



**AL-ABBAS SUGAR
MILLS LIMITED**

2023 ANNUAL REPORT

Achieving Unprecedented Success



CONTENT

33rd ANNUAL REPORT 2022

Company Information	02
Vision and Mission Statement	03
Notice of Annual General Meeting	04
Chairman's Review	11
Director's Report	12
Pattern of Shareholding	26
Key Financial Data	28
Our Culture and Ethics	29
Composition of Balance Sheet	31
Financial at glance	32
Independent Auditor Review Report to the Members of Al Abbas Sugar Mills Limited	33
Statement of Compliance with the Code of Corporate Governance	34
Independent Auditor's Report to the Members	36
Statement of Financial Position	41
Statement of Profit or Loss	42
Statement of Other Comprehensive Income	43
Statement of Changes in Equity	44
Statement of Cash Flows	45
Notes to the Financial Statements	46
Chairman's Review (Urdu version)	105
Director's Report (Urdu version)	116
Form of Proxy (English)	
Form of Proxy (Urdu)	
Form of Bank Account detail for Payment of Cash Dividend	
Form for Video Conference Facility	
Postal Ballot Form	
Standard Request Form	

COMPANY INFORMATION

BOARD OF DIRECTORS

Zakaria Usman	Chairman
Asim Ghani	Chief Executive Officer
Asma Aves Cochinwala	Director
Darakshan Zohaib	Director
Haroon Askari	Director
Muhammad Salman Hussain Chawala	Director
Shahid Hussain Jatoi	Director
Suleman Lalani	Director

COMPANY SECRETARY

Zuhair Abbas

CHIEF FINANCIAL OFFICER

Samir Hajani

AUDIT COMMITTEE

Haroon Askari	Chairman
Asma Aves Cochinwala	Member
Darakshan Zohaib	Member
Muhammad Salman Hussain Chawala	Member
Zakaria Usman	Member
Suhaib Afzal	Secretary

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Haroon Askari	Chairman
Asim Ghani	Member
Shahid Hussain Jatoi	Member
Siddiq Khokhar	Member
Suleman Lalani	Member
Zakaria Usman	Member

BANKERS

Al Baraka Bank Pakistan Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
MCB Islamic Bank
National Bank of Pakistan
The Bank of Punjab
Meezan Bank Limited
Samba Bank Limited
Soneri Bank Limited
United Bank Limited

STATUTORY AUDITORS

BDO Ebrahim & Co.
Chartered Accountants

COST AUDITORS

UHY Hassan Naeem & Co.
Chartered Accountants

REGISTERED OFFICE

2nd Floor, Pardesi House, Survey No 2/1,
R.Y. 16, Old Queens Road, Karachi - 74000
Tel: 92-21-111-111-224
Fax: 92-21-32470090
Website: www.aasml.com

SHARE REGISTRAR OFFICE

M/s. CDC Share Services Ltd.,
CDC House-99B, Block 'B',
S.M.C.H.S, Main Shahra-e-faisal,

FACTORIES/STORAGE LOCATIONS

- 1) Mirwah Gorchani, Distt. Mirpurkhas, Sindh
- 2) Main National Highway, Dhabeji, Sindh
- 3) Oil Installation Area, Kemari, Karachi, Sindh

RISK MANAGEMENT COMMITTEE

Muhammad Salman Hussain Chawala	Chairman
Asim Ghani	Member
Darakshan Zohaib	Member
Siddiq Khokhar	Member

VISION AND MISSION STATEMENT

VISION

The company is committed to keep its focus on improving its core competencies and its client's needs thereby, keeping the company as one of the leading sugar and ethanol manufacturing unit as well as the provider of bulk storage service in the country with a purpose of creating enhanced value for its stakeholders, its community and overall economy of Pakistan.

MISSION

- To be a profitable company with an expert management team, motivated and productive employees and satisfied clients.
- To remain consistent with management philosophy to always observe the accepted standard of fair-conduct in dealing with employees, customer, supplier and others.
- To keep shareholders informed and ensure timely dissemination of all material information to them and concerned regulators.
- To keep the company always compliant with corporate Governance rules and all other applicable laws, rules and regulations.
- To keep the workplace and working environment safe, clean and comfortable for all employees.
- To be a partner with the community in all efforts to preserve healthy environment, ecological balance, heritage and overall quality of life.

NOTICE OF 33rd ANNUAL GENERAL MEETING

Notice is hereby given that the 33rd Annual General Meeting of Al-Abbas Sugar Mills Limited will be held at **Mövenpick Hotel, Karachi** on **Thursday, January 25, 2024** at **11:30 AM** as well as through online meeting to transact the following business:

Ordinary Business

1. To confirm the minutes of the 32nd Annual General Meeting of the shareholders of the Company held on January 26, 2023.
2. To receive, consider and adopt Annual Audited Financial Statements for the year ended September 30, 2023, together with the reports of the Auditors' and Directors' thereon.
3. To declare and approve the cash dividend for the year ended September 30, 2023 on the ordinary shares of the Company. The Directors have recommended a final cash dividend at **60%** i.e. Rs. **6** per share. This is in addition to the interim dividend **500%** i.e. Rs. **50.00** per share already paid. The total dividend for 2022-23 will thus amount to Rs. **972.289** million i.e. Rs. **56** per share.
4. To appoint auditors for the ensuing year, and to fix their remuneration. The retiring auditors M/s. BDO Ebrahim & Co. Chartered Accountants, being eligible have offered themselves for re-appointment for the year 2024.

Special Business

5. To approve, as and by way of an Ordinary Resolution, the transmission of the annual balance sheet, profit & loss account, auditors report, directors report (the "Audited Annual Financial Statements") and the notice of general meetings etc. to the Company's shareholders through email or QR enabled code and weblink as allowed by the Securities and Exchange Commission of Pakistan via S.R.O No. 389(I)/2023 dated March 21, 2023:

"**Resolved that** as notified by the Securities and Exchange Commission of Pakistan via S.R.O No. 389(I)/2023 dated March 21, 2023 transmission of Audited Annual Financial Statements to the members through QR enabled code and weblink instead of transmitting the Audited Annual Financial Statements through CD/DVD/USB, be and is hereby ratified and approved for future."

6. To transact any other business with the permission of the chair.

By Order of the Board



Zuhair Abbas
Company Secretary

Karachi: January 04, 2024

Notes:

1. Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed from January 18, 2024 to January 25, 2024 (both days inclusive) for the purpose of Annual General Meeting and payment of final dividend. Transfer requests on prescribed format, received at the office of the Share Registrar of the Company, M/s. CDC Share Registrar Services Limited, CDC House, 99 –B, Block B, S.M.C.H.S., Main Shahrah-e- Faisal, Karachi-74400 on or before the close of business on January 17, 2024 will be treated 'in time' for the purpose of above entitlement(s) to the transferees and/or to attend the AGM and vote at the meeting.

2. Virtual Participation in the AGM Proceedings Through Electronic Means (Via Video Conferencing)

In the light of the relevant guidelines issued by the SECP from time to time, the shareholders are encouraged to participate in the General Meeting through electronic facility arranged by the Company. In order to attend the General Meeting through electronic facility, the shareholders are requested to get themselves registered with the company before the time of General Meeting at agm@asml.com; please provide your details as follows:

Name of Shareholder	CNIC No.	Folio No./CDC Account No.	No. of Shares	Contact No.	Email Address

Online meeting link and login credentials will be shared with only those Members whose emails, containing all the required particulars, are received at the given email address by the end of business at 02:00 p.m. on Wednesday January 24, 2024. The login facility shall remain open from 11:00 a.m. till the end of the Meeting on January 25, 2024.

3. Participation in the AGM:

All members, entitled to attend and vote at the meeting, are entitled to appoint another person in writing as their proxy to attend and vote on their behalf. A proxy must be a member of the Company. In case of corporate entities, power of attorney or other authority / board resolution under which it is signed or a notarially attested copy of power of attorney lodged at the Company’s Registered Office address: Pardesi House, Survey No. 2/1, R.Y.16, Old Queens Road, Karachi at least 48 hours before the time of the meeting.

CDC account holders will further have to follow the below mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting:

- i. In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations shall authenticate his/her original valid CNIC or the original passport at the time of attending the meeting.
- ii. Members registered on CDC are also requested to bring their particulars, I.D. numbers and account numbers in CDS.
- iii. In case of corporate entity, the Board of Directors’ resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies:

- i. In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the CDC Regulations shall submit the proxy form as per above requirements.
- ii. Attested copies of valid CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iii. The proxy shall produce original valid CNIC or original passport at the time of the meeting.
- iv. In case of corporate entity, the Board of Directors’ resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
- v. Proxy form will be witnessed by two persons whose names, addresses and valid CNIC numbers shall be mentioned on the form.

4. Transmission of the Annual Audited Financial Statements through CD/DVD

SECP through its SRO 470 (I)/2016 dated May 31, 2016 have allowed companies to circulate their Annual Audited Financial Statements to their members through CD/DVD at their registered addresses. In view of the above, the Company has sent its Annual Report to the Shareholders in the form of CD/DVD. Any Member can send request for printed copy of the Annual Report to the Company on standard request form placed on its website <https://www.aasml.com>.

5. Transmission of Audited Financial Statements / Notices Through Email:

Members are hereby informed that pursuant to SECP SRO 787(1)/2014 dated September 8, 2014, and under section 223(6) of the Companies Act 2017, circulation of Audited Financial Statements and Notice of Annual General Meeting has been allowed in electronic format through email.

In compliance with the above mentioned requirements, members who wish to receive the Annual Report 2023 in electronic form may file an application as per the form provided on the Company's website in compliance with the subject SRO. The members who have provided consent to receive Annual Report 2023 can subsequently request any other media including hard copy which shall be provided free of cost.

6. Placement of Financial Statements on Website:

The Financial Statements of the Company for the year ended September 30, 2023 along with reports have been placed on the website of the Company: <https://www.aasml.com>

7. Mandatory Information – (Email, CNIC, IBAN and Zakat Declaration):

In compliance with Section 119 of the Companies Act, 2017 and Regulation 19 Companies (General Provisions and Forms) Regulations, 2018 members are requested to immediately provide their mandatory information such as CNIC number, updated mailing address, email, contact mobile/telephone number and International Banking Account Number (IBAN) together with a copy of their CNIC to update our records and to avoid any non-compliance of the law. Otherwise, all dividends will be withheld in terms of Regulation 6 of the Companies (Distribution of Dividends) Regulations, 2017;

- For physical shares to M/s CDC Share Services Limited
- For shares in CDS to CDC Investors A/c Services or respective participant

Members are requested to submit a declaration (CZ-50) as per Zakat & Ushr Ordinance 1980 for zakat exemption and advise a change in address if any.

8. E-Dividend Bank Mandate:

As per Section 242 of the Companies Act, 2017, in the case of a Public listed company, any dividend payable in cash shall only be remitted through electronic mode directly into the bank account designated by the entitled shareholders.

Therefore, through this notice, all shareholders are requested to update their bank account No. (IBAN) and details in the Central Depository System through respective participants. In case of physical shares, to provide bank account details to our Share Registrar, M/s CDC Share Services Limited. Please ensure an early update of your particulars to avoid any inconvenience. The e-Dividend mandate form is available on the company website <https://www.aasml.com>

9. Deduction of Income Tax from Dividend under Section 150 of the Income Tax Ordinance, 2001 ("Income tax Ordinance"):

The rates of deduction of withholding tax for Filers and Non-Filers as prescribed under Section 150 of the Income Tax Ordinance 2001, are as under:

S.No.	Nature of Shareholder	Rate of Deduction
1	Filers of income tax return	15%
2	Non – filer of income tax return	30%

To enable the Company to make tax deductions on the amount of cash dividend at 15% instead of 30%, shareholders are requested to please check and ensure Filer status from Active Taxpayers List (ATL) available at FBR website <http://www.fbr.gov.pk> as well as ensure that their CNIC/Passport number has been recorded by the participant/Investor Account Services or by Share Registrar (in case of physical shareholding). Corporate entities (non-individual shareholders) should ensure that their names and National Tax Numbers (NTN) are available in ATL at FBR website and recorded by respective Participant/Investor Account Services or in case of physical shareholding by Company’s Share Registrar.

Withholding tax on Dividend in case of Joint Account Holders

Members who have joint shareholdings held by Filers and Non-Filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his/her shareholding.

If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company latest by the Annual General Meeting date.

Folio / CDC A/c No.	Name of Shareholder	CNIC	Shareholding	Total Shares	Principal / Joint Shareholder
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Valid Tax Exemption Certificate for Exemption from Withholding Tax

A valid tax exemption certificate is necessary for exemption from the deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001. Members who qualify under Clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 and wish to seek an exemption must provide a copy of their valid tax exemption certificate to the Shares Registrar prior to the date of commencement of Book closure otherwise tax will be deducted according to the applicable law.

10. Unclaimed Dividend / Shares under Section 244 of the Companies Act, 2017:

An updated list for unclaimed dividend / shares of the Company is available on the Company’s website <https://www.aasml.com>. These are unclaimed dividend / shares, which have remained unclaimed or unpaid for a period of three (3) years from the date these have become due and payable.

Shareholders are requested to ensure that their claims for unclaimed dividend and share are lodged promptly. Shareholders, who by any reason, could not claim their dividend, if any, are advised to contact our Share Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99 –B, Block B, S.M.C.H.S., Main Shahrah-e- Faisal, Karachi-74400 and collect / enquire about their unclaimed dividend, if any. In case no claim is lodged, the Company shall proceed to deposit the unclaimed/unpaid Account and shares with the Federal Government pursuant to the provision of Section 244 (2) of Companies Act, 2017.

11. Consent for video conference facility:

Pursuant to Section 132(2) & section 134(b) of the Companies Act, 2017, if the Company receives consent form from Shareholders holding aggregate 10% or more shareholding residing at geographical location to participate in the meeting through video conference at least 7 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility please provide following information and submit to registered office of the Company:

I / We, _____ of _____, being a member of Al-Abbas Sugar Mills Limited, holder of _____ ordinary share(s) as per Registered Folio / CDC Account No. _____ hereby opt for video conference facility at _____.

Signature of Member

12. Polling on Special Business

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 amended through Notification vide SRO 2192(1)/2022 dated December 05, 2022 issued by the SECP. The SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business Accordingly, members of Al-Abbas Sugar Mills Limited (the "Company") will be allowed to exercise their right to vote through e-voting facility or voting by post for the special business in its forthcoming Annual General Meeting to be held on Thursday, January 25, 2024 at 11.30 a.m., in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations

13. Procedure for E-Voting

- i. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on January 17, 2024.
- ii. The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).
- iii. Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login. E-Voting lines will start from January 22, 2024, 09:00 a.m. and shall close on January 24, 2024 at 5:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.
- iv. E-Voting lines will start from January 22, 2024, 09:00 a.m. and shall close on January 24, 2024 at 5:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.

14. Procedure for Voting Through Postal Ballot

- a) Members may alternatively opt for voting through postal ballot. For the convenience of the members, Ballot Paper is annexed to this notice and the same is also available on the Company's website www.aasml.com
- b) The members must ensure that the duly filled and signed ballot paper, along with a copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at the Company's Karachi Office, Al-Abbas Sugar Mills Limited, Pardesi House Survey No. 2/1 R.Y. 16 Old Queens Road, Karachi, or email at chairman@aasml.com one day before the AGM, i.e., on January 24, 2024 before 5:00p.m. A postal ballot received after this time / date shall not be considered for voting. The signature on the Ballot Paper shall match with signature on the CNIC.

15. Deposit of Physical Shares into CDC Accounts

As per Section 72 of the Companies Act, 2017 all existing companies are required to convert their physical shares into book-entry form within a period not exceeding four years from the date of commencement of the Companies Act, 2017.

The Securities & Exchange Commission of Pakistan through its circular # CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised the listed companies to pursue their such members who still hold shares in physical form to convert their shares into book-entry form.

We hereby request all such members of International Steels Limited who are holding shares in physical form to convert their shares into book-entry form at the earliest. They are also suggested to contact the Central Depository Company of Pakistan Limited or any active member/stockbroker of the Pakistan Stock Exchange to open an account in the Central Depository System to facilitate the conversion of physical shares into book-entry form.

Members are informed that holding shares in book-entry form has several benefits including but not limited to; _

- Secure and convenient custody of shares
- Conveniently tradeable and transferable
- No risk of loss, damage or theft
- No stamp duty on transfer of shares in book-entry form
- Seamless credit of bonus or right shares

We once again strongly advise members of the Company, in their best interest, to convert their physical shares into book-entry form at the earliest.

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

This statement sets out material facts concerning the special businesses, proposed to be transacted at the Annual General Meeting of the Company to be held on January 25, 2024.

Item No.5 of the agenda – To circulate annual audited financial statements through QR enabled code

SECP, vide its notification No. SRO 389(I)/2023 dated March 21, 2023, have allowed the listed companies to circulate the annual balance sheet and profit and loss account, auditor's report and director's report, etc. ("annual audited financial statements") to its members through QR enabled code and weblink to its members subject to approval of shareholders in the Annual General Meeting. This facility will help all members, wherever they are located, to access the financial statements of the Company. Secondly, it will also reduce unnecessary expenditure for making CDs etc., it was also noted that most new computers do not have CD Rom as well, which was causing problems for many members.

Considering technological advancements and old technology becoming obsolete, the circulation of annual audited financial statements through CD/DVD/USB will be discontinued.

The Company will supply the hard copies of the annual audited financial statements to the shareholders on demand, free of cost, within one week of such demand. In this regard, the Company will place a Standard Request Form on its website along with the designated postal and email address of the Company Secretary/Share Registrar to whom such requests will be made.

No directors have direct or indirect interest in the above-said business other than as shareholders of the Company.

CHAIRMAN'S REVIEW REPORT

I'm delighted to share an overview of our performance for the year concluded on September 30, 2023, underscoring both the Company's achievements and the instrumental guidance of the Board of Directors in steering management towards fulfilling its responsibilities to benefit all stakeholders.

Throughout this fiscal year, Pakistan's economy encountered a series of intricate and diverse challenges, notably stemming from the commodity shock triggered by the Ukraine conflict, residual impacts from severe floods in the prior year, an unsettled political landscape, and a pronounced surge in headline inflation. The period saw a significant devaluation of the currency, coupled with a 40% decline in foreign exchange reserves. In response, the State Bank enacted a substantial interest rate hike, while the Government enforced administrative limitations on imports, raised energy costs, and elevated corporate taxes.

Notwithstanding these formidable hurdles, Al-Abbas Sugar Mills Limited remarkably achieved its highest-ever profit in its history, a testament to the exceptional leadership of our dynamic Chief Executive Officer. His visionary decision-making played a pivotal role in steering the Company toward this monumental profit, showcasing resilience and strategic acumen in the face of formidable economic challenges. Furthermore, the Chief Executive spearheaded the implementation of optimal corporate governance practices, cultivating an environment of heightened professionalism and ethical business conduct throughout the company.

Absolutely, there's steadfast belief that Your Company, guided by the Chief Executive Officer's leadership, is primed to exceed its previous record for highest profits in near future. The envisioned path is directed towards positioning the company as a prominent refined sugar and ethanol manufacturer in Pakistan.

By the Grace of Almighty Allah, the Company's fourth consecutive reception of the Corporate Excellence Award from the Management Association of Pakistan in the sugar sector underscores its unwavering commitment to maintaining the pinnacle of corporate practices and governance. This accolade reaffirms the Company's consistent dedication to excellence within the Sugar Sector.

Al-Abbas Sugar Mills Limited complies with all requirements specified in the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations, 2019, governing the structure, procedures, and meetings of its Board of Directors and subcommittees. As mandated by the Corporate Governance Code, there's an annual appraisal of the Board of Directors of Al-Abbas Sugar Mills Limited. This assessment aims to assess the overall effectiveness and performance of both the Board and its subcommittees. Identified areas for improvement are duly considered. Recently, the Board completed its annual self-assessment for the year ending September 30, 2023, and the overall performance of the Board and its subcommittees was deemed satisfactory.

The Company boasts an independent Internal Audit department that adheres to a risk-based audit approach. Quarterly, these Internal Audit reports are presented to the Board Audit Committee, where they delve into areas of enhancement and discuss highlighted aspects for improvement. This process ensures a comprehensive oversight and continual enhancement of the Company's operations.

As Chairman of your Company, my commitment remains steadfast in leading the Board, nurturing an environment that encourages open and constructive discourse where all perspectives are valued. It's crucial to ensure the Board receives insights from a diverse range of senior management. I am firmly dedicated to upholding compliance with all pertinent codes and regulations, while our management team consistently makes decisions aimed at generating value for our stakeholders across short, medium, and long-term horizons.

The Company continues to allocate significant resources towards enhancing working conditions for its employees, prioritizing the creation of a safe, healthy, and comfortable workplace environment.

On behalf of the Board, I extend gratitude to all our dedicated employees whose contributions have propelled the Company's success. I also express heartfelt thanks to our shareholders, customers, suppliers, bankers, business partners, and all stakeholders for their unwavering confidence and support. As we anticipate the challenges ahead, the Board faces the future with increased confidence and eagerness, ready to navigate the journey ahead.



Zakaria Usman

Chairman

Karachi: December 27, 2023

DIRECTORS' REPORT

In the divine name of Almighty ALLAH, the most benevolent and compassionate, the Directors of Al-Abbas Sugar Mills Limited hereby present the Company's Annual Audited Financial Statements, accompanied by the Auditors' report and a concise overview of the financial and operational performance for the year concluding on September 30, 2023.

WORLD INDUSTRY OVERVIEW

The sugar industry holds significant importance in both global and regional economies due to its widespread applications, economic contributions, and impact on various sectors. The industry supports millions of jobs worldwide, encompassing farming, processing, transportation, and distribution. Sugar production and its related industries make substantial contributions to the GDP of many countries, especially in tropical regions.

Sugar is one of the most traded commodities globally, with extensive international trade networks. Major exporters include Brazil, Thailand, and India, while significant importers include the United States, China, and the European Union. Fluctuations in sugar prices and supply significantly impact global markets, affecting both importing and exporting nations. Sugar cultivation often serves as a cornerstone for diversified agricultural practices in many regions, contributing to crop rotation and land use. In many regions, especially in developing countries, the sugar industry acts as a key economic driver, supporting livelihoods and rural development. Sugar processing facilities contribute to local industrialization, creating value-added products and fostering related industries. The sugar industry generates significant tax revenues for governments through various avenues, including sales taxes, export duties, and related industries' taxation. Sugar production often forms the backbone of rural communities, providing infrastructure, education, and healthcare facilities in sugar-producing regions.

The industry is diversifying beyond traditional sugar products, exploring biofuels, ethanol production, and other value-added derivatives. Technological advancements in farming practices and processing are enhancing efficiency and sustainability. The sugar industry's significance spans economic, social, and environmental dimensions, playing a crucial role in global trade, agriculture, and regional development while facing challenges that prompt innovation and sustainability efforts.

ECONOMIC AND INDUSTRY OVERVIEW OF PAKISTAN

The past year posed considerable challenges for the nation, marked by significant financial upheaval and the most substantial economic crisis witnessed in our history. It commenced amidst a severe political-economic crisis, leading to a decline in foreign exchange reserves. In an effort to stabilize the country's economic situation, the Government diligently worked to reinstate the ongoing IMF program. This involved implementing various policy actions, including raising fuel and electricity prices, adopting a market-determined exchange rate policy, implementing higher taxation measures to enhance tax collection, and elevating the discount rate to a decade-high of 22% to counter inflationary pressures.

The sugar industry is a pivotal part of Pakistan's agriculture, contributing to rural employment and income generation. Sugarcane cultivation covers a substantial portion of arable land, with Punjab and Sindh provinces being major contributors. Sugar production contributes to Pakistan's GDP, with the industry's revenue generation and export potential being noteworthy. Pakistan often exports surplus sugar, contributing to foreign exchange earnings.

In the forecast for the season 2022-23, an expected reduction in crop yield was attributed to the aftermath of floods from the previous year. Specific areas in Punjab and Sindh encountered diminished crop quantities and quality due to both crop diseases and the lingering effects of standing floodwaters. These factors significantly affected the overall availability and volume of the produce.

The elevated cane prices had created significant liquidity demands for mills, substantially inflating their financial needs. Consequently, this situation had resulted in increased costs, particularly considering the ongoing trend of rising policy rates.

During the season 2022-23, sugar production totaled 6.740 million tons, showing a decline from the 7.9 million tons achieved in the previous season. National consumption stood at approximately 6.1 million tons. With surplus stock available, the government has permitted the export of 250,000 tons of sugar.

KEY HIGHLIGHTS OF THE COMPANY'S FINANCIAL PERFORMANCE

	2023	2022
	------(Rs in '000s)-----	
Profit before taxation	4,004,280	2,050,244
Taxation	<u>(319,663)</u>	<u>(136,555)</u>
Profit after taxation	<u>3,684,617</u>	<u>1,913,689</u>
 Basic earnings per share (Rupees)	 <u>212.22</u>	 <u>110.22</u>

The Company was blessed by the Almighty Allah to receive the essential export volume, allowing for the maximum utilization of available capacities. Consequently, the Company surpassed its previous record, achieving a new high in net revenue of Rs. 14.564 billion and a profit after tax of Rs. 3.684 billion. The comparison of key figures between 2023 and 2022 showcases a notable improvement:

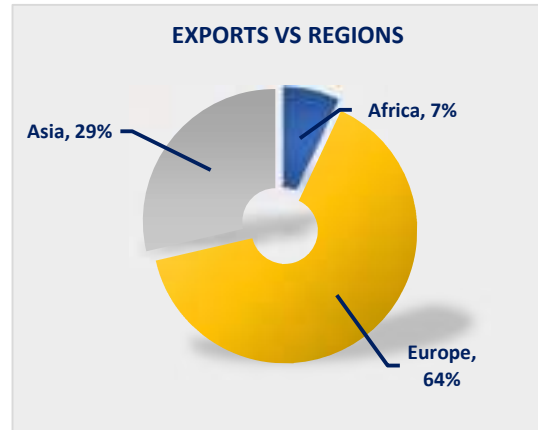
Description	Units	2023	2022
Export Sales	Rs. In million	10,614.63	7,187.90
Local sales, services and trading activities - net	Rs. In million	3,954.60	3,174.29
Gross profit	Rs. In million	4,974.88	2,338.93
Profit before Tax	Rs. In million	4,004.28	2,050.24
Profit after tax	Rs. In million	3,684.62	1,913.69
EBITDA	Rs. In million	3,521.46	1,028.16
Earning per share	Rupees	212.22	110.22
Gearing Ratio	%	28.28%	38.92%
Current Ratio	Time	2.02	1.63
Breakup value per share	Rupees	398.73	265.27
Gross profit Margin	%	34.15	22.57
Profit before Tax Margin	%	27.48	19.79
Profit after tax Margin	%	25.29	18.47

Despite challenges such as unpredictable fluctuations in the PKR vs. US\$ exchange rate, persistent rises in raw material and utility prices, logistical hurdles, increased supply chain expenses, and ongoing inflation, the aforementioned results were achieved.

REVIEW OF BUSINESS

Despite the formidable challenges posed by post-flood scenarios, the impact of Covid-19, the commodity super cycle, and economic and political instability within the country throughout the financial year 2022-23, the Company managed to achieve a notable increase in exports by Rs. 3.43 billion, marking an approximate 47.67% surge.

Your Company operates state-of-the-art sugar and ethanol plants, dedicated to producing high-quality sugar and ethanol products through process excellence and innovation. Throughout the year, the Company successfully exported its products to various regions, including Asia, Europe and Africa.



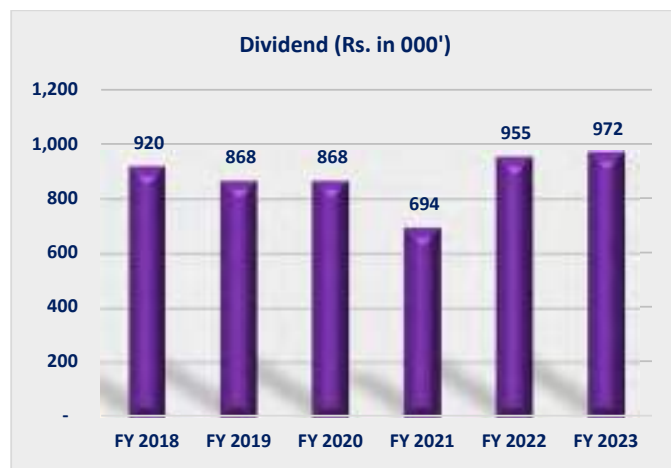
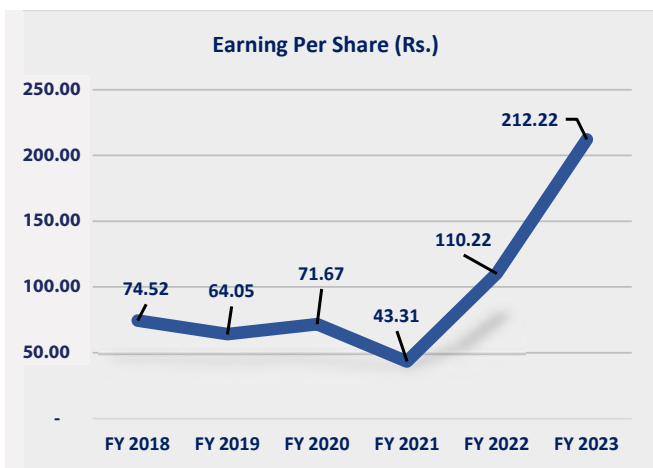
DIVIDENDS AND APPROPRIATION

The Company remains steadfast in its commitment to enhancing shareholder wealth and ensuring sustainable returns over the long run. The Board of Directors in their meeting held on December 27, 2023 has proposed the final cash dividend of 60% i.e. Rs. 6 per share. This is in addition to the interim dividends of 500% i.e. Rs. 50 per share already paid. The total dividend for the year ended September 30, 2023 will thus amount to Rs. 972.289 million i.e. Rs. 56 per share. The approval for the final dividend shall be obtained at the upcoming Annual General Meeting schedule for January 25, 2023.

These financial statements do not incorporate the impact of the final cash dividend. The allocation approved by the Board is as follows:

(Rupees in thousands)

Profit after taxation	3,684,617
Un-appropriated profit brought forward	3,102,720
Final dividend 2022 @ Rs. 30/share	(520,869)
Interim dividends 2023@ Rs. 50/share	(868,116)
Gain on remeasurement of defined benefit obligation – net of tax	36,204
Available for appropriation and Un-appropriated profit carried forward	5,434,556



SEGMENT RESULTS

Details pertaining to operations within the Sugar, Ethanol, Storage Tank Terminal, Power, Chemical, and Alloys divisions are provided below:

SUGAR SEGMENT

The anticipated 2022-23 season didn't yield a superior crop due to persistent floodwaters. The Government of Sindh issued a notification setting the minimum support price of sugarcane at Rs. 302 per 40 kgs for the 2022-23 crushing season, a significant increase from Rs. 250 per 40 kgs in the 2021-22 season. In recent years, these elevated cane prices have enabled farmers to generate substantial returns on their investments and have fostered the growth of cane plantations. Nevertheless, these higher prices have led to substantial liquidity demands for the company.

