



کسبِ کن
کہ عزیز جہاں شوی

رنگا ہوا خستہ سنگ چٹا ہوا حرف و صوت
مجرہ فن کی ہے خونِ جگر سے نمود



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کہ عزیز جہاں شوی





Khushab District

Khushab is a combination of two Persian words “Khush” meaning sweet or tasty and “aab” meaning water. A common belief is that the Persian invaders, from the west, first used the word “Khush-aab” in admiration of the sweet and tasty water found in the historical city situated on the bank of Jhelum River. With time the city started to be known as Khushab.

Khushab is a District of Punjab, situated between Sargodha and Mianwali, near river Jhelum. Khushab owns mountains, deserts, luxuriant green harvesting land, lakes and river. People of Khushab are very hardworking and most of them are associated with farming and agriculture.

River Jhelum



Jauharabad

Jauharabad is named after Maulana Muhammad Ali Jauhar, a prominent figure from the Pakistan independence movement. Jauharabad was developed in 1953 under a master plan. Because of its planned design, open spaces and wide avenues, the district headquarters of Khushab District was shifted to Jauharabad from Khushab city. Jauharabad lies at the confluence of the Thal Desert and the Pothohar in flat agricultural territory immediately south of the Salt Range, marking the end of the Pothohar Plateau and the start of the Punjab plains. The Jhelum River passes seven Km southeast of Jauharabad, while canals from Indus River irrigate much of its planes. On the west of Jauharabad lies the Thal Desert and on the east of Jauharabad is the Khushab Reserve Forest.

Corporate Information

Board of Directors

Mr. Syed Anwar Hussain Shahid	Chief Executive
Mr. Farhan Ilyas	Independent Director
Mr. Muhammad Aamir Beg	Independent Director
Ms. Faiza Iftikhar	Independent Director
Mr. Ghias-ul-Hasan	CPL Nominee
Mr. Amjad Javed Aftab	CPL Nominee
Mr. Saif-ur-Rehman	CPL Nominee

Audit Committee

Mr. Farhan Ilyas	Chairman
Mr. Muhammad Aamir Beg	Member
Mr. Amjad Javed Aftab	Member

Human Resource Committee

Mr. Muhammad Aamir Beg	Chairman
Mr. Syed Anwar Hussain Shahid	Member
Mr. Ghias-ul-Hasan	Member

Nomination Committee

Ms. Faiza Iftikhar	Chairperson
Mr. Farhan Ilyas	Member

Risk Management Committee

Mr. Saif-ur-Rehman	Chairman
Mr. Amjad Javed Aftab	Member

Chief Financial Officer

Mr. Imran Ilyas

Company Secretary

Mr. Al-Yousuf

Head of Internal Audit

Mr. Syed Muhammad Usman Afzaal

Auditors

UHY Hassan Naeem & Co.
(Chartered Accountants)
193-A, Shah Jamal
Lahore, Pakistan
Phone No. 042 35403550
Fax No. 042 35403599
E-mail: info@uhy-hnco.com

Legal Advisor

Siddiqui Bari Kasuri & Co.
Advocates & Corporate Legal Consultants
179/180-A, Scotch Corner, Upper Mall, Lahore
Phone No. 042-35758573-74, Fax No. 042-35758572

Share Registrar

Corplink (Pvt.) Limited
Wings Arcade, 1-K Commercial Model Town, Lahore
Phone No. 042 35916714, Fax No. 042 35869037
E-mail: shares@corplink.com.pk

Bankers of the Company

Askari Bank Limited	Soneri Bank Limited
Allied Bank Limited	MCB Bank Limited
Samba Bank Limited	Bank Alfalah Limited
National Bank of Pakistan	United Bank Limited
Habib Metropolitan Bank Limited	Habib Bank Limited
PAIR Investment Company Limited	
Pak China Investment Company Limited	

Islamic Bankers of the Company

Al Baraka Bank (Pakistan) Limited
MCB Islamic Bank Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Meezan Bank Limited

National Tax Number

0225972-9

Sales Tax Registration Number

0409170300137

Registered Address

125-B, Quaid-e-Azam Industrial Estate
Kot Lakhpat, Lahore, Punjab, Pakistan
Phone No. 042 35213491
Fax No. 042 35213490
E-mail: secretary@jsml.com.pk

Mills

Jauharabad, District Khushab,
Punjab, Pakistan
Phone No. 0454 720063-6,
Fax No. 0454 720880

Company Website

www.jsml.com.pk



Nurpur Thal, Khushab

Corporate Profile

Jauharabad Sugar Mills Limited is a Public Limited Company, and has a privilege of being one of the pioneer sugar mills of Pakistan. Initially, in 1953, it was setup by THAL Development Corporation of Pakistan which was later privatized and was listed as on December, 1973 at Pakistan Stock Exchange Limited and has been in operation for the last seventy years. Further in March 2013 the current management acquired major shareholding of the Company by taking over its assets and liabilities, paying-off old sponsors and renaming it as Jauharabad Sugar Mills Limited from Kohinoor Sugar Mills Limited.

This takeover enabled the Company to settle previous bank/grower/creditor debts. A major Balancing, Modernization and Replacement of Machinery has been carried out thus enabling the Company to achieve stated capacity to 9,500 TCD of its currently operating crushing line-II, in addition to non-operating crushing line -I having stated capacity to 3,000 TCD. The name plate capacity of the mill is 12,500 TCD. The new sponsors have shown their commitment by conducting this BMR and repair works through their own resources (interest free loans) and the Company's own cash flows. The Company has successfully consolidated its Sugar Mills operations and financially strengthened its position over period of ten crushing seasons.

The Company is playing its role for developing regional agronomy, generating employment and bringing happiness among the people directly and indirectly associated with it.



We're a diversifying organization, derived from sugar

Pioneer

We are among the first sugar companies to commence sugar production since its origin 70 year now.

Relationships

The Company is playing its role for developing regional agronomy, generating employment and bringing happiness among the people directly and indirectly associated with it.

Energy

Jauharabad Sugar Mills Limited is one of the leading sugar companies, having 260 KWH energy production through solar besides 21.44 MW bagasse based power plants.

Capacity

Proud to be placed amongst sizeable manufacturers of sugarcane derivatives in the Country, which includes sugar, power, baggase, molasses & VF cake. Name plate capacity of the mill is 12,500 TCD.





Vision Statement

Sustainably produce green energy and chemicals by exploiting locally available raw materials and resources.



Mission Statement

To continuously help, rise, self-worth of all the associated entities and stakeholders.



Nomad Shepherd with his herd in Khushab

Statement of Ethics and Code of Conduct

Jauharabad Sugar believes that Ethics, Transparency and Accountability are the three basic pillars for its business and the said belief are reflected in Code of Conduct for Directors and Senior Management adopted by the Company. The following principles constitute the code of conduct which all Directors and employees of the Company are required to apply in their daily work and observe the code of conduct of the Company's business. While the Company will ensure that all employees are fully aware of these principles, it is the responsibility of each employee to implement the Company's policies, any contraventions against it will be viewed as misconduct towards the code.

The code emphasizes the need for a high standard of honesty and integrity which are vital for the success of any business.

Ethical Principles

Directors and employees are expected not to engage in any activity which can cause conflict between their personal interest and the interest of the Company such as interest in an organization supplying goods/services to the Company or purchasing its products. In case a relationship with such an organization exists, the same must be disclosed to the Management.

Dealings with third parties which include Government officials, suppliers, buyers, agents and consultants must always ensure that the integrity and reputation of the Company are not in any way compromised.

Directors and employees are not allowed to accept any favours or kickbacks from any organization dealing with the Company.

Directors and employees are not permitted to divulge any confidential information relating to the Company to any unauthorized person, nor should they, while communicating publicly on matters that involve Company business, presume to speak for the Company unless they are certain that the views that they express are those of the Company and it is the Company's desire that such views be publicly disseminated.

All employees share a responsibility for the Company's good public relations particularly at the community level. Their readiness to help with religious, charitable, educational and civic activities are accordingly encouraged provided it does not create an obligation that interferes with their commitment to the Company's best interests.

The Company has strong commitment to the health and safety of its employees and preservation of the environment and the Company will persevere towards achieving continuous improvement of its Health, Safety and Environment (HSE) performance by reducing potential hazards, preventing pollution and improving awareness. Employees are required to operate the Company's facilities and processes keeping this commitment in view.

Commitment and team work are key elements to ensure that the Company's work is carried out effectively and efficiently. Also, all employees will be equally respected and actions such as sexual harassment and disparaging remarks based on gender, religion, race or ethnicity will be avoided.



Bull Race Adrenaline

Group Ownership Structure

Holding Company

Cane Processsing (Pvt.) Limited

Subsidiary

Jauharabad Sugar Mills Limited

[63.66% Shareholding]

Cane Processing (Pvt) Limited (CPPL) registered under The Companies Act 2017 having its registered office at 125-B, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore, was incorporated as on June 27, 2013. Mrs. Ghazala Amjad, the Chief executive officer, is the key sponsor having 99% of shares of the Company. Business activities of the CPPL includes trading of sugarcane products, sugarcane machinery, sugar mill machinery etc., to act as a holding company and to invest in other companies. Currently CPPL holds 63.66% shares of Jauharabad Sugar Mills Limited.

CPPL (the holding company) acquired Kohinoor Sugar Mills Limited (KSML) by formalizing all SECP requirements as per rules. CPPL advertised in the Daily newspaper on Oct, 11 2013 declaring its intention for acquisition of the Company and its sponsor shares. Approval for transfer of shares was granted by SECP on Nov 28, 2013 thereby shares of KSML were transferred to the new management Company on Jan 1, 2014. Resultantly assets and liabilities of KSML were acquired by CPPL. The Sugar Mill also got itself renamed as Jauharabad Sugar Mills Limited.



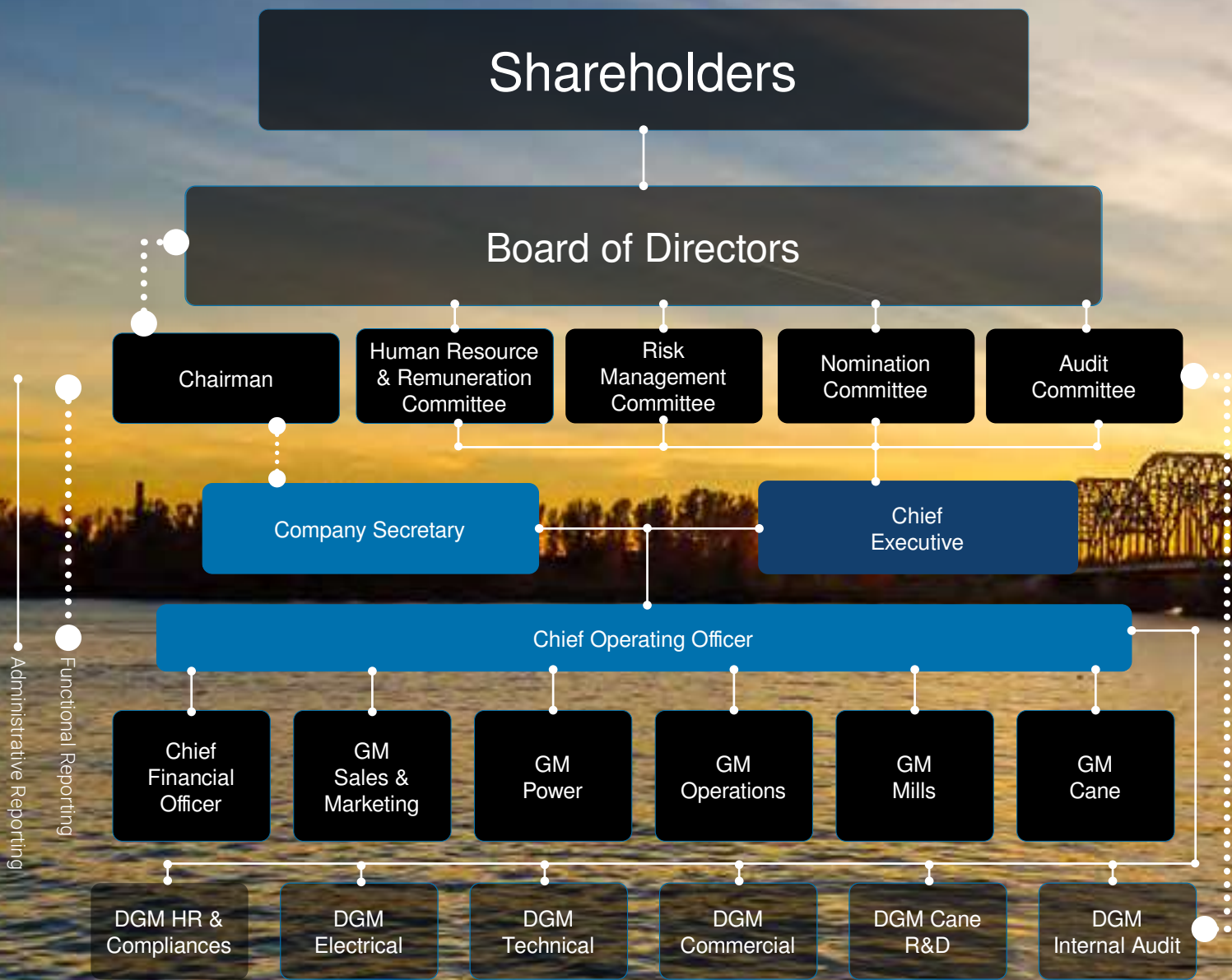
Culture & Core Values

We strongly believe that a conducive culture has the ability to express our strategic goals through values and beliefs. It opens the doorways to a more diverse and inclusive environment where employees find their purpose.

We have adopted a culture that imprints our values, and is aligned with our strategy.



Kashigari Artisan at work



Organizational Structure

Historical Railway Bridge
Kalabagh, Mianwali

Management Committee



Imran Ilyas

Chief Financial Officer

He is a seasoned professional and has an overall experience of twenty seven years with some of the country's most prestigious national and MN organizations. He has been associated with the Company from nine years. He is Skillful financial / business analyst, proficient at increasing work efficiency through application of analytical process improvement skills that drive business operations to success and manage team performance by achieving high quality results.

Khwaja Arslan Ahmed

Head of Commercial

He is having practical experience over twenty one years with textile and sugar sectors. He, has good knowledge of sources of materials, is capable to handle procurement, apply negotiation techniques and to assure timely supplies.



Al Yousuf

Company Secretary

With two decades in the field, he possesses the expertise to strategically navigate the trajectory of the business. As a fellow member of PIPFA, he has contributed his accounting and finance acumen to various organizations. Currently, he assumes the role of Company Secretary, diligently overseeing the administration of board committees. Furthermore, he is certified under the Directors Training Program from the institution approved by the Securities and Exchange Commission of Pakistan (SECP).

Syed Muhammad Usman Afzaal

Head of Internal Audit

He is a financial analyst with a professional qualification of accountancy, having experience of more than ten years. He is proficient at increasing work efficiency through application of analytical process and audit skills that drives the transparency in the operations of the Company.



Sheikh Anjad Mehmood

General Manager Operations

He is a skillful business analyst with thirty two years of experience that drive business operations to success. He is enthusiastic and dependable individual who excels in challenging and competitive environments with an ability to lead and manage team performance and produce high quality results.



Malik Abdul Sattar

General Manager Cane

He is an agricultural expert with master degree and international experience of more than three decades in sugar industry, procuring sugarcane and has served number of sugar mills as Head of Cane Department. He has a good knowledge of sugarcane agronomy, plant protections and supply chain.

Management Committee



Tariq Mehmood

Head of Human Resource

An affluent experience of more than sixteen years with some of the country's most exalted organization including sugar mills. His academic laurels include mater in business admiration and law graduation. He has successfully implemented policies for keeping the workplace safe for all employees and has built up his invaluable trust.

Fateh Ullah

Head of Technical

His technical experience of more than thirty five years with multiple organizations including sugar mills, capable to perform in challenging environments with an ability to lead and manage team results.

STRATEGY & RESOURCE ALLOCATION

“Shrink and expand of life are in
proportional to once courage.”

- Anais Nin







Significant Plans & Decisions

Strategy to Overcome any Liquidity Problem

The Company's ability of generating sufficient liquidity is its strength. This provides management the flexibility to fund business expansion and invest in cost saving activities. The Company has a strong capital structure which is adequately supported by shareholders' equity. Moreover, the Company utilizes short-term facilities for cane purchase and working capital requirements.

The Company has a legacy of timely payments and there has been no defaults against any payment due to financial institutions, vendors, cane growers and government agencies, etc. The management is confident to successfully manage the liquidity position in future as well.

Due to Strong positions and commitments, the Company enjoys good business relationships with banks and financial institutions on its portfolio. The Company regularly monitors the debt-equity to effectively manage the capital structure and other financing ratios.

Capital Structure Adequacy

Management believes that there is no inadequacy in capital structure. During the year the Company has raised Rs. 5.4 billion working capital short-term lines and has paid timely, before deadlines. The Company has no long-term liabilities.

Significant Changes from Prior Years

There is no material change in organization's structure, objective and strategies from the previous year.

Strategy and Resource Allocation Plan

Significant Changes in Objectives and Strategies

Based on dynamic business environment, strategic objectives and their implementation strategies are developed, modified and executed professionally.

There is no significant change in strategic objectives and strategies, however, new strategic objectives have been included in strategic plan.

Sr. No.	Objectives	Nature	Strategies
1.	Improve operational efficiency through cost economisation and enhance synergies among functions	Short term to medium term	Realign and implement policies and procedures for cost optimisation, implement systems and processes to enhance synergy against function.
2.	Sales growth and profitability	Medium to long term	Business growth and profitability initiatives through continued focus through optimization efficiency and capability enhancement.
3.	Optimum product quality to increase customer satisfaction	Short to medium term	Implementation of strong quality assurance policies & guidelines alongwith certifications of Quality Management System QMS ISO 9001:2015. and Food Safety System Certification of FSSC 22000 and Halal Certification (PS 3733).
4.	Maintain highest standards of HSE and enviornmental sustainability	Long term	Contribute positively to protect the enviornment by investing in projects to reduce waste, solar power project for mill employees for green energy and conserve water.
5.	Effective human resource management	Long term	Implementation of effective human resource solutions through personnel development, creating proper environment for professional growth of highly skilled professionals, ensuring safe labor environment, competitive staff remuneration and social benefits in accordance with scope and quality of their work.
6.	Risk minimization through business diversification	Short and medium term	The Company continues to explore and evaluate new area to minimize business risk and diversification. The Company has established 15MW enviornment friendly power plant and has plans to sale electricity to the government.



Resource Allocated	KPI Monitored	Future Relevance of KPI	Value Creation for
<ul style="list-style-type: none"> • Human capital • Manufactured capital • Financial capital • Intellectual capital 	<ul style="list-style-type: none"> • Net profit margins • Return on investment 	KPI shall remain relevant in future	<ul style="list-style-type: none"> • Different business process
<ul style="list-style-type: none"> • Human capital • Financial capital • Social and relationship capital 	<ul style="list-style-type: none"> • Profitability margins • Sales growth with industry • Improved customer • Satisfaction index 	KPI shall remain relevant in future	<ul style="list-style-type: none"> • Customers • Stakeholders • Economy of country
<ul style="list-style-type: none"> • Human capital • Financial capital • Intellectual capital • Social and relationship capital 	<ul style="list-style-type: none"> • Product quality survey • Customer satisfaction index 	KPI shall remain relevant in future	<ul style="list-style-type: none"> • Customers
<ul style="list-style-type: none"> • Human capital • Financial capital • Social and relationship capital 	<ul style="list-style-type: none"> • CSR and sustainability targets 	KPI shall remain relevant in future	<ul style="list-style-type: none"> • Environment & planet
<ul style="list-style-type: none"> • Human capital • Financial capital • Social and relationship capital 	<ul style="list-style-type: none"> • Employee engagement 	KPI shall remain relevant in future	<ul style="list-style-type: none"> • Employees
<ul style="list-style-type: none"> • Human capital • Financial capital 	<ul style="list-style-type: none"> • Profitability ratios • Return on capital employed 	KPI shall remain relevant in future	<ul style="list-style-type: none"> • Shareholders, stakeholders and employees



Effect of Technological Changes, Societal Issues and Environmental Challenges



Technological Changes

Productive efficiency has been improved by the development and adoption of new production technologies by Jauharabad Sugar Mills Limited. We focus to develop and manufacture high-quality products that meet all regulatory requirements, and pursue quality beyond compliance in both our products and processes. Therefore, minimal complaints are from our customers. We work regularly to keep updating ourselves with technological advancements to produce under the highest standards and maintain all relevant technical and professional standards. The Company is running SARP system especially designed for sugar industry. The Company is focused on helping the farming community to improve crop yields through employing modern farming techniques and ensuring better returns.

Societal Issues

Social issues are well taken care at priority by JSML management by investing in technical, administrative and financial assistance to the farmers and people living in surrounding areas. However, outputs to this investment are uncertain, but a clear strategy and program of public interventions is imperative. Without it, the farmers of the region face the prospect of rising poverty and associated social problems. Accordingly, the societal issues relating to education, health and poverty alleviation are part of its strategic plans. While for the employees, the Company has adequate health, safety and environment related policies and procedures; for the society at large, Company takes part in various activities, capacity building programs, vocational training programs, sponsorship of schools, special clinics and other health related initiatives.

Environmental Challenges

Environmental factors refer to an organization's environmental impact(s) and risk management practices. JSML has strived to work for the betterment of the environment and Investing in environmental, social, and governance (ESG). Priority of JSML's management is to maintain highest standards of HSE, environmental protection and catering the social welfare requirements of the communities inhabiting the area of operations. Every year 500 to 1,000 trees planted in mills area and surrounding to improve shared environment. During the year company has started a new environmentally friendly solar power project of 260 KV for mills labor colony as an initiative of green energy and has plans to enhance to project to 1000 KV. Moreover, the Company has established another environment friendly 15MV power plant works on by-product of sugarcane bagasse, to meet production requirements and to support government by selling green energy in future.

Specific Processes Used to Make Strategic Decisions

Strategic objectives serve an organization ambition which can be found in its vision and mission statements. These statements together describe the main thrust of the Company and its ultimate goal. At Jauharabad Sugar Mills Limited we have blend of talented management team and Board of Directors as our key to make strategic decisions. In this regard JSML used following process for decision making:

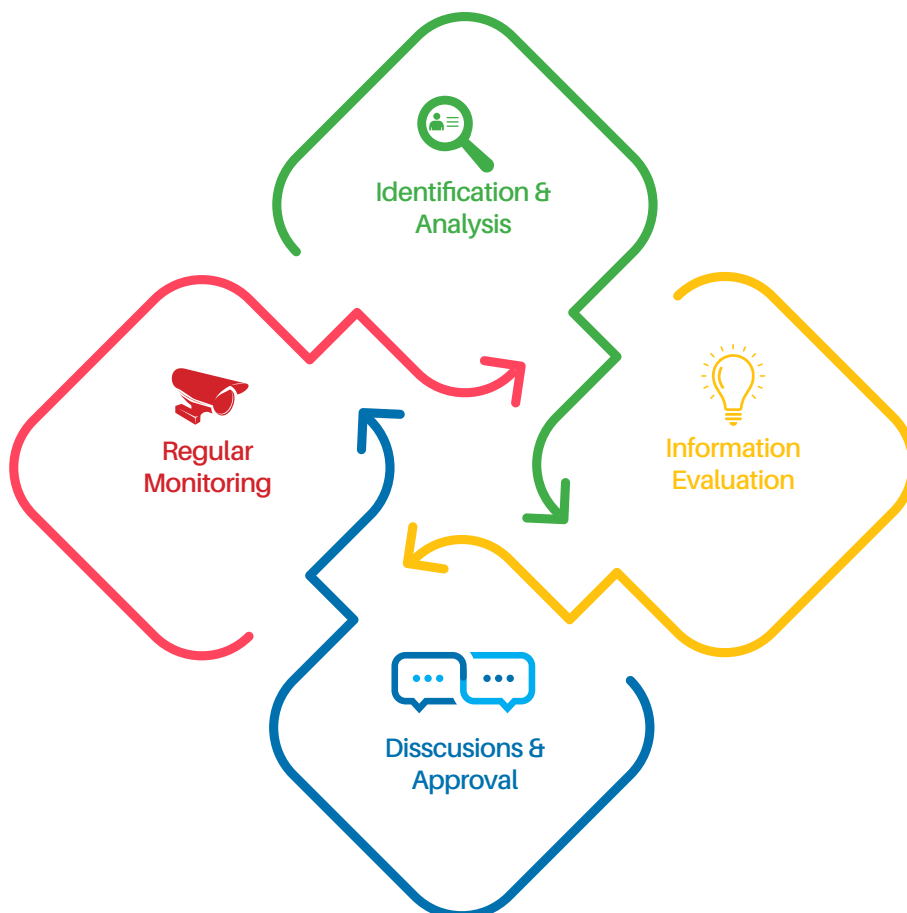
- Identification and analysis of opportunity or threats
- Properly gathering of relevant information from sources
- Third party evaluation and market study, where needed
- Opportunity cost evaluation of alternative options
- Evaluation and discussion for the final options, and approval by the Board of Directors
- Regular monitoring of plan and variance calculation where needed

How to Establish and Monitor Culture of the Organization

- The cultural framework of any organization defines the company's vision and the guideline it has established to achieve that vision.
- Jauharabad Sugar Mills Limited always emphasizes in building value chain work culture. We believe in developing our valuable workforce, enabling them to deliver their optimal best; helping them collaborate with each other for reliable results and instigating a never give up attitude with a consistent reinforcement of being proactive in dealing with all situations.
- We evaluate our employees' performance against annual goals, achievements & professional developments.

Company's Attitude to Risk and Mechanisms for Addressing Integrity and Ethical Issues

Jauharabad Sugar Mills Limited believes that ethics and integrity are the part of basic pillars for the culture, business success and the same is reflected in Code of Conduct of the Company. JSML has developed internal procedures to report any misconduct and have whistle blowing policy and conflict of interest policy in place to address integrity and ethical issues.



RISKS AND OPPORTUNITIES



“Opportunity and risk
come in pairs.”

- Bangambiki



S

STRENGTH

- JSML takes pride of possessing state-of-the-art machinery. The Company possesses production lines of 12,500 TCD capacity.
- The Company is certified for quality. It also holds certification of Quality Management System ISO 9001:2015, Food Safety Operations, FSSC 22000 Version 5.1, Halal (PS 3733).
- The Company has experienced skilled work force that has been with the Company for years which ensures consistency and loyalty.
- JSML has a strong corporate culture and management philosophy to always observe the accepted standard of fair-conduct in dealing with employees, customers, suppliers and others stakeholders.

W

WEAKNESS

- Relatively homogeneous product limiting pricing strategies.
- Despite the efforts to educate the growers and to provide them the seeds, advances and loans for cane development Company still has to work on increasing the cane development and availability in the adjoining areas.

O

OPPORTUNITIES

- Availability of bagasse as a byproduct to produce cheap power which makes new investments viable.
- Growing food based business in the country and increasing sugar consumption.
- Due to weaker Pak Rupee value and rise of inflation rate in current year there are good opportunities for export of sugar.

T

THREATS

- Over regulation of sugar industry.
- Inflation, devaluation of currency and rising fuel costs.
- Rising cost of imported raw materials.
- Fixation of sugarcane price by Government is higher due to political influences.

Risks and Opportunities Report

The Board of directors of the Company is principally committed to identify and to mitigate all such business risks, well in time by utilizing optimum potential effort. Sugar Industry is carrying significant risk factors that may materially affect the Company's operations, earnings, cash flows and overall performance. Hence the management strives to take all the measures necessary to mitigate and manage the risks while at the same time avail all the opportunities for growth as and when they occur. This principle keeps the Company within its risk appetite and helps to achieve its corporate objectives.

Approach against Risks & Opportunities

Risks:

As with sugar industry, the Company is susceptible to various risks. However, through comprehensive planning and an acute business understanding of the management, the Company continues to identify and mitigate risks. The Company maintains an established control framework which determines the Company's level of risk tolerance, comprising clear structures, authority limits and accountabilities, well implemented policies and procedures and budgeting for review processes. Moreover, the Audit Committee is responsible for Internal Controls, review and planning in the Company and to mitigate such risks.

Opportunities:

The Board of Directors of the Company always focuses to capitalize management's experience and to strategize operations of the Company in line with the Company's stated vision. It also concentrates to utilize existing and potential opportunities confronted by the Company.

Following are the major opportunities and risks which may affect our business operations with mitigating strategies for controlling these risks and plans to materialize opportunities:

Risk Management Framework may cover the following:

- The Board of Directors annually reviews the governance of risk and for determining the company's level of risk tolerance by establishing risk management policies and for this purpose the Board has an overall review of business risks to ensure that the management maintains a sound system of risk identification, risk management and related systems and internal controls to safeguard assets, resources, reputations and interest of the company and shareholders.
- The Board has constituted the risk management committee to carry out a review of effectiveness of risk management procedures and present a report to the Board. The TOR of the committee is approved by the Board.

Opportunities

Opportunity	Description	Strategy to Materialize
<p>Optimum Use of Capacity Area of Impact: Manufactured Capital Impact Level: Medium to Long Term Nature: Short to Medium Source: External Likelihood: ★★☆☆☆</p>	<p>Sugarcane crushing is based on sugarcane crushed on daily basis and the sugar production is dependent on certain factors that includes sucrose recovery percentage, quality and availability of sugarcane.</p>	<p>Availability of ample irrigated area in the Khushab District to promote sugarcane crop, providing opportunity to the Company, the only sugar mills in the District, to propagate only those varieties having higher recovery potential. Company has a well-planned sugarcane procurement policy to maximize its crushing rate and utilize full crushing capacity.</p>
<p>Diversification Area of Impact: Manufactured Capital & Financial Capital Impact Level: Medium to Long Term Nature: Short to Medium Source: External Likelihood: ★★★★★</p>	<p>Investing in new projects and increasing the productivity of existing ones are key elements for future organic growth.</p>	<p>We strengthened the basis for further growth in the coming years by making selective investment in power business. Aligned with corporate strategy, the Company has invested in power project to lower its reliance on single product.</p>
<p>Efficient and congenial work environment Area of Impact: Human Capital Impact Level: Medium to Long Term Nature: Short to Medium Source: External Likelihood: ★★★★★</p>	<p>Provide congenial work environment where employee feels motivated for work.</p>	<p>The Company is focused to continuously improve skills of the management team through dedicated courses and trainings. Company has provided effective environment without excessive work pressure.</p>

Risk

Risk	Description	Mitigation Plan
<p>Credit Risk Area of Impact: Financial Capital Impact Level: Moderate Nature: Short Source: External Likelihood: ★★☆☆☆</p>	<p>Any delay default in settlement of Company's dues by its customers can negatively impact the Company's liquidity situation.</p>	<p>The Company regularly make assessment of the Customers and extends credit accordingly. The Company has formal credit policy in place which bifurcate customers at different levels and credit is allowed on policy basis.</p>
<p>Working Capital Management Area of Impact: Financial Capital Impact Level: Moderate Nature: Short to Medium Source: External Likelihood: ★★★★★</p>	<p>Any increase in raw material cost or increase in volume of raw material stock or debts may limit the avenues for availability of sufficient working capital.</p>	<p>Management has addressed the risk of shortage of working capital by availing the sufficient credit lines from the diversified financial institutions in order to meet the short-term requirements of the Company.</p>
<p>Low Productivity/ Unavailability of Raw Material Area of Impact: Financial Capital Impact Level: Moderate Nature: Short to Medium Source: External Likelihood: ★★★★★</p>	<p>Low Productivity/Recovery from sugar cane in the area and replacement of Sugarcane with other crops and orchards.</p>	<p>Company has Specialized data driven cane procurement team and give financial support and educates the growers with latest farming techniques in order to improve the yield which ultimately helps the sector growth as well as availability of raw material. The company in collaboration with other mills in the area is reducing variety CPF 238/ CPF 84 and is propagating varieties such as CPF 240, 246, 70-20-40, 77-79 which have over 10.5 % recovery. These varieties are more resistant to crop diseases.</p>
<p>Natural Catastrophe Area of Impact: Financial Capital & Human Capital Impact Level: Low to Moderate Nature: Short to Medium Source: External Likelihood: ★☆☆☆☆</p>	<p>Destruction of manufactured facility, equipment and installations due to natural disaster</p>	<p>The Company has comprehensive Insurance cover in case of any catastrophe. Further, the Company has taken safety measures during construction and erection of building and plant. Company has a disaster recovery plan and safety policy in place.</p>
<p>Inability to Retain and Develop High Potential Talent Area of Impact: Financial Capital & Human Capital Impact Level: Low to Moderate Nature: Short to Medium Source: Internal/External Likelihood: ★★★★★</p>	<p>High potential employees and workers play the most important role in company's performance and are Corporate Assets. Frequent turnover affects Company's operating performance.</p>	<p>Company has a robust human resource plan to promote a culture of employee training and development with opportunities of career growth aided by market competitive compensation.</p>

P

POLITICAL

Political factors determine the extent to which a Government may influence the economy or a certain industry. Political uncertainty trembles the business environment.

Description

- Change in Ruling Party
- Political Uncertainty

Significant Changes from Last Year

The Company continuously analyzes and monitors the political situation of the country including changes in duty structures, taxes and other levies to mitigate any unwarranted affect.

Organizational Response

E

ECONOMIC

Economic factors refer to the financial state of the country. A strong economy invigorates business and vice versa.

- Increased Inflation
- Devaluation of PKR against USD
- Increase in Raw Material Cost
- Increase in Labor Cost
- Unstable Discount Rate
- Decelerated Economy

Sugarcane is a major raw material for sugar production as manufacturing cost. Sugarcane price is regulated by Provincial Government and higher cost of sugarcane makes the sugar mills less competitive to operate. The Company purchases good quality cane from growers to produce sugar at high recovery. However, devaluation of currency, inflation factor and increased variable costs impact the bottom line. The Company keeps on applying cost effective measures to manage inflationary pressure. Furthermore, it has negotiated competitive rates with various banks for its financing needs.

S

SOCIAL

Social responsibility of a company cannot be ignored. The Company must play its role in betterment of society in which it operates. Corporate Social Responsibility factors:

- Providing safe and clean work environment
- Charity and donation
- Supporting the local community in healthcare and education
- Safe and healthy environment
- Demographic change

Make HSE department more rigorous.

The Company always strives to be a part of social causes and for the betterment of society. For this purpose, the Company donates in various social causes including education programs and health & safety of society.

Moreover, the Company has a dedicated team which works for the betterment and welfare of workers at factory and ensures that the SOPs are properly adhered to this purpose.

Organizations are affected by continuously changing external environment. JSML has developed a strategy to ensures that we are best positioned in our external environment to manage the risks and benefits from the opportunities associated with volatility on the political, economic, technological, environmental, legal and social fronts. Few of these factors are enlisted.



TECHNOLOGY

Technology plays a vital role in success of any company. There is a risk of technological change by competitors and technologically primitive companies often end-up being shut down.

