	3,750,000		37,500	37,500

- 16.1** The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All the shares rank equally with regard to the Company's residual assets.
- 16.2** The Company has one class of ordinary shares, which carries no right to fixed income.
- 16.3** The Company has no reserved shares for issuance under options and sale contracts.
- 16.4** Voting rights, board selection, right of first refusal and block voting are in proportion to the shareholding of the shareholders.
- 16.5** Arpak International Investments Ltd. (an Associated Company) held 400,000 ordinary shares as at September 30, 2024 and September 30, 2023.

17. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - Net

- 17.1** The Company, during the financial years ended September 30, 2000, September 30, 2009, September 30, 2011, September 30, 2014, September 30, 2017 and September 30, 2020 had revalued its buildings on freehold & leasehold land and plant & machinery, which resulted in revaluation surplus aggregating Rs.229.409 million, Rs.544.516 million, Rs.110.992 million, Rs.438.066 million, Rs.166.651 million and Rs.534.211 million respectively. These fixed assets were revalued by independent Valuers on the basis of depreciated market values.
- 17.2** As at September 30, 2023, the Company, has again revalued its buildings, plant, machinery and equipment installed at Premier Sugar Mills, Nowshera Mardan Road, Mardan and Chashma Sugar Mills Unit-II at Ramak, Dera Ismail Khan. The latest revaluation exercise has been carried-out by independent Valuers [K.G. Traders (Pvt.) Ltd. Suit No. 5, 3rd Floor, Galaxy Arcade, G-11 Markaz, Islamabad] to replace the carrying amounts of these assets with the assessed present market value of buildings and civil works and assessed depreciated market value of plant, machinery and equipment. The appraisal surplus arisen on latest revaluation aggregating Rs.1,345.854 million has been credited to statement of other comprehensive income to comply with the requirements of IAS 16 (Property, plant and equipment). The year-end balance has been arrived at as follows:

	2024	2023
	Rupees in thousand	
Opening balance	2,302,745	1,032,311
Add: surplus arisen on revaluation carried-out during the year	-	1,345,854
Less: transferred to accumulated loss on account of incremental depreciation for the year	(189,292)	(75,420)
	2,113,453	2,302,745
Less: deferred tax on:		
- opening balance of surplus	667,796	299,370
- surplus arisen on revaluation carried-out during the year	-	390,298
- incremental depreciation for the year	(54,895)	(21,872)
	612,901	667,796
Closing balance	1,500,552	1,634,949

18. LEASE LIABILITIES

Particulars	2024			2023		
	Upto one year	From one to four years	Total	Upto one year	From one to four years	Total
	Rupees in thousand					
Minimum lease payments	4,201	8,511	12,712	2,058	5,032	7,090
Less: finance cost allocated to future periods	1,642	1,451	3,093	976	1,040	2,016
	2,559	7,060	9,619	1,082	3,992	5,074
Less: security deposits adjustable on expiry of lease terms	-	1,225	1,225	-	590	590
Present value of minimum lease payments	2,559	5,835	8,394	1,082	3,402	4,484

- 18.1** The Company has entered into lease agreements with Bank Al-Habib Ltd. for lease of vehicles. The liabilities under the lease agreements are payable in monthly instalments by May, 2027. The Company intends to exercise its option to purchase the leased vehicles upon completion of the respective lease terms. These facilities are secured against title of the leased vehicles in the name of lessor and during the year carried finance cost at the rates ranging from 20.72% to 23.35% (2023: 23.92% to 24.77%) per annum.

19. STAFF RETIREMENT BENEFITS - Gratuity

The future contribution rates of this scheme include allowance for deficit and surplus. Projected unit credit method, based on the following significant assumptions, is used for valuation:

Significant actuarial assumptions	2024	2023
- discount rate - per annum	12.00%	16.75%
- expected rate of growth per annum in future salaries	11.00%	15.75%
- mortality rates	SLIC 2001-2005	SLIC 2001-2005
	Setback 1 year	
- withdrawal rates	Age-based	Age-based
- retirement assumption	60 years	60 years
- average expected remaining working life time of employees	07 years	07 years

Amount recognised in the statement of financial position is the present value of defined benefit obligation at the reporting date:

The movement in the present value of defined benefit obligation is as follows:

	2024	2023
	Rupees in thousand	
Opening balance	39,132	28,697
Current service cost	2,808	2,063
Past service cost	728	1,413
Interest cost	6,245	3,449
Benefits payable to outgoing Members - grouped under current liabilities	(1,929)	-
Benefits paid	(1,776)	(5,334)
Remeasurements:		
- experience adjustments	(706)	8,037
- changes in financial assumptions	(1,157)	807
Closing balance	43,345	39,132