Operational Performance:

	<u>2022-23</u>	<u>2021-22</u>
	November 29, 2022	November 19, 2021
Date of start of season		
Duration of season (Days)	77	116
Total days of actual crushing	68.553	99.560
Crushing (M. Tons)	400,820	501,010
Production from sugarcane(M. Tons)	42,175	53,945
Sales (M. Tons)	42,598	42,062

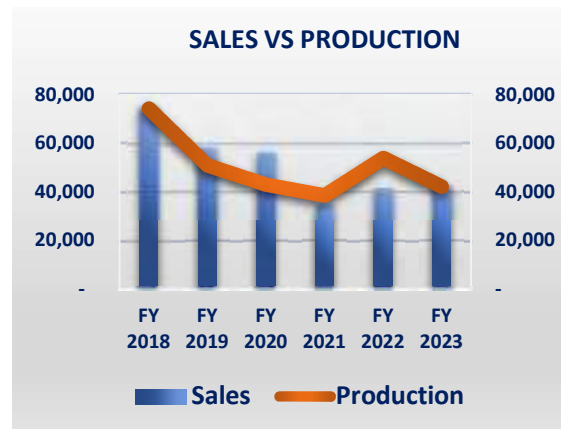
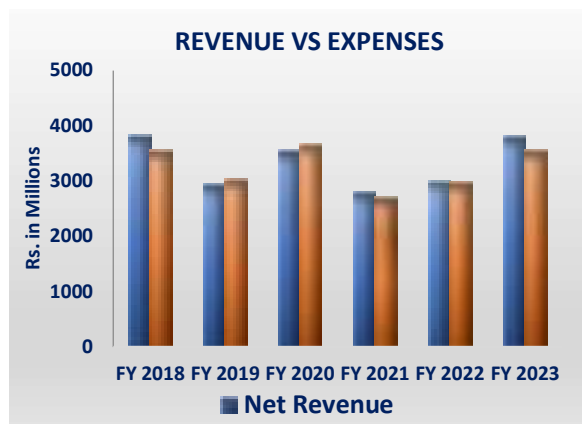
Financial Performance:

	2023	2022
	------(Rs in '000s)-----	
Sales	3,805,260	3,008,363
Cost of Sales	<u>(3,062,524)</u>	<u>(2,795,589)</u>
Gross profit	742,736	212,774
Distribution Cost	(22,375)	(10,082)
Administrative Expenses	<u>(103,509)</u>	<u>(96,669)</u>
Operating segment results	616,852	106,023
Other operating expenses	(31,505)	6,429
Finance cost	(209,370)	(74,889)
Other income	<u>13,788</u>	<u>41,993</u>
Profit before taxation	389,765	79,556
Taxation	<u>(131,951)</u>	<u>(41,993)</u>
Profit after taxation	<u>257,814</u>	<u>37,563</u>

Throughout the year, your company experienced a rise of about 26.49% in revenue within the sugar segment, primarily attributed to a surge in the sales price. However, the finance cost surged by roughly 179.58%, mainly due to the escalated Kibor rate compared to the previous year. Additionally, the government permitted sugar exports during the

year due to an excess in production and stock within the country. The pricing mechanism for sugar sales operates on the fundamental principles of supply and demand in economics.

The rise in domestic sugar prices over the year can be attributed to the Government's decision to increase the minimum notified price of sugarcane by approximately 20.8%. This increase directly impacted the production costs of sugar, contributing to the escalation in sales price within the domestic market.



ETHANOL SEGMENT

Operating Performance:

	2023	2022
Production (MT) - Unit – I and II	45,250	38,549
Sales (MT)	40,691	41,607

Financial Performance:

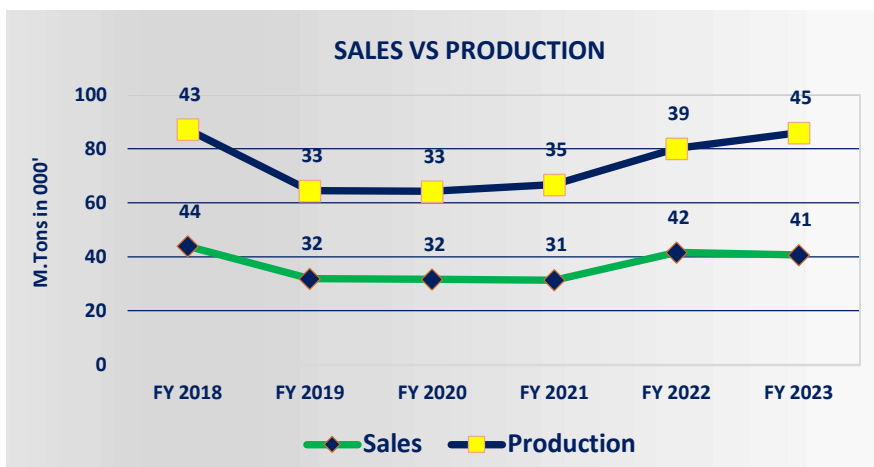
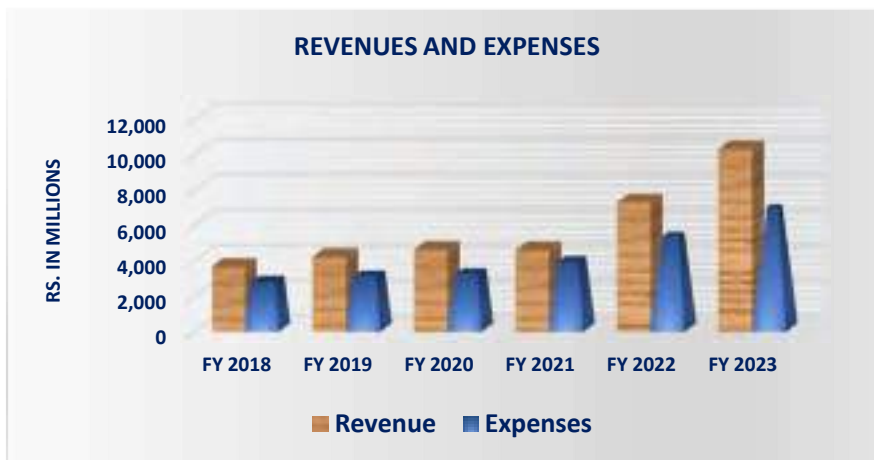
	2023	2022
	----- (Rs in '000s) -----	
Sales	10,283,856	7,299,283
Cost of Sales	(6,047,743)	(5,077,150)
Gross Profit	4,236,113	2,222,133
Distribution Cost	(379,180)	(132,406)
Administrative Expenses	(66,311)	(60,971)
Operating segment results	3,790,622	2,028,756
Other operating expenses	(195,126)	(84,603)
Finance cost	(167,807)	(93,756)
Other income	195,566	246,696
Profit before taxation	3,623,255	2,097,093
Taxation	(170,055)	(94,075)
Profit after taxation	3,453,200	2,003,018

The post-tax profits of ethanol segment surged by approximately 74.39%, primarily driven by the augmented sales prices. This increase was further boosted by the devaluation of the PKR against the US dollar, which favored the export

industry. Throughout the year, there was a consistent stability observed in the demand for ethanol, contributing to this positive performance.

The production of molasses is intricately tied to sugar production; a decrease in sugar production directly affects molasses output. Intense competition among rival distilleries ensued, leading to reduced availability of molasses in the market. However, it's great news that your company's management executed a remarkable feat by securing a substantial amount of molasses at an exceptionally competitive rate in advance, akin to previous successful endeavors.

The management made efforts to optimize the sales mix of ethanol by shifting focus towards more profitable avenues. Specifically, there was an increased emphasis on Drum and ISO sales, while slightly reducing reliance on bulk sales compared to the previous year.



OTHER REPORTABLE SEGMENT

The operations of Chemical, Alloys, and Power segments were suspended during the reviewed period due to the escalation in fuel and electricity prices.

The storage tank terminal is licensed to act as customs public bonded warehouse and has a total capacity of 22,850 M.T to handle bulk liquid cargo. The terminal has permission to store dangerous goods which includes Ethanol as well as

other petroleum products. The ethanol produced by your company has also been stored in the tank terminal to facilitate the timely shipment of export orders. The decrease was due repair and maintenance work on tanks

In the concluded year, the forward-thinking approach of your company's Chief Executive Officer, particularly in exploring trading activities, has produced exceptional outcomes, resulting in substantial profits for the company.

During this year, a loss of Rs. 26.397 million was recorded in the other reportable segment, in contrast to the Rs. 97.043 million loss incurred in the previous year.

Future Outlook

Sugar Segment

Predicting the future outlook of the sugar segment involves various factors. Market demand, Government policies, weather conditions affecting crop yields, and global sugar prices are critical elements to consider. Additionally, consumer preferences, sustainability practices, and technological advancements in production may impact the sugar industry.

The Government of Sindh, on August 16, 2023, released a notification establishing the minimum support price for sugarcane at Rs. 425 per 40 kgs for the upcoming crushing season of 2023-24, compared to Rs. 302 per 40 kgs from the previous season, marking a substantial increase of approximately 40.73%. Additionally, sugar mills in Sindh are mandated to pay a quality premium at a rate of fifty paises for every 0.1 percent sucrose recovery exceeding the benchmark of 8.7%.

Based on the initial crop survey, it appears that sugarcane output in our region will likely maintain stability in terms of both yields and planting. However, we foresee an improvement in the balance between supply and demand over the coming year. This should lead to domestic production meeting the country's sugar demands, potentially resulting in a surplus. This surplus could create equitable opportunities for stakeholders involved. The company is actively engaged in initiatives aimed at developing the cane areas to enhance the quality of cane. This effort is directed towards achieving better recovery rates, ultimately improving overall productivity.

The unsettled provincial subsidy claims linked to sugar export sales from the 2017-18 period are significantly affecting our liquidity and capital allocation, creating a strain on our finances. The Sugar Industry of Sindh is advocating for the prompt release of the outstanding amount from the Sindh Government to alleviate this financial pressure as soon as possible.

Recently, the Pakistan Sugar Mills Association (PSMA) requested for the export of 500,000 metric tons of sugar from the Government of Pakistan, citing the start of the crushing season and an excess surplus from the previous season. This request was presented to the Sugar Advisory Board, where the PSMA discussed the challenges faced by the Sugar Industry. However, the Board was not persuaded to grant approval, emphasizing the prioritization of the broader interests of consumers. PSMA highlighted that international sugar prices are currently hovering around USD 750 per ton. They emphasized that Pakistan could seize this opportune moment by exporting sugar, potentially earning nearly USD 400 million in foreign exchange. This decision could significantly bolster the country's reserves. PSMA urges the Board to make a timely decision regarding sugar exports to capitalize on this favorable opportunity.

Ethanol Segment

The food-grade ethanol segment has a promising outlook driven by several factors. Increased demand for natural and clean-label products in the food and beverage industry contributes significantly to the growth of this segment. Ethanol serves as a crucial ingredient in various food applications, including flavorings, extracts, and food preservatives.

The ethanol segment of your company has consistently demonstrated remarkable profitability over several years. Its consistent success stands out as one of the most lucrative segments within the company's operations.

The heightened geopolitical tensions resulting from conflicts like the Ukraine-Russia and Israel-Palestine situations are poised to have a detrimental impact on global economic stability. These effects are anticipated to lead to a reduction in GDP growth while significantly driving up inflation rates. Staple commodities such as wheat, corn, and sunflower oil have already surged to record high prices, and energy costs are skyrocketing, reaching levels not seen in years.

The ongoing conflicts between these nations have disrupted both current and future supply chain mechanism. This disruption is expected to lead to a substantial increase in the cost of commodities. Conversely, the selling price of ethanol is anticipated to remain relatively stable. However, much will depend on the extent and intensity of these conflicts and their subsequent impact on the global economy, a situation that will continue to unfold in the coming period.

The margin within this segment will be influenced by the unpredictable movement of the Pakistani rupee against the US dollar. Exchange rate fluctuations can significantly impact the profitability and margins of this segment. The volatility in currency exchange rates adds an element of uncertainty to cost structures, especially when dealing with international transaction. Keeping a close eye on these currency movements will be crucial in managing and forecasting the margin of this segment.

It's impressive to hear that your management is dedicated to ongoing improvements. The production of ethanol heavily relies on the availability of molasses, a byproduct of sugar production. To gain a competitive edge, your company's management has established a practice of procuring the maximum quantity of molasses required for the upcoming year before the crushing season begins. This proactive approach secures essential resources and allows for smoother operations, positioning your company advantageously within the market and ahead of competitors.

Indeed, despite the challenges and uncertainties, the outlook for this segment appears quite promising. Factors like proactive procurement strategies, stable selling prices for ethanol, and the management's continuous efforts for improvement suggest a positive trajectory for the segment. Additionally, the segment's resilience in the face of geopolitical risks and currency fluctuations underscores its potential for continued success. Overall, the future prospects for this segment seem optimistic and promising.

Other Reportable Segment

The Karachi Port Trust has commenced granting permission for tank-specific repair and maintenance crucial for the seamless operation of our storage business. We are optimistic about completing the repair work in the coming year. Upon its completion, the company anticipates a robust performance and favorable returns from this segment.

The chemical, alloys, and power segment production facilities have been halted due to prevailing business conditions. The decision on resuming operations will be reconsidered once there is an improvement in these conditions.

Overall

The company's operations are intricately linked with economic conditions in Pakistan and its export destinations. Presently, domestic economic dynamics are rapidly evolving, characterized by elevated energy expenses, disruptions in supply chains, increased finance costs, and higher inflation. Despite these challenges, the management is prepared to navigate uncertainties within the economic landscape, including fluctuations in exchange rates, elevated raw material expenses, increased borrowing costs, intense competition, and logistical challenges, including rising expenses. Consequently, the company has established and consistently reviews strategies to ensure sustained growth and advancement in its endeavors.

We hold a positive outlook that the Company's performance will endure and continue to advance in the forthcoming years, specifically in terms of revenue, profitability, and liquidity positions.

RELATED PARTY TRANSACTIONS

All related party transactions are conducted at arm's length and follow standard business practices, complying with the relevant provisions outlined in the Companies Act, 2017. There have been no substantial related party transactions involving Directors or Key Managerial Personnel that could potentially conflict with the Company's interests or necessitate shareholder approval.

The Board's Audit Committee regularly reviewed all related party transactions, presenting their recommendations to the Board for further review and approval. The Board, after review, sanctioned these transactions, all of which adhered to the approved related party policy. Comprehensive details regarding these transactions are disclosed in notes 42 and 47 within the Company's financial statements.

COMPOSITION OF BOARD OF DIRECTORS

Al-Abbas Sugar Mills Limited's Board of Directors consists of nine members, comprising seven males and two females. These individuals bring diverse backgrounds, core competencies, and relevant expertise aligned with the Company's business goals. Our Board composition is designed to represent and cater to the interests of all categories of shareholders and consists of:

- i) Independent Directors: Three (3)
- ii) Non-Executive Directors: Three (3)
- iii) Executive Director: One (1)*
- iv) Female Directors : Two (2)

*Mr. Asim Ghani, the Chief Executive Officer of the Company, is a deemed director as defined in Section 188(3) of the Companies Act, 2017.

REMUNERATION POLICY OF CHIEF EXECUTIVE OFFICER

The Company has an established remuneration policy specifically for the Chief Executive Officer, which undergoes periodic reviews by the Board, contingent upon the Company's performance. Detailed information regarding the CEO's salaries and additional benefits can be found in note number 42 of the Company's financial statements.

REMUNERATION POLICY OF NON-EXECUTIVE DIRECTORS

The Board has implemented a formal policy concerning Non-executive directors, which includes independent directors. These directors are entitled to a meeting fee for their attendance at the Company's Board meetings, sanctioned at rates approved by the Board of Directors.

MEETINGS OF BOARD OF DIRECTORS

During the year ended September 30, 2023, a total of Five Board meetings were convened. The attendance record of Directors at these meetings is as follows:

Name of Directors	Status	Number of meetings attended
Mr. Zakaria Usman	Chairman	5/5
Mr. Asim Ghani	Chief Executive Officer	5/5
Mrs. Asma Aves Cochinwala	Female Director	5/5
Mrs. Darakshan Zohaib	Female Director	5/5
Mr. Haroon Askari	Independent Director	5/5
Mr. Muhammad Salman Hussain Chawala	Independent Director	5/5
Mr. Muhammad Siddiq Khokhar	Independent Director	5/5
Mr. Shahid Hussain Jatoi	Non-Executive Director	5/5
Mr. Suleman Lalani	Non-Executive Director	4/5

AUDIT COMMITTEE

The Audit Committee plays a pivotal role in aiding the Board in fulfilling its oversight duties, particularly in reviewing financial and non-financial information, internal controls, and the audit processes, delivering these insights to Shareholders. Throughout the year, the Committee convened for a total of four meetings. The attendance record of each member is as follows:

Name of Members	Status	Number of meetings attended
Mr. Haroon Askari	Chairman (Independent)	4/4
Mrs. Asma Aves Cochinwala	Member	4/4
Mrs. Darakshan Zohaib	Member	4/4
Mr. Muhammad Salman Hussain Chawala	Member	3/4
Mr. Zakaria Usman	Member	2/4

The Audit Committee diligently assessed the quarterly, semi-annual, and annual financial statements, in addition to the related party transaction register, before presenting them to the Board. Moreover, the Committee meticulously reviewed the findings of the internal auditor and conducted separate sessions with both internal and external auditors, as mandated by the Listed Companies (Code of Corporate Governance) Regulations, 2019.

HUMAN RESOURCE COMMITTEE

The Committee convenes to assess and recommend all aspects of compensation, organizational structure, and policies concerning the development of senior executives. Emphasizing human resource planning and management at the highest managerial level remains a primary focus. The following details outline the names of the members and the number of meetings attended by each member:

Name of Members	Status	Number of meetings attended
Mr. Haroon Askari	Chairman (Independent)	2/2
Mr. Asim Ghani	Member	2/2
Mr. Shahid Hussain Jatoi	Member	1/2
Mr. Muhammad Siddiq Khokhar	Member	2/2
Mr. Suleman Lalani	Member	2/2
Mr. Zakaria Usman	Member	2/2

RISK MANAGEMENT COMMITTEE

The Risk Management Committee supports the Board by overseeing the sufficiency and efficiency of the risk management framework and internal control system. This involves assessing operational, strategic, and external risks, as well as reviewing all significant controls, including financial, operational, and compliance measures. During the year one meeting was held.

Name of Members	Status	Number of meetings attended
Mr. Muhammad Salman Hussain Chawala	Chairman (Independent)	1/1
Mr. Asim Ghani	Member	1/1
Mrs. Darakshan Zohaib	Member	1/1
Mr. Muhammad Siddiq Khokhar	Member	1/1

AUDITORS

The current auditors, M/s. BDO Ebrahim & Co. Chartered Accountants, have completed their tenure for the year ended September 30, 2023, and will retire at the upcoming Annual General Meeting. They are eligible for reappointment and have expressed their willingness for the same. Based on the Audit Committee's recommendation, the Board proposes the reappointment of M/s. BDO Ebrahim & Co. Chartered Accountants as the Company's auditors for the financial year ending September 30, 2024. Shareholder approval for this reappointment will be sought at the forthcoming Annual General Meeting scheduled for January 25, 2024.

CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility (CSR) embodies a company's commitment to positively impact society beyond its core business operations. Companies recognize that their responsibility extends beyond profitability, acknowledging the need to address societal needs. During the year, the Company has contributed towards health sector to demonstrate a commitment to community welfare. These efforts often yield long-term benefits by fostering healthier communities, improving quality of life, and supporting sustainable development.

In essence, a company's commitment to CSR in the health sector showcases a dedication to societal welfare, emphasizing a holistic approach beyond financial gains. It illustrates the alignment of corporate goals with social responsibility, aiming for a healthier, more prosperous future for all.

EFFECT OF COMPANY'S OPERATIONS ON THE ENVIRONMENT

The Company remains dedicated to ensuring a healthy environment for all by mitigating its business's environmental effects. This commitment involves adhering to all production facility environmental standards and acknowledging our responsibility in this realm.

The company has implemented a state-of-the-art water recycling plant, a proactive step aimed at both environmental protection and ensuring the availability of safe water resources. Additionally, the company is actively focused on reducing its carbon footprint, recognizing the significance of safeguarding the environment from the impact of its operations.

The company consistently reviews its policies to align them with industry best practices, ensuring that established standards reflect the highest benchmarks in the field. Employees receive health and safety training to ensure their work aligns with these policies, prioritizing adherence to established guidelines.

ACHIEVEMENTS

The Company has achieved an exceptional milestone by securing the Corporate Excellence Award for the fourth consecutive time, bestowed by the Management Association of Pakistan (MAP) in Karachi. These awards, presented by MAP, aim to honor listed companies that demonstrate outstanding corporate and management practices.

This award underscores the Company's dedication to maintaining top-tier quality, upholding the highest professional standards, and persistently pursuing excellence across all facets of its operations. Such awards are widely regarded as the most prestigious achievements within the corporate sector.

BOARD'S EVALUATION

In accordance with the Code of Corporate Governance, 2019, the Board has sanctioned a comprehensive evaluation mechanism for its performance. This includes the introduction of a questionnaire encompassing the Board's scope, objectives, functions, as well as the Company's performance and monitoring. Each director provided input for the assessment, enabling the evaluation of all pertinent factors.

REVIEW OF CEO'S PERFORMANCE

The Board of Directors conducts periodic evaluations of the CEO's performance, considering both quantitative and qualitative metrics. These assessments encompass diverse financial and non-financial Key Performance Indicators (KPIs). The evaluation criteria include adherence to the mission, achievement of long and short-term objectives, commitment to long-term profitability, enhancement of shareholders' value, and ensuring robust governance and statutory reporting.

ROLE OF CHAIRMAN AND CEO

The Chairman serves as the guardian of the Company, representing the Board and stakeholders. Leading the Board of Directors, the Chairman bears the responsibility of ensuring its efficiency. Furthermore, the Chairman oversees the Company's business development and safeguards its reputation. Additionally, they ensure a balanced composition of the Board, fostering diverse exposure to different business facets, economic perspectives, and business expertise.

The CEO holds the primary responsibility of steering the Company's vision, mission, and overarching long-term objectives. Serving as a crucial liaison between the Board and the Company's management, the CEO communicates on behalf of the management team. Day-to-day management of the Company's operations falls within the CEO's purview, including the execution of long-term strategies, plans, and budgets aimed at enhancing shareholders' value.

The CEO additionally serves as the face of the Company, representing it to shareholders, governmental bodies, and the public. As the leader and decision-maker, the CEO inspires employees, instigates change within the Company, and makes decisions aimed at achieving set targets.

CHAIRMAN'S REVIEW

The Chairman's review, included in the Annual Report, encompasses various aspects such as the economic outlook, the Company's performance, and the role of the Board of Directors, among other pertinent subjects.

WHISTLEBLOWING POLICY

Aligned with the company's dedication to transparent communication, the whistleblowing policy, facilitated by non-conformance reporting, was formulated to offer employees a channel to voice concerns while ensuring their protection. As a conscientious organization, Al-Abbas Sugar Mills Limited upholds the conduct of its business with a commitment to fairness and transparency, adhering to the highest standards of professionalism, honesty, dependability, and ethical conduct.

DEBTS SERVICING

Our company employs a highly effective cash flow strategy centered on continuous forecasting and vigilant tracking of both incoming and outgoing funds. This meticulous approach consistently ensures the company's seamless fulfillment of financial commitments, equipping it to tackle any potential hurdles. Furthermore, adhering to this strategy, our management consistently focuses on refining borrowing expenses by maintaining a well-structured mix of funding channels and adept financing setups. Notably, our company boasts an unblemished history of promptly meeting obligations, with no instances of missed debt payments, including the present year.

CORPORATE BRIEFING SESSION

Al-Abbas Sugar Mills Limited organized a Corporate Briefing Session (CBS) discussing the Financial Statements for the fiscal year ending September 30, 2022, held on January 26, 2023. This session aimed to inform stakeholders about the company's operational and financial performance, welcoming feedback from shareholders. The CEO provided insights into the current year's performance and outlined future prospects. Various participants, including investors, research analysts, fund managers, and management representatives, attended the event, expressing significant interest in the company's affairs. A Question & Answer session followed the briefing to elaborate on the matters discussed. Looking ahead, the management plans to conduct a Corporate Briefing Session for the year ended September 30, 2023, scheduled for January 2024.

MATERIAL CHANGES AND COMMITMENTS

There have been no significant alterations or commitments impacting the financial standing of the Company from the conclusion of the financial year covered by the financial statements to the date of this report.

CONTRIBUTION TO THE NATIONAL / PROVINCIAL EXCHEQUER

The Company made a total contribution of Rs. 940.591 million compared to Rs. 696.250 million in 2022 to the Government Treasury in the form of income tax, levies, excise duty, and sales tax.

PATTERN OF SHAREHOLDING AND SHARES TRADED

The statement demonstrating the shareholding pattern as of September 30, 2023, as mandated by Section 227(2)(f) of the Companies Act, 2017, is provided as an annexure to this report.

There were no transactions during the year involving the trading of the Company's shares by the Chief Executive, Directors, Substantial Shareholders, Chief Financial Officer, Company Secretary, their spouses, or minor children.

RISK MANAGEMENT FRAMEWORK

A robust Risk Management Framework serves as the cornerstone of an organization's ability to navigate uncertainties and challenges while striving for sustainable growth and success. It encapsulates a systematic approach to identify, assess, mitigate, and monitor risks across all facets of operations, fostering resilience and adaptability.

The Board of Directors has pinpointed potential risks, evaluated their potential impact on our company, and devised strategies to alleviate these foreseeable risks to our business. These strategies have been implemented across all levels of our company to guarantee a comprehensive approach to risk mitigation without any overlooked gaps.

The Board has instituted a dedicated risk management committee. The Company's Risk Management framework is designed to proactively identify potential risks, conduct thorough analyses, and implement precautionary measures to mitigate these risks. The Company adopts a proactive stance toward risk management, engaging in contingency planning to address critical risks if they materialize. This approach ensures preparedness and responsiveness in the face of potential challenges.

The primary risks and challenges encountered by the company include the following:

- (i) The company relies significantly on the availability of sugarcane and molasses, crucial raw materials for its operations
- (ii) Fluctuations in the Dollar-Rupee exchange rate pose a risk; a Rupee depreciation would positively impact the company's bottom line.
- (iii) Retaining quality employees is essential as they are a valuable asset to the company; increased turnover could negatively affect the company's growth trajectory.

- (iv) Our firm belief is that industrial accidents are not random occurrences; they are caused and can be prevented from happening.

INTERNAL AUDIT AND CONTROL

The Board has established an autonomous internal Audit Function led by a qualified individual who reports directly to the Audit Committee. The defined scope of Internal Auditing within the Company primarily revolves around assessing and appraising its internal control framework.

To ensure the adequacy of internal controls, the Board oversees this aspect through the Audit Committee and the Risk Management Committee. These committees receive comprehensive reports from Management, Internal Audit, and the External Auditor regarding the company's internal control systems and risk management protocols.

Upon review, the Board takes necessary actions to address any significant weaknesses identified in the internal control system. This includes implementing remedies deemed necessary following a thorough evaluation of the system of internal control.

CREDIT RATING

The Pakistan Credit Rating Agency Limited (PACRA) has upheld the Company's long-term entity rating at A+ and its short-term rating at A1. The outlook rating remains "stable," indicating a positive and consistent evaluation of the company's financial standing and performance by PACRA.

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

The company has meticulously adhered to all the stipulations outlined in the Listed Companies (Code of Corporate Governance) Regulations, 2019. A comprehensive statement confirming this compliance is enclosed within this Report, specifically detailed on pages 34 to 35.

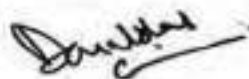
ACKNOWLEDGEMENT

The Board extends its heartfelt appreciation to our esteemed Board Members, dedicated Management, and all employees across various levels for their unwavering dedication and commitment. Furthermore, the Board recognizes and values the invaluable assistance, guidance, and cooperation received from all stakeholders, including financial institutions, business associates, customers, bankers, and others whose collective efforts have significantly fortified the Company.

