CHASHMA SUGAR MILLS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

TEL: 051-2650805-7 FAX: 051-2651285-6

CHASHMA SUGAR MILLS LIMITED

King's Arcade, 20-A, Markaz F-7, Post Box No.1529, Islamabad

DIRECTORS' REPORT

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

Chashma Sugar Mills Limited ("the Company") was incorporated in Pakistan on May 05, 1988 and commenced its commercial production from October 01, 1992.The Company is principally engaged in manufacturing, production, processing, compounding, preparation and sale of sugar, other allied compound, intermediates and allied products.

1. SUMMARISED FINANCIAL RESULTS

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

	2024	2023
	Rupees in thousand	
(Loss)/Profit before revenue tax and income tax	**(3,813,820)**	1,579,280
- Minimum tax – levy	**(390,371)**	(300,825)
(Loss) / profit before income tax	**(4,204,191)**	1,278,455
- Taxation	**1,566,943**	420,684
(Loss)/Profit after taxation	**(2,637,248)**	1,699,139
	-------Rupees -------	
(Loss) / earnings per share - basic and diluted (Rs)	**(91.92)**	**59.22**

The financial year ended 30 September 2024 was challenging, with the Company reporting a net loss after tax of Rs. 2.64 billion, compared to a profit of Rs. 1.70 billion in the previous year. This decline was primarily due to inconsistent government policies for exports and delayed decisions on export-related matters.

The Sugar Division achieved net sales of Rs. 24.72 billion, up 24% from Rs. 19.88 billion. However, gross profit of the division dropped to Rs. 793.64 million from Rs. 2.98 billion, as sugar was sold below production cost due to elevated sugarcane prices driven by higher support rates and market pressures.

The Ethanol Division recorded net sales of Rs. 8.85 billion, up from Rs. 8.03 billion. Despite higher sales, gross profit of the ethanol division fell to Rs. 1.43 billion from Rs. 3.20 billion reflecting the impact of reduced ethanol prices, increased raw material costs, and higher transportation expenses.

Finance costs rose significantly to Rs. 4.07 billion from Rs. 2.74 billion driven, by rising interest rates and higher working capital requirement reduction in profitability and worsening the financial difficulties.

2. REVIEW OF OPERATIONS

Operational Highlights	2023-2024	2022-2023
Date of Crushing Started	**November 27, 2023**	November 28, 2022
Date of Crushing Closed	**March 6, 2024**	March 13, 2024
Crushing - M. Tons	**1,726,610**	1,963,169
Sucrose Recovery	**9.94%**	10.80%
Sugar Production - M. Tons	**171,591**	211,871
Ethanol Fuel Plant Production-M. Tons	**34,443**	33,889

2.1- CRUSHING SEASON 2023-24

The sugarcane crushing season 2023-24 commenced on November 27,2023 continued till March 6,2024. The mills have crushed 1,726,610 tons (2023: 1,963,169 tones) of sugarcane and have produced 171,591 tons (2023: 211,871 tons) of sugar having an average recovery of 9.94% (2023: 10.80%). The Provincial Government of Punjab and Khyber Pakhtunkhwa (KPK) fixed sugar cane price @ Rs. 400/- per 40 kg.

2.2- CRUSHING SEASON 2024-25

The sugarcane crushing season for 2024-25 began on November 21, 2024. The mills have crushed 1,112,879 tons of sugarcane, resulting in the production of 104,353 tons of sugar till February 02, 2025. Unlike previous years, the Provincial Governments have not regulated sugarcane prices for this season. According to government forecasts, sugar production for the 2024-25 season is expected be 6.1 million tons.

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.

3. SUGAR PRICE

The government has allowed sugar export of 790,000 tons to address surplus production and stock levels. International sugar prices ranged between $500 and $530 per ton, but the restricted export quota and delays in approval processes prevented the industry from capitalizing on these favorable conditions. Government-imposed limits on export volumes have further weakened profitability, and the missed opportunity to take advantage of high global prices, combined with ongoing market instability, continues to put pressure on the sugar sector.

The current pricing and export policies do not appear to provide a sustainable path for the industry. To ensure long-term growth and profitability, a more consistent pricing mechanism and deregulation is compulsory.

4. 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.

5. FUTURE OUTLOOK

For the 2024/25 sugar season, the industry is facing challenges such as carryover stocks, limited funds, and higher costs. According to government forecasts, Pakistan is expected to produce 6.1 million tons of sugar, which should be enough for local demand.

6. ETHANOL FUEL PLANT AT CHASHMA SUGAR MILL-RAMAK

The Ethanol Fuel Plant produced 34,443 MT (2023: 33,899 MT) of Ethanol during the year and contributed towards the profitability of the Company.

Ethanol prices are anticipated to remain low in the international market for the 2024-25 period, which will likely put pressure on profitability and margins.

7. FLOUR MILLS PROJECT

The subsidiary Company, "Ultimate Whole Foods (Private) Limited," has commenced operations following the successful completion of its trial run. Equipped with state-of-the-art flour mills with a capacity of 285 tons per day (TPD), the facility is located in Ramak, Dera Ismail Khan.

8. SILOS PROJECT

Commercial Operations Date (COD) as per concession agreements of both sites i.e. Notak Centre, District Bhakkar and Head Varery Centre, District Layyah has been completed. However, commercial operations of the Company have not started yet.

9. RELATIONSHIP WITH STAFF/GROWERS

The Management and Labor relations remained cordial during the year. The Company enjoys cordial relationship with the farmers' community in the form of timely payments through bank it considers the growers to be its backbone.

10. PATTERN OF SHAREHOLDING

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

11. CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- The financial statements, prepared by the management of Chashma Sugar Mills 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 corporate governance as detailed in the Listed Companies (CCG) Regulations, 2019.

- Key operating and financial data for the last decade 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. 418.064 million as at September 30, 2024.

12. 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 Mr. Abbas Sarfaraz Khan –Director of the Company who purchased 84,186 ordinary shares during the year.

13. WINDING UP OF PREMIER GRAIN ETHANOL LIMITED

The matter disclosed in Note 9.4 of the financial statements concerns the subscription of 50,000,000 ordinary shares of Rs. 10 each, amounting to Rs. 500 million, in Premier Grain Ethanol Limited (PGEL), out of the proposed share capital of Rs. 650.020 million.

PGEL did not commence its operations. Subsequently, on January 14, 2025, the Board of Directors of PGEL passed a resolution to wind up the Company due to financial and operational challenges. This decision has been formally communicated to the Securities and Exchange Commission of Pakistan.

14. 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.

15. RELATED PARTY TRANSACTIONS

The Related Parties transactions mentioned in Note 43 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 transactions, and all transactions are conducted on an arm's length basis.

16. PRINCIPLES RISKS AND UNCERTAINITES

The Company is exposed to the following risks and uncertainties:

- Sugarcane Availability on competitive prices
- Higher inflation

- Inconsistent 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.

17. COMPOSITION OF BOARD AND BOARD MEETINGS

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

1. Male Directors 4
2. Female Directors 3

During the year, a total of eleven (11) meetings were held and the attendance of each director is shown as follows;

Name of Directors	Board Meetings	Board Audit Committee Meetings	Human Resource and Remuneration Committee
	Attended	**Attended**	**Attended**
Non- Executive Directors			
Ms. Zarmine Sarfaraz	3	-	-
Mr. Abdul Qadar Khattak **(Retired)**	2	2	-
Mr. Iskander M. Khan	6	4	1
Ms. Mehnaz Saigol	4	2	1
Executive Directors			
Begum Laila Sarfraz	5	-	-
Mr. Abbas Sarfaraz Khan	6	-	-
Independent Directors			
Ms. Mariam Ali Khan **(Late)**	1	-	-
Ms. Samia Liaquat Ali Khan	4	2	1
Mr. Feisal Kemal Khan	5	-	-

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

18. 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.

19. 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.

20. CONTIRBUTION TO THE NATIONAL/PROVINCIAL EXCHEQUER

The Company made a total contribution of Rs 947.375 million (2023: Rs 636.174 million) to the government treasury in the form of income tax, sales tax, excise duty and levies.

21. DIVIDEND

The Directors have not recommended any dividend for the year ended September 30, 2024, due to the financial constraints and losses suffered by the Company during the year.

22. EXTERNAL AUDITORS

The Audit Committee and the Board have recommended to the shareholders the appointment of **M/s ShineWing Hameed Chaudhri & Co., Chartered Accountants, Lahore,** as auditors in place of the retiring auditors, **M/s A.F. Fergusons & Co., Chartered Accountants, Islamabad,** in accordance with the Code of Corporate Governance, for the year ending **September 30, 2025**.

23. STATUS OF THE COMPANY

In the light of the directions of the Securities and Exchange Commission of Pakistan, the Company has been treated a subsidiary of The Premier Sugar Mills & Distillery Company Limited with effect from the financial year 2010.

24. COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The requirements of the Code of Corporate Governance set out by SECP in 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.

25. 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

DIRECTOR

CHIEF EXECUTIVE/DIRECTOR

Mardan:
February 03, 2025

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

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2024 and of the 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Following are the key audit matters:

S.No.	Key Audit Matter	How the matter was addressed in our audit
i)	**Revaluation of property, plant and equipment** *(Refer note 6, 7.1 and 18 to the financial statements)* Under the International Accounting Standard 16 "Property, Plant and Equipment", the Company carries its freehold land, leasehold land, building & roads, plant & machinery and electric installations at revaluation model. Under the said model, if fair value can be measured reliably, 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 the revaluation less any subsequent accumulated depreciation and accumulated impairment losses; if any. As at September 30, 2024, the carrying value of free hold land, leasehold land, buildings & roads, plant & machinery and electric installations was Rs 20,493,698 thousand. The fair value of the Company's free hold land, leasehold land, buildings & roads, plant & machinery and electric installations were assessed by management based on independent valuation performed by an external property valuation expert as at September 30, 2024. For valuation of free hold land, buildings & roads, plant & machinery and electric installations, the current market price or depreciated replacement cost method is used, whereby, current cost of construction of similar free hold land, buildings & roads and plant & machinery in similar locations has been adjusted using suitable depreciation rates to arrive at present market value. This technique requires significant judgment as to estimating the revalued amount in terms of their quality, structure, layout and locations. We identified valuation of property, plant and equipment as a key audit matter due to the significant carrying value and the significant management judgement and estimation involved in determining their value due to factors described above.	Our audit procedures to assess the valuation of free hold land, leasehold land, buildings & roads, plant & machinery and electric installations included amongst others the following: - Evaluated the qualification, experience and competence of the independent external property valuation expert engaged by the Company as management expert for valuation; - Obtained understanding of the valuation process and techniques adopted by the valuation expert to assess, if they are consistent with the industry norms; - Obtained the valuation report of external valuation expert and tested mathematical accuracy of the reports; - Engaged another independent valuation expert as an auditor expert to assess the appropriateness and the reasonableness of the related management's assumptions and methodologies used by the management expert; and - Assessed the adequacy of the related disclosures in the annexed financial statements.

S.No.	Key Audit Matter	How the matter was addressed in our audit
ii)	**Investment in subsidiaries**	
	(Refer note 4.6.1, 6 and 9 to the financial statements) The Company has made significant investments in its subsidiaries. As at September 30, 2024 the carrying amount of investment in subsidiaries is Rs. 1,652,823 thousand. The Company carries out impairment assessment, at each reporting period end, of the value of investment where there are indicators of impairment. The Company's management has assessed the recoverable amount of investment in subsidiaries based on the assessment of fair value less cost to sell and value in use in accordance with the requirements of IAS – 36. The estimation of recoverable amounts involve significant judgment on key assumptions including the determination of fair value less cost to sell, future cash flows, the discount rate applied to those future cash flows, long term growth rate etc. We considered this as a key audit matter due to significant carrying value and significant management judgement involved in the estimation of recoverable amounts.	Our audit procedures in relation to this matter included, amongst others: - Obtained understanding of management's process for identification of impairment indicators in, and testing impairment of investment in subsidiaries; - Obtained the report of independent valuation expert (where applicable) and evaluated competence, capabilities and objectivity of experts engaged by management; - Involved auditor's expert to assess appropriateness and reasonableness of significant estimates, where applicable; - Checked the mathematical accuracy of management's valuation model and agreed relevant data to the underlying records; - Assessed the reasonableness of key assumptions used in the valuation model such as future revenue and cost, discount rate and long-term growth rates etc. - Performed sensitivity analysis with respect to changes in key assumptions used in the valuation model; and - Assessed the appropriateness of disclosures made in the annexed financial statements with respect to the requirements of the applicable financial reporting framework.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Asim Masood Iqbal.

Chartered Accountants
Islamabad
Date: February 7, 2025

UDIN: AR202410053CYqD4Z5PA

CHASHMA SUGAR MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

	Note	2024	2023 Restated
		(Rupees in thousand)	
NON CURRENT ASSETS			
Property, plant and equipment	7	**21,545,185**	20,371,132
Right-of-use assets	8	**295,474**	296,124
Long term investments	9	**1,652,823**	638,357
Long term loans and deposits	10	**15,343**	283,936
		23,508,825	21,589,549
CURRENT ASSETS			
Stores and spares	11	**732,276**	841,710
Stock-in-trade	12	**3,988,480**	5,177,676
Trade debts	13	**276,285**	1,214,104
Loans and advances	14	**1,771,110**	1,742,423
Trade deposits and other receivables	15	**74,078**	200,991
Income tax refundable		**395,063**	122,222
Cash and bank balances	16	**898,783**	811,313
		8,136,075	10,110,439
TOTAL ASSETS		**31,644,900**	31,699,988
SHARE CAPITAL AND RESERVES			
Authorized capital	17	**500,000**	500,000
Issued, subscribed and paid-up capital	17	**286,920**	286,920
General reserve	17.5	**327,000**	327,000
Surplus on revaluation of property, plant and equipment	18	**8,978,222**	8,148,726
Unappropriated profits		**3,550,096**	5,775,450
Shareholders' equity		**13,142,238**	14,538,096
NON-CURRENT LIABILITIES			
Long term finances - secured	19	**3,989,793**	3,261,715
Loans from related parties - secured	20	**126,222**	131,854
Lease liabilities	21	**143,011**	140,314
Deferred liabilities			
-Deferred taxation		**3,018,176**	3,472,814
-Provision for gratuity		**22,132**	19,965
-Deferred government grant		**49,695**	76,280
	22	**3,090,003**	3,569,059
		7,349,029	7,102,942
CURRENT LIABILITIES			
Trade and other payables	23	**1,483,125**	3,375,789
Unclaimed dividend		**15,679**	14,572
Short term borrowings - secured	24	**8,325,008**	4,871,003
Current maturity of non-current liabilities	25	**939,449**	1,581,737
Provision for tax levies - net		**390,372**	215,849
		11,153,633	10,058,950
TOTAL LIABILITIES		**18,502,662**	17,161,892
Contingencies and commitments	26		
TOTAL EQUITY AND LIABILITIES		**31,644,900**	31,699,988

The annexed notes 1 to 47 form an integral part of these financial statements.

Chief Financial Officer **Chief Executive** Director **Director**

In the absence of Chief Executive, these Financial Statements have been signed by two Directors along with Chief Financial Officer.

CHASHMA SUGAR MILLS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Note	2024	2023 Restated
		(Rupees in thousand)	
Gross sales	27	**36,824,097**	29,371,617
Sales tax, other government levies and discounts	28	**(4,549,440)**	(2,995,900)
Sales - net		**32,274,657**	26,375,717
Cost of sales	29	**(30,054,086)**	(20,188,453)
Gross profit		**2,220,571**	6,187,264
Selling and distribution expenses	30	**(877,883)**	(866,016)
Administrative and general expenses	31	**(1,198,876)**	(1,009,357)
Net loss allowance on trade debts and subsidy receivable from GoP	13.2 & 15.1	**(148,447)**	(66,964)
Other income	32	**409,700**	267,688
Other expenses	33	**(146,366)**	(194,967)
Operating profit		**258,699**	4,317,648
Finance cost	34	**(4,072,519)**	(2,738,368)
(Loss) / profit before revenue tax and income tax		**(3,813,820)**	1,579,280
Minimum tax - levy	35	**(390,371)**	(300,825)
(Loss) / profit before income tax		**(4,204,191)**	1,278,455
Taxation	36	**1,566,943**	420,684
(Loss) / profit for the year		**(2,637,248)**	1,699,139
(Loss) / earnings per share - basic and diluted (Rs)	37	**(91.92)**	59.22

The annexed notes 1 to 47 form an integral part of these financial statements.

Chief Financial Officer **Chief Executive** Director **Director**

In the absence of Chief Executive, these Financial Statements have been signed by two Directors along with Chief Financial Officer.

CHASHMA SUGAR MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Note	2024	2023 Restated
		(Rupees in thousand)	
(Loss) / profit for the year		**(2,637,248)**	1,699,139
Other comprehensive income			
Items that will not be classified to profit or loss:			
Remeasurement gain / (loss) on staff retirement benefit plans	22.3.5	**2,245**	(2,656)
Less: Deferred tax on remeasurement gain / (loss) on staff retirement benefit plans		**(876)**	1,036
		1,369	(1,620)
Surplus on revaluation of property, plant and equipment	18.1	**2,494,915**	2,567,400
Less: Deferred tax on surplus on revaluation of property, plant and equipment	18.1	**(1,111,434)**	(842,776)
		1,383,481	1,724,624
Total comprehensive (loss) / income for the year		**(1,252,398)**	3,422,143

The annexed notes 1 to 47 form an integral part of these financial statements.

Chief Financial Officer | **Chief Executive/Director** | **Director**

In the absence of Chief Executive, these Financial Statements have been signed by two Directors along with Chief Financial Officer.

CHASHMA SUGAR MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Note	2024	2023 Restated
		(Rupees in thousand)	
Cash flow from operating activities			
(Loss) / profit for the year - before taxation		(4,204,191)	1,278,455
Adjustments for non-cash items:			
Depreciation	29, 30 & 31	1,615,388	1,391,005
(Gain) on disposal of operating fixed assets	32	(15,490)	(8,446)
Profit on deposit accounts	32	(5,901)	(10,237)
Mark-up income on loan to subsidiaries and related parties	32	(220,704)	(25,486)
Mark-up earned on term depository receipts		(88,758)	(31,313)
Finance cost	34	4,072,519	2,738,368
Impairment loss / (reversal) for trade debts	13	(1,290)	1,551
Impairment loss for export subsidy	15.1	149,737	65,413
Imapirment loss on long term investments	33	130,000	-
(Reversal) of provision for obsolete items	11.1	(15,595)	(6,713)
Provision for gratuity	22.3.2	8,935	5,639
Minimum tax - levy	35.1	390,371	300,825
		1,815,021	5,699,061
Changes in working capital			
Decrease / (Increase) in			
Stores and spares		125,029	(325,569)
Stock-in-trade		1,189,196	(1,797,807)
Trade debts		901,925	(1,308,901)
Loans and advances		(89,603)	(267,768)
Trade deposits and other receivables		(22,824)	(10,753)
(Decrease) / increase in trade and other payables		(1,891,827)	2,147,798
		211,896	(1,563,000)
		2,026,917	4,136,061
Income tax paid / Levies		(488,694)	(216,208)
Gratuity paid	22.3.1	(5,360)	(1,180)
Net cash generated from operating activities		1,532,863	3,918,673
Cash flow from investing activities			
Purchase of property, plant and equipment		(218,117)	(1,120,686)
Sale proceeds of operating fixed assets		46,574	29,020
Long term investment in subsidiaries		(594,253)	(214,393)
Profits on bank deposits received	32	5,901	10,237
Interest income on loan provided to related party		-	25,486
Profits on term finance certificates		88,758	31,313
Net cash (used) in investing activities		(671,137)	(1,239,023)
Cash flow from financing activities			
Long term finance - net		103,122	248,716
Short term borrowings obtained / (repaid)		3,925,169	(176,105)
Bank balances under lien	16.1	-	(450,000)
Loan repaid to related party		(15,618)	(31,235)
Lease obligation repaid	21	(154,773)	(145,192)
Dividends paid		(142,353)	(35)
Finance cost paid		(4,094,347)	(2,343,674)
Net cash (used) in financing activities		(378,800)	(2,897,525)
Net increase / (decrease) in cash and cash equivalents		482,926	(217,875)
Cash and cash equivalents - at beginning of the year		(2,610,917)	(2,393,042)
Cash and cash equivalents - at end of the year		(2,127,991)	(2,610,917)
Cash and cash equivalents comprised of:			
Cash and bank balances	16.1	444,783	357,313
Short term running finance - secured	24	(2,572,774)	(2,968,230)
		(2,127,991)	(2,610,917)

The annexed notes 1 to 47 form an integral part of these financial statements.

Chief Financial Officer **Chief Executive** Director **Director**

In the absence of Chief Executive, these Financial Statements have been signed by two Directors along with Chief Financial Officer.

CHASHMA SUGAR MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Share capital	General reserve	Surplus on revaluation of property, plant and equipment	Unappropriated profits	Total
	Rupees in thousand				
Balance as at October 1, 2022	286,920	327,000	6,934,478	3,567,555	11,115,953
Total comprehensive income for the year ended September 30, 2023					
Income for the year	-	-	-	1,699,139	1,699,139
Other comprehensive income for the year	-	-	1,724,624	(1,620)	1,723,004
	-	-	1,724,624	1,697,519	3,422,143
Transfer on account of incremental depreciation (net of deferred taxation)	-	-	(510,376)	510,376	-
Balance as at September 30, 2023	286,920	327,000	8,148,726	5,775,450	14,538,096
Balance as at October 1, 2023	**286,920**	**327,000**	**8,148,726**	**5,775,450**	**14,538,096**
Total comprehensive income for the year ended September 30, 2024					
Loss for the year	-	-	-	**(2,637,248)**	**(2,637,248)**
Other comprehensive income for the year	-	-	**1,383,481**	**1,369**	**1,384,850**
	-	-	**1,383,481**	**(2,635,879)**	**(1,252,398)**
Transfer on account of incremental depreciation (net of deferred taxation)	-	-	**(553,985)**	**553,985**	-
Cash dividend at rate of Rs. 5.00 per ordinary share for the year ended September 30, 2023	-	-	-	**(143,460)**	**(143,460)**
Balance as at September 30, 2024	**286,920**	**327,000**	**8,978,222**	**3,550,096**	**13,142,238**

The annexed notes 1 to 47 form an integral part of these financial statements.

Chief Financial Officer **Chief Executive** Director **Director**

In the absence of Chief Executive, these Financial Statements have been signed by two Directors along with Chief Financial Officer.

1. Legal status and operations

Chashma Sugar Mills Limited (the Company) was incorporated in Pakistan on May 05, 1988 as a public limited company, under the Companies Ordinance, 1984 (repealed upon enactment of the Companies Act, 2017 on May 30, 2017) and commenced its commercial production from October 01, 1992. The Company has its shares quoted on the Pakistan Stock Exchange Limited. The Company is principally engaged in manufacturing, production, processing, compounding, preparation and sale of sugar, other allied compound, intermediates and allied products. The Company is a subsidiary of The Premier Sugar Mills and Distillery Company Limited. The head office of the Company is situated at King's Arcade, 20-A, Markaz F-7, Islamabad and its manufacturing facilities are located at Dera Ismail Khan, Khyber Pakhtunkhwa.

2. Statement of compliance

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

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

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

3. Changes in accounting standards, interpretations and pronouncements

3.1 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		Effective date (annual reporting periods beginning on or after)
IFRS 7	Financial Instruments: Disclosures	January 1, 2024 & January 1, 2026
IFRS 9	Financial Instruments	January 1, 2026
IFRS 16	Leases	January 1, 2024
IFRS 18	Presentation and Disclosures in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
IAS 1	Presentation of Financial Statements	January 1, 2024
IAS 7	Statement of cash flows	January 1, 2024

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

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

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 18	Presentation and Disclosure in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures
IFRIC 12	Service concession arrangements

4. Material Accounting Policy Information

4.1 Basis of preparation

The Company adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice statements 2) from October 1, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements.

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

These financial statements are the separate financial statements of the Company. In addition to these separate financial statements, the Company also prepares consolidated financial

4.2 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees, which is the Company's functional currency

4.3 Property, plant and equipment

4.3.1 Owned assets

Operating fixed assets except freehold land, leasehold land, building and roads, plant & machinery and electric installations are stated at cost less accumulated depreciation and impairment losses. Freehold land is stated at revalued amount, where as leasehold land, building & roads, plant & machinery and electric installations are stated at revalued amount less accumulated depreciation and impairment losses. Revaluation is carried out by an independent expert. The Company carries out revaluations periodically, considering the change in circumstances and assumptions from latest revaluation. Capital work-in-progress and major spare parts and standby equipment are stated at cost. The surplus on revaluation to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profits. Cost in relation to certain plant and machinery items include borrowing cost related to the financing of major projects during construction phase.

Subsequent cost, if reliably measurable, are included in the asset's carrying amount or recognized as separate amount as appropriate, only when it is probable that future economic benefits associated with the cost will flow to the Company. The carrying amount of any replaced parts as well as other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred.

Increase in the carrying amount arising on revaluation of freehold land, leasehold land, building and roads, plant & machinery and electric installations are recognized in other comprehensive income and accumulated in shareholders' equity under the heading surplus on revaluation of property, plant and equipment. To the extent that the increase reverses a decrease previously recognized in statement of profit or loss, the increase is first recognized in statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to statement of profit or loss.

Depreciation on operating assets is calculated using the reducing balance method to allocate their cost over their estimated useful life at the rates specified in note 7.1. Depreciation for factory assets is charged to cost of sales while depreciation for other property, plant and equipment is charged to administrative and general expenses and selling and distribution expenses on actual usage basis.

Depreciation on additions to property, plant and equipment is charged from the date asset is available for intended use till date of disposal.

The gain or loss on disposal of an asset, calculated as difference between the sale proceed and carrying amount of the asset, is recognized as other income in statement of profit or loss for the year.

4.3.2 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. It consists of expenditure incurred and advances made in respect of operating fixes assets, capital stores and intangibles assets in the course of their acquisition, construction and installation.

4.4 Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease i.e. the date the underlying assets are available for use. Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities except plant and machinery for which the Company has elected to use the revaluation model.

The cost comprising the following:

- the amount of the initial measurement of lease liabilities
- any lease payments made at or before the commencement date less any lease incentives received any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use assets are depreciated over the underlying assets' useful life.

4.5 Impairment of non-financial assets

Assets that have an indefinite useful life, for example land, are not subject to amortisation or depreciation and are tested annually for impairment. Assets that are subject to depreciation/ amortisation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Reversals of the impairment losses are restricted to the extent that assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. An impairment loss or reversal of impairment loss is recognised in the statement of profit or loss.

4.6 Long term investments

4.6.1 Investment in subsidiaries

Investment in subsidiaries is initially recognised at cost. At subsequent reporting date, recoverable amounts are estimated to determine the extent of impairment loss, if any, and carrying amount of investment is adjusted accordingly. Impairment losses are recognised as expense in the statement of profit or loss. Where impairment loss is subsequently reversed, the carrying amounts of investment are increased to its revised recoverable amount, limited to the extent of initial cost of investment. Reversal of impairment losses are recognised in the statement of profit or loss.

The profits or losses of subsidiaries are carried forward in their financial statements and are not dealt within these financial statements except to the extent of dividend declared by the subsidiaries. Gains and losses on disposal of investment are included in other income. When the disposal on investment in subsidiary results in loss of control such that it becomes an associate, the retained investment is carried at cost.

4.6.2 Investment in associates

Investments in associates and jointly controlled entities are carried at cost. At subsequent reporting date, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognised as expense in the statement of profit or loss. Where impairment losses are subsequently reversed, the carrying amounts of these investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognised in the statement of profit or loss. The profits and losses of associates and jointly controlled entities are carried forward in their financial statements and are not dealt within these financial statements except to the extent of dividend declared by the associates and jointly controlled entities. Gains and losses on disposal of investments are included in the statement of profit or loss.

4.7 Stores and spares

Stores and spares are stated at cost less allowance for obsolete and slow moving items. Cost is determined using weighted average method. Items in transit are valued at cost comprising invoice value and other related charges incurred up to the date of the statement of financial position date.

4.8 Stock-in-trade

Sugar and ethanol are stated at the lower of cost and net realisable value. Cost is determined using the average manufacturing cost method. The cost of finished goods and work in process comprises raw materials, direct labour, other direct costs and related production overheads.

Purchased molassess is stated at lower of cost and net realisable value whereas cost of own produced molasses, a by product, is determined on the basis of average cost of molasses purchased from third parties.

The specific costs of bagasse, a by-product cannot be determined. Accordingly, it is stated at net realizable value (NRV).

Net realisable value is the estimated selling price in the ordinary course of business, less cost of completion and costs necessary to be incurred to make the sale.

4.9 Trade debts

Trade debts are recognised and carried at the original invoice amounts, being the fair value, less an allowance for uncollectible amounts, if any. As explained in note 4.20 to these financial statements, for measurement of loss allowance for trade debts, the Company applies IFRS 9 simplified approach to measure the expected credit losses.