- Up-gradation of network and security measures
- Falling film evaporator
- Boiling tube installation of high pressure boiler injection pumps installation for water temperature control
- Mills gear up-gradation
- Automation of conti pans
- Cybersecurity measures and new technology

The Company has to be equipped with latest technology to face the challenges of dynamic environment. Keeping in view the technological advancements, the Company keeps an eye to latest developments to improve efficiency and build capacity. The Company has latest machinery at its production site and keeps it updated to meet the latest technological standards.

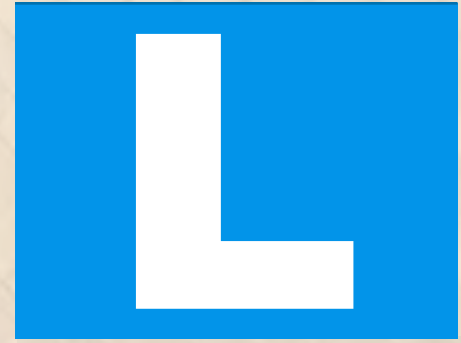


ENVIRONMENTAL

Almost every manufacturing company has an impact on the environment. Climate changes, natural disaster and water shortage is the major area of concern.

- Implementation of proper HSE and environment standards within an organization
- Inclusion of Solar Power project within the company
- Building of reservoir to store excess water

The Company follows the standard for disposal of liquid effluents as per the Environmental Protection Agency (EPA) guidelines. The only hard form of waste extracted while purification of sugar called Mud which is environment friendly and is used as a fertilizer in farms. Every year trees are planted in mill and surrounding areas to improve shared environment.



LEGAL

Companies are required to abide by various laws and regulations. Every responsible company must follow all rules and regulations laid by the Government.

- Companies Act, 2017
- Income Tax Ordinance
- Sales Tax Act
- SECP Acts, Rules and Regulations
- Code of Corporate Governance
- Pakistan Stock Exchange (PSX) Regulations
- IFRS Amendments

The Company strongly abides by all the laws enacted by Government. The Company has employed various professionals of respective fields so that the Company would strongly and strictly follow all the laws that are applicable to the Company.

Seasonality of Business

Sugarcane crushing season started in November and ended in March. Sugar produced in 103 days of the season and sold throughout the year based on varied demand mostly during the ramadan season in the Country.

Share Price Sensitivity Analysis

Many factors may result in changes in Company's share price. Following are some key factors that may affect the price of the share in the stock exchange:

Industry Performance

The share price of the Company will move in correlation with share prices of other companies in the industry with similar performance parameters. The economic and market conditions along with cost and revenue variables, that are regulated through Government influence, generally affect the industry performance. Prices of Sugarcane i.e. key raw material of sugar industry is controlled through support price mechanism by the Provincial Government coupled with regulated exports as allowed by the Federal Government from time to time. Increase in discount rate and inflationary pressure also affect the cost of production of sugar which results in share price variation. Any adverse news related to competitors will benefit the share price.

Selling Price

The profitability in the sugar industry is highly sensitive to the price of sugar, which eventually has a strong effect on the share price of the Company.

Raw Material Costs

Manufacturing cost mainly includes sugarcane cost which directly effects the cost of production of sugar. The cost of procurement of sugarcane is directly affected by the minimum support price for the relevant season and also through fair market competition in operational areas of procurement. The fluctuation in sugarcane procurement cost affects the profitability of the Company and resultantly affects the share price.

Government Policies and Regulations

The policies adopted and regulations promulgated by the Government have a direct association with share prices. Any policy that will result in increased demand, improved tax rates, reducing production costs, the better economic environment may positively influence the share price. Whereas the policies that create hindrances for the sugar industry and for the overall business environment will adversely impact the share price.

Law and Order

Improved law and order conditions and stable political environment foster the business conditions. Poor law and order conditions disrupt business activities and will have a negative effect on performance. Therefore, these have a direct effect on the share price sensitivity of the Company.

Economic Conditions

The Company's performance has a direct relationship with economic conditions so as the share price. The factors that contribute to economic conditions include the discount rate, currency devaluation, and inflation. Increased in the discount rate will expose the Company to higher cost of debts. Currency devaluations will benefit the Company in terms of exports however, on the other hand, will result in a higher cost of imported stores and spares and plant and machinery. However, all these factors will improve the performance of the Company if contribute positively to the economic conditions.

Operational Efficiencies

Employment of cost reduction techniques, stable plant operations, better production planning, taking benefits of synergies of the production facility will have a significant and positive effect on the profitability of the Company and eventually on the share price as well.

Investor Sentiments

The share price of the Company is also open to the volatility of investor sentiments or confidence in the stock market and macro-economic conditions. In a strong stock market, the investors' confidence is growing and so as the share prices. Whereas in weak stock market investors' sentiments are negative so do the share prices. Stock market's strength is closely associated with economic conditions.

Sensitivity Analysis of Change in Market Capitalization

Share Price of 30.09.2023 : Rs. 16.25

Market Capitalization as of 30.09.2023 : Rs. 554,587,361

Change in Share Price by : Change in Market Capitalization

+10%	Rs. 55,458,736.1
-10%	Rs.(55,458,736.1)

Position Within Value Chain

END USERS



COMMISSION AGENTS



TRANSPORT FROM THE FACTORY



Upstream

Downstream

CHEMICAL

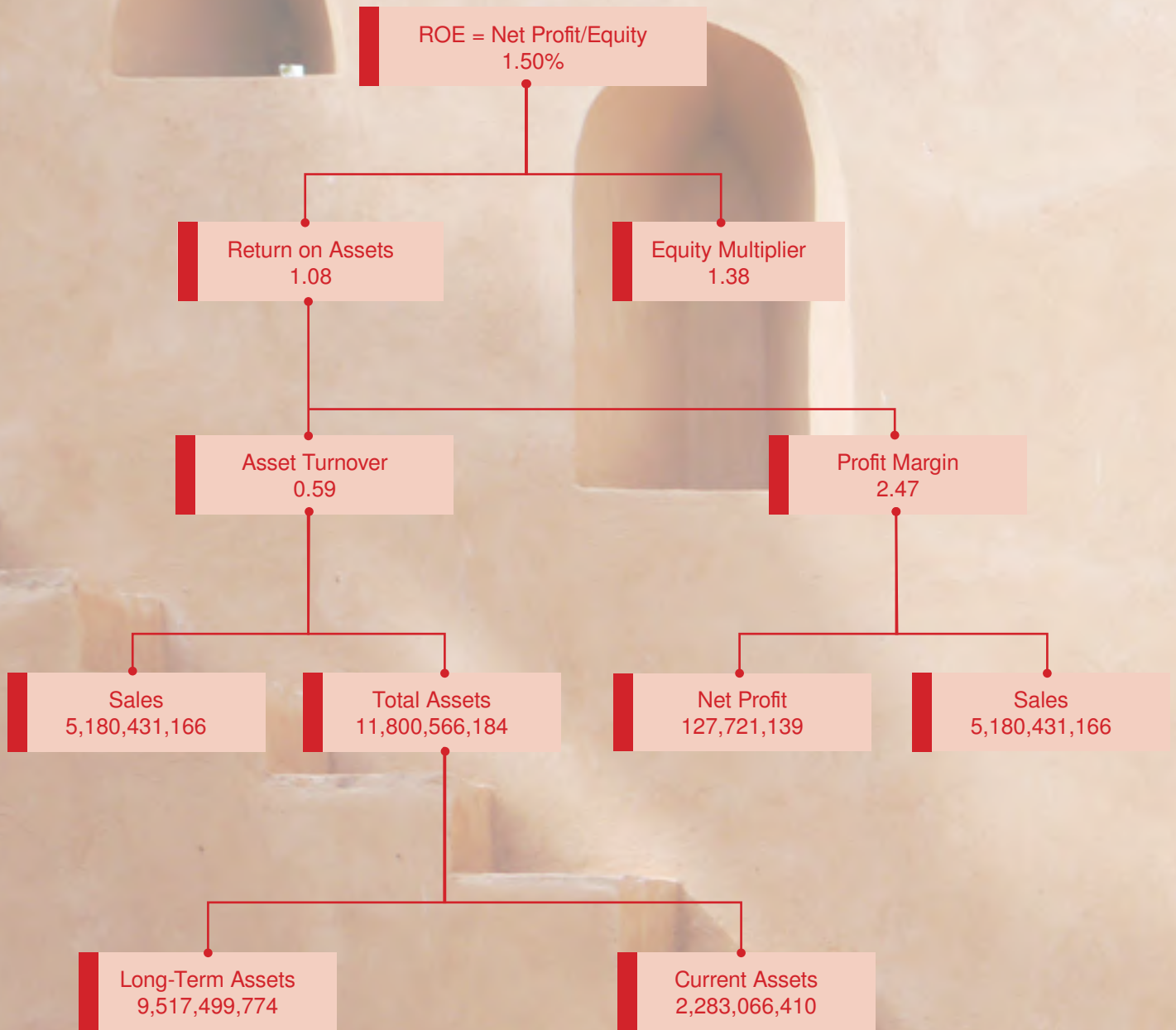


TRANSPORT TO FACTORY

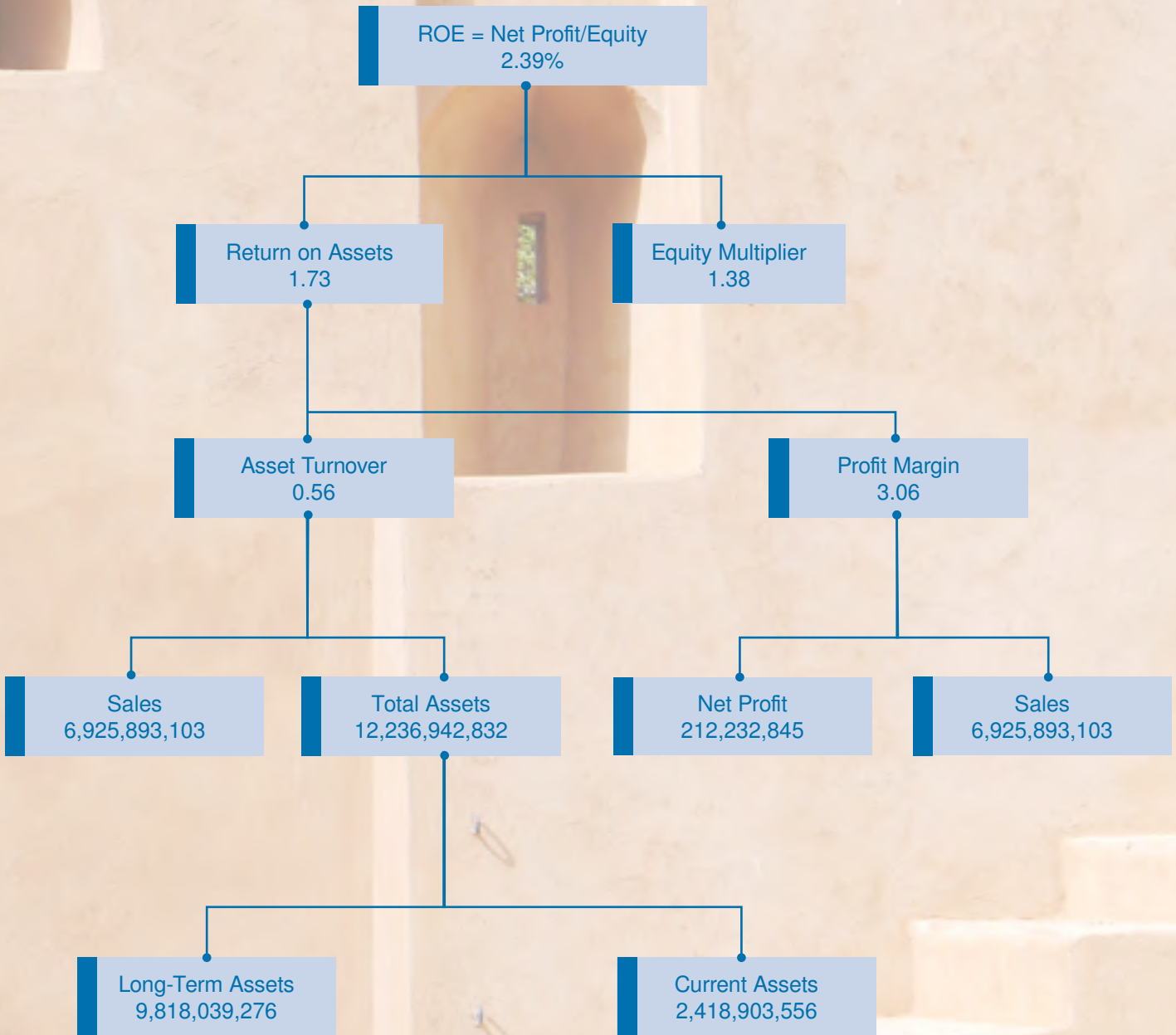


RAW MATERIAL & SUGARCANE





Dupont Analysis For the Year 2022



Dupont Analysis For the Year 2023

Competitive Landscape & Market Positioning

Jauharabad Sugar Mills Limited (JSML) has a privilege of being one of the pioneer sugar mills of Pakistan and has been in operation for the last seventy years with the daily crushing capacity of 12,500 MT. Company's focus is to capitalize on strength, explore opportunities while addressing risk and weaknesses.

<p>Power of Suppliers</p>	<p>JSML's continuous and sustainable growth is also attributable to sustainable and dependable suppliers and growers for industrial inputs and raw materials. JSML is proud to have healthy relationship with sugarcane growers in its surrounding areas. A dedicated cane team is deployed to establish healthy relationship with sugarcane growers and suppliers, for smooth and uninterrupted supply of good quality sugarcane during the crushing season.</p> <p>The Company educates the growers with latest farming techniques, disburse loans and advances, in order to improve the yield which ultimately helps the sector growth..</p>
<p>Power of Customers</p>	<p>Jauharabad Sugar Mills is among the top quality sugar producer of Pakistan. Commission agents are also engaged with the Company for several years. Our success and performance is depend upon the loyalty for which JSML has invested significantly over the years.</p>
<p>Competition</p>	<p>Pakistan's sugar sector comprises of competitors of different sizes and capacity but over the years, sugar industry has seen a rise in competition due to certain reasons. Prices are determined by demand and supply as well as through government intervention being a daily consumable product, further the increasing prices of sugarcane makes it difficult for mills to operate in this selling price constraints.</p>
<p>Risk of New Entrants</p>	<p>There is a low risk of new entrant in domestic sugar industry due to the fact that it is capital intensive industry. There is limited availability of sugarcane with already large number of sugar mills in Pakistan makes the market unattractive for new players. The sugar sector production capacity is already under-utilized and new entrants would have to face extensive regulatory requirements / approvals which also make it unattractive for new entrants.</p>
<p>Risk of Substitute Product</p>	<p>Sugar is a commodity item and always remains in demand. The nature of product is such that the risk of substitute products in market is minimal. Although, there are some substitute products of white sugar, e.g. brown sugar, caster sugar, non-sugar sweeteners; but white refined sugar will always be the first choice by consumers.</p>



GOVERNANCE



آزادیِ افکار سے ہے اُن کی تباہی
رکتے نہیں جو فکر و تدبیر کا سلیقہ

Calendar of Major Events - Year 2023



Final Cash
Dividend Payment
Tuesday, February 07, 2023

Board of Directors Meeting
1st Quarter Results
Thursday, January 26, 2023



CSR-Clean Energy
Transition Award
Thursday, March 09, 2023

Board of Directors Meeting
2nd Quarter Results
Friday, May 26, 2023



Extraordinary General Meeting
Election of Directors
Thursday, September 07, 2023

Board of Directors Meeting
3rd Quarter Results
Monday, July 24, 2023



Board of Directors Meeting
**Appointment of Chairman
& Chief Executive**
Friday, September 08, 2023

Board of Directors Meeting
Annual Results
Monday, December 18, 2023

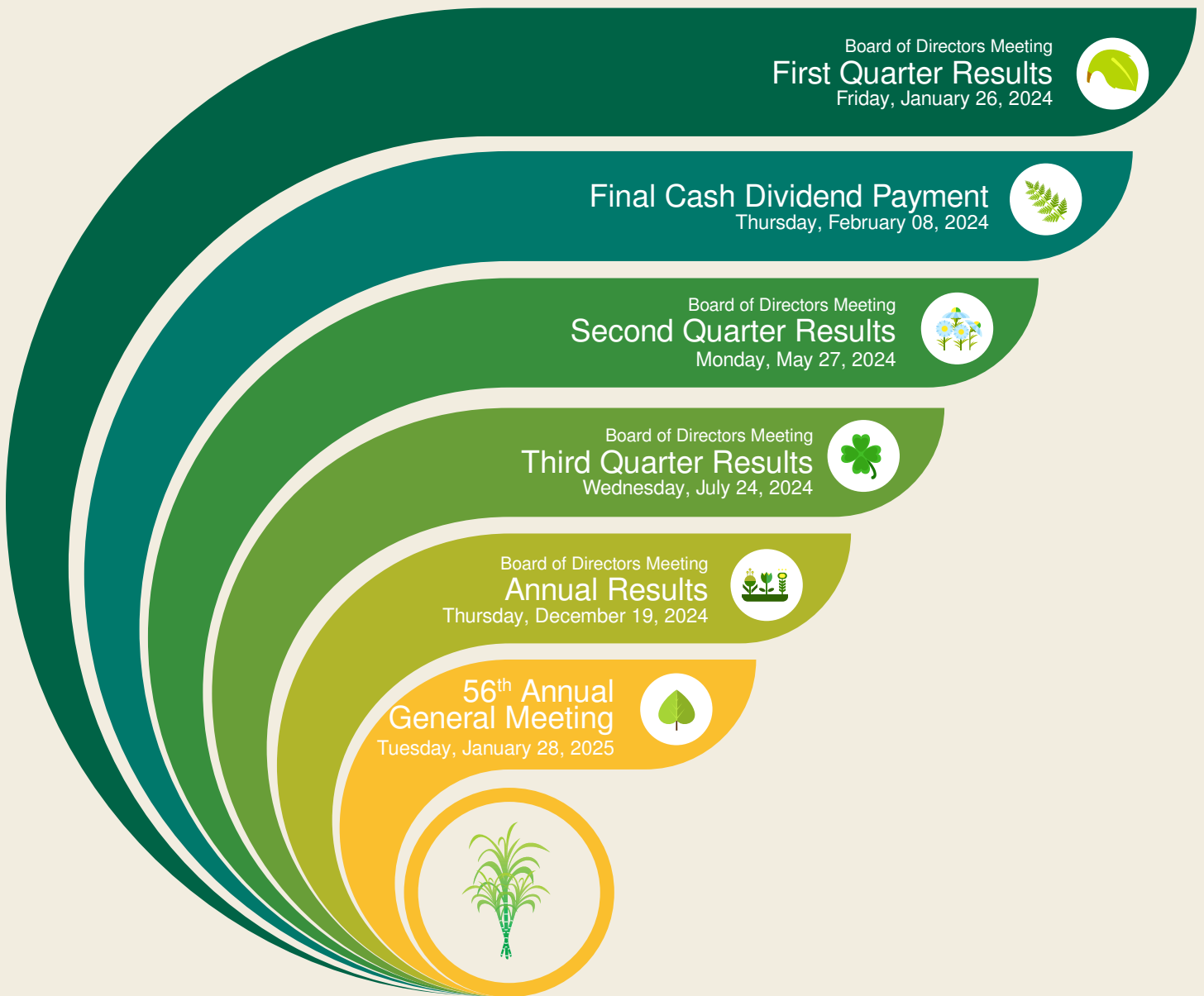


**Best Corporate &
Sustainability Report Award**
Thursday, October 12, 2023

**55th Annual
General Meeting**
Saturday, January 27, 2024



Corporate Calendar - Year 2024



Governance Framework

The Legislative and Regulatory Environment in which the Organization Operates

The JSML is registered in with SECP and listed at PSX. Therefore for the purpose of legislative and regulatory compliance JSML strictly follow:-

- a) Companies Act, 2017
- b) PSX Rule Book
- c) CCG 2019
- d) Sugar Factories Control Act 1950

Further, JSML is a member of the Pakistan Sugar Mills Association.

Justification for Independence of Independent Director:

Mr. Muhammad Aamir Beg

Mr. Farhan Ilyas

Ms. Faiza Iftikhar

As per requirements of Companies Act, 2017 and Code of Corporate Governance 2019, it is mandatory that each listed company shall have at least two or one third members of the Board, whichever is higher, as independent directors.

Independent director is a director; who is not connected or does not have any other relationship, whether pecuniary or otherwise, with the Company etc. and can be reasonably perceived as being able to exercise independent business judgement without being subservient to any form of conflict of interest. At JSML there is an appropriate mix of individuals as independent directors to ensure that there is an overall adequate level of knowledge and expertise for independent directors to effectively carry out their role and functions. All of the Independent directors meet the requirements of Companies Act, 2017.

Role and Responsibilities of Chairman and Chief Executive Officer

Pursuant to the provisions of section 192(2) of the Companies Act 2017, the Board of Directors of Jauharabad Sugar Mills Limited has designated separate persons for the positions of the Chairman of the Board of Directors and the office of the Chief Executive Officer with clear division of roles and responsibilities. Following is the brief comparison of roles of the Chairman & the Chief Executive Officer.

Chairman

The Chairman of the Board has the responsibility to lead the Board and ensure its effective functioning and continuous development. More specifically, the duties and responsibilities of the Chairman are as follows:

- acting as a liaison between management and the Board, through the CEO;
- ensuring that the Directors are properly informed with sufficient information to enable the Directors to form best and informed decisions;
- preparing the review report (to be included with the annual financial statements) on the overall performance and effectiveness of the Board of Directors;
- developing and setting the agendas and acting as Chair at meetings of the Board;
- ensuring that all relevant information has been made available to the Board;
- ensuring that the agenda, notice of meeting along with all relevant material were circulated within stipulated time and the minutes of the Board meetings are kept in accordance with applicable laws;
- safeguarding shareholders' interest in the Company;
- issuing the letter to the directors at the commencement of each three-year term of the Directors setting out their role, obligations, powers and responsibilities;
- The chairman ensure that the Board of Directors remains effective in its tasks of setting and implementing the Company's direction and strategy;
- develop the agenda and presiding as chairman at every General Meeting of the Company;
- recommending to the Board, after consultation with the Directors and management, the appointment of members of the Committees of the Board etc.

Chief Executive Officer

The CEO is primarily responsible for the management of the Company and its procedures in financial and other matters, subject to the oversight and directions of the Board, in accordance with the Companies Act, 2017. In such capacity the CEO's role and responsibilities include;

- planning, formulating and implementing strategic policies;
- ensuring the achievement of productivity and profitability targets and efficient Company operations;
- ensuring that necessary coordination exists between various departments of the Company to achieve smooth operations;
- ensuring that the Company's interests and assets are properly protected and maintained and all the required Government obligations are complied with in a timely manner;
- maintaining a close liaison with the Government, customers, suppliers and sales offices;
- ensuring proper functioning of the Management Committees of the Company of which he is the chairman;
- preparing and presenting personally to the Board of Directors reports such as annual business plan, cash flow projections and long term plans, budgets along with variance analysis etc.

The CEO of the Company is to whom all Business and Functional heads directly or indirectly report and is responsible for presentation of the Company's aims and policies to the Government and all stakeholders.

How the Board Operates and the Matters Delegated to the Management

At the time of appointment of director, the Chairman of the Board communicates a complete set of document of roles, responsibilities and powers as director of the Company. These roles, responsibilities and powers are in accordance with the provisions of applicable and relevant laws.

At JSML the responsibility of management to conduct the routine business operations of the Company in an effective and ethical manner in accordance with the strategies and goals as approved by the Board and to identify and administer the key risks and opportunities which could impact the Company in the ordinary course of execution of its business. Management is also responsible in keeping the Board members updated regarding any changes in the operating environment. It is also the responsibility of management, with the supervision of the Board and its Audit Committee, to prepare financial statements that fairly present the financial position of the Company in accordance with applicable accounting standards and legal requirements.

Diversity in the Board

The Board of Directors form one of the pillars of a corporate governance framework and over the years, Regulators have placed great emphasis on addressing different matters relating to Diversity on the Board.

Diversified board members are more likely to possess different personal characteristics, which lead to dissimilar leadership, thinking, professional styles and even risk preferences and behaviors. This also provide a more comprehensive oversight to the operations of the Company through a further enhancement of the Company's sensitivity to a wider range of possible risks such as reputation and compliance risks. Diverse board of directors must include a variety of perspectives, skills, ages, genders, cultures, and ethnicities to achieve success. At JSML, we have female representation on the Board along with members who are 'financial literate' and experienced in different industries / sectors.

Presence of the Audit Committee Members and Chairman at the AGM

Shareholders are invited to all General Meetings and are encouraged to share their concerns and queries. The chairman, certain members of the Board, Chief Executive and other senior management personnel were present at the General Meetings held during the year, to address all concerns and queries raised by the shareholders regarding the financial statements for the year ended 30 September 2023 and Audit Committee's activities and matters within the scope of the Committee's responsibilities.

Selection of Chairman and Non-Executive Director

No external search consultancy was used for the selection and appointment of the Chairman or any other non-executive directors on JSML's Board.

Chairman's Significant Commitments and any Changes Thereto

Mr. Muhammad Aamir Beg is serving Jauharabad Sugar Mill Limited as the Chairman of the Board. Apart from his associations as mentioned in Directors' profile, he does not have any significant commitment.

ERP to Meet Modern Business Essentials

JSML always made sure to match the pace of technological advancement. The Company has an integrated information management

system and a stable ERP platform which is able to manage and integrate the functions of core business processes/modules like finance, HR, supply chain and inventory management in a single system. System Analysis and Resource Planning (SARP) software especially designed for sugar sector industry has been implemented within the Company. As far as cost efficiency is considered, it brings together all the analytical and transactional capabilities of a variety of systems onto one location. This enhances the decision making process immensely.

Management of JSML is always concerned about the improved technology and the ERP system of the company is upgraded and reconfigured from time to time as per the changing needs of the company and regular trainings for the staff are conducted internally and outsourced where needed.

The Company had always engaged renowned consultant for its ERP project as per need to manage the control risks and proper guidance to relevant staff where needed. Moreover, there is a robust policy in place for the security of control system; which define the limits of authority, powers and segregations within system to safeguard the sensitive data.

The company is well aware and wants to stay ahead of the curve and make decisions that are future ready as the technology is evolving rapidly therefore keeps the system updated.

External Oversight on Our Function:

To enhance credibility of internal controls and systems, we have audited and Certified for continued satisfactory operation of the Organization's Management System ISO 9001:2015 and Certificate of continued satisfactory Food Safety operations - FSSC 22000 Version 5.1 by a reputable professional service organization Bureau Veritas and special external specialist are also appointed by the Company who are experts in providing services to enhance credibility of internal control systems.

Governance Practices Exceeding Legal Requirements

- Implementation of Directors' Training Program ahead of prescribed timeframe;
- Implementation of aggressive Health, Safety and Environment Strategies to ensure safety of employees, equipment and surrounding communities;
- Implementation of various Environmental friendly projects for welfare of the community as part of its Corporate Social Responsibility;
- Ensured that all material information is communicated to the PSX, the SECP and the Company's shareholders as soon as it becomes available mostly before the deadlines set out by the laws;
- Disclosure of various financial analysis including ratios, reviews, risk matrices and graphs etc. in the Annual Report;
- Disclosure of forward looking information, governance practices, history of financial information and its graphic presentation.

Report of the Audit Committee

Chairman: Mr. Farhan Ilyas

Member: Mr. Muhammad Aamir Beg

Member: Mr. Amjad Javed Aftab

The Audit Committee of the Company comprises of one Non-Executive Directors and two Independent Non-Executive Director including the Chairman of the Committee. The Head of Internal Audit attends Audit Committee meetings. The Chief Executive Officer and Chief Financial Officer attend Audit Committee meetings by invitation. The Audit Committee also separately meets the external auditors at least once in a year without the presence of the Management.

The Chairman to the committee has attended all the meetings and replied all queries to the members.

Meetings of the Audit Committee are held at least once every quarter. Four meetings of the Audit Committee were held during the year 2022-2023. Based on reviews and discussions in these meetings, the Audit Committee reports that:


1. The Company has issued a Statement of Compliance with the Code of Corporate Governance which has also been reviewed and certified by the auditors of the Company.
2. The Audit Committee reviewed and approved the quarterly, half yearly and annual financial statements of the Company and recommended them for approval of the Board of Directors. Further, the financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017, and applicable International Accounting Standards and International Financial Reporting Standards notified by SECP.
3. The Audit Committee has reviewed and approved all related party transactions.
4. The Audit Committee takes into account any feedback from the Board of Directors and incorporates for improvement.
5. There were no whistle-blowing incidence reported to the Audit Committee current year.

Internal Audit and Risk Management

1. For appraisal of internal controls and monitoring compliance, the Company has in place an appropriately staffed, Internal Audit department. The Audit Committee reviewed the resources and performance of the Internal Audit department to ensure that they were adequate for the planned scope of the Internal Audit function. Head of Internal Audit Department has direct access to the Audit Committee.
2. An Internal Audit Risk Assessment document is submitted to the Audit Committee and based on that an Audit Plan is prepared to mitigate the risks involved in the Company's operations. Further, on the basis of this plan, audits are conducted and reports are submitted. The Committee on the basis of the said reports reviews the adequacy of controls and compliance shortcomings in areas audited and discuss corrective actions in the light of management responses. Regular follow ups of these reports are also taken. This ensures the continual evaluation of controls and improved compliance. Minutes of Audit Committee meetings are timely circulated to the Board of Directors.
3. For continuous improvement of internal controls, the Committee also discussed the internal controls and the management letter with the external auditors.

External Audit

1. The external auditors M/s. UHY Hassan Naeem & Co. Chartered Accountants were allowed direct access to the Audit Committee and necessary coordination with internal auditors was ensured. Major findings arising from audits and any matters that the external auditors wished to highlight were freely discussed with them.
2. The Audit Committee has reviewed and discussed with the external auditors and management, all the Key Audit Matters and other issues identified during the external audit along with the methods used to address the same.
3. Being eligible for reappointment as Auditors of the Company, the Audit Committee has recommended the appointment of M/s. UHY Hassan Naeem & Co. Chartered Accountants as External Auditors of the Company for the year ending September 30, 2024 as it is one of the reputable audit firm and has thorough knowledge of the Company's business and industry due to long association with the Company.
4. The Company also obtains taxation related services from M/s. UHY Hassan Naeem & Co. Chartered Accountants as it is one of the reputed firm in provision of said services and has sound professional policies and procedure to ensure compliance of independence.


Chairman
Mr. Farhan Ilyas

Dated: December 18, 2023

Notice of 55th Annual General Meeting

Notice is hereby given that the Fifty Fifth (55th) Annual General Meeting (AGM) of the members of Jauharabad Sugar Mills Limited (the "Company") will be held on Saturday, January 27, 2024 at 11:00 a.m., at its Register Office 125-B, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited annual financial statements of the Company for the year ended September 30, 2023 together with Auditors' Reports and Directors' and Chairman's Review Report thereon.
2. To consider and approve, as recommended by the Board of Directors, the payment of final cash dividend for the year ended September 30, 2023 @ 10% i.e., Re.1/- per ordinary share.
3. To appoint Auditors for the next financial year ending September 30, 2024 and to fix their remunerations. M/S UHY Hassan Naeem & Co., Chartered Accountants, being eligible, have offered themselves for re-appointment.
4. To transact any other business with the permission of the chair.

By order of the Board



Al Yousuf
Company Secretary

January 04, 2024
Lahore



Note:

- The Annual Audited Financial Statements of the Company for the year ended September 30, 2023 along with Auditors' and Directors' Report and Chairman's Review Report thereon have been placed on the Company's website: www.jsml.com.pk, which can be downloaded/ viewed from the following QR code and weblink:

<https://www.jsml.com.pk/index.php/financial-reports/>



and tax will be deducted according to his 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, 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 Company's Share Registrar latest by the AGM date.

Folio/ CDC A/c.	Name of Share holder	CNIC	Shareholding	Total Shares	Principal/ Joint Shareholder
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- The share transfer books of the Company will remain closed from January 20, 2024 to January 27, 2024 (both days inclusive). Transfer received in order by the Company's Share Registrar, M/s Corplink (Private) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore up to the close of business on January 19, 2024 will be treated in time for entitlement to attend the Meeting.
- A member entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signature of the representative shall be submitted along with Proxy Form of the Company. Proxies, to be affective, must be received at the registered office of the Company 48 hours before the time of holding of the meeting.
- Those members who have deposited their shares with the Central Depository Company of Pakistan Limited (CDC) are requested to bring their original CNIC, Account and Participation's Numbers. Such members will further have to follow the guidelines as laid down in the Securities and Exchange Commission of Pakistan's Circular No. 1 dated January 26, 2000.
- The members should quote their folio number in all correspondence with the Company and at the time of attending the Annual General Meeting.
- Members are requested to notify the change of their registered addresses, Zakat Declaration, and tax exemption status, if any, duly accompanied with its valid certificates, immediately to Company's Share Registrar.
- As per provisions of 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 members. Accordingly, all members are requested to provide Dividend Mandate Information to the Company's Share Registrar, member broker, participant/CDC investor Account Services. In case of shares held in CDC, the same information should be provided directly to the CDS. A notice of the foregoing seeking information from the members was sent earlier. Standard Request form has also been placed on the Company's website www.jsml.com.pk. In case of failure to provide the information, the Company will be unable to pay the dividend.
- The current withholding tax rates on dividend payments as prescribed by the Income Tax Ordinance, 2001 (the Ordinance) are 15% for persons whose names are appearing in the active taxpayers' list (ATL) and 30% for persons whose names are not appearing in the ATL. To enable the Company to make tax deduction on the amount of Cash Dividend @ 15% instead of 30%, all the shareholders whose names are not entered into the ATL available on the website of the Federal Board of Revenue, are advised to make sure that their names are entered into ATL before the date of dividend payment, otherwise they shall not be treated as Active Taxpayers (despite the fact that they are filers of income tax return) and tax on their Cash Dividend will be deducted @ 30%.
- The Corporate members having CDC account are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical members should send a copy of their NTN certificate to the Company's Share Registrar.
- As per FBR's clarification, the valid Exemption Certificate under Section 159 of the Ordinance is mandatory to claim exemption of withholding tax under Clause 47B of Part-IV of Second Schedule to the Ordinance. Those who fall in the category mentioned in above Clause must provide valid Tax Exemption Certificate to the Company's Share Registrar; otherwise, tax will be deducted on dividend amount as per prescribed rates.
- The FBR has clarified that shareholders' accounts jointly held by Filers and Non-Filers shall be dealt with separately and in such situation, each account holder is to be treated as either a Filer or a Non-Filer

- Section 244 of the Companies Act 2017 requires that any Shares/ Modaraba Certificates/ Dividend that remain unclaimed for a period of three years (or more) are to vest with Federal Government. The law requires the Company to deposit any unclaimed or unpaid amount to the credit of the Federal Government, if no claim is made before the Company after giving due notices to the shareholders. Through this notice all shareholders who by any reason could not claim their dividend or shares are advised to immediately collect / enquire about their unclaimed dividend or pending shares/ modaraba certificate, if any, with Company's Share Registrar.
- Corporate Analyst Briefing Session as mandated by the Pakistan Stock Exchange according to its notification PSX/N-92 dated January 28, 2019 of Jauharabad Sugar Mills Limited will also be held at its register office 125-B, Quaid-e-Azam Industrial Estate, Kot Lakh Pat, Lahore on Saturday, January 27, 2024 shortly after the completion of AGM. At the session performance and results for the year ended September 30, 2023 will be explained. The shareholders/investors and analyst, who are interested to attend the session through video link are requested to send their registration at secretary@jsml.com.pk maximum by 25, January, 2024 at 5:00 p.m. by providing the particulars as follows:

Name	CNIC	Folio Number (if any)	Contact No.	Email
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- Transmission of Annual Financial Statements through email**
The Securities and Exchange Commission of Pakistan vide SRO 787(1)/2014 dated September 08, 2014 has allowed companies to circulate annual balance sheet, profit & loss account, auditor's and Directors' reports and Chairman's Review Report along with notice of annual general meeting to its members through email. Members who have provided their email addresses are being sent the same by email. Members who have not provided their email addresses and wish to avail this facility may send their consent along with email address to the Company. Hard copies of the annual audited accounts will be provided on demand.
- In accordance with section 132(2) of the Companies Act, 2017, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 7 days prior to date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. The Company will intimate to such shareholder's information regarding venue of video conference facility at least 5 days before the date of the Annual General Meeting to enable them to access to such facility.
- Members can exercise their right to demand a poll subject to meeting requirements of section 143 to Section 145 of the Companies Act, 2017 and applicable clauses of the Companies (Postal Ballot) Regulations, 2018.
- Deposit of Physical Share into CDC Account**
As per Section 72 of the Companies Act, 2017, the Company is required to replace its physical shares into book-entry form. To ensure full compliance with the provisions of Section 72 of the Companies Act, 2017 and to be benefitted of the facility of holding shares in the Book-Entry-Form, all such members/ shareholders who still hold shares in physical form, requiring them to convert their shares in the Book-Entry-Form.
- The Company has placed the notice of AGM along with form of proxy in English and Urdu languages on its website: www.jsml.com.pk

Directors' Profile



Mr. Syed Anwar Hussain Shahid

Chief Executive

Syed Anwar Hussain Shahid is a renowned Sugar Technologist having a vast experience of thirty five years in the erection and commissioning sugar plants, Technical Supervision indecision about plant expansion, equipment selection and project exposure. He has remarkable success in running sugar plants by introducing Talo Refinery Process, implementing technological development and modification. He is responsible for overseeing technical matters of JSML sugar operations.