For and on behalf of the Board of Directors



Asim Ghani
Chief Executive Officer



Darakshan Zohaib
Director

PATTERN OF SHAREHOLDINGS

AS ON SEPTEMBER 30, 2023

Number of Shareholders	Shareholdings' Slab		Total Number of Shares Held
	From	To	
339	1	100	14,164
494	101	500	223,470
69	501	1,000	62,768
71	1,001	5,000	175,983
7	5,001	10,000	51,200
4	10,001	15,000	50,400
2	15,001	20,000	36,600
2	20,001	30,000	56,900
1	30,001	35,000	30,500
1	35,001	50,000	50,000
1	50,001	90,000	87,300
1	90,001	120,000	119,900
1	120,001	135,000	130,479
1	135,001	210,000	206,600
1	210,001	370,000	370,000
1	370,001	560,000	559,183
1	560,001	595,000	591,785
1	595,001	945,000	943,027
1	945,001	965,000	964,802
1	965,001	1,100,000	1,029,289
1	1,100,001	1,715,000	1,714,500
1	1,715,001	1,950,000	1,916,368
1	1,950,001	2,310,000	2,309,250
1	2,310,001	5,700,000	5,667,832
1004			17,362,300

CATAGORIES OF SHAREHOLDERS

AS ON SEPTEMBER 30, 2023

Shareholders Category	Number of Shares Held	Percentage %
Associated Companies, undertaking and related parties	5,874,432	33.8344
Mutual Fund	9,900	0.0570
Directors, Chief Executive Officer, and their spouse and minor children.	4,230,880	24.3682
Executives	NIL	NIL
Public Sector Companies and Corporations	NIL	NIL
NIT and ICP	559,683	3.2236
Banks, development Finance institutions, non-Banking Finance Companies, insurance Companies, takaful, modarabas and pension funds	727,844	4.1921
Share holders holding 5%	13,515,779	77.8456
General Public		
a. Local	2,665,550	15.3525
b. Foreign	NIL	NIL
Others	3,294,011	18.9722

DETAIL OF SHAREHOLDERS CATEGORIES

AS ON SEPTEMBER 30, 2023

1 Associated Companies , Undertakings and Related Parties	No. of Shares	Percentage
Al-Abbas Sugar Mills Limited-Employees Gratuity Fund	206,600	1.1899
Haji Abdul Ghani	5,667,832	32.6445
	5,874,432	33.8344
2 Mutual funds	No. of Shares	Percentage
Prodenial Stocks Fund Limited	600	0.0035
Cdc - Trustee Nit-Equity Market Opportunity Fund	9,300	0.0536
	9,900	0.0570
3 Directors, CEO and their spouses and minor children	No. of Shares	Percentages
Zakaria Usman	100	0.0006
Asim Ghani	2,309,250	13.3004
Asma Aves Cochinwala	943,027	5.4315
Darakshan Zohaib	964,802	5.5569
Haroon Askari	100	0.0006
Muhammad Salman Hussain Chawala	-	-
Shahid Hussain Jatoi	500	0.0029
Siddiq Khokhar	101	0.0006
Suleman Lalani	500	0.0029
Aves Cochinwala	1,000	0.0058
Hira Asim	11,500	0.0662
	4,230,880	24.3682
4 Executives	No. of Shares	Percentages
	NIL	NIL
5 Public Sector Companies and corporations	No. of Shares	Percentages
	NIL	NIL
6 NIT and ICP	No. of Shares	Percentages
Investment Corporation of Pakistan	500	0.0029
CDC - Trustee National Investment (Uuit) Trust	559,183	3.2207
	559,683	3.2236
7 Banks, development finance institutions, Non- banking finance Companies, Insurance Companies, takaful, modarabas and pension funds	No. of Shares	Percentages
National Bank of Pakistan	592,587	3.4131
Trustee National Bank of Pakistan Employees Pension Fund	130,479	0.7515
Trustee National Bank of Pakistan Emp Bevevolent Fund Trust	4,578	0.0264
The Bank of Khyber	200	0.0012
	727,844	4.1921
8 Shareholder holding five percent or more voting interest in the Company	No. of Shares	Percentages
Haji Abdul Ghani	5,667,832	32.6445
Asim Ghani	2,309,250	13.3004
Jahangir Siddiqui	1,916,368	11.0375
Asma Aves Cochinwala	943,027	5.4315
Darakshan Zohaib	964,802	5.5569
Trustee - Future Trust	1,714,500	9.8748
	13,515,779	77.8456

KEY FINANCIAL DATA

		2023	2022	2021	2020	2019	2018
Investment Measure							
Ordinary Share Capital	Rs. in ' 000 '	173,623	173,623	173,623	173,623	173,623	173,623
Reserves	Rs. in ' 000 '	6,749,201	4,432,030	3,196,905	3,221,027	3,053,628	3,420,351
Ordinary Shareholder's Equity	Rs. in ' 000 '	6,922,824	4,605,653	3,370,528	3,394,650	3,227,251	3,593,974
Dividend on Ordinary Shares	Rs. in ' 000 '	972,289	954,927	694,492	868,115	868,115	920,201
Dividend per Ordinary Share	Rs.	56.00	55.00	40.00	50.00	50.00	53.00
Profit Before Taxation	Rs. in ' 000 '	4,004,280	2,050,244	834,723	1,370,241	1,201,227	1,370,679
Profit After Taxation	Rs. in ' 000 '	3,684,617	1,913,689	751,929	1,244,347	1,111,978	1,293,780
Earnings per share of Rs. 10 shareholders/ Number of ordinary shares issued]	Rs.	212.22	110.22	43.31	71.67	64.05	74.52
Price Earnings ratio	x : 1	2.56	2.81	6.67	4.44	3.15	2.79
Price to Book ratio	x : 1	0.76	0.57	0.70	0.85	0.55	0.64
Dividend Yield ratio	x : 1	0.10	0.18	0.14	0.16	0.25	0.26
Dividend Payout ratio	x : 1	0.26	0.50	0.92	0.70	0.78	0.71
Dividend Cover Ratio	x : 1	3.79	2.00	1.08	1.43	1.28	1.41
Market value per share at the end of the year	Rs.	543.95	310	289	318	202.00	207.80
Highest market value during the year	Rs.	544	323	400	354	280.10	207.99
Lowest market value during the year	Rs.	328.44	256.84	288.67	173	174.80	126.47
Breakup value per share	Rs.	398.73	265.27	194.13	195.52	185.88	207.00
Measure of Financial Status							
Current Ratio	x : 1	2.02	1.63	1.45	1.58	1.49	1.80
Quick / Acid test ratio	x : 1	1.30	0.98	0.83	1.21	1.05	0.80
Cash to Current Liabilities	x : 1	0.50	0.36	0.30	0.18	0.04	0.06
Cash flow from Operating Activity to Current Liabilities	x : 1	0.46	0.06	(0.38)	0.90	0.41	0.70
Financial leverage ratio	x : 1	0.40	0.65	0.64	0.39	0.50	0.20
Weighted average cost of debt	x : 1	0.13	0.06	0.05	0.03	0.04	0.04
Debt to Equity ratio	x : 1	0.40	0.65	0.64	0.39	0.50	0.20
Interest Cover /Time Interest earned ratio	x : 1	12.01	14.07	11.76	30.03	21.59	25.03
Total Assets turnover ratio	x : 1	0.54	0.47	0.44	0.50	0.48	0.61
Fixed Assets turnover ratio	x : 1	10.19	7.09	4.97	5.09	4.38	4.95
Total Debt Ratio	x : 1	0.22	0.32	0.30	0.20	0.25	0.13
Number of Days Stock	In days	131.97	123.39	98.42	72.90	109.90	130.22
No. of Days in Receivables	In days	35.56	33.00	29.35	32.94	33.11	26.50
No. of Days in Payables	In days	18.91	46.43	59.49	86.04	83.81	44.92
Operating cycle	In days	148.62	109.96	68.28	19.81	59.20	111.80
Measure of Performance							
Sales	Rs. in ' 000 '	14,569,235	10,362,184	7,421,377	8,153,544	7,164,862	7,494,077
Cost of Goods Sold as % of Sales	%	65.85	77.43	84.78	74.18	75.36	72.33
Gross Profit as % of Sales	%	34.15	22.57	15.22	25.82	24.64	27.67
EBITDA as % of Sales	%	30.65	22.29	13.76	18.78	19.05	20.49
Operating Leverage Ratio	x : 1	2.41	3.58	3.97	0.91	2.68	8.83
Return On Equity	x : 1	0.53	0.42	0.22	0.37	0.34	0.36
Return on Capital employed	x : 1	0.43	0.28	0.16	0.24	0.23	0.29
Shareholders' Funds	x : 1	0.56	0.49	0.47	0.52	0.50	0.64
Profit Before Taxation as % of Sales	%	27.48	19.79	11.25	16.81	16.77	18.29
Profit After Taxation as % of Sales	%	25.29	18.47	10.13	15.26	15.52	17.26
Quantity of sugar cane crushed	M.Tons	400,820	501,010	370,402	396,965	467,829	665,539
Quantity of sugar production	M.Tons	42,175	53,945	38,440	42,959	50,892	74,388
Recovery of sugar production	%	10.52	10.77	10.38	10.82	10.88	11.17
Quantity of Ethanol produced	M.Tons	45,250	38,549	35,330	32,593	41,143	43,221
Recovery of ethanol produced	%	5.16	5.17	5.10	5.53	5.49	5.59
Production Per Employee							
-Sugar	M.Tons	66.84	85.22	60.92	62.62	72.91	115.69
-Ethanol	M.Tons	269.35	315.98	296.89	260.74	345.74	351.39
Revenue Per Employee	Rs. in ' 000 '	16,370	11,966	8,501	8,683	7,566	8,355
% of Plant Availability							
-Sugar	%	90.66%	86.71%	76.00%	77.26%	96.72%	80.17%
-Ethanol	%	99%	98%	98%	92%	95%	94%
Others							
Spares Inventory as % of Asset Cost	%	2.44%	1.96%	2.35%	2.77%	2.29%	2.55%
Maintenance Cost as % of Operating Expenses	%	2.61%	1.69%	1.80%	2.24%	3.00%	2.12%

CULTURE

We foster a culture centered on high values, intertwining sustainability into every facet of our business operations. Our commitment to transparency creates a work environment dedicated to delivering the utmost to our customers. Investing in our human capital is paramount and aligns seamlessly with the Company's growth trajectory. At our core, we uphold values such as innovation, customer-centricity, excellence, and integrity, which form the bedrock of our efficiency-driven culture. This culture of high values profoundly impacts our workforce, fostering a mutually beneficial outcome for both employees and the organization.

Our values serve as the cornerstone of our culture, uniting us as a world-class team committed to staying ahead in a competitive landscape. As we excel in the present and set our sights on the future, we remain grounded in our origins, continuously acknowledging our identity and the journey we've undertaken. Our history is a source of pride, yet it humbles us in our approach to what lies ahead.

ETHICS

Our Code of Conduct represents our unwavering dedication to meeting the expectations of our stakeholders. It embodies the fundamental principles and rules that govern ethical business practices. At Al-Abbas Sugar Mills Limited, we are firmly committed to conducting business with utmost honesty and integrity. Each employee is held responsible for creating value for our stakeholders through transparent and accountable practices. As we continue to grow, we persist in upholding the highest standards of ethical and responsible conduct.

All employees are required to adhere to elevated standards of integrity and ethical conduct, a commitment that yields benefits for all stakeholders—our customers, communities, and shareholders alike. The Company diligently monitors adherence to the Code by furnishing pertinent information and implementing preventive measures and control tools to guarantee transparency in all transactions and behaviors. Any necessary corrective actions are promptly taken whenever required.

CORE VALUES

Our core values define our approach to conducting business across all facets of operations and underscore our attitude and principles regarding our stakeholders.



ETHICS AND INTEGRITY

- Truthfulness
- Integrity
- Openness and clarity
- Professional standards and behavior



SOCIAL RESPONSIBILITIES

- Sustainable development
- Philanthropic endeavors
- Community Development
- Ecologically sustainable



INNOVATION

- Innovative resolution
- State-of-the-art advancements
- Automating processes
- Enhancing existing industry standards

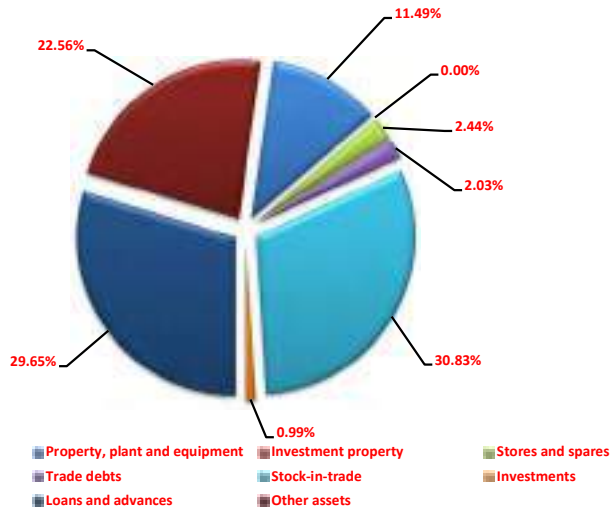


CUSTOMER FOCUSED

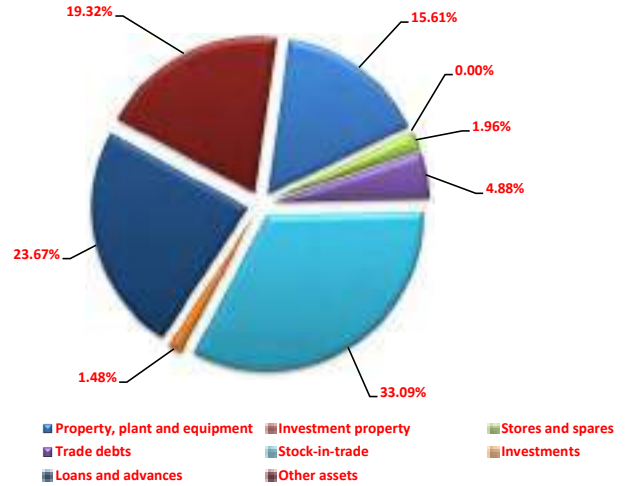
- Dedication
- High standards and reliability
- Customer needs and expectations
- Equitable

Composition of Balance Sheet

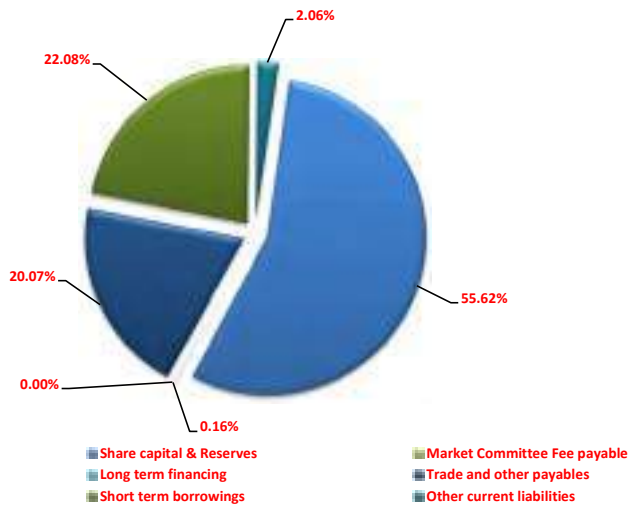
Total Assets FY 2023



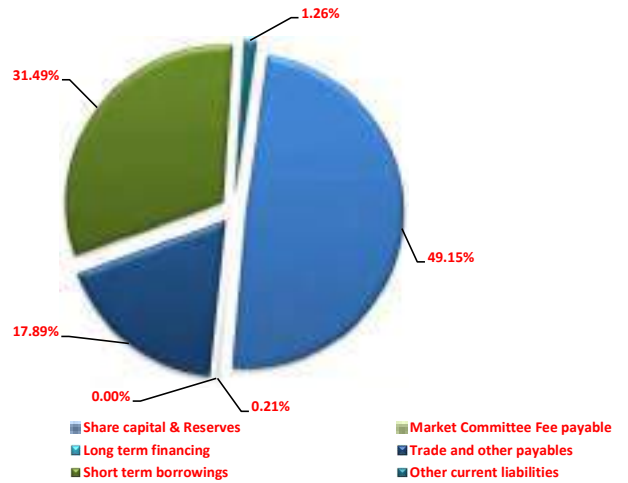
Total Assets FY 2022



Equities & Liabilities FY 2023

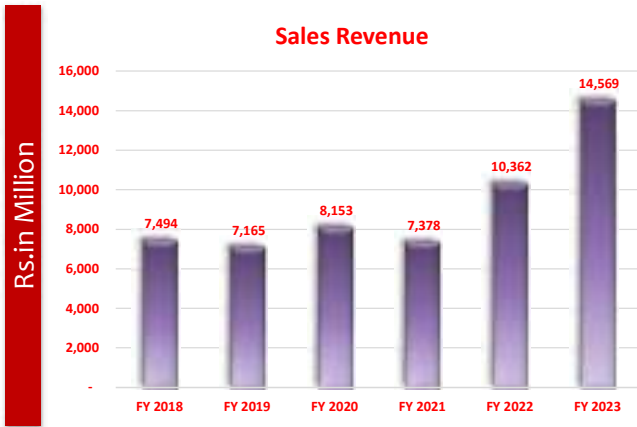


Equities & Liabilities FY 2022

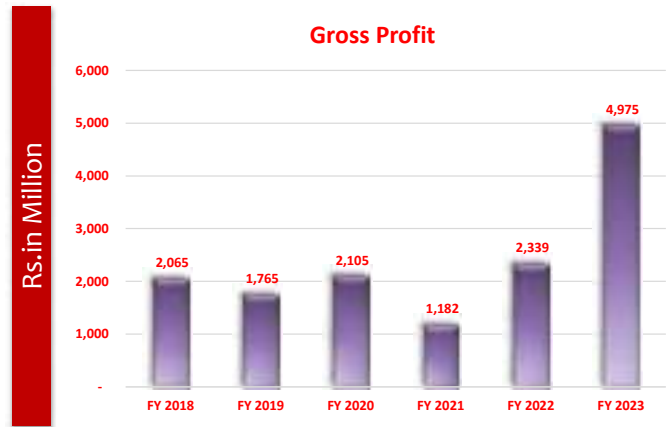


Financials at a Glance

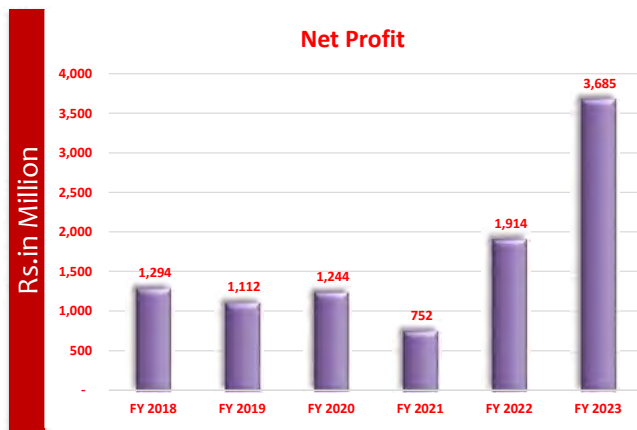
Sales Revenue



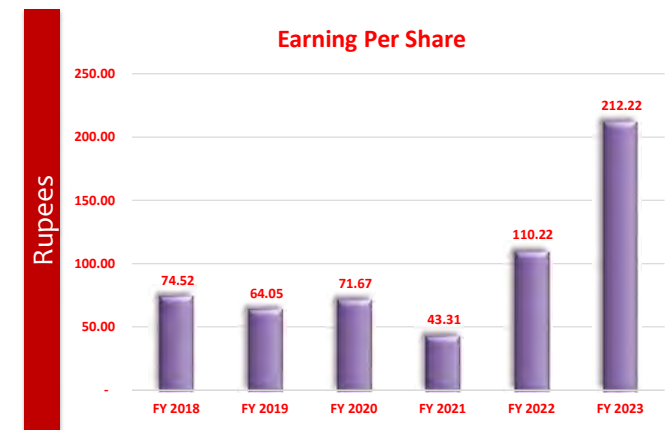
Gross Profit



Net Profit



Earning Per Share



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AL-ABBAS SUGAR MILLS LIMITED ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Al-Abbas Sugar Mills Limited for the year ended September 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended September 30, 2023.

KARACHI

DATED: December 27, 2023

UDIN: CR202310067s3E5AixdY



BDO EBRAHIM & Co.

Chartered Accountants

Engagement Partner: Zulfikar Ali Causer

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 FOR THE YEAR ENDED SEPTEMBER 30, 2023

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

1. The total number of directors are nine as per the following:
 - a. Male: Seven (7)
 - b. Female: Two (2)
2. The composition of the board is as follows:

Category	Names
Independent Directors	Mr. Haroon Askari Mr. Muhammad Salman Hussain Chawala Mr. Muhammad Siddiq Khokhar
Non-Executive Directors	Mr. Shahid Hussain Jatoi Mr. Suleman Lalani Mr. Zakaria Usman
Executive Director	Mr. Asim Ghani*
Female Directors	Mrs. Asma Aves Cochinwala Mrs. Darakshan Zohaib

*Mr. Asim Ghani, the chief executive officer of the Company, is a deemed director as defined in section 188 (3) of the Companies Act, 2017.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The board has developed a vision and mission statement, overall corporate strategy and significant policies of the Company. The board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Seven directors have already completed the directors' training program. The Board consists of one director who is exempted from the directors' training program in accordance with clause 19(2) of Chapter VI of the Listed Companies (Code of Corporate Governance) Regulations, 2019 due to having minimum 14 years of education and over 15 years of experience on the board of a listed Company.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board.

12. The Board has formed committees comprising of members given below:

Audit Committee

Mr. Haroon Askari	Chairman
Mrs. Asma Aves Cochinwala	Member
Mrs. Darakshan Zohaib	Member
Mr. Muhammad Salman Hussain Chawala	Member
Mr. Zakaria Usman	Member

Human Resource and Remuneration Committee

Mr. Haroon Askari	Chairman
Mr. Asim Ghani	Member
Mr. Shahid Hussain Jatoi	Member
Mr. Muhammad Siddiq Khokhar	Member
Mr. Suleman Lalani	Member
Mr. Zakaria Usman	Member

Risk Management Committee

Mr. Muhammad Salman Hussain Chawala	Chairman
Mr. Asim Ghani	Member
Mrs. Darakshan Zohaib	Member
Mr. Muhammad Siddiq Khokhar	Member

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

14. The frequency of meetings of the committees were as per following:

- a. Audit Committee: Four quarterly meetings during the financial year ended September 30, 2023.
- b. HR and Remuneration Committee: Two meetings during the year ended September 30, 2023.
- c. Risk Management Committee: One meeting during the financial year ended September 30, 2023.

15. The board has set up effective internal audit functions that are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involve in the audit are not a close relative (spouses, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all the mandatory and non-mandatory requirements of the Regulations have been complied.

Karachi: December 27, 2023



Zakria Usman
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AL-ABBAS SUGAR MILLS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **AL-ABBAS SUGAR MILLS LIMITED** (the Company), which comprise the statement of financial position as at September 30, 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity 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, 2023 and of the profit and other comprehensive income, its cash flows and the changes in equity 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 period. 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:

Key audit matters	How the matter was addressed in our audit
<p>1. Existence and valuation of stock in trade</p> <p>Stock-in-trade has been valued following an accounting policy as stated in note 4.5 to the financial statements. As at the reporting date, the value of stock-in-trade as disclosed in note 12 to the financial statements amounted to Rs. 3,836 million. Stock-in-trade forms material part of the Company's assets representing 30.81% of the total assets.</p> <p>The cost of stock-in-trade has different components which involves judgment in relation to the allocation of overhead costs and in determining the net realizable value of stock-in-trade item in line with accounting policy.</p> <p>Due to the above factors, we have considered the existence and valuation of stock-in-trade as a key audit matter.</p>	<ul style="list-style-type: none"> • Our audit procedures in respect of valuation of stock in trade, amongst others, included the following: • understanding of internal controls over purchases and valuation of stock in trade and testing, on a sample basis, their design, implementation and operating effectiveness; • performed physical count of inventory at respective locations on a test basis; • testing, on sample basis, the purchases with supporting documentation and contracts if any; • verified the allocation of directly attributable costs with the underlying supporting documents; • verified the calculations of actual overhead costs and evaluated the allocation of both labor and overhead costs to finished goods and work in process accounts; • obtained an understanding of management's determination of net realizable value (NRV) and the key estimates adopted, including future selling prices, future costs to complete work-in process and costs necessary to make the sale and their basis; • Compared the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value inventory in accordance with applicable accounting and reporting standards; and • Evaluated the adequacy of disclosures in respect of the stock-in-trade in accordance with the applicable accounting and reporting standards.
<p>2. Contingencies</p> <p>The Company is in various litigation under different laws, regulations and interpretations thereof and hence, there is a litigation risk. In our judgement, the Company has significant litigation cases as disclosed in notes no. 25.1, 25.2, 25.3 and 31.1 to the accompanying financial statements.</p> <p>Given the nature and amounts involved in such cases and the appellate forums at which these are pending, the ultimate outcome and the resultant accounting in the financial statements is subject to significant judgement, which can change over time as new facts emerge and each legal case progresses.</p> <p>Due to the above, we have considered the contingencies as a key audit matter.</p>	<ul style="list-style-type: none"> • Our audit procedures included the following: • Obtained understanding of the Company's processes and controls over litigations through meetings with the management and review of the minutes of the Board of Directors and Board Audit Committee. • Reviewed the correspondence of the Company with the relevant authorities and the Company's legal advisors including the judgments or orders passed by the competent authorities. • Obtained and reviewed direct confirmations from the Company's external legal advisors for their views on the legal position of the Company in relation to the contingent matters.

Key audit matters	How the matter was addressed in our audit
<p>3. Revenue recognition</p> <p>The company principally generates revenue from sale of sugar and ethanol. Revenue has been recognized as per the accounting policy stated in note 4.19 to the financial statements.</p> <p>We have identified revenue recognition as a key audit matter as it is one of the key performance indicator of the Company and gives rise to an inherent risk of material misstatement to meet expectations or targets.</p>	<ul style="list-style-type: none"> • Discussed open matters and developments with the in-house legal department personnel of the Company. • Evaluated the adequacy of disclosures made in respect of these contingencies in accordance with the applicable accounting and reporting standards. • Our audit procedures in respect of revenue recognition, amongst others, included the following: <ul style="list-style-type: none"> • Obtained an understanding of the process relating to recording of revenue and testing the design, implementation and operating effectiveness of relevant key controls over recording of revenue. • Assessed the appropriateness of the Company's accounting policy for recording of revenue and its compliance with International Financial Reporting Standard – Revenue from contracts with customers (IFRS 15). • Reviewed a sample of contractual arrangements entered into by the Company with its customers and checking the performance obligations involved, transaction price and recognition of revenue based on satisfaction of performance obligation. • Compared a sample of sale transactions recorded during the year with sales orders, sales invoices, delivery notes and other relevant underlying documents. • Compared a sample of sale transactions recorded before and after the year end with relevant underlying documentation to assess whether revenue has been recorded in the correct accounting period. • Assessed the adequacy of disclosures in the financial statements to be in accordance with the applicable accounting and reporting standard.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we

determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity 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) In our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Zulfikar Ali Causer.

KARACHI

DATED: December 27, 2023

UDIN: AR202310067VyxWgN3hD



BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2023

		2023	2022
ASSETS	Note	(Rupees in thousand)	
Non-Current Assets			
Property, plant and equipment	5	1,430,312	1,462,350
Investment property	6	164	182
Right-of-use asset	7	15,350	7,434
Long term investments	8	123,638	138,299
Long term loans	9	236	1,520
Long term deposits		19,961	19,741
		1,589,661	1,629,526
Current Assets			
Biological assets	10	2,136	2,001
Stores and spares	11	303,334	183,938
Stock-in-trade	12	3,836,955	3,101,107
Trade debts	13	252,804	456,857
Loans and advances	14	3,690,273	2,217,753
Trade deposits and prepayments	15	14,615	14,582
Short term investments	16	2,645,062	1,649,310
Other receivables	17	40,907	12,549
Interest accrued	18	1,930	6,305
Income tax refunds due from the government		-	33,532
Cash and bank balances	19	67,929	63,552
		10,855,945	7,741,486
Total Assets		12,445,606	9,371,012
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized capital			
40,000,000 (2022: 40,000,000) shares of Rs. 10 each		400,000	400,000
Issued, subscribed and paid-up capital			
17,362,300 (2022: 17,362,300) ordinary shares of Rs. 10 each	20	173,623	173,623
Accumulated reserves	21	6,749,201	4,432,030
		6,922,824	4,605,653
Non-Current Liabilities			
Lease liability	22	8,695	-
Market committee fee payable	23	19,722	20,039
Deferred taxation	24	107,364	-
		135,781	20,039
Current Liabilities			
Trade and other payables	25	2,498,437	1,676,022
Accrued markup	26	49,508	23,795
Short term borrowings	27	2,747,938	2,951,236
Current portion of non-current liabilities	28	6,655	33,201
Unclaimed dividend	29	62,516	48,220
Provision for taxation	30	21,947	12,846
		5,387,001	4,745,320
Total Equity and Liabilities		12,445,606	9,371,012
Contingencies and Commitments	31		

The annexed notes from 1 to 52 form an integral part of these financial statements.


Asim Ghani
Chief Executive Officer


Darakshan Zohaib
Director


Samir Hajani
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Note	2023 (Rupees in thousand)	2022
Sales - Net	32	14,569,235	10,362,184
Cost of sales	33	<u>(9,594,352)</u>	<u>(8,023,252)</u>
Gross profit		4,974,883	2,338,932
Distribution cost	34	<u>(401,555)</u>	<u>(142,488)</u>
Administrative expenses	35	<u>(169,820)</u>	<u>(157,640)</u>
Other operating expenses	36	<u>(232,089)</u>	<u>(78,174)</u>
		<u>(803,464)</u>	<u>(378,302)</u>
Operating profit		4,171,419	1,960,630
Finance cost	37	<u>(377,827)</u>	<u>(169,293)</u>
Other income	38	<u>210,688</u>	<u>258,907</u>
Profit before taxation		4,004,280	2,050,244
Taxation	39	<u>(319,663)</u>	<u>(136,555)</u>
Profit after taxation		<u>3,684,617</u>	<u>1,913,689</u>
Earnings per share - Basic and diluted	40	<u>212.22</u>	<u>110.22</u>

The annexed notes from 1 to 52 form an integral part of these financial statements.



Asim Ghani
Chief Executive Officer



Darakshan Zohaib
Director



Samir Hajani
Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	2023	2022
	(Rupees in thousand)	
Profit after taxation	3,684,617	1,913,689
Other comprehensive income for the year		
Items that will not be reclassified to statement of profit or loss in subsequent periods		
Loss on remeasurement of investments at fair value through other comprehensive income	(14,665)	(64,368)
Gain / (loss) on remeasurement of defined benefit obligation - net of tax	36,204	(6,515)
	<u>21,539</u>	<u>(70,883)</u>
Total comprehensive income for the year	<u>3,706,156</u>	<u>1,842,806</u>

The annexed notes from 1 to 52 form an integral part of these financial statements.


Asim Ghani
Chief Executive Officer


Darakshan Zohalb
Director


Samir Hajani
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Issued, subscribed and paid up capital	Reserves					Total Reserves	Total Shareholders' Equity
	Revenue reserves			Capital reserves	Unrealized loss on investment at fair value through other comprehensive income		
	General reserve	Unappropriated profit	Subtotal				
(Rupees in thousand)							
Balance as at October 1, 2021	173,623	1,458,000	1,803,227	3,261,227	(64,322)	3,196,905	3,370,528
Total other comprehensive income for the year							
Profit after taxation	-	-	1,913,689	1,913,689	-	1,913,689	1,913,689
Other comprehensive income for the year							
Loss on remeasurement of investments at fair value through other comprehensive income	-	-	-	-	(64,368)	(64,368)	(64,368)
Loss on remeasurement of defined benefit obligation	-	-	(6,515)	(6,515)	-	(6,515)	(6,515)
Total comprehensive income for the year	-	-	1,907,174	1,907,174	(64,368)	1,842,806	1,842,806
Transactions with owners							
Final Dividend 2021: Rs. 10 per share	-	-	(173,623)	(173,623)	-	(173,623)	(173,623)
Interim Dividend 2022: Rs. 10 per share	-	-	(173,623)	(173,623)	-	(173,623)	(173,623)
Interim Dividend 2022: Rs. 15 per share	-	-	(260,435)	(260,435)	-	(260,435)	(260,435)
	-	-	(607,681)	(607,681)	-	(607,681)	(607,681)
Balance as at September 30, 2022	173,623	1,458,000	3,102,720	4,560,720	(128,690)	4,432,030	4,605,653
Balance as at October 1, 2022	173,623	1,458,000	3,102,720	4,560,720	(128,690)	4,432,030	4,605,653
Total other comprehensive income for the year							
Profit after taxation	-	-	3,684,617	3,684,617	-	3,684,617	3,684,617
Other comprehensive income for the year							
Loss on remeasurement of investments at fair value through other comprehensive income.	-	-	-	-	(14,665)	(14,665)	(14,665)
Gain on remeasurement of defined benefit obligation-net of tax	-	-	36,204	36,204	-	36,204	36,204
Total comprehensive income for the year	-	-	3,720,821	3,720,821	(14,665)	3,706,156	3,706,156
value through other comprehensive income							
Final Dividend 2022: Rs. 30 per share	-	-	(520,869)	(520,869)	-	(520,869)	(520,869)
Interim Dividend 2023: Rs. 10 per share	-	-	(173,623)	(173,623)	-	(173,623)	(173,623)
Interim Dividend 2023: Rs. 15 per share	-	-	(260,435)	(260,435)	-	(260,435)	(260,435)
Interim Dividend 2023: Rs. 25 per share	-	-	(434,058)	(434,058)	-	(434,058)	(434,058)
	-	-	(1,388,985)	(1,388,985)	-	(1,388,985)	(1,388,985)
Balance as at September 30, 2023	173,623	1,458,000	5,434,556	6,892,556	(143,355)	6,749,201	6,922,824

The annexed notes from 1 to 52 form an integral part of these financial statements.