Expense recognised in statement of profit or loss	2024	2023
	Rupees in thousand	
Current service cost	2,808	2,063
Past service cost	728	1,413
Interest cost	6,245	3,449
Charge for the year	<u>9,781</u>	<u>6,925</u>
Remeasurement recognised in statement of other comprehensive income		
Experience adjustments	<u>(1,863)</u>	<u>8,844</u>

Comparison of present value of defined benefit obligation and experience adjustment on obligation for five years is as follows:

	2024	2023	2022	2021	2020
	----- Rupees in thousand -----				
Present value of defined benefit obligation	<u>43,345</u>	39,132	28,697	20,096	18,479
Experience adjustment on obligation	<u>(1,863)</u>	8,844	6,572	2,277	(614)

Year-end Sensitivity Analysis:	Impact on defined benefit obligation		
	Change in assumption	Rupees in thousand	
		Increase	Decrease
Discount rate	1%	<u>40,584</u>	<u>46,426</u>
Salary growth rate	1%	<u>46,678</u>	<u>40,297</u>

- 19.1 The expected contribution to defined benefit obligation for the year ending September 30, 2024 is Rs.8.058 million.

20. LONG TERM FINANCES - Secured

	Note	2024	2023
		Rupees in thousand	
United Bank Ltd:			
LTFF 1	20.1	399,175	-
LTFF 2	20.2	176,940	-
Soneri Bank Ltd.	20.3	<u>407,443</u>	-
		983,558	-
Less: current portion grouped under current liabilities		<u>144,456</u>	-
		<u>839,102</u>	-

- 20.1 The Company during the year has arranged long term finance facility amounting Rs.400 million from United Bank Limited to finance BMR activities. The bank against said facility disbursed Rs.399.175 million in fourteen tranches of different amounts. Each tranche under this finance facility has different repayments terms. These finances carry markup at the rate 3 month Kibor plus 2.5 percent per annum and are secured against first pari passu charge on all fixed asset of the Company with 25% margin & cross corporate guarantee of M/s. Chashma Sugar Mills Limited.
- 20.2 The Company, during the year, has arranged long term finance facility amounting Rs.200 million from United Bank Limited to finance BMR activities. The bank against said facility disbursed Rs.176.940 million in two tranches of different amounts. Each tranche under this finance facility has different repayments terms. These finances carry mark-up at the rate 3 month Kibor plus 2.5 percent per annum and are secured against first pari passu charge on all fixed asset of the Company & cross corporate guarantee of M/s. Chashma Sugar Mills Limited.

- 20.3** The Company, during the year, has arranged long term finance facility amounting Rs.600 million from Soneri Bank Limited to finance BMR activities/CPEX /import plant and machinery of the Company. The bank against said facility disbursed Rs.407.442 million in twenty one tranches of different amounts. Each tranche under this finance facility has different repayments terms. These finances carry markup at the rate 3 month kibar plus 2 percent per annum and are secured against first pari passu charge of Rs.266.667 million over current asset of the Company & cross corporate guarantee of M/s. Chashma Sugar Mills Limited.

21. DEFERRED TAXATION

	Note	2024 Rupees in thousand	2023
This is comprised of the following:			
Taxable temporary differences arising in respect of:			
- surplus on revaluation of property, plant and equipment		612,901	667,796
Deductible temporary differences arising in respect of:			
- accelerated tax depreciation allowances		(5,713)	(297)
- available unused tax losses		(445,113)	(230,815)
- staff retirement benefits - gratuity		(12,570)	(11,348)
- provision for doubtful bank balance		(1,450)	(1,450)
- lease finances		(809)	(452)
- minimum tax recoverable against normal tax charge in future years		(51,643)	(45,237)
		(517,298)	(289,599)
		95,603	378,197

22. TRADE AND OTHER PAYABLES

Due to Chashma Sugar Mills Ltd. (Subsidiary Company)		98,126	-
Due to Frontier Sugar Mills and Distillery Ltd. (Subsidiary Company)		8	-
Due to Syntron Ltd. (Associated Company)		14,927	-
Due to Syntronics Ltd. (Associated Company)		157	157
Due to Azlak Enterprises (Pvt.) Ltd. (Associated Company)		21,529	21,529
Creditors		145,066	36,652
Accrued expenses		55,654	54,547
Due to employees		4,560	5,151
Deposits from contractors and others	22.1	1,031	958
Income tax deducted at source		22,704	2,892
Sales tax payable		29,448	45,682
Workers' (profit) participation fund - allocation for the year		-	792
Workers' welfare fund		-	301
Gratuity payable to ex-employees		5,816	4,116
Employees' provident fund payable		7,791	4,228
Others		668	424
		407,485	177,429

- 22.1** These include Rs.476 thousand (2023: Rs.402 thousand) representing mark-up bearing deposits. The Company will pay mark-up at the same rate at which it will receive from the bank as these deposits have been kept in a PLS bank account.