4.10 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash with banks on current, saving and deposit accounts, short term borrowings and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

4.11 Borrowings and borrowing cost

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. All other borrowing costs are charged to statement of profit or loss.

4.12 Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid 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 payments in the measurement of the lease liability comprise the following:

a) fixed payments, including in-substance fixed payments;
b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

c) amounts expected to be payable under a residual value guarantee; and
d) the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

4.13 Trade and other payables

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

4.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

4.15 Taxation

Income tax comprises of current and deferred tax.

(i) Current

Provision for current taxation is based on taxable income for the year determined in accordance with prevailing law for taxation on income at the applicable rates of taxation after taking into account tax credits and tax rebates, if any. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

The Company recognises provision for income tax based on best current estimates. However, where the final tax outcome is different from the amounts that were initially recorded, such differences impact the income tax provision in the period in which such determination is made.

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

(ii) Deferred

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

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. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. The calculation of deferred tax involves an estimate of future ratio of export and local sales considering the current trends and future expectations.

4.16 Accounting guidance issued by ICAP on Accounting for minimum taxes and final taxes

Institute of Chartered Accountant of Pakistan (ICAP) issued a guidance "Application guidance on accounting for minimum taxes and final taxes" 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 profit' as defined in IAS 12 but calculated on turnover or other basis (as per relevant sections of the Income Tax Ordinance, 2001 (ITO, 2001)), accordingly minimum taxes and final taxes should be accounted for under IAS 37/IFRIC 21 as levies [though these are charged under tax law] and not under IAS 12 as income taxes. Based on the aforesaid guidance, the minimum taxes under ITO 2001 are hybrid taxes which comprise of a component within the scope of IAS 12 (Income Tax) and a component within the scope of IFRIC 21 (Levies).

The aforesaid guidance has been applied retrospectively by the Company and the comparative information has been restated, which has not affected current period or prior years' net sales, profit after taxes and levies, equity and cash flows. Impact as of October 1, 2022 is not material to the financial statements. In accordance with requirements of IAS 1 "Presentation of Financial Statements", the balances as at September 30, 2023 have been restated and third statement of financial position as of October 1, 2022 has not been presented since the impact on the statement of financial position as at October 1, 2022 is not material to these financial statements. The effects of the restatement are summarized in note 4.16.1 below:

4.16.1 The following tables present the impacts of restatements as explained in note 4.16 above:

	Balances before restatement	Impact	Restated
	(Rupees in thousand)		
Statement of financial position September 30, 2023			
Current assets			
Income tax refundable	-	122,222	122,222
Current liabilties			
Provision for taxation - net	93,627	(93,627)	-
Provision for tax levies - net	-	215,849	215,849

Statement of profit or loss

In the statement of profit or loss, the minimum tax and final tax previously presented as income taxes have now been reclassified as "final taxes - levy" under IAS 37 / IFRIC 21 amounting to Rs 300,825 thousand for the year ended September 30, 2023.

4.17 Revenue recognition

The Company recognises revenue at point of time when control of product is transferred to customer / buyer. Control is considered to be transferred in case of local sales when the finished goods are directly uplifted by customer / buyer from the warehouse or when it is delivered by the Company at customer premises or delivered as per instructions of the customer as the case maybe. In case of export sales, control is considered to be transferred when the finished goods are shipped to the customer.

Revenue is measured based on the consideration agreed with a customer and excludes sales tax / government levies and amounts collected on behalf of third parties. Revenue is presented net of discounts, rebates and returns.

No element of financing is deemed present as the sales are made either at advance or with a credit term of upto 30 days, which is consistent with the market price.

4.18 Development expenditure

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

4.19 Operating segments

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 that makes strategic decisions. The management has determined that the Company has two reportable segments i.e. sugar and ethanol.

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4.20 Financial instruments

Financial instruments are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company losses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized 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) amortized cost where the effective interest rate method will apply;
ii) fair value through profit or loss;
iii) fair value through other comprehensive income.

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

For assets measured at fair value, gains and losses will either be recorded in statement of profit or loss or other comprehensive income. For investment in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI). The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commit 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.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company can classifies its debt instruments:

i) Amortised cost

Assets that are held for collection of contractual cash flows where the contractual terms of the financial assets give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in statement of profit or loss and presented in other income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

ii) Fair value through other comprehensive income (FVTOCI)

Debt securities, where the contractual cashflows are solely principal and interest and the objective of the Company's business model is achieved both by collecting contractual cashflows and selling financial assets are measured at FVTOCI. Movements in the carrying amount are taken through Other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other income. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income and impairment expenses are presented as separate line item in the statement of profit or loss.

iii) Fair value through profit and loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the statement of profit or loss and presented in finance income/cost in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to statement of profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in statement of profit or loss as other income when the Company's right to receive payments is established.

Impairment of financial assets

The Company assess on a historical as well as forward-looking basis, the expected credit loss (ECL) as associated with its debt instruments carried at amortised cost. 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
- Loans and advances
- Trade deposits and other receivables
- Cash and bank balances

i) General approach for loans and advances, trade deposits and other receivables and cash and bank balances

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognised when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognised without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

Significant increase in credit risk

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor;
- significant increase in credit risk on other financial instruments of the same debtor; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

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).

Irrespective of the above analysis, in case of trade debts, the Company considers that default has occurred when a the debt is more than 365 days past due, unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit - impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

ii) 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; and

- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade debts with individually significant balance are separately assessed for ECL measurement. All other trade debts are grouped and assessed collectively based on shared credit risk characteristics and the days past due. The expected credit losses on these financial assets are estimated using a provision matrix approach based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Recognition of loss allowance

The Company recognizes 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, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Write-off

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.
The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

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 recognized 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 are subsequently measured at amortized cost, using the effective interest rate method and are measured at present value. Gain and losses are recognized in profit or loss for the year, when the liabilities are derecognized 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 they expire.

Offsetting financial assets and financial liabilities

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

4.21 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market is accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Board determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement. External valuers may be involved for valuation of significant assets and significant liabilities. For the purpose of fair value disclosures, the Company determines classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

4.22 Other Income

The Company recognises following in other income:

(i) Income on deposit / saving accounts using the effective yield method.
(ii) Dividend income when the right to receive dividend is established.
(iii) Income from other non-recurring goods and services is recognised when the control is transferred and performance obligations are fulfilled.

5. Summary of other accounting policies

Other than material accounting policies applied in the preparation of these financial statements are set out below for ease of user's understanding of these financial statements. These policies have been applied consistently for all periods presented, unless otherwise stated.

5.1 Employee retirement benefits

The Company operates a provident fund and an unfunded gratuity scheme for its employees as per details below:

5.1.1 Defined contribution plan

The Company operates a recognized contributory provident fund for its permanent employees. Equal monthly contributions are made, both by the Company and the employees to the fund at the specified rate of basic salary and charged to statement of profit or loss. Investments out of provident fund have been made in accordance with the provisions of section 218 of Companies Act, 2017 and applicable rules.

5.1.2 Defined benefit plan

The Company operates an unfunded gratuity scheme covering eligible employees under their employment contract. The liability for gratuity is recognized on the basis of actuarial valuation using Projected Unit Credit Method. The latest actuarial valuation was conducted on September 30, 2024.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the year in which they arise. Past service costs are recognized immediately in profit or loss.

5.2 Foreign currency transactions and translation

Foreign currency transactions are translated into the rupees using the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into functional currency using the exchange rate prevailing at the statement of financial position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognized in the statement of profit or loss.

5.3 Dividend and revenue reserve appropriation

Dividend and movement in revenue reserves are recognised in the financial statements in the period in which these are approved.

5.4 Earnings per share

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

5.5 Deferred government grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grant includes any benefit earned on account of a government loan obtained at below-market rate of interest. The loan is recognised and measured in accordance with IFRS 9 "Financial Instruments". The benefit of the below-market rate of interest shall be measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received.

Government grant that has been awarded for the purpose of giving immediate financial support to the Company is recognised in profit or loss of the period in which the entity qualifies to receive it.

6. Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting and reporting standards requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are as follows:

i) Estimated useful life of operating assets - note 4.3 and 7

The Company annually reviews appropriateness of the method of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of asset is made for possible impairment on an annual basis. Any change in these estimates in the future, might affect the carrying amount of the respective item of property and equipment, with a corresponding effect on the depreciation and impairment.

ii) Surplus on revaluation of property, plant and equipment - note 4.3 and 7

The Company carries out revaluations, considering the change in circumstances and assumptions from latest revaluation. The fair value of the Company's free hold land, buildings & roads, plant & machinery and electric installations is assessed by management based on independent valuation performed by an external property valuation expert as at year end. For valuation of free hold land, buildings & roads, plant & machinery and electric installations, the current market price or depreciated replacement cost method is used, whereby, current cost of construction of similar free hold land, buildings & roads,plant & machinery and electric installations in similar locations has been adjusted using suitable depreciation rates to arrive at present market value. This technique requires significant judgment as to estimating the revalued amount in terms of their quality, structure, layout and locations.

iii) Impairment assessment of non financial assets - note 4.5, 4.6 and 9.3

The carrying amount of the Company's non financial assets including investment in subsidiaries are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of impairment loss, if any

iv) Provision for stores and spares - note 4.7 and 11

For items which are slow-moving and/or identified as obsolete, adequate provision is made for any excess book value over estimated realisable value on a regular basis. The Company reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence.

v) Write down of stock in trade to net realizable value - note 4.8 and 12

Net realisable value is determined on the basis of estimated selling price of the product in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

If the expected net realisable value is lower than the carrying amount, a write-down is recognised for the amount by which the carrying amount exceeds its net realisable value. Provision is made in the unconsolidated financial statements for obsolete and slow moving stock-in-trade based on management estimate.

Work in process of sugar is valued at 80% of production cost.

vi) Estimation of impairment loss allowance - note 4.9 and 13

The Company reviews the Expected Credit Loss (ECL) model which is based on the historical credit loss experience over the life of the trade receivables and adjusted if required. The ECL model is reviewed on a quarterly basis.

vii) Provision for employees' defined benefit plans - note 5.1 and 23.3

Defined benefit plans are provided for all employees of the Company. These calculations require assumptions to be made of future outcomes, the principal ones being in respect of increases in remuneration and the discount rate used to convert future cash flows to current values. The assumptions used vary for the different plans as they are determined by independent actuaries annually.

Cost primarily represents the increase in actuarial present value of the obligation for benefits earned on employees service during the year and the interest on the net liability/(asset) in respect of employee's service in previous years. Calculations are sensitive to changes in the underlying assumptions.

viii) Provision for taxation and levy - note 4.15, 4.16, 35 and 36

In making the estimate for tax payable and levy payable, the Company takes into account applicable tax laws, the decisions taken by the appellate authorities on certain issues in the past and professional advice of tax consultant of the Company.

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

ix) Provisions and contingencies - notes 4.14 and 26

The management exercises judgement in measuring and recognizing provisions and exposures to contingent liabilities related to pending litigations or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement.

x) Estimation of lease term and incremental borrowing rate for lease liabilities and right of use assets - notes 4.4, 4.12, 8 and 21

IFRS 16 requires the Company to assess the lease term as the non-cancelable lease term in line with the lease contract together with the period for which the Company has extension options which the Company is reasonably certain to exercise and the periods for which the Company has termination options for which the Company is not reasonably certain to exercise those termination options.

A significant portion of the lease contracts included within Company's lease portfolio includes lease contracts which are extendable through mutual agreement between the Company and the lessor or lease contracts which are cancelable by the Company on immediately or on short notice. In assessing the lease term for the adoption of IFRS 16, the Company concluded that these cancelable future lease periods should be included within the lease term in determining the lease liability upon initial recognition. The reasonably certain period used to determine the lease term is based on facts and circumstances related to the underlying leased asset and lease contracts and after consideration of business plan of the Company which incorporates economic, potential demand of customers and technological changes.

	Note	2024	2023
		(Rupees in thousand)	
7. Property, plant and equipment			
Operating fixed assets	7.1	20,683,321	18,853,151
Capital work-in-progress	7.8	861,864	1,517,981
		21,545,185	20,371,132

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7.1 Operating fixed assets

	Freehold land	Leasehold land	Buildings and roads	Plant and machinery	Electric installations	Office equipment	Farm equipment	Furniture and fixtures	Vehicles	Total
	Rupees in thousand									
As at October 1, 2022										
Cost / revalued amount	1,937,795	-	2,401,821	9,550,718	763,376	121,811	2,490	64,112	102,664	14,944,787
Accumulated depreciation	-	-	-	-	(313,115)	(53,326)	(896)	(29,009)	(72,816)	(469,162)
Net book value	1,937,795	-	2,401,821	9,550,718	450,261	68,485	1,594	35,103	29,848	14,475,625
Year ended September 30, 2023										
Opening net book value	1,937,795	-	2,401,821	9,550,718	450,261	68,485	1,594	35,103	29,848	14,475,625
Additions	-	2,722,248	79,122	271,725	23,989	13,624	168	15,475	3,775	3,130,126
Disposals / Adjustments - note 6.2										
Cost	-	-	-	-	(373)	(28)	-	(106)	(49,910)	(50,417)
Depreciation	-	-	-	-	278	10	-	54	29,501	29,843
	-	-	-	-	(95)	(18)	-	(52)	(20,409)	(20,574)
Transfers from right of use assets to owned										
Cost	-	-	-	-	-	-	-	-	51,086	51,086
Depreciation	-	-	-	-	-	-	-	-	(30,533)	(30,533)
	-	-	-	-	-	-	-	-	20,553	20,553
Depreciation charge	-	(41,246)	(242,863)	(970,969)	(46,420)	(7,790)	(161)	(4,231)	(6,299)	(1,319,979)
Revaluation adjustments:										
Cost or valuation	-	477,752	-	912,559	-	-	-	-	-	1,390,311
Depreciation	-	41,246	127,609	970,969	37,265	-	-	-	-	1,177,089
	-	518,998	127,609	1,883,528	37,265	-	-	-	-	2,567,400
Closing net book value	1,937,795	3,200,000	2,365,689	10,735,002	465,000	74,301	1,601	46,295	27,468	18,853,151
As at October 1, 2023										
Cost / revalued amount	1,937,795	3,200,000	2,480,943	10,735,002	786,992	135,407	2,658	79,481	107,615	19,465,893
Accumulated depreciation	-	-	(115,254)	-	(321,992)	(61,106)	(1,057)	(33,186)	(80,147)	(612,742)
Net book value	1,937,795	3,200,000	2,365,689	10,735,002	465,000	74,301	1,601	46,295	27,468	18,853,151
Year ended September 30, 2024										
Opening net book value	1,937,795	3,200,000	2,365,689	10,735,002	465,000	74,301	1,601	46,295	27,468	18,853,151
Additions	-	-	731,044	74,513	8,259	16,812	73	16,586	30,620	877,907
Disposals										
Cost	-	-	-	-	-	(1,039)	-	(104)	(81,562)	(82,705)
Depreciation	-	-	-	-	-	472	-	76	51,073	51,621
	-	-	-	-	-	(567)	-	(28)	(30,489)	(31,084)
Transfers from right of use assets to owned										
Cost	-	-	-	-	-	-	-	-	78,784	78,784
Depreciation	-	-	-	-	-	-	-	-	(48,896)	(48,896)
	-	-	-	-	-	-	-	-	29,888	29,888
Depreciation charge	-	(98,461)	(298,348)	(1,074,819)	(46,891)	(8,522)	(165)	(5,680)	(8,570)	(1,541,456)
Revaluation adjustments:										
Cost or valuation	-	550,000	214,017	124,084	-	-	-	-	-	888,101
Depreciation	-	98,461	413,602	1,074,819	19,932	-	-	-	-	1,606,814
	-	648,461	627,619	1,198,903	19,932	-	-	-	-	2,494,915
Closing net book value	1,937,795	3,750,000	3,426,004	10,933,599	446,300	82,024	1,509	57,173	48,917	20,683,321
As at September 30, 2024										
Cost or revalued amount	1,937,795	3,750,000	3,426,004	10,933,599	795,251	151,180	2,731	95,963	135,457	21,227,980
Accumulated depreciation	-	-	-	-	(348,951)	(69,156)	(1,222)	(38,790)	(86,540)	(544,659)
Net book value	1,937,795	3,750,000	3,426,004	10,933,599	446,300	82,024	1,509	57,173	48,917	20,683,321
Annual rate of depreciation (%)	-	3.3	10	10	10	10	10	10	20	

7.2 Disposal of operating fixed assets

Particulars of assets	Cost / Revalued amount	Accumu-lated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Sold to:
	-----	-----	Rupees in thousand	-----	-----		
Assets having net book value exceeding Rs. 500,000 each							
Vehicles							
Toyota Land Cruiser	39,851	26,135	13,716	19,925	6,209	Company policy	Mr. Abbas Sarfaraz Khan (employee)
Toyota Corolla	2,594	1,531	1,063	1,297	234	Company policy	Mr. Ali Hamza (employee)
Toyota Corolla	2,594	1,566	1,028	1,297	269	Company policy	Muhammad Arshad (employee)
Toyota Corolla	2,202	1,375	827	1,101	274	Company policy	Muhammad Shahzad Anjum (employee)
Toyota Yaris	2,744	1,549	1,195	1,372	177	Company policy	Mr. Akbar Ali (employee)
Toyota Hilux Revo	4,016	3,047	969	6,000	5,031	Insurance policy	IGI General Insurance Limited
KIA Sportage	4,734	2,811	1,923	2,367	444	Company policy	Mr. Hameed Ur Rehman (employee)
Honda Civic	3,177	1,984	1,193	1,589	396	Company policy	Mr. Javed Anwar (employee)
Honda BR-V	3,342	2,057	1,285	1,671	386	Company policy	Mr. Amir Ur Rehman (employee)
Honda BR-V	3,053	1,810	1,243	1,566	323	Company policy	Mr. Khalid Mehmood (employee)
Honda BR-V	2,353	1,405	948	1,289	341	Company policy	Muhammad Shahzad Anjum (employee)
Suzuki Swift	1,734	1,083	651	873	222	Company policy	Muhammad Athar Hussain (employee)
Suzuki Cultus	2,014	1,241	773	1,067	294	Company policy	Mr. Tariq Alam (employee)
Suzuki Cultus	1,894	1,038	856	1,102	246	Company policy	Mr. Javed Akhtar (employee)
Suzuki Cultus	1,445	902	543	723	180	Company policy	Mr. Adil Haroon Shah (employee)
Suzuki Cultus	1,624	970	654	812	158	Company policy	Mr. Zeeshan Ahmed (employee)
Suzuki Cultus	2,017	473	1,544	1,976	432	Insurance policy	IGI General Insurance Limited
	81,388	50,977	30,411	46,027	15,616		
Various assets having net book value upto Rs.500,000 each	1,317	644	673	547	(126)		
September 30, 2024	82,705	51,621	31,084	46,574	15,490		
September 30, 2023	50,417	29,843	20,574	29,020	8,446		

7.3 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)	
Freehold land	**239,234**	239,234
Leasehold land	**2,599,760**	2,681,002
Buildings and roads	**1,426,711**	841,607
Plant and machinery	**2,968,741**	3,217,274
Electric installations	**390,445**	425,086
	7,624,891	7,404,203

7.4 Forced sales value of the fixed assets based on valuation conducted during the year are as follows:

	2024	2023
	(Rupees in thousand)	
Freehold land	**1,647,126**	1,647,126
Leasehold land	**3,000,000**	3,100,000
Buildings and roads	**2,689,974**	1,892,549
Plant and machinery	**8,200,198**	8,051,250
Electric installations	**334,725**	348,750
	15,872,023	15,039,675

7.5 Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Location	Usage of immovable property	Total Area	Covered Area
		(Kanals)	
CSM-1, D.I.Khan	Factory Building	1,111.25	98.86
CSM-2, Ramak	Factory Building	1,618.65	174.66
Plot # A-4,Sector F-9 / G-9, Islamabad	Land for Head office building	2.7	-
Kings Arcade, Plot # 20-A, F-7 Markaz, Islamabad	Office Premises 2nd & 3rd Floor	2.49	2.49

7.6 Depreciation for the year has been allocated as follows:

	Note	2024	2023
		(Rupees in thousand)	
Cost of sales	29	**1,459,485**	1,301,650
Administrative and general expenses	31	**81,971**	18,329
		1,541,456	1,319,979

7.7 Security

Property plant and equipment with aggregate carrying value of Rs. 13,562,334 thousand (2023: Rs. 10,113,667 thousand) are subject to first joint pari passu charge as defined in note 19. The Company is restricted to pledge these assets as security for other borrowings or sell them to another entity subject to approval.

7.8 Capital work-in-progress:

	Land and building	Plant and machinery	Electric installations	Owned vehicles	Vehicles - leased	Advance payments to Contractors	Advance payments against land - and buildings	Total
	Rupees in thousand							
As at October 1, 2022	2,788,907	155,933	9,494	350	34,317	6,133	545,965	3,541,099
Additions during the year	244,536	730,401	100,623	1,597	108,609	-	2,000	1,187,766
Capitalized during the year	(2,801,370)	(270,026)	(23,989)	(1,947)	(113,552)	-	-	(3,210,884)
Balance as at September 30, 2023	232,073	616,308	86,128	-	29,374	6,133	547,965	1,517,981
As at October 1, 2023	232,073	616,308	86,128	-	29,374	6,133	547,965	1,517,981
Additions during the year	44,400	29,146	25,744	6,914	101,880	-	12,500	220,584
Capitalized during the year	(140,195)	(74,513)	(8,259)	(6,680)	(97,089)	-	(549,965)	(876,701)
Balance as at September 30, 2024	136,278	570,941	103,613	234	34,165	6,133	10,500	861,864

8. **Right of Use Assets**

	2024 Rupees in thousand				2023 Rupees in thousand			
	Vehicles	Plant and Machinery	Buildings and tanks	Total	Vehicles	Plant and Machinery	Buildings and tanks	Total
Net book value at beginning of the year	226,655	41,586	27,883	296,124	180,614	46,207	56,694	283,515
Additions	97,089	-	-	97,089	113,552	-	-	113,552
Remeasurement during the year	-	-	6,081	6,081	-	-	(9,365)	(9,365)
Transferred to owned assets								
Cost	(78,784)	-	-	(78,784)	(51,085)	-	-	(51,085)
Accumulated depreciation	48,896	-	-	48,896	30,533	-	-	30,533
Net book value	(29,888)	-	-	(29,888)	(20,552)	-	-	(20,552)
Depreciation charge	(52,319)	(4,159)	(17,454)	(73,932)	(46,959)	(4,621)	(19,446)	(71,026)
Net book value at end of the year	241,537	37,427	16,510	295,474	226,655	41,586	27,883	296,124
As at September 30								
Cost or revalued amount	364,356	60,580	138,438	563,374	346,051	60,580	132,357	538,988
Accumulated depreciation	(122,819)	(23,153)	(121,928)	(267,900)	(119,396)	(18,994)	(104,474)	(242,864)
Net book value	241,537	37,427	16,510	295,474	226,655	41,586	27,883	296,124
Annual rate of depreciation (%)	20	10	20-50		20	10	20-50	

8.1 Depreciation for the year has been allocated as follows:

	Note	2024	2023
		(Rupees in thousand)	
Cost of sales	29	4,159	4,621
Selling and distribution expenses	30	17,453	19,446
Administrative and general expenses	31	52,320	46,959
		73,932	71,026

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	Note	2024	2023
		(Rupees in thousand)	
9. Long term investments			
Investment in subsidiaries - unquoted / at cost			
Investment in shares of Whole Foods (Private) Limited (WFL) - at cost - 100% holding			
10,000,000 (2023: 10,000,000) fully paid ordinary shares	9.1	**100,000**	100,000
Advance for equity contribution	10.1	**619,466**	-
Investment in shares of Ultimate Whole Foods (Private) Limited (UWFL) - at cost - 84% holding			
102,900,000 (2023: 50,400,000) fully paid ordinary shares	9.3	**1,029,000**	504,000
Difference in fair value and present value on initial recognition of interest free loan	10.1	**119,964**	119,964
		1,868,430	723,964
Less : Impairment recognised on subsidiary - Whole Foods (Private) Limited	9.2	**215,607**	85,607
		1,652,823	638,357

9.1 WFL was incorporated in Pakistan on October 26, 2017. The principal activity of WFL is to setup, manage, supervise and control the storage facilities for agricultural produce. WFL is yet to commence its operations. During the year, the Company and WFL entered into an agreement to convert outstanding balance of receivables from WFL into equity as disclosed in note 10.1 and note 14.4. The Company presently owns 10,000,000 shares (2023: 10,000,000) at par value of Rs. 10 (2023: Rs. 10) each.

9.2 During the year ended September 30, 2024, management assessed the investment in WFL for impairment in respect of triggering events as specified by IAS 36 applicable to the non-current assets. Based on the below indicators, an impairment test has been carried out by the management to determine the recoverable amount of WFL:

- Lack of start of operations as per plan envisaged in the agreement between Punjab Foods Department, Government of Punjab and Whole Foods (Private) Limited;
- Notice of intent to terminate agreement between Punjab Foods Department, Government of Punjab to Whole Foods Limited (WFL) during 2023 which has been contested by the management of WFL. The management of WFL is confident that the above said notice will be withdrawn.
- Management plans to consider other options

The Company has performed an assessment of recoverable value based on fair value less costs to sell and value in use of its investment in WFL. The fair value less cost to sell has been determined by an independent expert. Management's approach and key assumptions used to determine fair value less cost to sell are given in note 40.1 to the financial statements. Based on the same the management has recorded additional impairment loss of Rs.130 million during the year.

9.3. UWFL was incorporated in Pakistan on May 17, 2021. The objective of UWFPL is to set up mills for milling wheat, gram, other grains, other allied products and by-products from flours. The Company commenced its operations in October 2023.During the year, the Company has acquired additional shares amounting to Rs.525 million. The Company owns 102,900,000 shares (2023: 50,400,000) at par value of Rs. 10 (2023: Rs. 10). The total number of shares of UWFL is 122,500,000 (2023: 70,000,000).

Management of CSML has carried out an impairment analysis of UWFL, based on future expected cash flows for the future years and terminal values. The future cash flows has been discounted at weighted average cost of capital of 14.45% per annum with terminal growth rate of 4.5% per annum has been used. Based on this analysis, management believes that carrying value of the investment in UWFL is recoverable in full.

9.4. PGEL was incorporated in Pakistan on April 17, 2024 as a public limited company under the Companies Act, 2017. The principal line of business of the Company included manufacturing, production and sale of various grades of ethanol. During the year, the Company subscribed 50,000,000 ordinary shares of Rs 10 each aggregating to Rs. 500 million out of total proposed share capital of 65,002,000 ordinary shares of Rs. 10 each aggregating Rs. 650 million. However, the subscription money was not paid. PGEL did not commence operations and subsequent to the year end, the Board of Directors of PGEL passed a resolution for winding up of the Company on January 14, 2025 due to financial and operational difficulties in the business. The same has been communicated to Securities and Exchange Commission of Pakistan (SECP) by PGEL. The management based on legal opinion obtained from it's legal advisor are of the view that there is no binding obligation to pay the subscribed amount accordingly, the related amounts have not been recognised in the financial statements.

10. Long term loans and deposits - considered good	Note	**2024**	**2023**
		(Rupees in thousand)	
Long term security deposits		**15,343**	15,084
Loan to subsidiary company - WFL - at amortized cost	10.1	**-**	268,852
		15,343	283,936

10.1 This represented an amount of Rs 335 million paid by the Company intermittently on behalf of the WFL. Tripartite subordination agreements dated June 29, 2020 and June 30, 2021 were entered into between the Company, WFL and Soneri Bank Limited (the lender) whereby the related amount is subordinated to the principal, markup and any and all other amounts that may be payable to the lender under the financing agreements. No payment of the aforesaid amount can be made by WFL, except with prior written consent of the lender. Accordingly, all payments due to Company shall be postponed till repayment of loan to the lender. During the year, the Company has entered into an agreement with WFL to covert the closing balance as at September 30, 2024 including markup of Rs. 335,078 thousand into equity. Accordingly, the amount has been classified as advance for equity in long term investments. The Company and WFL will complete the procedural formalities in the ensuing period for issuance of share capital threre against.

	2024	2023
	(Rupees in thousand)	
At the beginning of the year	268,852	246,220
Interest on loan to subsidiary company	66,226	22,632
Transfer to advance for equity contribution - note 9	(335,078)	-
Balance as at end of the year	-	268,852

	Note	2024	2023
		(Rupees in thousand)	
11. Stores and spares			
Stores and spares		**770,661**	895,690
Less: Provision for obsolete items	11.1	**(38,385)**	(53,980)
		732,276	841,710

11.1 Provision for obsolete items

Opening balance		53,980	60,693
Reversal of provision during the year		(15,595)	(6,713)
Closing balance		38,385	53,980

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

	Note	**2024**	**2023**
		(Rupees in thousand)	
12. Stock-in-trade			
Finished goods			
- Sugar	12.2	**1,787,519**	3,252,578
- Molasses		**1,117,556**	1,129,284
- Ethanol		**954,434**	742,952
- Bagasse		**107,203**	36,569
		3,966,712	5,161,383
Work-in-process		**21,768**	16,293
	12.1	**3,988,480**	5,177,676

12.1 Certain short term and long term borrowings of the Company are secured by way of collateral charge on stock-in-trade.