Asim Ghani
Chief Executive Officer



Darakshan Zohaib
Director



Samir Hajani
Chief Financial Officer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Note	2023 Rupees in thousand	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated in operations	41	3,234,243	715,878
Finance cost paid		(349,718)	(151,601)
Workers' Welfare Fund paid		(9,047)	(5,183)
Workers' Profit Participation Fund paid		(189,996)	(107,808)
Market committee fees paid		(8,008)	(17,010)
Income tax paid		(192,814)	(120,695)
Long term deposits paid		(220)	(7,393)
Long term loans recovered		1,284	1,100
		(748,519)	(408,590)
Net cash flow from operating activities		2,485,724	307,288
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition to property, plant and equipment		(65,337)	(74,224)
Proceeds from disposal of property, plant and equipment		531	-
Proceed from insurance claim		-	105,000
Addition of investments in Mutual Funds, TDRs and T-Bills - net		(995,752)	(596,803)
Interest / markup received		83,363	63,678
Dividend received		104,892	5,123
Net cash used in investing activities		(872,303)	(497,226)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(22,512)	(60,227)
Lease rental paid		(8,545)	(6,857)
Dividend paid		(1,374,689)	(603,554)
Short term borrowings (paid) / obtained - net		(203,298)	863,355
Net cash (used in) / generated from financing activities		(1,609,044)	192,717
Net increase in cash and cash equivalents		4,377	2,779
Cash and cash equivalents at beginning of the year		63,552	60,773
Cash and cash equivalents at the end of the year		67,929	63,552

The annexed notes from 1 to 52 form an integral part of these financial statements.


Asim Ghani
Chief Executive Officer


Darakshan Zohaib
Director


Samir Hajani
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

1 THE COMPANY AND ITS OPERATIONS

1.1 LEGAL STATUS AND NATURE OF BUSINESS

Al-Abbas Sugar Mills Limited - AASML ("the Company") was incorporated in Pakistan on May 2, 1991 as a public limited Company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is listed with Pakistan Stock Exchange Limited - PSX. The principal activities of the Company are manufacturing and sale of sugar, processing and sale of industrial ethanol, manufacturing and sale of chemical alloys and power and providing bulk storage facilities.

1.2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at Pardesi House, Survey No. 2/1, R.Y.16, Old Queens Road, Karachi, Pakistan. The Company's manufacturing facilities for the following business units are located at the following respective addresses:

S. No	Division	Principal Activities	Address	Commencement of commercial production
1	Sugar	Manufacturing and sale of sugar	Deh 145, Tapo Kangaroo, Taluka Digri, District Mirpurkhas	December 15, 1993
2	Ethanol	Processing and sale of industrial ethanol	Deh 145, Tapo Kangaroo, Taluka Digri, District Mirpurkhas	Unit I: August 20, 2000 Unit II: January 23, 2004
3	Other Reportable Segments			
a)	Chemical, alloys and	Manufacturing and sales of calcium carbide and ferro alloys.	Dhabeji Tapo Gharo, National Highway Road, Taluka Mirpur Sakro, District Thatta	November 01, 2006
	Power (note 1.3)	Generation and sales of electricity.		April 06, 2010
b)	Tank Terminal	Providing bulk storage facility	Plot 63, Oil Industrial Area, Kemari, Karachi	October 15, 2012

1.3 This production facilities of chemical, alloys and power segment have been suspended temporarily in view of present business condition.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as 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;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan 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 IFRS Standards or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost basis except as disclosed otherwise.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees ('Rupees' or 'Rs.' which is also the Company's functional and presentation currency.

2.4 Critical Accounting Estimates and Judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates, assumptions and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- Assumptions and estimates used in determining the recoverable amount, residual values and useful lives of property, plant and equipment - 4.1 and 5
- Assumptions and estimates used in determining the recoverable amount, residual values and useful lives of investment property - 4.2 and 6
- Assumptions and estimates used in determining the provision for slow moving stores and spares - 4.4 and 11
- Assumptions and estimates used in writing down items of stock in trade to their net realisable value - 4.5 and 12
- Assumptions and estimates used in calculating the provision for doubtful trade debts - 4.9 and 13
- Assumptions and estimates used in calculating the provision for doubtful loans, advances and other receivables - 4.1, 14 and 17
- Assumptions and estimates used in the recognition of current and deferred taxation - 4.13, 23 and 29
- Assumptions and estimates used in accounting for staff retirement benefits 4.14 - 16.2
- Assumptions and estimates used in disclosure and assessment of provision for contingencies - 31

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended September 30, 2023

The following standards, amendments and interpretations are effective for the year ended September 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have any material impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IFRS 3 'Business Combinations' -	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' -	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities	January 01, 2022

Certain annual improvements have also been made to a number of IFRSs.

3.2 New accounting standards, amendments and interpretations that are not yet effective

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

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023

Certain annual improvements have also been made to a number of IFRSs.

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1
IFRS 17

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, plant and equipment

4.1.1 Operating fixed assets - owned

These are stated at cost less accumulated depreciation and impairment loss, if any, except for land, which is stated at cost.

Depreciation is charged, on a systematic basis over the useful life of the asset, on reducing balance method, which reflects the patterns in which the asset's economic benefits are consumed by the Company, at the rates specified in the relevant note. Assets residual value and useful lives are reviewed and adjusted appropriately at each financial year end. Depreciation on additions is charged from the month in which the assets are put to use while no depreciation is charged in the month in which the assets are disposed off. No depreciation is provided on leasehold land since the leases are renewable at the option of the lessee at nominal cost and their realizable values are expected to be higher than respective carrying values.

Depreciation method useful lives and residual values of each party of property plant and equipment that is significant in relation to the total cost of the asset reviewed, and adjusted if appropriate, at each balance sheet date

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

Assets are derecognized when disposed or when no future economic benefits are expected from its use or disposal. Gains or losses on disposals, if any, are included in statement of profit or loss.

4.1.2 Capital work-in-progress

Capital work-in-progress represents expenditures on fixed assets including advances in the course of construction and installation. Transfers are made to relevant fixed assets category as and when assets are available for use. Capital work-in-progress is stated at cost.

4.2 Investment property

Investment property is the property held either to earn rental income or for capital appreciation or for both, but not for sale in ordinary course of business, use in production or supply of goods or services as for administrative purpose.

Former office premises which is held to earn rental income is classified under investment property. It is carried at its respective cost, under the cost model, less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged, on a systematic basis over the useful life of the asset, on reducing balance method, at the rate specified in relevant note.

4.3 Biological assets

Biological assets are measured at their fair value less their point of sale costs. Gain / (loss) on such measurement is recognized in statement of profit or loss. Gain / (loss) on disposal of biological asset is recognized in statement of profit or loss in the year of disposal.

4.4 Stores and spares

Stores and spares are valued at lower of moving average cost or net realizable value except for items in transit, which are valued at cost comprising invoice value plus other directly attributable charges incurred thereon up to statement of financial position date. Value of items is reviewed at each statement of financial position date to record any provision for slow moving items and obsolescence.

4.5 Stock-in-trade

Raw material is stated at the lower of weighted average cost or net realizable value.

Cost in relation to work in process and finished goods represents cost of raw material and an appropriate portion of manufacturing overheads. Cost in respect of work in process is adjusted to an appropriate stage of completion of process whereas value of bagasse is taken equivalent to net realizable value.

Cost in relation to stock of molasses held in ethanol division is valued at weighted average cost of purchase from third party.

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

4.6 Impairment of non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the asset's or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of value in use and fair value less cost to sell. Impairment losses are recognized in the statement of profit or loss.

4.7 Financial assets

Initial recognition and measurement

Financial assets are classified, as amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow

characteristics and the Company's business model for managing them. With the exception of trade receivables, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified into following categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

4.7.1 Financial assets at amortized cost (debt instruments)

Investment in TDRs and T-Bills are being measured at amortized cost as the Company is meeting both the conditions laid below:

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

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in the statement of profit or loss when the asset is derecognized, modified or impaired.

4.7.2 Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IFRS 9 Financial Instruments and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably investment in listed equity investments under this category.

4.7.3 Impairment of financial assets

The Company recognizes loss allowances for ECLs in respect of financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

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

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

Currently these impairment of financial assets are suspended via SRO No. 985 of 2019 as issued by SECP.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

4.7.4 De-recognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

4.8 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

4.8.1 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and only the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognized amount and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

4.9 Trade debts

Trade debts originated by the Company are recognized and carried at original invoice amount less an allowance for doubtful debts. Provision for doubtful debts is based on the management's assessment of customer's outstanding balances and creditworthiness. Trade debts are written-off when identified and considered irrecoverable.

4.10 Loans, advances and other receivables

Loans, advances, deposits, prepayment and other receivables are carried at original amount less provision made for doubtful receivables based on a review of all outstanding amounts at the year end. Balance considered irrecoverable are written off.

4.11 Deposits and prepayments

Trade deposits and prepayments are recorded at cost which is the fair value of consideration to be received / adjusted in future.

4.12 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand and with banks.

4.13 Taxation

a) Current

Provision for current taxation is computed in accordance with the provisions of the Income Tax Ordinance, 2001.

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemptions available, if any, or minimum tax on turnover or Alternate Corporate Tax (ACT), whichever is higher.

b) Deferred

Deferred income tax is provided using the statement of financial position liability method for all temporary differences at the statement of financial position date between tax base of assets and liabilities and their carrying amounts for financial reporting purposes. The amount of deferred tax provided is based on the expected manner of realization or the settlement of the carrying amounts of assets and liabilities, using the tax rates enacted or substantively enacted at the statement of financial position date.

Deferred income tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit for the foreseeable future will be available against which such temporary differences and tax losses can be utilized.

4.14 Staff retirement benefits

a) Defined benefit plan - gratuity scheme

The Company operates an approved funded gratuity scheme (defined benefit plan) for all its employees who have completed the qualifying period under the scheme. Contributions are made to the fund in accordance with the actuarial recommendations. The most recent valuation in this regard was carried out as at September 30, 2023, using the Projected Unit Credit Method for valuation of the scheme. Actuarial gains and losses for the defined benefit plan are recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are recognized in equity as capital reserves as these will not be reclassified to statement of profit or loss in subsequent periods. Current and past service costs, gain or loss on settlement and net interest income or expense are accounted for in statement of profit or loss.

This scheme is governed by Trust Deed and Rules. All matters pertaining to this scheme including contributions to the scheme and payments to outgoing members are dealt with in accordance with the Trust Deed and Rules.

b) Employees compensated absences

The Company accounts for liability in respect of unavailed compensated absences for all its permanent employees, in the period of absence. Provision for liabilities towards compensated absences is made on the basis of last drawn basic salary. Amount equal to compensation of unavailed leaves upto a maximum of sixty days of employees at every year end is transferred to this account and paid at the retirement of employees.

4.15 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received.

4.16 Foreign currency transaction

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

4.17 Provisions

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

4.18 Inter-segment pricing

Transfer between business segments are recorded at net realizable value for bagasse and storage tank terminal. However, for molasses it is recorded at weighted average purchase price.

4.19 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, and is reduced for the allowances such as taxes, duties, commissions, sales returns and trade discounts. The following recognition criteria must be met before revenue is recognized:

- Revenue from the sale of goods is recognized at the point in time when the performance obligations arising from the contract with a customer is satisfied and the amount of revenue that it expects to be entitled to can be determined. This usually occurs when control of the asset is transferred to the customer, which is when goods are dispatched or delivered to the customer. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Revenue is disclosed net of returns, rebates, discounts and other allowances.
- Return on bank deposits is recognized on a time proportion basis on the principal amount outstanding and the rate applicable while income from held to maturity investment is recorded using effective yield method.
- Markup on growers loan is accounted for in line with the recovery of the respective loan due to exigencies involved in such matters. Recognition of markup on loans considered doubtful is deferred.
- All gains / (losses) of securities classified as 'fair value through other comprehensive income' are included in other comprehensive income in the period in which they arise and transferred to equity at the time of disposal.
- Miscellaneous income is recognized on occurrence of transactions.
- Dividend income from investments is recognized when the Company's right to receive the dividend is established.
- Rental income from investment property and rental income of storage tank terminal are recorded on accrual basis. However during the year no such transaction relating to rental income on investment property occurred.

4.20 Dividend and appropriation to reserves

Dividend and appropriations to reserves are recognized in the statement of changes in equity in the period in which these are approved.

4.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting structure. Management monitors the operating results of its business units separately for the purpose of making decisions regarding resource allocation and performance assessment.

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

Segment capital expenditure is the total cost included during the year to acquire property, plant and equipment.

4.22 Earnings per share

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

5 PROPERTY, PLANT AND EQUIPMENT	Note	2023 (Rupees in thousand)	2022
Operating fixed assets	5.1	1,430,312	1,448,848
Capital work in progress (CWIP)	5.2	-	13,502
		<u>1,430,312</u>	<u>1,462,350</u>

5.1 Operating fixed assets

	September 30, 2023								
	Cost			Accumulated depreciation			Written down value as at September 30, 2023	Rate of depreciation %	
	As at October 01, 2022	Additions / (Deletions)	Transferred from CWIP	As at September 30, 2023	As at October 01, 2022	Charge for the period / (On disposals)			As at September 30, 2023
----- (Rupees in thousand) -----									
Owned									
Free-hold land	89,429	-	-	89,429	-	-	-	89,429	-
Lease-hold land	22,694	-	-	22,694	-	-	-	22,694	-
Main factory building									
- on free-hold land	384,392	-	-	384,392	319,704	6,469	326,173	58,219	10
Non-factory building									
- on free-hold land	195,976	-	-	195,976	160,129	3,585	163,714	32,262	10
- on lease-hold land	24,799	-	-	24,799	16,152	865	17,017	7,782	10
Plant and machinery	2,939,868	-	55,772	2,995,640	1,761,530	75,768	1,837,298	1,158,342	5 to 10
Furniture and fittings	10,654	332	-	10,986	8,651	232	8,883	2,103	10
Vehicles	107,543	21,646	-	128,670	71,660	8,685	80,026	48,644	20
Office equipment	39,352	115	-	39,467	29,304	1,006	30,310	9,157	10
Computers	10,053	974	-	11,027	8,848	552	9,400	1,627	30
Tools and tackles	4,268	-	-	4,268	4,202	13	4,215	53	20
	<u>3,829,028</u>	<u>23,067</u>	<u>55,772</u>	<u>3,907,348</u>	<u>2,380,180</u>	<u>97,175</u>	<u>2,477,036</u>	<u>1,430,312</u>	
	-	(519)	-	-	-	(319)	-	-	

	September 30, 2022								
	Cost			Accumulated depreciation			Written down value as at September 30, 2022	Rate of depreciation %	
	As at October 01, 2021	Additions / (Deletions)	Transferred from CWIP	As at September 30, 2022	As at October 01, 2021	Charge for the year / (On disposals)			As at September 30, 2022
----- (Rupees in thousand) -----									
Owned									
Free-hold land	77,534	11,895	-	89,429	-	-	-	89,429	-
Lease-hold land	22,694	-	-	22,694	-	-	-	22,694	-
Main factory building									
- on free-hold land	382,978	-	2,056	384,392	313,119	7,131	319,704	64,688	10
	-	(642)	-	-	-	(546)	-	-	10
Non-factory building									
- on free-hold land	195,976	-	-	195,976	156,146	3,983	160,129	35,847	10
- on lease-hold land	24,799	-	-	24,799	15,191	961	16,152	8,647	10
Plant and machinery	2,909,785	-	45,183	2,939,868	1,694,436	79,928	1,761,530	1,178,338	5 to 10
	-	(15,100)	-	-	-	(12,834)	-	-	
Furniture and fittings	10,654	-	-	10,654	8,428	223	8,651	2,003	10
Vehicles	106,447	1,096	-	107,543	62,735	8,925	71,660	35,883	20
Office equipment	39,296	74	-	39,352	28,206	1,111	29,304	10,048	10
	-	(18)	-	-	-	(13)	-	-	
Computers	10,162	418	-	10,053	8,932	425	8,848	1,205	30
	-	(527)	-	-	-	(509)	-	-	
Tools and tackles	4,268	-	-	4,268	4,186	16	4,202	66	20
	<u>3,784,593</u>	<u>13,483</u>	<u>47,239</u>	<u>3,829,028</u>	<u>2,291,379</u>	<u>102,703</u>	<u>2,380,180</u>	<u>1,448,848</u>	
	-	(16,287)	-	-	-	(13,902)	-	-	

5.1.1 Reconciliation of written down value:

	WRITTEN DOWN VALUE					As at September 30, 2023
	As at October 01, 2022	Additions	Transferred from CWIP	Disposals	Depreciation charge for the year	
----- (Rupees in thousand) -----						
Owned						
Free-hold land	89,429	-	-	-	-	89,429
Lease-hold land	22,694	-	-	-	-	22,694
Main factory building						
- on free-hold land	64,688	-	-	-	6,469	58,219
Non-factory building						
- on free-hold land	35,847	-	-	-	3,585	32,262
- on lease-hold land	8,647	-	-	-	865	7,782
Plant and machinery	1,178,338	-	55,772	-	75,768	1,158,342
Furniture and fittings	2,003	332	-	-	232	2,103
Vehicles	35,883	21,646	-	(200)	8,685	48,644
Office equipment	10,048	115	-	-	1,006	9,157
Computers	1,205	974	-	-	552	1,627
Tools and tackles	66	-	-	-	13	53
September 30, 2023	1,448,848	23,067	55,772	(200)	97,175	1,430,312
September 30, 2022	1,493,214	13,483	47,239	(2,385)	102,703	1,448,848

5.1.2 The depreciation charged for the year has been allocated as follows:

	Note	2023 (Rupees in thousand)	2022
Cost of sales	33	87,097	92,492
Administrative expenses	35	10,078	10,211
		97,175	102,703

5.1.3 Particulars of immovable property in the name of the Company are as follows:

Particulars	Location	Usage of immovable property	Total Area
Freehold land and buildings thereon	Mirwah Gorchani, Mirpurkhas	Manufacturing facility	437.58 Acres
Freehold land and buildings thereon	Dhabeji Thatta	Manufacturing facility	30 Acres
Leasehold land buildings thereon	Oil Industrial Area, Kemari, Karachi	Storage facility	5700 Square meters

5.1.4 The aggregate net book value of disposed assets doesn't exceeds the limit of Rs. 5 Million as per the requirement of Fourth Schedule to

5.2 Capital work in progress (CWIP)

Description	September 30, 2023				September 30, 2022			
	As at October 01, 2022	Additions	Transfer to operating fixed assets	As at September 30, 2023	As at October 01, 2021	Additions	Transfer to operating fixed assets	As at September 30, 2022
----- (Rupees in thousand) -----								
Plant and machinery								
Terminal storage tanks	13,502	42,270	(55,772)	-	-	13,502	-	13,502
	13,502	42,270	(55,772)	-	-	13,502	-	13,502
Distillery control room	-	-	-	-	-	45,183	(45,183)	-
	13,502	42,270	(55,772)	-	-	58,685	(45,183)	13,502
Main factory building								
Factory building	-	-	-	-	-	2,056	(2,056)	-
	-	-	-	-	-	2,056	(2,056)	-
Total	13,502	42,270	(55,772)	-	-	60,741	(47,239)	13,502

6 INVESTMENT PROPERTY

- Former office premises

Description	Cost			Accumulated Depreciation			Written down value as on September 30	Rate of Depreciation
	Opening	Additions	Closing	Opening	Charge for the year	Closing		
----- (Rupees in thousand) -----								
September 30, 2023	1,600	-	1,600	1,418	18	1,436	164	10%
September 30, 2022	1,600	-	1,600	1,398	20	1,418	182	10%

6.1 The estimated market value as per valuation carried out by M/s. Tristar International Consultant (Private) Limited as on May 04, 2023 is Rs. 55 Million.

Particulars	Location	Usage of immovable property	Total Area
Bunaglow	Clifton Karachi	Investment Property	218.75 Square Yards

7 RIGHT-OF-USE ASSETS

	Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
Balance at the beginning of the year		7,434	21,226
Additions		15,350	-
Re-assessment of lease		366	(6,359)
Depreciation charged during the period	7.1	(7,800)	(7,433)
Balance at the end of the period	7.2	15,350	7,434
Rate of depreciation % (Straight line basis)		50%	50%

7.1 Depreciation is charged on the right-of-use assets for the year has been allocated as follows:

Administrative expenses	7,800	7,433
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7.2 This balance pertains to the rent of pardesi house.

8 LONG TERM INVESTMENTS

At fair value through other comprehensive income-in quoted shares

8.1 123,638 138,299

8.1	2023	2022			
	Number of shares				
	par value Rs. 10 each				
	5,400	4,500	Hum Network Limited	30	28
	2,488,061	2,488,061	Power Cement Limited - Ordinary Shares	10,077	12,092
	572,254	572,254	Power Cement Limited - Preference Shares	2,518	3,846
	4,500	4,500	Aisha Steel Mills Limited -	41	64
	7,209	6,680	Aisha Steel Mills Limited -	41	69
	1,125,000	1,000,000	Fauji Cement Limited	12,724	14,990
	591,815	478,235	Mehran Sugar Mills	25,507	17,193
	872,850	872,850	IGI Holdings Limited	72,700	90,017
				<u>123,638</u>	<u>138,299</u>

8.1.1 These are non - redeemable preference shares, convertible into ordinary Shares upon the expiry of 12 months from the issue date. Conversion ratio is to be determined by dividing the aggregate face value of preference shares plus the outstanding balance of any accumulated / accrued preferred dividend (if not paid till conversion) by Rs. 7.5/-. The rate of dividend on these shares is 1.5% above six months KIBOR.

As at September 30, 2023, the dividend accrued on these preference shares amounted to Rs. 1.836 (2022: Rs. 0.950) million which has not been recorded in these financial statements as the Investee Company has accumulated losses and also has not recorded the same in its books of accounts.

8.1.2 These are non- redeemable preference shares but convertible into Ordinary shares of Rs. 10 per ordinary share in the ratio of 1:1, plus unpaid preferential dividends, if any. The rate of dividend on these shares 3% above six months KIBOR.

As at September 30, 2023, the dividend accrued on these preference shares amounted to Rs. 0.009 (2022: Rs. 0.005) million which has not been recorded in these financial statements as the Investee Company has accumulated losses and also has not recorded the same in its books of accounts.

8.1.3 During the year, Company has received Preferential Dividend on Cumulative Preference Shares held by the Company as at June 30, 2022 in line with the terms and conditions of ASLPS, 1 (one) Ordinary Share (ASL) as per the terms and condition, the preferential dividend

against every Rs. 10/- of the dividend accrued/payable on ASPLS to the respective preference shareholders entitled for dividend as on book closure date.

	Note	2023 (Rupees in thousand)	2022
The market value of each quoted security at the reporting date is as follows:			
HUM Network Limited (HUMNL)		5.50	6.31
Power Cement Limited (POWER)		4.05	4.86
Power Cement Limited (POWERPS)		4.40	6.72
Aisha Steel Mills Limited (ASLPS)		9.17	14.14
Aisha Steel Mills Limited (ASL)		5.75	10.34
Fauji Cement Limited (FFC)		11.31	14.99
Mehran Sugar Mills Limited (MRNS)		43.10	35.95
IGI Holding Limited (IGIHL)		83.29	103.13

9 LONG TERM LOANS

- Considered good and secured

Due from executives	9.1	1,136	2,177
Due from other employees		543	1,030
	9.2 & 9.3	1,679	3,207
Less: current portion of long term loans	14	(1,443)	(1,687)
		236	1,520

2023
(Rupees in thousand)

9.1 Reconciliation of carrying amount of loans to executives

Balance at beginning of the year	2,177	3,231
Less: recoveries during the year	(1,200)	(1,300)
Effect of amortization on loan	159	246
Balance at end of the year	1,136	2,177

9.2 The above loans are interest free and are given to executives and other employees of the Company for personal use in accordance with their terms of employment and policy of the Company. These loans are to be repaid over a period of one to four years in equal monthly installments. These are secured against the retirement benefits and life insurance (incase of death) of the employees and are within the limits of such securities.

9.3 Maximum aggregate amount of loans outstanding at any month end was Rs. 3.289 (2022: Rs. 5.229) Million.

10 BIOLOGICAL ASSETS		2023	2022
		(Rupees in thousand)	
At fair value			
Carrying value at beginning of the year		2,001	1,163
Increase due to cultivation		2,136	2,001
		<u>4,137</u>	<u>3,164</u>
Reduction due to harvesting		(2,001)	(1,163)
Carrying value at end of the period		<u>2,136</u>	<u>2,001</u>
Physical quantities of the above biological assets are as follows:			
		In maunds (per 40 kg)	In maunds (per 40 kg)
At beginning of the year		8,700	13,525
Increase due to cultivation		5,275	8,700
Reduction due to harvesting		(8,700)	(13,525)
At end of the year		<u>5,275</u>	<u>8,700</u>
11 STORES AND SPARES			
Stores and spares		333,272	213,876
Provision for slow moving items and obsolescence		(29,938)	(29,938)
		<u>303,334</u>	<u>183,938</u>
		2023	2022
		(Rupees in thousand)	
		Note	
12 STOCK-IN-TRADE			
Raw materials			
Molasses	12.1	697,186	1,167,542
Ferro silicone		9,034	23,900
		<u>706,220</u>	<u>1,191,442</u>
Work-in-process		6,565	5,681
Finished goods			
Sugar		1,600,721	1,325,755
Ethanol		1,518,132	537,953
Ferro Silicone		-	37,223
	12.2	<u>3,118,853</u>	<u>1,900,931</u>
Stock of bagasse in hand		5,317	3,053
		<u>3,836,955</u>	<u>3,101,107</u>
12.1	This include material pledged with financial institutions as on September 30, 2023 amounts to Rs. Nil (2022: Rs. 476.75) Million.		

12.2 Finished goods include stock items valued at net realizable value (NRV) at Rs. Nil (2022: Rs. 37.223) Million.

13	TRADE DEBTS	Note	2023 (Rupees in thousand)	2022
	Considered good			
	Export	13.2	149,348	434,325
	Local		103,456	22,532
			252,804	456,857
	Considered doubtful			
	Local		16,012	15,432
			268,816	472,289
	Provision for doubtful debts	13.1	(16,012)	(15,432)
			252,804	456,857

13.1 **Movements in provision for doubtful trade during the year is as follows**

Balance at the beginning of the year	15,432	15,432
Provision made during the year	580	-
Balance at end of the year	16,012	15,432

13.2	Region	Mode	2023 Amount (Rs. In '000)
	Africa	Partial Advance and payment on documents	149,348
			149,348
			2022 Amount (Rs. In '000)
	Europe	Confirmed LC	434,325
			434,325

14	LOANS AND ADVANCES	Note	2023 (Rupees in thousand)	2022
	Loans			
	To growers			
	- Interest based:			
	Considered good	14.1	14,012	10,254
	- Non - Interest Based:			
	Considered good		1,004	5,270
	Considered doubtful		5,310	301
			6,314	5,571
	Provision for loans considered doubtful		(5,310)	(301)
			1,004	5,270
	Current portion of loans to employees and executives	9	1,443	1,687
			16,459	17,211
	Advances			
	Considered good			
	To employees against expenses		259	301
	To suppliers and contractors	14.2	3,672,728	2,197,809
	Against letter of credit for stores and spares parts		828	2,432
			3,673,815	2,200,542
	Considered doubtful			
	To suppliers and contractors		73,669	73,669
			3,747,484	2,274,211
	Provision for doubtful advances		(73,669)	(73,669)
			3,673,815	2,200,542
			3,690,273	2,217,753

14.1 The rate of markup on such loans is 1 month KIBOR plus 1% spread (2022: 14.96%) per annum subject to final settlement with the respective grower. In order to ensure supply of sugarcane from certain growers, Company has provided fertilizers, seeds and tricograma cards which has been provided as loan and the Company will recover the same out of the cane supply from the said grower in the ensuing season.

14.2 This includes payments made to suppliers for the purchase of molasses and sugar, which will be offset at the time of future purchases of molasses and sugar from the same suppliers.

	Note	2023 (Rupees in thousand)	2022
15	TRADE DEPOSITS AND PREPAYMENTS		
Deposits		2,214	2,214
Prepayments	15.1	12,401	12,368
		<u>14,615</u>	<u>14,582</u>
15.1	Prepayments		
Rent		1,005	1,021
Establishment charges		6,037	5,563
Insurance		4,153	4,671
Software license fees		1,206	1,113
		<u>12,401</u>	<u>12,368</u>
16	SHORT TERM INVESTMENTS		
At amortized cost			
Term Deposit Receipts	16.1	600	50,600
At fair value through profit or loss			
Government Securities -			
Market Treasury Bills (T-Bills)	16.2	185,241	1,598,710
Mutual Fund Units	16.3	2,459,221	-
		<u>2,645,062</u>	<u>1,649,310</u>
16.1	These carry profit ranging from 10.93% to 15.7% (2022: 5.65% to 14%) per annum.		
16.2	These carry profit ranging from 21.40% to 21.85% (2022: 12.90% to 15.6%) per annum.		
16.3	Name of Investee	Number of As at September 30, 2023	Fair value
	Al-Habib Money Market Fund	10,086,314	1,008,630
	HBL Cash Fund	974,373	100,208
	JS Cash Fund	9,644,091	997,103
	NIT Money Market Fund	35,887,444	353,280
		<u>56,592,222</u>	<u>2,459,221</u>

	Note	2023 (Rupees in thousand)	2022
17 OTHER RECEIVABLES			
- Considered good			
Sales tax and excise duty	17.1	3,894	3,894
Defined benefit plan - Gratuity	17.2	36,983	-
Workers' profit participation fund		-	125
Others		30	8,530
		<u>40,907</u>	<u>12,549</u>
- Considered doubtful			
Freight subsidy on sugar export		274,405	274,405
		<u>315,312</u>	<u>286,954</u>
Provision for freight subsidy on sugar export		(274,405)	(274,405)
		<u>40,907</u>	<u>12,549</u>

17.1 The Company received a Show Cause Notice from the Assistant Commissioner (Unit-08), Sindh Revenue Board, Karachi, citing a shortfall in Sindh Service Tax payments totaling Rs. 15.575 million for the financial years 2013-14, 2014-15, 2015-16, and 2016-17. Subsequently, an Order-in-Original was issued, demanding payment of Rs. 31.929 Million (the principal amount plus a penalty of Rs. 16.354 million). The Sindh Revenue Board directly recovered Rs. 3.336 million by debiting the Company's Bank account. In response, the Company appealed to the Commissioner (Appeals) in Karachi, which granted a Stay Order. As a precautionary measure, the Company paid Rs. 0.558 million (25% of the principal amount) to prevent further recovery actions by the Sindh Revenue Board under Section 66(1)(f). The case remains pending before the Commissioner (Appeals) in Karachi, and ongoing hearings are underway.

17.2 Defined benefit plan - related party

As stated in note 4.14, the Company operates a defined benefit plan i.e. an approved funded gratuity scheme for all its permanent employees subject to attainment of retirement age and minimum service of prescribed period. Actuarial valuation of the scheme is carried out every year and the latest actuarial valuation was carried out as at September 30, 2023 using projected unit credit method. The disclosures made in notes 17.2.1 to 17.2.12 are based on the information included in that actuary's report.