23. SHORT TERM BORROWINGS	Note	2024 Rupees in thousand	2023
Short term finances - secured	23.1	497,000	-
Temporary bank overdraft - unsecured		27,323	35
		<u>524,323</u>	<u>35</u>
<p>23.1 Short term finance facilities available from various commercial banks under mark-up arrangements aggregate Rs.1,900 million (2023: Rs.1,300 million). These facilities are secured against charge over fixed assets, charge over present and future current assets of the Company, pledge of sugar stocks, cross corporate guarantee of Chashma Sugar Mills Ltd. (Subsidiary Company) amounting Rs.800 million and lien over export documents. These facilities, during the year, carried mark-up at the rates ranging from 19.43% to 24.87% (2023: 16.71% to 24.41%) per annum and are expiring on various dates by March 31, 2024. These facilities remained un-utilised as at September 30, 2023.</p>			
<p>23.2 Facilities available for opening letters of guarantee and credit from commercial banks aggregate Rs.700 million (2023: Rs.680 million). Out of the available facilities, facilities aggregating Rs.536.18 million (2023: Rs.481.296 million) remained un-utilised at the year-end. These facilities are secured against lien over import and shipping documents and the securities detailed in the preceding paragraph.</p>			
<p>24. CURRENT PORTION OF NON-CURRENT LIABILITIES</p>			
Long term finances		144,456	-
Lease liabilities	18	2,559	1,082
		<u>147,015</u>	<u>1,082</u>
<p>25. LEVIES AND INCOME TAXATION - Net</p>			
Opening balance		35,040	17,833
Provision made during the year		27,902	35,040
Payments / adjustments made against completed assessments		<u>(35,040)</u>	<u>(17,833)</u>
		<u>27,902</u>	<u>35,040</u>
<p>25.1 The returns for the Tax Years 2010 to 2024 have been filed after complying with all the provisions of the Income Tax Ordinance, 2001 (the Ordinance). Accordingly, the declared returns are deemed to be assessment orders under the law subject to selection of audit or pointing of deficiency by the Commissioner.</p>			
<p>25.2 No numeric tax rate reconciliation is presented in these financial statements as the Company during the current and preceding years is mainly liable to pay tax due under sections 5 (Tax on dividends) , 113 (Minimum tax on the income of certain persons) and 154 (Tax on exports) of the Ordinance.</p>			
<p>25.3 The Company has filed a civil petition for leave to appeal (CPLA) before the Supreme Court of Pakistan against judgment dated November 10, 2021 passed by the Peshawar High Court. The said writ petition was filed by the Company challenging the impugned notices of income tax audit under section 177 of the Ordinance for tax years 2015, 2016, 2018 and 2019. The said CPLA is pending.</p>			

25.4 Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

	2024	2023
	Rupees in thousand	
Current tax liability for the year as per applicable tax laws	27,902	35,040
Portion of current tax liability as per tax laws, representing income tax under IAS 12	10,313	22,236
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21 / IAS 37	17,589	12,804
Difference	-	-

26. CONTINGENCIES AND COMMITMENTS

26.1 Commitments against irrevocable letters of credit outstanding as at September 30, 2023 amounted Rs.96.963 million (2023: Rs. 198.704).

26.2 The Company's appeal filed before the Peshawar High Court (PHC) against order of the Customs, Sales Tax & Central Excise Appellate Tribunal is still pending adjudication. The Department, during the financial year ended September 30, 2001, had raised sales tax demand aggregating Rs.4.336 million along with additional tax. The Company, however, during the financial year ended September 30, 2005, had paid sales tax amounting Rs.2.123 million along with additional tax amounting Rs.0.658 million as per the requirements of S.R.O. 247(I) / 2004 dated May 05, 2004.

26.3 Petitions filed before the Supreme Court of Pakistan (SCP) against imposition of Gas Infrastructure Development Cess (GIDC) have been dismissed vide judgment dated August 13, 2020 in 2-1 ratio. The SCP's judgment states that the cess under GIDC Act, 2015 was levied on those consumers of natural gas which on account of their industrial or commercial dealings had passed on GIDC burden to their customers. The SCP's judgment states that no late payment surcharge shall be collected while the GIDC amount that have become due upto July 31, 2020 will be recovered in 24 equal monthly instalments. Based on this judgment, the Company has filed a writ petition before the PHC challenging the demand of GIDC arrears on the ground that the Company has not passed on GIDC burden to its customers. The PHC, vide its order dated September 19, 2021, has granted interim relief.

PHC, vide its judgment dated June 15, 2022, has dismissed the petition filed by the Petitioners, observing that while exercising jurisdiction vested under article 199 of the Constitution, the Court can neither enter into factual controversies nor decide disputed questions of facts. The PHC, however, has allowed the Petitioners to approach a competent Court of law / forum having jurisdiction in the matter, if they so advised.