12.2 The closing stock of sugar, net of 10% to 15% margin, having carrying value of Rs. 3,439,411 thousand (2023:Rs. 3,439,411 thousand) has been pledged against cash finance obtained from commercial and Islamic banks (for details, refer to note 23).

	Note	**2024**	**2023**
		(Rupees in thousand)	
13. Trade debts - unsecured			
Considered good			
Due from related parties		-	450
Others		**276,285**	1,213,654
		276,285	1,214,104
Considered doubtful		**2,043**	3,333
	13.1	**278,328**	1,217,437
Less: loss allowance	13.2	**(2,043)**	(3,333)
		276,285	1,214,104

13.1 Trade debts - unsecured

Local		**130,063**	254,899
Exports		**148,265**	962,538
		278,328	1,217,437

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	Note	2024	2023
		(Rupees in thousand)	
13.2 Movement in loss allowance			
Opening balance		**3,333**	1,782
(Reversal) / Provision for the year		**(1,290)**	1,551
Closing Balance		**2,043**	3,333

13.3 The maximum aggregate amount receivable from related parties at the end of any month during the year was Rs Nil (2023: Rs 450 thousand).

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

	Note	2024	2023
		(Rupees in thousand)	
Upto 6 months		**-**	450
More than 6 months		**-**	-
		-	450

14. Loans and advances

	Note	2024	2023
Advances to:			
Employees - secured	14.1	**11,851**	12,077
Suppliers and contractors - unsecured		**1,032,368**	1,025,502
		1,044,219	1,037,579
Due from related parties	14.2	**717,094**	723,431
Letters of credit - secured		**39,540**	11,156
		1,800,853	1,772,166
Less:			
- Provision for doubtful advances		**(28,838)**	(28,838)
- Loss allowance	14.7	**(905)**	(905)
		1,771,110	1,742,423

14.1 These include balances of Rs 11,851 thousand (2023: Rs 12,077 thousand) secured against retirement benefits of respective employees.

	Note	2024	2023
		(Rupees in thousand)	
14.2 This represents amounts due from the associated companies:			
Due from holding company:			
The Premier Sugar Mills and Distillery Company Limited		**98,126**	-
Due from subsidiary company / associated company:			
Whole Foods (Private) Limited	14.4	**-**	170,002
Ultimate Whole Foods (Private) Limited	14.5	**615,878**	553,429
Premier Grain Ethanol Limited		**3,090**	-
		717,094	723,431

14.3 Maximum aggregate amount outstanding in respect of related parties at any month-end during the year was Rs 696,520 thousand (2023: Rs 697,945 thousand).

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14.4 The Company has entered into an agreement with WFL to convert the closing balance including markup amounting Rs. 284,389 thousand as at September 30, 2024 into equity. Accordingly, the amout has been classified as advance for equity in "long term investments". The Company and WFL will complete the procedural formalities in the ensuing period for issuance of share capital there against.

14.5 This represents loan facility of Rs 1,000 million for Ultimate Whole Foods (Private) Limited. The loan is unsecured and interest on this loan is charged at a lender's borrowing cost of 3 month KIBOR + 1.1% per year. The loan is repayable in one year extendable up to 5 years. The maximum amount due as at the end of any month during the year was Rs. 616 million (2023: Rs 553 million).

14.6 The ageing analysis of receivable from related parties is as follows:

	Note	2024	2023
		(Rupees in thousand)	
Upto 6 months		**259,933**	610,651
More than 6 months		**457,161**	112,780
		717,094	723,431

14.7 Movement in loss allowance during the year is as follows:

	2024	2023
Opening balance	905	905
Loss allowance for the year	-	-
Closing balance	905	905

15. Trade deposits and other receivables

	Note	2024	2023
Deposits		**-**	2,500
Prepayments		**10,353**	9,304
Export subsidy receivable		**305,519**	305,519
Insurance claim receivable		**-**	33,746
Accrued mark-up on term deposit receipts		**50,801**	1,520
Others		**12,924**	4,184
		379,597	356,773
Less: loss allowance	15.1	**(305,519)**	(155,782)
		74,078	200,991

15.1 Movement in loss allowance of export subsidy is as follows:

	2024	2023
Opening balance	155,782	90,369
Impairment loss for the year	149,737	65,413
Closing balance	305,519	155,782

16. Cash and bank balances

	Note	2024	2023
At banks in			
Current accounts	16.2	**429,639**	331,379
Savings accounts	16.3	**19,144**	29,934
Deposit accounts	16.4	**450,000**	450,000
		898,783	811,313

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	2024	2023
	(Rupees in thousand)	
16.1 Bank balances that are included in cashflow are as follows:		
Cash and bank balances	898,783	811,313
Bank balances under lien - note 16.5	(454,000)	(454,000)
	444,783	357,313

16.2 These include dividend account balance of Rs 1,225 thousand (2023: Rs 460 thousand). These balances are maintained in separate non interest bearing current bank accounts.

16.3 These carry profit at the rates ranging from 19.00% to 20.50% (2023: 13.50% to 19.50%) per annum.

16.4 These include term deposits carrying profit at the rates ranging from 20.50 % to 20.60% (2023: 20.00% to 20.55%) per annum and having maturity of 30 days.

16.5 Lien is marked on bank balances for an amount of Rs 454,000 thousand (2023: Rs 454,000 thousand) in respect of the various guarantees extended by the banks.

17. Share capital

17.1 **Authorised share capital**

As at year end, the issued, subscribed and paid-up capital of the Company includes following share capital holdings by the related parties:

2024	2023		2024	2023
(Number of shares)			(Rupees in thousand)	
50,000,000	50,000,000	Ordinary shares of Rs 10 each	**500,000**	500,000

17.2 **Issued, subscribed and paid up capital**

2024	2023		2024	2023
(Number of shares)		Ordinary shares of Rs 10 each	(Rupees in thousand)	
28,692,000	28,692,000	Fully paid in cash	**286,920**	286,920

17.3 The holding company, The Premier Sugar Mills and Distillery Company Limited held 13,751,000 (2023: 13,751,000) ordinary shares and the associated companies held 5,375,334 (2023: 5,375,334) ordinary shares at the year end.

17.4 Ordinary shares have a par value of Rs 10 each. They entitle the holder to participate in dividends, as declared from time to time, and to share in the proceedings of the winding up of the Company in the proportion to the number of and amounts paid on the shares held. Further, the holder is entitled to one vote per share at the general meetings of the Company.

17.5 **General reserve**

These represent amounts appropriated by the Board of Directors of the Company from 1993 to 2005 to a separate reserve available for distribution to shareholders by way of dividend.

18. Surplus on revaluation of property, plant and equipment

18.1 The Company follows revaluation model for freehold land, leasehold land, buildings & roads, plant & machinery and electric installations. The fair value of the Company's free hold land, leasehold land, buildings & roads, plant & machinery and electric installations were assessed by management based on independent valuation performed by an external property valuation expert as at September 30, 2024. For valuation of these items, the current market price or depreciated replacement cost method was used, whereby, current purchase / construction cost of similar items in similar locations was adjusted using suitable depreciation rates to arrive at present market value. This technique requires significant judgment as to estimating the revalued amount in terms of their quality, structure, layout and locations. Movement during the year is as follows:

	2024	2023
	(Rupees in thousand)	
Balance at the beginning of the year	**11,299,280**	9,513,360
Add: surplus on revaluation carried-out during the year	**2,494,915**	2,567,400
Less: incremental depreciation for the year	**(908,172)**	(781,480)
	12,886,023	11,299,280
Less: deferred tax on:		
- opening balance of surplus	**3,150,554**	2,578,882
- surplus during the year	**1,111,434**	842,776
- incremental depreciation for the year	**(354,187)**	(271,104)
	3,907,801	3,150,554
Balance at the end of the year	**8,978,222**	8,148,726

18.2 The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

19. Long term finances - secured

Lending institutions	Interest rate (per annum)	September 30, 2024 Total available facility	Long-term portion	Current portion	Total outstanding amount	September 30, 2023 Total outstanding amount	Collateral
		(Rupees in thousand)					
Secured							
Al Baraka Bank (Pakistan) Limited	6 month KIBOR + 1.50%	450,000	223,583	111,063	**334,646**	445,493	- Secured against first joint pari-passu charge on present and future fixed assets of the Company for Rs. 600,000 thousand. - Specific charge of Rs. 450,000 thousand on specific plant and machinery items.
Bank Al-Habib Limited	6 month KIBOR + 1% to 1.5%	905,254	334,776	123,421	**458,197**	2,484,573	- Secured against first joint pari-passu charge on present and future fixed assets of the Company for Rs 2,666,667 thousand. - Registration of 1st equitable charge over Rs. 2,834,000 thousand over fixed assets situated at F-9/G-9, blue area, plot # A-3 measuring 1,333.33 sq. yards.
	SBP rate 5% p.a (TERF)	210,399	178,309	91,201	**269,510**	334,127	
Dubai Islamic Bank Pakistan Limited	6 month KIBOR + 2.1%	500,000	-	-	-	250,000	- Secured against first joint pari-passu charge on present and future fixed assets of the Company for Rs. 667,000 thousand. - 1st exclusive charge of Rs. 590,000 thousand over head office building of the Company.
MCB Bank Limited	3 month KIBOR + 1.10%	368,000	-	-	-	139,237	- Secured against first joint pari-passu charge on present and future fixed assets of the Company for Rs. 438,000 thousand.
Soneri Bank Limited	3 month KIBOR + 1.75%	890,000	-	110,713	**110,713**	332,139	- Secured against first joint pari-passu charge on present and future fixed assets of the Company for Rs. 1,867,000 thousand.
United Bank Limited	- 3 month KIBOR + 1.75% - 3 month KIBOR + 2.65%	3,450,000	3,253,125	112,500	**3,365,625**	450,000	- Exclusive mortgage charge over the commercial plot # A-3, Blue Area, F-9/G-9, Islamabad. - Escrow account with UBL, into which the sales proceeds of the said property shall flow (if the sale happens), which shall solely be used for repayment of the Facility, unless UBL consents otherwise. - Ranking hypothecation charge on all present and future movable fixed assets. - First joint pari-passu charge on all present and future fixed assets of the Company with 25% margin.
Total			3,989,793	548,898	**4,538,691**	4,435,569	
Accrued mark-up					**211,749**	245,132	
					4,750,440	4,680,701	
Less: amount payable within next 12 months							
Principal					**548,898**	1,173,854	
Accrued mark-up					**211,749**	245,132	
Amount due after September 30, 2025					**3,989,793**	3,261,715	

19.1 In case of various loan arrangements, the concerned lenders have waived the requirements of certain covenants of the respective financing agreements. Accordingly, the liabilities under these financing agreements have been classified as per the repayment schedule applicable in respect of the aforesaid financing agreements.

20. Loans from related parties - secured

	Note	2024	2023
		(Rupees in thousand)	
Associated companies			
Premier Board Mills Limited	20.1	**37,472**	46,840
Arpak International Investments Limited	20.2	**25,000**	31,250
Azlak Enterprises (Private) Limited	20.3	**85,000**	85,000
Accrued mark-up		**72,607**	46,236
		220,079	209,326
Less: amount payable within next 12 months			
Principal		**21,250**	31,236
Accrued mark-up		**72,607**	46,236
		126,222	131,854

20.1 The long term finance facility had been renewed on August 2, 2024. The principal is repayable in 8 semi annual installments commencing from November 2028. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Company.

20.2 The long term finance facility had been renewed on August 2, 2024. The principal is repayable in 8 semi annual installments commencing from November 2028. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Company.

20.3 The long term finance facility had been renewed on January 3, 2022. The principal is repayable in 8 semi annual installments commencing from December 2024. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Company.

21. Lease liabilities

	2024	2023
	(Rupees in thousand)	
Balance at beginning of the year	**225,593**	236,797
Additions during the year	**100,762**	99,874
Unwinding of interest on lease liabilities	**50,293**	43,479
Payments made during the year	**(154,773)**	(145,192)
Remeasurement gain	**6,081**	(9,365)
Balance at end of the year	**227,956**	225,593
Less: current portion of long term lease liabilities	**(84,945)**	(85,279)
	143,011	140,314

21.1 The Company has acquired vehicles under finance lease from commercial banks. The financing is repayable in equal monthly installments over a period ranging between four to five years and carries finance charge ranging from 17.36% to 26.19% (2023: 16.83% to 24.72%) per annum.

	Note	2024	2023
		(Rupees in thousand)	

22. Deferred liabilities

	Note	2024	2023
Deferred taxation	21.1	**3,018,176**	3,472,814
Provision for gratuity	22.2	**22,132**	19,965
Deferred government grant	22.4	**49,695**	76,280
		3,090,003	3,569,059

22.1 Deferred tax comprises of the following:

Taxable temporary differences arise in respect of:

	2024	2023
Accelerated tax depreciation allowances	**656,961**	589,017
Surplus on revaluation of property, plant and equipment	**3,907,801**	3,150,554
Right of Use Asset	**115,235**	102,729
	4,679,997	3,842,300

Deductible temporary differences arise in respect of:

	2024	2023
Lease liabilities	**(88,903)**	(78,261)
Provision for doubtful advances	**(11,600)**	(10,318)
Provision for obsolete items	**(14,970)**	(18,726)
Imapairment losses	**(796)**	(30,870)
Provision for gratuity	**(8,631)**	(6,926)
Minimum tax and tax losses recoverable against future taxable profits	**(1,536,921)**	(224,385)
	(1,661,821)	(369,486)
	3,018,176	3,472,814

22.2 The latest actuarial valuation of the employees' defined benefit plan was conducted at September 30, 2024 using the Projected Unit Credit Method. Details of the defined benefit plan are as follows:

	Note	2024	2023
		(Rupees in thousand)	
Present value of defined benefit obligation	22.3.1	**22,132**	19,965
Fair value of plan assets		-	-
Net liability		**22,132**	19,965

	Note	2024	2023
		(Rupees in thousand)	

22.3.1 Movement in net liability recognised

	Note	2024	2023
Opening net liability		**19,965**	14,843
Expense for the year recognised in statement of profit or loss account	22.3.2	**8,935**	5,639
Remeasurement (gain) / loss recognised in statement of other comprehensive income.	22.3.5	**(2,245)**	2,656
Benefits paid		**(5,360)**	(1,180)
Benefits payable to outgoing employees transferred to trade and other payables		**837**	(1,993)
		22,132	19,965

22.3.2 Expense for the year

	2024	2023
Current service cost	**6,040**	3,882
Net interest expense	**2,895**	1,757
	8,935	5,639

22.3.3 Changes in the present value of defined benefit obligation:

	2024	2023
Opening defined benefit obligation	**19,965**	14,843
Current service cost	**6,040**	3,882
Interest cost	**2,895**	1,757
Benefits paid	**(5,360)**	(1,180)
Benefits payable to outgoing employees transferred to trade and other payables	**837**	(1,993)
Remeasurement (gain) / loss on defined benefit obligation	**(2,245)**	2,656
Closing defined benefit obligation	**22,132**	19,965

22.3.4 Principal actuarial assumptions used in the actuarial valuation:

The "Projected Unit Credit Method" using the following significant assumptions was used for the valuation of the scheme:

	2024	2023
	%	%
Discount rate used for interest cost	**16.75**	13.25
Discount rate used for year end obligation	**11.75**	16.75
Salary increase rate - long term	**11.75**	16.75
Salary increase rate - short term	**11.75**	16.75
Demographic assumptions		
Mortality rates	**SLIC 2001-05**	SLIC 2001-05

During the year 2025, the Company expects to contribute Rs 8,585 thousand (2024: Rs 8,278 thousand) to its gratuity scheme.

22.3.5 Remeasurement recognised in OCI during the year:	2024	2023
	(Rupees in thousand)	
Actuarial (gains) / losses from changes in financial assumptions	**(170)**	1,540
Experience adjustments	**(2,075)**	1,116
Remeasurement (gain) / loss on defined benefit obligation	**(2,245)**	2,656
Distribution timing of gratuity payments:		
1 year	**1,550**	1,106
2 years	**2,651**	1,201
3 years	**2,494**	2,808
4 years	**3,166**	9,106
5 years	**2,922**	3,454
6 years onward	**798,699**	1,929,632

The weighted average number of years of defined benefit obligation is given below:

Plan duration	Years
September 30, 2024	10
September 30, 2023	9

The calculation of defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased/ (decreased) as a result of a change in respective assumptions by one percent.

	Effect of 1 percent increase	Effect of 1 percent decrease
	(Rupees in thousand)	
2024		
Discount rate	(20,029)	24,615
Future salary growth	24,627	(19,979)
2023		
Discount rate	(18,387)	21,797
Future salary growth	21,756	(18,396)

The above sensitivity analyses are based on the changes in assumptions while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of defined benefit obligation to significant assumptions the same method (present value of the defined benefit obligation calculated with the projected credit unit method at the end of the reporting period) has been applied when calculating the liability recognized within the statement of financial position.

The defined benefit obligation exposes the Company to the following risks:

Final salary risks:

The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Withdrawal risks:

The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

Mortality risks:

The risk that the actual mortality experience is different. Similar to the withdrawal risk, the effect depends on the beneficiaries' service / age distribution and the benefit.

Discount rate fluctuation

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plan's bond holdings.

	Note	2024	2023
		(Rupees in thousand)	
22.4 Deferred government grant			
Opening balance		**76,280**	417
Grant recognised during the year		**-**	99,809
Amortization during the year		**(26,585)**	(23,946)
Closing Balance	22.4.1	**49,695**	76,280

22.4.1 This represent deferred government grant in respect of term finance facility obtained under SBP temporary economic refinance facility (TERF). The Company had entered into an arrangement with Bank Al Habib Limited for obtaining term finance facility under State Bank of Pakistan (SBP) TERF scheme to facilitate retirement of import/shipping documents received against LCs (foreign and local/inland), upto a maximum of Rs 505 million. The repayment of loan (principal amount) will be made in 10 equal semi annual installments commencing from September 30, 2023. Mark up rate is 5% on this facility and shall also be paid on semi annual basis. The availed facility at September 30, 2024 was Rs 456,000 thousand. The facility will expire on September 30, 2027. There are no unfulfilled conditions or other contingencies attaching to this grant.

	Note	2024	2023
		(Rupees in thousand)	
23. Trade and other payables			
Creditors		**331,480**	441,581
Due to related parties	23.1	**150,147**	296,018
Accrued expenses		**130,561**	135,498
Retention money		**16,072**	20,288
Security deposits	23.2	**1,299**	1,299
Advance payments from customers - contract liability	23.2	**179,205**	1,957,552
Sales tax payable		**344,116**	246,710
Income tax deducted at source		**194,989**	85,466
Payable for workers' profit participation fund	23.4	**-**	83,166
Payable for workers' welfare fund	23.5	**30,258**	30,258
Payable to employees		**84,812**	58,202
Payable to provident fund		**9,574**	8,459
Others		**10,612**	11,292
		1,483,125	3,375,789

		Note	2024	2023
			(Rupees in thousand)	
23.1	This represents amounts due to the following related parties and are interest free and payable on demand / except as disclosed.			
	Holding Company			
	The Premier Sugar Mills and Distillery Company Limited		-	150,161
	Subsidiary Company			
	Premier Grain Ethanol (Private) Limited	9.4	-	-
	Associated Companies			
	The Frontier Sugar Mills and Distillery Limited		-	733
	Syntronics Limited		**11,993**	-
	Phipson & Company Pakistan (Private) Limited		-	55
	Azlak Enterprises (Private) Limited		**38,154**	25,143
	Directors		**100,000**	119,926
			150,147	296,018

23.2 These are repayable on demand and cannot be utilised for the purpose of business in accordance with the terms of written agreements with these parties. No amount in this respect has been kept in separate bank account.

		Note	2024	2023
			(Rupees in thousand)	
23.3	**Revenue recognised from advance from customers during the year**		**1,957,552**	225,921
23.4	**Payable for workers' profit participation fund**			
	Balance at the beginning of the year		**83,166**	24,008
	Charge for the year		-	83,166
	Prior year adjustment		**(4,202)**	1,264
			78,964	108,438
	Interest on funds utilized in the Company's business		**7,418**	1,438
	Payments made during the year		**(86,382)**	(26,710)
	Balance at the end of the year		-	83,166
23.5	**Payable for workers' welfare fund**			
	Balance at the beginning of the year		**30,258**	29,957
	Charge for the year		-	28,097
	Prior year adjustment		-	(5,209)
			30,258	52,845
	Payments made during the year		-	(22,587)
	Balance at the end of the year		**30,258**	30,258
24.	**Short term borrowings - secured**			
	Secured			
	Cash / running finance		**2,572,774**	2,968,230
	Export re finance - short term borrowing		**5,449,064**	1,523,895
			8,021,838	4,492,125
	Accrued mark-up		**303,170**	378,878
		24.1	**8,325,008**	4,871,003

24.1 Short term borrowings - secured

Lending Institution	Interest rate (per annum)	September 30, 2024 Total available facility	September 30, 2024 Facility availed	September 30, 2024 Total outstanding amount	September 30, 2023 Total outstanding amount	Collateral
		(Rupees in thousand)				
Secured						
Askari Bank Limited	3 month KIBOR + 1.25%	1,600,000	1,599,817	**131,904**	210,000	- Letter of Pledge amounting Rs. 823,529 thousand on sugar stocks (inclusive of 15% margin). - Pledge of sugar bags (15% margin on market price). - Lien on export documents / firm contracts. - Joint pari-passu charge over current assets of the Company for Rs. 266,667 thousand (inclusive of 25% margin).
Bank Al Falah Limited	3 month KIBOR + 1.25%	1,000,000	736,415	**385,000**	-	- Pledge of fresh sugar of current season with 15% margin for Rs. 1,171,471 thousand. - First pari-passu charge over all present and future current assets of the Company for Rs. 533,340 thousand.
Bank Al-Habib Limited	3 month KIBOR + 1%	2,500,000	2,495,994	**1,995,932**	879,973	- Charge amounting Rs. 823,530 thousand over refined sugar stock with 15% margin. - First joint pari-passu charge on present and future current assets of the Company for Rs. 1,867,000 thousand. - Pledge on refined sugar stock with 15% margin for Rs. 2,353,000 thousand. - Pledge on sugar stock at 20% margin or market price or Rs. 70 / Kg, whichever is lower.
Bank of Khyber	- 1 year KIBOR + 1% - 3 month KIBOR + 1%	750,000	723,000	**-**	-	- Pledge on refined sugar stock with 15% margin or as required by SBP, whichever is higher. - Ranking charge over current assets of the Company for Rs. 355,000 thousand.
Bank of Punjab	- 3 month KIBOR + 1.10% - 3 month KIBOR + 1.25%	2,200,000	2,199,957	**750,000**	-	- Pledge on sugar stock with 15% margin for Rs. 825,000 thousand. - Lien on export LCs / contracts. - Pledge on white refined sugar stock with 15% margin. - Joint pari-passu charge over current assets of the Company with 25% margin for Rs 1,001,000 thousand.
BankIslami Pakistan Limited	- 6 month KIBOR + 1.20% - 9 month KIBOR + 1.20%	900,000	800,000	**720,000**	-	- Pledge of refined sugar stock of current season with 15% margin (Rs. 470,588 thousand). - Joint pari-passu charge over all present and future current assets of the Company with 25% margin (Rs. 667,000 thousand). - Lien on export documents / firm contracts.
Dubai Islamic Bank Pakistan Limited	- 6 month KIBOR + 1.25% - 9 month KIBOR + 1.50%	600,000	600,000	**200,000**	515,000	- Pledge on sugar stock with 10% margin for Rs. 603,000 thousand. - Lien over specific export LC / contract. - First joint pari-passu charge on present and future current assets of the Company for Rs 267,000 thousand.

Lending Institution	Interest rate (per annum)	September 30, 2024 Total available facility	Facility availed	Total outstanding amount	September 30, 2023 Total outstanding amount	Collateral
		(Rupees in thousand)				
Habib Metropolitan Bank Limited	- 3 month KIBOR + 0.90% - 3 month KIBOR + 1.00%	1,050,000	1,050,000	**300,000**	300,000	- Pledge on crystallized sugar in bags with 15% margin for Rs. 882,353 thousand. - Joint pari-passu charge on current assets of the Company for Rs 400,000 thousand. - Lien over export documents.
MCB Bank Limited	3 month KIBOR + 1.10%	1,600,000	1,577,190	**874,350**	1,158,350	- Pledge on white refined sugar stock for Rs. 889,890 thousand - First joint pari-passu charge on present and future current assets of the Company for Rs. 866,667 thousand. - Lien over export LCs / contracts. - Ranking hypothecation charge on present and future current assets of the Company for Rs. 400,000 thousand. - Corporate guarantee of the Company in favour of MCB for unconditional payment on demand.
MCB Islamic Bank Limited	3 month KIBOR + 1.40%	750,000	499,999	**499,996**	499,999	- Joint pari-passi charge over present and future current and fixed assets (excluding land and building) with 25% margin.
Meezan Bank Limited	- 3 month KIBOR + 1.20% - 6 month KIBOR + 1.20% - 1 year KIBOR + 1.50%	1,450,000	1,428,377	**464,656**	202,895	- Pledge of refined sugar stock with 15% safety margin or as required by SBP, whichever is higher. - Joint pari-passu charge over present and future current assets of the Company with 25% margin. - Lien over export documents.
National Bank of Pakistan	9 month KIBOR + 1.0%	1,000,000	999,889	-	-	- Pledge on white refined sugar stock with 15% margin for Rs. 1,176,471 thousand.
Samba Bank Limited	1 month KIBOR + 1.0%	600,000	599,908	-	599,908	- Exclusive charge over refined sugar bags of Rs. 707,000 thousand with 15% margin.
Soneri Bank Limited	6 month KIBOR + 1.25%	1,000,000	1,000,000	**1,000,000**	126,000	- Lien over specific export LC / contract. - First joint pari-passu charge on current assets of the Company for Rs 1,333,334 thousand.
United Bank Limited	1 month KIBOR + 2.00%	1,000,000	1,000,000	**700,000**	-	- First pari-passu charge on current assets of the Company with 25% margin.
Total				8,021,838	4,492,125	
Accrued mark-up				303,170	378,878	
				8,325,008	4,871,003	

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		Note	2024	2023
			(Rupees in thousand)	
25.	**Current maturity of non-current liabilities**			
	Long term finances	19	**760,647**	1,418,986
	Loans from related parties	20	**93,857**	77,472
	Lease liabilities	21	**84,945**	85,279
			939,449	1,581,737

26. Contingencies and commitments

Contingencies

26.1 The Commissioner Inland Revenue (CIR), Peshawar vide order dated May 26, 2015 alleged that the Company has not undertaken appropriate stock taking and raised a demand of Rs 10 million in respect of FED on the alleged differential stock. The Company preferred an appeal before Appellate Tribunal Inland Revenue (ATIR) which was accepted vide order dated January 25, 2016. In this respect, the tax department filed reference before the Honorable Peshawar High Court which is yet to be decided.

26.2 In respect of super tax demand under section 4C of Income Tax Ordinance, 2001 for the tax year 2021 @ 10% of taxable income, the Company had filed writ petition before Peshawar High Court, and an interim relief was granted, directing the Company to 50% of the tax demanded. However, during the year, The Federal Board of Revenue (FBR) sent a notice to the Company directing it to pay super tax @ 4%, based on Supreme Court's order in respect of other companies wherein the Supreme Court of Pakistan granted an interim relief against demand of super tax at the rate of 10% and directed FBR to recover the tax @ 4%. Management has recorded a current tax charge of Rs 41.9 million in respect of super tax @ 4% out of which Rs. 24.9 million was paid during the prior year. The Company and its legal counsel are confident that based on Supereme Court's order maximum exposure of the Company in respect of super tax for tax year 2021 is 4% and no further provision needs to be recognized in these financial statements.

26.3 The Federal government through SRO No. 1062(I)/2021 dated April 28, 2021 fixed the Ex-Mill and Retail prices of Sugar u/s 6 of the Price Control and Prevention of Profiteering and Hoarding Act, 1997 at Rs.95.57/kg and Rs.98.82/kg. The Company has filed a writ petition in Peshawar High court against the above direction of Federal Government on April 20, 2023
Peshawar High Court granted stay on the case vide order dated 6 June, 2023 and the case is currently pending adjudication as at year end.

26.4 The Competition Commission of Pakistan (CCP) issued a show cause notice dated November 4, 2020 to sugar mills with respect to artificial price hike and alleged cartelization. The Company submitted its reply dated December 25, 2020. However CCP passed an order dated August 13, 2021 and on the basis of revenues of financial year 2019 imposed a panelty of Rs.650,000 thousand on the Company. Against the said order of CCP, the Company has filed an appeal before the CCP Appellate tribunal. The CCP Appellate tribunal has granted stay order against the CCP's order dated August 13, 2021. The case is pending adjudication.