	Note	2023 (Rupees in thousand)	2022
17.2.1 The asset recognized in the SOFP is as follows:			
Present value of defined benefit obligation	17.2.2	(92,336)	(95,994)
Fair value of plan assets	17.2.3	170,270	125,736
Payables		(32,695)	(36,441)
Receivable from employees gratuity fund	17.2.7	45,239	(6,699)
Other liability - Payable to gratuity fund		(8,256)	(13,289)
Net receivable / (payable) at the SOFP date		<u>36,983</u>	<u>(19,988)</u>

2023 **2022**
(Rupees in thousand)

17.2.2 Changes in present value of defined benefit obligation

Present value of defined benefit obligation at the beginning of the year	95,994	83,397
Current service cost	22,033	19,123
Interest cost on defined benefit obligation	10,414	7,454
Benefits due but not paid (payables)	(254)	(4,347)
Benefits paid	(34,548)	(20,460)
Remeasurements due to - actuarial gain/(loss) from change in assumption	(260)	(235)
Remeasurements due to - experience adjustments	(1,043)	11,062
Present value of defined benefit obligation at the end of the year	92,336	95,994

17.2.3 Changes in fair value of plan assets

Fair value of plan assets as at the beginning of the year	125,736	129,535
Contributions during the year	10,000	-
Interest income on plan assets	15,034	12,527
Benefit paid during the year - defined benefit obligation	(34,548)	(20,460)
Benefit paid during the year from payables	(4,000)	(178)
Return on plan assets, excluding interest income	58,048	4,312
Fair value of plan assets at the end of the year	170,270	125,736

17.2.4 Plan assets comprises of

	2023		2022	
	Rupees in '000	%	Rupees in '000	%
Equity	130,421	76.60	90,454	71.94
Cash and/or deposits	14,836	8.71	14,837	11.80
Other	25,013	14.69	20,445	16.26
	170,270	100	125,736	100.00

2023 **2022**
(Rupees in thousand)

17.2.5 The following amounts have been charged to statement of profit and loss

Current service cost	22,033	19,123
Interest cost on defined benefit obligation	10,414	7,454
Interest income on plan assets	(15,034)	(12,527)
	17,413	14,050

	2023 (Rupees in thousand)	2022
17.2.6 Total Remeasurements chargeable in other comprehensive income		
(Loss) / gain on remeasurements of defined benefit obligation		
Due to experience adjustments	260	235
Actuarial (loss)/gain from changes in financial assumptions	1,043	(11,062)
Return on plan assets, excluding interest income	58,048	4,312
	<u>59,351</u>	<u>(6,515)</u>
17.2.7 Movement in net asset recognized in the SOFP		
Liability at the beginning of the year	(6,699)	13,866
Charge for the year	17.2.5 (17,413)	(14,050)
Remeasurements chargeable in other comprehensive income	17.2.6 59,351	(6,515)
Contributions	10,000	-
Asset at the end of the year	<u>45,239</u>	<u>(6,699)</u>

17.2.8 Other liability - Payable to gratuity fund - related party

The Company operates a policy that its employees can obtain loans from Al-Abbas Sugar Mills Limited Employees Gratuity Fund Trust - a related party (the fund). The Company recovers these loans from employees through monthly deduction from their salaries and offsets the same against the net receivable from the Fund.

17.2.9 Principal actuarial assumptions

The latest actuarial valuation for gratuity fund was carried out as at September 30, 2023 using the Projected Unit Credit Method (PUCM). The following significant assumptions used for the actuarial valuation:

	2023	2022
Discount rate	16.75%	13.25%
Expected rate of increase in salary	15.75%	12.25%
Average retirement age of the employee	60 years	60 years
Withdrawal rates	Age based	Age based

17.2.10 Year end sensitivity analysis on defined benefit obligation

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected rate of salary increase. The sensitivity analyses below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

	Impact on defined benefit obligation		
	Changes in assumption	Increase in assumption	Decrease in assumption
	%	(Rupees in thousand)	
Discount rate	1	86,774	98,584
Salary increase	1	98,454	86,802

17.2.11 Expected charge for the year 2023-24 will be Rs. 9.376 million.

17.2.12 Risks associated with the fund

Investment Risk: The risk of the investment underperforming and being not sufficient to meet the liabilities.

Final Salary Risk: The risk that the final salary at the time of cessation of service is greater than what the company assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Withdrawal Risk: The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

Mortality Risk: The risk that the actual mortality experience is different than that of assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

	Note	2023 (Rupees in thousand)	2022
18 INTEREST ACCRUED			
- On			
Growers loan	14.1	1,854	4,794
Term deposit receipts	16.1	76	1,511
		<u>1,930</u>	<u>6,305</u>
19 CASH AND BANK BALANCES			
Cash in hand		1,115	1,125
Cash at banks			
Current accounts		36,405	32,734
Savings accounts	19.1	30,409	29,693
		<u>66,814</u>	<u>62,427</u>
		<u>67,929</u>	<u>63,552</u>

19.1 These carry profit ranging from 6.5% to 20.5% (2022: 5.75% to 13.5%) per annum.

20 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2023 (Number of shares)	2022	Note	2023 (Rupees in thousand)	2022
<u>17,362,300</u>	<u>17,362,300</u>	Ordinary shares of par value of Rs.10 each	<u>173,623</u>	<u>173,623</u>

20.1 Number of shares held by associated undertakings as at September 30, 2023 were 10,105,312 (2022: 10,105,312).

20.2 The ordinary share holders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry one vote per share without restriction.

21 ACCUMULATED RESERVES

Capital reserves	Note	2023 (Rupees in thousand)	2022
Unrealized loss on investment at fair value through other comprehensive income		(143,355)	(128,690)
Revenue reserves			
General reserve		<u>1,458,000</u>	1,458,000
Unappropriated profit		<u>5,434,556</u>	3,102,720
		<u>6,892,556</u>	4,560,720
		<u>6,749,201</u>	<u>4,432,030</u>

22 LEASE LIABILITY

22.1 Lease liabilities related to right-of-use asset - rented properties

Balance at the beginning of the period		7,751	19,949
Re-assessment of lease		15,716	(6,359)
Interest on lease liability	37	428	1,018
Less: Lease rental paid		(8,545)	(6,857)
Closing balance at the end of the year		<u>15,350</u>	7,751
Current portion shown under current liabilities	22.2	<u>(6,655)</u>	<u>(7,751)</u>
		<u>8,695</u>	-

22.2 Maturity Analysis of Minimum Lease Payments

	2023			2022		
	Minimum lease payments	Future Finance costs	Present value of minimum lease payments	Minimum lease payments	Future Finance costs	Present value of minimum lease payments
	Rupees "000"			Rupees "000"		
Not later than one year	9,299	(2,644)	6,655	8,134	(383)	7,751
Later than one year but not later than five years	9,765	(1,070)	8,695	-	-	-
	<u>19,064</u>	<u>(3,714)</u>	<u>15,350</u>	<u>8,134</u>	<u>(383)</u>	<u>7,751</u>

	Note	2023 (Rupees in thousand)	2022
23 MARKET COMMITTEE FEE PAYABLE			
Balance at the beginning of the year		21,754	31,573
Market Committee fee		4,008	5,010
Unwinding of Market Committee Fees		1,968	2,181
Less: payment made		(8,008)	(17,010)
Closing balance at the end of the year		19,722	21,754
Current portion of market committee fee		-	(1,715)
Long-term portion of market committee fee		19,722	20,039
24 DEFERRED TAXATION			
Deferred Tax Assets arising in respect of Deductible temporary differences			
Available tax losses		-	(72,847)
Minimum tax		(42,424)	(86,906)
Liabilities u/s 34(5)		(112,036)	(94,800)
Provisions		(28,741)	(39,383)
		(183,201)	(293,936)
Taxable temporary differences			
Accelerated tax depreciation		290,565	246,381
		107,364	(47,555)
Unrecognized deferred tax asset		-	47,555
		107,364	-
25 TRADE AND OTHER PAYABLES			
Creditors	25.1, 25.2 & 25.3	1,090,350	1,010,544
Accrued liabilities		135,018	118,481
Contract liabilities	25.4	1,174,195	350,890
Short term deposits	25.5	21,383	21,383
Sales tax payable		19,098	124,084
Workers' Profit Participation Fund	25.6	20,970	-
Workers' Welfare Fund		11,127	9,732
Retention money		2,113	2,082
Defined benefit plan - related party	17.2	-	19,988
Special Excise Duty payable		9,696	9,696
Withholding tax payable		7,189	4,860
Others		7,298	4,282
		2,498,437	1,676,022

25.1 The management has recorded an amount of Rs. 141.139 million pertaining to sugarcane purchases for the crushing season 2014-15. This recording was made prudently, considering notifications issued by the Cane Commissioner Sindh on November 07, 2014, and December 09, 2014. This was done after adjusting the amount paid by the Government of Sindh to the growers through Sugar Mills, in alignment with the interim decision of the Honorable High Court of Sindh.

However, these notifications have faced a challenge by the Pakistan Sugar Mills Association and other Sugar Mills in the Honorable Supreme Court of Pakistan. Initially, the Supreme Court dismissed the case against the Company through its Order dated September 13, 2023. Nevertheless, the Company, alongside other sugar mills, has filed a Review Petition in the Honorable Supreme Court of Pakistan, which is currently pending.

25.2 As per the regulations outlined in the Sugar Factories Control Act, 1950, the Company is mandated to remunerate a quality premium to sugarcane growers. This premium, charged at a rate of 50 paisa per kilogram of sugarcane crushed, is applicable for every 0.1 percent of sucrose recovery exceeding the benchmark of 8.7 percent.

The Company, in conjunction with other sugar mills, contested the imposition of this quality premium before the Honorable High Court of Sindh. However, the Court ruled unfavorably against the sugar mills. Subsequently, the Company appealed this decision to the Supreme Court of Pakistan and secured a Stay Order against the judgment of the Court.

The Honorable Supreme Court of Pakistan concluded the appeal in 2019 and issued an Order. Over the period from 1998-99 till current date, the Company has made payments for the quality premium. These payments were calculated by factoring in the additional or excess amounts paid beyond the minimum support price stipulated by the Provincial Government.

In 2019, the Sindh Growers Alliance filed C.P - 3458 of 2019 against the Company and other sugar mills in the High Court of Sindh, seeking the enforcement of the Apex Court Order. The Honorable Court resolved the case through a consensually agreed Order, stipulating that the Cane Commissioner of Sindh would individually assess each notification and determine the sucrose recovery rate in accordance with each notification.

As per this Order, growers were instructed to submit their claims to the mills, and the mills were required to verify these claims within a two-month period, following which payments would be processed. Given that the Company had already made excess or additional payments to the growers, it holds the belief that no further liabilities will arise. As a prudent measure, the Company has refrained from reversing this liability in its financial records.

25.3 The fixation of the minimum price for sugarcane during the 2017-18 crushing season, set by the Government of Sindh, was contested in the Honorable High Court of Sindh. In their decision on January 30, 2018, in cases C.P No. 8666 of 2017 and 7951 of 2017, the High Court, after obtaining consent from all stakeholders/petitioners, instructed the sugar mills to compensate growers at Rs.160/- per 40kg for the 2017-18 crushing season, pending the final decision of the Honorable Supreme Court in Civil Appeal 48/2015. The Supreme Court, due to the non-appearance of the Respondents Counsel, dismissed the case as infructuous through an Order dated 13-09-2023.

The Company, among other sugar mills, submitted a Review Petition in the Honorable Supreme Court of Pakistan. The matter remains pending before the court. Therefore, acknowledging the liability's contingent nature, which hinges on any directives from the Honorable Supreme Court of Pakistan revising the previously paid price to the cane growers, the Company recorded a provision of Rs. 363.586 million.

25.4 Contract liabilities

During the year, the performance obligations underlying the opening contract liability of Rs. 350.890 million were satisfied in full. Accordingly, the said liability was recorded as revenue during the year.

In addition, information regarding the timing of satisfaction of performance obligations underlying the closing contract liability of Rs. 1,174.195 million is not presented since the expected duration of all the contracts entered into with the customers is less than one year.

25.5 This represents security deposit received from a customer on a written agreement and utilizable for Company's business which is in compliance with Section 217 of Company's Act, 2017.

25.6 Workers' profit participation fund	Note	2023 (Rupees in thousand)	2022
Balance at beginning of the year		(125)	3,770
Interest for the year		121	38
		(4)	3,808
Charge for the year	36	210,970	103,875
		210,966	107,683
Net payment during the year		(189,996)	(107,808)
		<u>20,970</u>	<u>(125)</u>
26 ACCRUED MARKUP			
Markup on short term borrowings		<u>49,508</u>	<u>23,795</u>
27 SHORT TERM BORROWINGS			
From banking companies - secured			
Cash / running finances		385,105	28,658
Export refinance scheme (ERF)		2,265,000	2,346,000
Export finance scheme (EFS)		97,833	576,578
	27.1 to 27.3	<u>2,747,938</u>	<u>2,951,236</u>

27.1 The available aggregate finance facilities (short term funded) amounted to Rs. 5.650 (2022: Rs. 4.810) billion which have been arranged from various commercial banks out of which Rs. 5.350 (2022: 3.685) billion are with export refinance and FE 25. Out of total export refinance limit, Rs. 4.765 (2022: 3.685) billion are interchangeable. The short term financing facilities are secured against hypothecation of current assets, pledge of stock and hypothecation over present and future property, plant and equipment of the Company.

Cash / running finance carry markup ranging from 1 to 6 months KIBOR plus 0.4% to 1% (2022: 1 to 3 months KIBOR plus 0.50% to 1%) per annum payable quarterly in arrears or upon maturity and Export refinance carry markup ranging from SBP rate plus 0.5% to 1% (2022: SBP rate plus 0.50% to 1%) per annum. At the year end, facilities amounting to Rs. 2.869 (2022: Rs. 1.862) billion remained unutilized. These facilities are expiring on various dates latest by August 31, 2024 and are renewable.

27.2 The available facilities for opening letters of credit on the reporting date aggregate to Rs. 300 (2022: Rs. 300) million of which facilities unutilized on reporting date amounting to Rs. 300 (2022: Rs. 252.287) million.

27.3 The available facilities in respect of letters of guarantee on the reporting date aggregate to Rs. 55.00 (2022: Rs. 55.00) million of which facilities unutilized on reporting date amounting to Rs. 0.400 (2022: Rs. 0.400) million.

28	CURRENT PORTION OF NON-CURRENT LIABILITIES	Note	2023	2022
			(Rupees in thousand)	
	Long term financing		-	21,717
	Deferred grant income		-	2,018
	Lease liability		6,655	7,751
	Market committee fee payable		-	1,715
			<u>6,655</u>	<u>33,201</u>
29	UNCLAIMED DIVIDEND	29.1	<u>62,516</u>	<u>48,220</u>

29.1 As per the Companies Act, 2017, the Company has sent final notices to its shareholders concerning dividends that have been unclaimed for over three years. Should these dividends remain unclaimed beyond the specified notice period, they will be transferred to the Government's account in accordance with the regulations.

Moreover, the Company has formally requested the Securities and Exchange Commission of Pakistan to provide the designated bank account details. This request aims to facilitate the transfer of unclaimed dividend amounts that have exceeded the three-year limit.

30 PROVISION FOR TAXATION	Note	2023 (Rupees in thousand)	2022
Balance at the beginning of the year		(33,532)	(49,392)
Advance tax paid / deducted during the year		(192,814)	(120,695)
Provision for taxation for the year		221,541	131,586
Prior year tax		13,906	4,969
		<u>9,101</u>	<u>(33,532)</u>
Liability under Section 12(9A)	30.1	<u>12,846</u>	<u>12,846</u>
		<u>21,947</u>	<u>(20,686)</u>

30.1 The Company initiated an appeal before the Commission of Income Tax (CIT) against the tax amount imposed by the Income Tax Officer (ITO) under section 12(9A) of the Income Tax Ordinance, 1979, relating to the assessment year 2002-2003. The CIT set aside the order of the ITO in favor of the Company. Subsequently, the Department appealed this decision before the Income Tax Appellate Tribunal, which upheld the decision of the CIT.

However, the Department filed a reference application before the Honourable High Court of Sindh, and this matter is currently pending. According to the tax advisor, the decision of the reference is anticipated to favor the Company.

31 CONTINGENCIES AND COMMITMENTS

31.1 Contingencies

- a)** The Karachi Water and Sewerage Board (Board) has demanded Rs. 20.876 million for water, sewerage, fire, and conservancy charges. The Company has contested this demand in the Honourable High Court of Sindh, Karachi, stating that no such services are being provided by the Board. The Court has halted the enforcement of the Demand Notice issued by the Board, and the case hearings are currently ongoing. Based on the advice of the legal advisor, the management is optimistic about a favorable decision for the Company. Consequently, no provision has been accounted for in these financial statements.
- b)** In 2013, Mr. Suleman Lalani, a non-executive and minority Director of the Company, filed Suit No. 281 in the Honourable High Court of Sindh at Karachi. This suit was against the Company, its former Chief Executive, and eight others. Allegations within the suit centered around mismanagement in the Company's operations, including claims of the former Chief Executive and others siphoning off and diverting Company funds. The main relief sought in the suit includes the retrieval of Rs. 236.716 million of the Company's funds, as well as the expenses incurred by the plaintiff in filing the suit. Additionally, the plaintiff seeks the appointment of a receiver, the execution of a forensic audit of the Company, and the removal of its former Chief Executive. In response to the mentioned allegations, the Company and its management have refuted all claims made by the plaintiff. The suit is currently at the stage of Civil Miscellaneous hearing for the applications.

On March 08, 2021, Mr. Suleman Lalani submitted an application under Order 1 Rule 10, in conjunction with Section 151 of the Civil Procedure Code (C.P.C.) 1908. In this application, he requested the inclusion of the current Chief Executive Officer in the ongoing Suit. He argued that the CEO was exerting influence on the Board for personal gains, aiming for unjust enrichment at the Company's expense.

The legal counsel for the Company has indicated that due to the uncertainty surrounding the litigation's outcome, making a definitive prediction at this stage is not feasible. Nevertheless, the Company's management holds the belief that no adverse implications are likely to materialize from the suit.

Additionally, Mr. Lalani filed another Civil Miscellaneous Application (CMA) No. 9973 of 2013, requesting the restraint of the Company's Board of Directors from specifically endorsing any investments in Javedan Corporation Limited ("JCL"), a distinct and unrelated public limited Company. The mentioned Civil Miscellaneous Application was presented before the Honourable High Court of Sindh by both parties.

The Court has restrained the defendant from making any decisions regarding investments in JCL until the suit reaches its final resolution. Additionally, the Court directed the Securities and Exchange Commission of Pakistan ("SECP") to regard the complaint filed in this context as a complaint under Section 263 of the previously enacted Companies Ordinance, 1984 (now encompassed within the Companies Act, 2017). Consequently, the SECP was tasked with investigating the Company's affairs and submitting a report on the matter.

The Company has contested the aforementioned Court Order before the Division Bench of the Honourable High Court of Sindh via an appeal numbered HCA-124. This appeal has resulted in the suspension of a segment of the High Court's Order specifically concerning the directive for the SECP to conduct an investigation into the Company.

In the same context, the SECP had issued an Order pursuant to Section 231 of the Companies Ordinance, 1984. The Company challenged this order through CP. No. D-1990/2013 before the High Court of Sindh. Subsequently, the Company obtained an Order from the Court preventing any coercive action based on the SECP's directive. During the hearing of HCA No. 124/2013, the appellant requested that the case CPD-1990/2013 be considered alongside appeal No. HCA 124/2013. The Interim Order previously granted by the High Court of Sindh was modified, directing the Company to present all its accounts before the SECP. However, the Court instructed the SECP not to take any final action against the Company. In adherence to the orders from the Honourable Court in CP No. D-1990/2013 and HCA No. 124/2013, the Company ensured compliance. The appeal is presently awaiting a decision from the Division Bench, and according to the legal advisor's perspective, the Company stands a fair chance of success in this case.

- c) The Federal Government issued a notification, implementing a reduced rate of Federal Excise Duty (FED) at 0.5% on the local supply of sugar. This reduction applies to the quantity of sugar exported by sugar mills, as allocated by the Economic Coordination Committee in its meeting on January 10, 2013. However, this reduction is subject to the terms and conditions outlined in S.R.O 77(1)/2013 dated February 07, 2013. The Company began utilizing the benefit from January 10, 2013, under the belief that the relief was effective from that date. However, the department contends that the relief was applicable only from the date of SRO. As a result, a demand of Rs. 85.450 million was established, pertaining to the period before the date of the SRO. In the financial year 2015-16, the Company contested this matter before the Appellate Tribunal, which ruled in favor of the Company. Following this, the Commissioner Inland Revenue filed Miscellaneous Applications seeking rectifications before the Appellate Tribunal Inland Revenue. However, these applications were subsequently rejected by the Tribunal. The Department has once again submitted a reference application before the Honourable High Court of Sindh, and this matter is currently pending. According to the assessment of the tax advisor, the decision stemming from this reference is expected to favor the Company.
- d) The Government of Sindh Excise, Taxation, and Narcotics Department issued notification no. SO (TAXES) E&T / 1(91) 2014-15 / 250 on July 08, 2014, leveraging Sections 19A and 35A of the Sindh Abkari Act, 1878. This notification imposed a levy of Rs. 0.5 per liter for the storage of Rectified Spirit in a private bonded warehouse, effective from July 01, 2014. The Company initiated a challenge against the notification via C.P. No. D-3917 / 2014 in the Honourable High Court of Sindh, Karachi on July 23, 2014. The challenge was directed against the Province of Sindh through the Secretary of Excise, Taxation, and Narcotics and the Director General of Excise, Taxation, and Narcotics, Sindh. The grounds of the challenge centered on the argument that the aforementioned Sections 19-A and 35-A of the 1878 Act did not authorize the issuance of such a notification. The Honourable High Court of Sindh ruled in favor of the Company through its order dated April 12, 2023.
- e) In the case filed by Mr. Mureed Ali Shah against the Federation of Pakistan and Others in the High Court of Sindh, Karachi, dated May 14, 2018, C.P. No. 3823 of 2018, he requested the withdrawal, cancellation, or cessation of cash freight subsidies provided by the Federal Government to sugar mills in Sindh for sugar export. His contention revolved around his belief that Sindh Sugar Mills had violated Condition No. VI of the Cabinet's Economic Coordination Committee (ECC) approval, ECC 96/19/2017, dated September 14, 2017. This condition specified that "After November 2017, it will also be necessary for the mills to start crushing at full capacity throughout the crushing season to become eligible for exports". Additionally, Mr. Mureed Ali Shah requested that the extra cash payments sanctioned by the Sindh Cabinet during their meeting on December 04, 2017, should be reimbursed by all sugar mills situated in Sindh. Furthermore, he sought an injunction restraining the Federal Government from implementing the aforementioned ECC approval until the disposition of this petition. The case is currently being heard and is pending before the Honourable High Court of Sindh.

Given that the Company has adhered to Condition No. VI of the ECC approval, legal counsel anticipates a favorable outcome in this case. Compliance with the specified condition strengthens the Company's position in the legal proceedings.

- f) The Company received a notice under Section 37 of the Sales Tax Act 1990, dated January 18, 2022, from the Additional Director of the Directorate of Intelligence and Investigation (Inland Revenue) Karachi. This notice demanded a sales tax payment of Rs. 42.735 million for sales made to a sugar broker during the years 2016-17, 2017-18, 2018-19, and 2019-20.

In response, the Company filed a Petition C.P. D-1183 of 2022 before the Honourable High Court of Sindh, Karachi. The Company secured a Stay Order against the notice, instructing the department not to take any further steps prejudicial to the Company's interests. The case is currently at the hearing stage. According to the legal counsel, the expected outcome will favor the Company.

- g) The Federal Board of Revenue (FBR) initiated tax audits for the tax years 2015, 2016, 2018, and 2019 in the fiscal year 2021 under Section 177 of the Income Tax Ordinance, 2001. Despite providing all records, submitting evidence, and details as requested, the audit proceedings concluded unfavorably. Detrimental Orders were passed under Sections 122(1) and 4 of the Income Tax Ordinance, 2001. Consequently, frivolous tax demands totaling Rs. 8.639 billion and penalties amounting to Rs. 7.404 billion under Section 182(2) of the Income Tax Ordinance, 2001, were imposed for these tax years.

The demand was founded on arbitrary and illogical observations. In response, the Company filed an Appeal before the Commissioner Inland Revenue, Karachi, contesting these assessments. However, the Commissioner upheld all the additions made by the Department (CIR) in the initial decision. Dissatisfied with this outcome, the Company further appealed to the Appellate Tribunal Inland Revenue.

The Appellate Tribunal Inland Revenue reviewed the case and removed additions amounting to Rs. 24.966 billion from the total additions of Rs. 25.070 billion. Additionally, the Tribunal remanded back the remaining amount of additions totaling Rs. 104.86 million for further consideration or review.

The Department (CIR) remanded the apportionment of expenses, impacting the NTR Income amounting to Rs. 649.055 million. Additionally, the Department filed an appeal in the High Court of Sindh against the Order issued by the Appellate Tribunal Inland Revenue, and this appeal is currently awaiting a hearing.

Given that the demanded tax lacks factual basis and proper records, coupled with the tax advisor's view that these Orders are unlikely to withstand an appeal, the Company hasn't made any provisions in the financial statements against these demands.

- h)** The Competition Commission of Pakistan issued a show cause notice, No. 103/2020 dated November 05, 2020, stemming from an inquiry initiated under Section 37(1) of the Act. The purpose was to investigate potential anti-competitive activities within the sugar industry, specifically examining any violations of Section 3 and 4 of the Act by the Pakistan Sugar Mills Association and its member entities. Allegations included actions contributing to price hikes, cessation of crushing during the 2019-20 crushing season, and holding back on a sugar tender initiated by the Utility Store Corporation. The Company participated in various hearings and responded to the notice through its legal counsel.

On August 06, 2021, the Competition Commission of Pakistan issued an Order, where two out of four members, including the Chairperson, concluded that the Pakistan Sugar Mills Association and its associated entities were prima facie involved in violating Section 4 of the Competition Act 2010. The Order highlighted that the Enquiry Committee discovered evidence suggesting collusive or collective decision-making that contributed to sugar shortages and price hikes. However, the Commission determined that there was an absence of any individual or collective dominant position in the relevant market. Therefore, the Commission did not find a case of abuse of dominance under Section 3 of the Act.

The Competition Commission of Pakistan, with the Chairperson and one member in agreement, found the tender dated March 20, 2010, to be a prima facie violation of Section 4(1) read with Section 4(2)(c) of the Act. This indicated that the Pakistan Sugar Mills Association and its members potentially made a collective decision regarding the division and allocation of the quantity to be supplied. Consequently, the Commission imposed a penalty of Rs. 358.243 million for collective decisions on export quantities from 2012 to 2020 and an additional penalty of Rs. 50 million for involvement in the Utility Store Corporation tender in 2010.

However, due to two members of the Commission holding a differing opinion, a deadlock emerged regarding the determination of the issue for which the penalty was imposed. To break the deadlock, the Chairperson exercised a second or casting vote in favor of imposing the penalty. As a result, the Order dated August 13, 2021, was passed against the Company.

The Company initiated legal action through Suit No. 2273 of 2021, seeking a permanent injunction and disputing the legality and legitimacy of the casting vote Order dated 13-08-2021 issued by the Competition Commission of Pakistan. The Honourable High Court of Sindh suspended the operations of the challenged Orders dated 06-08-2021 and 13-08-2021. Subsequently, the Competition Commission of Pakistan issued show cause notice No. 34/2021

In response, the Company filed Suit No. 2381 of 2021 in the High Court of Sindh, contesting the legality of the Show Cause Notices as they were based on an allegedly illegal Order. The Court, through an Order dated 14-10-2022, suspended the operations of these notices. Furthermore, in an Order dated 13-06-2022, the Single Judge modified the interim Order by granting injunction specifically regarding the casting vote decision of the chairman/chairperson, contingent on the Company securing 50% of the respective penalties with the Nazir of the High Court.

The Company lodged an appeal (HCA No. 235 of 2022) with the Division Bench of the Honourable High Court of Sindh. In this appeal, both contesting parties jointly submitted a statement requesting: (a) Setting aside the Order dated 13-06-2022 issued by the learned Single Judge in Suit No. 2273. (b) Releasing any bank guarantee submitted by the Company and returning it to the Plaintiff. (c) Ensuring that the Competition Commission of Pakistan refrains from initiating recovery proceedings against the Plaintiff in Suit No. 2273 until the final decision on the pending appeals before the Competition Appellate Tribunal. Presently, the hearing for Appeal No. 37/2022 is pending before the Competition Appellate Tribunal. The Company's lawyer is optimistic that the ultimate decision will favor the Company.

- i) The DCIR-LTO-Karachi issued a Show Cause Notice dated 27-01-2022 under Section 11(2) of the Sales Tax Act, 1990, outlining a tax liability of Rs.7.899 million along with default surcharges and penalties for purportedly inadmissible input under Section 8B, and an additional tax liability of Rs.10.893 million under Section 73(4) for sales made to unregistered individuals, covering the period from July 2021 to November 2021. The Company responded to this notice. Subsequently, DCIR-LTO issued Order-in-Original 14/49/2022 dated 02-03-2022, generating a demand of Rs.19.732 million (inclusive of a penalty of Rs. 0.940 million) along with default surcharges.

The Company, represented by its tax advisor, lodged an Appeal and a Stay Application with CIR (Appeals). However, the CIR (Appeals) upheld the Order of DCIR-LTO. Consequently, the Company escalated the matter to the Tribunal, which issued a favorable Order, resulting in the deletion of the demand.

- j) The Deputy Commissioner Inland Revenue (DCIR) issued an Order-in-Original No. (ONO) 13/49/2022-23 dated September 23, 2022, which demanded Rs. 106.932 million plus default surcharges and penalties concerning discrepancies in sales amounts reported in the annual income tax return and annual sales tax return for the tax year 2018.

The Deputy Commissioner Inland Revenue (DCIR) issued an Order-in-Original No. (ONO) 13/49/2022-23 dated September 23, 2022, which demanded Rs. 106.932 million plus default surcharges and penalties concerning discrepancies in sales amounts reported in the annual income tax return and annual sales tax return for the tax year 2018.

According to the management's perspective, the DCIR failed to acknowledge that the income tax period for the year 2018 spans from October 01, 2016, to September 30, 2017. However,

the tax period for sales tax considered in the ONO is from July 01, 2017, to June 30, 2018. Consequently, the difference in sales amounts arises due to these distinct periods.

The Company challenged this ruling at the CIR (Appeals), leading to the reversal of the DCIR's order. Following this, the Department appealed against the CIR's decision to the Appellate Tribunal Inland Revenue. According to the assessment made by the tax consultant, the expected final outcome is in favor of the Company.

31.2 Commitments

- a) Commitments in respect of outstanding letter of credit amounts to Rs. Nil (2022: Rs. 47.713) Million.
- b) Capital commitments in respect of plant and machinery amounting to Rs. Nil (2022: Rs. 386.497) Million.
- c) Bank guarantees of Rs. 54.6 (2022: Rs. 54.6) Million have been issued by the banking companies on behalf of the Company in favour of customers and suppliers.