Mr. Muhammad Aamir Beg

Chairman/Independent Director

Muhammad Aamir Beg has thirty six years of practical experience in the fields of Marketing and new projects development. He is a qualified M.B.A from Liverpool University, England in 1981. He has received certification as project management professional. He has successfully introduced new pioneering trends in the country in the fields of tractors, agricultural equipment, and container glass for the food, beverages and pharmaceutical industries, product packaging industries.



Mr. Ghias-ul-Hasan

Non-Executive/ CPPL Nominee Director

Mr. Ghias ul Hassan is an entrepreneur with forty three Years' experience, has led number of businesses in Pakistan including Manufacturing, Trading and Advertising. His work experience and Managerial ability is one of the key success factors for the Company His capabilities and competencies will help to apply Strategy, Good Governance, Leadership in Managing the Company as well as to safeguard the Shareholder' interest in the business.



Mr. Amjad Javed Aftab

Non-Executive/CPPL Nominee Director

He is a seasoned expert of sugar manufacturing process. Professional engineer of Pakistan Engineering Council (PEC) and a Member of Chemical Institute of Engineers, Pakistan. He is serving sugar industry for last thirty two years in key positions and achievements include Plant Installation & Commissioning, Energy Audits, Planning & Administration. Besides this, he is an Executive Body member of Pakistan Society of Sugar Technologists (PSST). He has affiliation and certification from ISO making him more capable and proficient in his profession.



Mr. Farhan Ilyas

Independent Director

is a qualified M.B.A with diversified experience with national and multinational organizations. He carries a wide range of experience in the fields of business management, financial management and restructuring, and corporate administration.



Mr. Saif-ur-Rehman

Executive/CPPL Nominee Director

He is an Electrical Engineer and having twenty six years Electrical & MEP Engineering Experience in Sugar Industries, Power Plant, Distillery, Textile, Dairy Plant and High Rise Buildings including Plant installation, Commissioning, Operation & Maintenance. He has Certification from ISO, SKF Bearing Training workshop, PLC & DCS. Member of PSST. Executive Engineering Head of different Industries and Buildings Projects from last twenty years.



Ms. Faiza Iftikhar

Independent Director

Ms. Faiza Iftikhar holds M.Phil degree in education & development studies and has a diversified working experience of more than seven years with various organizations in human resource, organization restructuring and actively participate in development and execution of business plans



Chairman's Review

On Board's Overall Performance u/s 192
of the Companies Act, 2017

I feel honoured and privileged for being entrusted with the Chairmanship of Jauharabad Sugar Mills Limited Board of Directors. I pledge all my faculties to contribute immensely towards the growth of the Company and am delighted to present my review of the Company's operations for the year ended September 30, 2023.

Pakistan's economy for the fiscal year under review remained vulnerable due to Pakistan's weak external position, limited import coverage and large debt service burden. The Pak Rupee has lost its value against the major currencies, the inflation is unprecedented, the power shortage are acute, the fuel prices are rising, the current account deficit is widened to unsustainable levels and the rate of markup surged to all time high. Sugar Industry remains a key driver of economic empowerment in rural belt of our country. Having being at cross-roads for past few years, it has got traction, positive cues to emerge as a value accretive industry across its value chain and has true potential to become a net exporter.

The Management of the Company is determined to meet the prevailing challenges through its continued operational efforts along with strategic direction provided by the Board of Directors. With the blessing of Almighty Allah, the Company has maintained and improved its performance to a great extent which is the outcome of our values, objectives, strategic management and collective efforts of all stakeholders of the Company as well as shared business vision. The Company's financial performance for the year under review demonstrates the resilience within our Company's business model. Our total revenue grew by around 33.69% percent to Rs. 6,925 million, whereas our EBITDA was recorded at Rs. 1,128 million, driven by growth in byproducts contribution.

The Company has established an effective governance framework that aligns with the stipulations outlined in the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance)

Regulations, 2019. This framework pertains specifically to the composition, procedures, and meetings of the Board and its committees.

To establish a robust governance, risk management, and control environment, the Board has implemented a transparent compliance system, fostering ethical and equitable conduct throughout the Company. This commitment to ethical behavior has been ingrained in the organization's culture and values, facilitated by the thorough dissemination of the Code of Conduct. Furthermore, the Board has established an independent Audit Committee, Human Resource, Nomination Committee and Remuneration Committee to enhance the overall governance structure of the Company.

The annual assessment of the Board's performance, including its committees, has been conducted in strict adherence to the stipulations outlined in the Code Regulations. This evaluation aims to ascertain that the overall performance of the Board aligns with meticulously developed comprehensive criteria, and it has been determined to be satisfactory. Throughout the reviewed fiscal year, the Board played a pivotal and effective role in the management of the Company. The primary focus was directed towards strategic growth initiatives, business opportunities, meticulous risk management, optimizing Board composition, and diligently providing oversight to the management.

The Board members are familiar with the current vision, mission and values and support them. The Board revisits the mission and vision statement from time to time. The Board has a clear understanding of the stakeholders (shareholders, customers, employees, vendors, society at large) whom the Company serves.

Throughout the year, the Board of Directors has consistently offered valuable guidance and oversight to the management. A culture of openness and constructive debate has been cultivated, ensuring that all perspectives are heard, and facilitating communication between the Board and senior management. The Board has implemented a structured mechanism for regularly evaluating the Company's objectives, strategies, and business and financial performance. This



involves timely interactions with the management, internal auditors, and other independent consultants, allowing the Board to provide appropriate direction. It is important to note that the management is entrusted with the responsibility of executing day-to-day business activities, translating the Board's strategies into actionable plans, and making decisions that generate value in the short, medium, and long term.

The Board members contribute significantly to the diversification of the Board, comprising a well-balanced blend of Independent and Non-Executive Directors. Both Non-Executive and Independent Directors actively participated in pivotal Board decisions. The Board has successfully established a tone at the top by implementing a transparent and robust governance system. This is evident through the creation of an effective control environment, adherence to

regulatory best practices, and the promotion of ethical and equitable behavior throughout the Company.

I express gratitude for the valuable contributions made by all our stakeholders, including shareholders, employees, customers, suppliers, distributors, and bankers throughout the fiscal year. Our business is positioned to grow from the sustained investments we have continuously making since acquisition of the Company. Through combined efforts we will ensure that the Company will remain on path to sustainable growth and will remain successful to overcome challenges persist in the upcoming years. Nevertheless, the Board and Management are steadfast in their confidence and comprehensive preparedness to address and navigate all eventualities.



Muhammad Aamir Beg
Chairman
Lahore

Dated: 18 December, 2023





Mr. Syed Anwar Hussain Shahid
Chief Executive

Directors' Report

In the name of Allah, the most Gracious, the most Merciful. The Directors of the Company are pleased to submit the Annual Report, inclusive of the audited financial statements, for the financial year ending September 30, 2023.

Global Economy

The global economic activity still falls short of its pre-pandemic path due to long term consequences of the COVID-19, Russia's invasion of Ukraine, increasing geoeconomic fragmentation, effects of monetary policy tightening necessary to reduce inflation, withdrawal of fiscal support amid high debt and extreme weather events. Eventually the balance of risks to global growth remained tilted to the downside. Climatic and geopolitical crises caused food and energy prices spikes around the globe.

Domestic Economy

This year the Pakistan's economy faced several economic challenges, including fiscal deficits, a high level of public debt, inflationary pressures and external account imbalances. The Country had sought financial assistance from the International Monetary Fund (IMF) to stabilize its economy and implement structural reforms. Exchange rate also depreciated to all time low resulting in increased outflow of foreign direct investment and high inflationary pressure was witnessed throughout the year. For the current year, monetary policy rate has not been reduced thus maintaining the working capital shortage throughout the economy. Economic growth remained sluggish and downside risks to the outlook remained exceptionally high. The approval of the International Monetary Fund (IMF) Stand-By Arrangement (SBA) in July 2023 unlocked new external financing and averted a balance of payments crisis. Even with the SBA, reserves are expected to remain low, necessitating continued import controls and constraining economic recovery. The importance of maintaining a stable and reliable food and energy supply cannot be overstated as both are pivotal for economic development and competitiveness. This year food inflation triggered by climatic shocks and rise in prices of agrarian products internationally, remained the main contributor towards a higher CPI.

Sugar Industry

According to the Economic Survey of Pakistan 2022/23, agriculture sector contributed 22.90 percent towards the national GDP growth rate. Sugar industry being the second largest agro-based industry posted 1.55 percent growth towards agriculture sector's contribution in the overall GDP growth of the country. Sugar production accounts for 3.7 percent of agriculture's value addition, 0.9 percent of GDP and alone remained the major source of employment i.e., approximately 16 percent of 37.40 million agricultural labour. Despite the fact that the year 2022/23 remained a challenging one, industry's overall performance has shown resilience and has absorbed economic and fiscal shocks.

In this crop year, sugarcane was grown on approximately 1.319 million hectares of land [CY2021/22: 1.260 million hectares], an increase of 4.68 percent, resulting in an estimated production of 91.111 million tons [CY2021/22: 88.651 million tons], an increase of 2.77 percent YOY basis. The provincial government of Punjab, to encourage the farmers, has announced 33.33 percent higher minimum support price [MSP] of Rs. 300 per maund [CY2021/22: Rs. 225 per maund]. Despite yielding thin margins on sugar sales, sugarcane crop persisted as most timely rewarded crop to the growers.

Sugar production for crushing season 2022/23 was 6.73 million tons [CY2021/22: 7.42 million tons], with a decrease of 9.3 percent YOY bases. This production along with CY2021/22 carry forward sugar stocks of 0.73 million tons, after netting off export quantity of 0.216 million tons and annualized domestic demand of 6.70 million tons, has generated carry forward sugar stocks of 0.55 million tons roughly equating one-month strategic reserve. Despite the Government undue interventions, Market price of sugar has shown improvement throughout the FY2022/23. The industry has urged the Government to set the market price based on free float share price of commodities to avoid disparity and to further avoid the hoarding of sugar. The industry has recommended, upon the start of CY2023/24, to Ministry of National Food Security and Research that 0.5 million tons of sugar may be allowed for export to improve liquidity for industry and to earn precious foreign exchange for the country. Same has been turned down twice by the Ministry.

Operational Review

Principle activities of your Company during FY2022/23 remained unchanged i.e., manufacturing and sales of sugar and its allied products. The Company had started crushing season as on 25th November, 2022 [FY2021/22: 18th November, 2021] in compliance with the directives issued by the Government of Punjab. The comparative summarized operating result of your mills for the FY2022/23 are as follows:

Description	Units	FY 2022/23	FY 2021/22	YOY Change
Working Days	Days	103	146	(29.45%)
Sugarcane Crushed	M. Tons	651,476	872,378	(25.32%)
Sugar Produced	M. Tons	64,198	85,774	(25.25%)
Sugar Recovery	Percentage	9.86%	9.83%	0.3%
Sugar Sold - Domestic	M. Tons	67,210	61,992	8.42%
Sugar Sold - International	M. Tons	2,487	-	100%
Sugar Sold – Total	M. Tons	69,697	61,992	12.42%
Sugar Closing Stock	M. Tons	18,282	23,782	(23.12%)
Molasses Produced	M. Tons	29,630	34,909	(15.12%)
Molasses Recovery	Percentage	4.55%	4.00%	12.75%

During the current fiscal year, the Company's mill operated for 103 days, 43 days lesser than 146 days in the previous year. This reduction was primarily attributed to a nationwide shortage of sugarcane. Despite the challenges, the Company achieved an average daily crushing of 6,325 metric tons of sugarcane, reflecting a 5.9 percent increase compared to the previous fiscal year [CY2021/22: 5,975 metric tons]. The enhanced daily crushing can be attributed to efficient milling practices, prompt payment to sugarcane farmers, and the longstanding trust cultivated with growers over the past decade.

For the entire fiscal year, the Company crushed 651,476 metric tons of cane, marking a 25 percent decrease from the previous year [CY2021/22: 872,378 metric tons]. The production of white refined sugar was 64,198 metric tons, a decline from the previous year [CY2021/22: 85,774 metric tons]. Additionally, the Company produced 29,630 metric tons of molasses, showing an improvement in the recovery rate of 13 percent compared to the previous year [CY2021/22: 34,909 metric tons].

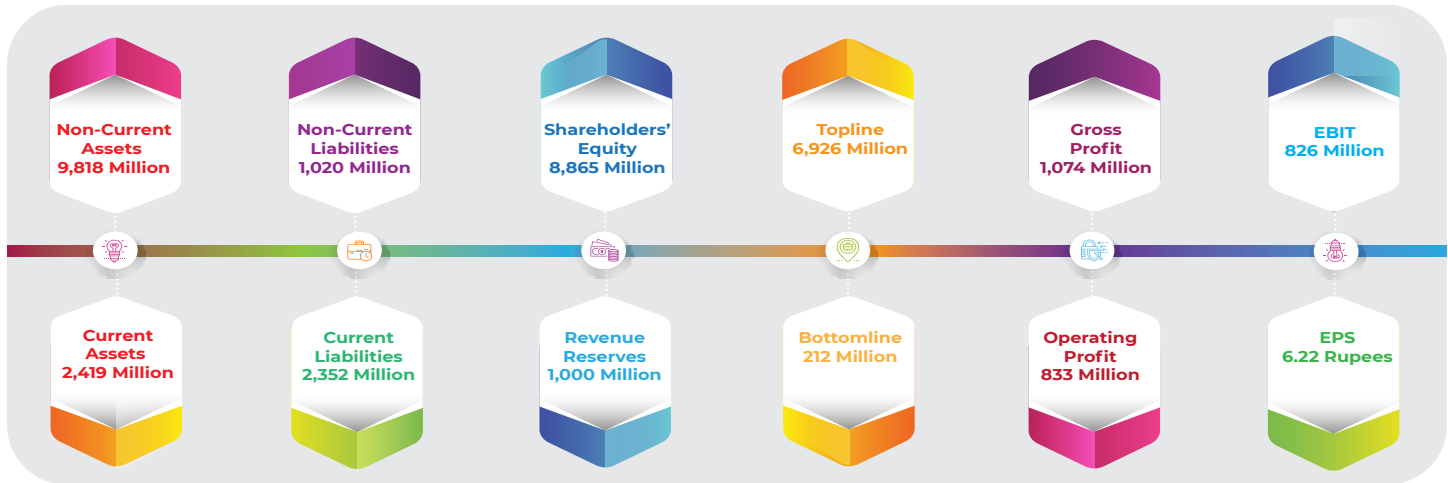
During the reported financial year, the Company has undergone a significant transformation by embracing automation in its plant operations. This strategic shift towards automation involved substantial capital investment, amounting to more than Rs. 541 million. Among the various capitalization initiatives, several upgrades have been implemented to enhance operational efficiency and technological capabilities. Few major additions include refurbishment of mills, solar energy conservation project, reverse osmosis water plant of 80 TPH for high pressure boiler and agrich equipment for development of cane within Khushab zone.

Financial Performance

The Comparison of the key financial results of your organization for the year ended as of 30 September 2023 is as follows:

Description	FY2022/23	FY2021/22	YOY Change
Sales – Net	6,925,893	5,180,431	33.69%
Cost of Sales	5,851,908	4,371,867	33.85%
Gross Profit	1,073,985	828,564	29.62%
Selling and Distribution Expenses	29,748	18,943	57.04%
Administrative and General Expenses	211,487	200,903	5.27%
Operating Profit	832,749	608,718	36.80%
Other Operating income	(6,375)	(3,977)	-60.30%
Financial Cost	560,136	333,829	67.79%
Profit Before Tax	266,238	270,912	-1.73%
Taxation	54,005	143,191	-62.28%
Profit After Tax	212,233	127,721	66.17%
Earnings Per Share (Rs. /Share)	6.22	3.74	66.31%

This year the Company has registered topline of Rs. 6,926 million [FY2021/22: Rs. 5,180 million], an increase of 33.69 percent YOY bases and has planned to carry-forward 28.48 percent [FY2021/22: 27.73 percent] of total sugar stocks. Topline has improved by Rs. 1,745 million as a result of liquidating 71.52 percent [FY2021/22: 72.27 percent] of total sugar stocks. Cost of sales of the Company increased due to high prices of sugarcane i.e., to Rs. 5,852 million against Rs. 4,354 million reflecting YOY change of 34.47 percent. The gross profit of the Company increased to Rs. 1,074 million [FY2021/22: Rs. 829 million] registering a 29.55 percent increase in comparison to last year.



The Company has recorded bottom line of Rs. 212 million [FY2021/22: Rs. 128 million] during this year. Earnings per share for the current financial year remained Rs. 6.22 against Rs. 3.74 in last financial year, with a percentage increase of 66.31 percent in earning per share.

Future Prospects

Going forward, the industry has entered the crushing year 2023/24 with carryforward stocks, lack of working capital, higher cost of funds, lower yield, lower sucrose recovery and increase in MSP of sugarcane by 33.33 percent i.e. Rs. 400 per maund [CY202/23: Rs. 300 per maund]. As per the Ministry of National Food Security and Research on Pakistan's sugar it is forecasted that 6.19 million tons of projected sugar production for CY2023/24 along with carry 0.55 million tons of carry forward sugar stocks for CY2022/23 will barely be sufficient to meet the historic annualized domestic demand of the country. Strategic reserves and pilferage/ market distortion factors are not taken into account which may result in deficit stock for the year which may require import of sugar for the upcoming year.

The Company aligned with its vision to improve mills efficiency is continuously investing in BMR and maintenance of the plant. Going forward the Company has planned to focus on corporate and retail segment under its marketing strategy. To bring diversification in revenue stream, the Company is focusing to enhance share of byproducts to topline and is exploring avenues to export surplus power in absence of EPA with FESCO.

Credit Rating

Credit rating is an assessment of the credit standing of entities in Pakistan. PACRA has its primary function to evaluate the capacity and willingness of an entity to honour its debt obligations. During the year, Pakistan Credit Rating Agency (PACRA) maintained entity ratings of the Company as "BBB+" with respect to long-term bank facilities and "A2" with respect to short-term bank facilities. These ratings denote a low expectation of credit risk and indicate satisfactory capacity for timely repayment of financial commitments. The Company is current with all its short-term obligations. Currently the Company has no long-term obligation as of reporting date.

Growth

The Company has consistently pursued excellence, prioritizing maximum returns for its stakeholders. Over the past decade, a significant turnaround has occurred, reshaping the approach to rewarding stakeholders. The Company has consistently distributed dividends, amounting to over 16 percent of its net profit in the previous year.

In the current financial year, substantial investments have been made in upgrading machinery. Anticipating positive outcomes, particularly during the 2023/24 crushing season, the enhanced power plant and other upgraded machinery are expected to deliver improved results for all stakeholders.

Dividend

Your Company had adopted a dividend distribution policy that balances the dual objectives of appropriately rewarding members through dividends and retaining capital, in order to maintain a healthy capital adequacy ratio to support long term growth of your Company. There has been no change in this policy during the year under review. The Company does not intend to carry any amount to Special Reserves. Consistent with this policy, your Board has recommended a dividend of Rs. 1.00 on Equity Shares for the financial year 2022/23 to the Members of the Company. The proposal is subject to the approval of the Members at the 55th Annual General Meeting (AGM) of your

Company scheduled to be held on January 27, 2024. The dividend together with implication of taxes will entail a cash outflow of Rs. 34.12 million.

Holding Company

Cane Processing (Pvt) Limited, a company registered in accordance with Pakistan's laws and registered office in Lahore, functions as the holding entity for Jauharabad Sugar Mills Limited, holding a majority ownership of 63.66 percent of shares.

Statutory Auditors and their Audit Report

UHY Hassan Naeem & Company Chartered Accountants, "A" category-chartered accountancy firm on the State Bank of Pakistan panel of auditors, are Auditors of the Company and shall continue to be Statutory Auditors till the conclusion of fifty-five Annual General Meeting to be held in the year 2024. The report given by the Auditors on the Financial Statements of the Company for the year ended September 30, 2023 forms part of this Annual Report and there is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their reports.

UHY Hassan Naeem & Company Chartered Accountants have completed their assignment for the financial year 2022/23 and retire at the conclusion of the fifty-five Annual General Meeting. Being eligible, they have offered themselves for re-appointment and pursuant to recommendation of Audit Committee, Board of Directors has endorsed and recommended same for shareholders' approval.

Quantitative Shariah Screening Criteria Analysis:

The Company, considering the Securities and Exchange Commission of Pakistan (SECP) requirements in term of Shariah Governance Regulations, 2023 (the Regulations), engaged external Shariah advisory firm i.e. Saud & Sons Accountancy and Advisory (Private) Limited for the assessment of Shariah compliance by the Company. The results of analysis of shariah quantitative screening are as following;

Description	Minimum Acceptable Bench Mark	FY 2022	FY 2023
Interest Bearing Debt to Total Asset Ratio	<37%	8.14%	6.64%
Non Shariah Compliant Investment to Total Asset Ratio	<33%	0.16%	0.12%
Non Shariah Compliant Income to Total Revenue Ratio	<5%	0.00%	0.02%
Illiquid Asset to Total Asset Ratio	=>25%	95.84%	95.13%
Market Price Per Share	=> Net Liquid Asset Per Share	(81.70)	(84.50)

Thereto the Company has shown satisfactory behavior in terms of shariah screening criteria for the year 2023 as all the required bench marks are within maximum acceptable quantitative tolerance level.

Going forward the Company is advised to proceed for shariah compliant certificate from SECP as per their notice circulated vis SECP/IFD/SCC/2023/351 and in accordance with the Regulations.

Human Resources

The Company continued to create a productive, learning environment by implementing robust and comprehensive HR processes, fair transparent performance evaluation and taking new initiatives to further align its Human Resource policies to meet the growing needs of its business.

Change in the Nature of Business

During the year, there was no material change in the nature of the business of the Company.

Particulars of Loans, Guarantees or Investment

Details of Loans, Guarantees and Investments covered under the provisions of the Companies Act, 2017 are given in the notes to Financial Statements forming part of this annual report.

Internal Financial Control

The Company's Internal Control system with reference to the financial statements are adequate and commensurate with the nature of its business and the size and complexity of its operations. Periodic Audits and checks are conducted along with the controls to prevent, detect and correct irregularities in the operations have been laid down by the Company.

Management Discussion and Analysis

The Management Discussion and Analysis Report on the operations of the Company, as required under SECP (Listing Obligations and Disclosure Requirements) is provided in a separate section and forms an integral part of this report.

Governance of Risk and Internal Control

The Company has a Risk Management Committee to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

Going Concern

These financial statements are prepared on going concern basis and there is no concern on Company's ability to continue as Going Concern.

Significant Plans and Decisions

In the near future, there are no plans for any restructuring or discontinuance of operations except for the routine update of production capacities at the manufacturing site of the Company.

Qualification of CFO and Head of Internal Audit

The Chief Financial Officer and the Head of Internal Audit possess the requisite qualifications and experience as prescribed in the code of Corporate Governance.

Insider Tradings

The Board has formulated a policy strictly prohibiting insider trading, in compliance with the relevant listing regulations in Pakistan. Throughout the financial year, none of the directors, CEO, CFO, Head of internal audit, and Company Secretary engaged in any trading of the Company's shares.

Risk Analysis and Mitigation Techniques

As an agricultural industry, sugar mills face additional risks affecting the performance of production processes derived from raw materials due to their seasonal, perishable, bulky, and diverse quality. Therefore, risk management becomes very important. The purpose of this study was to identify, analyze, and define risk mitigation strategies.

Availability of Sugarcane

The major risks faced by sugar business are the availability of cane, regulatory risks, price of sugar and competition within the surrounding mills. Sugarcane is the key raw material for sugar and any difficulty in getting cane at right time will have impact on the business. The key factors that influence cane availability are climatic condition, availability of cane harvesting labor and farmers opting for competitive crops.

The Company strongly believes that the availability of sugar cane is ensured by fostering good relationship with the cane growers. This is done by undertaking various measures in supporting them in cultivating cane besides making payment for their supplies in time. These are in the form of providing assistance in drip irrigation, mechanical and manual harvesting and improved cane varieties. Apart from that financial assistance, mills transport is also provided to the growers for bringing the cane crop in mill yard.

Technological Obsolescence

The Company's philosophy is to 'Modernize, Indigenize. Technological obsolescence is evaluated on a continual basis and the necessary investments are made to bring in the best of the prevailing technology. Jauharabad Sugars spent considerable amount of investment in Capital Goods to bring efficiency in Steam saving resulting lesser consumption of Bagasse and also made capital investment in Evaporation and spray ponds to reduce to ZERO pollution in production. The Company's policies also include a favorable dispensation for replacement of Machinery and Equipment on a constant basis to take advantage of such technological movements.

Revenue Concentration

Focusing extensively on a singular business segment exposes the company to inherent risks within that specific sector. In order to mitigate these risks, the company adopts a strategic approach by pursuing diversified activities within the current scope of overall management. This decision is based on a comprehensive assessment of the pros and cons associated with each activity. Such a strategy is consistent with the Company's policy, which seeks to enhance business volumes while keeping exposure to undue risks at a minimum.

Inflation and Cost Structure

The cost of revenues consists primarily of raw materials including Sugarcane, Chemicals, Stores, Repairs and maintenance and finance cost. The cost of revenues has a very high degree of inflationary certainty. To de-risk, the Company has established specific policies for procurement of cane and allied store required for manufacturing.

Jauharabad Sugars at organizational level, cost optimization and cost reduction initiatives are implemented and are closely monitored. The Company controls costs through budgetary mechanism and its review against actual performance with the key objective of aligning them to the financial model. The focus on these initiatives has inculcated across the organization the importance of cost reduction and control.

Government Policies and Impacts

Provincial government regulates the sugarcane policies and it has a larger control on this industry by determining the raw material price and also influence the sugar mills operational commencement through various statutes. The Federal government regulates the export of sugar. Hence, a sugar company's credit risk profile is vulnerable to government policies. These policies influence cost of production of sugar through regulated sugarcane pricing and revenue through its regulated export / import permissions. However, the management diligently comply with relevant regulations for smooth operations and business growth.

Legal Risk

Legal risk is the risk in which the Company is exposed to legal action As the Company is governed by various laws and the Company has to do its business within four walls of law, where the Company is exposed to legal risk exposure.

The Company has an experienced team of professionals, advisors who focus on evaluating the risks involved in a contract, ascertaining our responsibilities under the applicable law of the contract, restricting our liabilities under the contract, and covering the risks involved so that they can ensure adherence to all contractual commitments.

Board of Directors and its Committees

The Board of Directors of the Company as at September 30, 2023 consists of;

Total Number of Directors:

Male	06
Female	01

Board Composition

The composition of board of the director is as follow;

Executive Directors	02
Independent Directors	03
Non-Executive Directors	05
Female Directors	01

The names of the directors as at September 30, 2023 are as follows;

Sr. No.	Director	Category	Meetings Attended
1	Mr. Syed Anwar Hussain Shahid	Chief Executive	05
2	Mr. Muhammad Aamir Beg	Chairman	05
3	Mr. Farhan Ilyas	Independent	05
4	Mr. Ghias-ul-Hassan	CPL Nominee/Non-Executive	05
5	Mr. Saif-ur-Rehman	CPL Nominee/Executive	04
6	Mr. Amjad Javed Aftab	CPL Nominee/Non-Executive	02/03
7	Ms. Faiza Iftikhar	Independent	05

The Directors who could not attend the Board Meeting and requested for leave were duly granted leave for absence from the meeting by the Board with the law.

Executive Director Serving Other Organization

No executive director concurrently holds a position as a non-executive director in any other company. Likewise, the Company does not remunerate any non-executive director for their service on the Board of Directors.

Director Training Program (DTP)

In terms of Regulation 19 of Chapter VI of the Code of Corporate Governance presently, six (6) directors of the Company have already acquired certification under the Director's Training Program. The remaining one (1) director shall obtain certification within stipulated time frame.

System Audit by External Specialist

The internal system is certified by bureau veritas, and special external specialist are also appointed by the Company who are experts in providing services to enhance credibility of internal control systems.

Security Clearance of Directors

All the director appointed by the Company are Pakistan national, the Company has a special policy for obtaining security clearance of each director before they are being elected by the members of the Company in a meeting called for the appointment of directors.

Meeting Held Outside Pakistan

All the meetings held during the year were held at the registered address of the Company in Pakistan.

Statement of Compliance

The Company has adhered to the Best Practices of Corporate Governance, as outlined in the Listing Regulations of the Pakistan Stock Exchange, with no significant deviations noted for the fiscal year ending September 30, 2023.

Pattern of Shareholdings

Pattern of Shareholding of the Company in accordance with the Companies Ordinance, 1984 and Code of Corporate Governance as of September 30, 2023, is annexed.

Performance Evaluation of CEO, Board of Directors and Committees of the Board

The evaluation of Board's role of oversight and its effectiveness is appraised by the Board itself. The main areas of focus are:

- Achieving corporate goals and objectives as defined in the Company's vision and mission statements.
- Strategy formulation and dissemination of directions to the management for sustainable planning and operation; and
- Evaluation of Board's Committees performance in relation to discharging their responsibilities as per defined TOR's.

The questionnaires have been designed considering pertinent criteria including effectiveness, accountability, planning, leadership, and strategy formulation by the Board and its committees. A distinct questionnaire for evaluating the Chief Executive Officer's performance has also been created. The assessment of the CEO's performance is conducted by the Directors. To enhance transparency, the Company intends to involve third-party Chartered Accountants to compile results and generate a report for the Board of Directors. However, the internal evaluation of the report's contents is conducted, identifying areas that necessitate improvement.

Audit Committee

As on date of this report, the Audit Committee include of three Directors, two of whom are independent directors, and one of them is non-executive director viz., Mr. Farhan Ilyas as Chairman, and Mr. Amjad Javed Aftab and Mr. Muhammad Aamir Beg as Members. The details of terms of reference of the Audit Committee, number and dates of meeting held, attendance, among others are given separately in the attached Corporate Governance Report. Additionally, the Chairman of the audit committee was in attendance at the Annual General Meeting (AGM) and addressed all queries raised by shareholders.

Human Resource & Remuneration Committee (Hr&R) Committee

The committee is composed of three members, including executive director, non-executive director and an independent director. The terms of reference for this committee have been set up in alignment with the guidelines outlined in the Code of Corporate Governance, 2019.

In accordance with its mandate, the Committee convenes to assess and propose all facets of compensation, organizational policies, and employee development policies related to the remuneration of senior executives. Furthermore, the Committee is entrusted with approving all matters pertaining to the remuneration of executive directors and members of the management committee. Throughout the fiscal year 2022/23, the committee conducted one meeting to address these responsibilities.

Related Party Transactions

All the transactions carried out with related parties for the year under review were on arm's length basis, which were duly approved by the Audit Committee and are in compliance with the applicable provisions of the Companies Act, 2017 and SECP Listing Regulations.

Policy for Related Party Transactions are prepared in accordance with Rule 3 of The Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018" which covers following minimum conditions,

- information required for the related parties with whom transactions are to be made including nature of related party relationship at the time of approval in board meetings or general meetings.
- limitations or conditions that may be applicable in case of related party transactions.
- potential risks of related party transactions and mitigating measures.
- procedure to be followed in case of failure to present related party transactions for approval by the appropriate forum within prescribed time.
- pricing policy.

Remuneration Policy

The company has implemented a Remuneration Policy applicable to executive and non-executive directors, as well as individuals potentially appointed to Senior Management and Key Managerial positions. This policy, approved by the Board of Directors based on the Nomination and Remuneration Committee's recommendation, determines the remuneration for these roles.

Significant Events after Reporting Period

There is no significant event occurred during the year after the reporting period.

Statement of Unreserved Compliance

The Company's financial statements have been formulated in adherence to the international financial reporting standards stipulated by the International Accounting Standards Board (IASB), as communicated in the Companies Act, 2017.

Additionally, there are specific standards and interpretations that are pending implementation in Pakistan, as outlined in note 4.3.2 of the financial statements. Nevertheless, the management is of the opinion that these forthcoming standards and interpretations will not exert any substantial impact on the Company's financial statements.