26.5 The Company has letter of guarantee facilities aggregating Rs 50 million (2023: Rs 50 million) available from Bank Al Habib. The amount availed on these facilities as at September 30, 2024 is Rs 4 million (2023: Rs 4 million). These facilities are secured by master counter guarantee and 100% cash margin.

26.6 The Company has obtained letter of credit facilities aggregating Rs 415 million (2023: Rs 365 million) from Bank Al Habib. The amount availed on these facilities as at September 30, 2024 is Rs 249 million (2023: Rs 221 million). These facilities are secured by lien on shipping documents.

26.7 The Company has cash finance facility available from various banks aggregating to Rs 17,550 million (2023: Rs 10,825 million), out of which Rs 2,573 million (2023: Rs 2,968 million) has been availed by the Company as at September 30, 2024. These facilities are secured against pledge charge over crystalline sugar inclusive of margin of 10 - 15%.

26.8 The Company has Export Re Finance/Finance Against Packing Credit (ERF / FAPC) facility from various commercial banks for Rs 5,900 million (2023: Rs 3,950 million), out of which Rs 5,449 million (2023: Rs 1,524 million) has been availed by the Company as at September 30, 2024. These facilities are secured by the joint parri passu hypothecation charge over current assets of the Company and lien over export documents.

26.10 The Company is defending its stance before the courts of law against various parties including individuals, corporate entities, federal and provincial revenue / regulatory authorities etc. The management of the Company is of the view that the ultimate outcome of these cases are expected to be favorable and a liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made in the financial statements in this regard.

26.11 During the period, the Company has issued further corporate guarantee amounting to Rs. 667 million in favour of UWFL in connection with financing arrangements with a financial institution.The financing facility is expected to be settled by December 31, 2027 and accordingly, the guarantee issued by the Company will be released by December 31, 2027.

	Note	2024	2023
		(Rupees in thousand)	
Commitments			
26.12 The Company has following commitments in respect of:			
Foreign letter of credit for purchase of plant and machinery		**140,663**	-
Local letter of credit for purchase of plant and machinery		-	143,681
Capital expenditure other than for letter of credit		**14,386**	14,386

27. Gross sales

	Note	2024	2023
Local		**29,976,633**	20,874,057
Export	27.1	**6,847,464**	8,497,560
		36,824,097	29,371,617

27.1 Export sales comprise of the sugar and ethanol sales, made in the following regions:

	2024	2023
Singapore	**561,377**	361,816
China	-	540,773
Spain	**2,427,827**	5,262,047
Hong Kong	**373,715**	97,765
Switzerland	**2,675,212**	2,182,192
Afghanistan	-	52,967
Indonesia	**396,691**	-
United Arab Emirates	**412,642**	-
	6,847,464	8,497,560

28. Sales tax, other government levies and discounts

	2024	2023
Indirect taxes	**4,535,928**	2,984,342
Discounts and commissions	**13,512**	11,558
	4,549,440	2,995,900

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29. Cost of sales

	Note	2024	2023
		(Rupees in thousand)	
Raw material consumed		**25,201,351**	18,397,896
Chemicals and stores consumed		**520,323**	564,182
Salaries, wages and benefits	29.1	**919,538**	888,766
Power and fuel		**169,725**	162,838
Repair maintenance and others		**539,416**	633,310
Insurance		**50,893**	32,997
Depreciation - property, plant and equipment	7.6	**1,459,485**	1,301,650
Depreciation - right of use asset	8.1	**4,159**	4,621
		28,864,890	21,986,260
Adjustment of work-in-process:			
Opening		**16,293**	12,146
Closing		**(21,768)**	(16,293)
		(5,475)	(4,147)
Cost of goods manufactured		**28,859,415**	21,982,113
Adjustment of finished goods:			
Opening stock		**5,161,383**	3,367,723
Closing stock		**(3,966,712)**	(5,161,383)
		1,194,671	(1,793,660)
		30,054,086	20,188,453

29.1 Salaries, wages and benefits include Rs 25,253 thousand (2023: Rs 20,790 thousand) in respect of retirement benefits.

30. Selling and distribution expenses

	Note	2024	2023
		(Rupees in thousand)	
Salaries, wages and benefits	30.1	**22,618**	19,991
Loading and stacking		**26,760**	33,691
Export development surcharge		**19,106**	18,466
Export sales commission		**331,211**	416,357
Freight and other expenses		**460,735**	358,065
Depreciation - right of use asset	8.1	**17,453**	19,446
		877,883	866,016

30.1 Salaries, wages and benefits include Rs 658 thousand (2023: Rs 532 thousand) in respect of retirement benefits.

31. Administrative and general expenses

	Note	2024	2023
		(Rupees in thousand)	
Salaries, wages and benefits	31.1	**599,428**	603,177
Travelling and conveyance		**89,396**	74,495
Vehicles running and maintenance		**49,842**	44,675
Rent, rates and taxes		**9,202**	8,518
Communication		**28,130**	16,745
Printing and stationery		**14,016**	13,451
Insurance		**8,625**	6,994
Repair and maintenance		**112,528**	49,148
Fees and subscription		**11,234**	3,608
Depreciation - property, plant and equipment	7.6	**81,971**	18,329
Depreciation - right of use asset	8.1	**52,320**	46,959
Auditors' remuneration	31.2	**5,555**	4,189
Legal and professional charges		**15,144**	13,358
Entertainment		**85,795**	83,897
Others		**35,690**	21,814
		1,198,876	1,009,357

31.1 Salaries, wages and benefits include Rs 21,250 thousand (2023: Rs 17,120 thousand) in respect of retirement benefits.

	Note	2024	2023
31.2 Auditors' remuneration		**(Rupees in thousand)**	
Statutory audit		**3,222**	2,929
Review of half yearly financial statements, review on statement of free float of shares of the company, reporting on compliance of Code of corporate governance (CCG) and review of reconciliation statement of Central depository company's (CDC) nominee holding in members' register		**1,263**	693
Consolidation		**338**	308
Group reporting		**227**	154
Out-of-pocket expenses		**505**	105
		5,555	4,189

32. Other income

		2024	2023
Income from financial assets			
Profit on bank deposits		**5,901**	10,237
Mark-up income on loans receivable from subsidiaries		**220,704**	25,486
Mark-up earned on term depository receipts		**88,758**	31,313
Income from other than financial assets			
Sale of press mud - net of sales tax		**7,218**	5,879
Sale of fusel oil - net of sales tax		**3,101**	3,378
Gain on disposal of operating fixed assets		**15,490**	8,446
Scrap sales - net of expenses		**52,818**	63,372
Rental income		**115**	115
Income against insurance claim		**-**	119,462
Others		**15,595**	-
		94,337	200,652
		409,700	267,688

33. Other expenses

	Note	2024	2023
Impairment in long term investment - WFL		**130,000**	85,607
Donations	33.1	**1,039**	2,042
Workers' profit participation fund charge		**-**	83,166
Workers' welfare fund charge		**-**	28,097
Others		**15,327**	(3,945)
		146,366	194,967

33.1 This includes donation paid to Al-Siraj Welfare Foundation amounting to Rs. 1,000 thousand (2023: Rs 2,042 thousand).

	Note	2024	2023
34. Finance cost - net		**(Rupees in thousand)**	
Mark-up on:			
Long term finances		**927,001**	909,885
Loans from related parties		**34,447**	36,420
Short term borrowings		**3,028,602**	1,645,272
		3,990,050	2,591,577
Unwinding of interest on lease liabilities	21	**50,293**	43,479
Amortization of deferred government grant	22.4	**(26,585)**	(23,946)
Amortization of loan to subsidiary company	10.1	**-**	(22,632)
Interest on workers' profit participation fund		**7,418**	1,438
Bank charges		**14,159**	11,049
Exchange loss - net		**37,184**	137,403
		4,072,519	2,738,368

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35. Minimum tax - levy

This represents the minimum taxes and final taxes paid under section 5 of Income Tax Ordinance, 2001 (ITO), representing levy in terms of requirements of IFRIC 21/IAS 37.

		2024	2023
		(Rupees in thousand)	
35.1	Reconciliation of current tax charge as per income tax laws with the current tax recognized is as follows:	**390,371**	351,298
	Current tax liability for the year as per tax laws		
	Portion of current tax liability as per tax law, representing income tax under IAS 12	-	50,473
	Portion of current tax liability as per tax law, representing levy in terms of requirements of IFRIC 21/IAS 37	**390,371**	300,825
	Difference	-	-

35.2 The aggregate of final tax and minimum tax, amounting to Rs. 390,371 thousand (2023: Rs 351,298 thousand) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance 2001.

36. Taxation

	2024	2023
	(Rupees in thousand)	
Current:		
- for the year	-	8,535
- prior year	-	41,938
	-	50,473
Deferred:		
On account of temporary differences	**(1,566,943)**	(471,157)
	(1,566,943)	(420,684)

36.1 Reconciliation of levy and taxation with accounting profit

	2024	2023
Profit before taxation	**(4,204,191)**	1,278,455
Tax rate	**29%**	29%
Tax on profit	**(1,219,215)**	370,752
Tax effect of:		
Effect of income taxable at reduced rates	**233,111**	(362,216)
Prior year charge	-	41,938
Due to incremental depreciation	**(354,187)**	(271,104)
Reversal of deferred tax on impariment loss	**29,714**	-
Minimum tax	**(326,432)**	(224,385)
Others	**70,066**	24,332
	(1,566,943)	(420,684)

37. Earnings per share

	2024	2023
	-	-
Profit / (Loss) / after taxation attributable to ordinary shareholders	**(2,637,248)**	1,699,139
Weighted average number of shares outstanding during the year (No. of shares '000')	**28,692**	28,692
Earnings / (loss) per share (Rs)	**(91.92)**	59.22

37.1 There is no dilutive effect on basic earnings per share.

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38. 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	27,616,313	21,256,732	9,207,784	8,114,885	36,824,097	29,371,617
-Inter segment	1,290,555	1,534,829	-	-	1,290,555	1,534,829
	28,906,868	22,791,561	9,207,784	8,114,885	38,114,652	30,906,446
Less : sales tax & others	(4,186,910)	(2,910,329)	(362,530)	(85,571)	(4,549,440)	(2,995,900)
Sales - net	24,719,958	19,881,232	8,845,254	8,029,314	33,565,212	27,910,546
Segment expenses:						
Cost of Sales	(23,926,314)	(16,897,260)	(6,127,772)	(3,291,193)	(30,054,086)	(20,188,453)
less: Inter segment cost	-	-	(1,290,555)	(1,534,829)	(1,290,555)	(1,534,829)
	(23,926,314)	(16,897,260)	(7,418,327)	(4,826,022)	(31,344,641)	(21,723,282)
Gross profit	793,644	2,983,972	1,426,927	3,203,292	2,220,571	6,187,264
Selling and distribution expenses	(44,058)	(146,522)	(833,825)	(719,494)	(877,883)	(866,016)
Administrative and general expenses	(921,320)	(738,251)	(277,556)	(271,106)	(1,198,876)	(1,009,357)
Net impairment losses on financial assets	(148,447)	(66,964)	-	-	(148,447)	(66,964)
	(1,113,825)	(951,737)	(1,111,381)	(990,600)	(2,225,206)	(1,942,337)
Profit from operations	(320,181)	2,032,235	315,546	2,212,692	(4,635)	4,244,927
Other income	404,665	232,722	5,035	34,966	409,700	267,688
Other expenses	(146,366)	(176,052)	-	(18,915)	(146,366)	(194,967)
	258,299	56,670	5,035	16,051	263,334	72,721
Segment results	(61,882)	2,088,905	320,581	2,228,743	258,699	4,317,648
Finance cost					(4,072,519)	(2,738,368)
(Loss) / profit before levy and income tax					(3,813,820)	1,579,280
Minimum tax - levy					(390,371)	(300,825)
(Loss) / profit before income tax					(4,204,191)	1,278,455
Taxation					1,566,943	420,684
Profit / (loss) for the year					(2,637,248)	1,699,139

38.1 Segment assets and liabilities

	2024		2023	
	Assets	Liabilities	Assets	Liabilities
	(Rupees in thousand)			
Sugar	25,346,055	8,339,215	24,332,650	14,839,078
Ethanol	6,298,845	6,122,538	7,367,338	1,942,447
Total for reportable segment	31,644,900	14,461,753	31,699,988	16,781,525
Others	-	4,040,909	-	380,367
Total assets / liabilities	31,644,900	18,502,662	31,699,988	17,161,892

39 Financial instruments

39.1 Financial assets and liabilities

As at September 30, 2024

	Amortised Cost	Total
Financial assets:	-------Rupees in thousand-------	
Maturity upto one year - at amoritsed cost		
Trade debts - net of loss allowance	276,285	276,285
Loans and advances	699,202	699,202
Trade deposits and other receivables - net of loss allowance	63,725	63,725
Cash and bank balances	898,783	898,783
Maturity after one year - at fair value through profit or loss		
Long term security deposits	15,343	15,343
	1,953,338	1,953,338
Financial liabilities:		
Other financial liabilities - at amortised cost		
Maturity upto one year		
Trade and other payables	734,557	734,557
Unclaimed dividends	15,679	15,679
Current maturity of non current liabilities	854,504	854,504
Short term running finance	8,325,008	8,325,008
Lease liabilities	84,945	84,945
Maturity after one year		
Long term finances - secured	3,989,793	3,989,793
Loans from related parties - secured	126,222	126,222
Lease liabilities	143,011	143,011
	14,273,719	14,273,719

As at September 30, 2023

	Amortised Cost	Total
Financial assets:	(Rupees in thousand)	
Maturity upto one year		
Trade debts - net of loss allowance	1,214,104	1,214,104
Loans and advances	705,765	705,765
Trade deposits and other receivables - net of loss allowance	191,687	191,687
Cash and bank balances	811,313	811,313
Maturity after one year		
Long term security deposits	283,936	283,936
	3,206,805	3,206,805
Financial liabilities:		
Other financial liabilities		
Maturity upto one year		
Trade and other payables	1,002,895	1,002,895
Unclaimed dividends	14,572	14,572
Current portion of non current liabilities	1,496,458	1,496,458
Short term running finance	4,871,003	4,871,003
Lease liabilities	85,279	85,279
Maturity after one year		
Long term finances - secured	3,261,715	3,261,715
Loans from related parties - secured	131,854	131,854
Lease liabilities	140,314	140,314
	11,004,090	11,004,090

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40 Financial risk management

40.1.1 Financial risk factors

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

- credit risk
- liquidity risk
- market risk

The Board of Directors (the Board) has the overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of the Company oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

a) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The 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, loans and advances, other receivables 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 an allowed credit period 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.

The Company recognises ECL for trade debts using the simplified approach as explained in note 4.20. As per the aforementioned approach, the loss allowance was determined as follows:

	1-180 days	181-365 days	More than 365 days	Total
	--------Rupees in thousand--------			
September 30, 2024				
Gross carrying value	276,599	-	1,729	278,328
Loss allowance	314	-	1,729	2,043
September 30, 2023				
Gross carrying value	1,215,486	223	1,729	1,217,438
Loss allowance	1,381	223	1,729	3,333

Afz

ECL on other receivables is calculated using general approach (as explained in note 4.20). As at the reporting date, Company envisages that default risk on account of non-realisation of other receivables is minimal and thus based on historical trends adjusted to reflect current and forward looking information loss allowance has been estimated by the Company using a range of probable recovery pattern of related other receivables and assigning a time value of money to same. As per the aforementioned approach, the loss allowance for other receivables as at September 30, 2024 and September 30, 2023 is determined as follows:

	2024	2023
	(Rupees in thousand)	
September 30,		
Gross carrying value	**699,202**	705,765
Loss allowance	**(905)**	(905)

Based on past experience, the management believes that no further impairment allowance is necessary in respect of trade debts, loans and advances and other financial assets.

Net impairment losses on financial assets recognised in statement of profit or loss :

	2024	2023
	(Rupees in thousand)	
Loss allowance / (reversal) for doubtful trade debts	**(1,290)**	1,551
Loss allowance for export subsidy	**149,737**	65,413
Net impairment losses on financial assets	**148,447**	66,964

The credit quality of Company's financial assets have been assessed below by reference to external credit ratings of counterparties determined by the Pakistan Credit Rating Agency Limited (PACRA) and JCR - VIS Credit Rating Company Limited (JCR-VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any defaults in meeting obligations.

	Rating	2024	2023
		(Rupees in thousand)	
Counterparties without external credit rating			
Trade debts		**276,285**	1,214,104
Loans and advances		**699,202**	705,765
Trade deposits and other receivables		**63,725**	191,687
		1,039,212	2,111,556
Counterparties with external credit rating			
Bank balances			
	A-1+	**894,287**	809,215
	A-1	**4,496**	2,098
		898,783	811,313

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b) 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 to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below analyses the contractual maturities of the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the maturity date. The amounts disclosed in the table are undiscounted cash flows.

	Carrying amount	Contractual cash flows	Less than 1 Year	Between 1 to 5 years	5 years and above
			(Rupees in thousand)		
As at September 30, 2024					
Long term finance - secured	4,750,440	4,750,440	760,647	3,989,793	-
Loans from related parties	220,079	220,079	93,857	126,222	-
Lease liabilities	227,956	227,956	84,945	143,011	-
Trade and other payables	734,557	734,557	734,557	-	-
Unclaimed dividend	15,679	15,679	15,679	-	-
Short term running finance	8,325,008	8,325,008	8,325,008	-	-
As at September 30, 2023					
Long term finance - secured	4,680,701	4,680,701	1,418,986	3,261,715	-
Loans from related parties	209,326	209,326	77,472	131,854	-
Lease liabilities	225,593	225,593	85,279	140,314	-
Trade and other payables	1,002,895	1,002,895	1,002,895	-	-
Unclaimed dividend	14,572	14,572	14,572	-	-
Short term running finance	4,871,003	4,871,003	4,871,003	-	-

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.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

c) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board. The Company is exposed to interest rate risk, currency risk and market price risk.

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. Financial liabilities include Rs 44,112 thousand (2023: Financial assets include Rs 972,202 thousand) which were subject to currency risk.

	2024	2023
Rupees per USD		
Average rate	**283.33**	259.03
Reporting date rate	**278.05**	288.60

Sensitivity analysis

As at September 30, 2024, if the currency had weakened/strengthened by 10% against US dollar with all other variables held constant, profit before tax for the year would have been Rs 4,411 thousand (2023: Rs 97,220 thousand) lower/ higher.

ii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no long term interest bearing financial assets whose fair value or future cash flows will fluctuate because of changes in market interest rates. Financial assets and liabilities include balances of Rs 717,094 thousand (2023: Rs 723,431 thousand) and Rs 12,935,957 thousand (2023: Rs 9,331,377 thousand) respectively, which are subject to interest rate risk. Applicable interest rates for financial assets and liabilities have been indicated in respective notes.

Sensitivity analysis

As at September 30, 2024, if interest rates had been 1% higher/ lower with all other variables held constant, profit after tax for the year would have been Rs 86,754 thousand (2023: Rs 61,116 thousand) higher/ lower, mainly as a result of higher/ lower interest income/ expense from these financial assets and liabilities.

iii) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

At the year end the Company is not exposed to price risk since there are no financial instruments, whose fair value or future cash flows will fluctuate because of changes in market prices.

40.1.2 Capital risk management

The Company is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital and the level of dividend to ordinary shareholders. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and / or issue new shares. There was no change to the Company's approach to the capital management during the year.

The Company is not subject to externally imposed capital requirements except for the maintenance of debt to equity and current ratios under the financing agreements. Accordingly, the liabilities under these financing agreements have been classified as per the repayment schedule applicable in respect of the aforesaid financing agreements.

The Company monitors capital using a gearing ratio, which is calculated as net debt divided by total capital plus net debt. Net debt is calculated as amounts payable by the Company less cash and bank balances. Capital signifies equity as shown in the statement of financial position plus net debt. The Company's gearing ratio is as follows:

	2024	2023
	(Rupees in thousand)	
Long term finances - secured	**4,750,440**	4,680,701
Loans from related parties - secured	**220,079**	209,326
Lease liabilities	**227,956**	225,593
Total debt	**5,198,475**	**5,115,620**
Issued, subscribed and paid-up capital	**286,920**	286,920
Capital reserve	**327,000**	327,000
Revenue reserve	**3,550,096**	5,775,450
Total capital	**4,164,016**	6,389,370
Capital and net debt	**9,362,491**	11,504,990
Gearing ratio	**56%**	44%

41 Fair value of financial assets and liabilities

The carrying values of financial assets and liabilities approximate their fair value.

41.1 Fair value hierarchy

Certain property, plant and equipment of the Company was valued by independent valuer to determine the fair value of property, plant and equipment as at September 30, 2024. The revaluation surplus on property, plant and equipment was credited to other comprehensive income and is shown as 'surplus on revaluation of property, plant and equipment'. These are classified as level 2 fair values. Further, the fair value less cost to sell of investment in WFL and its property, plant and eqiupment was determined by an external valuation expert as at September 30, 2024 using cost approach. For valuation, the current market price or depreciated replacement cost method was used, whereby, current purchase / construction cost of similar items in similar locations was adjusted using suitable depreciation rates to arrive at present market value. These are also classified as level 2 fair values. For all other assets and liabilities of WFL, the carrying values of assets and liabilities approximate their fair value. These are classified as level 3 fair values. The different levels have been defined as follows:

- Level 1

Quoted prices (unadjusted) in active market for identical assets/ liabilities.

- Level 2

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

- Level 3

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

42. Reconciliation of movement of liabilities to cash flow arising from financing activities

	Liabilities						Total
	Long term finance	Loans from related parties	Lease liabilities	Accrued Markup	Short term running finance	Unclaimed dividend	
	Rupees in thousand						
Balance at October 1, 2023	4,435,569	163,090	225,593	670,246	1,523,895	14,572	7,032,965
Cash flows	103,122	(15,618)	(154,773)	(4,094,347)	3,925,169	(142,353)	(378,800)
Deferred grant recognized during the year	-	-	-	-	-	-	-
Additions and unwinding of interest on lease liabilities during the year	-	-	151,055	-	-	-	151,055
Remeasurement (gain) / loss on lease liabilities	-	-	6,081	-	-	-	6,081
Mark-up charged during the year	-	-	-	3,990,050	-	143,460	4,133,510
Interest on workers' profit participation fund	-	-	-	7,418	-	-	7,418
Bank charges	-	-	-	14,159	-	-	14,159
Balance at September 30, 2024	4,538,691	147,472	227,956	587,526	5,449,064	15,679	10,966,388

43. Transactions and balances with related parties

43.1 The Premier Sugar Mills & Distillery Company Limited holds 47.93% (2023: 47.93%) shares of the Company at the year end. Therefore, all subsidiaries and associated undertakings of The Premier Sugar Mills & Distillery Co. Limited are related parties of the Company. The related parties also comprise of directors, major shareholders, key management personnel, entities over which the directors are able to exercise significant influence on financial and operating policy decisions and employees' funds. Amount due from and due to these undertakings are shown under receivables and payables. The remuneration of Chief Executive, Directors and Executives is disclosed in note 44 to the statement of financial statements

	2024	2023
	(Rupees in thousand)	
The Premier Sugar Mills and Distillery Company Limited		
Purchases	**-**	773,026
Sales	**-**	2,428
Issuance of store items	**9,208**	25,695
Amount paid against purchase of building	**50,885**	-
Expenses paid by the Company	**60,287**	78,242
Expenses paid on behalf of the Company	**5,438**	7,025
Dividend paid	**68,755**	-
Rent income	**115**	115
Syntronics Limited		
Purchase of store items	**11,993**	163,068
Dividend paid	**17,952**	-
Syntron Limited		
Purchase of store items	**220,513**	94,760
Azlak Enterprises (Private) Limited		
Services on behalf of the Company	**48,780**	38,018
Mark-up charged to the Company	**19,507**	17,605
Expenses paid on behalf of the Company	**3,385**	1,931
Dividend paid	**7,487**	-
Phipson & Company Pakistan (Private) Limited		
Expenses paid on behalf of the Company	**32**	413
Dividend paid	**1,538**	-
Arpak International Investments Limited		
Markup charged to the Company	**5,979**	5,668

	2024	2023
	(Rupees in thousand)	
Premier Board Mills Limited		
Markup charged to the Company	**8,961**	11,285
Whole Foods (Pvt.) Limited		
Expenses paid by the Company	**8,253**	10,034
Funds transferred	**61,000**	60,000
Markup charged by the Company	**111,360**	-
Ultimate Whole Foods (Private) Limited		
Expenses paid by the Company	**372,035**	27,429
Expenses paid on behalf of the Company	**-**	2,252
Investment in subsidiary company	**525,000**	300,000
Loan to subsidiary company	**150,000**	500,000
Markup charged by the Company	**109,344**	25,486
Premier Grain Ethanol Limited		
Expenses paid by the Company	**3,090**	-
Provident fund		
Contribution to provident fund	**38,884**	32,267
Directors		
Dividends paid	**28,721**	-

43.2 Following are the related parties with whom the Company had entered into transactions or have arrangement/agreement in place.

Sr No	Company Name	Basis of Association	Aggregate % of Shareholding
1	The Premier Sugar Mills and Distillery Company Limited	Holding Company	47.93%
2	Premier Board Mills Limited	Common directorship	-
3	Azlak Enterprises (Private) Limited	Common directorship	5.15%
4	Arpak International Investments Limited	Common directorship	-
5	Phipson & Company Pakistan (Private) Limited	Common Holding Company	1.07%
6	Syntronics Limited	Common directorship	12.51%
7	The Frontier Sugar Mills & Distillery Limited	Common directorship	-
8	Syntron Limited	Common directorship	-
9	Premier Construction and Housing Limited	Common directorship	-
10	Earth Securities (Private) Limited	Common directorship	-
11	Whole Foods (Private) Limited	Subsidiary Company	100.00%
12	Ultimate Whole Foods (Private) Limited	Subsidiary Company	84.00%
13	Premier Grains Ethanol Limited	Subsidiary Company	76.92%

44. Remuneration of Chief Executive, Directors and Executives

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

	Chief Executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
	(Rupees in thousand)					
Managerial remuneration	**34,914**	32,258	**34,914**	38,258	**67,235**	69,648
Bonus	**-**	7,590	**-**	7,590	**-**	44,882
Housing and utilities	**6,624**	4,044	**6,136**	1,851	**44,823**	46,432
Company's contribution to provident fund	**-**	-	**-**	-	**3,545**	4,214
Medical	**4,781**	4,346	**-**	136	**763**	827
Other expenses	**3,073**	13,628	**38,027**	20,042	**-**	-
	49,392	61,866	**79,077**	67,877	**116,366**	166,003
Number of persons	**1**	1	**1**	2	**26**	29

44.1 In addition to above, the Chief Executive and Executives were provided with the Company maintained cars for official and personal use. All the Executives based at factory compounds are also provided with free housing with the Company's generated electricity, telephone and certain household items in the residential colony within the factory compound.

44.2 Mr. Abbas Sarfraz Khan, Director of the Company, holds office of profit for performing extra services, for which approval was obtained vide Extraordinary general meeting dated June 21, 2019 under section 171 of the Companies Act, 2017. His remuneration includes monthly salary, bonus as per company policy, company maintained vehicle and reimbursement of all travelling and medical expenses. The Board of Directors are also entitled to reimbursement of all travelling, telephone and medical expenses, as approved vide 31st annual general meeting of members dated March 29, 2019. The remuneration of Directors was increased vide Extraordinary General Meeting (EOGM) dated August 25, 2023.