	Note	Sugar		Ethanol		Other Reportable Segment		Total	
		2023	2022	2023	2022	2023	2022	2023	2022
----- (Rupees in thousand) -----									
32 SALES - NET									
Gross sales									
Local		4,088,801	3,554,702	22,489	130,321	46,643	32,286	4,157,933	3,717,309
Export	32.1 & 32.2	350,146	-	10,264,485	7,187,898	-	-	10,614,631	7,187,898
Services - Local		-	-	-	-	15,600	28,991	15,600	28,991
Trading activities - local		-	-	-	-	502,272	-	502,272	-
		4,438,947	3,554,702	10,286,974	7,318,219	564,515	61,277	15,290,436	10,934,198
Less:									
Sales tax		(633,687)	(546,339)	(3,118)	(18,936)	(84,396)	(6,739)	(721,201)	(572,014)
		3,805,260	3,008,363	10,283,856	7,299,283	480,119	54,538	14,569,235	10,362,184

32.1 It includes exchange gain of Rs. 1.095 (2022: Rs. Nil) million on export of sugar while exchange loss of Rs. 56.694 (2022: Rs. 15.448) million on export of ethanol.

32.2 During the year, the Company filed an intra-court appeal, HCA No. 66 of 2023, contesting the contentious Order dated 07-03-2023 issued in Suit No. 145 of 2023 by a Single Judge of the Honorable High Court of Sindh. This order deemed the allocation of a 2500 MT export quota for every sugar mill in Sindh, facilitated via the cane commissioner, as illegal. On 09-03-2023, the Honorable High Court amended the impugned Order, stipulating that the alleged quota of 21,807 M.T held by JDW Sugar Mills Limited, Deharki Sugar Mills (Private) Limited, and JK Sugar Mills Limited would be safeguarded by the Cane Commissioner and PSMA. Additionally, all sugar mills were granted permission to export 1,500 M.T each of sugar. In its Order dated 30-05-2023, the Court additionally ruled that 32 sugar mills situated in Sindh had the right to keep the proceeds from 570 M. Tons each of sugar sales. Simultaneously, sales proceeds at a rate of Rs. 96.1 per KG for 493 M.Tons each of sugar were directed to be submitted to the Nazir of the High Court. The Nazir was instructed to invest this entire amount in a profit-bearing Government Scheme. The amount invested and the resulting profits would ultimately be distributed either to the respondent if the case concludes in their favor. Conversely, if the quota assigned by the Cane Commissioner is ultimately validated, the amount along with the accrued profit would be refunded in the same manner in which it was initially deposited. The Company, in compliance with the Court Order, has deposited Rs. 47.387 million with the Nazir of High Court, being prudent the same is netted off with the sales.

	Sugar		Ethanol		Other Reportable Segment		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
33 COST OF SALES	----- (Rupees in thousand) -----							
Cost of raw materials consumed	3,187,226	3,515,856	6,619,282	4,397,628	-	31,523	9,806,508	7,945,007
Stores and spare parts consumed	229,168	110,397	97,189	103,213	-	11,245	326,357	224,855
Packing materials	36,975	39,015	-	-	-	-	36,975	39,015
Salaries, wages and other benefits	308,597	269,828	90,546	62,906	28,166	46,557	427,309	379,291
Fuel, electricity and water charges	4,275	4,573	113,583	105,078	8,672	73,575	126,530	183,226
Other manufacturing expenses	65,044	58,969	47,452	39,954	38,777	38,905	151,273	137,828
Repairs and maintenance	25,052	5,657	30,849	8,296	7,187	13,817	63,088	27,770
Depreciation	34,712	36,759	27,017	28,716	25,368	27,017	87,097	92,492
	3,891,049	4,041,054	7,025,918	4,745,791	108,170	242,639	11,025,137	9,029,484
Work-in-process								
Opening	5,681	6,711	-	-	-	-	5,681	6,711
Closing	(6,565)	(5,681)	-	-	-	-	(6,565)	(5,681)
	(884)	1,030	-	-	-	-	(884)	1,030
	3,890,165	4,042,084	7,025,918	4,745,791	108,170	242,639	11,024,253	9,030,514
Less:								
Transfer price of molasses	(527,591)	(528,961)	-	-	-	-	(527,591)	(528,961)
Sale of fusel oil - net	-	-	(3,453)	(1,950)	-	-	(3,453)	(1,950)
Purchase of bagasse	83,900	36,383	-	-	-	-	83,900	36,383
Transfer price of bagasse	(106,720)	(101,027)	-	-	-	-	(106,720)	(101,027)
Stock adjustment of bagasse in hand	(2,264)	3,905	-	-	-	-	(2,264)	3,905
Trading activities - cost of sales	-	-	-	-	341,415	-	341,415	-
50% share of tariq trading	-	-	-	-	(2,723)	(54,903)	(2,723)	(54,903)
	(552,675)	(589,700)	(3,453)	(1,950)	338,692	(54,903)	(217,436)	(646,553)
Cost of goods manufactured	3,337,490	3,452,384	7,022,465	4,743,841	446,862	187,736	10,806,817	8,383,961
Finished goods								
Opening	1,325,755	668,960	532,865	866,174	37,223	-	1,895,843	1,535,134
Closing	(1,600,721)	(1,325,755)	(1,507,587)	(532,865)	-	(37,223)	(3,108,308)	(1,895,843)
	(274,966)	(656,795)	(974,722)	333,309	37,223	(37,223)	(1,212,465)	(360,709)
	3,062,524	2,795,589	6,047,743	5,077,150	484,085	150,513	9,594,352	8,023,252
33.1 Salaries, wages and other benefits include Rs. 11.635 (2022: Rs. 2.822) million in respect of defined benefit plan - gratuity.								
33.2 Other Manufacturing Expenses								
Security services	14,033	10,881	9,355	7,254	13,225	12,771	36,613	30,906
Printing and stationery	626	744	417	496	64	80	1,107	1,320
Vehicle running and hire	10,905	10,051	7,270	6,701	1,703	1,250	19,878	18,002
Insurance	15,668	11,083	8,799	7,530	11,422	6,617	35,889	25,230
Travelling and conveyance	950	2,287	568	854	30	3,833	1,548	6,974
Others	22,862	23,923	21,043	17,119	12,333	14,354	56,238	55,396
	65,044	58,969	47,452	39,954	38,777	38,905	151,273	137,828

Note	Sugar		Ethanol		Other Reportable Segment		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	----- (Rupees in thousand) -----							
34 DISTRIBUTION COST								
Sugar bags handling expenses	5,503	4,412	-	-	-	-	5,503	4,412
Export transportation and other expenses	10,183	-	374,688	128,958	-	-	384,871	128,958
Salaries and other benefits	34.1	2,230	2,115	4,492	3,448	-	6,722	5,563
Marking fees		4,439	3,555	-	-	-	4,439	3,555
		22,375	10,082	379,180	132,406	-	401,555	142,488

34.1 Salaries and other benefits include Rs. 0.322 (2021: 0.434) Million in respect of defined benefit plan - gratuity.

35 ADMINISTRATIVE EXPENSES

Salaries and other benefits	35.1	34,011	28,197	22,814	18,844	-	-	56,825	47,041
CEO salaries and other benefits	35.2	16,147	19,567	10,765	13,046	-	-	26,912	32,613
Rent, rates and taxes		4	11	3	7	-	-	7	18
Communication charges		1,859	1,773	1,477	1,291	-	-	3,336	3,064
Traveling and conveyance		1,169	2,285	2,048	1,416	-	-	3,217	3,701
Printing and stationery		2,368	2,079	873	779	-	-	3,241	2,858
Entertainment		1,592	1,133	999	706	-	-	2,591	1,839
Vehicle running		8,846	6,356	5,328	3,864	-	-	14,174	10,220
Repairs and maintenance		2,508	1,846	611	928	-	-	3,119	2,774
Insurance		1,880	1,610	1,263	1,081	-	-	3,143	2,691
Fees and subscription		2,595	1,997	1,564	1,278	-	-	4,159	3,275
Legal and professional		4,602	5,733	1,694	2,239	-	-	6,296	7,972
Software license and consultancy fees		3,980	4,012	2,528	2,308	-	-	6,508	6,320
Auditors' remuneration	35.3	1,515	1,371	792	743	-	-	2,307	2,114
Charity and donations	35.4	3,240	1,914	2,160	1,276	-	-	5,400	3,190
Newspaper and periodicals		84	76	56	50	-	-	140	126
Utilities		3,197	2,685	2,114	1,789	-	-	5,311	4,474
Depreciation						-	-		
-Operating fixed assets	5.1.2	6,047	6,127	4,031	4,084	-	-	10,078	10,211
-Right-of-use-assets	7	4,680	4,460	3,120	2,973	-	-	7,800	7,433
-Investment property	6	11	12	7	8	-	-	18	20
Security charges		884	887	589	591	-	-	1,473	1,478
Board meetings expenses		1,566	1,755	1,044	1,171	-	-	2,610	2,926
Miscellaneous expenses		724	783	431	499	-	-	1,155	1,282
		103,509	96,669	66,311	60,971	-	-	169,820	157,640

35.1 Salaries and other benefits include Rs. 3.945 (2022: Rs. 0.679) Million in respect of defined benefit plan - gratuity.

35.2 CEO salaries and other benefits include Rs. 1.511 (2022: Rs. 10.325) Million in respect of defined benefit plan - gratuity.

35.3 Auditors' remuneration

Statutory Auditors

Annual audit fee	720	720	480	480	-	-	1,200	1,200
Half yearly review fee	120	120	80	80	-	-	200	200
Code of Corporate Governance	75	75	50	50	-	-	125	125
Out of pocket expenses	300	206	182	133	-	-	482	339
	1,215	1,121	792	743	-	-	2,007	1,864

Cost Auditors

Audit fee	300	250	-	-	-	-	300	250
	1,515	1,371	792	743	-	-	2,307	2,114

35.4 Donation to 'Al-Siraj Welfare Foundation' exceeds the limits prescribed under Fourth Schedule to the Companies Act, 2017. None of the Directors or their spouse have any interest in the donees' fund.

Note	Sugar		Ethanol		Other Reportable Segment		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	----- (Rupees in thousand) -----							
36 OTHER OPERATING EXPENSES								
Loss from biological asset - net	36.1	367	1,138	-	-	-	367	1,138
Provision for Bad debts	13.1	580	-	-	-	-	580	-
Provision for loan to growers		9,730	-	-	-	-	9,730	-
Loss on Disposal of Fixed Assets		-	14	-	9	-	-	23
Exchange loss		-	-	-	44,580	-	-	44,580
Workers' profit participation fund		19,931	2,008	186,953	101,867	4,086	210,970	103,875
Workers' welfare fund								
- Current		944	670	8,811	9,062	1,372	11,127	9,732
- Prior		(47)	(10,259)	(638)	(70,915)	-	(685)	(81,174)
		31,505	(6,429)	195,126	84,603	5,458	232,089	78,174

36.1 Farm operations is a distinguishable business segment as per the criteria specified in International Financial Reporting Standard - 8 "Operating Segment", but it is substantially below the threshold mentioned for reportable segment under IFRS - 8, therefore, this is not classified as a reportable segment in these financial statements.

Note	Sugar		Ethanol		Other Reportable Segment		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	----- (Rupees in thousand) -----							

37 FINANCE COST

Markup on short term borrowings	200,412	66,545	163,420	90,304	-	-	363,832	156,849
Interest on Workers Profit Participation Fund	2	6	119	32	-	-	121	38
Mark-up on liability against Right-of-use assets	257	611	171	407	-	-	428	1,018
Interest on market committee fee	1,968	2,181	-	-	-	-	1,968	2,181
Bank charges and guarantee commission	6,731	5,546	4,097	3,013	650	648	11,478	9,207
	209,370	74,889	167,807	93,756	650	648	377,827	169,293

38 OTHER INCOME

Income from financial assets								
Markup on loan to growers	2,137	1,465	-	-	-	-	2,137	1,465
Income from TDR / T-Bills / PLS deposits	4,342	4,438	72,509	59,514	-	-	76,851	63,952
Effect of unwinding of interest free loan to employees	109	134	73	89	-	-	182	223
Net amortization of grant income	848	634	290	230	85	67	1,223	931
Dividend	3,778	3,108	101,119	2,073	-	-	104,897	5,181
	11,214	9,779	173,991	61,906	85	67	185,290	71,752
Income from non - financial assets								
Scrap sales	1,232	-	-	-	-	-	1,232	-
Sale of mud fertilizer	-	246	-	-	-	-	-	246
Deposit forfeited	-	-	15,062	-	-	-	15,062	-
Exchange gain	-	-	5,710	-	-	-	5,710	-
Gain on Disposal of Fixed Assets against insurance claim	-	-	-	99,588	-	-	-	99,588
Insurance claim - business interruption	-	-	-	85,000	-	-	-	85,000
Gain on disposal of fixed assets	199	-	132	-	-	-	331	-
Income from Bio-chemical lab	137	1,817	-	-	-	-	137	1,817
Miscellaneous	1,006	302	671	202	1,249	-	2,926	504
	2,574	2,365	21,575	184,790	1,249	-	25,398	187,155
	13,788	12,144	195,566	246,696	1,334	67	210,688	258,907

39 TAXATION

Current	39.1	46,603	39,506	157,281	91,593	17,657	487	221,541	131,586
Prior		1,132	2,487	12,774	2,482	-	-	13,906	4,969
Deferred		84,216	-	-	-	-	-	84,216	-
		131,951	41,993	170,055	94,075	17,657	487	319,663	136,555

2023 **2022**
(Rupees in thousand)

39.1 Relationship between current tax expense and accounting profit

Profit before taxation	4,004,280	2,050,244
Tax at the applicable tax rate	680,728	-
Effect of Super tax at the applicable tax rate	81,296	-
Tax effect of income taxable under Final Tax Regime	(501,111)	-
	260,913	-

The reconciliation between accounting profit and tax expense is not made for the corresponding period as the current taxation included Final Tax and taxation under Minimum Tax Regime.

39.1.1 Management has provided sufficient tax provision in these financial statements in accordance with the Income Tax Ordinance, 2001. Following is the comparison of tax provision as per accounts vis a vis tax assessment for last three years:

Financial Year	2022	2021	2020
	(Rupees in thousand)		
Provision As Per Financial Statements	131,586	82,794	123,935
Deemed Tax Assessment	106,293	87,753	98,602

39.2 Income tax returns of the Company have been filed up to tax year 2023 which is considered to be deemed assessment. However, the Commissioner of Income tax may, at any time during the period of five years from the date of filing of return, select the deemed assessment for audit.

39.3 Subsequent to the year end, the Company has filed a petition WP No. 3449 of 2023 against Super Tax for the tax year 2023 before Honourable Islamabad High Court. The Stay was granted to the Company and the Order was passed on dated November 11, 2023 by the Honourable Court in which the case is linked with the Order passed in WP No. 4027 of 2022 wherein calculating the income taxable to supertax excludes all classes of income enumerated therein the tax on which is final under the other provisions of the Ordinance; and sever the exclusions of brought forward depreciation, brought forward business losses, and brought forward amortization allowances available to the taxpayers under the other extant provisions of the Ordinance. Being prudent, the Company has recorded the provision of Super Tax for the tax year 2023.

- 39.4** The Additional Commissioner Inland Revenue (ACIR) issued an order for the tax year 2014, demanding Rs. 28.751 million in income tax due to purportedly incorrect apportionment of expenses between NTR and FTR, disallowed expenses/cash withdrawals, and unaccounted brought forward tax losses. The Company sought rectification from the ACIR and subsequently appealed to the Commissioner Appeals Inland Revenue. The Commissioner Appeals provided relief by allowing expenses/cash withdrawals up to Rs. 26 million but upheld disallowances amounting to Rs. 140 million against the Company. The Company appealed the disallowance of Rs. 140 million to the Tribunal. Interestingly, the Commissioner Appeals also filed an appeal against the granted relief of Rs. 26 million. The tax advisor of the Company foresees a favorable outcome, hence no provision has been accounted for in these financial statements, assuming the situation will resolve positively for the Company.
- 39.5** In the year 2020, the Company underwent an audit for the tax year 2017 under Section 177 of the Income Tax Ordinance, 2001. After completing the audit, the concerned Officer Inland Revenue issued an amended order under Section 122(I), which acknowledged the absence of taxable income due to the availability of carried forward losses from previous tax years. However, there was an oversight in not allowing or determining the actual losses to be carried forward and providing proper credit for taxes paid, amounting to Rs. 20.978 million. To rectify this mistake, a rectification letter was issued under Section 221 of the Income Tax Ordinance, 2001, allowing for the inclusion of actual losses to be carried forward. Despite this rectification, the refund of Rs. 20.978 million is still pending and awaiting approval.

	Note	2023 (Rupees in thousand)	2022
40 EARNINGS PER SHARE - BASIC AND DILUTED			
Net profit for the year		<u><u>3,684,617</u></u>	<u><u>1,913,689</u></u>
		(No. of shares)	
Weighted average number of ordinary shares outstanding		<u><u>17,362,300</u></u>	<u><u>17,362,300</u></u>
Basic and diluted earnings per share - Rupees	40.1	<u><u>212.22</u></u>	<u><u>110.22</u></u>

- 40.1** Diluted earnings per share is same as the basic, as the Company does not have any convertible instruments in issue as on the reporting date which would have any effect on the earnings per share if the option to convert is exercised.

	Note	2023 (Rupees in thousand)	2022
41 CASH GENERATED IN OPERATIONS			
Profit before taxation		4,004,280	2,050,244
Adjustment for:			
Depreciation			
-Operating fixed assets		97,175	102,703
-Right-of-use-assets		7,800	7,433
-Investment property		18	20
Markup on loan to growers		(2,137)	(1,465)
Provision for staff retirement benefits - gratuity		17,413	14,050
Income from TDR / T-Bills / PLS deposits		(76,851)	(63,952)
Impairment of stock		-	(3,050)
Net amortization of grant income		(1,223)	(931)
Dividend income		(104,897)	(5,181)
Gain on disposal of fixed assets against insurance claim		-	(99,588)
Loss / (gain) on fixed assets		(331)	23
Insurance claim - business interruption		-	(85,000)
Finance cost		377,827	169,293
Provision for trade debts		580	-
Market committee fees		4,008	5,010
Loss / (income) from biological asset - net		367	1,138
Workers' Welfare Fund			
- Current		11,127	9,732
- Prior		(685)	(81,174)
Workers' Profit Participation Fund		210,970	103,875
		541,161	72,936
Working capital changes	41.1	(1,311,198)	(1,407,302)
Cash generated from operations		3,234,243	715,878

41.1 Working capital changes

(Increase) / decrease in current assets

Biological assets	(502)	(1,976)
Stores and spare parts	(119,396)	(15,324)
Stock-in-trade	(735,848)	(777,523)
Trade debts	203,473	(445,239)
Loans and advances	(1,472,521)	(456,375)
Trade deposits and short term prepayments	(33)	(1,594)
Other receivables	30,993	75,787
	(2,093,834)	(1,622,244)
Increase / (decrease) in trade and other payables	782,636	214,942
Cash used in working capital	(1,311,198)	(1,407,302)

41.2 Reconciliation of movement of liabilities to cash flow used in financing activities

	Long term financing including current	Lease rental including current maturity	Dividend	Short term borrowing	Total
----- (Rupees in thousand) -----					
Balance as on October 01, 2022	23,735	7,751	48,220	2,951,236	3,030,942
Dividend declared	-	-	1,388,985	-	1,388,985
Net amortization of grant income	(1,223)	-	-	-	(1,223)
Interest on lease liability	-	428	-	-	428
Re-assessment of lease	-	15,716	-	-	15,716
Proceeds from long term loans	-	-	-	-	-
Proceeds from short term borrowings	-	-	-	6,544,551	6,544,551
Repayment of long term loans	(22,512)	-	-	-	(22,512)
Repayment of short term borrowings	-	-	-	-	-
Lease rental paid	-	(8,545)	-	-	(8,545)
Dividend paid	-	-	(1,374,689)	(6,747,849)	(8,122,538)
	(22,512)	(8,545)	(1,374,689)	(203,298)	(1,609,044)
Balance as on September 30, 2023	-	15,350	62,516	2,747,938	2,825,804
Balance as on October 01, 2021	84,893	19,949	44,093	2,087,881	2,236,816
Dividend declared	-	-	607,681	-	607,681
Net amortization of grant income	(931)	-	-	-	(931)
Interest on lease liability	-	1,018	-	-	1,018
Re-assessment of lease	-	(6,359)	-	-	(6,359)
Proceeds from long term loans	-	-	-	-	-
Proceeds from short term borrowings	-	-	-	7,580,175	7,580,175
Repayment of long term loans	(60,227)	-	-	-	(60,227)
Repayment of short term borrowings	-	-	-	-	-
Lease rental paid	-	(6,857)	-	-	(6,857)
Dividend paid	-	-	(603,554)	(6,716,820)	(7,320,374)
	(60,227)	(6,857)	(603,554)	863,355	192,717
Balance as on September 30, 2022	23,735	7,751	48,220	2,951,236	3,030,942

42 REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

	Chief Executive		Executives		Total	
	2023	2022	2023	2022	2023	2022
----- (Rupees in thousand) -----						
Managerial remuneration	18,545	16,607	57,517	44,966	76,062	61,573
Medical allowances	1,855	1,680	5,703	4,399	7,558	6,079
Leave fare allowance	5,000	4,000	-	-	5,000	4,000
Other perquisites	7,022	6,375	23,283	16,570	30,305	22,945
Retirement benefits	1,511	10,325	6,431	3,265	7,942	13,590
Total	33,933	38,987	92,934	69,200	126,867	108,187
No. of persons	1	1	21	17	22	18

42.1 Chief Executive Officer is provided with the Company maintained car for business and personal use.

42.2 The Company has paid Rs. 2.438 (2022: Rs. 2.70) million for meeting fees to its Non-Executive Directors during the year.

42.3 Thirteen (2022: Thirteen) Executives of the Company are also provided with the Company maintained cars for the business and their personal use.

	Note	2023 (Rupees in thousand)	2022
43 FINANCIAL INSTRUMENTS BY CATEGORY			
Financial Assets			
- At amortized cost			
Loans including current portion	9	1,679	3,207
Long term deposits		19,961	19,741
Trade debts - gross	13	268,816	472,289
Trade deposits	15	2,214	2,214
Interest accrued - TDRs	18	76	1,511
Other receivables	17	30	8,530
Cash and bank balances	19	67,929	63,552
Short term investments	16	2,645,062	1,649,310
		3,005,767	2,220,354
- At fair value through other comprehensive income			
Long term investments	8	123,638	138,299
		3,129,405	2,358,653
Financial Liabilities			
- At amortized cost			
Long term financing including current maturity	28	-	23,735
Lease liabilities including current maturity	28	15,350	7,751
Market committee fees payable	23	19,722	21,754
Trade and other payables	25	1,277,132	1,176,760
Accrued markup	26	49,508	23,795
Short term borrowings	27	2,747,938	2,951,236
Unclaimed dividend		62,516	48,220
		4,172,166	4,253,251

44 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (interest / markup rate risk and price risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous period in the manner described in notes below.

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

44.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fails to meet its contractual obligation and it mainly arises from balances with banks and financial institutions, trade debts, loans, advances, deposits and other receivables. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. Out of the total financial assets of Rs. 3.129 (2022: Rs. 2.359) Billion, the financial assets which are subject to credit risk amounted to Rs. 3.128 (2022: Rs. 2.358) Billion.

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 factors. Sales contracts and credit terms are approved by the Chief Executive Officer. Where considered necessary, advance payments are obtained from certain parties. Sales made to exporters are secured through letters of credit. The management set out a maximum credit period in respect of certain customers as well in order to reduce the credit risk.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk. The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk before any provisions at the reporting date is:

	2023	2022
	(Rupees in thousand)	
Loans including current portion	1,679	3,207
Long term deposits	19,961	19,741
Trade debts - gross	268,816	472,289
Trade deposits	2,214	2,214
Interest accrued - TDRs	76	1,511
Short term investments	2,645,062	1,649,310
Long term investments	123,638	138,299
Other receivables	30	8,530
Bank balances	66,814	62,427
	3,128,290	2,357,528

Loans

The Company believes that no impairment allowance is required in respect of loans because these are not past due. The Company is actively pursuing for the recovery of debts and the Company does not expect any of its employees failing to meet their obligations.

The Company believes that no impairment allowance is required in respect of loans because these are not past due. The Company is actively pursuing for the recovery of debts and the Company does not expect any of its employees failing to meet their obligations.

Trade debts

All the trade debts at the statement of financial position date represent domestic parties.

The maximum exposure to credit risk before any credit enhancements and provisions for trade debts at the reporting date by division is:

	2023	2022
	(Rupees in thousand)	
Sugar	103,455	21,804
Ethanol	149,348	434,325
Chemical and alloys	9,636	9,783
Storage tank terminal	-	-
Bagasse	6,377	6,377
	<u>268,816</u>	<u>472,289</u>
The aging of trade receivable at the reporting date is:		
Past due 1-30 days	252,804	456,277
Past due 30-150 days	-	-
Past due 150 days	16,012	16,012
	<u>268,816</u>	<u>472,289</u>

The Company has made full provision for receivables past due over 150 days since it is likely that the same is not to be received and for rest of the receivables, the Company considers the amount to be fully recoverable and therefore, no further provision has been made.

Quality of financial assets

The Company keeps its fund with banks having good credit ratings. Currently the funds are kept with banks having rating from A1+ to A3.

	2023	2022
	(Rupees in thousand)	
Bank balances		
With external credit rating		
A1+	64,817	59,875
A1	1,861	2,365
A2	-	51
A3	136	136
	<u>66,814</u>	<u>62,427</u>

44.2 Liquidity risk

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities 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 at the risk of Company's reputation. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to fulfill its obligation, monitoring statement of financial position liquidity ratios against internal and external requirements and maintaining debt financing plans.

The following are the contractual maturities of the financial liabilities:

	2023					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years and over
----- (Rupees in thousand) -----						
Financial Liabilities						
Lease liabilities including current portion	15,350	15,350	3,838	3,837	7,675	
Market Committee fee payable including current portion	19,722	19,722	-	-	1,438	18,284
Trade and other payables	1,277,132	1,277,132	316,515	960,617	-	-
Accrued markup	49,508	49,508	49,508	-	-	-
Short term borrowings	2,747,938	2,747,938	2,747,938	-	-	-
Unclaimed dividend	62,516	62,516	-	62,516	-	-
	4,172,166	4,172,166	3,117,799	1,026,970	9,113	18,284
	2022					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to three years	Three to five years and over
----- (Rupees in thousand) -----						
Financial Liabilities						
Long term financing including current portion	23,735	23,735	23,735	-	-	-
Lease liabilities including current portion	7,751	7,751	3,876	3,875	-	-
Market Committee fee payable including current portion	21,754	21,754	876	839	1,570	18,469
Trade and other payables	1,176,760	1,176,760	241,865	934,895	-	-
Accrued markup	23,795	23,795	23,795	-	-	-
Short term borrowings	2,951,236	2,951,236	2,951,236	-	-	-
Unclaimed dividend	48,220	48,220	-	48,220	-	-
	4,253,251	4,253,251	3,245,383	987,829	1,570	18,469

The Company manages liquidity risk by maintaining sufficient cash and ensuring the fund availability through adequate credit facilities. At September 30, 2023, the Company has Rs. 2.869 (2022: Rs. 1.862) Billion available and unutilized short term borrowings limit from financial institutions and also has Rs. 66.814 (2022: Rs. 62.427) Million being balances at banks. Based on the above, management believes the liquidity risk is insignificant.

44.3 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, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company is exposed to foreign exchange risk, interest rate risk and other price risk are as follows:-

44.3.1 Foreign Exchange Risk

Foreign exchange risk represents the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises mainly from future economic transaction or receivables or payables that exist due to transactions in foreign currency. The Company is exposed to foreign exchange currency risk on ethanol denominated in US Dollars. Approximately 7.89% from sugar segment and 99.78% from ethanol segment is denominated in currencies other than Pak Rupees which forms 69.42% of the total gross revenue of the Company. The Company's exposure to foreign currency risk for US Dollars is as follows:-

	2023 (Rupees in thousand)	2022
Foreign debtors	149,348	434,325
Advance from foreign customers	(223,192)	(41,624)
Export finance scheme (EFS)	(97,833)	(576,578)
Net exposure	(171,677)	(183,877)

The following significant exchange rate has been applied:

	Average rate		Reporting date rate	
	2023	2022	2023	2022
USD to PKR	270.00	195.16	286.90	229.60

Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the USD with all other variables held constant, pre-tax profit for the year have been higher / (lower) by the amount shown below:

	2023	2022
	(Rupees in thousand)	
Effect on profit or loss		
US Dollars	17,168	18,388

The weakening of the PKR against USD would have had an equal but opposite impact on the pre tax profit.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

44.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rate . The interest rate exposure of the Company arises from long term financing, short term borrowings, loans to growers, short term investments and bank balances.

At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments were as follows:

	2023	2022
	Carrying amount	
	--- (Rupees in thousand) ---	
Fixed rate instruments		
Financial assets	2,659,029	1,659,564
Variable rate instruments		
Financial assets	30,409	29,693
Financial liabilities	2,747,938	2,951,236

Cash flow sensitivity analysis for variable rate instruments.

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2022.

	Statement of profit or loss 100 bp	
	increase	decrease
	--- (Rupees in thousand) ---	
Financial assets		
As at September 30, 2023		
Cash flow sensitivity	304	(304)
As at September 30, 2022		
Cash flow sensitivity	297	(297)

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

Financial liabilities

As at September 30, 2023		
Cash flow sensitivity	(27,479)	27,479
As at September 30, 2022		
Cash flow sensitivity	(29,512)	29,512

44.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is exposed to price risk with respect to equity investment. Investments are monitored through continuous trend prevailing in the market for which an investment committee has been setup to take appropriate decision.

A 10% increase / decrease in share prices at year end would have increased / decreased the unrealized gain on remeasurement of fair value investments through OCI as follows:

	Share prices 10%	
	increase	(decrease)
	--- (Rupees in thousand) ---	
As at September 30, 2023		
Fair value through OCI	12,364	(12,364)
Fair value through Profit and loss	2,459,221	(2,459,221)
	2,471,585	(12,364)
As at September 30, 2022		
Fair value through OCI	13,830	(13,830)
	13,830	(13,830)

The sensitivity analysis prepared is not necessarily indicative of the effects on profit / equity and assets of the Company.

44.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial assets which are tradable in an open market are remeasured at the market prices prevailing on the statement of financial position date. The carrying values of all other financial assets and liabilities reported in the financial statements approximate their fair value.

44.4.1 In accordance with the requirements of IFRS 13 Fair value measurement, the Company classifies its long term investments in terms of following fair value hierarchy:

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

Details of the Company's long term investments in terms of fair value hierarchy, explained above, at September 30, 2023 is as follows:

	Level 1	Level 2
	(Rupees in thousand)	
As at September 30, 2023		
Fair value through profit or loss		
-T-Bills	-	185,241
- Mutual Fund Units	2,459,221	-
Fair value through other comprehensive income		
- Long term investments	123,638	-
As at September 30, 2022		
Fair value through other comprehensive income		
- Long term investments	138,299	-

44.5 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares and take other measures commensuration to the circumstances. The Company finances its expansions projects through equity, borrowings and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk and maximize profitability.