Syed Anwar Hussain Shahid
Chief Executive
Lahore: December 18, 2023

Statement of Compliance

Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: Jauharabad Sugar Mills Limited

Year Ended: September 30, 2023

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

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

Gender	Number
Male	6
Female	1

- The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Muhammad Aamir Beg
	Mr. Farhan Ilyas
	Ms. Faiza Iftikhar
Non-Executive Directors	Mr. Ghias-UI-Hassan
	Mr. Amjad Javed Aftab
Executive Director	Mr. Syed Anwar Hussain Shahid
	Mr. Saif-Ur-Rehman
Female Director	Ms. Faiza Iftikhar

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
- 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.
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ Shareholders as empowered by the relevant provisions of Companies Act 2017 (the Act) and CCG Regulations.
- The meetings of the Board were presided by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
- The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- In terms of Regulation 19 of Chapter VI of the Code of Corporate Governance, presently, six (6) directors of the Company have already acquired certification under the Director's Training Program. The remaining one (1) director shall obtain certification within stipulated time frame.
- The Board approved appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, as and when the appointments were made, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
- Chief Financial Officer and Chief Executive duly endorsed the financial statements before approval of the Board.
- The Board has formed committees comprising of members given below:

Audit Committee	Chairman:	Mr. Farhan Ilyas	Independent Director
	Member:	Mr. Muhammad Aamir Beg	Independent Director
		Mr. Amjad Javed Aftab	Non-Executive Director
HR & Remuneration Committee	Chairman:	Mr. Muhammad Aamir Beg	Independent Director
	Member:	Mr. Syed Anwar Hussain Shahid	Chief Executive
		Mr. Ghias-UI-Hasan	Non-Executive Director
Risk Management Committee	Chairman:	Mr. Saif-Ur-Rehman	Executive Director
	Member:	Mr. Amjad Javed Aftab	Non-Executive Director

Nomination Committee**Chairperson:**

Ms. Faiza Iftikhar

Independent Director

Member:

Mr. Farhan Ilyas

Independent Director

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committee were as per following:

Meetings	Frequency
Audit Committee	Four quarterly meetings were held during the financial year ended September 30, 2023
HR & Remuneration Committee	One meeting was held during the financial year ended September 30, 2023
Risk Management Committee	One meeting was held during the financial year ended September 30, 2023
Nomination Committee	One meeting was held during the financial year ended September 30, 2023

15. The Board has set up an effective internal audit function.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan (ICAP) and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, CCG Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that the Company is compliant with all the mandatory requirements of the Regulations 3, 6, 7, 8, 27, 29, 30, 32, 33 and 36 of the regulation have been complied with.



Muhammad Aamir Beg
Chairman

Lahore: December 18, 2023

Independent Auditors' Review Report

To the members of Jauharabad Sugar Mills Limited

Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") prepared by the Board of Directors of Jauharabad Sugar Mills Limited ("the Company") for the year ended September 30, 2023, to comply 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 the 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 with 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 that 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.

Place: Lahore
Date: December 11, 2023
UDIN: CR202310300uTJZDPrSy



UHY Hassan Naeem & Co.
Chartered Accountants
(Mr. Ibne Hassan)

POLICIES

کوئی قابلِ ہوتو ہم شانِ کئی دیتے ہیں
ڈھونٹنے والوں کو دنیا بھی نئی دیتے ہیں





Quality Assurance Policy

Jauharabad Sugar Mills Limited is focused to produce high quality grade sugar by the implementation of comprehensive integrated Quality and Food Safety Management System. Jauharabad Sugar Mills Limited, with the new sugarcane varieties being introduced by the Government Research Institutions, is committed to work tirelessly to change agronomical practices of the farmers in the Khushab region. The Company's Cane Research and Development Department, as per developed farmer's guidelines on harvesting practices to enhance cane yield and reduce cane loss, periodically conducts seminars, with the help of Government Research Institutions, fertilizer and pesticides companies, to educate farmers as how to adopt latest harvesting techniques including pit farming. In order to achieve sustainability of particular crop variety, by non-applying avoidable pesticides, The Company's Bio-Laboratory provides Trachogama Cards to the farmers to avert pest attack. On regular basis our cane team in the area of quality control and assurance focuses on the quality of sugarcane during crop season, emphasis to reduce field to mills time after harvesting and assure testing of sugarcane against each arrival in our online cane laboratory.

The Company is highly committed to consistently meet the sugar standard requirements and continual improvement of its quality management system to improve production, operational and organizational efficiencies. This commitment underlies the Company's quality policy, which is committed to meet the requirement and expectations of customers and stakeholders. Moreover, quality assurance monitors the entire operational activity through process parameters and product attributes, focused on stability studies, validations, handling customer complaint and investigating all deviations with the coordination of main laboratory, process and mill house. During the crushing season monitoring and testing process of sugar takes place according to the Good Laboratory Practices (GLP) guidelines aligned with high quality standards of product set by Pakistan Standard and Quality Control Authority (PSQCA) and Punjab Food Authority (PFA). Further the Company has requisite ISO Certifications thereto.

The Company's quality management policies comprise of documented policies, flowchart processes, elaborated work instructions, periodic internal audit follow-up and associated quality records. Quality control policies, procedures, and potential assurance monitors whole process initiate from a field to market. Quality management practices lead to a significant improvement in financial performance, enhancing customer needs by providing quality products, continually upgrading the capability and above all ensuring safe working environment.



Supply Chain Management Policy

Supply chain management is the active management of supply chain activities to maximize customer value and achieve a sustainable competitive advantage. Sugar Industry is one of the major agro processing sector. Delegation and competitiveness in agro based industries require new forms of coordination between farmers and other stakeholders, to maximize sugar production with minimum overheads a good network of all resources is in place. The challenge of greater competitiveness in field aggregating cane from thousands of growers at a particular factory increases the significance of supply chain management in agro business. Although mills economic zone consists of average small farm size. The Company maintains that the smaller farmer is a valuable part of the cane growers base in the region. This underlies the importance of incentivize them like sharing of agric tolls and technology. Extensive and regular farm surveys are conducted that indicate the coverage of cane across every farm, the time of planting and harvesting. The Company's cane department is focused to mitigate outcome of the factors affecting the cane supply in the region may include a) climate, b) lack of technical knowledge, c) production, d) political factor and e) recovery.

Sugarcane Management

Cane management is the most critical function in the sugar sector. The kind of seeds the cane growers use, their plantation techniques, prudent use of fertilizers and robust ratoon management are essential in farmers being able to deliver superior cane quality.

Seed Management and Development

The Company focus on the development of new cane varieties demonstrating superior strains (high recovery and yield). The Company entered into collaborations with Faisalabad Research Institution and various research institutes with a track record in the development of superior seeds. These seeds were showcased through experiments on the Company's demonstration plots; once deemed successful, these seeds were shifted for use in commercial farms.

Ratoon Management

Cane growers, especially those in Khushab Zone, the Company conducted workshops to popularize ratoon management, engaged tractors mounted with insecticidal and fertilizer sprayers (to safeguard ratoon from black bugs that cause yellowing and malnutrition), gap-filling and irrigation followed by fertilizer spraying.

Innovative Planting Techniques

The Company's cane management team trained farmers in innovative planting methods (trench planting, wide row spacing, intercropping and twin row planting) to enhance yield, recovery and cane quality.

Soil Testing and Improvement

The Jauharabad plant is equipped with soil testing laboratories to analyze soil quality in command areas. Soil samples were collected from different villages, tested for fertility and fertilizers recommended, improving nutrient content. The fertilizers were subsidized for farmers.



Conflict of Interest Policy

Jauharabad Sugar Mills Limited realizes the importance of conducting business with honesty, transparency and with good corporate governance. Therefore, the Company has hooked its responsibility and set up a conflict of interest policy to restrict directors and employees from the Company matters where they have any interest, pecuniary or otherwise. It applies to all prospective and current employees of the Company, as well as independent contractors and persons acting on behalf of the Company. The directors of the Company strongly believe in the duty of confidentiality (locked insider information), duty of loyalty (putting board responsibilities above other outside interests) and fiduciary duties for financial and legal matters. The interest policy at Jauharabad Sugar Mills Limited restrict board members from participating in discussion, reporting, or voting on an issue in which he is by any way interested, except in case where his interest is solely being the director of the Company, the directors of the Company are bound not to trade in the shares of the Company, further they should report any trade in share by any of his dependent or associates concerns which come into his knowledge. The Board recognizes the responsibility to adhere to the defined policies / procedures and avoid perceived conflicts of interest that may arise during the course of business.

Disclosure of Interest by Directors

Every director (including spouse and minor children) of a Company who is in any way, whether directly or indirectly, concerned or interested in any contract or arrangement entered into, or to be entered into, by or on behalf shall disclose the nature of his concern or interest at a meeting of the directors.

Abidance of Laws/Rules

Conform to and abide by all the legal and standing requirements and Code of Corporate Governance while performing their duties and obey all lawful orders and directives. All Board members shall comply with and observe all applicable related statutory requirements, regulatory directives and JSML policies.

Integrity

Conduct themselves with the highest standards of ethics, professional integrity and dignity in all dealings with all stakeholders and not engage in acts discreditable to JSML. If they become aware of any irregularity that might affect the interest, they shall inform the Board immediately.

Confidentiality

Maintain the privacy and confidentiality of all the information acquired being Member of Board of Directors or come into their knowledge and refrain from disclosing the same unless otherwise required by statutory authorities/law and Company's own policies. All such information will remain with them as a trust and will only be used for the purpose for which it is intended and will not be used for personal benefits. Inside information about JSML's affairs shall not be used for their own gains or for that of others either directly or indirectly.



Whistle Blower Policy

Jauharabad Sugar Mills Limited has established a whistle blower mechanism to provide an avenue for reporting concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy by providing adequate safeguards against any victimization. In order to prevent the risk of things going wrong or unethical at any time, the Company also provides for direct access to the Chairperson of the Audit Committee and devised a comprehensive whistleblowing policy with following core objectives;

- Each individual i.e director, employee and stakeholder is under obligation to report any violation or suspected violation of organization's code.
- Concerns are to be raised without any fear of reprisals even if they might turn out to be mistaken should be dealt fairly.
- Confidentiality of whistle blower with respect to subject matter to be submitted for accountability.
- Protection of the whistle blower from any adverse employment actions such as termination, compensation reduction or any sort of threat of physical harm.

The Company's whistle blowing policy encourages all the team members to report suspected wrongdoing, may include breach of the Company's policies and procedures, breach of legal requirement, general malpractice, gross misconduct, breach of audit regulations, unethical, immoral behavior or victimization. The policy not only provides guideline to raise such concerns but also ensures protected disclosures and confidentiality. Scope of policy is restricted to address the concerns in relation to money laundering, bribery, harassment, budget grievance or disciplinary proceeding.



Insider Trading Policy

The Company has a stringent policy on insider trading and securities transactions. The policy paper which is circulated to all the employees of the Company from time to time prohibits all employees of the Company from making use of inside information for direct or indirect transactions in Company shares. No trading in Company shares is allowed during the closed periods. Trading is only allowed in the open period, preferably in the two weeks period following announcement of quarterly/half-yearly/annual results. Prior notification in writing is required to be given to Company Secretary before carrying out any transaction and once the transaction is executed, it is to be reported back to the Company Secretary within two days of execution of the transactions with relevant details of purchase/sale of shares. No opposite transaction is allowed within six months i.e. if anyone buys any shares of the Company, he or she is not allowed to sell those shares within six months to make a gain.

Directors shall not deal directly or indirectly in the securities of the Company whether on their own account or their relative's account, if they are in possession of any unpublished price sensitive information concerning the Company. Directors who are in possession of any unpublished price sensitive information shall not communicate directly or indirectly the said information to others who trade on such information.

Where any director or his/her spouse sells, buys or takes any beneficial position, whether directly or indirectly, in the shares, he/ she shall immediately notify the Company Secretary in writing. Such director shall also deliver a written record of the price, number of shares, form of share certificates, (i.e., whether physical or electronic within the Central Depository System), and nature of transaction to the Company Secretary. Further, no director shall, directly or indirectly, deal in the shares, in any manner, during the closed period as determined by the Board of Directors.



Integrated Management System Policy

Jauharabad Sugar Mills Limited. is committed to achieve excellence in quality and food safety. This is the responsibility of both the management and employees in all functions. JSML is striving to provide a safe and healthy working environment to avoid adverse impact to the environment and the communities in which it conducts business. JSML is dedicated to provide high quality, halal & safe products at affordable price.

The Company is also committed to;

- Identify and meet context of the organization and achieve high level of customer satisfaction by delivering consistent quality , safe and halal products through continually improving its Integrated Management System.
- Comply with all national and international statutory and regulatory requirements related to its products and activities, the requirements of Integrated Management System and mutually agreed customer requirements related to finished product specification.
- Identify objectives and training needs by continuous review and monitoring of its processes and activities to ensure the competencies related to Integrated Management System.
- Continue to protect the white refined sugar market and improve the quality and food safety by following the Integrated Management System.
- Continually improve its Integrated Management System performance, products, processes, infrastructure, environment for operations and human resources by continuous review and monitoring.



Safety of Records Policy

Jauharabad Sugar Mills Limited owing corporate requirements relating to day-to-day business operations and administrative controls, generate increasing volumes of records, is efficiently and effectively implementing the policy to create, manage, retain, safety and disposal of such records (including both paper and electronic), according to timeframe as required under the provision of section 220 of the Companies Act 2017. Without effective policy, protocols addressing aspects i) what records to keep; ii) where to keep records; iii) who should keep records and; iv) when to keep, records have potential to expose the Company to risks including penalties and legal repercussions. The Company has designed a comprehensive record management policy, having clear objectives of Governance Transparency, Data Protection, Regulatory Compliance and Cost Reduction, emphasize to;

- a) Enable staff to perform consistently in full knowledge of processes, decisions and actions that inform and drive the business;
- b) Provide freedom of information service throughout the Company to promote collegiality and knowledge sharing;
- c) Ensure the availability of credible and authoritative evidence to protect the rights of the Company, its staff and anyone else affected by its activities;
- d) Ensure the ownership of record by the Company, not by the individual or team;
- e) Provide corporate memory so that lapse of time does not affect access to and availability of the corporate knowledge resource and;
- f) Demonstrate accountability by providing the evidence and information required for any possible internal or external audit; and;
- g) Ensure record will be held only as long as required and disposed-off in accordance with the record management policy.



Disaster Recovery Plan

Disaster recovery strategy ensures that every reasonable measure has been taken to identify and mitigate potential risk that exit within processing environment. Though the most successful disaster recovery strategy is one that will never be implemented; therefore, risk avoidance is a critical element in the disaster plan. Dynamic planning, communication and risk management, opted by the Company, allow it to handle the most critical aspect of the recovery plan smoothly:

- Business continuity in the production of the Company.
- Understanding from workers with positive neutrality regarding the shutdown process.
- Protection of the Company brand image in the market.
- Early warnings sent to the board/corporate office, when necessary.
- Prepare crises management team to respond effectively in a crises situation.
- Manage crises in an organize and effective manner.
- Limit the magnitude of crises situation to the other area of operation.
- Arrange training program for the personnel directly involved in the execution of recovery plan.

The Company has adopted Disaster Recovery Plan for the continuity of infrastructure and application all possible resources when a disaster hit. In the situation of disaster, (natural or human induced) it is essential to judge the situation timely and correctly. If it is identified as disaster, the emergency is to be declared at the earliest possible. The shift In-charge, who is available in the unit all times, shall identify situation of the hazard or calamity and report immediately the same to the Management. The emergency may be declared in entire unit or part of it, depending upon the situation/nature of disaster. Accordingly, shift in-charge shall also sound the alarm bell to be provided in each of the section. Under such situation, the shift in-charge or higher authority such as General Manager shall take charge of the situation. He shall initiate all such actions that are essential at each of the sub-unit; which would include:

- Evacuation of all the personnel from affected part of mills who are not required for controlling the situation, or hazard.
- Immediate grasping of gravity of the problem / hazard and issue or giving of instructions to the concerned teams as laid down to act in a manner required to control the situation.
- In case of fire, the help of fire force should be immediately sought and put into action. Simultaneously, the workman trained in the firefighting procedures shall be called to extinguish the fire.
- Maintain all critical applications, equipment, and documents in backup.



Occupational Health & Safety Management Policy

Jauharabad Sugar Mills Limited is committed to developing, promoting and achieving the highest standard of HSE operations. Ensuring health and safety requires both the management and employees to be actively involved and committed to health and safety policy. We at Jauharabad Sugar Mills Limited encourages the employees to have a better communication about safe practices with higher level administrators to better assimilate the safety, health and environmental policy of the Company. Due to this, positive impact has been registered by the Company in terms of number of incidents per machine-hours. Our goal in respect of safety, health and environment is to minimize all adverse environmental and health impact arising out of our operations and to conserve all kind of resources and adhere to all legal regulations.

The Company is continuously striving to minimize accidental risks associated with the industry by providing safety equipment, fire management tools and air emission monitoring. To make it more convenient for the low-level employees to understand, the Company through presentations ensures that everyone is well-aware of risks associated to machinery and usage of protection equipment. Apart from this, even vernacular language is recommended in order to have a better understanding of safety measures and signs. Management has taken all possible measures and methods to establish priorities and objectives for eliminating hazards and reducing risks factors.

At Jauharabad Sugar Mills, Health and Safety is the first and foremost agenda topic at each in-house and higher management meeting. In addition, Health and Safety concerns are explicitly included in SMART goals of head of departments and senior management, Hundred percent compliance with policy programs resulted in the conclusion of the year with no reportable occupational illness. These programs include the regular testing of plant equipment and sites from a health perspective, as well as monitoring of employee health. Additionally, health awareness sessions on basic lifesaving techniques, medical emergency handling and first aid were conducted at our factory and head office. Basic life support is a first-aid resuscitation that educates and equipped individuals to recognize various life-threatening emergencies.

Maintenance of health and safety standards at our mills and offices is our top priority. The Company is committed to actively manage health and safety risks associated with our business and is actively working towards improving our procedures to reduce, remove or control the risk of fire, accidents or injuries to employees and visitors.



Performance Management Policy

The Company is committed to build strong corporate culture that is shaped by motivated team who demonstrate deep believe in company's vision and values. Success of the Company undoubtedly lies in the tired-less efforts of its human resources. The Company has developed a performance review process, based on following objectives, in order to recognize employees' contributions and right compensation.

- To establish clarity in job description through employee recruitment plan to make efficient out from human resource.
- To give a sense of direction and challenge to the individual and their team through role clarity.
- To determine continuous critical analysis of objectives and performance standard of each job.
- To provide effective employee orientation and integrate with culture of organization.
- To ensure aligning of employee's personal goal with organizational goal to enhance productivity and profitability.
- To help different functions and departments to go beyond targets and benchmarks and take quantum jumps.
- To achieve targets and bench marks, develop culture of cross-functional meetings.
- To build open communication culture through regular feedback.
- To create supportive and empowering corporate culture in the organization.
- To Identify talent for succession planning.
- To Identify employees with long term growth potential.
- To Identify employees performing below expectation and what inputs are required to improve their performance.
- To provide on-going training to improve low performers as needed.
- To ensure growth of employees for organizational perpetuity.
- To creating total quality environment by enhancing the commitment of people in terms of productivity, quality, technology, structure and systems.
- To assure effective reward mechanism to boost employee performance, individual performance is not linked to group performance.



Human Resource Management

Human Resource is a vital asset of any organization in a knowledge-oriented economy. The Company is committed to create an organization that nurtures the talent and enterprise of its people, helping them grow and find fulfilment in an open culture as per our “HR Vision”. Sustainable human resource management aims for efficient recruiting process to arrange potential human resource which considers the individual employee skill enhancement and organization’s competitiveness equal. Human Resource Management (HRM) is an integral part of our business strategy, The Company fosters leadership, individual accountability and teamwork. Success of the Company solely depends in the quality of its human resource as it is the most valuable ingredient that adds remarkable contributions towards growth. The Company being pioneer in Pakistan’s sugar sector has a wide range of professionals having skilled expertise in their field with affiliations in the prestigious local and foreign universities. The Company safeguards the right of its employees by providing health care, safe and secure environment and right compensation. The Company targets to achieve the following parameters through its HRM policy as:

- An individual goes through an excessive recruitment and selection process before being a part of the Company. Selecting the right person, with the right experience, at the right time, offering the right compensation.
- Developing Management philosophies and practice to promote and encourage motivation and retention of best employees.
- Skills enhancement workshops and seminars for the hard working and motivated employees are being conducted on regular basis to further strengthen the skills possessed by an individual being the part of our team.
- Always encourages the young, talented and recent graduates to join our company. A six-week paid internship is being offered to students which narrows the gap between theoretical studies and practical work.
- Annually, the Company conducts an event which rewards the employees who has made significant contribution to our company, to build a motivation among employee to bring further improvement and innovation in team work.
- Fostering a climate of open communication between management and employees
- Disability has always been a source of concern when it comes to employment opportunities in our country. However, The Company has always kept a certain ratio for disable employees which keep a sustainable positive difference in the quality of life.
- Making all reasonable effort to achieve a high-quality work life balance.
- Committed to create a friendly trained workforce that is not just aiming to fulfill organizational targets but individual goals too.
- Encourage the concept of team work and synergetic effort.



Social & Environmental Responsibility Policy

To enhance environmental standards and continuously promoting a better and Green Environment within the factory as well in the nearby areas the Company is arranging regular Tree Plantation at different locations within factory premises and nearby areas to provide a healthy environment to employees and other communities living in its surroundings. This activity will continue in the future and further trees will be planted to ensure healthy and green environment, in order to achieve scope of environmental policy:

Ensure our products, operations and services comply with relevant environmental legislation and regulations.

Maintain and continually improve our environmental management systems or more stringent requirements as dictated by specific markets or local regulations.

Operate in a manner that is committed to continuous improvement in environmental sustainability through recycling, conservation of resources, prevention of pollution, product development and promotion of environmental responsibility amongst our employees.

Responsibly managing use of hazardous materials in our operations, products and services and promote recycling or reuse of our products.

Inform suppliers, including contractors, of our environmental expectations and require them to adopt environmental management practices aligned with these expectations.

The Company follows the standard for disposal of liquid effluents as per the Environmental Protection Agency (EPA) guidelines. The only hard form of waste extracted while purification of sugar called Mud which is environmental friendly and is used as a fertilizer in farms. The Company is also investing heavily on tree plantation to reduce the environmental impact to build greener and healthier surroundings.

The Company also contributes to various social and charitable causes including health and education. Moreover, the Company has defined and implemented Code of Conduct for the employees that fits with local customs and regulations. It ensures highest standards of ethical business and the desired corporate values and behaviors.



Diversity Policy

The Company has a diverse and balanced Board, which not only represents the shareholders but also provides a mix of professional expertise in leadership, finance, legal, regulatory and business management skills and experiences covering adequately all areas of JSML's business undertakings. Furthermore, in compliance with requirements of Code of Corporate Governance, a female director is also present on the Board of Directors.

The Board has also approved a gender diversity policy to provide a framework for governance of procedures and practices relating to enhancement of Gender Diversity within the Organization.

The Board has given categorical instructions that the Company shall pursue high standards of Human Resource Management practices to encourage participation in workforce from diverse groups, assist them in developing in-demand skills and create opportunities for them to advance into leadership roles within the Company.

The Company assign gender diversity targets to its senior management and incorporate these into their Key Performance Indicators (KPIs). The Human Resource Department will share workforce diversity trackers with senior management from time to time so they are fully aware of the progress and take appropriate actions, when required and will conduct Gender Pay Gap Analysis relevant to the industry, in order to bridge any gender, pay gap.



Stakeholders' Engagement/Grievance Policy

Jauharabad Sugar Mills Limited strives to develop and maintain trustworthy relations with its stakeholders, including shareholders and investors. In this relation a policy has also been in place and approved by the Board of Directors. It emphasizes timely and clear disclosure of all material information to them, without advantage to any particular investor, in order to enable them to make informed decisions. Further, all information disclosed to the public is in accordance with the Rule Book of the Pakistan Stock Exchange Limited ("PSX"), as well as the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The Company also gives its shareholder the option to express their grievances and any other enquiries to Corporate department and in General Meetings which are addressed by company secretary. Moreover, as per PSX requirement the JSML organizes every year a corporate briefing for all stakeholders to take their concerns and discuss the direction of the company. Main principles of the Investors Grievance Policy are to dealt all complaints raised by investors with courtesy, fairness, in a timely manner and to treat all the investors fairly and equally at all times.



Policy to Encourage Shareholders' Participation in Annual General Meeting

The Company ensures that the interest of the Shareholders is protected. In order to ensure their participation in general meetings, JSML management takes many steps including:

- All notices related to the Shareholders' meetings are being announced timely through Pakistan Stock Exchange and also published in newspapers in English and Urdu language as per the specified timeline and requirements.
- All notices of the Shareholders' meetings are dispatched at the registered addresses of the Shareholders available with the Company as per regulatory requirement to acquaint them with the agenda of the meeting.
- Annual Report is being sent to each member of the Company before the AGM in electronic form and in hard copy form who asked for the same.
- Shareholders are facilitated and encouraged in appointing proxies in case they are unable to attend the AGM in person. For this purpose, proxies in English and Urdu Language is sent to the members along with the notices and also available on our website.
- Shareholders are encouraged to comment, raise queries and provide feedback in the meeting.
- It is also ensured to comply with all the regulatory requirements and takes all possible steps to encourage attendance of minority shareholders in general meetings.



IT Governance & Cybersecurity

Board's Risk Oversight Function for Cybersecurity

JSML considers information as one of the most valued business asset and place great emphasis on safe custody, transmission and storage of its financial and non-financial information. The regulatory requirement applicable to the Company does not enforces Board responsibility in case of any cybersecurity risk, however, the Company has aligned its policies and procedures to efficient use of IT resources with the business requirements, smoothening the decision-making process used to define actions for achieving strategic goals of the Company. Company has formed IT surveillance committee with a mandate to oversee the IT governance and cybersecurity related matters of the Company. In order to mitigate the cyber security risk, prudent assessment is made and forwarded along with the findings and recommendations to IT surveillance committee.

IT Governance Policy

There are no specific requirements impose through regulatory framework in which the Company operates related to cybersecurity risk. However, The Company has a implemented IT Governance Policy which ensure value creation through benefits realization and resource optimization, the Company has IT governance framework which governs to achieve excellence in IT risk management structure, development of internal controls, automation of business functions and structured decision making.

Cybersecurity Policy

The purpose of Cybersecurity framework is to define strategies which protect the data and integrity of computing assets belonging to or connecting to an organization's network. Its purpose is to defend those assets against all threat actors throughout the entire life cycle of a cyber-attacks. This helps to ensure that all internet connected assets and information are secured from cyber-threats. Core functions of this framework is here under:

- **Identification of threat**

The activities in the Identification function are foundational for effective use of the framework. Understanding the business context and the related cybersecurity risks enables an organization to focus and prioritize its efforts, consistent with its risk management strategy and business needs.

- **Protect**

The Protect function supports the ability to limit or contain the impact of a potential cybersecurity event. Examples of outcome categories within this function include access Control, training and employee awareness sessions.



- **Detect**

This function enables timely discovery of cybersecurity events. Examples of outcome categories within this function include anomalies and events, security continuous monitoring and detection processes

- **Respond**

This function supports the ability to contain the impact of a potential cybersecurity incident. Examples of outcome categories within this function include response planning, mitigation techniques and improvements.

- **Recover**

The recover function supports timely recovery to normal operations to reduce the impact from a cybersecurity incident. Examples of outcome categories within this function include disaster recovery mechanisms and contingency plans.

Cybersecurity Risk Oversight Function and Engagement

Data security and risk management is on top-priority of the company. Board is engaged in indirect oversight through the IT surveillance committee and internal audit to have an update on cybersecurity matters. Internal Audit department regularly performs network and cyber security audits, the results of which are presented to the Board's Audit Committee.

Controls and Procedures Related to Cybersecurity Risks

The cybersecurity program of the Company comprises of several different sections which are crucial to success of our cybersecurity framework. The Company has deployed multiple controls and procedures to manage its core IT functionalities and to mitigate different security threats. Some of controls and procedures are as follows:

- Internet access management;
- Email security gateway;
- Disaster Recovery Plan;
- Network and web application firewall;
- End point security systems;
- Server Patch Management;
- Physical Security.

IT Compliance & Cybersecurity Audit

JSML's IT department has a dedicated section for IT related compliance and security. Every year, external information risk assessment is carried out and its findings are also well incorporated in respective areas procedures and controls. Third party experts are also hired upon requirements.



Disaster Recovery Plan and IT Infrastructure

The Company has its production server facility at Jauharabad with backup server facility at Lahore Office and procedures in place to keep backups. In case of any disaster, the Company would be able to continue its operations smoothly. Availability of servers at such distant locations enables the Company to perform its IT functions without any interruptions in case of any infrastructural damage at any one location.

Digital Transformation of IT

The fourth industrial revolution, known as Industry 4.0, has emerged in past few decades. Industry 4.0 places the emphasis on digital technology, interconnectivity, access to real-time data, and the introduction of cyber-physical systems. Currently System Analysis and Resource Planning (SARP) software especially designed for sugar sector industry has been implemented within the Company and a state of the art information management systems to improve organizational efficiency, accelerate responsiveness, shrink time to market cycles, control costs and deliver sustainable business solutions. However, the Company is proactively looking for opportunities for advancement of its core business function through cut-to-edge IT technologies. Digital Transformation is also part of IT department's objectives.

Staff Trainings on Cybersecurity Risks

JSML's IT team regularly organizes training for the staff to follow best standard practices to avoid any cybersecurity threats & risks. The purpose of security awareness is to focus attention on security and recognition of the need to protect data, information and systems. An effective awareness training program addresses the cybersecurity mistakes that employees may make when using email, web and company servers.

Manufacturing Facilities

Jauharabad Sugar Mills Limited, situated in Jauharabad, District Khushab, Punjab Province of Pakistan, boasts a manufacturing facility characterized by its fire resilience and state-of-the-art firefighting equipment. The facility meticulously adheres to all levels of Health, Safety, and Environment (HSE) requirements, ensuring a secure operational environment.

Despite these robust safety measures, the company has proactively secured insurance coverage at the maximum level. This strategic decision provides a comprehensive safety net in the event of any natural disaster, safeguarding the company's financial interests and enabling a swift recovery. Consequently, any potential partial losses are mitigated through the robust insurance coverage, ensuring minimal impact on the company's day-to-day operations.

In essence, Jauharabad Sugar Mills Limited's commitment to stringent safety standards, coupled with extensive insurance coverage and contingency planning, underscores its dedication to ensuring business continuity and minimizing the impact of unforeseen events on its operations.

FUTURE OUTLOOK

خودی کو کر بلند اتنا کہ ہر تقدیر سے پہلے
خدا بندے سے خود پوچھے، بتا تیری رضا کیا ہے



Forward Looking Statement

The industry has entered the crushing year 2023/24 with carryforward stocks, lack of working capital, higher cost of funds, lower yield, lower sucrose recovery and increase in MSP of sugarcane by 33.33 percent i.e. Rs. 400 per maund [CY202/23: Rs. 300 per maund]. As per the Ministry of National Food Security and Research on Pakistan's sugar it is forecasted that 6.19 million tons of projected sugar production for CY2023/24 along with carry 0.55 million tons of carry forward sugar stocks for CY2022/23 will barely be sufficient to meet the historic annualized domestic demand of the country. Strategic reserves and pilferage/ market distortion factors are not taken into account which may result in deficit stock for the year which may require import of sugar for the upcoming year.

The Company puts continuous efforts for growth and sustainability in the sugar industry by focusing on many factors i.e. growing volume of sugar cane, particularly from within existing areas of supply, promoting early maturing cane variety having more even sucrose recovery throughout the season.

The Company through its sustained efforts of cane development, timely payments, financial support to growers and implementation of latest cane sowing and harvesting techniques, will ensure smooth and efficient supply of sugarcane throughout crushing season.

Sugarcane department along with professional sugarcane development team continuously performs different activities, seminars and workshops during the year to ensure sound and healthy relationships with farmers and educate them about the latest development in the field. Sugarcane development team is working very hard to improve the situation in our areas of sugarcane procurement.

The management of the Company will consolidate the competencies and experience it has gained over the years to take your Company through all the challenges and uncertainties. At the same time your Company will continue to exploit opportunities for creating value for shareholders by seeking benefit of the synergies, diversification and team work.

The external environment including political, economic, social, technological, environmental and legal environment

It has been covered in detail in the section "Risks & Opportunities".

Revenue Projections:

The Company on an annual basis sets sales, crushing, production and other targets in the form of a budget which is duly reviewed by the management. Further, liquidity position of the Company is closely monitored through budgets, cash flow projections and comparison with actual results by the Board of Directors.

Considering the available information and management best judgement, revenue projections for sugar and by-products are as follows:

Year	Revenue-net Rs. In "000"
2023-24	9,667,663
2024-25	11,390,617
2025-26	13,481,781

Sources of Information Used for Projections of Future Revenues

The future projections and forecasts are based on certain assumptions after critically analyzing the current macroeconomic conditions, historical trends, and prospective developments as well as other relevant factors that might have an impact on the sugar Industry. Based on the inputs provided, production, sales and sugarcane procurement plans are developed for the next financial year. The Company also uses data from external sources such as market surveys, Pakistan Sugar Mills Association, Pakistan Economic Survey as well as State Bank's data.

Strategic Initiatives for Sustainable Sugarcane Cultivation: A Collaborative Approach with Farmers

The company recognizes that fostering growth and sustainability in the sugar industry hinges on securing a growing volume of sugar cane, particularly from existing supply areas. To achieve this, the company emphasizes the promotion of early maturing cane varieties alongside existing ones, aiming for a more consistent sucrose recovery throughout the season. The pivotal factor in this strategy is establishing long-term partnerships with farmers, convincing them to expand cane cultivation.

The company adopts a proactive role in engaging with farmers, demonstrating the advantages of superior cane varieties that yield higher returns. This involves providing timely support for cultivation, including seeds, fertilizers, and crop protection agents, coupled with ensuring prompt payments. Over the years, the company has cultivated a close bond with farmers by adopting the roles of a friend and guide. For instance, the company actively establishes model demonstration plots on farmers' land, educating them on the correlation between improved results and enhanced financial returns.

To further strengthen these relationships and augment cane cultivation, the company has formed a dedicated cane development team comprising experts in sugarcane farming. This team, in collaboration with the Sugarcane Department, consistently conducts various activities, seminars, and workshops throughout the year. The objective is to maintain robust and healthy relationships with farmers while keeping them informed about the latest developments in the field. The Sugarcane Development Team is diligently working to enhance the situation in areas of sugarcane procurement, striving for continuous improvement and professionalism in the cultivation process.

Status of the Projects/Upcoming Project

Power Plant

The Company has successfully achieved the commissioning of a power plant with generation capacity of 15 MW /hour last year, which will significantly affect the business volume and profitability as the Company is intended to sale the excess electricity generated by the power plant to private sector in absence of energy purchase agreement with the Government.

Solar Syatem

The Company, under its strategy to remain off-grid round the year for its power consumption, has successfully installed 260 KVA Solar System at mills. This will bring cost efficiency to mills by reducing financial burden.

BMR & Maintenance

The Company has successfully installed/refurbished plant and equipment under BMR and maintenance plan which includes following;

- i. Mill Max 90" and achieved the target of operational crushing capacity of 9,500 TCD.
- ii. Falling Film Evaporator 6000 which improves the sucrose recovery and saving of additional bagasse.
- iii. Automation of Mills House and Boiler.

In continuation to the management's vision to enhance the mills productivity and efficiency by bringing in new equipment, the Company has a plan to make following additions in plant and machinery in the upcoming year 2023-24;

- i. Installation of RO plant with complete structure to increase the efficiency of power plant.
- ii. Improvement of turbine and replacement of HP boiler tubes with civil work.

Additional Disclosures:

Fair Value and Forced Sales Value of Property, Plant and Equipment

Market value of plant, machinery, building and land is, carried out as at September 30, 2022, Rs. 9.4 billion. Forced sales value of plant, machinery, building and land is Rs. 7.5 billion.