45. DISCLOSURE IN RELATION TO SHARIAH COMPLIANCE

Below is the disclosure as required by the paragraph VII of the 4th Schedule to the Companies Act, 2017 determined by Shariah expert appointed by the Company:

	Note	2024	2023
		(Rupees in thousand)	
Disclosures in relation to the Statement of Financial Position - Liability Side			
Financing obtained as per Islamic mode			
Long term	19	**334,646**	695,493
Short term	24	**1,884,652**	1,217,894
Lease financing	21	**8,828**	18,286
Interest or mark-up accrued on any conventional loan or advance	19, 20 & 24	**460,151**	483,988
Disclosures relation to the Statement of Financial Position – Asset Side			
Short-term Shariah compliant Investments		**-**	-
Long-term Shariah compliant Investments		**1,652,823**	638,357
Shariah-compliant bank deposits, bank balances, and TDRs	16	**164,817**	64,571

Disclosures in relation to the Statement of profit or loss and other comprehensive income	Note	2024	2023
		(Rupees in thousand)	
Revenue earned from a Shariah-compliant business segment	27 & 28	**25,049,780**	18,346,403
Break-up of late payments or liquidated damages		**-**	-
Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates		**-**	-
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs	32	**3**	1
Exchange (loss)/ gain earned from actual currency	34	**(37,184)**	(137,403)
Exchange gains earned using conventional derivative financial instruments		**-**	-
Profit paid on Islamic mode of financing	34	**703,534**	581,356
Total Interest earned on any conventional loan or advance	32	**315,360**	67,035
Source and detailed breakup of other income:			
Shariah compliant income:			
Profit earned from Shariah-compliant bank deposits bank balances, or TDRs	32	**3**	1
Sale of press mud - net of sales tax	32	**7,218**	5,879
Sale of fusel oil - net of sales tax	32	**3,101**	3,378
Gain on disposal of operating fixed assets	32	**15,490**	8,446
Gain on derecognition of right of use assets	32	**-**	-
Scrap sales - net of expenses	32	**52,818**	63,372
Rental income	32	**115**	115
Non-Shariah compliant income:			
Mark-up earned on bank deposits, bank balances, or TDRs	32	**94,656**	41,549
Mark-up earned on loan to a related party	32	**220,704**	25,486
Income against Insurance claim	32	**-**	119,462

Other Disclosure

Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows:

- Meezan Bank Limited
- Al Baraka Bank Limited
- MCB Islamic Limited
- Bank Islami Limited
- Dubai Islamic Bank Pakistan Limited
- National Bank of Pakistan - Aitemaad Islamic Banking
- Soneri Mustaqeem Islamic Banking

46. General

46.1 Geographical location and addresses of business units

The business units of the Company include the following:

Business Units	Location
Sugar - unit I	University Road, Dera Ismail Khan, KPK
Sugar - unit II	Ramak, Dera Ismail Khan, KPK
Ethanol fuel plant	Ramak, Dera Ismail Khan, KPK

46.2 Capacity and production

	2024	2023
Sugar plants		
Rated crushing capacity (Metric Ton / day)	**18,000**	18,000
On the basis of average number of 99 days (2023: 105 days)	**1,782,000**	1,890,000
Actual cane crushed (Metric Ton)	**1,726,610**	1,963,169
Sugar produced (Metric Ton)	**171,591**	211,871
Ethanol fuel plant		
Rated production capacity (Litres / day)	**125,000**	125,000
On the basis of average number of 347 days (2023: 343 days) (Litres)	**43,375,000**	42,875,000
Actual production (Litres)	**43,053,990**	42,374,200
	Days	
Days worked		
Sugar - unit I	99	106
Sugar - unit II	98	103
Ethanol fuel plant	347	343

Sugar division performed at more than installed capacity to the extent of availability of sugar cane. Capacity of ethanol units were also over-utilized on certain days.

46.3 Number of employees

	2024	2023
Number of employees at September 30		
Permanent	**1,041**	1,008
Contractual	**1,037**	1,047
	2,078	2,055
Average number of employees for the year		
Permanent	**1,035**	1,090
Contractual	**1,397**	1,518
	2,432	2,608

46.4 Provident Fund

Investments out of provident fund have been made in accordance with the provisions of section 212 of the Companies Act, 2017 and the rules formulated for the purpose.

46.5 Corresponding Figures

Corresponding figures for the prior period have been rearranged and reclassified where necessary for more approriate presentation of transactions and balances for the purpose of comparison. Refer note 4.16 for reclassification related to adoption of ICAP Guidance on accounting of minimum taxes and final taxes. There are no other material reclassifications / rearrangements.

46.6 Rounding off

Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

47. Date of authorisation for issue

These financial statements have been authorised for issue by the Board of Directors of the Company on __________, 2025.

Chief Financial Officer ~~**Chief Executive**~~ Director **Director**

In the absence of Chief Executive, these Financial Statements have been signed by two Directors along with Chief Financial Officer

CHASHMA SUGAR MILLS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR
ENDED SEPTEMBER 30, 2024

CHASHMA SUGAR MILLS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

	Note	2024	2023 Restated
		(Rupees in thousand)	
NON CURRENT ASSETS			
Property, plant and equipment	7	25,693,313	23,783,471
Right-of-use assets	8	316,081	322,672
Long term deposits		15,343	15,084
Deferred tax assets	21.1.1	192,100	10,100
		26,216,837	24,131,327
CURRENT ASSETS			
Stores and spares	9	784,565	842,019
Stock-in-trade	10	4,751,694	5,378,443
Trade debts	11	440,419	1,214,104
Loans and advances	12	1,186,255	1,022,562
Trade deposits and other receivables	13	114,033	226,809
Income tax refundable	14	440,513	181,952
Prepaid asset - levy		2,219	-
Cash and bank balances	15	1,049,136	822,656
		8,768,834	9,688,545
TOTAL ASSETS		34,985,671	33,819,872
SHARE CAPITAL AND RESERVES			
Authorized capital	16	500,000	500,000
Issued, subscribed and paid-up capital	16	286,920	286,920
General reserve	16.5	327,000	327,000
Surplus on revaluation of property, plant and equipment	17	9,575,365	8,382,950
Unappropriated profits		2,398,917	5,426,972
Equity attributable to owners of the parent		12,588,202	14,423,842
Non-controlling interests	36	210,190	181,631
		12,798,392	14,605,473
NON-CURRENT LIABILITIES			
Long term finances - secured	18	5,426,839	4,673,542
Loans from related parties - secured	19	148,097	163,064
Lease liabilities	20	159,979	157,994
Deferred liabilities			
-Deferred taxation		3,174,679	3,620,702
-Provision for gratuity		22,132	19,965
-Deferred government grant		49,695	76,280
	21	3,246,506	3,716,947
		8,981,421	8,711,547
CURRENT LIABILITIES			
Trade and other payables	22	1,875,443	3,500,977
Unclaimed dividend		15,679	14,572
Short term borrowings - secured	23	9,514,950	4,994,853
Current maturity of non-current liabilities	24	1,409,414	1,776,601
Provision for tax levies - net		390,372	215,849
		13,205,858	10,502,852
TOTAL LIABILITIES		22,187,279	19,214,399
Contingencies and commitments	25		
TOTAL EQUITY AND LIABILITIES		34,985,671	33,819,872

The annexed notes 1 to 47 form an integral part of these financial statements.

Chief Financial Officer | **Chief Executive** Director | **Director**

In the absence of Chief Executive, these Financial Statements have been signed by two Directors along with Chief Financial Officer.

CHASHMA SUGAR MILLS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Note	2024	2023 Restated
		(Rupees in thousand)	
Gross sales	26	42,551,507	29,371,617
Sales tax, other government levies and discounts	27	(4,560,742)	(2,995,900)
Sales - net		37,990,765	26,375,717
Cost of sales	28	(36,113,659)	(20,188,453)
Gross profit		1,877,106	6,187,264
Selling and distribution expenses	29	(938,248)	(866,016)
Administrative and general expenses	30	(1,500,244)	(1,140,965)
Net loss allowance on trade debts and subsidy receivable from GoP	40.1.1	(179,828)	(66,964)
Other income	31	194,383	242,202
Other expenses	32	(16,389)	(109,360)
Operating (loss) / profit		(563,220)	4,246,161
Finance cost	33	(4,596,293)	(2,783,013)
(Loss) / profit before revenue tax and income tax		(5,159,513)	1,463,148
Minimum tax - levy	34	(404,661)	(300,825)
(Loss) / profit before income tax		(5,564,174)	1,162,323
Taxation	35	1,930,800	406,759
(Loss) / profit for the year		(3,633,374)	1,569,082
Attributable to:			
Owners of the parent company		(3,472,340)	1,584,041
Non-controlling interest		(161,034)	(14,959)
		(3,633,374)	1,569,082
(Loss) / earnings per share attributable to owners of parent company - basic and diluted (Rs)	37	(121.02)	55.21

The annexed notes 1 to 47 form an integral part of these financial statements.

Chief Financial Officer   **Chief Executive** Director   **Director**

In the absence of Chief Executive, these Financial Statements have been signed by two Directors along with Chief Financial Officer

CHASHMA SUGAR MILLS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Note	2024	2023 Restated
		(Rupees in thousand)	
(Loss) / profit for the year		(3,633,374)	1,569,082
Other comprehensive (loss) / income			
Items that will not be classified to profit or loss:			
Remeasurement gain / (loss) on staff retirement benefit plans	21.2.5	2,245	(2,656)
Less: Deferred tax on remeasurement (loss) / gain on staff retirement benefit plans		(876)	1,036
		1,369	(1,620)
Surplus on revaluation of property, plant and equipment		3,161,518	2,693,463
Less: Deferred tax on surplus on revaluation of property, plant and equipment		(1,304,150)	(877,217)
		1,857,368	1,816,246
Total comprehensive (loss) / income for the year		(1,774,637)	3,383,708
Attributable to:			
Owners of the Parent Company		(1,680,331)	3,398,667
Non-controlling interest		(94,306)	(14,959)
		(1,774,637)	3,383,708

The annexed notes 1 to 47 form an integral part of these financial statements.

Chief Financial Officer **Chief Executive/Director** **Director**

In the absence of Chief Executive, these Financial Statements have been signed by two Directors along with Chief Financial Officer.

CHASHMA SUGAR MILLS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Note	2024	2023 Restated
		(Rupees in thousand)	
Cash flow from operating activities			
(Loss) / profit for the year - before taxation		(5,564,174)	1,162,323
Adjustments for non-cash items:			
Depreciation - Property, plant and equipment	7.6	1,851,857	1,391,805
Depreciation - Right of use asset	8.1	79,873	75,883
Gain on disposal of operating fixed assets	31	(15,729)	(8,446)
Return on deposit accounts	31	(9,231)	(10,237)
Mark-up earned on term depository receipts	31	(88,758)	(31,313)
Finance cost	33	4,596,293	2,783,013
Impairment loss / (reversal) for doubtful trade debts	40.1.1	17,679	1,551
Provision for gratuity	21.2.2	8,935	5,639
Write down of stock in trade to net realisable value	10	284,742	-
Impairment loss for export subsidy	13.1	149,737	65,413
Reversal of provision for obsolete items	9.1	(15,595)	(6,713)
Minimum tax - levy	34	404,661	300,825
		1,700,290	5,729,743
Changes in working capital			
Decrease / (increase) in			
stores and spares		73,049	(325,878)
stock-in-trade		342,007	(1,998,574)
trade debts		718,822	(1,308,901)
loans and advances		(163,693)	350,036
long term loan and deposits		(259)	-
trade deposits and other receivables		(36,961)	(13,345)
Increase / (decrease) in trade and other payables		(1,624,698)	2,308,394
		(691,733)	(988,268)
		1,008,557	4,741,475
Income tax and levies paid		(493,167)	(257,592)
Gratuity paid	21.2.1	(5,360)	(1,180)
Net cash generated from operating activities		510,030	4,482,703
Cash flow from investing activities			
Purchase of property, plant and equipment		(603,346)	(2,930,588)
Sale proceeds from disposal of fixed assets		52,455	29,020
Return on bank deposits received	31	9,231	10,237
Mark-up on term depository receipts	31	88,758	31,313
Net cash used in investing activities		(452,902)	(2,860,018)
Cash flow from financing activities			
Long term finance - net		390,106	1,126,604
Short term borrowings obtained / (repaid)		3,925,169	(176,105)
Bank balances under lien		-	(450,000)
Share subscribed by non-controlling interest		111,016	-
Loan repaid to related party		(15,618)	(31,235)
Lease obligation repaid	20	(160,999)	(150,312)
Dividends paid		(142,353)	(35)
Finance cost paid		(4,544,703)	(2,314,881)
Net cash used in financing activities		(437,382)	(1,995,964)
Net decrease in cash and cash equivalents		(380,254)	(373,279)
Cash and cash equivalents - at beginning of the year		(2,723,034)	(2,349,755)
Cash and cash equivalents - at end of the year		(3,103,288)	(2,723,034)
Cash and cash equivalents comprised of:			
Cash and bank balances	15	595,136	368,656
Short term borrowings - secured	23	(3,698,424)	(3,091,690)
		(3,103,288)	(2,723,034)

The annexed notes 1 to 47 form an integral part of these financial statements.

Chief Financial Officer **Chief Executive** Director **Director**

In the absence of Chief Executive, these Financial Statements have been signed by two Directors along with Chief Financial Officer.

CHASHMA SUGAR MILLS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Share capital	General reserve	Surplus on revaluation of property, plant and equipment	Unappropriated profits	Total	Non controlling interests	Total
	Rupees in thousand						
Balance as at October 1, 2022	286,920	327,000	7,097,094	3,320,146	11,031,160	190,605	11,221,765
Total comprehensive income for the year ended September 30, 2023							
Income for the year	-	-	-	1,584,041	1,584,041	(14,959)	1,569,082
Other comprehensive income for the year	-	-	1,816,246	(1,620)	1,814,626	-	1,814,626
	-	-	1,816,246	1,582,421	3,398,667	(14,959)	3,383,708
Acquisition of non controlling interest	-	-	-	(5,985)	(5,985)	5,985	-
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	(530,390)	530,390	-	-	-
Balance as at September 30, 2023	286,920	327,000	8,382,950	5,426,972	14,423,842	181,631	14,605,473
Balance as at October 1, 2023	286,920	327,000	8,382,950	5,426,972	14,423,842	181,631	14,605,473
Total comprehensive loss for the year ended September 30, 2024							
Loss for the year	-	-	-	(3,472,340)	(3,472,340)	(161,034)	(3,633,374)
Other comprehensive income for the year	-	-	1,790,640	1,369	1,792,009	66,728	1,858,737
	-	-	1,790,640	(3,470,971)	(1,680,331)	(94,306)	(1,774,637)
Share capital subscribed by non controlling interest	-	-	-	-	-	111,016	111,016
Acquisition of non controlling interest	-	-	-	(11,849)	(11,849)	11,849	-
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	(598,225)	598,225	-	-	-
Cash dividend at rate of Rs 5.00 per ordinary share for the year ended September 30, 2023	-	-	-	(143,460)	(143,460)	-	(143,460)
Balance as at September 30, 2024	**286,920**	**327,000**	**9,575,365**	**2,398,917**	**12,588,202**	**210,190**	**12,798,392**

The annexed notes 1 to 47 form an integral part of these financial statements.

Chief Financial Officer | **Chief Executive / Director** | **Director**

In the absence of Chief Executive, these Financial Statements have been signed by two Directors along with Chief Financial Officer.

1. THE GROUP AND ITS OPERATIONS

1.1 Chashma Sugar Mills Limited (the Holding Company)

Chashma Sugar Mills Limited (the Company) was incorporated in Pakistan on May 05, 1988 as a public limited company, under the Companies Ordinance, 1984 (repealed upon enactment of the Companies Act, 2017 on May 30, 2017) and commenced its commercial production from October 01, 1992. The Company has its shares quoted on the Pakistan Stock Exchange Limited. The Company is principally engaged in manufacturing, production, processing, compounding, preparation and sale of sugar, other allied compound, intermediates and allied products. The Company is a subsidiary of The Premier Sugar Mills and Distillery Company Limited. The head office of the Company is situated at King's Arcade, 20-A, Markaz F-7, Islamabad and its manufacturing facilities are located at Dera Ismail Khan, Khyber Pakhtunkhwa.

1.2 Subsidiary Companies

(a) Whole Foods (Private) Limited

Whole Foods (Private) Limited (WFPL) - 100% owned subsidiary of the Company was incorporated in Pakistan as a Private Limited Company under Companies Act, 2017 on October 26, 2017. The principal activity of WFPL is to setup, manage, supervise and control the storage facilities for agricultural produce.

WFPL is yet to commence its commercial operations. Although WFPL had completed the construction of storage facilities yet the concurrence to proceed further is to be obtained from the Punjab Food Department (PFD) who has raised certain observations. The management has carefully assessed a number of factors involving the commencement of the business operations along the management's intent to address issues pending for redressal with PFD and has also evaluated other commercial options for possible utilization of storage facility in case the matters with PFD are not amicably resolved.

Although WFPL has posted loss for the year but the management is confident that as soon as the operations commence, the losses would be recouped and financial position would improve. In addition, the management of WFPL also believes that with the continued support of the Holding Company, it would be able to commence and sustain its business. Please refer note 7.1.1 to the consolidated financial statements also.

(b) Ultimate Whole Foods (Private) Limited

Ultimate Whole Foods (Private) Limited ("the Subsidiary Company"/ UWFL) was incorporated in Pakistan as a Private Limited Company under Companies Act, 2017 on May 17, 2021. The objective of UWFPL is to set up mills for milling wheat, gram, other grains and other allied products and by-products from flours. The operations of the UWFPL started from October 7, 2023. During the year, the percentage holding of the Holding Company has increased from 72% to 84% of UWFL.

(c) Premier Grain Ethanol Limited

Premier Grain Ethanol Limited ("the Subsidiary Company"/ PGEL) was incorporated in Pakistan on April 17, 2024 as a public limited company, under the Companies Act, 2017. The registered office of PGEL is situated at King's Arcade, 20-A, Markaz F-7, Islamabad. The principal line of business of the PGEL included manufacturing, production and sale of various grades of Ethanol. During the year, the Holding Company subscribed 50,000,000 ordinary shares of Rs 10 each aggregating to Rs. 500 million out of total proposed share capital of 65,002,000 ordinary shares of Rs. 10 each aggregating Rs. 650 million representing 76.92% subscription amount. However, the subscription money was not paid. PGEL did not commence operations and subsequent to the year end, the Board of Directors of PGEL passed a resolution for winding up of the Company on January 14, 2025 due to financial and operational difficulties in the business. The same has been communicated to Securities and Exchange Commission of Pakistan (SECP) by PGEL. The management based on legal opinion obtained from it's legal advisor are of the view that CSML has control over the composition of board of directors of PGEL, accordingly it is a subsidiary of CSML for the purpose of consolidated financial statements. The amounts have been recognised accordingly in these consolidated financial statements.

These consolidated financial statements include financial statements of Chashma Sugar Mills Limited and its subsidiaries.

These consolidated financial statements have been prepared from the information available in the audited separate financial statements of the Holding Company and UWFPL for the year ended September 30, 2024 and the unaudited financial statements of WFPL and PGEL as at September 30, 2024 and for the period then ended. Latest available audited financial statements of WFPL and PGEL are for the year ended June 30, 2024.

For the purpose of these consolidated financial statements, Chashma Sugar Mills Limited and its subsidiaries are referred to as the Group.

2. Statement of compliance

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

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

3. Changes in accounting standards, interpretations and pronouncements

3.1 Standards, amendments and Interpretations to existing standards that are not yet effective and have not been early adopted by the Group:

		Effective date (annual reporting periods beginning on or after)
IFRS 7	Financial Instruments: Disclosures	January 1, 2024 & January 1, 2026
IFRS 9	Financial Instruments	January 1, 2026
IFRS 16	Leases	January 1, 2024
IFRS 18	Presentation and Disclosures in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
IAS 1	Presentation of Financial Statements	January 1, 2024
IAS 7	Statement of cash flows	January 1, 2024

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

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

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 18	Presentation and Disclosure in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures
IFRIC 12	Service concession arrangements

4. Material Accounting Policy Information

4.1 Basis of preparation

The Group adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice statements 2) from October 1, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements.

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

These financial statements have been prepared under the historical cost convention except as otherwise stated in respective accounting policies notes.

Subsidiary is an entity over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. The Company also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Company's voting rights relative to the size and dispersion of holdings of other shareholders give the Company the power to govern the financial and operating policies, etc.

Subsidiary is fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

All significant inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognized in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The reporting period end of subsidiaries is June 30, 2024. The subsidiaries financial statements used for preparation of consolidated financial statements corresponds with period of the Group.

The significant accounting policies adopted in the preparation of these financial statements are set-out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.2 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Group operates. These financial statements are presented in Pak Rupees, which is the Group's functional currency

4.3 Property, plant and equipment

4.3.1 Owned assets

Operating fixed assets except freehold land, leasehold land, building and roads, plant & machinery and electric installations are stated at cost less accumulated depreciation and impairment losses. Freehold land is stated at revalued amount, where as leasehold land, building & roads, plant & machinery and electric installations are stated at revalued amount less accumulated depreciation and impairment losses. Revaluation is carried out by an independent expert. The Company carries out revaluations periodically, considering the change in circumstances and assumptions from latest revaluation. Capital work-in-progress and major spare parts and standby equipment are stated at cost. The surplus on revaluation to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profits. Cost in relation to certain plant and machinery items include borrowing cost related to the financing of major projects during construction phase.

Subsequent cost, if reliably measurable, are included in the asset's carrying amount or recognized as separate amount as appropriate, only when it is probable that future economic benefits associated with the cost will flow to the Group. The carrying amount of any replaced parts as well as other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred.

Aff6

Increase in the carrying amount arising on revaluation of freehold land, leasehold land, building and roads, plant & machinery and electric installations are recognized in other comprehensive income and accumulated in shareholders' equity under the heading surplus on revaluation of property, plant and equipment. To the extent that the increase reverses a decrease previously recognized in statement of profit or loss, the increase is first recognized in statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to statement of profit or loss.

Depreciation on operating assets is calculated using the reducing balance method to allocate their cost over their estimated useful life at the rates specified in note 7.1. Depreciation for factory assets is charged to cost of sales while depreciation for other property, plant and equipment is charged to administrative and general expenses and selling and distribution expenses on actual usage basis.

Depreciation on additions to property, plant and equipment is charged from the date asset is available for intended use till date of disposal.

The gain or loss on disposal of an asset, calculated as difference between the sale proceed and carrying amount of the asset, is recognized as other income in statement of profit or loss for the year.

4.3.2 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. It consists of expenditure incurred and advances made in respect of operating fixes assets, capital stores and intangibles assets in the course of their acquisition, construction and installation.

4.4 Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease i.e. the date the underlying assets are available for use. Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities except plant and machinery for which the Group has elected to use the revaluation model.

The cost comprising the following:

- the amount of the initial measurement of lease liabilities;
- any lease payments made at or before the commencement date less any lease incentives received any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use assets are depreciated over the underlying assets' useful life.

4.5 Impairment of non-financial assets

Assets that have an indefinite useful life, for example land, are not subject to amortization or depreciation and are tested annually for impairment. Assets that are subject to depreciation/ amortization are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Reversals of the impairment losses are restricted to the extent that assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss has been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss account.

4.6 Stores and spares

Stores and spares are stated at cost less allowance for obsolete and slow moving items. Cost is determined using weighted average method. Items in transit are valued at cost comprising invoice value and other related charges incurred up to the date of the statement of financial position date.

4.7 Stock-in-trade

Sugar and Ethanol are stated at the lower of cost and net realizable value. Cost is determined using the average manufacturing cost method. The cost of finished goods and work in process comprises raw materials, direct labour, other direct costs and related production overheads.

Purchased molasses is stated at lower of cost and net realizable value whereas cost of own produced molasses, a by product, is determined on the basis of average cost of molasses purchased from third parties.

The specific costs of bagasse, a by-product cannot be determined. Accordingly, it is stated at net realizables value (NRV).

Net realizable value is the estimated selling price in the ordinary course of business, less cost of completion and costs necessary to be incurred to make the sale.

4.8 Trade debts

Trade debts are recognized and carried at the original invoice amounts, being the fair value, less an allowance for uncollectible amounts, if any. As explained in note 4.19 to these financial statements, for measurement of loss allowance for trade debts, the Group applies IFRS 9 simplified approach to measure the expected credit losses.

4.9 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise balances with banks in current, deposit and saving accounts, bank overdrafts and cash / running finance. Bank overdrafts are shown in current liabilities on the statement of financial position.

4.10 Borrowings and borrowing cost

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss account over the period of the borrowings using the effective interest method.

Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. All other borrowing costs are charged to statement of profit or loss account.

4.11 Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments in the measurement of the lease liability comprise the following:

a) fixed payments, including in-substance fixed payments;
b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
c) amounts expected to be payable under a residual value guarantee; and
d) the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

4.12 Trade and other payables

Liabilities for trade and other amounts payable including payable to related parties are carried at cost, which is the fair value of the consideration to be paid in future for goods and/or services received, whether or not billed to the Group.

4.13 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

4.14 Taxation

Income tax comprises of current and deferred tax.

(i) Current

Provision for current taxation is based on taxable income for the year determined in accordance with prevailing law for taxation on income at the applicable rates of taxation after taking into account tax credits and tax rebates, if any. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

The Group recognises provision for income tax based on best current estimates. However, where the final tax outcome is different from the amounts that were initially recorded, such differences impact the income tax provision in the period in which such determination is made.

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

(ii) Deferred

Deferred income tax is recognized 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 liabilities are recognized for all taxable temporary differences. Deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that deductible temporary differences will reverse in the future and taxable income will be available against which the deductible temporary differences, unused tax losses and tax credit can be utilized.

Deferred tax asset and liability is measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted. Deferred tax is charged or credited to income except in the case of items credited or charged to equity in which case it is included in equity.

4.15 Accounting guidance issued by ICAP on Accounting for minimum taxes and final taxes

Institute of Chartered Accountant of Pakistan (ICAP) issued a guidance "Application guidance on accounting for minimum taxes and final taxes" 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 profit' as defined in IAS 12 but calculated on turnover or other basis (as per relevant sections of the Income Tax Ordinance, 2001 (ITO, 2001)), accordingly minimum taxes and final taxes should be accounted for under IAS 37/IFRIC 21 as levies [though these are charged under tax law] and not under IAS 12 as income taxes. Based on the aforesaid guidance, the minimum taxes under ITO 2001 are hybrid taxes which comprise of a component within the scope of IAS 12 (Income Tax) and a component within the scope of IFRIC 21 (Levies).

The aforesaid guidance has been applied retrospectively by the Group and the comparative information has been restated, which has not affected current period or prior years' net sales, profit after taxes and levies, equity and cash flows. Impact as of October 1, 2022 is not material to the financial statements. In accordance with requirements of IAS 1 "Presentation of Financial Statements", the balances as at September 30, 2023 have been restated and third statement of financial position as of October 1, 2022 has not been presented since the impact on the statement of financial position as at October 1, 2022 is not material to these financial statements. The effects of the restatement are summarized in note 4.15.1 below:

4.15.1 The following table present the impacts of restatements as explained in note 4.15 above:

	Balances before restatement	Impact	Restated
	(Rupees in thousand)		
Statement of financial position September 30, 2023			
Current assets			
Income tax refundable	59,730	122,222	181,952
Current liabilities			
Provision for taxation - net	93,627	(93,627)	-
Provision for tax levies - net	-	215,849	215,849

Statement of profit or loss

In the statement of profit or loss, the minimum tax and final tax previously presented as income taxes have now been reclassified as "final taxes - levy" under IAS 37 / IFRIC 21 amounting to Rs 300,825 thousand for the year ended September 30, 2023.

4.16 Revenue recognition

The Company recognises revenue at point of time when control of product is transferred to customer / buyer. Control is considered to be transferred in case of local sales when the finished goods are directly uplifted by customer / buyer from the warehouse or when it is delivered by the Company at customer premises or delivered as per instructions of the customer as the case maybe. In case of export sales, control is considered to be transferred when the finished goods are shipped to the customer.

Revenue is measured based on the consideration agreed with the customer and excludes sales tax / government levies and amounts collected on behalf of third parties. Revenue is presented net of discounts, rebates and returns.

No element of financing is deemed present as the sales are made either at advance or with a credit term of upto 30 days, which is consistent with the market price.

4.17 Development expenditure

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

4.18 Operating segments

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 that makes strategic decisions. The management has determined that the Group has two reportable segments i.e. sugar and ethanol.

4.19 Financial instruments

Financial instruments are recognized in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Group losses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized 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 account.

a) Financial assets

Classification

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

i) amortized cost where the effective interest rate method will apply;
ii) fair value through profit or loss;
iii) fair value through other comprehensive income.

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

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For assets measured at fair value, gains and losses will either be recorded in statement of profit or loss or other comprehensive income. For investment in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

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

Measurement

At initial recognition, the Group measure 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.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group can classifies its debt instruments:

i) Amortized cost

Assets that are held for collection of contractual cash flows where the contractual terms of the financial assets give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in statement of profit or loss account and presented in other income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss account.

ii) Fair value through other comprehensive income (FVTOCI)

Debt securities, where the contractual cashflows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cashflows and selling financial assets are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in statement of profit or loss account. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of profit or loss account and recognized in other income. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income and impairment expenses are presented as separate line item in the statement of profit or loss account.

iii) Fair value through profit and loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in the statement of profit or loss and presented in finance income/cost in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to statement of profit or loss account following the derecognition of the investment. Dividends from such investments continue to be recognized in statement of profit or loss account as other income when the Group's right to receive payments is established.

Impairment of financial assets

The Group assess on a historical as well as forward-looking basis, the expected credit loss (ECL) as associated with its debt instruments, trade debts, short term investment and deposits and other receivables carried at amortized cost. 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
- Loans and advances
- Trade deposits and other receivables
- Cash and bank balances

i) General approach for loans and advances, trade deposits and other receivables and cash and bank balances.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognized when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognized without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor;

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- significant increase in credit risk on other financial instruments of the same debtor; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

Definition of default

The Group 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 Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, in case of trade debts, the Group considers that default has occurred when a the debt is more than 365 days past due, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit - impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

ii) Simplified approach for trade debts

The Group recognizes 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; and

- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade debts with individually significant balance are separately assessed for ECL measurement. All other trade debts are grouped and assessed collectively based on shared credit risk characteristics and the days past due. The expected credit losses on these financial assets are estimated using a provision matrix approach based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;

- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Recognition of loss allowance

The Group recognizes 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, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Write-off

The Group 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 Group may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will 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 Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized 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 Group 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 amortized cost, using the effective interest rate method and are measured at present value. Gain and losses are recognized in profit or loss for the year, when the liabilities are derecognized as well as through effective interest rate amortization process.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when and only when the Group's obligations are discharged, cancelled or they expire.