The Company, during the preceding years, has filed a civil suit before the Civil Judge, Peshawar challenging the demand of GIDC arrears through the impugned additional bills without determination of alleged passing on the burden to the end consumers. The said civil suit is pending adjudication.

26.4 The Company's petition filed before the PHC, against the Government of Khyber Pakhtunkhwa's notification dated August 12, 2015 in which minimum wages for unskilled workers has been fixed at Rs.12,000 per month with effect from July 01, 2014 has been dismissed by the PHC vide its judgment dated April 02, 2019. The Company has filed a review petition before the PHC against the said judgment, which was also dismissed. The additional wage liabilities aggregate Rs.2.359 million approximately. The Company has filed a civil petition for leave to appeal before the Supreme Court of Pakistan, which is pending adjudication.

- 26.5** The sales tax appeal filed before the Appellate Tribunal Inland Revenue (ATIR), Peshawar against ex-parte order passed by the Commissioner Inland Revenue (Appeals) [CIR(A)] has been succeeded vide order dated March 29, 2018. The assessment order dated June 23, 2016 was passed by the Deputy Commissioner Inland Revenue (DCIR), Peshawar in violation of SRO 488(I)/2004 dated June 12, 2014; the Company claimed input tax to the tune of Rs.41.672 million against the supplies to unregistered persons. A withdrawal application has been filed before the ATIR, Peshawar in pursuance of the aforesaid rectification order.
- 26.6** The DCIR for the tax year 2013 initially has held the Company as taxpayer-in-default for non-deduction of tax on certain supplies / services and tax demand was raised at Rs.77.750 million under section 161 (Failure to pay tax collected or deducted) along with default surcharge of Rs.4.730 million under section 205 (Default surcharge) of the Income Tax Ordinance, 2001 (the Ordinance). The Company filed rectification application under section 221 of the Ordinance and the demand was reduced to Rs.237,360. Against the said demand, the Company has filed an appeal before the CIR(A), who dismissed the Company's appeal. Presently, the Company's appeal against the CIR(A)'s order is pending before the ATIR, Peshawar.
- 26.7** The Company has filed a writ petition before the PHC challenging Federal Government Order No.1(1) 2020 ROP dated July 16, 2021 and Provincial Government Order No.13/12-Sugar /IND / Vol-V / 7862 dated July 16, 2021 issued under section 6 of the Price Control and Prevention of Profiteering and Hoarding Act, 1977 whereby the retail price of sugar at the rate of Rs.88.24 per kilo gram was fixed. The PHC, vide its order dated July 30, 2021, has allowed interim relief and ordered that in the meanwhile status quo be maintained.
- 26.8** The Company has filed a writ petition before the PHC challenging Federal Government Order F.No.2-8 / 2022 / SAB / A - IV dated April 20, 2023 issued under section 6 of the Price Control and Prevention of Profiteering and Hoarding Act, 1977 read with Price Control and Prevention of Profiteering and Hoarding Order, 2021 dated August 24, 2021 whereby the retail price of sugar at the rate of Rs.98.82 per kilo gram and maximum ex-mill price was fixed at the rate of Rs.95.57 per kilo gram. The PHC, vide its order dated June 06, 2023, has granted interim relief while the main writ petition is pending.
- 26.9** Various cases have been filed against the Company by some former employees. Based on the legal advice, no provision has been made in the books of account.
- 26.10** Guarantees given to Sui Northern Gas Pipelines Ltd. by commercial banks on behalf of the Company outstanding as at September 30, 2024 were for Rs.37.340 million (2023: Rs.37.340 million). These guarantees are valid upto June 19, 2024.

27. SALES - Net	2024	2023
	Rupees in thousand	
Local	1,678,635	1,944,123
Export	-	1,280,392
	1,678,635	3,224,515
Less: sales tax	274,242	178,553
	1,404,393	3,045,962

- 27.1** Contract liabilities represents short term advances received from customers against delivery of goods in future. The contract liabilities outstanding at September 30, 2023 amounting to Rs.15.765 million have been recognized as revenue during the year.

28. COST OF SALES

	Note	2024 Rupees in thousand	2023
Raw materials consumed		1,662,283	1,619,410
Chemicals and stores consumed		23,419	29,756
Salaries, wages and benefits	28.1	231,339	188,519
Power and fuel		61,741	78,060
Insurance		7,541	5,121
Repair and maintenance		37,374	38,171
Depreciation	5.5	224,046	103,178
		<u>2,247,743</u>	<u>2,062,215</u>
Adjustment of in process:			
Opening		10,544	10,482
Closing	9	(27,380)	(10,544)
		<u>(16,836)</u>	<u>(62)</u>
Cost of goods manufactured		2,230,907	2,062,153
Adjustment of finished goods:			
Opening stock		124,078	750,021
Closing stock	9	(213,570)	(124,078)
		<u>(89,492)</u>	<u>625,943</u>
		<u>2,141,415</u>	<u>2,688,096</u>

28.1 These include Rs.1.637 million (2023: Rs.1.152 million) and Rs.7.531 million (2023: Rs.5.332 million) in respect of provident fund contributions and staff retirement benefits - gratuity respectively.