The Company monitors capital using a gearing ratio, which is net debt divided by total shareholders equity plus net debt. Net debt is calculated as total loans and borrowings including any finance cost thereon, less cash and bank balances. The Company's strategy is to maintain leveraged gearing. The gearing ratios as at the statement of financial position are as follows:

		2023	2022
Long term financing including current maturity		-	23,735
Accrued markup		49,508	23,795
Short term borrowings		2,747,938	2,951,236
Total debt		2,797,446	2,998,766
Less:			
Cash and bank balances		(67,929)	(63,552)
Short term investment		(2,645,062)	(1,649,310)
		(2,712,991)	(1,712,862)
Net debt	A	84,455	1,285,904
Shareholders' equity	B	6,922,824	4,605,653
Equity and net debt	C = A + B	7,007,279	5,891,557
Gearing ratio	(D = A / C)	1.21%	21.83%

45 PLANT CAPACITY AND ACTUAL PRODUCTION

Sugar Unit

Sugarcane crushing capacity per day in M.T	8,500	8,500
Total days of actual crushing	68.553	99.560
Sugar cane crushed during the year in M .T	400,820	501,010
Sugarcane yield	10.52%	10.77%
Capacity in M.T based on number of days operate	61,304	91,119
Actual production in M. T	42,175	53,945

Ethanol Unit

Unit - I

Capacity in liters per day	85,000	85,000
Actual no. of days operated	341	298
Capacity in liters based on number of days operated	28,985,000	25,330,000
Actual production in liters	28,601,567	24,550,806

Unit - II

Capacity in liters per day	85,000	85,000
Actual no. of days operated	337	287
Capacity in liters based on number of days operated	28,645,000	24,395,000
Actual production in Liters	28,520,980	24,141,032

	2023	2022
Chemical alloys and others		
Capacity in M.T based on 320 days	27,220	27,220
Actual production in M.T	-	170.94
Power		
Capacity in Kilo Watts Hour (KWH) per day	312,000	312,000
Actual no. of days operated	-	-
Capacity in KWH based on number of days operated	-	-
Actual production in KWH	-	-
Tank terminal		
Capacity per month based on ethanol in M.T	22,850	22,850
Actual capacity utilized per month based on ethanol in M.T	2,000	6,000

45.1 Reasons for shortfall in capacity utilization

a) Sugar

Lesser availability of sugarcane.

b) Ethanol

Lesser availability of molasses and its quality.

c) Chemical, alloys and power

Production facilities was suspended due to increase in fuel prices.

d) Tank terminal

A significant part of the tank terminal needs repair and maintenance, leading to a decrease in the availability of tanks for rental purposes.

46 SEGMENT REPORTING

		2023				2022
		Sugar	Ethanol	Other operating segment	Total	
Note		----- (Rupees in thousand) -----				
Segment assets and liabilities						
		3,045,435	8,602,753	522,747	12,170,935	9,010,910
					274,671	360,102
					<u>12,445,606</u>	<u>9,371,012</u>
		2,488,104	2,682,747	49,490	5,220,341	4,492,639
					302,441	272,720
					<u>5,522,782</u>	<u>4,765,359</u>
		-	-	-	23,067	13,483
	5.2	-	-	42,270	42,270	60,741
					<u>65,337</u>	<u>74,224</u>
Segment statement of profit or loss						
	32	3,805,260	10,283,856	480,119	14,569,235	10,362,184
	33	(3,062,524)	(6,047,743)	(484,085)	(9,594,352)	(8,023,252)
		742,736	4,236,113	(3,966)	4,974,883	2,338,932
	34	(22,375)	(379,180)	-	(401,555)	(142,488)
	35	(103,509)	(66,311)	-	(169,820)	(157,640)
		616,852	3,790,622	(3,966)	4,403,508	2,038,804
	36	(31,505)	(195,126)	(5,458)	(232,089)	(78,174)
	37	(209,370)	(167,807)	(650)	(377,827)	(169,293)
	38	13,788	195,566	1,334	210,688	258,907
		389,765	3,623,255	(8,740)	4,004,280	2,050,244
	39	(131,951)	(170,055)	(17,657)	(319,663)	(136,555)
		257,814	3,453,200	(26,397)	3,684,616	1,913,689
		40,759	31,048	25,368	97,175	102,703

46.1 Revenue reported in note no. 32 and 34 is generated from external customers. The inter transfer of molasses and bagasse from sugar segment to ethanol segment is accounted for as a reduction of cost of production of sugar segment in note 33.

46.2 The accounting policies of the reportable segments are the same as the Company's accounting policies described in note number 4 to these financial statements.

46.3 Revenue from major products

The break up of Company's revenue from external customers for major products is given in note number 32 to these financial statements.

46.4 Information about major customers

Revenue from major customers (5% or above of segment's gross sales) of sugar segment represents Rs. 2,622 (2022: Rs. 2,794) Million of total sugar segment gross revenue amounting to Rs. 4,439 (2022: Rs. 3,555) Million, ethanol segment of Rs. 9,343 (2022: Rs. 6,677) Million of total ethanol segment revenue amounting to Rs. 10,287 (2022: Rs. 7,318) Million and other operating segment represents Rs. 502.272 (2022: Rs. 43.049) Million of total other operating segment revenue amounting to Rs. 564.515 (2022: Rs. 61.277) Million.

47 RELATED PARTY TRANSACTIONS

The related parties comprise of associated undertakings, Directors of the Company, Key Management Personnel and post employment benefit plan. The Company in the normal course of business carries out transactions with various related parties. Amounts due to / from related parties (if any) are shown in under respective notes to the financial statement. Remuneration of Directors, Chief Executive Officer and Executives being the Key Management Personnel are disclosed in note no. 42 to these financial statements. Transactions with related parties are as follows:

	2023	2022
	(Rupees in thousand)	
Post Employment Benefit Plan		
- Al-Abbas Sugar Mills Limited - Employee Gratuity Fund		
Loan installments recovered from employees on behalf of Employees Gratuity Fund	6,522	6,595
Paid to Employees Gratuity Fund on account of installment recovered from employees	10,000	-
Gratuity paid on behalf of gratuity fund	1,585	1,371
Contribution paid to Employees Gratuity Fund	10,000	-
Balance receivable / (payable to) from employee gratuity fund at the end of the year	36,983	(19,988)

	2023	2022
	(Rupees in thousand)	
Key Managerial Personnel		
Installment recovered from Company Secretary	1,200	1,300
Balance receivable from Company Secretary at amortized value at the end of the year	1,136	2,177
Investment in Mutual Funds - Related Party		
Investment made in NIT funds	723,100	-
Investment redeemed in NIT funds	(380,000)	-
Balance in NIT funds at the end of the year	353,280	-
Investment made in JS Investments Limited Funds	1,042,200	-
Investment redeemed in JS Investments Limited Funds	(70,000)	-
Balance in JS Investments Limited funds at the end of the year	997,103	-
Associated Undertaking		
- MBJ Health Association		
Donation given	1,000	500

47.1 During the year, the Company has paid dividend to its Directors and other related parties amounting to Rs. 854.624 (2022: Rs. 353.686) Million.

47.2 Following are the name of other related parties with whom the Company had entered into transactions during the year:

S.No.	Name of Related Party	Relationship
1	Asim Ghani	Chief Executive Officer
2	Asma Aves Cochinwala	Director
3	Aves Cochinwala	Spouse of director
4	Darakshan Zohaib	Director
5	Haji Abdul Ghani	Associated Undertaking
6	Haroon Askari	Director
7	Hira Asim	Spouse of chief executive officer
8	Muhammad Salman Hussain Chawla	Director
9	Muhammad Siddiq Khokhar	Director
10	Shahid Hussian Jatoi	Director
11	Suleman Lalani	Director
12	Zakaria Usman	Director

	2023	2022
	(Rupees in thousand)	
48 DISCLOSURE RELATING TO SHARIAH COMPLIANCE AND COMPANY'S LISTING ON ISLAMIC INDEX:		
i Financing arrangements as per Islamic mode	170,000	475,492
ii Shariah Compliant bank balances as at year end	12,958	18,265
iii Profit earned from Shariah Compliant bank balances during the year	1,456	1,194
iv Markup paid on Islamic mode of financing during the year	48,174	28,506
v Interest paid on conventional financing during the year	315,658	128,343
vi Dividend received from Shariah Compliant Company	2,582	319

49 NON-ADJUSTING EVENTS

The board of directors of the Company in its meeting held on December 27, 2023 have proposed a final cash dividend of Rs. 6 (2022: Rs. 30) per share amounting to Rs. 104.174 (2022: Rs. 520.869) Million for approval of the members in the annual general meeting to be held on January 25, 2024. The financial statements for the year ended September 30, 2023 do not include the effect of the proposed cash dividend which will be accounted for in the financial statements for the year ended September 30, 2024.

50 NUMBER OF EMPLOYEES

Total number of employees at year end and average number of employees during the year were 890 (2022: 866) and 944 (2022: 1,016) respectively.

51 GENERAL

- Figures have been rounded off to the nearest thousand of Rupees, unless otherwise stated.
- Administrative expenses are allocated between the sugar and ethanol segment on the ratio being consistently applied since prior years.

52 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on December 27, 2023 by the Board of Directors of the Company.



Asim Ghani
Chief Executive Officer



Darakshan Zohaib
Director

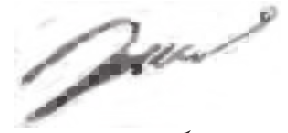


Samir Hajani
Chief Financial Officer

آپ کی کمپنی کے چیئرمین کے طور پر میرا عزم بورڈ کی قیادت کرنے اور ایک ایسے پیشہ ورانہ ماحول کو پروان چڑھانے کے لیے ہے جو کھلے اور تعمیری بحث و مباحثہ کی حوصلہ افزائی کرتا ہے جہاں تمام افراد کے نقطہ نظر کی قدر کی جاتی ہے نیز یہ امر یقینی بنانا بہت ضروری ہے کہ بورڈ کو اپنی سینئر قیادت کی متنوع پیشہ ورانہ بصیرتیں حاصل ہوں۔ میں اس امر کا سختی سے حامی ہوں کی متعلقہ نظم و ضبط کو برقرار رکھا جائے جب ہماری انتظامی ٹیم با اصول فیصلے کرے جس کا مقصد مختصر، درمیانی اور طویل مدتی طور پر ہمارے اسٹیک ہولڈرز کے لیے قدر پیدا کرنا ہو۔

کمپنی نے ایک محفوظ، صحت مند اور آرام دہ کام کی جگہ کے ماحول کو ترجیح دیتے ہوئے اپنے ملازمین کے لیے کام کے حالات کو بہتر بنانے کے لیے زیادہ وسائل مختص کرنا جاری رکھا ہوا ہے۔

بورڈ کی جانب سے میں اپنے تمام مخلص ملازمین کا شکریہ ادا کرتا ہوں جن کے تعاون نے کمپنی کی کامیابی کو آگے بڑھایا ہے۔ میں اپنے حصص یافتگان، صارفین، سپلائرز، بینکرز، کاروباری شراکت داروں اور دیگر تمام اسٹیک ہولڈرز کا ان کے غیر متزلزل اعتماد اور تعاون کے لیے تہ دل سے شکر گزار ہوں۔ نیز جیسا کہ ہمیں مستقبل قریب میں درپیش آنے والے چیلینجز کا اندازہ ہے تاہم بورڈ انتہائی اعتماد کے ساتھ ان چیلینجز سے نمٹنے کے لیے پوری طرح سے تیار ہے۔



زکریا عثمان
چیئرمین

کراچی

27 دسمبر 2023

چیمبر میں رپورٹ

مجھے 30 ستمبر 2023 کو ختم ہونے والے سال کے لیے ہماری کارکردگی کا جائزہ پیش کرتے ہوئے خوشی ہو رہی ہے جس میں کمپنی کی کامیابیوں اور تمام اسٹیک ہولڈرز کو فائدہ پہنچانے کے لیے ہماری پرجوش مینجمنٹ کی اہم رہنمائی پر روشنی ڈالی گئی ہے۔

اس پورے مالی سال کے دوران پاکستان کی معیشت کو کئی پیچیدہ اور متنوع چیلنجز کا سامنا رہا مثلاً یوکرین روس کے تنازعے سے پیدا ہونے والے اجناس کی قلت، گذشتہ سال کے سیلاب کے اثرات، غیر مستحکم سیاسی منظر نامہ اور مہنگائی میں شدید اضافہ جیسے مسائل کا سامنا رہا۔ اس عرصے میں روپے کی قدر میں بھی نمایاں کمی دیکھنے میں آئی نیز زر مبادلہ کے ذخائر میں 40 فیصد کی بڑی کمی واقع ہوئی چنانچہ اسٹیٹ بینک نے شرح سود میں 8.25 فیصد کا اضافہ کیا جبکہ حکومت نے درآمدات پر بھی سخت شرائط، توانائی کی لاگت اور کارپوریٹ ٹیکس میں اضافہ کیا۔

ان سخت مشکل حالات کے باوجود العباس شوگر ملز لمیٹڈ نے اپنی تاریخ میں اب تک کا سب سے زیادہ منافع حاصل کیا جو ہمارے انتہائی متحرک چیف ایگزیکٹو آفیسر کی غیر معمولی قیادت کا منہ بولتا ثبوت ہے۔ ان کی پیشہ ورانہ بصیرت نے اس منافع کے حصول میں انتہائی اہم کردار ادا کیا نیز اس فیصلہ سازی میں انھوں نے زبردست اقتصادی چیلنجز کے مقابلے میں لچکدار حکمت عملی کا مظاہرہ کیا۔ مزید برآں چیف ایگزیکٹو کی قیادت میں کارپوریٹ گورننس کے بہترین طریقوں کا نفاذ کیا گیا جس سے کمپنی میں اعلیٰ پیشہ ورانہ کاروباری طرز عمل کو فروغ ہوا۔

ہمیں اس امر پر پختہ یقین ہے کہ آپ کی کمپنی کے چیف ایگزیکٹو آفیسر کی رہنمائی میں کمپنی مستقبل قریب میں سب سے زیادہ منافع کے حصول میں اپنے سارے سابقہ ریکارڈ توڑ ڈالے گی۔ ان کا متعین کردہ راستہ آپ کی کمپنی کو پاکستان میں ایک نمایاں طور پر ریفاہ سٹڈ شوگر اور انتھول بنانے والے کمپنی کے طور پر بہترین پوزیشن میں لانے کی طرف ہے۔

اللہ کے فضل و کرم سے شوگر سیکٹر میں مینجمنٹ ایسوسی ایشن کی جانب سے کمپنی کو لگا تار چوتھا کارپوریٹ ایکسیلینس ایوارڈ کارپوریٹ عمل اور گورننس کے عروج کو برقرار رکھنے کے لیے اس کے غیر متزلزل عزم کو واضح کرتا ہے۔ یہ اعزاز شوگر سیکٹر میں بہترین کارکردگی کے لیے کمپنی کی مسلسل لگن کی تصدیق کرتا ہے۔ العباس شوگر ملز لمیٹڈ کمپنیز ایکٹ 2017 اور سٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 میں بیان کردہ تمام تقاضوں کی تعمیل کرتی ہے اور اس کے تحت اپنے بورڈ آف ڈائریکٹرز اور ذیلی کمیٹیوں کے ڈھانچے، طریقہ کار اور ذیلی کمیٹیوں کے اجلاسوں کو کنٹرول کرتی ہے جیسا کہ کارپوریٹ گورننس کے قواعد و ضوابط کے ذریعے لازمی قرار دیا گیا ہے۔ العباس شوگر ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز کا سالانہ جائزہ لیا جاتا ہے۔ اس جائزے کا مقصد بورڈ اور اس کی ذیلی کمیٹیوں یعنی دونوں کی مجموعی کارکردگی اور افادیت کا جائزہ لینا ہے۔ نیز جن شعبوں میں بہتری کی نشاندہی ہوتی ہے ان پر مناسب غور کیا جاتا ہے۔ بورڈ نے ختم ہونے والے سال 30 ستمبر 2023 کے حوالے سے یہ جائزہ لیا اور بورڈ اور اس کی ذیلی کمیٹیوں کی مجموعی کارکردگی کو تسلی بخش قرار دیا۔

کمپنی کا اپنا مضبوط اور خود مختار انٹرنل آڈٹ ڈیپارٹمنٹ ہے جو مالیاتی خطرے سے بچاؤ کے لیے آڈٹ کے بہترین طریقہ کار پر عمل پیرا ہے۔ انٹرنل آڈٹ کی سہ ماہی رپورٹس بورڈ کی آڈٹ کمیٹی کو باقاعدگی سے پیش کی جاتی ہیں جس میں وہ کمپنی کے مختلف شعبوں میں مزید بہتری کے لیے درکار ضروری اقدامات کا مختلف پہلوؤں پر تبادلہ خیال کیا جاتا ہے۔ ساتھ ہی یہ عمل کمپنی کے آپریشنل کاموں کی جامع نگرانی اور مسلسل اضافہ کو یقینی بناتا ہے۔

کمپنی کی مالیاتی ساکھ:

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے ہماری کمپنی کو طویل المدت میں مستحکم کمپنی کے طور پر "A+" اور قلیل المدت میں "A1" اور آڈٹ لک ریٹنگ میں "مستحکم" جیسے شاندار اعشاریے دیے ہیں۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی تعمیل:

کمپنی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی مکمل تعمیل کی ہے اور اس سلسلے میں کمپنی کا بیانیہ اس رپورٹ کے ہمراہ صفحہ نمبر --- سے صفحہ نمبر --- میں درج ہے۔

اظہار تشکر:

بورڈ اپنے اراکین، انتظامیہ اور تمام ملازمین کی لگن اور عزم کے لیے خراج تحسین پیش کرتا ہے۔ مزید برآں بورڈ تمام اسٹیک ہولڈرز بشمول مالیاتی اداروں، کاروباری ساتھیوں، صارفین، بینکرز اور دیگر تمام افراد کی مدد، رہنمائی اور تعاون کے لیے ان کا شکر گزار ہے جو انہوں نے کمپنی کو مستحکم بنانے کے لیے کیا۔

منجانب: بورڈ آف ڈائریکٹرز



درخشاں زوہیب
ڈائریکٹر



عاصم غنی
چیف ایگزیکٹو آفیسر

کراچی: 27 دسمبر 2023

مستقبل کے امکانات:

چینی ڈویژن کے مستقبل کے امکانات کئی عوامل منحصر ہیں جس میں مارکیٹ میں طلب، حکومتی پالیسیاں، فصل کی پیداوار کو متاثر کرنے والے موسمی حالات اور چینی کی عالمی مارکیٹ میں قیمتوں میں اتار چڑھاؤ مزید برآں صارف کی ترجیحات، تکنیکی ترقی چینی کی صنعت کو متاثر کر سکتی ہے۔

حکومت سندھ نے 16 اگست 2023 کو ایک نوٹیفیکیشن جاری کیا جس میں سال 2023-24 میں گنے کی کم از کم امدادی قیمت 425 روپے فی کلوگرام مقرر کی گئی ہے یعنی گذشتہ سال کی مقررہ قیمت 302 روپے فی 40 کلوگرام کے مقابلے میں اس امدادی قیمت میں 40.73 فیصد کا ایک قابل ذکر اضافہ ہے۔ مزید برآں سندھ کی شوگر ملز اس بات کی پابند ہیں کہ وہ کوالٹی پریمیم سکروس کی مقررہ شرح 8.7 فیصد سے زائد ہونے کی صورت میں پیدا ہونے والے سکروس کا 0.1 فیصد 0.50 روپے کے حساب سے ادا کریں گی۔

گنے کی فصل کے ابتدائی سروے سے اندازہ ہوتا ہے کہ اس فصل کی پیداوار اور بوائی دونوں لحاظ سے مستحکم رہے گی تاہم آنے والے سال کے دوران طلب و رسد کے درمیان بہتری کی پیشگوئی ہے جس کی بدولت اس پیداوار کو چینی کی ضروریات پوری کرنے کا باعث ہونا چاہیے جس کی وجہ سے لازمی طور پر چینی کا اضافی ذخیرہ حاصل ہوگا۔ اور اسٹیک ہولڈرز کو کبھی یکساں مواقع میسر ہوں گے کمپنی علاقے کے گنے کے معیار کو بڑھانے کے لیے ہم اقدامات میں مصروف عمل ہے۔ ان کوششوں کا مقصد سکروس کی بہتر سے بہتر شرح حاصل کرنا اور مجموعی پیداواری صلاحیت کو بہتر بنانا ہے۔

18-2017 کی برآمدی فروخت کی سبسڈی کی بقایا واجب الادا رقم کی وصولی میں تاخیر کا حل طلب مسئلہ شوگر ملز کے سرمائے اور نقد رقم کی دستیابی کو بے حد متاثر کر رہے ہیں جس سے ان کو مالی طور پر شدید دباؤ کا سامنا ہے۔ سندھ کی شوگر انڈسٹری اس مالی دباؤ کو ختم کرنے کے لیے حکومت سندھ سے اس ایکسپورٹ سبسڈی کی رقم کی ادائیگی کا مطالبہ کر رہی ہے۔

حال ہی میں پاکستان شوگر ملز ایسوسی ایشن (PSMA) نے اس کرٹنگ سیزن کے آغاز اور گذشتہ سیزن میں چینی کی اضافی پیداوار کا حوالہ دیتے ہوئے حکومت پاکستان سے 500,000 میٹرک ٹن چینی کے برآمد فروخت کیا جازت کی درخواست کی ہے۔ یہ درخواست شوگر ایڈوائزر کی بورڈ کے سامنے پیش کی گئی جہاں PSMA نے شوگر انڈسٹری کو درپیش چیلنجز بتا دیا خیال کیا اور اس امر کی نشاندہی کی کہ چینی کی بین الاقوامی قیمتیں USD750 لگ بھگ ہیں جس سے پاکستان چینی برآمد کر کے مکمل طور پر 400 ملین ڈالر کا زرمبادلہ حاصل کر کے اپنے زرمبادلہ کے ذخائر کو نمایاں طور پر بڑھا سکتا ہے تاہم بورڈ نے صارفین کے وسیع تر مفاد کو ترجیح دیتے ہوئے اس برآمدی فروخت کی اجازت دینے پر آمادگی ظاہر نہیں کی۔ تاہم پھر بھی PSMA نے بورڈ کو اس امر پر زور دیا کہ وہ چینی کی برآمد سے متعلق بروقت فیصلہ کرے تاکہ اس سازگاموقع سے فائدہ اٹھایا جاسکے۔

انتھنول ڈویژن :

فوڈ گریڈ انتھنول ڈویژن کا مستقبل کئی عوامل کی وجہ سے تابناک ہے یعنی حفظان صحت و صفائی، قدرتی کھانے اور مشروبات صنعتوں کی مانگ اس ڈویژن کی ترقی میں اہم کردار ادا کرتی ہے۔ انتھنول کھانے پینے کی مختلف ترکیبوں میں ایک اہم جزو یعنی بطور ذائقہ، نیچوڑ اور حفاظتی شے کے طور پر استعمال ہوتا ہے۔ آپ کی کمپنی نے انتھنول کے شعبے نے کئی سالوں سے مسلسل قابل ذکر منافع کا مظاہرہ کیا ہے اور اس کے منافع حصہ کمپنی کے مجموعی منافع بخش شعبوں میں سب سے زیادہ ہے۔ عالمی سطح پر دنیا کے خطوں میں مثلاً یوکرائن، روس اور فلسطین۔ اسرائیل کے جاری تنازعات نے عالمی اقتصادی استحکام پر نقصان دہ اثرات مرتب کیے ہیں۔ ان اثرات سے متوقع طور پر مہنگائی کی شرح میں اضافے کے ساتھ ساتھ GDP کی نمو میں کمی ہوگی۔ گندم، مکئی اور سورج مکھی کے تیل جیسی اہم اجناس کی قیمتیں پہلے ہی بلند ہو چکی ہیں اور توانائی کی قیمتیں آسمان کو چھو رہی ہیں اور ان میں جو اضافہ ہوا ہے وہ برسوں میں نہیں دیکھا گیا تھا۔

مذکورہ بالا اقوام کے درمیان جاری تنازعات نے موجودہ اور مستقبل کے سپلائی چین کے طریقہ کار کو درہم برہم کر دیا ہے جس کے باعث ان بحرانوں سے خاص طور پر شیرے کی لاگت میں بڑے اضافے کا خدشہ ہے۔ اس کے برعکس اتھنول کی قیمت فروخت نسبتاً مستحکم رہنے کی توقع ہے تاہم ان تنازعات کی شدت اور عالمی معیشت پر ان کے اثرات ہمہ جہت ہوں گے اور ایک ایسی مشکل صورتحال کا سامنا کرنا پڑ سکتا ہے جو طویل المدت ہوگی۔

اس شعبے میں منافع کی شرح امریکی ڈالر کے مقابلے میں پاکستانی روپے کی غیر متوقع اتار چڑھاؤ پر منحصر ہوگی۔ کرنسی تبادلے کی شرحوں میں اتار چڑھاؤ میں غیر یقینی لاگت کے ڈھانچے کو بھی برار است متاثر کرتی ہے۔ خاص طور پر جب بین الاقوامی لین دین کے معاملات کیے جاتے ہیں۔ کرنسی کی اس نقل و حرکت پر نظر رکھنا اس شعبے کی منافع کی شرح کو قائم رکھنے اور پیشگوئی کرنے میں معاون ثابت ہوگا۔

یہ امر انتہائی متاثر کن ہے کہ آپ کی کمپنی کی انتظامیہ کی کاوشیں کمپنی کی بہتری کے لیے ہیں۔ اتھنول کی پیداوار شیرے کی دستیابی پر بہت زیادہ منحصر ہے۔ مسابقتی برتری حاصل کرنے کے لیے آپ کی کمپنی کی انتظامیہ نے کرشنگ سیزن شروع آنے والے سال کے لیے درکار زیادہ سے زیادہ مقدار میں شیرے کی خریداری کا عمل مکمل کیا ہے۔ یہ موثر نقطہ نظر ضروری وسائل کو محفوظ اور پیداواری عمل کا بلا تعلق جاری رہنا یقینی بناتا ہے اور آپ کی کمپنی کو مسابقتی حریفوں سے آگے رکھتا ہے۔

درحقیقت، چیلنجوں اور غیر یقینی صورت حال کے باوجود اس شعبے کا مستقبل کے امکانات کافی امید افزا ہیں۔ فعال خریداری کی حکمت عملی، اتھنول کے لیے فروخت کی مستحکم قیمتیں اور مزید بہتری کے لیے انتظامیہ کی کوششوں جیسے عوامل کی موجودگی میں اس شعبے کا مستقبل کافی روشن ہے۔ مزید برآں باوجود اس کے کہ جغرافیائی سیاسی خطرات اور کرنسی کے اتار چڑھاؤ جیسے کٹھن عوامل ہیں پھر بھی اس شعبے کے امکانات کافی روشن اور امید افزا ہیں۔

دیگر قابل ذکر شعبہ جات:

کراچی پورٹ ٹرسٹ نے ٹینکس کی خصوصی مرمت دیکھ بھال کے لیے اجازت دینا شروع کر دی ہے جو ہمارے اسٹوریج کے کاروبار کے بلا تعلق آپریشن کے لیے انتہائی اہم ہے۔ ہم آنے والے سال میں مرمت کا کام مکمل ہونے کے بارے میں پر امید ہیں۔ اس کام کی تکمیل پر کمپنی اس ڈویژن سے ایک شاندار کارکردگی اور اچھے منافع کی توقع رکھتی ہے۔

کیمیکل، الائیز اور پاور ڈویژن:

کیمیکل، الائیز اور پاور ڈویژن کی پیداوار موجودہ کاروباری حالات کی وجہ سے روک دی گئی ہے۔ ان حالات میں بہتری کے بعد آپریشن دوبارہ شروع کرنے فیصلے پر دوبارہ غور کیا جائے گا۔

مجموعی طور پر:

کمپنی کے آپریشنز پاکستان کے معاشی حالات اور اس کے برآمدی ممالک کے ساتھ گہرا تعلق ہے۔ اس وقت ملکی اقتصادی معاملات تیزی سے تبدیل ہو رہے ہیں جس کے باعث توانائی کے بڑھتے ہوئے اخراجات، رسدی زنجیر میں رکاوٹیں، مالیاتی اخراجات اور افراط زر میں اضافہ ہے۔ ان چیلنجیز کے باوجود انتظامیہ ملکی اقتصادی منظر نامے کی غیر یقینی صورتحال یعنی خام مال کے بڑھتے ہوئے اخراجات، شرح مبادلہ میں اتار چڑھاؤ، قرض لینے کے اخراجات میں اضافہ، شدید مسابقت اور لاجسٹک چیلنجیز کا مقابلہ کرنے کے لیے پوری طرح سے تیار ہے اور اس حوالے سے کمپنی نے اپنی پائیدار ترقی اور پیشرفت کو یقینی بنانے کے لیے حکمت عملیوں اپنایا اور ان کا جائزہ لیا۔

ہمارا یہ مثبت نقطہ نظر ہے کہ کمپنی کی شاندار کارکردگی برقرار رہے گی اور آنے والے سالوں میں آمدنی، منافع اور نقدی کے لحاظ سے آگے بڑھتی رہے گی۔

متعلقہ فریق کے معاملات:

یہ معاملات کاروبار میں مروجہ اصول یعنی فریق کے درمیان آزادانہ اور بنا کسی دباؤ کے معاملات کی بنیاد کمپنیز ایکٹ 2017 کی متعلقہ دفعات کے تحت انجام وقوع پزیر ہوئے ہیں۔ نیز کمپنی نے کسی بھی ڈائریکٹریا افسر کے ساتھ ایسی کوئی معاملت نہیں کی ہے جو کہ کمپنی کے مفاد کے خلاف ہو یا جس کے لیے حصص یافتگان کی منظوری کی ضرورت پڑے۔

ایسے تمام معاملات زیر جائزہ سال میں بورڈ اور آڈٹ کمیٹی کو غور و خوض اور منظوری کے لیے پیش کیے گئے جو بعد ازاں کمپنی پالیسیز کے مطابق ہونے کی بناء پر بورڈ نے منظور کر لیے تھے۔

بورڈ کی آڈٹ کمیٹی نے تمام متعلقہ فریقین کے لین دین کا باقاعدگی سے جائزہ لیا نیز مزید جائزے اور منظوری کے لیے بورڈ کو اپنی سفارشات پیش کیں۔ بورڈ نے اس لین دین کے معاملات کا جائزہ لینے کے بعد اس کی منظوری دے دی۔ یہ سبھی متعلقہ فریق معاملات کمپنی کی منظور شدہ پالیسی کے تحت ہیں جن کی تفصیلات کمپنی کے مالی بیانات کے اندر نوٹ نمبر 42 اور 47 میں ظاہر کی گئی ہیں۔

بورڈ آف ڈائریکٹرز کی ترتیب:

العباس شوگر ملز لمیٹڈ کا کے بورڈ آف ڈائریکٹرز کے اراکین کی تعداد نو (9) ہے جو سات (7) مرد حضرات اور دو (2) خواتین پر مشتمل ہے اور ان سب خواتین و حضرات کا انتہائی متنوع پس منظر، بنیادی قابلیت، علم اور کمپنی کے کاروبار سے پیشہ وارانہ مہارت پر مشتمل ہے نیز ہمارے بورڈ آف ڈائریکٹرز کی درج ذیل ساخت کمپنی کے تمام شیئرز ہولڈرز کی نمائندگی کرتی ہے

بورڈ کی ڈائریکٹرشپ:

الف:	خود مختار ڈائریکٹر	3 (تین)
ب:	نان ایگزیکٹو ڈائریکٹر	3 (تین)
ج:	ایگزیکٹو ڈائریکٹر	1 (ایک)
د:	خواتین ڈائریکٹر	2 (دو)