Offsetting financial assets and financial liabilities

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

4.20 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market is accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Board determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement. External valuers may be involved for valuation of significant assets and significant liabilities. For the purpose of fair value disclosures, the Group determines classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

4.21 Other Income

The Group recognises following in other income:

(i) Income on deposit / saving accounts using the effective yield method.
(ii) Dividend income when the right to receive dividend is established.
(iii) Income from other non-recurring goods and services is recognised when the control is transferred and performance obligations are fulfilled.

5. Summary of other accounting policies

Other than material accounting policies applied in the preparation of these financial statements are set out below for ease of user's understanding of these financial statements. These policies have been applied consistently for all periods presented, unless otherwise stated.

5.1 Employee retirement benefits

The Group operates a provident fund and an unfunded gratuity scheme for its employees as per details below:

5.1.1 Defined contribution plan

The Group operates a recognized contributory provident fund for its permanent employees. Equal monthly contributions are made, both by the Group and the employees to the fund at the specified rate of basic salary and charged to statement of profit or loss. Investments out of provident fund have been made in accordance with the provisions of section 218 of Companies Act, 2017 and applicable rules.

5.1.2 Defined benefit plan

The Group operates an unfunded gratuity scheme covering eligible employees under their employment contract. The liability for gratuity is recognized on the basis of actuarial valuation using Projected Unit Credit Method. The latest actuarial valuation was conducted on September 30, 2024.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the year in which they arise. Past service costs are recognized immediately in profit or loss.

5.2 Foreign currency transactions and translation

Foreign currency transactions are translated into the rupees using the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into functional currency using the exchange rate prevailing at the statement of financial position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognized in the statement of profit or loss.

5.3 Dividend and revenue reserve appropriation

Dividend and movement in revenue reserves are recognised in the financial statements in the period in which these are approved.

5.4 Earnings per share

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

5.5 Deferred government grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grant includes any benefit earned on account of a government loan obtained at below-market rate of interest. The loan is recognised and measured in accordance with IFRS 9 "Financial Instruments". The benefit of the below-market rate of interest shall be measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received.

Government grant that has been awarded for the purpose of giving immediate financial support to the Group is recognised in profit or loss of the period in which the entity qualifies to receive it.

6. **Critical accounting estimates and judgments**

The preparation of financial statements in conformity with the approved accounting and reporting standards requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are as follows:

i) Estimated useful life of operating assets - note 4.3 and 7

The Group annually reviews appropriateness of the method of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of asset is made for possible impairment on an annual basis. Any change in these estimates in the future, might affect the carrying amount of the respective item of property and equipment, with a corresponding effect on the depreciation and impairment.

ii) Surplus on revaluation of property, plant and equipment - note 4.3 and 17

The Group carries out revaluations, considering the change in circumstances and assumptions from latest revaluation. The fair value of the Group's free hold land, buildings & roads and plant & machinery is assessed by management based on independent valuation performed by an external property valuation expert as at year end. For valuation of free hold land, buildings & roads and plant & machinery, the current market price or depreciated replacement cost method is used, whereby, current cost of construction of similar free hold land, buildings & roads and plant & machinery in similar locations has been adjusted using suitable depreciation rates to arrive at present market value. This technique requires significant judgment as to estimating the revalued amount in terms of their quality, structure, layout and locations.

iii) Impairment of non-financial assets - note 4.5

Assets that have an indefinite useful life, for example land, are not subject to amortisation or depreciation and are tested annually for impairment. Assets that are subject to depreciation/ amortisation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Reversals of the impairment losses are restricted to the extent that assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. An impairment loss or reversal of impairment loss is recognised in the statement of profit or loss.

iv) Provision for stores and spares - note 4.6 and 9

For items which are slow-moving and/or identified as obsolete, adequate provision is made for any excess book value over estimated realisable value on a regular basis. The Group reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence.

v) Write down of stock in trade to net realizable value - note 4.7 and 10

Net realisable value is determined on the basis of estimated selling price of the product in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

If the expected net realisable value is lower than the carrying amount, a write-down is recognised for the amount by which the carrying amount exceeds its net realisable value. Provision is made in the unconsolidated financial statements for obsolete and slow moving stock-in-trade based on management estimate.

Work in process of sugar valued at 80% of production cost.

vi) Estimation of impairment loss allowance - note 4.8 and 11

The Group reviews the Expected Credit Loss (ECL) model which is based on the historical credit loss experience over the life of the trade receivables and adjusted if required. The ECL model is reviewed on a quarterly basis.

vii) Provision for employees' defined benefit plans - note 5.10 and 21.2

Defined benefit plans are provided for all employees of the Group. These calculations require assumptions to be made of future outcomes, the principal ones being in respect of increases in remuneration and the discount rate used to convert future cash flows to current values. The assumptions used vary for the different plans as they are determined by independent actuaries annually.

Cost primarily represents the increase in actuarial present value of the obligation for benefits earned on employees service during the year and the interest on the net liability/(asset) in respect of employee's service in previous years. Calculations are sensitive to changes in the underlying assumptions.

viii) Provision for current and deferred tax - note 4.14, 34 and 35

In making the estimate for tax payable, the Group takes into account applicable tax laws, the decisions taken by the appellate authorities on certain issues in the past and professional advice of tax consultant of the Group.

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

ix) Provisions and contingencies - note 4.13 and 25

The management exercises judgement in measuring and recognizing provisions and exposures to contingent liabilities related to pending litigations or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement.

x) Estimation of lease term and incremental borrowing rate for lease liabilities and right of use assets - notes 4.4, 4.11, 8 and 20

IFRS 16 requires the Group to assess the lease term as the non-cancelable lease term in line with the lease contract together with the period for which the Group has extension options which the Group is reasonably certain to exercise and the periods for which the Group has termination options for which the Group is not reasonably certain to exercise those termination options.

A significant portion of the lease contracts included within Group's lease portfolio includes lease contracts which are extendable through mutual agreement between the Group and the lessor or lease contracts which are cancelable by the Group on immediately or on short notice. In assessing the lease term for the adoption of IFRS 16, the Group concluded that these cancelable future lease periods should be included within the lease term in determining the lease liability upon initial recognition. The reasonably certain period used to determine the lease term is based on facts and circumstances related to the underlying leased asset and lease contracts and after consideration of business plan of the Group which incorporates economic, potential demand of customers and technological changes.

	Note	2024	2023
7. Property, plant and equipment		(Rupees in thousand)	
Operating fixed assets	7.1	24,853,179	19,700,369
Capital work-in-progress	7.8	840,134	4,083,102
		25,693,313	23,783,471

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7.1 Operating fixed assets

	Freehold land	Leasehold land	Buildings and roads	Plant and machinery	Electric installations	Office equipment	Farm equipment	Furniture and fixtures	Vehicles	Lab equipment	Total
	Rupees in thousand										
As at October 1, 2022											
Cost or revalued amount	2,042,419	-	2,614,719	9,979,826	782,828	130,706	2,490	64,347	102,846	-	15,720,181
Accumulated depreciation	-	-	(5,322)	(10,694)	(316,925)	(55,131)	(896)	(29,077)	(72,859)	-	(490,904)
Net book value	2,042,419	-	2,609,397	9,969,132	465,903	75,575	1,594	35,270	29,987	-	15,229,277
Year ended September 30, 2023											
Opening net book value	2,042,419	-	2,609,397	9,969,132	465,903	75,575	1,594	35,270	29,987	-	15,229,277
Additions	-	2,722,248	81,674	271,725	23,995	38,473	168	10,778	11,400	-	3,160,455
Disposals											
Cost	-	-	-	-	(373)	(28)	-	(106)	(49,910)	-	(50,417)
Depreciation	-	-	-	-	278	10	-	54	29,501	-	29,843
	-	-	-	-	(95)	(18)	-	(52)	(20,409)	-	(20,574)
Transfers from right of use assets to owned											
Cost	-	-	-	-	-	-	-	-	51,086	-	51,086
Depreciation	-	-	-	-	-	-	-	-	(30,533)	-	(30,533)
	-	-	-	-	-	-	-	-	20,553	-	20,553
Depreciation charge	-	(41,246)	(264,459)	(1,015,043)	(47,987)	(9,585)	(161)	(4,665)	(8,659)	-	(1,391,805)
Revaluation adjustments:											
Cost or valuation	7,300	477,752	7,892	959,087	-	-	-	-	-	-	1,452,131
Depreciation	-	41,246	148,941	1,013,880	37,265	-	-	-	-	-	1,241,332
	7,300	518,998	156,833	1,972,967	37,265	-	-	-	-	-	2,693,463
Closing net book value	2,049,719	3,200,000	2,583,545	11,198,781	479,075	104,445	1,601	50,331	32,872	-	19,700,369
As at October 1, 2023											
Cost or revalued amount	2,049,719	3,200,000	2,704,386	11,210,638	806,444	169,151	2,658	84,019	115,422	-	20,342,436
Accumulated depreciation	-	-	(120,840)	(11,857)	(327,369)	(64,706)	(1,057)	(33,688)	(82,550)	-	(642,067)
Net book value	2,049,719	3,200,000	2,583,545	11,198,781	479,075	104,445	1,601	50,331	32,872	-	19,700,369
Year ended September 30, 2024											
Opening net book value	2,049,719	3,200,000	2,583,545	11,198,781	479,075	104,445	1,601	50,331	32,872	-	19,700,369
Additions	-	-	2,105,888	1,491,115	105,400	32,609	73	23,469	65,138	26,490	3,849,967
Disposals											
Cost	-	-	-	-	-	(1,039)	-	(104)	(88,795)	-	(89,938)
Depreciation	-	-	-	-	-	472	-	76	52,664	-	53,212
	-	-	-	-	-	(567)	-	(28)	(36,131)	-	(36,726)
Transfers											
Cost	-	-	-	-	-	-	-	-	78,784	-	78,784
Depreciation	-	-	-	-	-	-	-	-	(48,896)	-	(48,896)
	-	-	-	-	-	-	-	-	29,888	-	29,888
Depreciation Charge	-	(98,461)	(423,907)	(1,236,974)	(58,312)	(13,765)	(165)	(6,255)	(13,641)	(2,477)	(1,851,857)
Revaluation adjustments:											
Cost or valuation	6,539	550,000	277,628	501,352	29,965	-	-	-	-	-	1,365,684
Depreciation	-	98,461	503,545	1,169,063	24,765	-	-	-	-	-	1,795,834
	6,539	648,461	781,373	1,670,415	54,730	-	-	-	-	-	3,161,518
Closing net book value	2,056,258	3,750,000	5,046,699	13,123,337	582,902	122,722	1,509	67,514	78,226	24,013	24,853,179
As at September 30, 2024											
Cost or revalued amount	2,056,258	3,750,000	5,087,901	13,203,105	941,818	200,721	2,731	107,381	170,549	26,490	25,546,953
Accumulated depreciation	-	-	(41,202)	(79,768)	(358,916)	(77,999)	(1,222)	(39,867)	(92,323)	(2,477)	(693,774)
Net book value	2,056,258	3,750,000	5,046,699	13,123,337	582,902	122,722	1,509	67,514	78,226	24,013	24,853,179
Annual rate of depreciation (%)	-	3.3	10	10	10	10	10	10	20	10	

7.1.1 During the year ended September 30, 2024, management assessed the Property, Plant and Equipment of WFPL for impairment in respect of triggering events as specified by IAS 36 applicable to the non-current assets. Based on the below indicators, an impairment test has been carried out by the management to determine the recoverable amount of non-current assets of WFPL:

- Lack of start of operations as per plan envisaged in the agreement between Punjab Foods Department, Government of Punjab and Whole Foods (Private) Limited;
- Notice of intent to terminate agreement between Punjab Foods Department, Government of Punjab to Whole Foods (Private) Limited (WFPL) during 2023 which has been contested by the management of WFPL and they are confident that the above said notice will be withdrawn.
- Management plans to consider other options

The Group has performed an assessment of recoverable value based on assessment of fair value less cost to sell and value in use of non-current assets of WFPL. The fair value less cost to sell has been determined by an independent expert. Management's approach and key assumptions used to determine fair value less cost to sell are given in note 41.1 to the financial statements. Based on the same the management has concluded that there is no need to record an impairment loss in the consolidated financial statements.

7.1.2 During the year ended September 30, 2024, management assessed the property, plant and equipment of UWFPL for impairment in respect of triggering events as specified by IAS 36 applicable to the non-current assets. Based on the below indicators, an impairment test has been carried out by the management to determine the recoverable amount of non-current assets of UWFPL:

- Lack of margins, negative gross profits and net liability position;
- Management plans to market their premier brand "Golden crust" as this is the first year of operations.

Considering the requirements of IAS 36 the Group has assessed the recoverable amount of the property plant and equipment based on higher of Value in Use (VIU) and fair value less costs to sell. An external valuation expert has determined the valuation of freehold land, buildings, plant & machinery and electric installations. The VIU is also determined on the basis of projected cashflows based on a future business plan approved by the Board of Directors of the Company for a period of six years from 2025 to 2030. VIU has been assessed on discounted cash flow based valuation methodology using weighted average cost of capital of 14.54% per annum. In view of foregoing, management has concluded that there is no need to recognize an impairment loss in the consolidated financial statements.

7.2 Disposal of operating fixed assets

Particulars of assets	Cost / Revalued amount	Accumu-lated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Sold to:
	------------- Rupees in thousand-				------------		
Assets having net book value exceeding Rs.500,000 each							
Vehicles							
Toyota Land Cruiser	39,851	26,135	13,716	19,925	6,209	Company policy	Mr. Abbas Sarfaraz Khan (employee)
Toyota Corolla	2,594	1,531	1,063	1,297	234	Company policy	Mr. Ali Hamza (employee)
Toyota Corolla	2,594	1,566	1,028	1,297	269	Company policy	Muhammad Arshad (employee)
Toyota Corolla	2,202	1,375	827	1,101	274	Company policy	Muhammad Shahzad Anjum (employee)
Toyota Yaris	2,744	1,549	1,195	1,372	177	Company policy	Mr. Akbar Ali (employee)
Toyota Hilux Revo	4,016	3,047	969	6,000	5,031	Insurance policy	IGI General Insurance Limited
KIA Sportage	4,734	2,811	1,923	2,367	444	Company policy	Mr. Hameed Ur Rehman (employee)
Honda Civic	3,177	1,984	1,193	1,589	396	Company policy	Mr. Javed Anwar (employee)
Honda BR-V	3,342	2,057	1,285	1,671	386	Company policy	Mr. Amir Ur Rehman (employee)
Honda BR-V	3,053	1,810	1,243	1,566	323	Company policy	Mr. Khalid Mehmood (employee)
Honda BR-V	2,353	1,405	948	1,289	341	Company policy	Muhammad Shahzad Anjum (employee)
Suzuki Swift	1,734	1,083	651	873	222	Company policy	Muhammad Athar Hussain (employee)
Suzuki Cultus	2,014	1,241	773	1,067	294	Company policy	Mr. Tariq Alam (employee)
Suzuki Cultus	1,894	1,038	856	1,102	246	Company policy	Mr. Javed Akhtar (employee)
Suzuki Cultus	1,445	902	543	723	180	Company policy	Mr. Adil Haroon Shah (employee)
Suzuki Cultus	1,624	970	654	812	158	Company policy	Mr. Zeeshan Ahmed (employee)
Suzuki Cultus	2,017	473	1,544	1,976	432	Insurance policy	IGI General Insurance Limited
	81,388	50,977	30,411	46,027	15,616		
Various assets having net book value upto Rs.500,000 each	8,550	2,235	6,315	6,428	113		
September 30, 2024	89,938	53,212	36,726	52,455	15,729		
September 30, 2023	50,417	29,843	20,574	29,020	8,446		

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

	2024	2023
	(Rupees in thousand)	
Leasehold land	2,599,760	2,681,002
Freehold land	346,396	338,922
Buildings & roads	2,823,782	979,827
Plant & machinery	4,474,502	3,445,020
Electric installations	480,457	439,161
	10,724,897	7,883,932

7.4 Forced sales value of the fixed assets based on valuation conducted during are as follows:

	2024	2023
	(Rupees in thousand)	
Leasehold Land	3,000,000	3,100,000
Freehold land	1,754,172	4,780,446
Buildings & roads	5,945,754	2,082,475
Plant & machinery	9,901,561	8,431,759
Electric installations	423,358	348,750
	21,024,845	18,743,430

7.5 Particulars of immovable property (i.e. land and building) in the name of Group are as follows:

Location	Usage of immovable property	Total Area	Covered Area
		(Kanals)	
CSM-1, D.I.Khan	Factory Building	1,111.25	98.86
CSM-2, Ramak	Factory Building	1,618.65	174.66
Plot # A-4,Sector F-9 / G-9, Islamabad	Land for Head office building	2.7	-
Kings Arcade, Plot # 20-A, F-7 Markaz, Islamabad	Office Premises 2nd & 3rd Floor	2.49	2.49
Ramak D.I.Khan KPK	Factory Building	64.00	6.00
Ramak D.I.Khan KPK	Factory Building	64.10	14.67
Bhakkar	Storage Facility*	16.00	2.40
Layyah	Storage Facility*	16.00	2.40

This includes two grain storage silos imported from Turkey with the brand name Mysilo and storage capacity of 10,000 MT each.

7.6 Depreciation for the year has been allocated as follows:

	Note	2024	2023
		(Rupees in thousand)	
Cost of sales	28	1,645,344	1,301,660
Administrative and general expenses	30	206,513	90,145
		1,851,857	1,391,805

7.7 Security

Property plant and equipment with aggregate carrying value of Rs. 16,098,014 thousand (2023: Rs. 14,649,347 thousand) are subject to first joint pari passu charge as defined in note 18. The Group is not allowed to pledge these assets as security for other borrowings or sell them to another entity.

7.8 Capital work-in-progress:

	Land and building	Plant and machinery	Electric installations	Office equipments	Owned vehicles	Vehicles - leased	Capital stores	Advance payments to Contractors	Advance payments against land - freehold and buildings	Total
	Rupees in thousand									
As at October 1, 2022	3,055,069	301,739	9,495	-	7,739	34,317	59,723	328,000	545,965	4,342,047
Additions during the year	940,176	1,814,720	291,166	-	1,597	108,609	262,244	812,424	2,000	4,232,936
Capitalized during the year	(2,801,370)	(270,026)	(23,989)	-	(9,336)	(113,552)	(262,263)	(1,025,238)	-	(4,505,774)
Other adjustments	31,843	(31,843)	-	-	-	-	-	13,892	-	13,892
Balance as at September 30, 2023	1,225,718	1,814,590	276,672	-	-	29,374	59,704	129,078	547,965	4,083,102
As at October 1, 2023	1,225,718	1,814,590	276,672	-	-	29,374	59,704	129,078	547,965	4,083,101
Additions during the year	265,777	247,465	44,319	-	6,914	101,930	166,266	53,166	12,500	898,337
Capitalized during the year	(1,380,702)	(1,491,115)	(198,596)	-	(6,680)	(97,139)	(225,970)	(97,892)	(549,965)	(4,048,059)
Other adjustments	-	-	(18,781)	-	-	-	-	(74,464)	-	(93,245)
Balance as at September 30, 2024	110,793	570,940	103,614	-	234	34,165	-	9,888	10,500	840,134

7.9 Additions in land and building includes Rs. 66,523,422 thousand (2023: Rs. Nil) capitalised in respect of borrowing cost on long term loans obtained for the purpose of construction of building and civil works.

8. **Right of Use Assets**

	2024 Rupees in thousand				2023 Rupees in thousand			
	Vehicles	Plant and Machinery	Building and tanks	Total	Vehicles	Plant and Machinery	Building and tanks	Total
Net book value at beginning of the year	233,799	41,586	47,287	322,672	160,614	46,207	56,694	283,515
Additions	97,089	-	-	97,089	121,740	-	23,217	144,957
Remeasurement during the year	-	-	6,081	6,081	-	-	(9,365)	(9,365)
Transferred to owned assets								
Cost	(78,784)	-	-	(78,784)	(51,085)	-	-	(51,085)
Accumulated depreciation	48,896	-	-	48,896	30,533	-	-	30,533
Net book value	(29,888)	-	-	(29,888)	(20,552)	-	-	(20,552)
Depreciation charge	(54,373)	(4,159)	(21,341)	(79,873)	(48,003)	(4,621)	(23,259)	(75,883)
Closing net book value	246,627	37,427	32,027	316,081	233,799	41,586	47,287	322,672
Annual rate of depreciation (%)	20	10	20-50		20	10	20-50	
As at September 30								
Cost or revalued amount	372,544	60,580	161,655	594,779	354,239	60,580	155,574	570,393
Accumulated depreciation	(125,917)	(23,153)	(129,628)	(278,698)	(120,440)	(18,994)	(108,287)	(247,721)
Net book value	246,627	37,427	32,027	316,081	233,799	41,586	47,287	322,672

8.1 Depreciation for the year has been allocated as follows:

	Note	2024	2023
		(Rupees in thousand)	
Cost of sales	28	4,159	4,621
Selling and distribution expenses	29	17,453	19,446
Administrative and general expenses	30	58,261	51,816
		79,873	75,883

	Note	2024	2023
		(Rupees in thousand)	
9. Stores and spares			
Stores and spares		822,950	895,999
Less: Provision for obsolete items	9.1	(38,385)	(53,980)
		784,565	842,019
9.1 Provision for obsolete items			
Opening balance		53,980	60,693
Reversal of provision during the year		(15,595)	(6,713)
Closing balance		38,385	53,980

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

	Note	2024	2023
10. Stock-in-trade		(Rupees in thousand)	
Finished goods			
- Sugar		1,787,519	3,252,578
- Molasses		1,117,556	1,129,284
- Ethanol		954,434	742,952
- Bagasse		107,203	36,569
- Wheat flour		37,865	-
		4,004,577	5,161,383
Raw material			
- Wheat		1,010,091	200,767
Work-in-process		21,768	16,293
Write down to net realisable value	10.1	(284,742)	-
	10.2	4,751,694	5,378,443

10.1 This represents write down to net realisable value in respect of finished goods - wheat flour and raw material - wheat amounting to Rs 5,977 thousand (2023: Nil) and Rs 278,765 thousand (2023: Nil) respectively due to decline in selling prices.

10.2 Certain short term and long term borrowings of the Group are secured by way of collateral charge on stock-in-trade.

10.3 The closing stock of sugar and wheat, net of 10% to 25% margin, having carrying value of Rs 5,045,411 thousand (2023: Rs 3,439,411 thousand) has been pledged against cash finance obtained from commercial and islamic banks (for details, refer to note 23).

	Note	2024	2023
11. Trade debts - unsecured		(Rupees in thousand)	
Considered good			
Due from related parties		-	450
Others		459,388	1,213,654
		459,388	1,214,104
Considered doubtful		2,043	3,333
		461,431	1,217,437
Less: loss allowance	11.2	(21,012)	(3,333)
		440,419	1,214,104

	Note	2024	2023
		(Rupees in thousand)	
11.1 Trade debts - unsecured			
Local		313,166	254,899
Export		148,265	962,538
		461,431	1,217,437
11.2 Movement in loss allowance			
Opening balance		3,333	1,782
Expected credit loss for the year		17,679	1,551
Closing balance		21,012	3,333

11.3 The maximum aggregate amount receivable from related parties at the end of any month during the year was Rs Nil (2023: Rs 450 thousand).

11.4 The ageing analysis of trade debts due from related parties are as follows:

	Note	2024	2023
		(Rupees in thousand)	
Upto 6 months		-	450
More than 6 months		-	-
		-	450

12. Loans and advances

	Note	2024	2023
Advances to:			
Employees - secured	12.1	15,471	15,007
Suppliers and contractors - unsecured		1,058,872	1,026,142
		1,074,343	1,041,149
Due from related parties	12.2	98,126	-
Letters of credit		43,529	11,156
		1,215,998	1,052,305
Less:			
- Provision for doubtful advances		(28,838)	(28,838)
- Loss allowance	12.4	(905)	(905)
		1,186,255	1,022,562

12.1 These include balances of Rs 15,471 thousand (2023: Rs 15,007 thousand) secured against retirement benefits of respective employees.

12.2 This represents amounts due from the associated companies:

	2024	2023
Due from related parties:		
The Premier Sugar Mills and Distillery Company Limited	98,126	-

Maximum aggregate amount outstanding in respect of related parties at any month-end during the year was Rs 173,080 thousand (2023: Rs 293,485 thousand).

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12.3 The ageing analysis of receivable from related parties is as follows:

	Note	2024	2023
		(Rupees in thousand)	
0 to 6 months		98,126	-

12.4 Movement in loss allowance during the year is as follows

	2024	2023
Opening balance	905	905
Loss allowance for the year	-	-
Closing balance	905	905

13. Trade deposits and other receivables

	2024	2023
Deposits	17,515	8,876
Prepayments	12,015	13,343
Export subsidy receivable	305,519	305,519
Insurance claim receivable	-	33,746
Accrued mark-up on term deposit receipts	50,801	1,520
Guarantees issued	15,000	15,000
Others	18,702	4,587
	419,552	382,591
Less: loss allowance	(305,519)	(155,782)
	114,033	226,809

13.1 Movement in loss allowance of export subsidy is as follows:

	2024	2023
Opening balance	155,782	90,369
Loss allowance for the year	149,737	65,413
Closing balance	305,519	155,782

14. Income tax refundable

	2024	2023
Advance income tax paid/suffered	440,513	181,952

15. Cash and bank balances

	Note	2024	2023
At banks in			
Current accounts	15.2	480,535	340,615
Savings accounts	15.3	118,601	32,041
Deposit accounts	15.4	450,000	450,000
		1,049,136	822,656

15.1. Bank balances that are included in cashflow are as follows

	2024	2023
Cash and bank balances	1,049,136	822,656
Bank balances under lien - note 15.5	(454,000)	(454,000)
	595,136	368,656

15.2 These include dividend account balance of Rs 1,225 thousand (2023: Rs 460 thousand). These balances are maintained in separate non interest bearing current bank accounts.

15.3 These carry profit at the rates ranging from 13.50% to 20.50% (2023: 13.50% to 19.50%) per annum.

15.4 These include term deposits carrying profit at the rates ranging from 20.50% to 20.60% (2023: 20.00% to 20.55%) per annum and having maturity of 30 days.

15.5 Lien is marked on bank balances for an amount of Rs 454,000 thousand (2023: Rs 454,000 thousand) in respect of the various guarantees extended by the banks.

16. Share capital

16.1 **Authorised share capital**

2024	2023		2024	2023
(Number of shares)			(Rupees in thousand)	
50,000,000	50,000,000	Ordinary shares of Rs 10 each	500,000	500,000

16.2 **Issued, subscribed and paid up capital**

2024	2023		2024	2023
(Number of shares)		Ordinary shares of Rs 10 each	(Rupees in thousand)	
28,692,000	28,692,000	Fully paid in cash	286,920	286,920

16.3 The holding company, The Premier Sugar Mills and Distillery Company Limited held 13,751,000 (2023: 13,751,000) ordinary shares and the associated companies held 5,375,334 (2023: 5,375,334) ordinary shares at the year end.

16.4 Ordinary shares have a par value of Rs 10 each. They entitle the holder to participate in dividends, as declared from time to time, and to share in the proceedings of the winding up of the Company in the proportion to the number of and amounts paid on the shares held. Further, the holder is entitled to one vote per share at the general meetings of the Company.

16.5 **General reserve**

These represent amounts appropriated by the Board of Directors of the Company from 1993 to 2005 to a separate reserve available for distribution to shareholders by way of dividend.