Significant Material Assets

Significant material assets of the Company are land, building, complete set of mills, Boilers, Steam Turbines, Evaporators, Centrifugal and Diesel Generator Sets and power plant.

Plant Capacity

The Company has Crushing Capacity of 12,500 MT per day.

STAKEHOLDERS' RELATIONSHIP AND ENGAGEMENT

میرا نغمہ ہے جہاں کا، وہ جہاں ہی اور ہے
اس درائے کارواں کا کارواں ہی اور ہے



Stakeholders Relationship and Management

JSML, being a responsible organization understands the importance of stakeholder engagement and treat its implications on priority. The Company interact with its stakeholders to seek their opinions and their expectations. This process allows the Company to define a timely and adequate response to the issues they deem important for our business and for our ability to make an impact that matters.

Identification of Stakeholders

Our management places great focus on identification and engagement with stakeholders. Our sales and marketing department is extensively involved in customer analysis to better connect with our customers, to expand and update our customer base. Our supply chain department actively engages with suppliers and vendors to develop better relationships. Our corporate department makes efforts to make better relationships with our shareholders through direct engagement and corporate briefing sessions. The finance department actively communicates with banks, financial institutions, statutory auditors and authorities. The human resource department is in continuous connection with employees and the talent pool available in the market.

Stakeholders' Engagement Process

JSML regularly engages and effectively communicates with its stakeholders. The table sets out our key stakeholder groups, some of the ways in which we engage with them, identification of needs/interests and how these relationships are likely to affect the performance and value of the entity and Company's response for that;

Stakeholder Group	Engagement/ Communication Mode	Effect and Value to Company	Frequency	Needs/Interests/ Topics Identified by Stakeholders	Company Response
1 Shareholders/ Investors	<ul style="list-style-type: none"> Annual general meeting Extra ordinary general meeting Company Secretary Corporate briefing sessions 	<ul style="list-style-type: none"> Regular and constructive dialogue with investors and shareholders to communicate performance update in order to build confidence and ensure continued access to capital 	<ul style="list-style-type: none"> Annually As per need 	<ul style="list-style-type: none"> Future prospects of the business Capacity enhancements and expansions etc. 	The Company is committed towards transparency of financial and non-financial information, timely communication for sustainable business growth.
2 Employees	<ul style="list-style-type: none"> Routine interactions and meetings and project based collaborations Annual performance appraisals HOD's periodic meetings Whistle blowing option to all employee 	<ul style="list-style-type: none"> Providing a nurturing and friendly work environment that helps the Company to maintain a dedicated and competent workforce Motivated workforce supports effective implementation of strategies 	Regular	<ul style="list-style-type: none"> Career and professional growth Training & development 	The Company gives utmost importance to transparency in employee related affairs; and simultaneously emphasize on capacity / skill development training programs.
3 Customers/ Consumers	<ul style="list-style-type: none"> Customer visits to manufacturing facilities Deploying systems to improve feedback and regular follow-ups with customers Direct balance confirmations from debtors 	<ul style="list-style-type: none"> Feedback from customers in engagements enable us to develop products and advocate for policies that better cater to the our valued customers needs 	Regular	<ul style="list-style-type: none"> Competitive prices, quality of products timely deliveries Compliance of food safety, quality and Halal standards etc. 	Attractive and competitive product offerings; Timely deliveries; Ensuring food safety, quality and Halal related compliance.
4 Banks	<ul style="list-style-type: none"> Meetings and negotiation are held with banks/ financial institutions to discuss working capital and other financing requirements 	<ul style="list-style-type: none"> Access to the financial contracts such as loan facilities at competitive prices 	Regular	<ul style="list-style-type: none"> Payment of principle and interest on time Maintaining different debt covenants 	The Company ensures on-time payment of principal and interest to its money lenders. Debt covenants performance is also closely monitored.

5	Local Community	<ul style="list-style-type: none"> The Company actively played its role toward providing better education & health related activities to our communities Investing in education by sponsoring school and health support programs & initiatives. 	<ul style="list-style-type: none"> Close relationship with local community having long term positive impact for the Company 	Regular	<ul style="list-style-type: none"> Negative impact of manufacturing sites Employment opportunity for neighboring communities Communal services 	Company ensures compliance of all legal and regulatory requirements and also possess multiple certifications including QMS, FSSC 22000, Halal (PS 3733).
6	Government and other Regulatory Bodies	<ul style="list-style-type: none"> Meetings with official according to business needs Submission of data for compliance Filing application for approval and registration 	<ul style="list-style-type: none"> Understanding and ensuring compliance with all legal and regulatory requirements Dialogue with regulatory authorities to address matters impacting business operations and new registrations 	Need Basis	<ul style="list-style-type: none"> Compliance with applicable statutory regulations and laws 	Company ensures compliance of all statutory and legal requirements in Company's affairs.
7	Media	<ul style="list-style-type: none"> Different communication mediums including social media used on need basis to apprise the general public about new developments and activities 	<ul style="list-style-type: none"> By informing the media of the developments and activities at JSML, effective awareness is created regarding the Company and the products and activities, indirectly having a positive impact 	Regular	<ul style="list-style-type: none"> Awareness regarding company, its product and its activities 	The Company has maintained a sound system to share timely updates regarding any material information for stakeholders on Company's website. Social media communication policy is also in place. The Company ensures its presence in all major social media platforms.

Corporate Briefing Sessions

In compliance with PSX requirements, the Company conducted Corporate Briefing Session. The briefing was well attended by analysts, shareholders and potential investors. The Chief Executive Officer (CEO) of the Company presented its financial results, analysis, future prospects and challenges. CEO also discussed all the queries raised by participants at a great length.

Minority Shareholders

The management of the Company believe, encourage and ensure the equitable treatment of all shareholders including minority shareholders to attend, speak and vote at the general meetings and appoint another member as his/her proxy in his/her absence. The notices of general meetings are circulated by the Company within the regulatory time frames to the registered addresses of the shareholders (including minority shareholders) as well as it is published in Urdu and English newspapers.

Additionally, minority shareholders are also encouraged to attend online AGM through zoom and are reminded to attend AGM through email. Apart from this they are encouraged to attend Corporate Briefing which is required to be held as per PSX requirement.

Issues Raised at Last AGM

The last Annual General Meeting had a considerable level of attendance and interactive engagement session was held with shareholders. All the proposed resolutions were duly approved by shareholders. The Annual General Meeting held by the Company, provided an opportunity to put questions to the Board during the formal proceedings, while providing shareholders the chance to meet with the Board of Directors and senior management however, no significant issue was raised during the AGM.

Redressal of Investors' Complaints

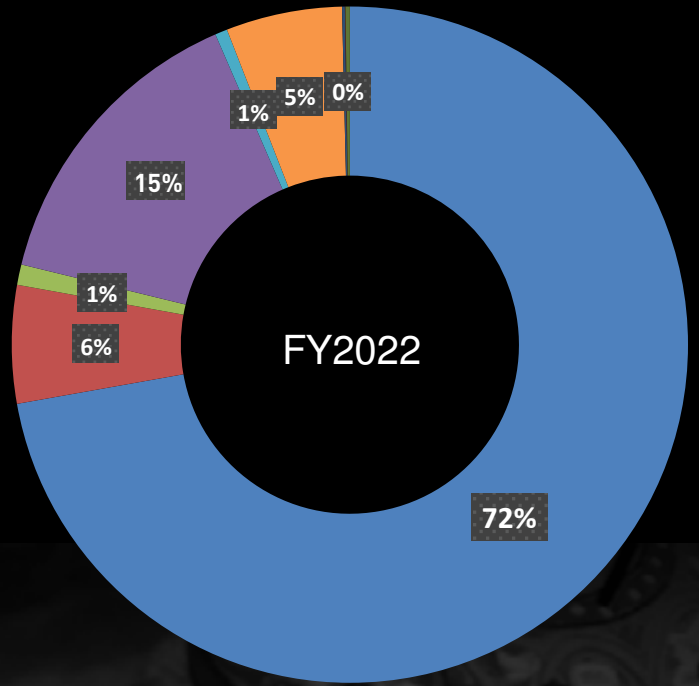
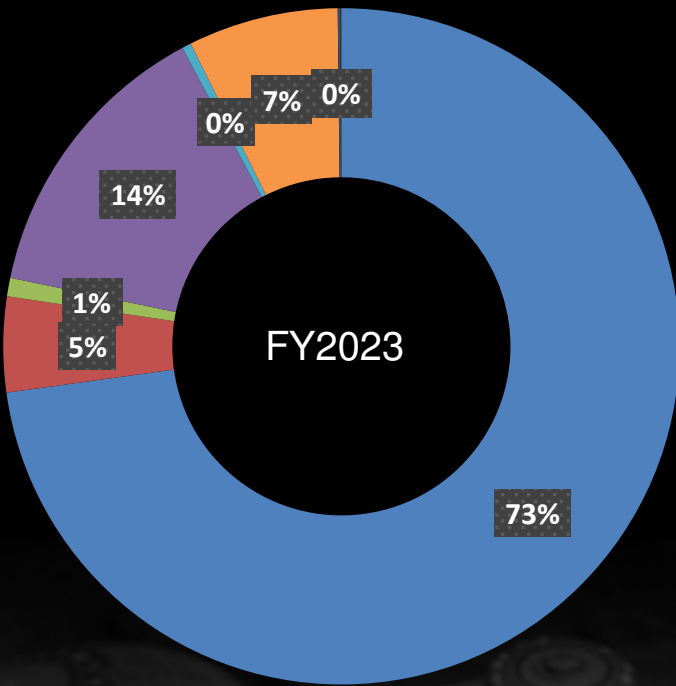
No significant complaint was received from investors during the year ended 30 September 2023.



Statement of Value Addition and Distribution of Wealth

	FY2023		FY2022	
	Rs. 000	%	Rs. 000	%
Wealth Generated				
Gross sales to customers	8,017,351	100.1%	6,037,395	100.1%
Add: Other income and finance income	(6,375)	-0.1%	(3,977)	-0.1%
Total value added	8,010,975	100.0%	6,033,418	100.0%
Distribution of Wealth				
Cost of sales (excluding employees' remuneration)	5,663,762	72.8%	4,185,098	72.2%
Salaries paid to employees	354,714	4.6%	326,752	5.6%
Marketing, selling and administrative expenses	68,575	0.9%	56,590	1.0%
Government as levies	1,085,835	14.0%	850,836	14.7%
Shareholder as dividends	34,128	0.4%	34,128	0.6%
Finance cost	558,387	7.2%	321,817	5.6%
Workers' welfare	10,871	0.1%	7,814	0.1%
Charity and donation	844	0.0%	1,587	0.0%
Providers of long term finance as financial charges	1,749	0.0%	12,012	0.2%
	7,778,866	100.0%	5,796,634	100.0%
Retained within the business	232,109	2.90%	236,784	3.92%





Pattern of Shareholding

As on September 30, 2023

1.1 Name of the Company Jauharabad Sugar Mills Limited

2.1. Pattern of holding of the shares held by the shareholders as at September 30, 2023

2.2 No. of Shareholders	From	To	Total Shares Held
664	1	100	16,761
246	101	500	64,066
92	501	1,000	70,871
145	1,001	5,000	363,139
36	5,001	10,000	260,763
11	10,001	15,000	150,052
6	15,001	20,000	113,500
8	20,001	25,000	183,539
2	25,001	30,000	55,000
1	30,001	35,000	31,651
2	40,001	45,000	86,000
1	50,001	55,000	52,500
2	55,001	60,000	119,500
1	60,001	65,000	63,000
1	65,001	70,000	65,170
2	85,001	90,000	173,308
3	95,001	100,000	296,485
1	100,001	105,000	103,000
1	130,001	135,000	131,000
1	145,001	150,000	149,000
1	240,001	245,000	244,000
1	265,001	270,000	269,000
1	325,001	330,000	329,000
1	495,001	500,000	499,000
1	505,001	510,000	510,000
1	1,025,001	1,030,000	1,028,582
1	1,045,001	1,050,000	1,047,530
1	1,150,001	1,155,000	1,151,335
1	1,595,001	1,600,000	1,600,000
1	3,175,001	3,180,000	3,175,816
1	21,725,001	21,730,000	21,725,885
1237			34,128,453

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	5,000	0.0147%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	21,725,885	63.6592%
2.3.3 NIT and ICP	1,033,239	3.0275%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	5,871	0.0172%
2.3.5 Insurance Companies	731	0.0021%
2.3.6 Modarabas and Mutual Funds	0	0.0000%
2.3.7 Shareholders holding 10% or more	21,725,885	63.6592%
2.3.8 General Public		
a. Local	7,101,422	20.8079%
b. Foreign	690	0.0020%
2.3.9 Others (to be specified)		
- Investment Companies	2,425	0.0071%
- Joint Stock Companies	4,127,160	12.0930%
- Pension Funds	99,459	0.2914%
- Others	26,571	0.0779%

Categories of Shareholding

Required under Code of Corporate Governance (CCG)

As on September 30, 2023

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
1	Cane Processing (Pvt.) Limited (CDC)	21,725,885	63.6592%
Mutual Funds (Name Wise Detail)			
--			
Directors, Chief Executive Officer, their Spouse and Minor Children (Name Wise Detail):			
1	Mr. Syed Anwar Hussain Shahid (CPL Nominee)	--	--
2	Mr. Muhammad Aamir Beg	500	0.0015%
3	Mr. Amjad Javed Aftab (CPL Nominee)	--	--
4	Mr. Ghias-ul-Hasan (CPL Nominee)	2,500	0.0073%
5	Mr. Saif-ur-Rehman (CPL Nominee)	--	--
6	Mr. Farhan Ilyas	1,500	0.0044%
7	Ms. Faiza Iftikhar	500	0.0015%
Executives:		1,603	0.0047%
Public Sector Companies & Corporations:		--	--
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		106,061	0.3108%
Shareholders Holding Five Percent or more Voting Interest in the Listed Company (Name Wise Detail);			
Sr. No.	Name	Holding	Percentage
1	Cane Processing (Pvt.) Limited (CDC)	21,725,885	63.6592%
2	Mrs. Ghazala Amjad (CDC)	3,175,816	9.3055%
All Trades in the Shares of the Listed Company, Carried Out by its Directors, Chief Executive Officer, their Spouse and Minor Children shall also be Disclosed:			
Sr. No.	Name	Sale	Purchase
Nil		-	-

Corporate

Social

Responsibility

Status of Adoption of CSR Guidelines

The Security Exchange Commission of Pakistan (SECP) Guidelines for CSR 2013 have formally recognized corporations, as critical stakeholders in the nation's development. These guidelines provide a comprehensive framework for compliance, guiding spending and reporting on CSR activities. Jauharabad Sugar Mills Limited's CSR program is actively engaged in improving lives and contributing to environmental sustainability. The Company strives to unlock human potential through innovative outreach and solutions tailored to the specific needs of the people.

Jauharabad Sugar Mills Limited's CSR program is firmly grounded in the belief that all individuals in Pakistan have the right to good health, food, education, and economic mobility. The Company aims to achieve these objectives through collaborative efforts, embracing Public-Private Partnerships, leveraging science and data for groundbreaking solutions, and introducing disruptive ideas to forge a new path towards a resilient future that is co-owned by all stakeholders.

The CSR Committee at Jauharabad Sugar Mills Limited, established in 2013, plays a pivotal role in ensuring transparency, structure, policy adherence, and strategic direction for all welfare initiatives across the country. The Company's commitment extends to maintaining the highest standards of business and operational procedures, aligning with internationally recognized benchmarks and goals.

The Company is continuously focusing on the regulatory guidelines for adaptability of CSR principles to ensure these are followed in true spirit:

- CSR approved by the board along with approval of CSR budget every year
- Monitoring of CSR activities regularly to review the progress of CSR activities and highlighting the importance of CSR to the employees
- Incorporation of CSR related KPI's of the relevant department thereby ensuring that these are part of the business plans and company strategy
- Disclosure and reporting of CSR achievement





CSR Vision and Mission

JSML strongly believes in satisfying its responsibilities as a corporate citizen of Pakistan and acts as a contributory member of the society. JSML recognizes the importance of its employees, their work life balances, safety & security, reducing carbon footprints for better atmosphere, community uplift programs for the underprivileged, customers & products, ethical behavior, contribution to the national exchequer and community welfare programs.

JSML fulfills its Corporate Social Responsibilities (CSR) in a manner that positively impacts its customers, employees, shareholders, community, and the environment. The Company demonstrates active corporate citizenship by promoting and patronizing various activities under its philanthropic and non philanthropic CSR programs.



Commitment to Social Investment and Support Initiatives

The Company has a tradition of good community relations. We believe that investing in our communities is an integral part of our social commitment to ensure the sustained success of the Company. We aim to ensure that our business and factory have the resources and support to identify those projects, initiatives and partnerships that make a real difference in their communities and that mean something to employees and their families. Wedding ceremonies are arranged for underprivileged individuals of the society. Educational scholarships also are given to needy students who have shown praiseworthy academic performance.



Catering of Religious Need

We at Jauharabad Sugar Mills Limited understand and take care of all religious need of society thereby we have retained mufti in our local mosque and equipped mosques with all the basic need being sponsored by JSML. Similarly, a mosque of civil court is also upgraded by JSML team to provide ease to the visitor for offering prayers during court hours.



Equal Employee Opportunity

Consistent with the core values of our organization, which promote the equality of every person, JSML is committed to fostering an inclusive work environment. We are proud to actively seek out and welcome employees from a variety of ethnic backgrounds, and we steadfastly reject any kind of prejudice or biasness in our employment procedures.



Fire Drills

Regular fire drills are being conducted by under the supervision of DGM-HR, regularly maintained by the Company any properly address and communicated to all any mishap in case of emergency. To address curve emergency evacuation and alarming being catered by the Company to ensure for all.



Industrial Relations

The Company has set procedures, rules and regulations which regulate employment guidance. Employees are required to ensure compliance with regulations. The Company fully recognizes employee rights including the Collective Bargaining Agent (CBA). The Company is committed to provide equal opportunity to all existing and prospective employees without any discrimination on the basis of religion, gender, race, age etc. The Company also organizes rewards and recognition programs for acknowledgment of work done by its employees.



Employment of Special Persons

The Company ensures employment of disabled persons in compliance with the rules set out by the Government of Pakistan in respect of quota of the total workforce necessitated to be allocated to disabled persons.

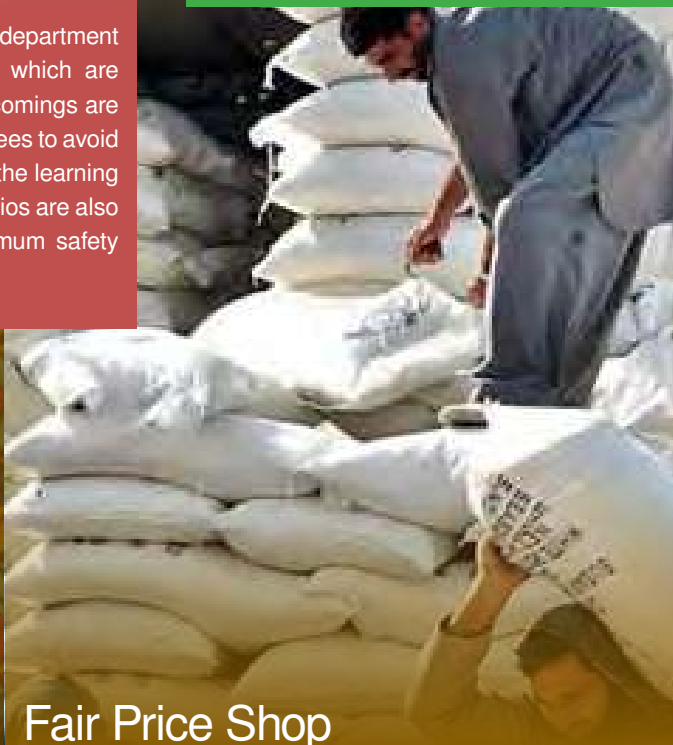


the HR department records of which are by short comings are employees to avoid administer the learning g scenarios are also re maximum safety



Rural Development Programs

The Company encourages rural development programs for the enhancement of health of the rural population along with infrastructure development of the areas.



Fair Price Shop

For the betterment of community, the Company has established a fair price shop at the mills colony where the mills employees as well as local community people can buy sugar at subsidized rates and can avail sugar on credit basis as well. During the last financial year, the Company has provided sugar at fair price shop at a subsidized rate along with other consumables for catering daily needs of employees.



Grower Financial & Technical Support

JSML in compliance to its mission statement of rising self-worth of all the associated stake holders, is regularly providing financial assistance to growers by providing them with seeds of highest recovery and guiding them their latest agronomy practices in consultation with Agricultural University of Faisalabad. During the current financial year, the Company has imported a latest harvester for increasing the efficiency of cane harvesting thus reducing the cycle time of harvesting to milling. The Company is also carrying out regressive research with the help of Faisalabad Agricultural University to bring in the latest farming techniques and quality that produce maximum output for both the Mills and farmers.



Umrah Scheme

In order to improve employee satisfaction and boost their morale, the Company organizes various activities such as 'Annual Dinner' and 'Annual Gift Scheme'. Through random selection one employee is nominated for Company sponsored UMRAH package.



Educational Patronage

JSML promotes and patronizes multiple activities in the field of education under its CSR program. Children Education Award Scheme is one of such activities where the Company recognizes better educational performance of Employees' Children and awards scholarships. The Company also recognizes the significance of continuous learning and its importance in career development of its employees which eventually lead to benefit the society. Therefore, the Company provides assistance in improvement of educational qualification that outlines the relaxation in working hours to support educational initiatives of its employees.



Sports at JSML

JSML promotes sports and cultural activities in the region and is a major sponsor of tournaments and events in Jauharabad. The Company held cricket tournament in collaboration with Ideal cricket club featuring leading clubs and teams from Sargodha and Khushab region. JSML maintains a lush green tennis court where we regularly arrange tournaments to foster the healthy activities.



Health and Safety

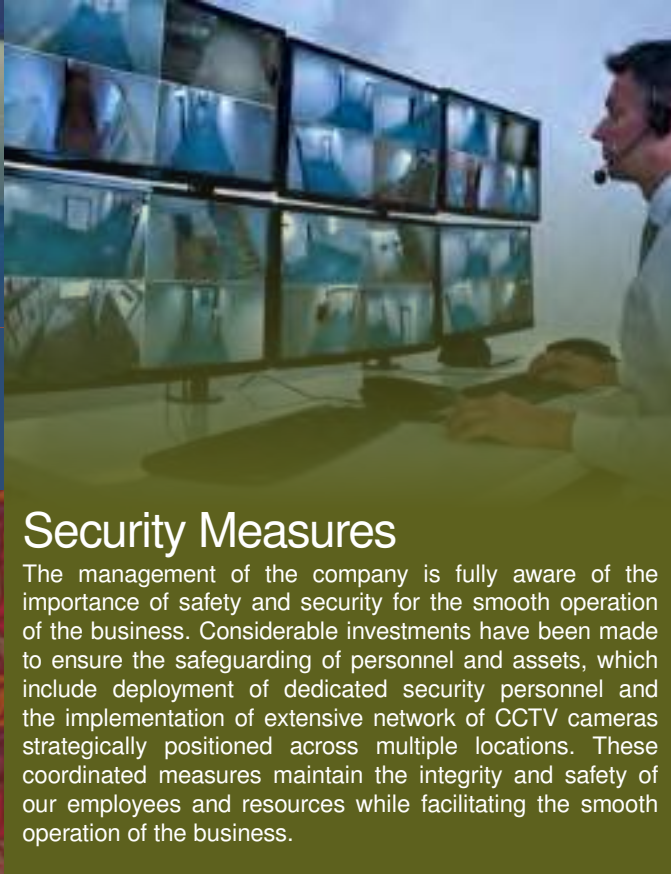
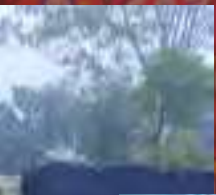
We firmly believe in maintaining high standards of safety and healthy working environment for our employees. Health management involves strengthening our employees' physical, mental and social well-being. A free medical center has been established at site providing medical facilities to the employees. Keeping in view the occupational health of employees, regular first aid and CPR training programs are conducted to ensure safe health of workers.



Corporate Philanthropy

Beyond commercial activities, the Company has also contributed to spread awareness and knowledge in agriculture sector by sponsoring and participating exhibition, meetings and counseling of growers.





Security Measures

The management of the company is fully aware of the importance of safety and security for the smooth operation of the business. Considerable investments have been made to ensure the safeguarding of personnel and assets, which include deployment of dedicated security personnel and the implementation of extensive network of CCTV cameras strategically positioned across multiple locations. These coordinated measures maintain the integrity and safety of our employees and resources while facilitating the smooth operation of the business.



Environmental Protection Measures

To counteract the growing threat of global warming and its consequences on the environment, an annual tree planting drive is held by the company to encourage its employees to plant trees on the company's manufacturing grounds and care for them until they reach a sustainable height. In order to grow organic agricultural products, the company also keeps up internal nurseries and vegetable farms.



Green Energy

For environment protection JSML has taken initiative to produce green energy thereby installed a 260KW solar energy panels through approved vendor Zero Carbon Private Limited that will have a useful life of more than 20 years of environmental friendly electric generation. Above all generation of this electricity will be provided to low level workers free of cost that will help in minimizing the financial burden that has impacted the most in the last year. Aligning to the vision of JSML this will help in upheld smile on the faces of hard workers that has served the organization generation to generation.



Ramadan Dasterkhawan

JSML Maintains his tradition of serving in the holy month of Ramadan by arranging dasterkhawans for visitors, needy people as well as for the Company employees.

Awards and Achievements



LCCI Achievement Award - 2022

The Lahore Chamber of Commerce & Industries (LCCI) has appreciated efforts made by the Company and has awarded Jauharabad Sugar Mills Limited with "Gold Achievement Award".



Best Corporate Report Award - 2022

Institute of Chartered and Accountants of Pakistan (ICAP) and Institute of Cost and Management Accountant of Pakistan (ICMAP) has appreciated efforts made by the Company and has awarded Jauharabad Sugar Mills Limited with "2nd Position" in Best Corporate Report 2022 Award in sugar sector.



11th FPCCI Achievement Award - 2023

The Federation of Pakistan Chamber of Commerce & Industry (FPCCI) has appreciated efforts of Establishing Green Energy Projects (Solar & Bagasse Fueled Power Plant) made by the Company and has awarded Jauharabad Sugar Mills Limited with Platinum Category in 11th FPCCI Achievement Awards.



Clean Energy Transition Award - 2023

Jauharabad Sugar Mills Limited was awarded with “Clean Energy Transition Award” in 12th Corporate Social Responsibility Summit & Awards.

Certifications





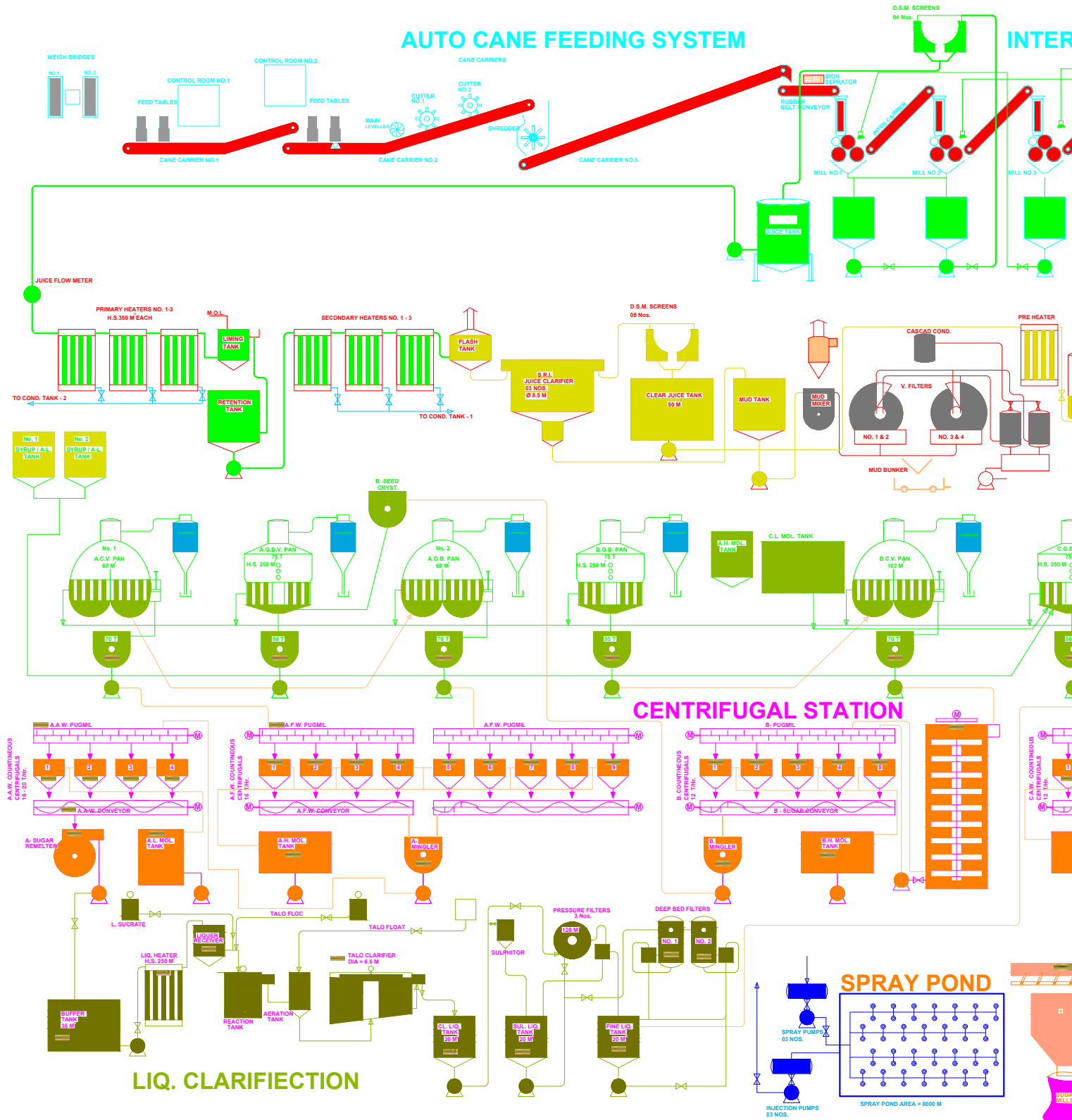
FSSC 22000, ISO 9001: 2015,
 ISO 14001: 2005 EMS,
 ISO 45001: 2018 OHSMS &
 HALAL CERTIFIED

BUSINESS MODEL

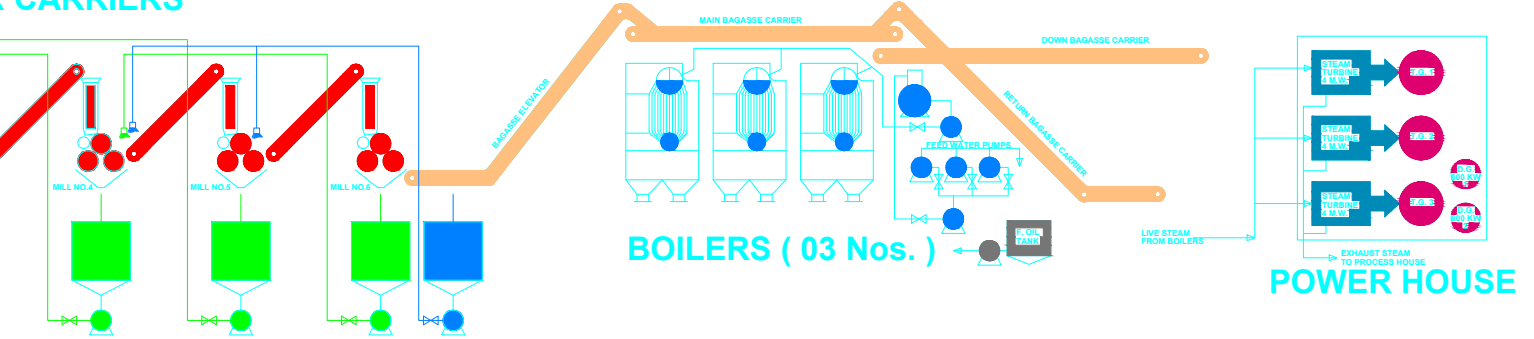


Jauharabd Sugar Mills Limited

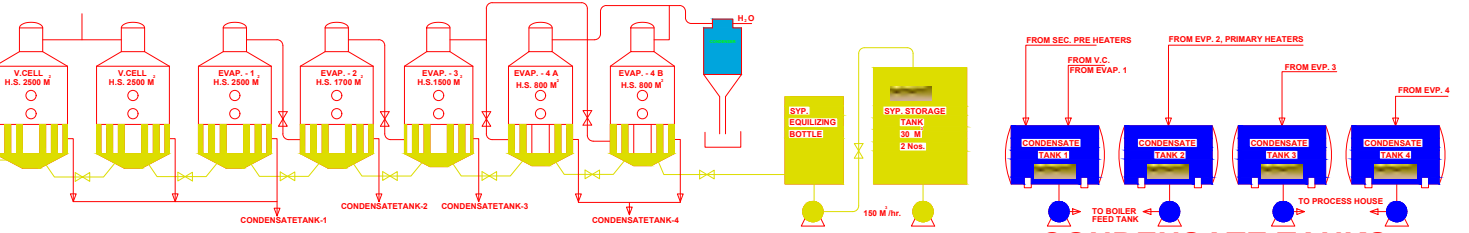
Sugar & By Products Production Process



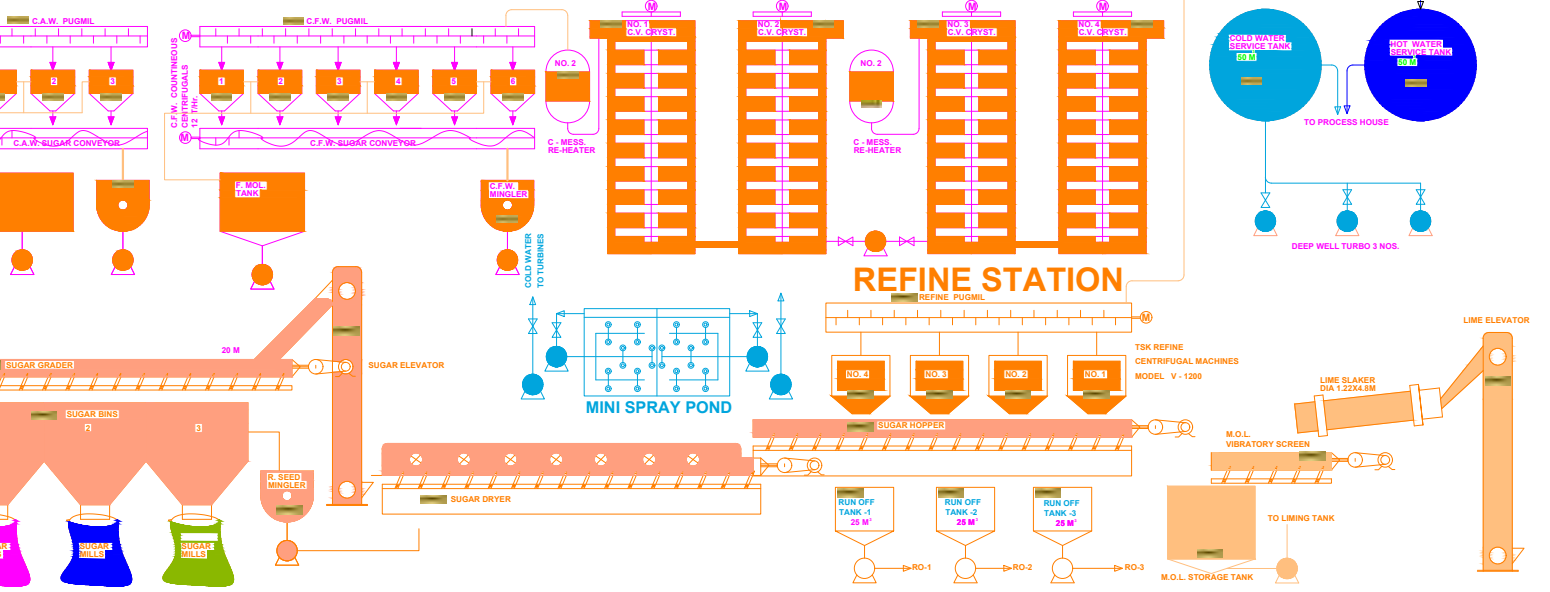
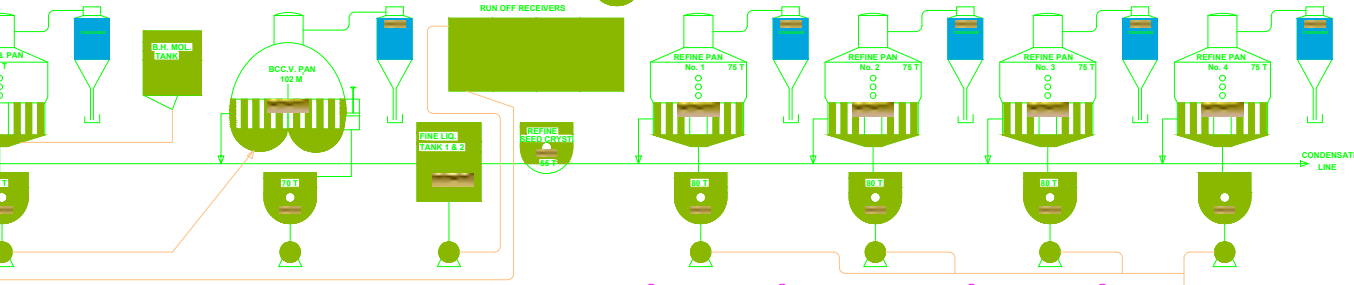
R CARRIERS



CLARIFICATION



PAN STATION



Our Business Model

There are four key elements of business model of the Company as given below :

KEY INPUTS

Human Capital

Our people help deliver our objectives with their scientific and technical knowledge and their expertise in regulation, intellectual property and commercialization.