29. DISTRIBUTION COST

Commission - local	836	623
Salaries, wages and amenities	3,404	1,044
Expenses on ethanol exports	-	66,120
Others	478	39
	<u>4,718</u>	<u>67,826</u>

30. ADMINISTRATIVE EXPENSES	Note	2024 Rupees in thousand	2023
Salaries and amenities	30.1	72,789	35,958
Travelling, vehicles' running and maintenance		3,641	4,087
Utilities		3,166	986
Rent, rates and taxes		7,626	16,366
Insurance		1,148	942
Repair and maintenance		19,838	14,997
Printing and stationery		3,458	3,225
Communication		1,289	1,183
Legal and professional charges (other than Auditors)		9,969	6,992
Subscription		1,183	587
Auditors' remuneration	30.2	2,599	2,471
Depreciation on:			
- operating fixed assets	5.5	3,646	3,744
- investment property	6	268	282
General office expenses		5,917	2,360
		<u>136,537</u>	<u>94,180</u>
30.1 These include Rs.0.701 million (2023: Rs.0.444 million) and Rs.2.250 million (2023: Rs.1.593 million) in respect of provident fund contributions and staff retirement benefits- gratuity respectively.			
30.2 Auditors' remuneration			
- statutory audit fee		1,414	1,122
- short provision for the preceding year		18	154
- half yearly review fee		419	195
- consultancy and certification charges		708	960
- out-of-pocket expenses		40	40
		<u>2,599</u>	<u>2,471</u>
31. OTHER EXPENSES			
Prior year's sales tax on account of inadmissible input tax adjustment claimed		4	1,096
Workers' (profit) participation fund	22	-	792
Workers' welfare fund	22	-	301
Uncollectible receivable balances written-off		-	639
Exchange fluctuation loss - net		-	47,944
		<u>4</u>	<u>50,772</u>

32. OTHER INCOME		2024	2023
	Note	Rupees in thousand	
Income from financial assets:			
Mark-up / interest / profit on bank deposits / saving accounts and certificates		5,035	2,414
Dividends		68,755	-
Income from other than financial assets:			
Gain on disposal of vehicles	5.6	-	146
Gain on disposal of investment property	15	586,208	-
Rent		13	12
Unclaimed payable balances written-back		529	160
Sale of agricultural produce - net of costs and expenses aggregating Rs.7.058 million (2023: Rs.9.797 million)		19,197	3,896
Sale of chemicals - net of cost of chemicals aggregating Rs.Nil million (2023:Rs.1.753 million)		-	405
Sale of press mud - net of sales tax amounting Rs.336 thousand (2023:Rs.319 thousand)		2,145	1,775
Sale of scrap - net of sales tax amounting Rs.Nil million(2023:Rs.2.007 million)		-	11,149
		<u>681,882</u>	<u>19,957</u>
33. FINANCE COST			
Mark-up on:			
- long term finances		-	43
- short term borrowings		225,280	148,315
Lease finance charges		1,893	803
Bank charges		7,845	1,143
		<u>235,018</u>	<u>150,304</u>
34. LEVIES AND INCOME TAXATION			
34.1 Final tax levy			
Levy:			
- for the year		<u>17,589</u>	<u>12,804</u>
34.2 Income tax			
Current tax			
- for the year	25	10,313	22,236
- prior year		(3,074)	-
Deferred tax		<u>(283,134)</u>	<u>(93,283)</u>
		<u>(275,895)</u>	<u>(71,047)</u>

35. EARNINGS / (LOSS) PER SHARE	2024	2023
	Rupees in thousand	
There is no dilutive effect on (loss) / earnings per share of the Company, which is based on:		
(Loss) / profit after taxation attributable to ordinary shareholders	(173,111)	72,984
Weighted average number of shares outstanding during the year	3,750,000	3,750,000
	----- Rupees -----	
(Loss) / earnings per share	(46.16)	19.46

36. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial instruments by category

Financial assets

At amortised cost

Security deposits	1,809	1,809
Trade debts	29	37,319
Trade deposits	136	136
Other receivables	3,906	7,107
Bank balances	62,217	120,095
	68,097	166,466

Financial liabilities

At amortised cost

Long term finances	983,558	-
Lease liabilities	8,394	4,484
Trade and other payables	355,333	127,762
Unclaimed dividends	7,470	7,470
Accrued mark-up	93,881	12,672
Short term borrowings	524,323	35
	1,972,959	152,423

36.1 Financial Risk Factors

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried-out by the Company's finance department under policies approved by the board of directors. The Company's finance department evaluates financial risks based on principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity, provided by the board of directors.