17. Surplus on revaluation of property, plant and equipment

17.1 The Group follows revaluation model for freehold land, leasehold land, buildings & roads, plant & machinery and electric installations. The fair value of the Group's free hold land, leasehold land, buildings & roads, plant & machinery and electric installations were assessed by management based on independent valuation performed by an external property valuation expert for CSML as at September 30, 2024 and for WFPL and UWFPL as at June 30, 2024. For valuation of freehold land, leasehold land, buildings & roads, plant & machinery and electric installations, the current market price or depreciated replacement cost method is used, whereby, current cost of construction/purchase cost of similar freehold land, leasehold land, buildings & roads, plant & machinery and electric installations in similar locations has been adjusted using suitable depreciation rates to arrive at present market value. This technique requires significant judgment as to estimating the revalued amount in terms of their quality, structure, layout and locations. Movement during the year is as follows:

	2024	2023
	(Rupees in thousand)	
Balance at the beginning of the year	11,627,185	9,740,380
Add: surplus on revaluation carried-out during the year	3,161,518	2,693,463
Less: transferred to unappropriated profits	(961,387)	(806,658)
	13,827,316	11,627,185
Less: deferred tax on:		
- opening balance of surplus	3,244,235	2,643,286
- surplus during the year	1,304,150	877,217
- incremental depreciation for the year	(363,162)	(276,268)
	4,185,223	3,244,235
Balance at the end of the year	9,642,093	8,382,950
Details of surplus on revaluation attributable to NCI and parent company is as follows:		
Surplus Attributable to NCI	66,728	-
Surplus Attributable to Parent	9,575,365	8,382,950
	9,642,093	8,382,950

17.2 The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

18. **Long term finances - secured**

Lending Institutions	Interest rate (per annum)	September 30, 2024 Total available facility	Long-term portion	Current portion	Total outstanding amount	September 30, 2023 Total outstanding amount	Collateral
		---(Rupees in thousand)---					
Secured							
Bank Al Habib Limited	- 6 month KIBOR + 1% to 1.5%	905,254	334,777	123,421	**458,198**	2,484,573	- Secured against first joint pari passu charge on present and future fixed assets of CSML for Rs 2,666,667 thousand - Registration of 1st equitable charge over Rs. 2,634,000 thousand over fixed assets situated at F-9/G-9, blue area, plot # A-3 measuring Rs. 1,333.33 sq. yards
	- SBP rate 5% p.a (TERF)	210,399	178,309	91,201	**269,510**	334,127	
Soneri Bank Limited	- 3 month KIBOR + 1.75% - 6% p.a - 3 month KIBOR + 1.75%	1,640,000	458,625	225,925	**684,550**	933,702	- Secured against first joint pari passu charge on present and future fixed assets of CSML for Rs 1,866,667 thousand - First charge of Rs. 334,000 thousand over all the present and future fixed assets of WFL (by way of first mortgage charge over land and building located at layyah and Bhakkar) - First hypothecation charge over plant and machinery (installed or to be installed on the aforementioned locations) - Equitable mortgage of Rs. 8,000 thousand on 16 kanal agricultural land in Bhakkar and of Rs. 5,600 thousand on 16 kanal agricultural land in Layyah. - Secured against joint pari passu charge of Rs. 667,000 thousand on the entire present and future fixed assets of UWFPL
Dubai Islamic Bank Pakistan Limited	- 6 month KIBOR +2.1%	500,000	-	-	-	250,000	- Secured against first joint pari passu charge on present and future fixed assets of CSML inclusive of 25% margin for Rs 667,000 thousand - 1st exclusive charge of Rs. 590,000 thousand over head office building of CSML
The Bank of Khyber	- SBP Refinance rate + 1.50% p.a - 3 month KIBOR + 1.50%	400,000	206,393	118,764	**325,157**	388,211	- Secured against first joint parri passu charge over present and future fixed assets (including land, building and machinery) inclusive of 25% margin upto Rs. 533,334 thousand
MCB Bank Limited	3 month KIBOR + 1.10%	927,546	463,781	55,518	**519,299**	693,265	- Secured against first joint pari passu charge on present and future fixed assets of CSML for Rs 438,000 thousand - Secured against join pari passu charge of Rs. 585,000 thousand on the entire fixed assets of UWFPL - Secured against first charge of Rs. 215,000 thousand on the fixed assets of UWFPL

Lending Institutions	Interest rate (per annum)	September 30, 2024 Total available facility	Long-term portion	Current portion	Total outstanding amount	September 30, 2023 Total outstanding amount	Collateral
		-----------------	-----------------	(Rupees in thousand)	-----------------	-----------------	
MCB Islamic Bank Limited	3 month KIBOR + 1.65%	100,000	17,558	5,833	23,391	-	- Secured against Hire purchase agreement mark in favor of MCB Islamic Bank Limited, and 15% Equity Participation.
Al-Baraka Bank Limited	6 month KIBOR + 1.50%	450,000	223,583	111,063	334,646	446,493	- Secured against first joint pari passu charge on present and future fixed assets of CSML for Rs 600,000 thousand - Specific charge of Rs 450,000 thousand on specific plant and machinary items
United Bank Limited	- 3 month KIBOR + 1.75% - 3 month KIBOR + 2.65% - 3 month KIBOR + 2.50%	3,850,000	3,543,813	210,913	3,754,726	450,000	- Secured against charge on TDR of CSML for Rs. 450,000 thousand with 25% margin - Secured against exclusive mortgage charge of Rs. 3,000,000 thousand over fixed assets situated at F-9/G-9, blue area, plot # A-3 - Secured against ranking charge of Rs. 533,340 thousand on the entire presen and future fixed assets of UWFPL
Total			5,426,839	942,636	6,369,477	5,979,371	
Accrued mark-up					270,836	302,368	
					6,640,313	6,281,739	
Less: amount payable within next 12 months							
Principal					942,638	1,305,829	
Accrued mark-up					270,836	302,368	
Amount due after 12 months					5,426,839	4,673,542	

18.1 In case of various loan arrangements, the concerned lenders have waived the requirements of certain covenants of the respective financing agreements. Accordingly, the liabilities under these financing agreements have been classified as per the repayment schedule applicable in respect of the aforesaid financing agreements.

	Note	2024	2023
		(Rupees in thousand)	
19. Loans from related parties - secured			
Associated Companies			
Premier Board Mills Limited	19.1	62,472	71,840
Arpak International Investments Limited	19.2	25,000	31,250
Azlak Enterprises (Private) Limited	19.3	85,000	85,000
Accrued mark-up		82,065	52,446
		254,537	240,536
Less: amount payable within next 12 months			
Principal		24,375	31,236
Accrued mark-up		82,065	46,236
		148,097	163,064

19.1 This include long term finance facilities obtained by the Company and the Subsidiary.

The long term finance facility obtaind by the Company had been renewed on August 2, 2024. The principal is repayable in 8 semi annual installments commencing from November 2028. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Company.

WFPL obtained long term finance facility amounting to Rs 25 million. The principal is repayable in 8 semi annual installments which commenced from December 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the WFPL.

19.2 The long term finance facility had been renewed on August 2, 2024. The principal is repayable in 8 semi annual installments commencing from November 2028. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Group.

19.3 The long term finance facility has been renewed on January 3, 2022. The principal is repayable in 8 semi annual installments commencing from December 2024. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Group.

	2024	2023
	(Rupees in thousand)	

20. Lease liabilities

	2024	2023
Balance at beginning of the year	248,926	236,797
Additions during the year	100,762	124,878
Unwinding of interest on lease liabilities	54,717	46,928
Payments made during the year	(160,999)	(150,312)
Remeasurement gain	6,074	(9,365)
Balance at end of the year	249,480	248,926
Less: current portion of long term lease liabilities	(89,501)	(90,932)
	159,979	157,994

20.1 The Group has acquired vehicles under finance lease from commercial banks. The financing is repayable in equal monthly installments over a period of four to five years and carries finance charge ranging from 17.36% to 26.19% (2023: 16.83% to 24.72%) per annum.

21. Deferred liabilities

	Note	2024	2023
		(Rupees in thousand)	
Deferred taxation	21.1	3,174,679	3,620,702
Provision for gratuity	21.2	22,132	19,965
Deferred government grant	21.3	49,695	76,280
		3,246,506	3,716,947

21.1 Deferred tax liability comprises of the following:

	2024	2023
Taxable temporary differences arising in respect of:		
Accelerated tax depreciation allowances	685,223	613,510
Surplus on revaluation of property, plant and equipment	4,004,223	3,244,235
Lease finances	115,235	24,468
	4,804,681	3,882,213
Deductible temporary differences arising in respect of:		
Lease liabilities	(88,903)	-
Provision for doubtful advances	(11,600)	(10,318)
Provision for obsolete items	(14,970)	(18,726)
Provision for doubtful debts	(797)	(1,156)
Provision for gratuity	(8,631)	(6,926)
Minimum tax and tax losses recoverable against future taxable profits	(1,505,101)	(224,385)
	(1,630,002)	(261,511)
	3,174,679	3,620,702

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21.1.1 Deferred tax asset comprises of the following UWFL balances - shown on face of statement of financial position

	Note	2024	2023
		(Rupees in thousand)	
Deferred tax asset		(192,100)	(10,100)
This represents taxable temporary differences arising in respect of:			
Accelerated tax depreciation allowances		152,499	6,471
Surplus on revaluation of property, plant and equipment		170,346	-
		322,845	6,471
and Deductible temporary differences arising in respect of:			
Lease finances		(266)	-
Provision for inventory write down to net realizable value		(3,384)	-
Impairment loss on financial assets		(5,501)	-
Brought forward business losses		(287,880)	(15,772)
Brought forward depreciation losses		(217,914)	(799)
		(514,945)	(16,571)
		(192,100)	(10,100)

The deferred tax asset in respect of tax credits amount to Rs. 14,290 thousand (2023: Nil) has not been recognized taking into account the availability of future tax profits as per business plan of UWFPL. The existence of future taxable profit is based on business plan which involves making judgements regarding key assumptions underlying the estimation of the future taxable profits of UWFPL. These assumptions, if not have met have significant risk of causing a material adjustment to the carrying amount of deferred tax. It is probable that UWFPL will be able to achieve the profits projected in the business plan. The business losses would expire as follows:

	2024	2023
	(Rupees in thousand)	
Business losses available till tax year 2028	3,693	-
Business losses available till tax year 2029	34,313	-
Business losses available till tax year 2030	663,090	-
Business losses available till tax year 2031	291,593	-
	992,689	-

21.2 The latest actuarial valuation of the employees' defined benefit plan was conducted at September 30, 2024 using the Projected Unit Credit Method. Details of the defined benefit plan are as follows:

	Note	2024	2023
		(Rupees in thousand)	
Present value of defined benefit obligation	21.2.1	22,132	19,965
Fair value of plan assets		-	-
Net liability		22,132	19,965

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	Note	2024	2023
		(Rupees in thousand)	
21.2.1 Movement in net liability recognized			
Opening net liability		19,965	14,843
Expense for the year recognized in statement of profit or loss account	21.2.2	8,935	5,639
Remeasurement (gain) / loss recognized in Statement of Other Comprehensive Income (OCI)	21.2.5	(2,245)	2,656
Benefits Paid		(5,360)	(1,180)
Benefits payable to outgoing employees transferred to trade and other payables		837	(1,993)
		22,132	19,965

21.2.2 Expense for the year

Current service cost	6,040	3,882
Net interest expense	2,895	1,757
	8,935	5,639

21.2.3 Changes in the present value of defined benefit obligation:

Opening defined benefit obligation	19,965	14,843
Current service cost	6,040	3,882
Interest cost	2,895	1,757
Benefits paid	(5,360)	(1,180)
Benefits payable to outgoing employees transferred to trade and other payables	837	(1,993)
Remeasurement (gain) / loss on defined benefit obligation	(2,245)	2,656
Closing defined benefit obligation	22,132	19,965

21.2.4 Principal actuarial assumptions used in the actuarial valuation:

The "Projected Unit Credit Method" using the following significant assumptions was used for the valuation of the scheme:

	2024	**2023**
	%	%
Discount rate used for interest cost	16.75	13.25
Discount rate used for year end obligation	11.75	16.75
Salary increase rate - long term	11.75	16.75
Salary increase rate - short term	11.75	16.75
Demographic assumptions		
Mortality rates	SLIC 2001-05	SLIC 2001-05

During the year 2025, the Group expects to contribute Rs 8,585 thousand (2024: Rs 8,278 thousand) to its gratuity scheme.

	2024	2023
	(Rupees in thousand)	

21.2.5 Remeasurement recognised in OCI during the year:

	2024	2023
Actuarial (gains) / losses from changes in financial assumptions	(170)	1,540
Experience adjustments	(2,075)	1,116
Remeasurement loss on defined benefit obligation	(2,245)	2,656

Distribution timing of gratuity payments:

	2024	2023
1 year	1,550	1,106
2 years	2,651	1,201
3 years	2,494	2,808
4 years	3,166	9,106
5 years	2,922	3,454
6 years onward	798,699	1,929,632

The weighted average number of years of defined benefit obligation is given below:

Plan duration	Years
September 30, 2024	10
September 30, 2023	9

The calculation of defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased/ (decreased) as a result of a change in respective assumptions by one percent.

	Effect of 1 percent increase	Effect of 1 percent decrease
	(Rupees in thousand)	
2024		
Discount rate	(20,029)	24,615
Future salary growth	24,627	(19,979)
2023		
Discount rate	(18,387)	21,797
Future salary growth	21,756	(18,396)

The above sensitivity analyses are based on the changes in assumptions while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of defined benefit obligation to significant assumptions the same method (present value of the defined benefit obligation calculated with the projected credit unit method at the end of the reporting period) has been applied when calculating the liability recognized within the statement of financial position.

The defined benefit obligation exposes the Group to the following risks:

Final salary risks:

The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Withdrawal risks:

The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

Mortality risks:

The risk that the actual mortality experience is different. Similar to the withdrawal risk, the effect depends on the beneficiaries' service / age distribution and the benefit.

Discount rate fluctuation

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plan's bond holdings.

21.3 Deferred government grant

	2024	2023
	(Rupees in thousand)	
Opening balance	76,280	417
Grant recognised during the year	-	99,809
Amortization during the year	(26,585)	(23,946)
Closing balance	49,695	76,280

21.3.1 This represent deferred government grant in respect of term finance facility obtained under SBP temporary economic refinance facility (TERF). The Group had entered into an arrangement with Bank Al Habib Limited for obtaining term finance facility under State Bank of Pakistan (SBP) TERF scheme to facilitate retirement of import/shipping documents received against LCs (foreign and local/inland), upto a maximum of Rs 505 million. The repayment of loan (principal amount) will be made in 10 equal semi annual installments commencing from September 30, 2023. Mark up rate is 5% on this facility and shall also be paid on semi annual basis. The availed facility at September 30, 2024 was Rs 456,000 thousand. The facility will expire on September 30, 2027. There are no unfulfilled conditions or other contingencies attaching to this grant.

22. Trade and other payables

	Note	2024	2023
		(Rupees in thousand)	
Creditors		620,441	523,081
Due to related parties	22.1	150,147	296,017
Accrued expenses		149,144	139,236
Retention money		30,565	39,839
Security deposits	22.2	1,299	1,299
Advance payments from customers - contract liability	22.3	179,205	1,957,552
Sales tax payable		344,116	246,710
Income tax deducted at source		215,706	102,848
Payable for workers' profit participation fund	22.4	-	83,166
Payable for workers' welfare fund	22.5	30,258	30,258
Payable to employees		89,117	58,231
Payable to provident fund		9,574	8,459
Others		55,871	14,281
		1,875,443	3,500,977

22.1 This represents amounts due to the following related parties and are interest free and payable on demand:

	2024	2023
	(Rupees in thousand)	
Holding Company		
The Premier Sugar Mills and Distillery Company Limited	-	150,161
Associated Companies		
The Frontier Sugar Mills & Distillery Limited	-	733
Syntronics Limited	11,993	-
Phipson & Company Pakistan (Private) Limited	-	55
Azlak Enterprises (Private) Limited	38,154	25,143
Directors	100,000	119,925
	150,147	296,017

22.2 These are repayable on demand and cannot be utilised for the purpose of business in accordance with the terms of written agreements with these parties. No amount in this respect has been kept in separate bank account.

		2024	2023
22.3 Revenue recognised from advance from customers during the year		1,957,552	225,921
	Note	(Rupees in thousand)	
22.4 Payable for workers' profit participation fund			
Balance at the beginning of the year		83,166	24,008
Charge for the year		-	83,166
Prior year adjustment		(4,202)	1,264
		78,964	108,438
Interest on funds utilized in the Group's business		7,418	1,438
Payments made during the year		(86,382)	(26,710)
Balance at the end of the year		-	83,166
22.5 Payable for workers' welfare fund			
Balance at the beginning of the year		30,258	29,957
Charge for the year		-	28,097
Prior year adjustment		-	(5,209)
		30,258	52,845
Payments made during the year		-	(22,587)
Balance at the end of the year		30,258	30,258

23. Short term borrowings - secured

	Note	2024	2023
Secured			
Cash / running finance		3,698,424	3,091,690
Export re finance		5,449,064	1,523,895
		9,147,488	4,615,585
Accrued mark-up		367,462	379,268
	23.1	9,514,950	4,994,853

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23.1 **Short term borrowings - secured**

Lending Institution	Interest rate (per annum)	September 30, 2024 Total available facility	September 30, 2024 Facility availed	September 30, 2024 Total outstanding amount	September 30, 2023 Total outstanding amount	Collateral
		(Rupees in thousand)				
Secured						
Askari Bank Limited	(3 month KIBOR + 1.25%)	1,600,000	1,599,817	**131,904**	210,000	- Letter of Pledge amounting PKR 823,529 thousand on sugar stocks (inclusive of 15% margin) - Joint pari passu charge on present and future current assets of CSML for Rs 266,670 thousand
Bank Alfalah Limited	(3 month KIBOR + 1.25%)	1,000,000	730,415	**385,000**	-	- Pledge on Sugar Stocks with 15% margin of Rs. 1,176,471 thousand - First pari passu hypothecation charge on present and future current assets of CSML for Rs 533,340 thousand
Bank Al-Habib Limited	(6 month KIBOR + 3%), (3 month KIBOR + 1%), (3 month KIBOR + 1.25%) and (SBP rate + 1%)	3,050,000	2,584,512	**2,080,446**	879,973	- Pledge on Sugar Stocks with 15% margin of Rs. 2,353,000 thousand - First joint pari passu charge on present and future current assets of CSML for Rs. 1,867,000 thousand - Pledge of wheat stock at factory premises with 15% Margin of Rs. 589,000 thousand
Bank Islami Limited	(9 month KIBOR + 1.20%) and (6 month KIBOR + 1.00%)	1,400,000	900,000	**720,000**	-	- Pledge on sugar stock with 15% margin - Ranking charge on present and future current assets of CSML for Rs 133,333 thousand
Dubai Islamic Bank	(9month KIBOR + 1.50%) and (6month KIBOR + 1.25%)	600,000	600,000	**200,000**	515,000	- Pledge on Sugar Stocks with 10% margin of Rs. 603,000 thousand - First joint pari passu charge on present and future current assets of CSML for Rs 267,000 thousand
Habib Metropolitan Bank Limited	(3 month KIBOR + 0.9% to 1%)	1,050,000	1,050,000	**300,000**	300,000	- Pledge on Sugar Stocks with 15% margin of Rs. 882,353 thousand - First joint pari passu charge on present and future current assets of the CSML for Rs 400,000 thousand
MCB Bank Limited	(3 month KIBOR + 1.10%)	1,600,000	1,563,190	**874,350**	1,158,360	- Pledge on Sugar Stocks with 15% margin of Rs. 889,880 thousand - First joint pari passu charge on present and future current assets of CSML for Rs 1,266,667 thousand
MCB Islamic Bank Limited	(3 month KIBOR + 1.40%) and (9 month KIBOR + 1.10%)	1,250,000	999,585	**998,488**	623,450	Ranking charge of Rs 667 million on present and future current assets and fixed assets including land & building of CSML with 25% Margin. - Pledge on sugar stocks with 15% margin
Meezan Bank Limited	(6 month KIBOR + 1.20%) and (1 year KIBOR + 1.20%)	1,450,000	1,428,377	**404,656**	202,895	- Pledge of sugar stock with 15% margin - Ranking charge on present and future current assets of the CSML for Rs 666,667 thousand
National Bank of Pakistan (NBP) Islamic	(6 month KIBOR + 1.00%)	200,000	200,000	**199,938**	-	- Pledge of wheat stock at factory premises with 25% Margin of Rs. 267 million
National Bank of Pakistan	(9 month KIBOR + 1%)	1,000,000	999,889	-	-	- Pledge on white refined sugar bags with 15% margin at both units (Unit 1 &2), on amount of Rs. 1,176,471 thousand
Samba Bank Limited	(1 month KIBOR + 1%)	600,000	599,972	-	599,908	- Pledge on Sugar Stocks with 15% margin of Rs. 707,000 thousand
Soneri Bank Limited	(3 month KIBOR + 1.50%) and (6 month KIBOR + 1.25%)	1,000,000	1,000,000	**1,000,000**	126,000	- Pledge on Sugar Stocks with 15% margin of Rs. 588,235 thousand - First joint pari passu charge on present and future current assets of CSML for Rs 1,333,334 thousand
The Bank of Khyber	(1 year KIBOR + 1%) and (3 month KIBOR + 1%)	750,000	723,000	-	-	- Pledge on refined sugar stock with 15% margin or as required by SBP, whichever is higher. - Ranking charge over current assets of the Company for Rs. 355,000 thousand.
The Bank of Punjab	(3 month KIBOR + 1.10%)	2,200,000	2,199,957	**750,000**	-	- Pledge on Sugar Stocks with 15% margin of Rs. 825,000 thousand - First joint pari passu charge on present and future current assets of CSML for Rs 1,001,000 thousand
United Bank Limited	(1 month KIBOR + 2.00%) and (1 month KIBOR + 2.50%)	7,000,000	6,855,997	**1,042,706**	-	- Pledge on sugar stocks with 15% margin - Joint pari passu charge on present and future current assets of CSML for Rs 1,334,000 thousand - Pledge of wheat stock at factory premises with 20% Margin of Rs. 750,000 thousand.
Total				9,147,488	4,615,585	
Accrued mark-up				367,462	379,268	
				9,514,950	4,994,853	

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24. Current maturity of non-current liabilities	Note	2024	2023
		(Rupees in thousand)	
Long term finances	18	1,213,473	1,608,197
Loans from related parties	19	106,440	77,472
Lease liabilities	20	89,501	90,932
		1,409,414	1,776,601

25. Contingencies and commitments

Contingencies

25.1 The Commissioner Inland Revenue (CIR), Peshawar vide order dated May 26, 2015 alleged that the Group has not undertaken appropriate stock taking and raised a demand of Rs 10 million in respect of FED on the alleged differential stock. the Group preferred an appeal before Appellate Tribunal Inland Revenue (ATIR) which was accepted vide order dated January 25, 2016. In this respect, the tax department filed reference before the Honorable Peshawar High Court which is yet to be decided.

25.2 In respect of super tax demand under section 4C of Income Tax Ordinance, 2001 for the tax year 2021 @ 10% of taxable income, the Group had filed writ petition before Peshawar High Court, and an interim relief was granted, directing the Group to 50% of the tax demanded. However, during the year, The Federal Board of Revenue (FBR) sent a notice to the Group directing it to pay super tax @ 4%, based on Supreme Court's order in respect of other companies wherein the Supreme Court of Pakistan granted an interim relief against demand of super tax at the rate of 10% and directed FBR to recover the tax @ 4%. Management has recorded a current tax charge of Rs 41.9 million during the year in respect of super tax @ 4% out of which Rs. 24.9 million is paid during the prior year. the Group and its legal counsel are confident that based on Supreme Court's order maximum exposure of the Group in respect of super tax for tax year 2021 is 4% and no further provision needs to be recognized in these financial statements.

25.3 The Federal government through SRO No. 1062(I)/2021 dated April 28, 2021 fixed the Ex-Mill and Retail prices of Sugar u/s 6 of the Price Control and Prevention of Profiteering and Hoarding Act, 1997 at Rs.95.57/kg and Rs.98.82/kg. the Group filed a writ petition in Peshawar High court against a decision of Federal Government on April 20, 2023. Peshawar High Court granted stay on the case vide order dated June 06, 2023 and the case is currently pending adjudication as at year end.

25.4 The Competition Commission of Pakistan (CCP) issued a show cause notice dated November 04, 2020 to sugar mills with respect to artificial price hike and alleged cartelization. The Group submitted its reply dated December 25, 2020. However CCP passed an order dated August 13, 2021 and on the basis of revenues of financial year 2019 imposed a penalty of Rs.650,000 thousand on the Group. Against the said order of CCP, the Group has filed an appeal before the CCP Appellate tribunal. The CCP Appellate tribunal has granted stay order against the CCP's order dated August 13, 2021. The case is pending adjudication.

25.5 The Group has letter of guarantee facilities aggregating Rs 50 million (2023: Rs 50 million) available from Bank Al Habib. The amount availed on these facilities as at September 30, 2024 is Rs 4 million (2023: Rs 4 million). These facilities are secured by master counter guarantee and 100% cash margin.

25.6 The Group has obtained letter of credit facilities aggregating Rs 415 million (2023: Rs 365 million) from Bank Al Habib. The amount availed on these facilities as at September 30, 2024 is Rs 249 million (2023: Rs 221 million). These facilities are secured by lien on shipping documents.

25.7 The Group has cash finance facility available from various banks aggregating to Rs 19,850 million (2023: Rs 10,825 million), out of which Rs 3,699 million (2023: Rs 2,968 million) has been availed by the Group as at September 30, 2024. These facilities are secured against pledge charge over crystalline sugar inclusive of margin of 10 - 15% and wheat stock inclusive of margin of 15 - 25%.

25.8 The Group has Export Re Finance/Finance Against Packing Credit (ERF / FAPC) facility from various commercial banks for Rs 5,900 million (2023: Rs 3,950 million), out of which Rs 5,449 million (2023: Rs 1,524 million) has been availed by the Group as at September 30, 2024. These facilities are secured by the joint parri passu hypothecation charge over current assets of the Group and lien over export documents.

25.9 The Group is defending its stance before the courts of law against various parties including individuals, corporate entities, federal and provincial revenue / regulatory authorities etc. The management of the Group is of the view that the ultimate outcome of these cases are expected to be favorable and a liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made in the financial statements in this regard.

25.10 During the period, the Holding Company has issued further corporate guarantee amounting to Rs. 667 million in favour of UWFL in connection with financing arrangements with a financial institution. The financing facility is expected to be settled by December 31, 2027 and accordingly, the guarantee issued by the Company will be released by December 31, 2027.

	2024	2023
	(Rupees in thousand)	
Commitments		
25.11 The Group has following commitments in respect of:		
Foreign letter of credit for purchase of plant and machinery	285,663	-
Local letter of credit for purchase of plant and machinery	-	143,681
Capital expenditure other than for letters of credit	25,515	14,386

25.13 UWFL has entered into an Ijarah arrangement with OLP Modaraba (formerly Orix Modaraba) for the procurement of machinery and laboratory equipment. As part of this arrangement, a security deposit of Rs. 5.7 million has been paid to OLP Modaraba. The disclosure of current and non-current portions of future Ijarah commitments will be made once the delivery of the machinery and laboratory equipment is completed by the Modaraba.

26. Gross sales	Note	2024	2023
		(Rupees in thousands)	
Local		35,704,043	20,874,057
Export	26.1	6,847,464	8,497,560
		42,551,507	29,371,617

26.1 Export sales comprise of the sugar and ethanol sales made in the following regions:

Singapore	561,377	361,816
China	-	540,773
Spain	2,427,827	5,262,047
Hong Kong	373,715	97,765
Switzerland	2,675,212	2,182,192
Afghanistan	-	52,967
Indonesia	396,691	-
United Arab Emirates	412,642	-
	6,847,464	8,497,560

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	Note	2024	2023
		(Rupees in thousand)	
27. Sales tax, other government levies and discounts			
Indirect taxes		4,535,928	2,984,342
Discounts		24,814	11,558
		4,560,742	2,995,900

	Note	2024	2023
28. Cost of sales			
Raw material consumed	28.1	30,882,934	18,397,886
Chemicals and stores consumed		617,474	564,182
Salaries, wages and benefits	28.2	983,709	888,766
Power and fuel		225,698	162,838
Repair maintenance and others		542,553	633,310
Insurance		54,375	32,997
Depreciation - property, plant and equipment	7.6	1,645,344	1,301,660
Depreciation - right of use assets	8.1	4,159	4,621
Ijarah rentals		105	-
		34,956,351	21,986,260
Adjustment of work-in-process:			
Opening		16,293	12,146
Closing		(21,768)	(16,293)
		(5,475)	(4,147)
Cost of goods manufactured		34,950,876	21,982,113
Adjustment of finished goods:			
Opening stock		5,161,383	3,367,723
Closing stock (including write down to net realisable value of Rs. 5,977 thousand)		(3,998,600)	(5,161,383)
		1,162,783	(1,793,660)
		36,113,659	20,188,453

28. This includes loss on write down of raw material - wheat to its net realisable value amounting to Rs 278,765 thousand (2023: Nil).

28.2 Salaries, wages and benefits include Rs 25,253 thousand (2023: Rs 20,790 thousand) in respect of retirement benefits.

	Note	2024	2023
		(Rupees in thousand)	
29. Selling and distribution expenses			
Salaries, wages and benefits	29.1	30,824	19,991
Loading and stacking		43,366	33,691
Export development surcharge		19,106	18,466
Export sales commission		331,211	416,357
Freight and other expenses		496,288	358,065
Depreciation - right of use asset	8.1	17,453	19,446
		938,248	866,016

29.1 Salaries, wages and benefits include Rs 658 thousand (2023: Rs 532 thousand) in respect of retirement benefits.

	Note	2024	2023
		(Rupees in thousand)	
30. Administrative and general expenses			
Salaries, wages and benefits	30.1	702,677	632,217
Travelling and conveyance		93,381	77,341
Vehicles running and maintenance		59,660	48,885
Rent, rates and taxes		14,031	10,505
Communication		30,473	17,325
Printing and stationery		17,274	14,355
Insurance		13,422	10,097
Repair and maintenance		120,854	50,122
Fees and subscription		18,053	4,794
Depreciation - property, plant and equipment	7.6	206,513	90,145
Depreciation - right of use asset	8.1	58,261	51,816
Auditors' remuneration	30.2	9,275	6,093
Legal and professional charges		19,871	15,560
Meal and entertainment		2,846	1,763
Utilities		9,158	4,149
Others		124,495	105,798
		1,500,244	1,140,965

30.1 Salaries, wages and benefits include Rs 21,250 thousand (2023: Rs 17,120 thousand) in respect of retirement benefits.