Manufactured Capital

- Two crushing line of 3,000 MT & 9,500 MT
- Two independent power generation units of 6 MW & 15 MW
- 651,476 MT sugarcane procured and crushed: costing approx. Rs.5.002 Billion

Financial Capital

- Total assets Rs. 12.237 billion
- Good credit rating
 - Long term BBB+
 - Short term A2
- Working capital lines of Rs. 5.440 billion as at September 2023

Natural Capital

- 100% self generation of electricity through bagasse based power plants that are environmentally friendly and cost effective
- Planted large number of trees for environment Protection
- Effective utilization of water being used as coolant within the process
- Effluent is being neutralized before being discharged

Intellectual Capital

- Purest quality refined sugar
- Certifications
 - Certificate of continued satisfactory operation of the Organization's Management System ISO 9001:2015.
 - Certificate of continued satisfactory food safety operations - FSSC 22000 Version 5.1.
 - Halal certification (PS 3733)
- An SQL based system designed for industry by Cosmo Soft Business Solution named SARP is being implement by the Company.

Social & Relationship Capital

We effectively manage our relationships with regulators, suppliers and third parties. We also have a good corporate reputation which is instrumental in managing these relationships. We have specialized data driven cane procurement team and give financial support to growers for sugarcane farming relationship through reputable local banks by providing corporate guarantee or any specific assistance not being catered by individual growers.

OUR VALUE CHAIN

A cane procurement team performs a data driven survey throughout the year and take best sugarcane growers onboard for smooth supply in season at reasonable cost. The Company has long association with many growers because of its favorable policies. JSML has a very low employee turnover and takes pride in its accumulated human resource.

Business Activities/Differentiation

JSML is among the prominent player of Sargodha Division has a capacity to crush 312,500 maund of cane per day. By-products of sugarcane like bagasse, molasses etc. are fully gradually sold throughout the year on the best available prices to obtain maximum output from the sugar making process and minimize costs. At JSML skilled human resource through efficient selection of varietal sugarcane plays key role to obtain a maximum sucrose recovery.

Customer feedback is vital source of information for improvement/development of any product, JSML regularly obtain market feedback through its sales team and strictly address any grievance that may arise. We are more than contented to announce that due to standard of productions no complaint was registered for this crushing year 2022-23.

KEY OUTPUTS

- Turnover: 6,926 Million
- Net profit: 212 Million
- Employees: 875 Average number of Employees
- Dividend Payout: 10 Percent
- Solar Power Project: 260KW

OUTCOMES

Human Capital

We employ 875 average number of employee during the year and offer them skill development and career growth opportunities, to attract, retain and motivate the best talent to support our business. We paid a sum of Rs. 354.714 million to employees as remuneration and benefits.

Manufactured Capital

- Sugar produced: 64,198 tons
- Molasses produced: 29,630 tons

Financial Capital

- EBIT of Rs. 826.375 million for the year ended Sep 2023.
- Revenue increase by 33.69%


Intellectual Capital

- Strong and loyal customer base providing premium rates of sugar.
- Secured & advanced remote working techniques.

Social & Relationship Capital

- Exceptional relationship with growers & farmers.
- Preferred mill by grower to supply sugarcane.
- 24hrs uninterrupted cane supply and production during season.
- New growers and procurement circles.
- Charity and donations.

PERFORMANCE AND POSITION



عمل سے زندگی بنتی ہے جنت بھی، جہنم بھی
یہ خاکی اپنی فطرت میں نہ نوری ہے نہ ناری ہے

Financial Highlights

Topline

Rs. 6.93 Billions

Bottomline

Rs. 212.23 Millions

Gross Profit

15.51 Percent

Net Profit

3.06 Percent

Acid Test

0.38 Times

Dividend Payout

16.08 Percent

Price Earning

2.61 Times

ROCE

9.32 Percent

Key Performance Indicators

Rs. 6.93 Billions

Sales

33.69%

Rs. 1.07 Billions

Gross Profit

29.62%

0.38 Times

Financial Leverage

(01.16%)

Rs. 212.23 Millions

Profit after Tax

66.17%

Rs. 6.22

Earning per Share

66.31%

Rs. 75.84

Breakup Value per Share

21.42%

Rs. 12.24 Billions

Total Assets

3.70%

Rs. 608.02 Millions

Cash used in Operating Activities

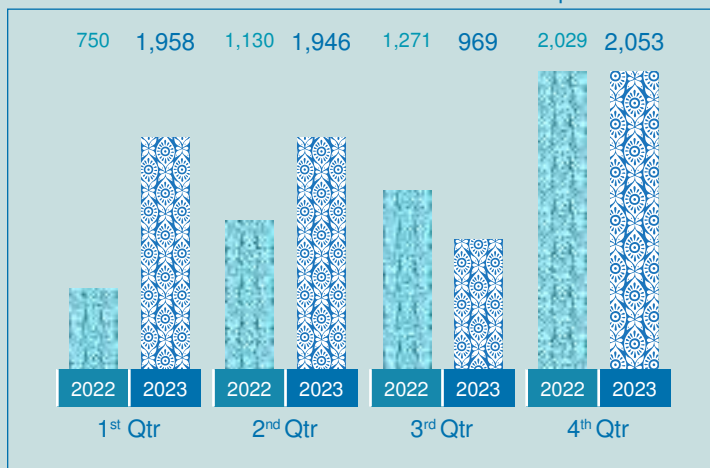
1199.42%

Quarterly Performance Analysis

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Sales - net	1,958,510	1,945,753	968,937	2,052,693	6,925,893
Cost of sales	(1,821,936)	(1,629,209)	(629,624)	(1,771,139)	(5,851,908)
Gross profit	136,574	316,544	339,313	281,554	1,073,985
Distribution cost	(1,462)	(8,118)	(1,521)	(18,647)	(29,748)
Administrative expenses	(49,018)	(90,860)	(30,273)	(41,336)	(211,487)
Operating profit	86,094	217,566	307,519	221,571	832,750
Finance cost	(32,587)	(202,977)	(236,573)	(87,999)	(560,136)
Other income/expenses	(1,192)	3,145	(3,417)	(4,911)	(6,375)
Profit before taxation	52,315	17,734	67,529	128,661	266,239
Taxation	(17,405)	(6,822)	(30,057)	279	(54,005)
Profit after taxation	34,910	10,912	37,472	128,940	212,233

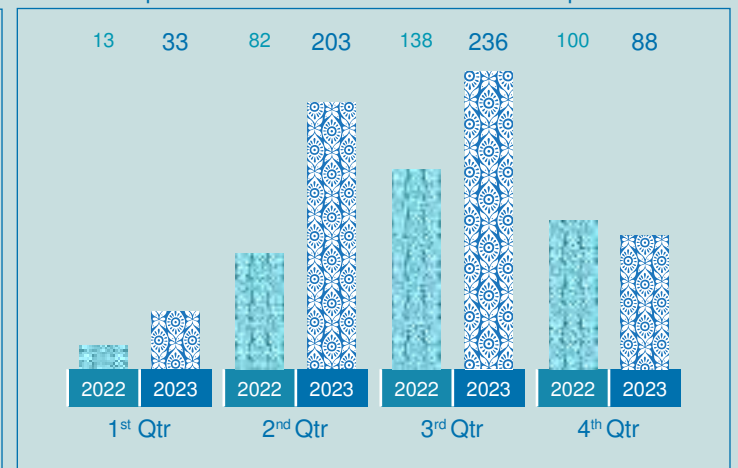
Sales-Net

Rupees in million



Financial Expenses

Rupees in million

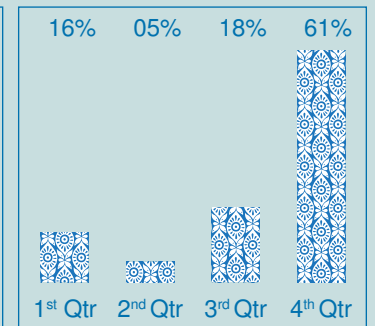
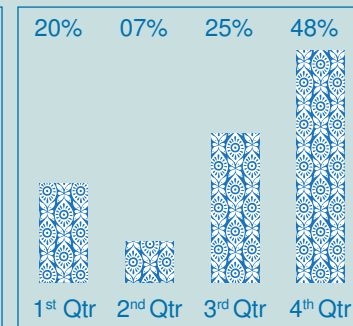
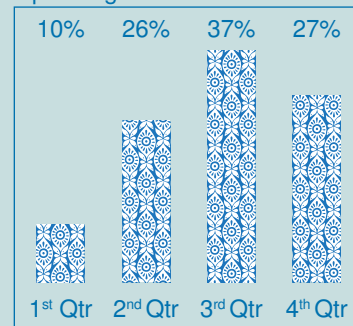
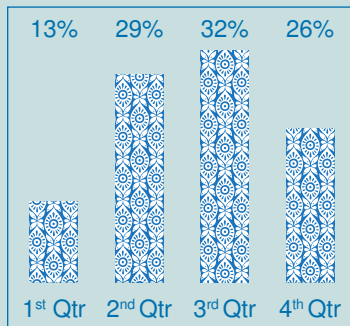


Gross Profit

Operating Profit

Profit Before Tax

Profit After Tax



Comments on Quarterly Performance

Quarter 1

- Sales were spread evenly round the year which generates the cashflows to meet working capital requirements of the Company.
- Cost of sales was higher due to higher sugarcane procurement cost resulting in increase in total cost of production of Sugar.
- Net profit was higher due to reduced finance cost during the quarter.

Quarter 2

- Sugar production is reduced as compared to last season primarily due to less availability of sugarcane. The sucrose recovery slightly increased to 9.85% (2022: 9.83%).
- quantity of sugar sale is decreased while majority of the by-products stocks are sold in second quarter of the year. Gross profit is increased due to increase in sale price of sugar and by-products.
- Net profit was reduced due to higher finance cost.

Quarter 3

- Sale of sugar in Q3 carry the same pattern as in Q2 but due to the absence of sale of by-products the overall revenue is decreased.
- Gross profit and operating profit was improved in Q3 due to efficient operation management and decrease in other operating expenses.
- Substantial increase in finance cost results in decrease in net profit which is overcome by increase in sugar price and results in improved bottom line.

Quarter 4

- Turnover increased by 2.12 times from Q3 due to high demand of local sugar at attractive prices. The company sold 29% of the total volume in last quarter.
- Timely payment of short term borrowings results in reduction of finance cost by 62.8% as compared to Q3.
- The Company's net profit was increased to 6.28% in Q4 (Q3: 3.87%) due to translation of efficient operational and financial measures taken by the management in financial year.



Horizontal & Vertical Analysis

Statement of Financial Position & Cash Flows

Horizontal Analysis Equity & Liabilities	FY 2023		FY 2022		FY 2021		FY 2020		FY 2019		FY 2018		FY 2017	
	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%
Shareholders equity	8,864,928	4.03	8,521,273	78.94	4,762,174	1.40	4,696,282	61.94	2,899,934	5.64	2,744,983	5.83	2,593,829	(2.71)
Non-current liabilities	1,019,943	(3.69)	1,059,043	174.39	385,960	(23.15)	502,237	32.04	380,357	(25.31)	509,236	2.33	497,642	43.09
Current liabilities	2,352,071	5.94	2,220,250	279.92	584,398	(13.79)	677,845	(37.28)	1,080,800	(24.69)	1,435,214	73.04	829,394	286.91
	12,236,943	3.70	11,800,566	105.85	5,732,532	(2.45)	5,876,365	34.75	4,361,091	(7.00)	4,689,433	19.60	3,920,865	21.46
Assets														
Non-current assets	9,818,039	3.16	9,517,500	85.70	5,125,275	(0.05)	5,128,055	56.51	3,276,400	1.10	3,240,663	5.10	3,083,362	10.65
Current assets	2,418,904	5.95	2,283,066	275.96	607,257	(18.85)	748,310	(31.01)	1,084,691	(25.13)	1,448,770	72.99	837,502	89.62
	12,236,943	3.70	11,800,566	105.85	5,732,532	(2.45)	5,876,365	34.75	4,361,091	(7.00)	4,689,433	19.60	3,920,865	21.46
Statement of Cash Flows														
Cash flow from operating activities	608,025	(199.42)	(611,580)	(582.30)	126,805	(78.79)	597,801	(37.59)	957,814	(226.54)	(756,922)	564.07	(113,983)	(371.44)
Cash flow from investing activities	(603,169)	75.56	(343,577)	154.39	(135,061)	(18.79)	(166,315)	47.86	(112,480)	(54.03)	(244,664)	(88.23)	(396,068)	272.11
Cash flow from financing activities	43,216	(95.30)	919,161	(659.56)	(164,265)	(38.36)	(266,507)	(68.01)	(832,999)	(181.59)	1,020,992	97.25	517,625	941.02
	48,072	(233.55)	(35,996)	(79.14)	(172,521)	(204.57)	164,979	1,237.43	12,336	(36.44)	19,407	156.21	7,574	(151.44)
Vertical Analysis														
Equity & Liabilities														
Shareholders equity	8,864,928	72.44	8,521,273	72.21	4,762,174	83.07	4,696,282	79.92	2,899,934	66.50	2,744,983	58.54	2,593,829	66.15
Non-current liabilities	1,019,943	8.33	1,059,043	8.97	385,960	6.73	502,237	8.55	380,357	8.72	509,236	10.86	497,642	12.69
Current liabilities	2,352,071	19.22	2,220,250	18.81	584,398	10.19	677,845	11.54	1,080,800	24.78	1,435,214	30.61	829,394	21.15
	12,236,943	100.00	11,800,566	100.00	5,732,532	100.00	5,876,365	100.00	4,361,091	100.00	4,689,433	100.00	3,920,865	100.00
Assets														
Non-current assets	9,818,039	80.23	9,517,500	80.65	5,125,275	89.41	5,128,055	87.27	3,276,400	75.13	3,240,663	69.11	3,083,362	78.64
Current assets	2,418,904	19.77	2,283,066	19.35	607,257	10.59	748,310	12.73	1,084,691	24.87	1,448,770	30.89	837,502	21.36
	12,236,943	100.00	11,800,566	100.00	5,732,532	100.00	5,876,365	100.00	4,361,091	100.00	4,689,433	100.00	3,920,865	100.00
Statement of Cash Flows														
Cash flow from operating activities	608,025	1,264.83	(611,580)	1,699.01	126,805	(73.50)	597,801	362.35	957,814	7,764.69	(756,922)	(3,900.32)	(113,983)	(1,504.83)
Cash flow from investing activities	(603,169)	(1,254.73)	(343,577)	954.48	(135,061)	78.29	(166,315)	(100.81)	(112,480)	(911.84)	(244,664)	(1,260.72)	(396,068)	(5,229.02)
Cash flow from financing activities	43,216	89.90	919,161	(2,553.48)	(164,265)	95.21	(266,507)	(161.54)	(832,999)	(6,752.85)	1,020,992	5,261.04	517,625	6,833.85
	48,072	100.00	(35,996)	100.00	(172,521)	100.00	164,979	100.00	12,336	100.00	19,407	100.00	7,574	100.00

Horizontal & Vertical Analysis

Statement of Profit or Loss

Horizontal Analysis	FY 2023		FY 2022		FY 2021		FY 2020		FY 2019		FY 2018		FY 2017	
	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%
Sales - net	6,925,893	33.69	5,180,431	5.21	4,924,089	40.57	3,502,837	1.78	3,441,483	56.78	2,195,040	(14.99)	2,581,987	23.27
Cost of sales	(5,851,908)	34.47	(4,351,867)	0.14	(4,345,578)	49.91	(2,898,771)	3.98	(2,787,754)	29.70	(2,149,334)	(5.81)	(2,281,868)	20.85
Gross profit	1,073,985	29.62	828,564	43.22	578,511	(4.23)	604,065	(7.60)	653,729	1,330.29	45,706	(84.77)	300,119	45.38
Selling Expenses	(29,748)	57.04	(18,943)	22.67	(15,442)	9.20	(14,141)	(69.14)	(45,828)	306.84	(11,264)	24.68	(9,035)	23.90
Admin. & general expenses	(211,487)	5.27	(200,903)	14.31	(175,751)	11.90	(157,059)	12.25	(139,924)	10.16	(127,021)	18.44	(107,249)	30.09
Other operating income	(6,375)	60.29	(3,977)	(857.54)	525	(109.91)	(5,296)	5.32	(5,029)	(101.89)	266,608	5,129.64	5,098	(73.11)
Operating profit	826,375	36.65	604,741	55.92	387,843	(9.29)	427,569	(7.64)	462,948	166.02	174,028	(7.89)	188,933	61.90
Financial cost	(560,136)	67.79	(333,829)	52.05	(219,555)	(5.03)	(231,178)	12.40	(205,679)	48.98	(138,061)	10.94	(124,442)	132.05
Profit before tax	266,238	(1.73)	270,912	60.98	168,288	(14.31)	196,391	(23.66)	257,269	615.29	35,967	(44.23)	64,492	(21.39)
Taxation	(54,005)	(62.28)	(143,191)	115.20	(66,538)	(492.84)	16,938	(122.72)	(74,552)	141.65	(30,851)	(5.47)	(32,636)	(236.20)
Profit after tax	212,233	66.17	127,721	25.52	101,750	(52.30)	213,329	16.75	182,717	3,471.65	5,116	(83.94)	31,856	(69.95)

Vertical Analysis

Sales - net	6,925,893	100.00	5,180,431	100.00	4,924,089	100.00	3,502,837	100.00	3,441,483	100.00	2,195,040	100.00	2,581,987	100.00
Cost of sales	(5,851,908)	(84.49)	(4,351,867)	(84.01)	(4,345,578)	(88.25)	(2,898,771)	(82.75)	(2,787,754)	(81.00)	(2,149,334)	(97.92)	(2,281,868)	(88.38)
Gross profit	1,073,985	15.51	828,564	15.99	578,511	11.75	604,065	17.25	653,729	19.00	45,706	2.08	300,119	11.62
Selling Expenses	(29,748)	(0.43)	(18,943)	(0.37)	(15,442)	(0.31)	(14,141)	(0.40)	(45,828)	(1.33)	(11,264)	(0.51)	(9,035)	(0.35)
Admin. & general expenses	(211,487)	(3.05)	(200,903)	(3.88)	(175,751)	(3.57)	(157,059)	(4.48)	(139,924)	(4.07)	(127,021)	(5.79)	(107,249)	(4.15)
Other operating income	(6,375)	(0.09)	(3,977)	(0.08)	525	0.01	(5,296)	(0.15)	(5,029)	(0.15)	266,608	12.15	5,098	0.20
Operating profit	826,375	11.93	604,741	11.67	387,843	7.88	427,569	12.21	462,948	13.45	174,028	7.93	188,933	7.32
Financial cost	(560,136)	(8.09)	(333,829)	(6.44)	(219,555)	(4.46)	(231,178)	(6.60)	(205,679)	(5.98)	(138,061)	(6.29)	(124,442)	(4.82)
Profit before tax	266,238	3.84	270,912	5.23	168,288	3.42	196,391	5.61	257,269	7.48	35,967	1.64	64,492	2.50
Taxation	(54,005)	(0.78)	(143,191)	(2.76)	(66,538)	(1.35)	16,938	0.48	(74,552)	(2.17)	(30,851)	(1.41)	(32,636)	(1.26)
Profit after tax	212,233	3.06	127,721	2.47	101,750	2.07	213,329	6.09	182,717	5.31	5,116	0.23	31,856	1.23

Seven Years at a Glance

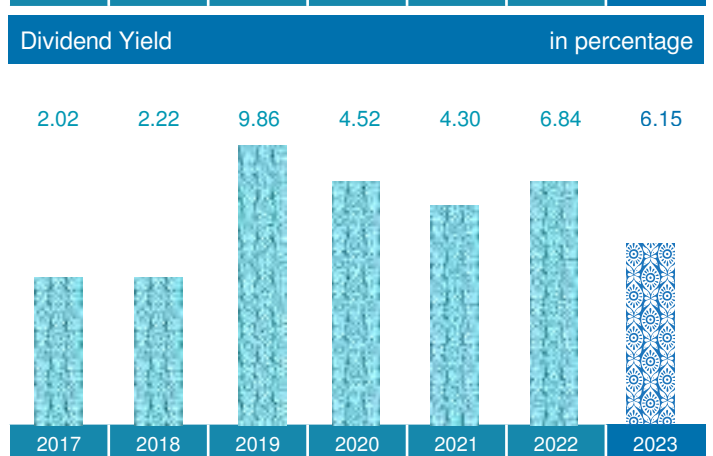
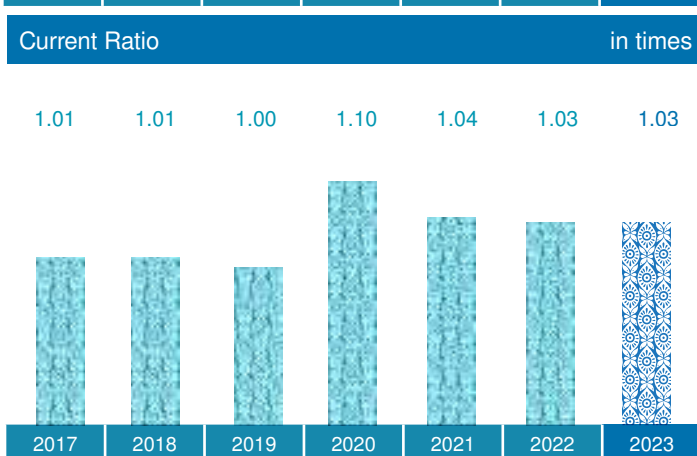
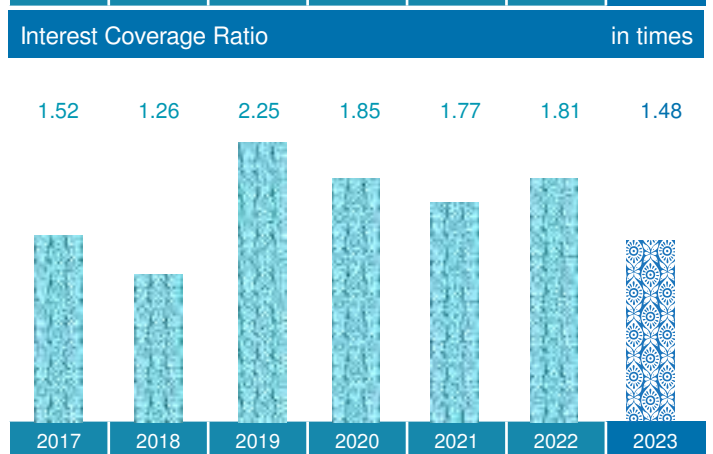
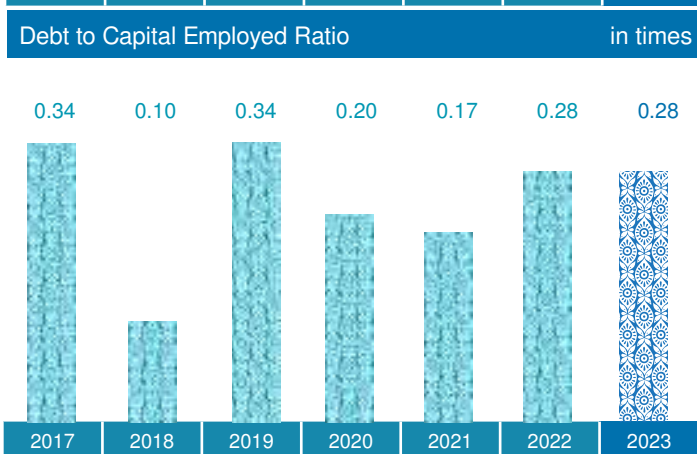
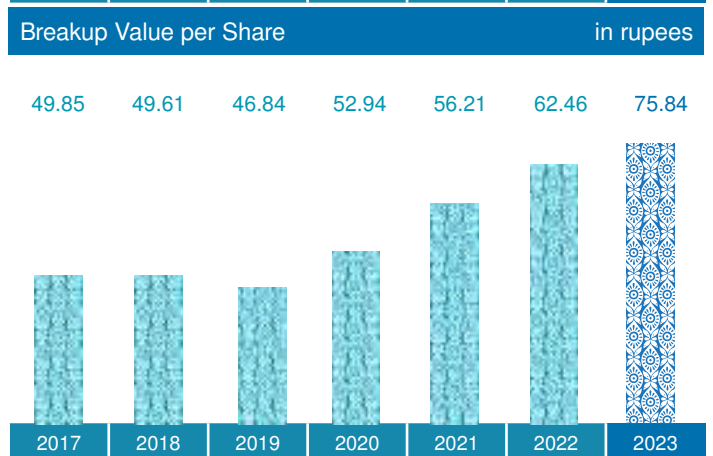
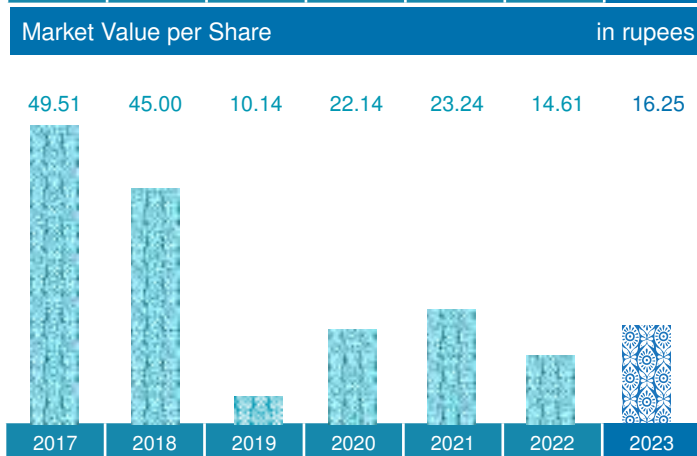
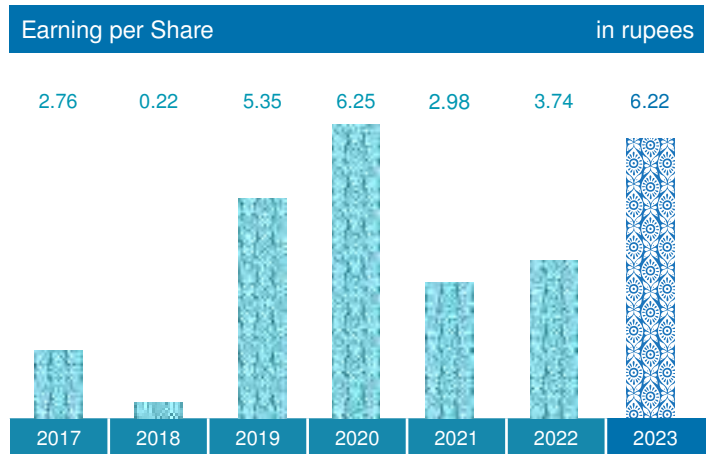
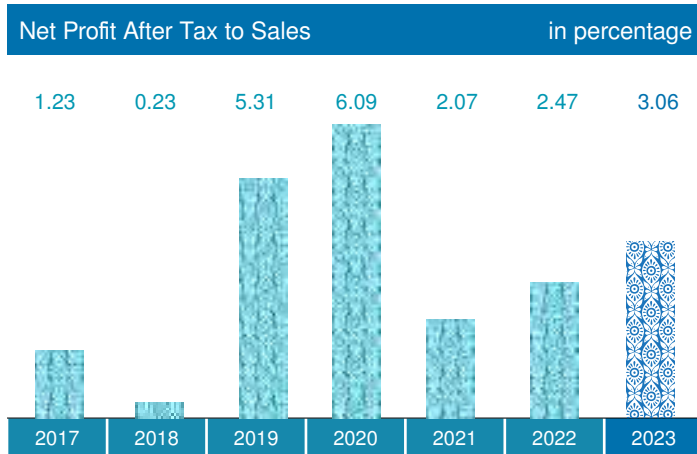
	FY2023	FY2022	FY2021	FY2020	FY2019	FY2018	FY2017
Financial Position (Rs. 000)							
Non current assets	9,818,039	9,517,500	5,125,275	5,128,055	3,276,400	3,240,663	3,083,362
Current assets	2,418,904	2,283,066	607,257	748,310	1,084,691	1,448,770	837,502
Current liabilities	2,352,071	2,220,250	584,398	677,845	1,080,800	1,435,214	829,394
Non current liabilities	1,019,943	1,059,043	385,960	502,237	380,357	509,236	497,642
Shareholders equity	8,864,928	8,521,273	4,762,174	4,696,282	2,899,934	2,744,983	2,593,829
Profit or Loss (Rs. 000)							
Sales - net	6,925,893	5,180,431	4,924,089	3,502,837	3,441,483	2,195,040	2,581,987
Gross profit	1,073,985	828,564	578,511	604,065	653,729	45,706	300,119
EBITDA	1,128,420	748,076	523,603	538,627	573,768	282,354	292,330
EBIT	826,375	604,741	387,844	427,569	462,948	174,028	188,933
Profit before tax	266,238	270,912	168,289	196,391	257,269	35,967	64,492
Profit after tax	212,233	127,721	101,751	213,329	182,717	5,116	31,856
Cash Flows (Rs. 000)							
Cash flows from Operating activities	608,025	(611,580)	126,805	597,801	957,814	(756,922)	(113,983)
Cash flows from Investing activities	(603,169)	(343,577)	(135,061)	(166,315)	(112,480)	(244,664)	(396,068)
Cash flows from Financing activities	43,216	919,161	(164,265)	(266,507)	(832,999)	1,020,992	517,625
Cash and bank at the beginning of the year	32,446	68,442	223,834	58,855	46,519	27,113	19,538
Cash and bank at the end of the year	80,518	380,079	68,442	223,834	58,855	46,519	27,113
Capital Structure Ratios							
Debt to capital employed ratio	0.28	0.28	0.17	0.20	0.34	0.41	0.34
Interest coverage ratio	1.48	1.81	1.77	1.85	2.25	1.26	1.52
Financial leverage ratio	0.38	0.38	0.20	0.25	0.50	0.71	0.51
Weighted average cost of debt	22.13%	13.68%	10.00%	13.43%	12.70%	9.47%	11.15%
Non Financial Ratios							
% of plant availability	86.25	82.02	81.52	77.80	90.84	82.63	92.50
Customer satisfaction index	99.99	99.99	99.99	99.99	99.99	99.99	99.99
Net assets per share	259.75	249.68	139.54	137.61	84.97	80.43	76.00
Operational Performance for the Last Seven Years							
Operating days	103	146	124	104	96	131	130
Cane crushed	651,476	872,378	533,772	425,433	431,121	441,646	546,857
Sugar produced	64,198	85,774	52,925	41,150	44,776	42,846	53,972
Sugar recovery	9.85	9.83	9.91	9.67	10.39	9.70	9.87
Molasses produced	29,630	34,909	22,923	20,180	20,304	21,835	25,256
Molasses recovery	4.55	4.00	4.23	4.74	4.71	4.94	4.62
Bagasse produced	190,744	251,897	160,132	127,630	127,698	133,187	166,594
V.F. Cake produced	19,363	25,946	15,871	12,763	13,494	13,249	16,406
Others							
Inventory as % of Assets Cost	3.04	2.33	1.86	1.79	2.37	2.21	1.97
Maintenance Cost as % of operating expenses	12.39	11.04	16.82	10.28	13.99	32.81	25.02