* کمپنی کے چیف ایگزیکٹو آفیسر جناب عاصم غنی کمپنیز ایکٹ 2017 کے سیکشن (3) 188 میں بیان کردہ قواعد و ضوابط کی رو سے کمپنی کے ڈائریکٹر بھی ہیں۔

چیف ایگزیکٹو ڈائریکٹر کے مشاہرہ کی پالیسی:

کمپنی چیف ایگزیکٹو کے مشاہرے کی ضمن میں منظور شدہ پالیسی رکھتی ہے اور بورڈ کمپنی کی کارکردگی کے اعتبار سے اس کا وقتاً فوقتاً جائزہ لیتا ہے۔ چیف ایگزیکٹو کی تنخواہ اور دیگر مراعات کی تفصیلات کمپنی کے مالیاتی گوشواروں کے نوٹ نمبر 42 میں ظاہر کی گئی ہیں۔

نان ایگزیکٹو ڈائریکٹرز کے مشاہرہ کی پالیسی:

نان ایگزیکٹو ڈائریکٹرز، بشمول آزاد ڈائریکٹرز کے، بورڈ کے اجلاسوں میں شرکت کی فیس اور ان کے مشاہرہ کا تعین بورڈ کی طے شدہ پالیسی کے مطابق ہے۔ جس میں کہ آزاد ڈائریکٹرز بھی میٹنگ فیس کے حقدار ہیں جن کی شرح بورڈ سے منظور شدہ ہے۔

بورڈ آف ڈائریکٹرز کے اجلاس:

سال 30 ستمبر 2023 کے دوران بورڈ آف ڈائریکٹرز کے پانچ (5) اجلاس منعقد ہوئے جن میں ڈائریکٹرز کی شرکت کی تفصیلات درج ذیل ہیں۔

اجلاسوں میں شرکت کی تعداد	حیثیت	ڈائریکٹر کے اسماء گرامی
5/5	چیئر مین	جناب زکریا عثمان صاحب
5/5	چیف ایگزیکٹو آفیسر	جناب عاصم غنی صاحب
5/5	خاتون ڈائریکٹر	محترمہ اسماء کوچن والا
5/5	خاتون ڈائریکٹر	محترمہ درخشاں ذوہیب
5/5	آزاد ڈائریکٹر	جناب ہارون عسکری
5/5	آزاد ڈائریکٹر	جناب محمد سلمان حسین چاؤلہ
5/5	آزاد ڈائریکٹر	جناب محمد صدیق کھوکھر
5/5	نان ایگزیکٹو ڈائریکٹر	جناب شاہد حسین جتوئی
4/5	نان ایگزیکٹو ڈائریکٹر	جناب سلیمان لالانی

آڈٹ کمیٹی:

آڈٹ کمیٹی بورڈ کو اپنی نگرانی کی ذمہ داری سے عہدہ براہونے میں مدد دیتی ہے یعنی بنیادی طور پر شیڈولڈرز کے معاملات اور مالی و غیر مالیاتی معلومات کا جائزہ لینے میں یہ آڈٹ کمیٹی بورڈ کی مدد کرتی ہے۔ آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے۔ ان اجلاسوں میں ڈائریکٹرز کی شرکت کی تفصیل اس طرح سے ہے۔

اجلاسوں میں شرکت کی تعداد	چیئر مین۔ آزاد	اراکین کے نام
4/4	چیئر مین۔ آزاد	جناب ہارون عسکری
4/4	رکن	محترمہ اسماء کوچن والا
4/4	رکن	محترمہ درخشاں ذوہیب
3/4	رکن	جناب محمد سلمان حسین چاؤلہ
2/4	رکن	جناب زکریا عثمان

آڈٹ کمیٹی نے بورڈ آف ڈائریکٹرز کو اپنی رپورٹ پیش کرنے سے پہلے سہ ماہی، ششماہی اور سالانہ آڈٹ شدہ حسابات اور متعلقہ فریق رجسٹر کا جائزہ لیا مزید برآں آڈٹ کمیٹی نے لسٹڈ کمپنیز کے لیے کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 کے تقاضوں کے مطابق کمپنی کے انٹرنل اور ایکسٹرنل آڈٹ رپورٹس میں ظاہر کردہ معاملات پر متعلقہ آڈٹرز کے ہمراہ الگ الگ اجلاسوں میں غور و خوض کیا۔

2022	2023	مالیاتی کارکردگی
----- (روپے ہزار میں) -----		
3,008,363	3,805,260	فروخت
(2,795,589)	(3,062,524)	لاگت فروخت
212,774	742,736	خام منافع
(10,082)	(22,375)	تقسیمی لاگت
(96,669)	(103,509)	انتظامی اخراجات
106,023	616,852	پیداواری منافع
6,429	(31,505)	دیگر پیداواری اخراجات
(74,889)	(209,370)	مالیاتی لاگت
41,993	13,788	دیگر آمدن
79,556	389,765	منافع قبل از ٹیکس
(41,993)	(131,951)	ٹیکس
37,563	257,814	منافع بعد از ٹیکس

زیر جائزہ سال کے دوران آپ کے شوگر ڈویژن سے کمپنی کو منافع کی مد میں 26.49 فیصد کا اضافہ ہوا جس کی بنیادی وجہ قیمت فروخت میں خاطر خواہ اضافہ تھی۔ نیز مالیاتی لاگت میں تقریباً 179.58 فیصد اضافہ ہوا جس کی بنیادی وجہ KIBOR کی شرح میں اضافہ ہے۔ مزید برآں حکومت نے زیر جائزہ سال کے دوران چینی کی برآمد کی پیداوار میں اضافہ اور چینی کے اضافہ ذخیرے کی وجہ سے دی۔ چینی کی فروخت کے لیے قیمتوں کا تعین کرنے کے طریقہ کار طلب و رسد کے بنیادی اصولوں پر کام کرتا ہے۔

ملکی سطح پر پورے سال چینی کی قیمتوں میں اضافہ کی وجہ گنے کی کم از کم نوٹیفائنڈ قیمت میں 20.8 فیصد کرنے کے حکومتی فیصلے کو قرار دیا جاسکتا ہے۔ اس اضافے نے چینی کی پیداواری لاگت کو براہ راست متاثر کیا جس سے مقامی مارکیٹ میں چینی کی قیمت فروخت میں اضافہ ہوا۔

انتھنول ڈویژن:

2022	2023	پیداواری کارکردگی
38,549	45,250	پیداوار - میٹرک ٹن یونٹ اور
41,607	40,691	فروخت - میٹرک ٹن

ان مالیاتی بیانیوں میں اس مجوزہ نقد منافع منقسمہ کے اثرات شامل نہیں ہیں۔ بورڈ کی طرف سے منظور کردہ تخصیص درج ذیل ہے۔

-----روپے ہزار میں-----

3,681,617	منافع بعد از ٹیکس
3,102,720	غیر مختص شدہ منافع۔ سال کے شروع میں
(520,869)	حتمی نقد منافع منقسمہ سال۔ 2022۔ 30 روپے فی حصص
(868,116)	عبوری منافع سال 2023۔ 50 روپے فی حصص
36,204	ملازمین کے مالی فوائد کے منصوبوں کی ذمہ داری کے از سر نو تعین پر منافع
5,434,556	خالص دستیاب غیر مختص شدہ منافع

شعبہ جاتی نتائج:

شوگر، اتھنول، اسٹورج ٹینک ٹرمنٹل، پاور، کیمیکل اور الائیڈز ڈویژنز کے آپریشنز سے متعلق درج ذیل ہیں۔

شوگر ڈویژن:

سین 2022-23 میں سیلابی پانی کی وجہ سے گنے کی فصل بہتر نہیں ہو سکی۔ اگرچہ حکومت سندھ نے 2022 - 23 کے لیے گنے کی کم از کم امدادی قیمت 302 روپے فی 40 کلوگرام مقرر کرنے کا نوٹیفکیشن جاری کر دیا تھا یعنی حالیہ برسوں میں گنے کی ان بڑھی ہوئی قیمتوں نے کاشتکاروں کو یہ اچھا منافع حاصل کرنے کی ترغیب دی جس کی بدولت گنے کی فصل کی ترقی ممکن ہو سکی تاہم گنے کی ان بڑھی ہوئی قیمتوں نے شوگر ملز کے لیے نقد سرمائے کی دستیابی کے مسائل کو جنم دیا ہے۔

2021-22	2022 - 23	پیداواری کارکردگی
19 نومبر 2021	29 نومبر 2022	موسم کے آغاز کی تاریخ
116	77	پیداواری دورانیہ۔ دن
99,560	68,553	کرشنگ کے حقیقی پیداواری دن
501,010	400,820	کرشنگ۔ (میٹرک ٹن)
53,945	42,175	گنے سے پیداوار۔ (میٹرک ٹن)
42,062	42,598	فروخت۔ (میٹرک ٹن)

2022	2023	یونٹس	تفصیل
7,187.90	10,614.63	روپے۔ ملین میں	برآمدی فروخت
3,174.29	3,954.60	روپے۔ ملین میں	مقامی فروخت، خدمات اور تجارتی سرگرمیوں سے آمدنی۔ خام
2,338.93	4,974.88	روپے۔ ملین میں	خام منافع
2,050.24	4,004.28	روپے۔ ملین میں	منافع قبل از ٹیکس
1,913.69	3,681.45	روپے۔ ملین میں	منافع بعد از ٹیکس
1,028.16	3,521.46	روپے۔ ملین میں	منافع قبل از سود اور فرسودگی الاؤنس
110.22	212.22	روپے	منافع۔ فی حصص
38.92%	28.28%	فیصد	گیرنگ ریشو
1.63	2.02	گنا	کرنٹ ریشو
265.27	398.73	روپے	بریک اپ ویلیو۔ فی حصص
22.57	34.15	فیصد	خام منافع کی شرح
19.79	27.48	فیصد	منافع قبل از ٹیکس مارجن
18.47	25.29	فیصد	منافع بعد از ٹیکس مارجن

روپے کے مقابلے میں امریکی ڈالر کی شرح مبادلہ میں غیر متوقع اتار چڑھاؤ، بجلی و گیس کی قیمتوں میں مسلسل اضافہ، لاجسٹک رکاوٹوں، سپلائی چین کے بڑھتے ہوئے اخراجات اور بلند شرح مہنگائی جیسے چیلنجوں کے باوجود مذکورہ بالا نتائج حاصل کیے گئے۔

کاروبار کا جائزہ:

آپ کی کمپنی نامساعد حالات مثلاً سیلاب کے بعد کے حالات، کووڈ-19 کے اثرات، کموڈٹی سپرائیکل اور پورے مالی سال 2022-23 کے دوران ملک کے اندر معاشی اور سیاسی عدم استحکام کے باوجود برآمدات میں قابل ذکر اضافہ حاصل کرنے میں کامیاب رہی جس کی بدولت تقریباً 3.43 بلین روپے یعنی 47.67 فیصد اضافہ ہوا۔ آپ کی کمپنی جدید ترین چینی اور اتھنول پلانٹس چلاتی ہے جو عمل کی عمدگی اور جدت کے ذریعے اعلیٰ معیار کی چینی اور اتھنول کی مصنوعات تیار کرنے کے لیے۔ پورے سال کے دوران کمپنی نے کامیابی ساتھ اپنی مصنوعات کو ایشیا اور یورپ سمیت مختلف خطوں میں برآمد کیا۔

منافع منقسمہ اور اس کی تخصیص:

کمپنی حصص یافتگان کی دولت کو بڑھانے اور طویل مدت میں پائیدار منافع کو یقینی بنانے کے اپنے عزم پر ثابت قدم ہے۔ بورڈ آف ڈائریکٹرز نے اپنے اجلاس میں جو 27 دسمبر 2023 کو منعقد ہوا میں 60 فیصد یعنی 6 روپے کا حتمی نقد منافع منقسمہ تجویز کیا ہے۔ یہ اس 500 فیصد عبوری منافع کے علاوہ ہے جو 50 روپے فی حصص کے حساب سے پہلے ہی ادا کیا جا چکا ہے۔ اس طرح کل منافع منقسمہ برائے سال 30 ستمبر 2023 - 972.289 - بلین روپے یعنی 56 روپے فی حصص ہوا ہے۔ اس حتمی منافع منقسمہ کی منظوری سالانہ اجلاس عام منعقدہ 25 جنوری 2024 میں لی جائے گی۔

چینی کی صنعت پاکستان کی زراعت کا ایک اہم حصہ ہے جو دیہی روزگار اور آمدنی پیدا کرنے میں کافی معاون ہے۔ گنے کی قابل کاشت زمین کے کافی بڑے حصے پر محیط ہے جس میں پنجاب اور سندھ کے صوبوں کا بڑا حصہ ہے۔ چینی کی پیداوار کا پاکستان کے جی ڈی پی شرح میں بڑا اہم حصہ ہے۔ صنعت کی آمدنی اور برآمدی صلاحیت قابل ذکر ہے۔ پاکستان اکثر فاضل چینی بین الاقوامی منڈیوں میں برآمد کرتا ہے جس سے کثیر زر مبادلہ حاصل ہوتا ہے۔

سیزن 2022-23 کے تخمینے میں فصل کی پیداوار میں متوقع کمی کی وجہ پچھلے سال کے سیلاب کو قرار دیا گیا تھا۔ پنجاب اور سندھ کے مخصوص علاقوں میں فصلوں کی بیماریوں اور کھڑے سیلابی پانی کے دیرپا اثرات کی وجہ سے فصل کی مقدار اور معیار میں کمی کا سامنا کرنا پڑا۔ ان عوامل نے پیداوار کی مجموعی دستیابی اور حجم کو نمایاں طور پر متاثر کیا چنانچہ کسانوں کی جانب سے مانگی گئی گنے کی قیمت مارکیٹ کے حساب سے طے ہوئی۔

گنے کی انتہائی بڑھی ہوئی قیمتوں نے شوگر ملوں کے لیے نقد سرمائے کی دستیابی کا اہم مسئلہ پیدا کر دیا تھا جس سے ان کی مالی ضروریات میں خاطر خواہ اضافہ ہوا تھا۔ چنانچہ اس صورتحال کے نتیجے میں خاص طور پر شرح سود میں اضافے کی پالیسی کے جاری رجحان کے باعث لاگت میں اضافہ ہوا۔

سیزن 2022-23 کے دوران چینی کی مجموعی پیداوار 6.740 ملین ٹن رہی جو پچھلے سیزن میں حاصل کردہ 7.9 ملین ٹن سے کم ہے۔ قومی کھپت تقریباً 6.1 ملین ٹن رہی۔ چینی کا اضافی ذخیرہ دستیاب ہونے کے پر حکومت نے 250,000 ٹن چینی کی برآمد کی اجازت دی تھی۔

کمپنی کی مالیاتی کارکردگی کی اہم جھلکیاں:

2022	2023	
----- روپے ہزار میں -----		
2,050,244	4,004,280	منافع قبل از ٹیکس
(136,555)	(319,663)	ٹیکس
1,913,689	3,681,451	منافع بعد از ٹیکس
10.22	212.22	منافع فیصد فی حصص

اللہ کے فضل و کرم سے کمپنی نے درکار ضروری برآمدی حجم حاصل کیا جس سے دستیاب صلاحیتوں کو زیادہ سے زیادہ استعمال کرنا ممکن ہوا اور کمپنی نے اپنے سابقہ ریکارڈ کو توڑتے ہوئے 14.564 بلین روپے کی خام آمدنی حاصل کی جبکہ منافع بعد از ٹیکس 3.684 بلین روپے تھا۔ سال 2022 اور 2023 کے درمیان اہم اعداد و شمار کا موازنہ ایک قابل ذکر بہتری کو ظاہر کرتا ہے۔

ڈائریکٹرز رپورٹ

شروع اللہ کے نام سے جو نہایت مہربان اور رحم کرنے والا ہے۔ العباس شوگر ملز لمیٹڈ کے ڈائریکٹرز کمپنی کے آڈٹ شدہ مالیاتی گوشواروں ہمراہ آڈٹ رپورٹ اور مالیاتی و آپریشنل کارکردگی برائے سال 30 ستمبر 2023 کا ایک مختصر جائزہ پیش کرتے ہیں۔

بین الاقوامی صنعتی جائزہ:

چینی کی صنعت اپنے وسیع پیمانے پر استعمال، اقتصادی شراکت اور مختلف شعبوں پر اثرات کی وجہ سے عالمی اور علاقائی دونوں معیشتوں میں نمایاں اہمیت رکھتی ہے۔ یہ صنعت دنیا بھر میں لاکھوں نوکریوں کا ایک بڑا سہارا ہے جس میں کاشتکاری، پروسیسنگ، نقل و حمل اور مال کی تقسیم جیسے شعبے شامل ہیں۔ چینی کی پیداوار اور اس سے متعلقہ صنعتوں کا کسی بھی ملک خاص طور پر دنیا کے وسطی علاقوں کی معیشت کی GDP میں خاصا بڑا حصہ ہوتا ہے۔

چینی وسیع بین الاقوامی تجارتی نیٹ ورکس کے ساتھ عالمی سطح پر سب سے زیادہ تجارت کی جانے والی اشیاء میں سے ایک ہے۔ بڑے برآمد کنندگان میں برازیل، تھائی لینڈ اور انڈیا جیسے ممالک شامل ہیں جبکہ اہم درآمد کنندگان میں امریکہ، چین اور یورپی یونین شامل ہیں۔ چینی کی قیمتوں اور سپلائی میں اتار چڑھاؤ عالمی منڈی کو نمایاں طور پر متاثر کرتا ہے جس سے درآمد و برآمد کرنے والے دونوں ممالک متاثر ہوتے ہیں۔ چینی کی کاشت دنیا کے اکثر بہت سے خطوں میں متنوع زرعی طریقوں کے لیے بنیاد کے طور پر کام کرتی ہے جو فصل کی گردش اور زمین کے استعمال میں معاون ہوتی ہے اور ترقی پذیر ممالک کی معیشتوں میں تو اس کو کلیدی حیثیت حاصل ہے جو یکساں طور پر شہری اور دیہی علاقوں کی ترقی میں اہم کردار ادا کرتی ہے۔ شوگر پروسیسنگ کی سہولیات مقامی صنعت کاری، ویلیو ایڈڈ مصنوعات اور متعلقہ صنعتوں کو فروغ دینے میں معاونت کرتی ہیں۔ چینی کی صنعت سیلز ٹیکس، برآمدی ڈیوٹی اور متعلقہ صنعتوں کے ٹیکسوں سمیت مختلف طریقوں سے حکومتوں کے لیے اہم ٹیکس محصولات پیدا کرتی ہے۔ چینی کی پیداوار اکثر دیہی علاقوں کی برادریوں کی گھریلو معیشتوں کے لیے ریڑھ کی ہڈی کا کردار ادا کرتی ہے اور چینی پیدا کرنے والے علاقوں میں بنیادی ڈھانچے، تعلیم اور صحت کی سہولیات فراہم کرتی ہے۔

چینی کی صنعت روایتی مصنوعات کے ساتھ ساتھ ٹیکنیکی ترقی کے بدولت باؤ ایندھن، اتھنوں کی پیداوار اور ویلیو ایڈیشن کے مختلف طریقوں پر مشتمل ہے اور ساتھ ہی کاشتکاری اور پروسیسنگ کی کارکردگی اور پائیداری کو بڑھا رہی ہے۔ اس صنعت کی اہمیت اقتصادی، سماجی اور ماحولیاتی جہتوں پر محیط ہے جو عالمی تجارت، زراعت اور علاقائی ترقی میں اہم کردار ادا کرنے کے ساتھ ساتھ ان چیلنجوں کا بھی سامنا کر رہی ہے جو جدت اور پائیداری کی کوششوں کو متاثر کرتے ہیں۔

پاکستان کی معیشت و صنعت کا ایک جائزہ:

عوام الناس کے لیے گذشتہ سال کافی مشکل تھا جس میں ملک کی تاریخ کا سب سے بڑا معاشی بحران اور اہم مالیاتی اٹھل پھل کا سامنا کرنا پڑا۔ اس کا آغاز ایک سیاسی و معاشی بحران سے ہوا جس کے نتیجے میں زرمبادلہ کے ذخائر میں کمی واقع ہوئی۔ ملک کی معاشی صورتحال کو مستحکم کرنے کی غرض سے حکومت نے آئی ایم ایف کے جاری پروگرام کو بحال کرنے کے لیے کئی امور مثلاً ایندھن اور بجلی کی قیمتوں میں اضافہ، مارکیٹ سے طے شدہ شرح مبادلہ کی پالیسی کو اپنانے، ٹیکس وصولی کو بڑھانے کے لیے زیادہ ٹیکس اقدامات کو نافذ کرنے اور افراط زر کے دباؤ کا مقابلہ کرنے کے لیے رعایتی شرح کو اس دہائی کی بلند ترین سطح یعنی 22 فیصد تک بڑھانے جیسے سخت اقدامات اٹھانے کا فیصلہ کیا۔

FORM OF PROXY

I/We..... of..... being a member of AL-ABBAS SUGAR MILLS LIMITED, holding of ordinary share(s), hereby Appoint Mr./ Mrs./ Miss as my / our proxy in my / our absence to attend and vote for me / us, and on my / our behalf at the Annual General Meeting of the Company to be held at Mövenpick Hotel, Karachi on Thursday, January 25, 2024 at 11:30 a.m and at any adjournment thereof.

Signed under my / our hand this..... day of.....2024.

**(Member's Signature on
Rs. 5.00 Revenue Stamp)**

(Signature should agree with
The specimen signature negotiated with the
Company)

Shareholder's Folio No.....

CDC A/c No.....

CNIC No.....

Signed by the said (Name) in the presence of:

Witnesses

1, Signature.....	2, Signature
Name	Name.....
CNIC / Passport No.....	CNIC / Passport No.....
Address	Address.....

Note:

1. A member entitled to attend and vote at the annual general meeting is entitled to appoint another member as Proxy to attend and vote instead of him/her. A Corporation or a company being a member of the Company may appoint any of its officers, though not a member of the Company.
2. Proxies must be received at the Registered Office of the Company not less than 48 hours before the time appointed for the meeting.
3. The signature on the instrument of proxy must conform to the specimen signature recorded with the Company.
4. CDC Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A. For attending the Meeting:

- a) In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or original Passport along with participant ID number and the Account number at the time of attending the meeting.
- b) In case of corporate entity, the Boards resolution / power of attorney with specimen signature of the nominee shall be produce [unless it has been provide earlier] at the time of the Meeting.

B. For appointing Proxies :

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

نوٹس:

- 1- سالانہ اجلاس عام میں شرکت اور ووٹ کا حقدار ممبر اپنی جگہ کسی اور ممبر کو اپنی جانب سے شرکت کرنے اور ووٹ دینے کے لئے نیابتی مقرر کر سکتا ہے۔
کارپوریشن یا کمپنی بحیثیت کمپنی رکن اپنے کسی بھی افسران کا تقرر چاہے وہ کمپنی کارکن نہ بھی ہو کر سکتی ہے۔
- 2- نیابتی فارم اجلاس کی مقررہ تاریخ سے 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں موصول ہونی چاہیں۔
- 3- نیابتی کے دستاویز دستخط، کمپنی کے ریکارڈ میں موجود دستخط کے نمونے کے ذریعے سے تصدیق لازم کی جائے گی۔
- 4- سی ڈی سی اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج آف پاکستان کی جانب سے جاری کردہ سرکولر نمبر 1 بتاریخ 26 جنوری 2023 میں مقرر کردہ گائڈ لائنز پر عمل کرنا ہوگا۔

الف۔ برائے اجلاس میں شرکت:

- (i) - افراد کی صورت میں اکاؤنٹ ہولڈر اور یا سب اکاؤنٹ ہولڈر اور ان کی رجسٹریشن تفصیلات سی ڈی سی کے ضابطوں کے مطابق اپ لوڈ ہوں اجلاس میں شرکت کے موقع پر اپنی شناخت کے لئے اصل کمپیوٹرائزڈ شناختی کارڈ یا اصل پاسپورٹ بمع پارٹنرسپنٹ آئی ڈی نمبر اور اکاؤنٹ نمبر پیش کریں۔
- (ii) - کارپوریٹ اینٹیٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کئے گئے ہوں) اجلاس کے موقع پر پیش کرنا ہوگا۔

ب۔ برائے نیابتی کی تقرری:

- (i) - افراد کی صورت میں اکاؤنٹ ہولڈر اور یا سب اکاؤنٹ ہولڈر اور ان کی رجسٹریشن تفصیلات سی ڈی سی کے ضابطوں کے مطابق اپ لوڈ ہوں، مندرجہ بالا شرائط کے مطابق نیابتی فارم جمع کرانا ہوگا۔
- (ii) - نیابتی فارم پر دو افراد کی گواہی ہونی چاہئے جن کے نام، پتے اور سی این آئی سی یا پاسپورٹ نمبر فارم پر درج ہوں۔
- (iii) - نیابتی کے ہینڈیشنل اوزر کی سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں نیابتی فارم کے ہمراہ منسلک ہونی چاہیں۔
- (iv) - نیابتی کو اجلاس کے موقع پر اپنا اصل سی این آئی سی یا پاسپورٹ پیش کرنا ہوگا۔
- (v) - کارپوریٹ اینٹیٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کئے گئے ہوں) پیش کرنا ہوگا۔

Date _____

Folio No. _____

Name of Shareholder

F/H Name

Address

Bank Account Details for Payment of Cash Dividend
(Mandatory Requirement as per the Companies Act, 2017)

Dear Shareholder,

This is to inform you that in accordance with the Section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Please note that giving bank mandate for dividend payments is mandatory and in order to comply with this regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, you are requested to please provide the following information:

Details of Shareholder	
Name of shareholder	
Folio / CDS Account No.	
CNIC No.	
Cell number of shareholder	
Landline number of shareholder, if	
Details of Bank Account	
Title of Bank Account	
International Bank Account Number (IBAN) " Mandatory "	PK (24 digits) (Kindly provide your accurate IBAN number after consulting with your respective bank branch since in case of any error or omission in given IBAN, the company will not be held responsible in any manner for any loss or delay in your cash dividend payment).
Bank's name	
Branch name and address	
<p>It is stated that the above mentioned information is correct and in case of any change therein, I / we will immediately intimate Participant / Share Registrar accordingly.</p> <p>_____</p> <p>Signature of shareholder</p>	

You are requested to kindly send this letter immediately duly filled in and signed by you along with legible photocopy of your valid CNIC at our address, **Share Registrar Services, Central Depository Company of Pakistan Limited, CDC House, 99-B, Block B, Main Shahrah-e-Faisal, Karachi. 74400, Pakistan.**

Form for Video Conference Facility

The Company Secretary,
M/s. Al-Abbas Sugar Mills Limited;
Pardesi House, Survey No.2/1,
R.Y.16, Old Queens Road,
Karachi.

I/we, _____ of _____ being
the registered shareholder(s) of **Al-Abbas Sugar Mills Limited** under Folio No. / _____ CDC
Participant ID No. _____ and Sub Account No. _____
CDC Investor Account ID No., and holder of _____ Ordinary / Preference Shares, hereby request for
video conference facility at _____ for the Annual General Meeting of the Company to
be held on 25 January, 2024.

Shareholder's Signature: _____

Date: _____

Note: Copy of CNIC must be furnished with the Form

Ballot Paper for voting through post for the special Business at the Annual General Meeting to be held on Thursday, January 25, 2024 at 11:30 a.m. at Moven Pick Hotel, Karachi

AL-ABBAS SUGAR MILLS LIMITED

Registered Office: Pardesi House, Survey No. 2/1, R.Y.16, Old Queens Road, Karachi
UAN: (92-21) 111-111-224; Fax No. (92-21) 32470090

Website: <https://www.aasml.com>

Designated email address of the chairman at which the duly filled in ballot paper may be sent: chairman@aasml.com

Name of shareholder / joint shareholders	
Registered Address	
Folio Number / CDC Account No.	
Number of shares held	
CNIC No./Passport No - in case of foreigner (copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government)	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (✓) mark in the appropriate box below

Agenda No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We assent to the Resolutions (AGAINST)
	<u>SPECIAL BUSINESS:</u>			
5	<p>To approve, as and by way of an Ordinary Resolution, the transmission of the annual balance sheet, profit & loss account, auditors report, directors report (the "Audited Annual Financial Statements") and the notice of general meetings etc. to the Company's shareholders through email or QR enabled code and weblink as allowed by the Securities and Exchange Commission of Pakistan via S.R.O No. 389(I)/2023 dated March 21, 2023</p> <p>"Resolved that as notified by the Securities and Exchange Commission of Pakistan via S.R.O No. 389(I)/2023 dated March 21, 2023 transmission of Audited Annual Financial Statements to the members through QR enabled code and weblink instead of transmitting the Audited Annual Financial Statements through CD/DVD/USB, be and is hereby ratified and approved for future."</p>			

Signature of shareholder(s)

Place: Karachi, Date: December 29, 2023

NOTES/PROCEDURE FOR SUBMISSION OF BALLOT PAPER:

- Dully filled postal ballot should be sent to the Chairman **Mr. Zakaria Usman, AL-ABBAS SUGAR MILLS LIMITED, Pardesi House, Survey No. 2/1, R.Y.16, Old Queens Road, Karachi - Pakistan or at e-mail: chairman@aasml.com**
- Copy of CNIC/Passport (in case of foreigner) should be enclosed with the postal ballot form.
- Postal ballot forms should reach chairman of the meeting on or before **January 24, 2024** during working hours. Any postal ballot received after this date, will not be considered for voting.
- Signature on postal ballot should match with signature on CNIC/Passport (in case of foreigner).
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

Pursuant to the Securities and Exchange Commission of Pakistan's notification S.R.O 470(I)/2016 dated 31 May, 2016, the shareholders of Al-Abbas Sugar Mills Limited in 26th AGM of the Company held on January 30, 2017 had accorded their consent for transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company through CD or DVD instead of transmitting the same in hard copies. The shareholders who wish to receive hard copy of the aforesaid documents through courier or soft copy through email are requested to fill this form and send it to the Company Secretary / Share Registrar.

PLEASE NOTE THAT RECEIPT OF THE HARD COPY OF ANNUAL REPORT THROUGH COURIER OR SOFT COPY VIA EMAIL IS OPTIONAL AND NOT COMPULSORY.

STANDARD REQUEST FORM

Date: _____

The Share Registrar

CDC House-99B, Block B',
S.M.C.H.S, Main Shahra-e-faisal,
Karachi-74400

Pursuant to the directions given by the Securities Exchange Commission of Pakistan through its SRO 470(I)/2016 of May 31, 2016, I, Mr./Ms. _____ S/o, D/o, W/o _____ hereby consent to have Al-Abbas Sugar Mills Limited's Audited Financial Statements and Notice of Annual General Meeting through the below mentioned mode.

Hard copy through courier

Name of Member/ Shareholder
Folio/ CDC Account Number
Registered mailing address

Soft Copy through email address

Name of Member/ Shareholder
Folio/ CDC Account Number
Email address

It is stated that the above mentioned information is true and correct and that I shall notify the Company and its Share Registrar in writing of any change in my registered mailing address or email address or withdrawal of my consent.















Signature of the Member / shareholder



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AL - ABBAS SUGAR MILLS LTD.

Head Office: Pardesi House, Survey No. 2/1, R.Y. 16,
Old Queens Road, Karachi-74000
Tel: 111-111-224 Fax : (92-21) 32470090

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