	Note	2024	2023
		(Rupees in thousand)	
30.2 Auditors' remuneration			
Statutory audit		3,222	2,929
Statutory audit - subsidiaries		2,908	1,295
Half year review		762	693
Consolidation		338	308
Certifications and group reporting		1,361	668
Out-of-pocket expenses		684	200
		9,275	6,093
31. Other income			
Income from financial assets			
Return on bank deposits		9,231	10,237
Mark-up earned on term depository receipts		88,758	31,313
Income from other than financial assets			
Sale of press mud - net of sales tax		7,218	5,879
Sale of fusel oil - net of sales tax		3,101	3,378
Gain on disposal of operating fixed assets		15,729	8,446
Scrap sales - net of expenses		52,818	63,372
Rental income		115	115
Income against insurance claim		-	119,462
Others		17,413	-
		96,394	200,652
		194,383	242,202
32. Other expenses			
Donations - without directors' interest	32.1	1,039	2,042
Workers' profit participation fund charge		-	83,166
Workers' welfare fund charge		-	28,097
Others		15,350	(3,945)
		16,389	109,360

32.1 This includes donation paid to Al-Siraj Welfare Foundation amounting to Rs 1,000 thousand (2023: Rs 2,042 thousand).

	Note	2024	2023
		(Rupees in thousand)	
33. Finance cost			
Mark-up on:			
Long term finances		1,223,112	922,756
Loans from related parties		40,195	41,598
Short term borrowings		3,239,332	1,645,662
		4,502,639	2,610,016
Unwinding of interest on lease liabilities	20	54,710	46,928
Amortization of deferred government grant	21.3	(26,585)	(23,946)
Interest on workers' profit participation fund		7,418	1,438
Bank charges		20,927	11,174
Exchange loss - net		37,184	137,403
		4,596,293	2,783,013

34. Minimum tax - levy

This represents the minimum taxes and final taxes paid under section 5 of Income Tax Ordinance, 2001 (ITO), representing levy in terms of requirements of IFRIC 21/IAS 37.

	2024	2023
	(Rupees in thousand)	
34.1 Reconciliation of current tax charge as per income tax laws with the current tax recognized is as follows:	404,661	351,298
Current tax liability for the year as per tax laws		
Portion of current tax liability as per tax law, representing income tax under IAS 12	-	50,473
Portion of current tax liability as per tax law, representing levy in terms of requirements of IFRIC 21/IAS 37	404,661	300,825
Difference	-	-

34.2 The aggregate of final tax and minimum tax, amounting to Rs 404,661 thousand (2023: Rs 351,298 thousand) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance 2001.

	2024	2023
	(Rupees in thousand)	
35. Taxation		
Current:		
- for the year	-	8,535
- prior year	-	41,938
	-	50,473
Deferred - credit:		
On account of temporary differences	(1,930,800)	(457,232)
	(1,930,800)	(406,759)

Aff/o

	2024	2023
	(Rupees in thousand)	

35.1 Reconciliation of taxation with accounting profit

	2024	2023
Profit before taxation	(5,564,174)	1,162,323
Tax rate	29%	29%
Tax on profit	(1,613,610)	337,074
Tax effect of:		
Effect of income taxable at reduced rates	247,401	(362,216)
Prior year charge	-	41,938
Due to incremental depreciation	(380,253)	(271,903)
Reversal of deferred tax on impariment loss	29,714	-
Minimum tax	(326,432)	(224,385)
Others	112,380	72,733
	1,930,800	406,759

36. Non-controlling interests

Following is the summarised financial information of Ultimate Whole Foods (Private) Limited that has 16% (2023: 28%) and Premier Grain Ethanol Limited that has 100% ownership interest held by non-controlling interests. The amounts disclosed are before inter-company eliminations:

36.1 Ultimate Whole Foods (Private) Limited

	2024	2023
NCI percentage post further acquisition	16%	28%
NCI percentage pre further acquisition	28%	49%
Summarized financial position		
Non-current assets	3,684,253	2,740,530
Current assets	1,083,917	226,630
Non-current liabilities	(1,429,700)	(1,366,568)
Current liabilities	(2,604,988)	(952,748)
Net assets	733,482	647,844
Net assets attributable to NCI	117,357	181,396
Summarised statement of comprehensive income		
Net Revenue	5,727,410	-
Loss for the year	(877,798)	(41,147)
Other comprehensive income (OCI)	417,053	-
Total comprehensive loss	(460,745)	(41,147)
Loss allocated to NCI	(142,850)	(14,959)
OCI allocated to NCI	66,728	-

36.1.1 UWFPL has a net current liability position of Rs 1,072 million as at September 30, 2024 (2023: Rs. 369 million). Loss before tax for the year amounted to Rs 843 million (2023: Rs 39 million). The financial performance has been adversely impacted by Net Realizable Value (NRV) loss arising from a significant decline in wheat prices and elevated interest rates on borrowings, which together contributed to the substantial loss during the year. The installation of the production unit was completed during the current year, and the Company has commenced its operations. This progress reflects a transition from reliance on recurring financial support towards operational sustainability. Current obligations also comprise payable to the Parent Company, Chashma Sugar Mills Limited of Rs. 392 million, and do not involve external financing covenants.

Despite these challenges, the management believes the Company can continue as a going concern, supported by the approved business plan, operational improvements following the commissioning of the plant, and continued financial and operational support from the Parent Company. This support, combined with management's focus on operational efficiencies, is expected to enable the Company to meet its liabilities in the normal course of business.

36.2 Premier Grain Ethanol Limited

NCI Percentage	100%	-
Summarized financial position		
Non-current assets - PGEL	-	-
Current assets	93,946	-
Non-current liabilities	-	-
Current liabilities	(1,113)	-
Net assets	92,833	-
Net assets attributable to NCI	92,833	-
Summarised statement of comprehensive income		
Loss for the year	(18,184)	-
Other comprehensive income (OCI)	-	-
Total comprehensive loss	(18,184)	-
Loss allocated to NCI	(18,184)	-
OCI allocated to NCI	-	-

37. Earnings per share

Profit / (loss) after taxation attributable to owners of the Parent Company	(3,472,340)	1,584,041
Weighted average number of shares outstanding during the year (No. of shares '000')	28,692	28,692
Earnings / (loss) per share (Rs)	(121.02)	55.21

37.1 There is no dilutive effect on basic earnings per share.

38. Segment operating results

	Sugar Division 2024	Sugar Division 2023	Ethanol Division 2024	Ethanol Division 2023	Wheat Division 2024	Wheat Division 2023	Total 2024	Total 2023
	Rupees in thousand							
Sales								
-External Customers	26,325,758	19,721,903	9,207,784	8,114,885	5,727,410	-	41,260,952	27,836,788
-Inter segment	1,290,555	1,534,829	-	-	-	-	1,290,555	1,534,829
	27,616,313	21,256,732	9,207,784	8,114,885	5,727,410	-	42,551,507	29,371,617
Less : sales tax & others	(4,186,892)	(2,910,329)	(362,530)	(85,571)	(11,320)	-	(4,560,742)	(2,995,900)
Sales - net	23,429,421	18,346,403	8,845,254	8,029,314	5,716,090	-	37,990,765	26,375,717
Segment expenses:								
Cost of Sales	(22,635,760)	(15,362,431)	(6,127,772)	(3,291,193)	(6,059,572)	-	(34,823,104)	(18,653,624)
less: Inter segment cost	-	-	(1,290,555)	(1,534,829)	-	-	(1,290,555)	(1,534,829)
	(22,635,760)	(15,362,431)	(7,418,327)	(4,826,022)	(6,059,572)	-	(36,113,659)	(20,188,453)
Gross profit	793,661	2,983,972	1,428,927	3,203,292	(343,482)	-	1,877,106	6,187,264
Selling and distribution expenses	(44,058)	(146,522)	(833,825)	(719,494)	(60,365)	-	(938,248)	(866,016)
Administrative and general expenses	(929,694)	(802,547)	(277,556)	(271,106)	(202,585)	(47,307)	(1,409,835)	(1,120,960)
Net impairment losses on financial assets	(160,860)	(66,964)	-	-	(18,968)	-	(179,828)	(66,964)
Others	-	-	-	-	-	-	(90,409)	(20,005)
	(1,134,612)	(1,016,033)	(1,111,381)	(990,600)	(281,918)	(47,307)	(2,618,320)	(2,073,945)
	(340,951)	1,967,939	315,546	2,212,692	(625,400)	(47,307)	(741,214)	4,113,319
Other income	188,405	207,236	5,035	34,966	943	-	194,383	242,202
Other expenses	(16,389)	(90,445)	-	(18,915)	-	-	(16,389)	(109,360)
	172,016	116,791	5,035	16,051	943	-	177,994	132,842
Segment results	(168,935)	2,084,730	320,581	2,228,743	(624,457)	(47,307)	(563,220)	4,246,161
Finance cost							(4,596,293)	(2,783,013)
(Loss) / profit before tax							(5,159,513)	1,463,148
Minimum tax - levy							(404,661)	(300,825)
Taxation							1,930,800	406,759
Profit for the year							(3,633,374)	1,569,082

38.1 Segment assets and liabilities

	2024 Assets	2024 Liabilities	2023 Restated Assets	2023 Restated Liabilities
	(Rupees in thousand)			
Sugar	21,102,961	14,647,056	21,738,172	13,680,713
Ethanol	7,367,338	1,942,447	7,367,338	1,942,447
Wheat	4,768,169	4,040,982	2,967,159	2,319,315
Total for reportable segment	33,238,468	20,630,485	32,072,669	17,942,475
Others	1,747,203	1,556,794	1,747,203	1,271,924
Total assets / liabilities	34,985,671	22,187,279	33,819,872	19,214,399

39 Financial instruments

39.1 Financial assets and liabilities

As at September 30, 2024	Amortized Cost	Total
	----Rupees in thousand-----	
Financial assets:		
Maturity upto one year		
Trade debts - net of loss allowance	440,419	440,419
Loans and advances	127,383	127,383
Trade deposits and other receivables - net of loss allowance	102,018	102,018
Cash and bank balances	1,049,136	1,049,136
Maturity after one year		
Long term security deposits	15,343	15,343
	1,734,299	1,734,299
Financial liabilities:		
Other financial liabilities		
Maturity upto one year		
Trade and other payables	1,106,158	1,106,158
Unclaimed dividends	15,679	15,679
Current maturity of non current liabilities	1,319,913	1,319,913
Short term borrowings - secured	9,514,950	9,514,950
Lease liabilities	89,501	89,501
Maturity after one year		
Long term finances - secured	5,426,839	5,426,839
Loans from related parties - secured	148,097	148,097
Lease liabilities	159,979	159,979
	17,781,116	17,781,116

As at September 30, 2023		
Financial assets:		
Maturity upto one year		
Trade debts	1,214,104	1,214,104
Loans and advances	26,163	26,163
Trade deposits and other receivables	369,248	369,248
Cash and bank balances	822,656	822,656
Maturity after one year		
Long term security deposits	15,084	15,084
	2,447,255	2,447,255
Financial liabilities:		
Other financial liabilities		
Maturity upto one year		
Trade and other payables	1,080,443	1,080,443
Unclaimed dividends	14,572	14,572
Current maturity of non-current liabilities	1,685,669	1,685,669
Short term borrowings - secured	4,994,853	4,994,853
Lease liabilities	90,932	90,932
Maturity after one year		
Long term finances - secured	4,673,542	4,673,542
Loans from related parties - secured	163,064	163,064
Lease liabilities	157,994	157,994
	12,861,069	12,861,069

40 Financial risk management

40.1.1 Financial risk factors

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

- credit risk
- liquidity risk
- market risk

The Board of Directors (the Board) has the overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

a) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group 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 Group's performance to developments affecting a particular industry.

Credit risk primarily arises from trade debts, loans and advances, other receivables 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 an allowed credit period 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 Group's long standing business relationship with them, management does not expect non-performance by these counter parties on their obligations to the Group.

The Group recognizes ECL for trade debts using the simplified approach as explained in note 4.19. As per the aforementioned approach, the loss allowance was determined as follows:

	1-180 days	181-365 days	More than 365 days	Total
	Rupees in thousand			
September 30, 2024				
Gross carrying value	448,457	2,481	10,493	461,431
Loss allowance	9,179	1,340	10,493	21,012
September 30, 2023				
Gross carrying value	1,215,486	223	1,729	1,217,438
Loss allowance	1,381	223	1,729	3,333

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ECL on other receivables is calculated using general approach (as explained in note 4.19). As at the reporting date, Group envisages that default risk on account of non-realisation of other receivables is minimal and thus based on historical trends adjusted to reflect current and forward looking information loss allowance has been estimated by the Group using a range of probable recovery pattern of related other receivables and assigning a time value of money to same. As per the aforementioned approach, the loss allowance for other receivables is determined as follows:

	2024	2023
	(Rupees in thousand)	
September 30,		
Gross carrying value	127,383	26,163
Loss allowance	905	905

Based on past experience, the management believes that no further impairment allowance is necessary in respect of trade debts, loans and advances and other financial assets.

Net impairment losses on financial assets recognised in statement of profit or loss account:

	2024	2023
	(Rupees in thousand)	
Loss allowance for doubtful trade debts	17,679	1,551
Loss allowance for export subsidy	149,737	65,413
Loss allowance on doubtful advances	12,412	-
Net impairment losses on financial assets	179,828	66,964

The credit quality of Group's financial assets have been assessed below by reference to external credit ratings of counterparties determined by the Pakistan Credit Rating Agency Limited (PACRA) and JCR - VIS Credit Rating Company Limited (JCR-VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any defaults in meeting obligations.

	Rating	2024	2023
		(Rupees in thousand)	
Counterparties without external credit rating			
Trade debts		440,419	1,214,104
Loans and advances		127,383	15,007
Trade deposits and other receivables		102,018	369,248
		669,820	1,598,359
Counterparties with external credit rating			
Bank balances			
	A-1+	942,535	235,287
	A-1	4,750	20,853
		947,285	256,140

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b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group uses different methods which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below analyses the contractual maturities of the Group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the maturity date. The amounts disclosed in the table are undiscounted cash flows.

	Carrying amount	Contractual cash flows	Less than 1 Year	Between 1 to 5 years	5 years and above
			(Rupees in thousand)		
As at September 30, 2024					
Long term finance - secured	6,640,313	6,640,313	1,213,474	5,426,839	-
Loans from related parties	254,537	254,537	106,440	148,097	-
Lease liabilities	249,480	249,480	89,501	159,979	-
Trade and other payables	1,106,158	1,106,158	1,106,158	-	-
Unclaimed dividend	15,679	15,679	15,679	-	-
Short term borrowings	9,514,950	9,514,950	9,514,950	-	-
As at September 30, 2023					
Long term finance - secured	6,281,739	6,281,739	1,608,197	4,673,542	-
Loans from related parties	240,536	240,536	77,472	163,064	-
Lease liabilities	248,926	248,926	90,932	157,994	-
Trade and other payables	1,080,443	1,080,443	1,080,443	-	-
Unclaimed dividend	14,572	14,572	14,572	-	-
Short term borrowings	4,994,853	4,994,853	4,994,853	-	-

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.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

c) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Group incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board. The Group is exposed to interest rate risk, currency risk and market price risk.

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. Financial assets include Rs 44,112 thousand (2023: Financial assets include Rs 972,202 thousand) which were subject to currency risk.

	2024	2023
Rupees per USD		
Average rate	283.33	259.03
Reporting date rate	278.05	288.60

Sensitivity analysis

As at September 30, 2024, if the currency had weakened/strengthened by 10% against US dollar with all other variables held constant, profit after tax for the year would have been Rs 4,411 thousand (2023: Rs 97,220 thousand) lower/ higher.

ii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has no long term interest bearing financial assets whose fair value or future cash flows will fluctuate because of changes in market interest rates. Financial assets and liabilities include balances of Rs 816,551 thousand (2023: Rs 748,790 thousand) and Rs 16,019,002 thousand (2023: Rs 9,714,000 thousand) respectively, which are subject to interest rate risk. Applicable interest rates for financial assets and liabilities have been indicated in respective notes.

Sensitivity analysis

As at September 30, 2024, if interest rates had been 1% higher/ lower with all other variables held constant, profit after tax for the year would have been Rs 107,937 thousand (2023: Rs 89,930 thousand) higher/ lower, mainly as a result of higher/ lower interest income/ expense from these financial assets and liabilities.

iii) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

At the year end the Group is not exposed to price risk since there are no financial instruments, whose fair value or future cash flows will fluctuate because of changes in market prices.

40.1.2 Capital risk management

The Group is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital and the level of dividend to ordinary shareholders. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders and / or issue new shares. There was no change to the Group's approach to the capital management during the year.

The Group is not subject to externally imposed capital requirements except for the maintenance of debt to equity and current ratios under the financing agreements. Accordingly, the liabilities under these financing agreements have been classified as per the repayment schedule applicable in respect of the aforesaid financing agreements.

The Group monitors capital using a gearing ratio, which is calculated as net debt divided by total capital plus net debt. Net debt is calculated as amounts payable by the Group less cash and bank balances. Capital signifies equity as shown in the statement of financial position plus net debt. The Group's gearing ratio is as follows:

	2024	2023
	(Rupees in thousand)	
Long term finances - secured	6,640,313	6,281,739
Loans from related parties - secured	254,537	240,536
Lease liabilities	249,480	248,926
Total debt	7,144,330	6,771,201
Issued, subscribed and paid-up capital	286,920	286,920
General reserve	327,000	327,000
Unappropriated profits	2,398,917	5,426,972
Total capital	3,012,837	6,040,892
Capital and total debt	10,157,167	12,812,093
Gearing ratio	70%	53%

41 Fair value of financial assets and liabilities

The carrying values of financial assets and liabilities approximate their fair value.

41.1 Fair value hierarchy

Certain property, plant and equipment of the Group was valued by independent valuer to determine the fair value of property, plant and equipment as at September 30, 2024. The revaluation surplus on property, plant and equipment was credited to other comprehensive income and is shown as 'surplus on revaluation of property, plant and equipment'. These are classified as level 2 fair values. Further, the fair value less cost to sell of property, plant and equipment of WFPL was determined by an external valuation expert as at September 30, 2024 using cost approach. For valuation, the current market price or depreciated replacement cost method was used, whereby, current purchase / construction cost of similar items in similar locations was adjusted using suitable depreciation rates to arrive at present market value. These are also classified as level 2 fair values. For all other assets and liabilities of WFL, the carrying values of assets and liabilities approximate their fair value. These are classified as level 3 fair values.

- Level 1

Quoted prices (unadjusted) in active market for identical assets/ liabilities.

- Level 2

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

- Level 3

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

42. Reconciliation of movement of liabilities to cash flow arising from financing activities

	Liabilities						Total
	Long term finance	Loans from related parties	Lease liabilities	Accrued Markup	Short term running finance	Unclaimed dividend	
			----------Rupees in thousand----------				
Balance at October 1, 2023	5,979,371	188,090	248,926	734,082	1,523,895	14,572	8,688,936
Cash flows	390,106	(15,618)	(160,999)	(4,544,703)	3,925,169	(142,353)	(548,398)
Deferred grant recognized during the year	-	-	-	-	-	-	-
Additions and unwinding of interest on lease liabilities during the year	-	-	155,479	-	-	143,460	298,939
			6,074			-	6,074
Remeasurement gain on lease liabilities	-	-			-		
Mark-up charged during the year	-	-	-	4,502,640	-	-	4,502,640
			-	7,418		-	7,418
Interest on workers' profit participation fund	-	-			-		
Bank charges	-	-	-	20,927	-	-	20,927
Balance at September 30, 2024	6,369,477	172,472	249,480	720,364	5,449,064	15,679	12,976,536

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43. Transactions and balances with related parties

43.1 The Premier Sugar Mills & Distillery Company Limited holds 47.93% (2023: 47.93%) shares of the Company at the year end. Therefore, all subsidiaries and associated undertakings of The Premier Sugar Mills & Distillery Co. Limited are related parties of the Company. The related parties also comprise of directors, major shareholders, key management personnel, entities over which the directors are able to exercise significant influence on financial and operating policy decisions and employees' funds. Amount due from and due to these undertakings are shown under receivables and payables. The remuneration of Chief Executive, Directors and Executives is disclosed in note 44 to the statement of financial statements.

	2024	2023
	(Rupees in thousand)	
The Premier Sugar Mills and Distillery Company Limited		
Purchases	-	773,026
Sales	-	2,428
Issuance of store items	9,208	25,695
Advance for purchase of building	50,885	-
Expenses paid by the Group	60,287	78,242
Expenses paid on behalf of the Group	5,438	7,025
Dividend paid	68,775	-
Rent income	115	115
Syntronics Limited		
Purchase of store items	11,993	163,068
Dividend paid	17,952	-
Syntron Limited		
Purchase of store items	220,513	94,760
Azlak Enterprises (Private) Limited		
Services on behalf of the Group	48,780	38,018
Mark-up charged to the Group	19,507	17,605
Expenses paid on behalf of the Group	3,385	1,931
Dividend paid	7,487	-

	2024	2023
	(Rupees in thousand)	
Phipson & Company Pakistan (Private) Limited		
Expenses paid by the Group	32	413
Dividend paid	1,538	-
Arpak International Investments Limited		
Mark-up charged to the Group	5,979	7,529
Premier Board Mills Limited		
Mark-up charged to the Group	14,860	16,463
Provident fund		
Contribution to provident fund	38,884	32,810
Directors		
Dividends paid	28,721	-

43.2 Following are the related parties with whom the Group had entered into transactions or have arrangement/agreement in place.

Sr No	Company Name	Basis of Association	Aggregate % of Shareholdi
1	The Premier Sugar Mills and Distillery Company Limited	Holding Company	47.93%
2	Premier Board Mills Limited	Common directorship	-
3	Azlak Enterprises (Private) Limited	Common directorship	5.15%
4	Arpak International Investments Limited	Common directorship	-
5	Phipson & Company Pakistan (Private) Limited	Common Holding Company	1.07%
6	Syntronics Limited	Common directorship	12.51%
7	Premier Construction and Housing Limited	Common directorship	-
8	Earth Securities (Private) Limited	Common directorship	-
9	The Frontier Sugar Mills & Distillery Limited	Common directorship	-
10	Syntron Limited	Common directorship	-

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44. Remuneration of Chief Executive, Directors and Executives

The aggregate amount charged in the financial statements for remuneration, including all benefits, to Executive Directors and Chief Executives of the Group is as follows:

	Chief Executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
	(Rupees in thousand)					
Managerial remuneration	34,914	32,258	34,914	38,258	76,976	69,648
Bonus	-	7,590	-	7,590	1,815	44,882
Housing and utilities	6,624	4,044	6,136	1,851	46,446	46,432
Group's contribution to provident fund	-	-	-	-	3,545	4,214
Medical	4,781	4,346	-	136	2,386	827
Other expenses	3,073	13,628	38,027	20,042	8,097	-
	49,392	61,866	79,077	67,877	139,265	166,003
Number of persons	1	1	2	2	31	29

44.1 In addition to above, the Chief Executive and Executives were provided with the Group maintained cars for official and personal use. All the Executives based at factory compounds are also provided with free housing with the Group's generated electricity, telephone and certain household items in the residential colony within the factory compound.

44.2 Mr. Abbas Sarfraz Khan, Director of the Company, holds office of profit for performing extra services, for which approval was obtained vide Extraordinary general meeting dated June 21, 2019 under section 171 of the Companies Act, 2017. His remuneration includes monthly salary, bonus as per company policy, company maintained vehicle and reimbursement of all travelling and medical expenses. The Board of Directors are also entitled to reimbursement of all travelling, telephone and medical expenses, as approved vide 31st annual general meeting of members dated March 29, 2019. The remuneration of Directors was increased vide Extraordinary General Meeting (EOGM) dated August 25, 2023.

45. DISCLOSURE IN RELATION TO SHARIAH COMPLIANCE

Below is the disclosure as required by the paragraph VII of the 4th Schedule to the Companies Act, 2017 determined by Shariah expert appointed by the Company:

	Note	2024	2023
		(Rupees in thousand)	
Disclosures in relation to the Statement of Financial Position - Liability Side			
Financing obtained as per Islamic mode			
Long term	18	**358,037**	695,493
Short term	23	**2,583,081**	1,341,354
Lease financing	20	**8,828**	18,286
Interest or mark-up accrued on any conventional loan or advance	18, 19, 20 & 23	**547,364**	537,729
Disclosures relation to the Statement of Financial Position – Asset Side			
Short-term Shariah compliant Investments		-	-
Long-term Shariah compliant Investments		-	-
Shariah-compliant bank deposits, bank balances, and TDRs	15	**179,603**	64,571
Disclosures in relation to the Statement of profit or loss and other comprehensive income			
Revenue earned from a Shariah-compliant business segment	26 & 27	**30,765,888**	18,346,403
Break-up of late payments or liquidated damages		-	-
Gain or loss or dividend earned on Shariah compliant investments		-	-
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs	31	**2,057**	1
Exchange (loss)/ gain earned from actual currency	33	**(37,184)**	(137,403)
Exchange gains earned using conventional derivative financial instruments		-	-
Profit paid on Islamic mode of financing	33	**831,789**	581,746
Total Interest earned on any conventional loan or advance	31	**96,698**	41,549

	Note	2024	2023
		(Rupees in thousand)	
Source and detailed breakup of other income:			
Shariah compliant income:			
Profit earned from Shariah-compliant bank deposits bank balances, or TDRs	31	**2,057**	1
Sale of press mud - net of sales tax	31	**7,218**	5,879
Sale of fusel oil - net of sales tax	31	**3,101**	3,378
Gain on disposal of operating fixed assets	31	**15,729**	8,446
Gain on derecognition of right of use assets	31	**-**	-
Scrap sales - net of expenses	31	**52,818**	63,372
Rental income	31	**115**	115
Non-Shariah compliant income:			
Mark-up earned on bank deposits, bank balances, or TDRs	31	**96,698**	41,549
Income against Insurance claim	31	**-**	119,462

Other Disclosure

Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows:

- Meezan Bank Limited
- Al Baraka Bank Limited
- MCB Islamic Limited
- Bank Islami Limited
- Dubai Islamic Bank Pakistan Limited
- National Bank of Pakistan - Aitemaad Islamic Banking
- Soneri Mustaqeem Islamic Banking

46. General

46.1 Geographical location and addresses of business units

The business units of the Group include the following:

Business Units	Location
Sugar - unit I	University Road, Dera Ismail Khan, KPK
Sugar - unit II	Ramak, Dera Ismail Khan, KPK
Ethanol fuel plant	Ramak, Dera Ismail Khan, KPK
Storage facility	Layyah and Bhakkar, Punjab
Wheat	Ramak, Dera Ismail Khan, KPK

46.2 Capacity and production

	2024	2023
Sugar plants		
Rated crushing capacity (Metric Ton / day)	18,000	18,000
On the basis of average number of 99 days (2023: 105 days)	1,782,000	1,890,000
Actual cane crushed (Metric Ton)	1,726,610	1,963,169
Sugar produced (Metric Ton)	171,591	211,871
Ethanol fuel plant		
Rated production capacity (Litres / day)	125,000	125,000
On the basis of average number of 347 days (2023: 343 days) (Litres)	43,375,000	42,875,000
Actual production (Litres)	43,053,990	42,374,200
Storage facility		
Storage capacity (Metric tones)	20,000	20,000
Wheat		
Production capacity (Tones)	102,600	-
Actual productions (Tones)	58,481	-

	Days	
Days worked		
Sugar - unit I	99	106
Sugar - unit II	98	103
Ethanol fuel plant	347	343
Wheat	270	-

Sugar division performed at more than installed capacity to the extent of availability of sugar cane. Capacity of ethanol units were also over-utilized on certain days.

46.3 Number of employees

	2024	2023
Number of employees at September 30		
Permanent	1,242	1,066
Contractual	1,037	1,047
	2,279	2,113
Average number of employees for the year		
Permanent	1,200	1,147
Contractual	1,397	1,518
	2,597	2,665

46.4 Provident Fund

Investments out of provident fund have been made in accordance with the provisions of section 212 of the Companies Act, 2017 and the rules formulated for the purpose.

46.5 Corresponding Figures

Corresponding figures for the prior period have been rearranged and reclassified where necessary for more appropriate presentation of transactions and balances for the purpose of comparison. Refer note 4.15 for reclassification related to adoption of ICAP Guidance on accounting of minimum taxes and final taxes. There are no other material reclassifications / rearrangements.

46.6 Rounding off

Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

47. Date of authorisation for issue

These financial statements have been authorised for issue by the Board of Directors of the Company on ________, 2025.

Chief Financial Officer **Chief Executive** Director **Director**

In the absence of Chief Executive, these Financial Statements have been signed by two Directors along with Chief Financial Officer