Seven Years at a Glance

Ratio Analysis	FY2023	FY2022	FY2021	FY2020	FY2019	FY2018	FY2017
Profitability Ratios							
Gross profit to sales	15.51%	15.99%	11.75%	17.25%	19.00%	2.08%	11.62%
Net profit after tax to sales	3.06%	2.47%	2.07%	6.09%	5.31%	0.23%	1.23%
EBITDA to sales	16.29%	14.44%	10.63%	15.38%	16.67%	12.86%	11.32%
Shareholders' funds	8,864,928	8,521,273	4,762,174	4,696,282	2,899,934	2,744,983	2,593,829
Return on Equity	2.39%	1.50%	2.14%	4.54%	6.30%	0.19%	1.23%
Return on Capital Employed	9.32%	7.10%	8.14%	9.10%	15.96%	6.34%	7.28%
Operating leverage ratio	1.09	10.74	(0.23)	(4.29)	2.92	0.53	1.70
Liquidity Ratios							
Current ratio	1.03	1.03	1.04	1.10	1.00	1.01	1.01
Quick ratio	0.38	0.32	0.88	0.82	0.64	0.48	0.34
Cash to current liabilities	3.42%	1.46%	11.71%	33.02%	5.45%	3.24%	3.27%
Cash flow from operations to sales	17.75%	(5.40%)	7.59%	25.79%	36.26%	(27.67%)	2.40%
Cash flow to capital expenditure	100.43%	(175.93%)	91.19%	355.90%	860.98%	(301.17%)	(28.60%)
Cash flow coverage ratio	47.63%	(52.98%)	60.12%	172.65%	181.30%	(54.74%)	(20.13%)
Free cash flow	468,985	257,252	318,015	387,596	387,969	172	(138,810)
Activity Ratios							
Inventory turnover	3.78	5.22	30.27	9.93	4.88	3.28	7.78
No. of days in Inventory	96.62	69.90	12.06	36.74	74.86	111.22	46.93
Debtor turnover	1,203.20	1,590.09	5,133.21	25.79	11.52	13.36	3,779.39
No. of days in Receivables	0.30	0.23	0.07	14.15	31.69	27.33	0.10
Creditor turnover	6.46	7.50	15.02	6.85	7.86	7.15	7.69
No. of days in Payables	56.49	48.66	24.29	53.29	46.44	51.05	47.48
Operating Cycle	40.43	21.47	(12.17)	(2.40)	60.11	87.50	(0.45)
Total assets turnover	0.58	0.59	0.85	0.68	0.76	0.51	0.72
Fixed assets turnover	0.72	0.71	0.96	0.83	1.06	0.69	0.88
Investment Valuation Ratios							
Earnings per share	6.22	3.74	2.98	6.25	5.35	0.22	2.76
Price Earning ratio	2.61	3.91	7.80	3.54	1.90	204.55	17.94
Dividend Yield	6.15%	6.84%	4.30%	4.52%	9.86%	2.22%	2.02%
Dividend Payout ratio	16.08%	26.74%	33.56%	16.00%	18.69%	454.55%	36.23%
Dividend Cover ratio	6.22	3.74	2.98	6.25	5.35	0.18	1.29
Cash Dividend per share	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Market value per share	16.25	14.61	23.24	22.14	10.14	45.00	49.51
Market value per share-highest	17.74	25.45	30.50	25.63	46.70	57.00	96.00
Market value per share-lowest	12.00	14.61	18.43	9.77	8.96	38.31	47.16
Break value without revaluation surplus	75.84	62.46	56.21	52.94	46.84	49.61	49.85
Break value with revaluation surplus	259.75	249.68	139.54	137.61	84.97	80.43	76.00
Price to book ratio	0.21	0.23	0.41	0.42	0.22	0.91	0.99
Market capitalization	554,587.36	498,932.04	93,521.22	755,695.75	346,308.70	46,404.84	571,440.46
Employee Productivity Ratios							
Production per employee	73.37	95.41	66.49	52.15	59.23	53.62	73.33
Revenue per employee	7,915.31	5,762.44	6,186.04	4,439.59	4,552.23	2,747.23	3,508.14

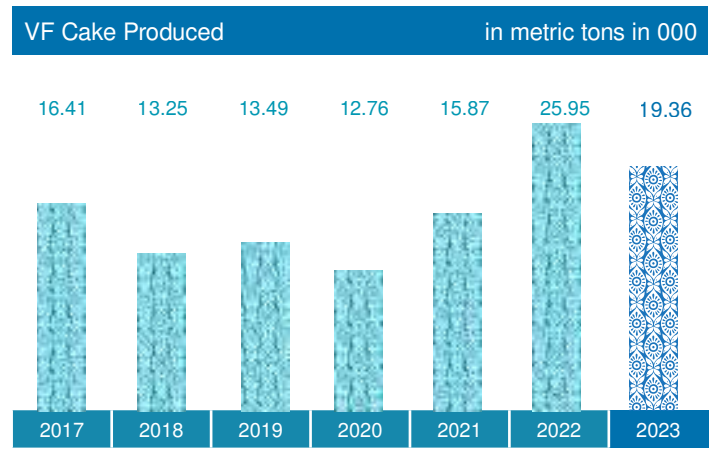
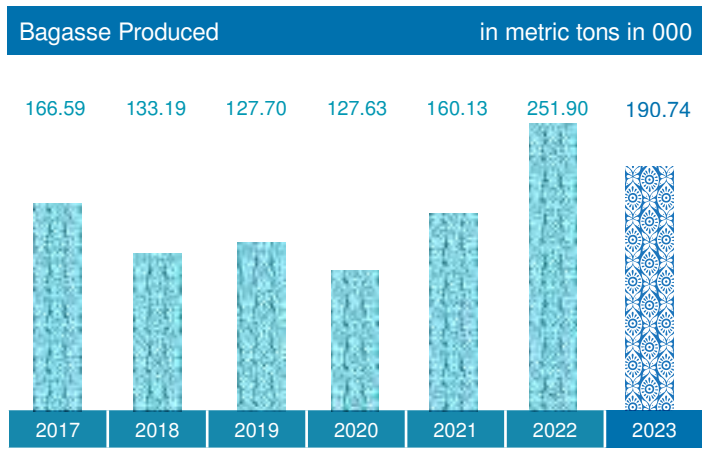
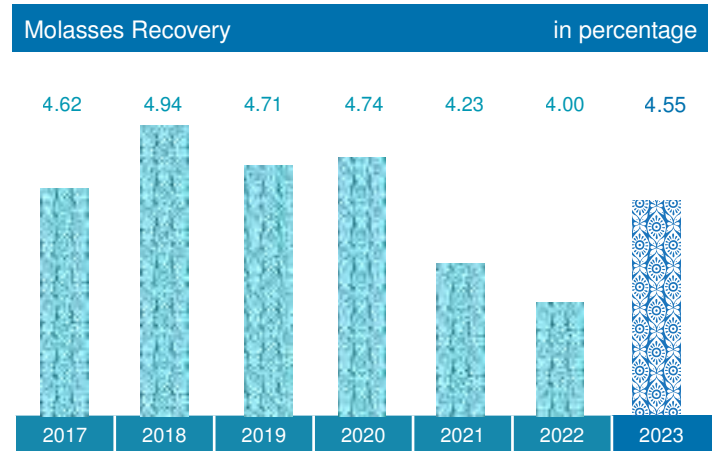
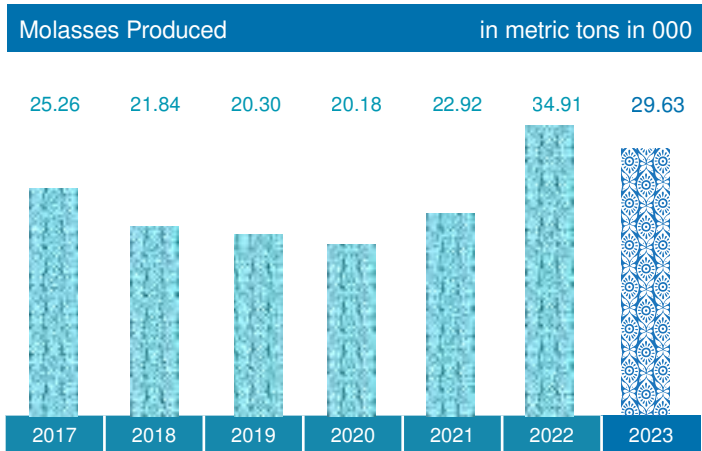
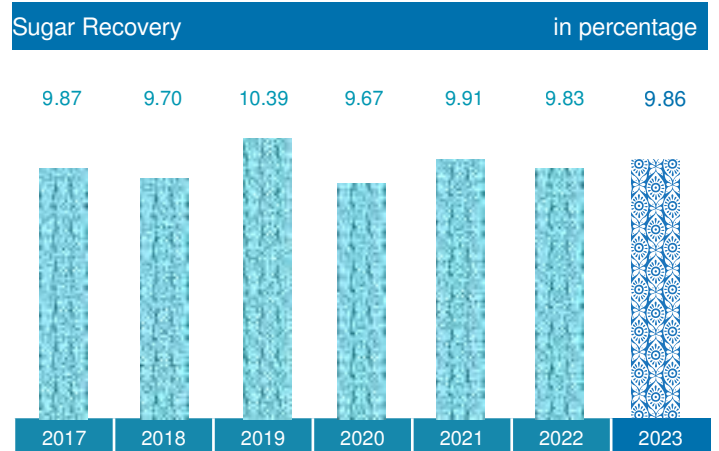
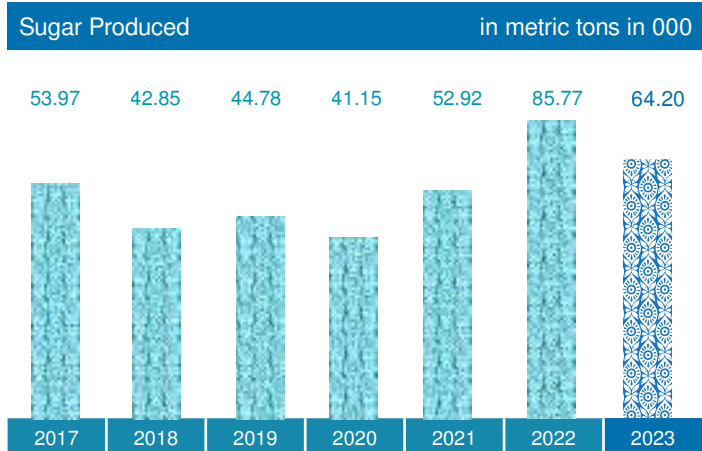
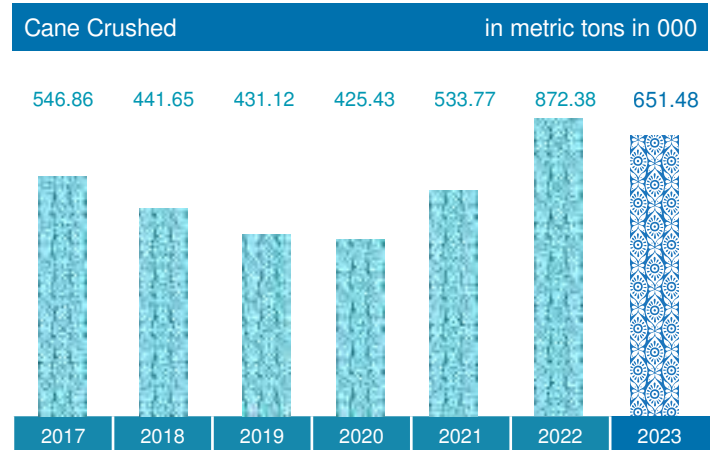
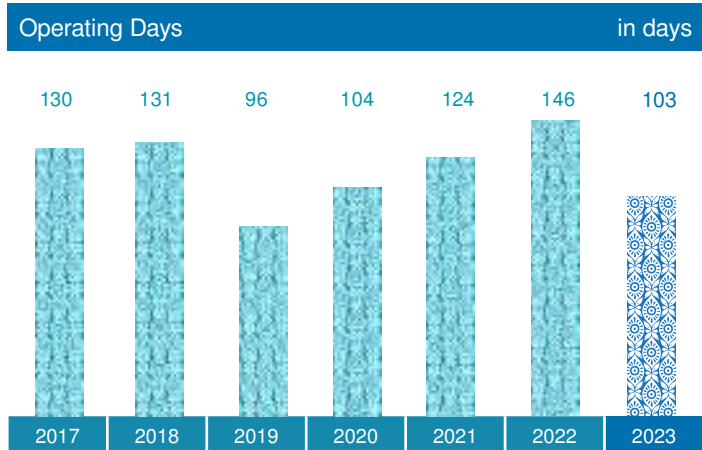
Graphical Representation

Financial



Graphical Representation

Operational



Non-Financial Indicators

	Objective	KPI Monitored	Future Relevance
Manufactured Capital	Product development and innovation	Produce high quality sugar for various industries including FMCG and Pharmaceuticals.	The Company believes in innovation and introducing new varieties of sugar in Pakistan.
	Business Diversification	Analyze various prospects of upstream, parallel and downstream diversification options in Sugar and Allied Industries in order to avail the benefit of excess energy available with Sugar Mill.	Business diversification is our long-term objective.
	Maintain industry leadership and expand sales	Market share, price management and identification of new markets.	Leadership is our continuous endeavor and has to be maintained.
	Enhance operational efficiency and efficient inventory management	Market share, price management and identification of new markets.	Invest in operational efficiency and economies of scale to maintain it in the years to come.
	Economize on costs – eliminating redundancies	Optimization of available resources and better allocation of fixed costs.	KPIs shall be relevant in future.
	Sustainability	Keep a close eye on Current Ratio, Gearing and Interest Cover.	
Human Capital	Health & Safety of workers	Provision of a congenial and clean environment along with safety for smooth work.	We believe in continuously providing environment which harmonize the workers efforts in higher productivity.
	Training and Education	Continuous training of employees and workers. Monitor training need analysis with special focus on health and safety at work.	
Relationship Capital	Shareholder Value	EPS, ROE, Asset Turnover and DPS	We value our relationship with all our stakeholders therefore, we will continue to strive to improve shareholders' value. Improve our customer services and maintain timely payments.
	Stock Value	Analyse market price as a measure of relationship capita	
	Suppliers and Customers Relationships	Assess the payment stream and ensure timely payment. Provide customer with maximum support beyond customer-supplier relationship.	
Intellectual capital	Highest product strength at lowest cost in industry Maintain industry leadership	Regularly monitor avenues to increase product strength. Produce high quality sugar to facilitate our customers.	We shall continue to innovate products according to the changing needs of Customer and market demand.
Natural Capital	Adopting and promoting environmental good practices	The Company has taken multiple steps to reduce, reuse and recycle waste (3Rs) minimizing natural resource consumption and treat any harmful emissions before they are released to minimize environment footprints.	The Company give core importance to environment protection and will continue to invest for betterment of society.
Financial Capital	Maximizing market share and expanding customer base	Consistent growth in sales revenue and quality control has enabled the Company to increase its share in local market and expanding its customer base.	Continuous efforts regarding financial and technological support of growers will enable the company to procure more cane which will ultimately increase the production and sales volume.

Financial Indicators

Budgeted Results

The planned/budgeted sugarcane crushing was 700,000 MT, however, due to decrease in sowing of sugarcane crop and tough competition amongst mills and higher rates, the company managed to crush 651,476 MT of sugarcane. Further the planned sucrose recovery percentage was 9.87% as against actual of 9.85% resulting in reduction of production. Ultimately the Company had to sell lower quantities of sugar i.e. 69,697 MT as against budgeted 77,930 MT which resulted in decrease in revenue by Rs. 860 million. However, by efficient management of working capital, some short term borrowings are early matured which results in saving of finance cost around Rs. 106 million.

	2023	
	Actual	Budgeted
	MT	
Sugar sold	69,697	77,930

	2023	
	Actual	Budgeted
	Rs. in "000"	
Net sales	6,925,893	7,786,278
Cost of sales	5,851,908	6,548,155
Gross profit	1,073,985	1,238,123
Expenses and taxes	861,752	1,006,800
Net profit	212,233	231,323

Methods and Assumptions in Compiling Indicators

A Key Performance Indicator (KPI) should immediately inform the reader how the business is performing which in turn should suggest what actions need to be taken. KPIs provide understanding of a company's performance in key areas and measure to analyze current position of the company and likely path the company would follow. KPIs may emerge over time with growth of the Company and more information becomes available. Jauharabad Sugar Mills Limited has identified and updated the above KPIs that are critical to its business. While identifying KPIs, the Company analyzed various indicators, their interpretations and accordingly their extent to which they may correctly and clearly communicate the Company's performance.



FINANCIAL STATEMENTS



Independent Auditor's Report

To the members of Jauharabad Sugar Mills Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Jauharabad Sugar Mills Limited ("the Company"), which comprise the statement of financial position as at September 30, 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including 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 and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with approved 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, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current 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:

S.No.	Key audit matters	How the matter was addressed in our audit
1	<p>Additions to Property, Plant & Equipment</p> <p>Refer notes 4.7 and 5 to the financial statements. The Company has made significant capital expenditure on sugar machinery parts.</p> <p>We identified additions to property, plant and equipment as a key audit matter because there is a risk that amounts being capitalized may not meet the capitalization criteria with related implications on depreciation charge for the year.</p>	<p>Our audit procedures to assess the addition to property, plant and equipment, amongst others, included the following:</p> <ul style="list-style-type: none">• Understanding the design and implementation of management controls over capitalization and testing control over authorization of capital expenditure and accuracy of its recording in the system; testing, on sample basis, the costs incurred with supporting documentation and contracts;• Assessing the nature of costs incurred for the capital projects through testing, on sample basis, of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the applicable accounting standards; and• Inspecting supporting documents for the date of capitalization when plant & machinery was ready for its intended use to assess whether depreciation commenced and further capitalization of costs ceased from that date and assessing the useful life assigned by management including testing the calculation of related depreciation.

S.No.	Key audit matters	How the matter was addressed in our audit
2	<p>Valuation of stock-in-trade</p> <p>Refer to notes 4.11 and 9 to the financial statements.</p> <p>The balance of stock-in-trade as at September 30, 2023 was Rs. 1,524.695 million.</p> <p>We identified valuation of stock-in-trade as a key audit matter as it involves significant management judgement in determining the carrying value of stock-in-trade.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> Assessed the appropriateness & consistency of Company's accounting policy for valuation of inventories and compliance of the policy with the requirements of the prevailing accounting standards; Obtained an understanding of internal controls over valuation of inventories and performed test of control on a sample basis, to test the design, implementation and operating effectiveness; Performed substantive procedure over purchases and consumptions; Re-calculated the value of stock in trade by allocating the fixed and variable overheads and reviewed the adequacy of costing methodology; Performed cut-off procedures and subsequent stock count to validate the completeness and existence of closing stock; Assessed reasonableness management's determination of net realizable value (NRV) and the key estimates adopted and compared on sample basis cost of inventories with their respective net realizable value (NRV); Assessed the adequacy of disclosures in the financial statements to be in accordance with the applicable accounting standards.

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 for the year ended September 30, 2023, but does not include the financial statements and our auditor's report thereon. Other Information is expected to be made available to us after the date of this audit report.

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.

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Ibne Hassan.

Place: Lahore
Date: December 11, 2023
UDIN: AR202310300HqomlkrnF



UHY Hassan Naeem & Co.
Chartered Accountants
(Mr. Ibne Hassan)

Statement of Financial Position

As at September 30, 2023

	Note	2023 Rupees	2022 Rupees
Non-current assets			
Property, plant and equipment	5	9,814,896,493	9,514,621,651
Intangible assets	6	52,141	77,823
Long-term deposits	7	3,090,642	2,800,300
		<u>9,818,039,276</u>	<u>9,517,499,774</u>
Current assets			
Stores, spare parts and loose tools	8	298,492,859	221,627,717
Stock-in-trade	9	1,524,695,100	1,573,365,053
Loans and advances	10	294,337,722	334,695,689
Trade debts	11	5,569,558	5,942,914
Trade deposits and short term prepayments	12	83,850,773	3,328,533
Other receivables-unsecured considered good	13	22,220,756	22,220,756
Tax refunds due from the Government	14	94,348,259	70,871,122
Short term investments	15	14,870,771	18,568,923
Cash and bank balances	16	80,517,758	32,445,703
		<u>2,418,903,556</u>	<u>2,283,066,410</u>
Current liabilities			
Trade and other payables	17	883,432,757	927,908,265
Unclaimed dividend		1,639,700	1,881,343
Accrued mark-up	18	99,699,786	59,649,304
Short term borrowings	19	1,276,442,928	1,154,281,956
Current portion of:			
Long term loans from banking companies-secured	20	-	9,429,947
-Liabilities against assets subject to lease-secured	21	726,906	1,152,642
-Government grant	24	-	1,191,051
Provision for taxation	22	90,129,350	64,755,390
		<u>2,352,071,427</u>	<u>2,220,249,898</u>
Working capital employed		<u>66,832,129</u>	<u>62,816,512</u>
		<u>9,884,871,405</u>	<u>9,580,316,286</u>
Contingencies and commitments			
	23		
Non-current liabilities			
Long term loans from banking companies-secured	20	-	-
Liabilities against assets subject to lease-secured	21	2,233,444	5,132,454
Deferred liabilities	24	1,017,709,692	1,053,910,735
		<u>1,019,943,136</u>	<u>1,059,043,189</u>
Net capital employed		<u>8,864,928,269</u>	<u>8,521,273,097</u>
Represented by:			
Share capital and reserves			
Share capital	25	341,284,530	341,284,530
Capital reserve - share premium		372,402,633	372,402,633
Loan from sponsors	26	874,597,678	709,046,898
Revenue reserve - Accumulated profits		1,000,143,786	709,072,449
Revaluation surplus on property, plant & equipment - net of tax	27	6,276,499,642	6,389,466,587
		<u>8,864,928,269</u>	<u>8,521,273,097</u>

The annexed notes 1 to 46 form an integral part of these financial statements.

Lahore:
December 18, 2023



Syed Anwar Hussain
Chief Executive



Ghias-ul-Hasan
Director



Imran Ilyas
Chief Financial Officer

Statement of Profit or Loss

For the year ended September 30, 2023

	Note	2023 Rupees	2022 Rupees
Sales - net	28	6,925,893,103	5,180,431,166
Cost of sales	29	5,851,908,072	4,351,867,390
Gross profit		1,073,985,031	828,563,776
Operating expenses:			
Distribution cost	30	29,748,210	18,942,827
Administrative expenses	31	211,487,319	200,902,899
		(241,235,529)	(219,845,726)
Operating profit		832,749,502	608,718,050
Finance cost	32	(560,136,336)	(333,828,593)
Other income	33	8,324,997	10,281,449
Other expenses	34	(14,700,278)	(14,258,545)
Profit before taxation		266,237,885	270,912,361
Taxation	35	(54,005,040)	(143,191,222)
Profit after taxation		212,232,845	127,721,139
Earning per share - basic and diluted	36	6.22	3.74

The annexed notes 1 to 46 form an integral part of these financial statements.

Lahore:
December 18, 2023



Syed Anwar Hussain
Chief Executive



Ghias-ul-Hasan
Director




Imran Ilyas
Chief Financial Officer

Statement of Other Comprehensive Income
For the year ended September 30, 2023


	2023 Rupees	2022 Rupees
Profit after taxation	212,232,845	127,721,139
Other comprehensive income for the year		
Items that will not be reclassified subsequently to profit or loss account		
Gain on revaluation of land, building and plant & machinery - net of tax	-	3,566,556,328
Total comprehensive income for the year	<u>212,232,845</u>	<u>3,694,277,467</u>

The annexed notes 1 to 46 form an integral part of these financial statements.

Lahore:
December 18, 2023


Syed Anwar Hussain
Chief Executive


Ghias-ul-Hasan
Director


Imran Ilyas
Chief Financial Officer

Statement of Cash Flows

For the year ended September 30, 2023

	Note	2023 Rupees	2022 Rupees
Cash flow from operating activities			
Profit before taxation		266,237,885	270,912,361
Adjustments for:			
Depreciation	5.1.1	302,045,291	143,334,948
Amortization	6.3	25,682	38,330
Provision for Workers' Profit Participation Fund	34	14,012,520	14,258,545
Finance cost	32	560,136,336	333,828,593
Government grant		(1,191,051)	(4,733,835)
(Gain)/loss on disposal of property, plant and equipment	5.1.5	558,530	(1,289,770)
		875,587,308	485,436,811
Operating profit before working capital changes		1,141,825,193	756,349,172
Working capital changes			
Stores, spare parts and loose tools		(76,865,142)	(126,163,038)
Stock-in-trade		48,669,953	(1,479,904,134)
Loans and advances		40,357,967	(120,132,076)
Trade debts		373,356	(5,369,789)
Trade deposits and short term prepayments		(80,522,240)	5,368,868
Other receivables-unsecured considered good		-	-
Trade and other payables		155,840,517	601,651,016
Unclaimed dividend		(241,643)	371,722
Short term loan from sponsors		-	88,320,000
		87,612,768	(1,035,857,431)
Cash (used in)/generated from operations		1,229,437,961	(279,508,259)
Tax paid		(88,309,260)	(46,274,781)
WPPF paid		(14,258,545)	(8,857,326)
Finance cost paid		(518,845,530)	(276,939,678)
		(621,413,335)	(332,071,785)
Net cash (used in)/generated from operating activities		608,024,626	(611,580,044)

The annexed notes 1 to 46 form an integral part of these financial statements.

Lahore:
December 18, 2023



Syed Anwar Hussain
Chief Executive



Ghias-ul-Hasan
Director



Imran Ilyas
Chief Financial Officer

Statement of Cash Flows

For the year ended September 30, 2023

	Note	2023 Rupees	2022 Rupees
Cash flow from investing activities			
Purchase of property, plant and equipment		(605,429,932)	(347,632,827)
Sale proceeds from disposal of property, plant and equipment		2,551,269	4,055,833
Long term deposits		(290,342)	-
Net cash used in from investing activities		(603,169,005)	(343,576,994)
Cash flow from financing activities			
Repayment of long term finances - net		(9,429,947)	(106,204,152)
Lease rentals paid - net		(4,565,070)	(2,690,098)
Dividend paid		(34,128,453)	(34,128,453)
Proceeds from/(to) Sponsors' loan - net		(34,519,220)	98,950,000
Net cash used in financing activities		(82,642,690)	(44,072,703)
Net decrease in cash and cash equivalents		(77,787,069)	(999,229,741)
Cash and cash equivalents at the beginning of the year		(1,103,267,330)	(104,037,589)
Cash and cash equivalents at the end of the year		(1,181,054,399)	(1,103,267,330)
Cash and cash equivalents comprise of following statement of financial position amounts:			
- Short term investments	15	14,870,771	18,568,923
- Cash and bank balances	16	80,517,758	32,445,703
- Short term borrowings	19	(1,276,442,928)	(1,154,281,956)
		(1,181,054,399)	(1,103,267,330)

The annexed notes 1 to 46 form an integral part of these financial statements.

Lahore:
December 18, 2023



Syed Anwar Hussain
Chief Executive



Ghias-ul-Hasan
Director



Imran Ilyas
Chief Financial Officer

Statement of Changes in Equity

For the year ended September 30, 2023

	Share Capital		Capital Reserves		Revenue Reserve		Loan from sponsors	Total
	Issued subscribed and paid-up capital	Share premium	Share premium	Revaluation surplus	Accumulated profits	(Rupees)		
Balance as at October 01, 2021	341,284,530	372,402,633	2,843,927,584	594,462,438	610,096,898	4,762,174,083		
Repayment of loan during the year	-	-	-	-	(101,050,000)	(101,050,000)		
Loan received during the year	-	-	-	-	200,000,000	200,000,000		
Dividend paid at Rs.1/- per share	-	-	-	(34,128,453)	-	(34,128,453)		
Profit after taxation	-	-	3,566,556,328	127,721,139	-	127,721,139		127,721,139
Other comprehensive income for the year	-	-	3,566,556,328	-	-	3,566,556,328		3,566,556,328
Total comprehensive income for the year	-	-	3,566,556,328	127,721,139	-	3,694,277,467		3,694,277,467
Transfer of incremental depreciation (net of tax)	-	-	(21,017,325)	21,017,325	-	-		-
Balance as at September 30, 2022	341,284,530	372,402,633	6,389,466,587	709,072,449	709,046,898	8,521,273,097		
Balance as at October 01, 2022	341,284,530	372,402,633	6,389,466,587	709,072,449	709,046,898	8,521,273,097		
Repayment of loan during the year	-	-	-	-	(162,040,220)	(162,040,220)		
Loan received during the year	-	-	-	-	127,521,000	127,521,000		
Loan transferred from short term liability	-	-	-	-	200,070,000	200,070,000		
Dividend paid at Rs.1/- per share	-	-	-	(34,128,453)	-	(34,128,453)		
Profit after taxation	-	-	-	212,232,845	-	212,232,845		212,232,845
Other comprehensive income for the year	-	-	-	-	-	-		-
Total comprehensive income for the year	-	-	(112,966,945)	212,232,845	-	212,232,845		212,232,845
Transfer of incremental depreciation (net of tax)	-	-	6,276,499,642	112,966,945	-	6,389,466,587		
Balance as at September 30, 2023	341,284,530	372,402,633	6,276,499,642	1,000,143,786	874,597,678	8,864,928,269		

The annexed notes 1 to 46 form an integral part of these financial statements.


 Syed Anwar Hussain
 Chief Executive


 Ghias-ul-Hasan
 Director


 Imran Ilyas
 Chief Financial Officer

Notes to the Financial Statements

For the year ended September 30, 2023

1 Reporting entity

1.1 Jauharabad Sugar Mills Limited "the Company" (formerly known as Kohinoor Sugar Mills Limited) was incorporated in Pakistan in 1968 under the repealed Companies Act 1913 (now Companies Act, 2017). The shares of the Company are listed on the Pakistan Stock Exchange. The registered office of the Company is situated at 125-B, Quaid-e-Azam Industrial Estate, Gate No. 4, Kot Lakhpat, Lahore, and the mill is located at Jauharabad, District Khushab, Pakistan. The production plant is located at Industrial Area Jauharabad City District Khushab in the province of Punjab. The principal activity of the Company is manufacturing and sale of sugar and its by-products.

1.2 Summary of significant events and transactions in the current reporting period

The Company's financial position and performance were particularly affected by the following events and transactions during the reporting period:

Operational capacity enhancement

The Company has successfully achieved the commissioning of a power plant with generation capacity of 15 MW /hour last year, which will significantly affect the business volume and profitability as the Company is intended to sale the excess electricity generated by the power plant to private sector in absence of energy purchase agreement with the Government.

The Company, under its strategy to remain off-grid round the year for its power consumption, has successfully installed 260 KVA Solar System at mills. This will bring cost efficiency to mills by reducing financial burden.

The Company has installed latest art of technology crushing mill max machines and successfully improved its operational crushing capacity from 7000 to 9500 TCD. Further, the Company has installed new falling film evaporator to bring more steam efficiency to its operations.

2 Basis of preparation

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

These financial statements have been prepared under historical cost convention except for the certain property, plant and equipment that are at revalued amounts.

Other areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows.

- Estimation of net realizable value
- Computation of deferred taxation
- Disclosure of contingencies

3 Use of estimates and judgements

The preparation of these financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, and the results of which form the basis for making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

3.1 Property, plant and equipment

The Company reviews the useful lives and residual values of property, plant and equipment on a regular basis. Any change

Notes to the Financial Statements

For the year ended September 30, 2023

in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

3.2 Revaluation of property, plant and equipment

Revaluation of property, plant and equipment is carried out by independent professional valuers. Revalued amounts of non depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present depreciated replacement values.

3.3 Stores, spare parts and loose tools

The Company reviews the stores, spare parts and loose tools for possible impairment on an annual basis. Any change in estimates in future years might affect the carrying amounts of the respective items of stores, spare parts and loose tools with a corresponding effect on the provision.

3.4 Stock-in-trade

The Company reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock-in-trade is adjusted where the net realizable value is below the cost. Net realizable represents the estimated selling price less cost necessarily to be incurred for such sale.

3.5 Impairment

The management of the Company reviews carrying amounts of its assets and cash generating units for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

3.6 Taxation

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

3.7 Impairment of trade debts, advances and other receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The expected loss rates are based on the payment profiles of sales over a period of time before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

3.8 Provisions and contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on its judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims affect the carrying amounts of the liabilities recognized at the balance sheet date.

3.9 Expected credit loss

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. 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 including forward-looking information.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The Company limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a good credit rating. The Company monitors changes in credit risk by tracking published external credit ratings. 12-month and lifetime probabilities of default are based on historical credit ratings of the issuer.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities

Notes to the Financial Statements

For the year ended September 30, 2023

of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The Company uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt securities.

4 Significant accounting policies

4.1 IFRS 15 - Revenue from Contracts with Customers

IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 'Revenue', IAS 11 'Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition with a comprehensive framework based on core principle that an entity should recognize revenue representing the transfer of promised goods or services under separate performance obligations under the contract to customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those promised goods or services.

Based on the assessment performed by the management, there is no significant impact of the changes laid down by IFRS 15 on these financial statements of the Company.

4.2 IFRS 16 - Leases

IFRS 16 replaces the previous lease standard IAS 17 Leases. It resulted in almost all leases being recognized in the condensed interim statement of financial position, as the distinction between operating and finance leases has now been eliminated. Under the new standard, an asset and a lease liability to pay rentals are required to be recognized. The only exceptions are short term and low value leases.

Impact on financial position of the company

The company has adopted IFRS 16 and it has no material impact on the company's financial position as the only lease appearing is finance lease.

4.3 IFRS 9 - Financial instruments

IFRS 9 'Financial instruments' – This standard replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. It also includes an expected credit losses model that replaces the incurred loss impairment model included in IAS 39. The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below

4.3.1 Classification and measurement of financial instruments

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans, receivables and available for sale. Under IFRS 9, on initial recognition, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value either through Other Comprehensive Income (FVOCI), or through profit or loss (FVTPL); and
- those to be measured at amortized cost.

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

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

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

Financial assets at amortized cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain on derecognition is recognized in profit or loss.

Equity investments at fair value through other comprehensive income are measured at fair value. Net gains and losses

Notes to the Financial Statements

For the year ended September 30, 2023

are recognized in statement of other comprehensive income and dividend income is recognized in statement of profit or loss account.

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

The following revised International Financial Reporting Standards (IFRS), amendments and improvements with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretations:

Standards or Interpretation	Effective date (beginning on or after)
Non-current Liabilities with Covenants (Amendments to IAS 1)	January 1, 2024
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	January 1, 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	January 1, 2024

4.4 Staff retirement benefits

Defined contribution plan

The Company operates a defined contribution provident fund scheme (the Fund) for its permanent employees. Equal monthly contributions are made to the fund both by the Company and employees at the rate of 10% of basic salary. The Company's contribution is charged to the statement of comprehensive income.

4.5 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit and loss account, except to the extent that it relates to items recognized directly in equity or below equity, in which case it is recognized in equity or below equity respectively.

Current

Provision for current taxation is based on taxable income, as adjusted for tax purposes, at the current rate of tax after taking into account all tax credits, rebates and available tax losses determined in accordance with prevailing tax laws. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments made during the year for such years.

Deferred

Deferred tax is provided, using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses and tax credits to the extent that it is probable that future taxable profits will be available against which deferred tax asset can be utilized, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability that, at the time of transaction, affects neither the accounting nor taxable profits.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax asset and liability is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

4.6 Earnings per share ("EPS")

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit and loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

4.7 Property, plant and equipment

4.7.1 Owned

Notes to the Financial Statements

For the year ended September 30, 2023

Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land which is stated at revalued amount, building and plant & machinery which is stated at revalued amount less subsequent accumulated depreciation and subsequent impairment losses, if any. Cost includes purchase cost together with any incidental expenses of acquisition. Depreciation on additions is charged from the month when the asset is available for use, while no depreciation is charged for the month in which the asset is disposed off. Depreciation is charged to profit or loss account at the rates specified in Note 5.1 to these financial statements using the reducing balance method unless specifically stated otherwise. Estimate of useful life of depreciable assets is based on assessment of industry trends, technical obsolescence and past experiences. Residual value and useful life of assets are reviewed, at each date of statement of financial position and adjusted expectations differ significantly from previous estimates.