36.2 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: currency risk, interest rate risk and price risk.

(a) **Currency risk**

Foreign currency risk mainly arises where receivables and payables exist due to transactions entered into in foreign currencies. The Company is exposed to currency risk on import of stores & spare parts and plant & machinery. Exposure to credit risk has been disclosed in note 26.1 to these financial statements.

(b) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. At the reporting date, the interest rate profile of the Company's interest bearing financial instruments is as follows:

	2024	2023	2024	2023
	----- Effective rates -----		Carrying amount	
Fixed rate instruments			Rupees in thousand	
Deposits with a non-banking finance company	-	-	-	6,000
Cash at banks on deposit accounts	20.58% to 24.87%	17.76% to 24.41%	8,734	8,734
Long term finances	20.58% to 24.41%	-	983,558	-
Variable rate instruments				
Cash at banks on PLS accounts	20.58% to 24.87%	17.76% to 24.41%	981	20,887
Lease liabilities	20.72% to 23.35%	23.92% to 24.77%	8,394	4,484
Short term borrowings	19.43% to 24.87%	16.71% to 24.41%	497,000	-

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

At September 30, 2024, if interest rate on variable rate financial instruments had been 1% higher / lower with all other variables held constant, loss before taxation for the year would have been higher / lower by Rs.5.064 million mainly as a result of higher interest expense on variable rate financial liabilities; (2023: profit before taxation would have been lower / higher Rs.0.164 million mainly due to higher interest expense).

(c) **Price risk**

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

36.3 Credit risk exposure and concentration of credit risk

Credit risk represents the risk of a loss if the counter party fails to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the credit worthiness of counterparties.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk primarily arises from trade debts, deposits with a non-banking finance company and balances with banks. To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other relevant factors. Where considered necessary, advance payments are obtained from certain parties. The management has set a maximum credit period of 30 days to reduce the credit risk. Credit risk on bank balances is limited as the counter parties are banks with reasonably high credit ratings.

In respect of other counter parties, due to the Company's long standing business relationship with them, management does not expect non-performance by these counter parties on their obligations to the Company.

Exposure to credit risk

The maximum exposure to credit risk as at September 30, 2024 along with comparative is tabulated below:

	2024	2023
	Rupees in thousand	
Security deposits	1,809	1,809
Trade debts	29	37,319
Trade deposits	136	136
Other receivables	3,906	7,107
Deposits with a non-banking finance company	-	6,000
Bank balances	62,217	114,095
	68,097	166,466

- The management does not expect any losses from non-performance by these counter parties.
- Trade debts at September 30, 2024 represented domestic parties.
- Based on past experience, the Company's management believes that no impairment loss allowance is necessary in respect of trade debts as approximately all the debts have been realised subsequent to the year-end.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach is to ensure, as far as possible, to always have sufficient liquidity to meet its liabilities when due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and ensuring the availability of adequate credit facilities. The Company's treasury department aims at maintaining flexibility in funding by keeping committed credit lines available.

Financial liabilities in accordance with their contractual maturities are presented below:

Particulars	Carrying amount	Contractual cash flows	Less than one year	Between one to three years	More than three years
----- Rupees in thousand -----					
2024					
Long term finances	983,558	1,036,508	144,456	892,052	107,598
Lease liabilities	8,394	11,487	4,201	7,286	-
Trade and other payables	355,333	355,333	355,333	-	-
Unclaimed dividends	7,470	7,470	7,470	-	-
Accrued mark-up	93,881	93,881	93,881	-	-
Short term borrowings	524,323	573,744	573,744	-	-
	1,972,959	2,078,423	1,179,085	899,338	107,598
2023					
Lease liabilities	4,484	6,500	2,058	4,442	-
Trade and other payables	127,762	127,762	127,762	-	-
Unclaimed dividends	7,470	7,470	7,470	-	-
Accrued mark-up	12,672	12,672	12,672	-	-
Short term borrowings	35	35	35	-	-
	152,423	154,439	149,997	4,442	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest / mark-up rates effective at the respective year-ends. The rates of interest / mark-up have been disclosed in the respective notes to these financial statements.

37. CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The Company also monitors capital using a gearing ratio, which is net debt comprising of mark-up bearing long term & short term finances and lease liabilities less bank balances. Capital signifies equity as shown in the statement of financial position plus net debt. The gearing ratio as at September 30, 2024 and September 30, 2023 is as follows:

	2024	2023
	Rupees in thousand	
Total debt	677,173	4,519
Bank balances	(62,217)	(120,095)
Net (assets) / debt	614,956	(115,576)
Share capital	37,500	37,500
Share redemption reserve	1	1
Revaluation surplus on property, plant and equipment	1,500,552	1,634,949
General revenue reserve	900,000	900,000
Accumulated loss	(570,084)	(532,693)
Equity	1,867,969	2,039,757
Capital	2,482,925	1,924,181
Gearing ratio (Net debt / (Net debt + Equity))	24.77%	N/A

38. TRANSACTIONS WITH RELATED PARTIES

The Company has related party relationship with its Subsidiary and Associated Companies, employee benefit plans, its directors and key management personnel. Transactions with related parties are carried-out on arm's length basis. There were no transactions with key management personnel other than under the terms of employment. Aggregate transactions with Subsidiary Companies and Associated Companies during the year were as follows:

i) Subsidiary Companies	2024		2023	
	Rupees in thousand			
Chashma Sugar Mills Ltd.				
- purchase of store items, molasses and bagasse	9,208		29,212	
- sale of store items	-		2,546	
- sale of molasses	-		770,480	
- amount received against sale of property	50,885		-	
- dividend received	68,755		-	
- expenses paid on behalf of the Company	60,287		78,242	
- expenses paid by the Company	5,438		7,025	
- rental expense	115		115	
The Frontier Sugar Mills & Distillery Ltd.				
Sale of store items	8		981	
ii) Associated Companies				
- purchase of store items	14,927		13,157	
- expenses paid on account of storage service	-		12,484	
iii) Key management personnel				
- salaries and other benefits	43,036		7,989	

38.1 The Company's shareholdings in Subsidiary and Associated Companies have been detailed in note 7. In addition to the names of the Associated Companies detailed in note 7, the following are other Associated Companies and two sub-subsidiary Companies:

- Whole Foods (Pvt.) Ltd.(Sub-subsidiary)	- Premier Construction & Housing Ltd.
- Syntron Ltd.	- Phipson & Co. Pakistan (Pvt.) Ltd.
- Syntronics Ltd.	- Aurora (Pvt.) Ltd.
- Premier Ceramics Ltd.	- Ultimate Whole Foods (Pvt.) Ltd. (Sub-subsidiary)

38.2 Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the Company. The Company considers its Chief Executive, directors and all members of management team to be its key management personnel.

39. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Particulars	Chief Executive		Director		Executive	
	2024	2023	2024	2023	2024	2023
	----- Rupees in thousand -----					
Managerial remuneration	1,746	1,613	28,364	3,668	12,923	2,708
Contribution to provident fund	-	-	-	-	123	-
	1,746	1,613	28,364	3,668	13,046	2,708
Number of persons	1	1	1	1	7	1

39.1 The Chief Executive, one director and the executives residing in the factory are provided free housing (with the Company's generated electricity in the residential colony within the factory compound). The Chief Executive, one director and executives are also provided with the Company maintained cars.

39.2 Remuneration of directors does not include amounts paid or provided for, if any, by the Subsidiary and Associated Companies.

40. CAPACITY AND PRODUCTION		2024	2023
SUGAR CANE PLANT			
Rated crushing capacity per day	M.Tonnes	3,810	3,810
Cane crushed	M.Tonnes	130,269	102,302
Sugar produced	M.Tonnes	12,477	10,721
Days worked	Nos.	51	130
Sugar recovery	%	9.61	10.35
SUGAR BEET PLANT			
Rated slicing capacity per day	M.Tonnes	2,500	2,500
DISTILLERY			
Rated capacity per day	Gallons	14,300	14,300
Ethanol produced	Gallons	-	920,400
Days worked	Nos.	-	127

- The normal season days are 150 days for Sugar Cane crushing.

- Production was restricted to the availability of raw materials to the Company.

**41. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS
ARISING FROM FINANCING ACTIVITIES**

	Liabilities				
	Long term finances	Lease liabilities	Short term borrowings	Accrued mark-up	Dividend Total
	Rupees in thousand				
Balance as at September 30, 2022	6,227	211	701,000	2,791	7,470
Changes from financing activities					
Finances (repaid) / obtained - net	(6,228)	3,470	(700,965)	-	-
Government grant	1	-	-	-	1
Mark-up accrued	-	803	-	148,358	-
Mark-up paid	-	-	-	(138,477)	-
	(6,227)	4,273	(700,965)	9,881	-
Balance as at September 30, 2023	-	4,484	35	12,672	7,470
Changes from financing activities					
Finances (repaid) / obtained - net	983,558	2,017	524,288	-	-
Government grant	-	-	-	-	-
Mark-up accrued	-	1,893	-	225,280	-
Mark-up paid	-	-	-	(144,071)	-
	983,558	3,910	524,288	81,209	-
Balance as at September 30, 2024	983,558	8,394	524,323	93,881	7,470
					1,617,626

42. PROVIDENT FUND RELATING DISCLOSURES

The Company operates funded contributory provident fund scheme for all its permanent and eligible employees. The following information is based on the un-audited financial statements for the year ended September 30, 2024 and audited financial statements for the year ended September 30, 2023:

	2024	2023
	Rupees in thousand	
Size of the fund - total assets	73,608	59,225
Cost of investments made	65,454	54,509
Percentage of investments made	88.92%	92.04%
Fair value of investments made	65,454	54,509

42.1 The break-up of fair value of investments is as follows:

	2024	2023	2024	2023
	----- % -----		Rupees in thousand	
Term deposit receipts (TDRs)	99.94%	98.46%	65,413	53,668
Saving account in a scheduled bank	0.06%	1.54%	41	841
	100.00%	100.00%	65,454	54,509

42.2 Investments out of the provident fund have been made in accordance with the requirements of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

43. OPERATING SEGMENT

On the basis of its internal reporting structure, the Company's reportable segments are as follows:

- Sugar
- Distillery

43.1 Segment operating results for the year ended September 30, 2024

	Sugar Division		Ethanol Division		Total	
	2024	2023	2024	2023	2024	2023
	Rupees in thousand					
Sales						
-External customers	1,678,635	1,222,050	-	2,000,175	1,678,635	3,222,225
Less : sales tax & commission	(274,242)	(162,066)	-	(14,197)	(274,242)	(176,263)
Sales - net	1,404,393	1,059,984	-	1,985,978	1,404,393	3,045,962
Segment expenses:						
Cost of sales	(2,048,702)	(1,075,120)	(92,713)	(1,612,976)	(2,141,415)	(2,688,096)
Gross (loss) / profit	(644,309)	(15,136)	(92,713)	373,002	(737,022)	357,866
Distribution cost	(4,718)	(3,768)	-	(64,058)	(4,718)	(67,826)
Administrative expenses	(136,537)	(94,180)	-	-	(136,537)	(94,180)
	(141,255)	(97,948)	-	(64,058)	(141,255)	(162,006)
(Loss) / profit from operations	(785,564)	(113,084)	(92,713)	308,944	(878,277)	195,860
Other income	681,882	19,957	-	-	681,882	19,957
Other expenses	(4)	(2,828)	-	(47,944)	(4)	(50,772)
	681,878	17,129	-	(47,944)	681,878	(30,815)
Segment results	(103,686)	(95,955)	(92,713)	261,000	(196,399)	165,045
Finance cost	(235,018)	(89,139)	-	(61,165)	(235,018)	(150,304)
(Loss) / profit before taxation	(338,704)	(185,094)	(92,713)	199,835	(431,417)	14,741
Final tax levies and income taxation					(258,306)	(58,243)
(Loss) / profit after taxation					(173,111)	72,984

43.2 Segment assets and liabilities

	Assets		Liabilities	
	2024	2023	2024	2023
	----- Rupees in thousand -----			
Sugar	2,484,940	3,031,516	2,093,917	1,188,651
Ethanol	1,611,528	218,445	134,582	21,553
Total for reportable segment	4,096,468	3,249,961	2,228,499	1,210,204

43.3 Sales to domestic customers in Pakistan are 100% (2023 : 60.29%) and to customers outside Pakistan are Nil (2023 : 39.71%) of the revenues during the current financial year.

43.4 All non-current assets of the Company as at September 30, 2024 and September 30, 2023 are located in Pakistan.

43.5 The Company does not have transactions with any customer which amount to 10% or more of its sales.

44. SHAHRIAH SCREENING DISCLOSURE

	----- 2024 -----		----- 2023 -----	
	Conventional	Shariah Compliant	Conventional	Shariah Compliant
	----- Rupees in thousand -----			
Long term finances	983,558	-	-	-
Short term borrowings	497,000	-	-	-
Accrued mark-up	93,881	-	12,672	-
Bank balances	67,217	-	125,094	-
Other income				
a) Profit on bank deposits	5,034	-	2,413	-
b) Dividend Income	68,755	-	-	-
Mark-up on short term finances	225,279	-	148,315	-
Mark-up on long term finances	-	-	43	-

45. NUMBER OF EMPLOYEES

	2024	2023
	----- Numbers -----	
Number of persons employed as at September 30,		
- permanent	152	158
- contractual	229	234
	381	392
Average number of employees during the year		
- permanent	161	165
- contractual	219	285
	380	450

46. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on February 03, 2025 by the board of directors of the Company.

47. FIGURES

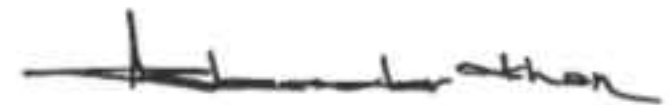
Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison; however, no material re-arrangements and re-classifications have been made in these financial statements.



Chief Financial Officer



Chief Executive



Director