Surplus on revaluation is booked by restating gross carrying amounts of respective assets being revalued, proportionately to the change in their carrying amounts due to revaluation. The accumulated depreciation at the date of revaluation is also adjusted to equal difference between gross carrying amounts and the carrying amounts of the assets after taking into account accumulated impairment losses. The surplus on revaluation of fixed assets to the extent of the annual incremental depreciation based on the revalued carrying amount of the asset and the depreciation based on the assets' original cost is transferred annually to retained earnings net of related deferred tax. Upon disposal, any revaluation reserve relating to the particular assets being sold is transferred to retained earnings. All transfers to / from surplus on revaluation of fixed assets account are net of applicable deferred income tax.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

De-recognition

Gain or loss arising from de-recognition of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of an asset and is charged to the profit or loss account.

Capital work in progress

Capital work in progress is stated at cost less identified impairment loss, if any, and includes the cost of material, labour and appropriate overheads directly relating to the construction, erection or installation of an item of operating fixed assets. These costs are transferred to operating fixed assets as and when related items become available for intended use.

4.7.2 Leased

Right of use Asset

The Company assesses whether a contract is or contains a lease at the inception of the contract. The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Where the Company determines that the lease term of identified lease contracts is short term in nature i.e. with a lease term of twelve months or less at the commencement date, right of use assets is not recognized and payments made in respect of these leases are expensed in the statement of profit or loss.

Lease liability

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Notes to the Financial Statements

For the year ended September 30, 2023

4.8 Intangibles

Recognition and measurement

Intangibles, with finite useful lives, are measured at cost less accumulated amortization and impairment losses, if any. Amortization is charged to profit or loss account using the reducing balance method over its useful life.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, is charged to profit or loss account as incurred.

De-recognition

Gains or losses arising from de-recognition of intangibles are measured as the difference between the net disposal proceeds and the carrying amount of assets and are charged to the profit or loss account.

4.9 Impairment

Financial assets

The Company records impairment based on lifetime expected credit loss at the time of initial recognition of financial instrument at a default rate calculated using own historical credit loss experience and forward looking factors. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

Non-financial assets

The carrying amount of the Company's non-financial assets is reviewed at each year end to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In the absence of any information about the fair value of a cash-generating unit, the recoverable amount is deemed to be value in use. Impairment losses are recognized as an expense in the statement of other comprehensive income.

4.10 Stores, spare parts and loose tools

These are valued at lower of cost and net realizable value. Cost is determined at average running cost. Items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon. Cost is determined at average running cost.

4.11 Stock in trade

These are valued at lower of cost and net realizable value (NRV) except molasses, bagasse and VF cake which is valued at NRV. Cost in relation to raw material, work in process and finished goods represents average cost comprising direct material, labour and appropriate manufacturing overheads. NRV represents the estimated selling price less cost necessarily to be incurred for such sale. Cost is determined as follows;

Work-in-process:	At estimated cost
Finished goods - sugar:	Lower of average cost and net realizable value

4.12 Revenue recognition

According to the core principle of IFRS 15, the Company recognizes revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those good and services. The Company recognizes revenue in accordance with that core principle by applying the following steps:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract;
- Recognize revenue when the entity satisfies a performance obligation.

Revenue is measured at the fair value of consideration received or receivable, and represents amount receivable for goods supplied. Revenue from sale of goods is recognized when the Company satisfies a performance obligation (at a point of time) by transferring promised goods to customer being when the goods are invoiced and delivered to customers. This criteria of revenue recognition for its timing and amount is consistent with the previously adopted accounting standard therefore, the management concludes that the adoption of IFRS 15 does not have impact on the timing and amount of revenue recognition of the Company.

Notes to the Financial Statements

For the year ended September 30, 2023

4.13 Borrowings and borrowing costs

Borrowings are recorded at the proceeds received. Finance costs are accounted for on an accrual basis and are included in current liabilities to the extent of the amount remaining unpaid.

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of the borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalized as part of the cost of that asset up to the date of its commissioning.

4.14 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past event, and it is probable that an out flow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

4.15 Trade debts and other receivables

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

4.16 Trade and other payables

Liabilities of 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, whether or not billed to the Company.

4.17 Dividend

The dividend distribution to the shareholders is recognized as a liability in the period in which it is approved by the board of directors.

4.18 Financial instruments

Financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and derecognized when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is included in the profit or loss for the year. All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost as the case may be. The particular measurement methods adopted are disclosed in individual policy statement associated with each item.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

4.19 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and bank balances, cheques in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, running finance under mark-up arrangements and short term loans which form an integral part of the Company's cash management.

4.20 Foreign currencies transactions

Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rate of exchange prevailing at the balance sheet date, except those covered by forward contracts, which are stated at contracted rates. Foreign currency transactions are translated into Pak Rupees at the rates prevailing at the date of transaction except for those covered by forward contracts, which are translated at contracted rates. Non monetary items are translated into Pak Rupees on the date of transaction or on the date when fair values are determined. Exchange differences are included in income currently.

4.21 Related party transactions

All transactions with related parties are carried out as arms' length transactions by the Company using the methods prescribed under the Companies Act, 2017.

4.22 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

Notes to the Financial Statements

For the year ended September 30, 2023

5 Property, plant and equipment

	Note	2023 Rupees	2022 Rupees
Property, plant and equipment	5.1	9,813,103,260	9,508,138,640
Capital work-in-progress	5.2	1,793,233	6,483,011
		9,814,896,493	9,514,621,651

5.1 Property, plant and equipment

Particulars	Owned assets (Rupees)				Leased Assets		Grand Total	
	Freehold land	Building on freehold land	Plant and machinery	Service and other equipment	Furniture and fixture	Office equipment		Vehicles
Cost								
Balance at October 01, 2021	2,084,102,000	404,673,832	3,373,382,091	10,177,778	10,862,755	12,268,675	62,803,136	-
Revaluation surplus	2,058,124,600	112,297,902	2,012,253,828	-	-	-	-	-
Additions	-	20,332,735	204,277,537	-	2,771,235	59,075	32,296,036	8,994,810
Transfer from CWIP	-	-	621,975,775	-	-	-	-	-
Disposal	-	-	-	-	-	(235,601)	(6,686,985)	-
Balance at September 30, 2022	4,142,226,600	537,304,469	6,211,889,231	10,177,778	13,633,990	12,092,149	88,412,187	8,994,810
Balance at October 01, 2022	4,142,226,600	537,304,469	6,211,889,231	10,177,778	13,633,990	12,092,149	88,412,187	8,994,810
Revaluation surplus	-	-	-	-	-	-	-	-
Additions	-	33,645,969	540,938,001	-	603,592	1,448,500	28,793,870	-
Transfer from CWIP	-	-	4,689,778	-	-	-	-	-
Disposal	-	-	-	-	-	(619,402)	(5,172,903)	-
Balance at September 30, 2023	4,142,226,600	570,950,438	6,757,517,010	10,177,778	14,237,582	12,921,247	112,033,154	8,994,810
Depreciation								
Balance at October 01, 2021	-	162,212,355	1,153,435,662	8,880,971	6,832,784	6,359,373	39,693,004	-
For the year	-	12,878,194	119,275,369	129,681	463,654	583,804	8,655,024	1,349,222
Disposal	-	-	-	-	-	(43,488)	(4,113,035)	-
Balance at September 30, 2022	-	175,090,549	1,272,711,031	9,010,652	7,296,438	6,899,689	44,234,993	1,349,222
Balance at October 01, 2022	-	175,090,549	1,272,711,031	9,010,652	7,296,438	6,899,689	44,234,993	1,349,222
For the year	-	19,317,255	268,319,423	116,713	669,758	638,192	11,454,832	1,529,118
Disposal	-	-	-	-	-	(162,527)	(2,519,979)	-
Balance at September 30, 2023	-	194,407,804	1,541,030,454	9,127,365	7,966,196	7,375,354	53,169,846	2,878,340
Carrying value 2022	4,142,226,600	362,213,920	4,939,178,200	1,167,126	6,337,552	5,192,460	44,177,194	7,645,588
Carrying value 2023	4,142,226,600	376,542,634	5,216,486,556	1,050,413	6,271,386	5,545,893	58,863,308	6,116,470
Rates of depreciation	0%	5%	5%	10%	10%	10%	20%	20%

Notes to the Financial Statements

For the year ended September 30, 2023

5.1.1 Depreciation for the year has been allocated as under:

	Note	2023 Rupees	2022 Rupees
Cost of sales	29	296,004,385	140,468,249
Administrative expenses	31	6,040,906	2,866,699
		<u>302,045,291</u>	<u>143,334,948</u>

5.1.2 All assets are acquired with the funds of the Company and are held by and in the possession and control of the Company.

5.1.3 The latest valuation of the Company's assets was carried out by Tristar International Consultant (Private) Limited as at September 30, 2022 and the forced sale value as at that date is given below:

	Amount in Rupees
Freehold land	3,313,781,280
Building on freehold land	271,660,439
Plant, machinery and equipment	<u>3,951,342,560</u>
	<u>7,536,784,279</u>

5.1.4 Buildings, plant and machinery are located at freehold land measuring 497.68 Kanals located at industrial area Jauharabad City District Khushab.

5.1.5 Disposal of property, plant and equipment

Particulars	Cost	Net book value	Sale proceeds	Gain/ (loss) on disposal	Mode of disposal	Name of purchaser
Amount in Rupees						
Vehicles						
Honda Civic LEE-19-903	3,830,818	2,036,049	1,935,599	(100,450)	Sale	Imran Ilyas-Employee
Suzuki Alto LE-19A-4884	1,342,085	616,875	445,585	(171,290)	Sale	Sikandar Ali-Employee
Sub total	5,172,903	2,652,924	2,381,184	(271,740)		
Office equipment having book value less than Rs. 500,000	619,402	456,875	170,085	(286,790)	Sale	Employees
Total- 2023	5,792,305	3,109,799	2,551,269	(558,530)		

Particulars	Cost	Net Book Value	Sale proceeds	Gain/ (loss) on disposal	Mode of Disposal	Name of purchaser
Amount in Rupees						
Vehicles						
Corolla Altis LEH-18-5363	2,370,110	973,950	716,053	(257,897)	Sale	Amjad Javed-Employee
Honda City LEB-18A-7410	1,829,920	804,184	631,768	(172,416)	Sale	Fateh Ullah- Employee
Mehran LE-18A-7237	782,795	329,164	190,500	(138,664)	Sale	Zahid Zulfiqar-Employee
Honda City LEA-17-5964	1,704,160	466,652	2,460,000	1,993,348	Sale	Open Market
Sub total	6,686,985	2,573,950	3,998,321	1,424,371		
Office equipment having book value less than Rs. 500,000	235,601	192,113	57,512	(134,601)	Sale	Employees
Total- 2022	6,922,586	2,766,063	4,055,833	1,289,770		

Notes to the Financial Statements

For the year ended September 30, 2023

5.1.6 If the freehold land, building and plant and machinery were measured using the cost model, the carrying amount would be as follows:

Particulars	Cost	Accumulated depreciation	Net book value
	------(Rupees)-----		
2023			
Freehold land	29,414,310	-	29,414,310
Building on freehold land	317,730,465	134,241,825	183,488,640
Plant and machinery	3,274,355,737	1,056,476,193	2,217,879,544
	<u>3,621,500,512</u>	<u>1,190,718,018</u>	<u>2,430,782,494</u>
2022			
Freehold land	29,414,310	-	29,414,310
Building on freehold land	284,084,496	124,584,529	159,499,967
Plant and machinery	2,728,727,958	939,745,691	1,788,982,267
	<u>3,042,226,764</u>	<u>1,064,330,220</u>	<u>1,977,896,544</u>

5.2 Capital work-in-progress

This cost incurred at Balancing Modernization and Replacement Program (BMR) of the Company in previous year and transferred to fixed assets is follows:

Particulars	Opening balance	Additions during the year	Transferred to/ (from)	Closing balance
	------(Rupees)-----			
2023				
Plant and machinery	490,561	-	(120,678)	369,883
Advances for capital expenditure	5,992,450	-	(4,569,100)	1,423,350
	<u>6,483,011</u>	<u>-</u>	<u>(4,689,778)</u>	<u>1,793,233</u>
2022				
Plant and machinery	533,261,206	89,205,130	(621,975,775)	490,561
Advances for capital expenditure	8,241,181	-	(2,248,731)	5,992,450
	<u>541,502,387</u>	<u>89,205,130</u>	<u>(624,224,506)</u>	<u>6,483,011</u>

5.2.1 Advances for capital expenditure relates to the purchase for Power Plant.

	Note	2023 Rupees	2022 Rupees
6 Intangible assets			
Software	6.1	52,141	77,823
6.1 Software			
Cost		1,100,000	1,100,000
Additions during the year		-	-
Disposal during the year		-	-
Accumulated amortization	6.2	(1,047,859)	(1,022,177)
At the end of the year		<u>52,141</u>	<u>77,823</u>
6.2 Accumulated Amortization			
At beginning of the year		1,022,177	983,847
Amortization for the year	6.3	25,682	38,330
At the end of the year		<u>1,047,859</u>	<u>1,022,177</u>
Amortization rate - % per annum		33%	33%

Notes to the Financial Statements
For the year ended September 30, 2023

	Note	2023 Rupees	2022 Rupees
6.3 Amortization for the year has been allocated as under:			
Cost of sales	29	25,168	37,563
Administrative expenses	31	514	767
		<u>25,682</u>	<u>38,330</u>
7 Long-term deposits			
This represents interest free deposits to sub-division canal officer for provision of utilities at plant and are refundable on disconnection of services.			
8 Stores, spare parts and loose tools			
Stores		207,144,828	176,635,661
Spare parts		88,465,570	41,590,551
Loose tools		2,882,461	3,401,505
		<u>298,492,859</u>	<u>221,627,717</u>
9 Stock-in-trade			
Work-in-process		5,413,943	3,115,111
Finished goods		1,519,281,157	1,570,249,942
		<u>1,524,695,100</u>	<u>1,573,365,053</u>
10 Loans and advances			
Advances-considered good-unsecured			
-Suppliers		140,091,809	283,446,141
-Employees		20,005,611	2,219,576
-Agricultural loan	10.1	134,240,302	49,029,972
		<u>294,337,722</u>	<u>334,695,689</u>
10.1 This represents interest free advances to sugarcane growers, which are adjustable against supply of sugarcane.			
11 Trade debts			
Local debtors considered good - unsecured		5,569,558	5,942,914
Export debtors considered good - secured		-	-
		<u>5,569,558</u>	<u>5,942,914</u>
12 Trade deposits and short term prepayments			
Prepaid expenses	12.1	3,577,050	1,621,716
Others	12.2	80,273,723	1,706,817
		<u>83,850,773</u>	<u>3,328,533</u>
12.1 This mainly includes insurance premiums.			
12.2 The increase in other advances is mainly due to deposit of Rs. 75 million under protest against contended order passed by DGI.			
13 Other receivables - unsecured considered good			
Excise duty recoverable	13.1	10,500,922	10,500,922
Export fund refund	13.2	2,746,250	2,746,250
Special excise duty refundable	13.3	505,200	505,200
Rebate receivable on export of sugar	13.4	8,323,540	8,323,540
Sales tax refundable	13.5	144,844	144,844
		<u>22,220,756</u>	<u>22,220,756</u>
13.1 This represents refund allowed by the Central Excise Appellate Tribunal, Lahore, in the light of criteria set up by the Supreme Court of Pakistan against Central Excise Duty paid during the season 1988-89. The Company's legal counsel expects that case			

Notes to the Financial Statements

For the year ended September 30, 2023

to be decided in the favour of the company.

- 13.2 This represents relief granted by the Lahore High Court against previous years' demand. However the same is still pending for final adjudication. The Company's legal counsel expects that case to be decided in the favor of the company.
- 13.3 This represents an amount paid under protest as 1% Special Excise Duty on the goods manufactured prior to Finance Bill 2007, whereas it was leviable on goods manufactured/ imported from July 01, 2007, vide Circular No. 1(3) FED 2007 dated 28th August, 2007. The Company's legal counsel expects that case to be decided in the favour of the company.
- 13.4 This represents rebate receivable from Government against export of sugar.
- 13.5 This represents sales tax amount recoverable against purchase/sale of goods.

	Note	2023 Rupees	2022 Rupees
14 Tax refunds due from the Government			
Opening balance		70,871,122	86,147,455
Add: Tax deducted during the year		88,309,260	46,274,781
Less: Adjusted against prior year taxes		(64,832,123)	(61,551,114)
		<u>94,348,259</u>	<u>70,871,122</u>

- 14.1 This represents income tax refundable from government. The assessments of the Company have been completed for and up to financial year ended on September 30, 2022.

15 Short term investments

Investment at fair value through profit or loss

15.1	14,870,771	18,568,923
	<u>14,870,771</u>	<u>18,568,923</u>

- 15.1 This represents the investment made in Securities of Soneri Bank Limited.

16 Cash and bank balance

Cash in hand		46,273	85,398
Cash at banks - current accounts		79,396,859	31,381,284
Cash at banks - saving accounts	16.1	1,074,626	979,021
		<u>80,517,758</u>	<u>32,445,703</u>

- 16.1 The balances in saving accounts carry mark-up at 4.97% to 15.50% per annum (2022: 6.74% to 13.46%).

17 Trade and other payables

Trade Creditors		121,985,173	74,952,451
Salaries and wages payable		25,551,121	24,289,441
Accrued liabilities		26,623,160	27,596,017
Advances from customers	17.1	567,573,140	450,097,377
Income tax deducted at source		4,044,812	4,616,481
Sugarcane cess payable	17.2	3,001,109	3,001,109
Provident fund payable		790,858	741,194
Sales tax payable	17.3	101,380,961	116,216,348
Security deposit		17,115,377	10,714,776
Workers' Profit Participation Fund (WPPF)	17.4	14,058,046	14,304,071
Other payable	17.5	1,309,000	1,309,000
Short term loan from sponsors	17.6	-	200,070,000
		<u>883,432,757</u>	<u>927,908,265</u>

- 17.1 This represents advances received from customers for sale of sugar and by-products.
- 17.2 This represents sugarcane cess demanded by Cane Commissioner, Lahore against sugarcane purchased from Khyber Pakhtunkhwa.
- 17.3 This represents provision against pending cases of sales tax for the year 1999-2000 amounting to Rs. 3.44 million (2022: 3.44 million) and sales tax payable for the month of September 2023 amounting to Rs. 80.50 million (2022: Rs. 112.77 million).
- 17.4 Workers' Profit Participation Fund (WPPF)

Notes to the Financial Statements

For the year ended September 30, 2023

		2023 Rupees	2022 Rupees
Balance at beginning of the year		14,304,071	8,902,852
Add: Charge for the year	34	14,012,520	14,258,545
		28,316,591	23,161,397
Less: Payments made to the fund during the year		(14,258,545)	(8,857,326)
Balance at end of the year		14,058,046	14,304,071

17.5 This represents labor colony land at Jauharabad against which a case is pending with Housing and Physical Planning Department (PHATA), Jauharabad. On account of legal proceedings the management expects that the payment against this liability shall arise after September 30, 2023.

17.6 The loan has been classified into long term liability as per the terms agreed with the sponsors.

18 Accrued mark-up

Accrued mark-up on:

- Long term finances from banking companies-secured		61,452	246,891
- Short term borrowings		99,638,334	59,402,413
		99,699,786	59,649,304

	Sanction limit 'Rupees in Million'	Note	2023 Rupees	2022 Rupees
19 Short term borrowings				
Mark-up based borrowings from Conventional Banks				
Running finance	350	19.1	329,460,281	292,168,109
Cash finance	2,200	19.1	450,013,238	27,696,648
Cash finance-OTT	300	19.1	-	-
Term Finance	375	19.1	33,333,333	175,000,000
Islamic mode of financing				
MurabahaV/Istisna	1,115	19.2	263,651,676	109,317,199
Murabaha-OTT	150	19.2	-	-
Bai Salam	950	19.2	199,984,400	150,100,000
	5,440		1,276,442,928	1,154,281,956

19.1 These facilities have been obtained from various conventional banks to meet working capital requirements and are secured by charge over current and future assets (fixed and current) of the Company, pledge of sugar stock, lien over import documents and personal guarantees of sponsors and corporate guarantee of Cane Processing (Private) Limited (Holding Company). These facilities carry mark-up at the rates ranging from 1 month KIBOR + 2.00% to 3 months KIBOR + 2.50% per annum payable quarterly. The aggregate available short term funded facilities amounts to Rs. 3.22 billion (2022: Rs. 2.52 billion).

19.2 These facilities have been obtained from various Islamic banks to meet working capital requirements and are secured by charge over current and future assets (fixed and current) of the Company, pledge of sugar stock, pledge of share of company, lien over import documents, and personal guarantees of sponsors and corporate guarantee of Cane Processing (Private) Limited (Holding Company). These facilities carry mark-up at the rates ranging from matching KIBOR + 2.25% to matching KIBOR + 2.75% per annum. The aggregate available short term funded facilities amount to Rs.2.22 billion (2022: Rs. 1.98 billion).

19.3 The loans from sponsors of the Company are subordinated under subordination agreement.

	Note	2023 Rupees	2022 Rupees
20 Long term loans from banking companies-secured			
Faysal Bank Limited - Diminishing Musharaka I + II	20.1	-	9,429,947
		-	9,429,947
Less: Current portion		-	(9,429,947)
		-	-

20.1 Faisal Bank Limited - Mark-up bearing finance from conventional bank

This represents long term loan obtained from SBP through Faisal Bank under Islamic refinance scheme against sanctioned limit

Notes to the Financial Statements

For the year ended September 30, 2023

of Rs. 110 million for payment of wages & salaries to the workers and employees of company via SBP IH&SMEFD circular no 07 of 2020.

Principal repayment

The loan is to be repaid in quarterly instalments starting from March 2021 within 2.5 years including 6 month of grace period.

Rate of return

It carries profit at the rate of matching SBP base rate plus 3.00 % per annum and applicable rental is payable without any grace period.

Security

This loan is secured by charged over all fixed assets (present and future) of the company and corporate guarantee of Cane Processing Private Limited (Holding Company) and personal guarantees of the directors/sponsors of the Company.

The Loan from sponsors of the company are subordinated under subordination agreement.

	2023 Rupees	2022 Rupees
21 Liabilities against assets subject to lease-secured		
Opening balance	6,285,096	-
Add: Assets acquired during the year	-	8,055,000
	6,285,096	8,055,000
Less: Payments/adjustments	(3,324,746)	(1,769,904)
	2,960,350	6,285,096
Less: Current portion	(726,906)	(1,152,642)
Closing balance	2,233,444	5,132,454

21.1 The Company had entered into lease agreement with First Habib Modaraba for the two Units Honda Civic Oriol UG. Lease rentals were payable on monthly basis and includes finance cost at the rate of 3 months KIBOR plus 2.25 %, which has been used as discounting factor. The Company had exercised the option and disposed the assets upon completion of lease period.

21.2 A reconciliation between the total of future minimum lease payments and their present values at year end is as follows:

	2023			2022		
	Amount in rupees			Amount in rupees		
	Minimum lease payments	Present value of lease payments	Financial charges	Minimum lease payments	Present value of lease payments	Financial charges
Due within one year	1,385,028	726,906	658,122	2,168,771	1,152,642	1,016,129
Due within one year but not later than five years	2,855,475	2,233,445	652,029	6,687,044	5,132,454	1,554,590
Due after five years	-	-	-	-	-	-
	4,240,503	2,960,351	1,310,151	8,855,815	6,285,096	2,570,719

	Note	2023 Rupees	2022 Rupees
22 Provision for taxation			
Balance at beginning of the year		64,755,390	61,619,284
Add: Provision for the year	35	90,129,350	64,755,390
		154,884,740	126,374,674
Less: Prior year adjustments/ payments		(64,755,390)	(61,619,284)
Balance at end of the year	22.1	90,129,350	64,755,390

22.1 Provision for current tax is calculated as per provisions of Income Tax Ordinance, 2001 at the applicable rates.

Notes to the Financial Statements

For the year ended September 30, 2023

23 Contingencies and commitments

23.1 Contingencies

The following are known contingencies as on September 30, 2023.

- 23.1.1** Since Federal Excise Duty (FED) is leviable on goods produced or manufactured, therefore, FED is not leviable on sale of sugar produced prior to the Finance Bill, 2011. Hence, FED amounting to Rs. 58.88 million has not been accounted for in these financial statements. The Company has filed a writ petition in the Honorable Lahore High Court against FBR show cause notice dated 19-09-2012 against the demand of Rs. 58.88 million.
- 23.1.2** The Company has filed a writ petition against the amendments of Finance Act 2014 on "Alternate Corporate Taxes", implication on Tax Year 2013 of Company against which a demand of Rs.50.26 million has been established, the said amendments would not be implemented as the income realized was before the said amendments, amendments become applicable after July 1, 2014.
- 23.1.3** The Company has filed an appeal and stay application before Commissioner Inland Revenue (Appeals-I) against demand of Rs. 82.16 million created by Assistant Commissioner Inland Revenue vide order under section 161(1A)/205(3) which is decided in favour of the Company creating the demand of Rs.1.37 million. The Department has filed an appeal before ATIR against the decision.
- 23.1.4** The Additional Deputy Commissioner Inland Revenue has raised demand of Rs. 236.98 million u/s 122 (5A) of the Income Tax Ordinance. The Company filed appeal before CIR (A) on February 01, 2021 and received ordered on August 06, 2021, in which case was remanded back to ADCIR and additions of disallowance of tax credit of Rs. 3.87 million u/s 65B and admissible deduction of Rs. 3.25 million u/s 174 (2) are held illegal. The Company filed appeal before Appellate Tribunal Inland Revenue (ATIR), which is pending for adjudication.
- 23.1.5** The Deputy Commissioner Inland Revenue levied penalty amounting to Rs. 1 million under section 33(25) read with rule 150 ZQT (2) of the Sales Tax Act 1990. The Company has filed an appeal before CIR(A), which is pending for adjudication.
- 23.1.6** The Company has filed an appeal before Commissioner Inland Revenue (Appeals) against the tax demand of Rs. 1.76 million, created vide assessment order under section 122(5A) of the Income Tax Ordinance 2001, which was decided against the Company. The Company then filed appeal before the ATIR who upheld the decision of CIR (A). Therefore, the Company filed appeal to the Lahore High Court. The court remanded the case to the Appellate Tribunal of Inland Revenue (ATIR) for re-adjudication. The ATIR heard the case on 18.05.2023, and the case is pending for adjudication.
- 23.1.7** The Assistant Commissioner Inland Revenue has created tax demand amounting to Rs. 1,161,018 & Rs. 971,803 under section 161(1A)/205(3) of the Income Tax Ordinance, 2001. The Company has filed an appeal before CIR(A) which is still pending for adjudication.
- 23.1.8** The Assistant Commissioner Inland Revenue has created tax demand amounting to Rs. 858,105 under section 161(1A)/205(3) of the Income Tax Ordinance, 2001. The Company has requested the Department to adjust the demand against the available refunds.

	Note	2023 Rupees	2022 Rupees
23.2 Commitments			
23.2.1 In respect of:			
-Irrevocable letter of credits for stores and spares		-	-
		-	-
24 Deferred liabilities			
Deferred taxation	24.1	1,017,709,692	1,053,910,735
Deferred grant from Government	24.2	-	-
		<u>1,017,709,692</u>	<u>1,053,910,735</u>
24.1 Deferred tax liability on taxable temporary differences arising in respect of:			
Surplus on revaluation of related assets		883,759,622	932,041,557

Notes to the Financial Statements

For the year ended September 30, 2023

	2023 Rupees	2022 Rupees
Accelerated depreciation / amortization	335,109,781	266,854,934
Worker's Profit Participation Fund	58,145	-
Leased assets	1,773,776	2,217,221
Deferred tax asset on deductible temporary differences arising in respect of:		
Liabilities against assets subject to finance lease	(858,502)	(1,822,678)
Tax credits / Unused tax losses	(202,133,130)	(145,380,299)
	<u>1,017,709,692</u>	<u>1,053,910,735</u>
24.1.1 Movement in deferred tax balances is as follows:		
At beginning of the year	1,053,910,735	359,286,731
Deferred tax liability on addition in revaluation surplus	-	616,120,002
Recognized in statement of profit or loss:		
Accelerated tax depreciation/amortization on fixed assets	68,254,847	83,301,724
Incremental depreciation	(48,281,935)	(8,584,541)
Liabilities against assets subject to finance lease	520,731	394,543
Worker's Profit Participation Fund	58,145	-
Tax credits / unused tax losses	(56,752,831)	3,392,276
	<u>(36,201,043)</u>	<u>78,504,002</u>
At end of the year	<u>1,017,709,692</u>	<u>1,053,910,735</u>
24.2 Deferred grant from Government		
Opening balance	1,191,051	5,924,886
Recognized during the year	-	-
Grant amortized during the year	(1,191,051)	(4,733,835)
Closing balance	-	1,191,051
Less: Current portion shown under current liabilities	-	(1,191,051)
	<u>-</u>	<u>-</u>

25 Share capital

2023 Number	2022 Number		2023 Rupees	2022 Rupees
25.1 Authorized share capital				
70,000,000	70,000,000	Ordinary shares of Rs. 10/- each	700,000,000	700,000,000
25.2 Issued, subscribed and paid-up capital				
873,180	873,180	Shares allotted on reorganization of Kohinoor Industries Limited of Rs.10/- each	8,731,800	8,731,800
125,008	125,008	Shares issued for cash of Rs. 10 each	1,250,080	1,250,080
13,651,899	13,651,899	Shares issued as fully paid bonus shares of Rs. 10/- each	136,518,990	136,518,990
7,905,650	7,905,650	Right shares of Rs. 10/- each	79,056,500	79,056,500
11,572,716	11,572,716	Issue of shares against loan from sponsors	115,727,160	115,727,160
<u>34,128,453</u>	<u>34,128,453</u>		<u>341,284,530</u>	<u>341,284,530</u>

26 Loan from sponsors

This represents interest free loan provided to the Company by its Sponsors. These loans have been agreed to be repayable/converted into equity at the Company's discretion. Loan was repaid and received during the year to abridge the working capital requirements of the Company.

	Note	2023 Rupees	2022 Rupees
27 Revaluation surplus on property, plant and equipment - net of tax			
Land		4,112,812,290	2,054,687,690
Buildings		249,113,060	136,815,158
Plant and machinery		3,362,805,485	1,350,551,657
		<u>7,724,730,835</u>	<u>3,542,054,505</u>

Notes to the Financial Statements
For the year ended September 30, 2023

	Note	2023 Rupees	2022 Rupees
Add: Addition in revaluation surplus			
Land		-	2,058,124,600
Buildings		-	112,297,902
Plant and machinery		-	2,012,253,828
		-	4,182,676,330
Less: Accumulated incremental depreciation		(564,471,571)	(403,222,691)
		7,160,259,264	7,321,508,144
Less: Deferred tax liability			
Opening balance		932,041,557	324,506,096
Deferred tax liability on addition in revaluation surplus		-	616,120,002
Tax on Incremental depreciation for the year		(48,281,935)	(8,584,541)
		883,759,622	932,041,557
		6,276,499,642	6,389,466,587
28 Sales - net			
Sugar - local		6,521,683,250	5,145,362,925
Sugar - export		329,496,971	-
		6,851,180,221	5,145,362,925
By-products:			
-Molasses		1,037,167,530	745,575,262
-Bagasse		115,057,488	138,037,975
-Mud		13,945,284	8,419,069
		1,166,170,302	892,032,306
		8,017,350,523	6,037,395,231
Less:			
Sales tax		1,085,834,920	850,836,065
Commission on sale		5,622,500	6,128,000
		1,091,457,420	856,964,065
		6,925,893,103	5,180,431,166
29 Cost of sales			
Sugarcane purchased and consumed		5,002,121,170	5,265,353,120
Salaries, wages and other benefits	29.1	188,146,438	166,769,423
Chemicals and stores consumed		91,467,316	78,520,480
Packing material consumed		54,687,255	48,564,556
Fuel		6,328,650	2,981,492
Power		23,287,719	30,436,677
Repairs and maintenance		102,421,631	66,779,719
Workers' welfare expense		5,078,972	1,881,603
Insurance		9,522,478	5,141,344
Vehicle running and maintenance		16,039,961	12,053,941
Travelling and conveyance		3,633,094	3,413,594
Carriage and freight		923,900	7,017,327
Rent rate and taxes		876,041	751,031
Printing and stationery		733,585	217,862
Depreciation	5.1.1	296,004,385	140,468,249
Amortization	6.3	25,168	37,563
Other factory expenses		1,940,356	1,383,543
		5,803,238,119	5,831,771,524
Opening work-in-process		3,115,111	3,751,911
Closing work-in-process	9	(5,413,943)	(3,115,111)
		(2,298,832)	636,800
Cost of goods manufactured		5,800,939,287	5,832,408,324
Opening stock of finished goods		1,570,249,942	89,709,008
Closing stock of finished goods	9	(1,519,281,157)	(1,570,249,942)
		50,968,785	(1,480,540,934)
		5,851,908,072	4,351,867,390

29.1 This includes Company's contributions to provident fund amounting to Rs. 2,245,728 (2022: Rs.1,914,514).

Notes to the Financial Statements

For the year ended September 30, 2023

	Note	2023 Rupees	2022 Rupees
30 Distribution cost			
Salaries, wages and other benefits	30.1	13,325,399	12,798,624
Communication		117,688	134,239
Vehicles running and maintenance		114,900	118,035
Freight and clearing charges on exports		7,151,660	-
Miscellaneous	30.2	9,038,563	5,891,929
		<u>29,748,210</u>	<u>18,942,827</u>

30.1 This includes Company's contributions to provident fund amounting to Rs. 147,758 (2022: Rs. 121,650).

30.2 This includes polythene sheets for open godowns.

31 Administrative expenses

Salaries, wages and other benefits	31.1	153,242,086	147,184,176
Staff welfare		5,791,830	5,931,946
Legal and professional charges		11,703,917	11,041,372
Rent, rate and taxes		6,245,944	5,342,529
Fuel and power		3,296,044	4,880,932
Vehicles running and maintenance		6,602,671	4,477,078
Travelling and conveyance		2,005,701	1,138,401
Printing and stationery		1,053,237	916,480
Telecommunication		2,999,374	3,230,052
Repair and maintenance		58,321	43,632
Postage and telegrams		416,124	306,387
Advertisement		563,000	347,700
Auditor's remuneration	31.2	1,102,500	813,750
Charity and donations	31.3	844,347	1,587,488
Depreciation	5.1.1	6,040,906	2,866,699
Amortization	6.3	514	767
Insurance		8,869,859	10,350,349
Miscellaneous		650,944	443,161
		<u>211,487,319</u>	<u>200,902,899</u>

31.1 This includes Company's contributions to provident fund amounting to Rs.1,699,223 (2022: Rs. 1,520,627).

31.2 Auditor's remuneration

Annual audit fee	945,000	682,500
Half yearly review	157,500	131,250
	<u>1,102,500</u>	<u>813,750</u>

31.3 None of the Directors of the Company or any of their spouse have any interest in charity and donations.

32 Finance cost

Mark-up on long term loan from banking companies-secured	1,748,962	12,011,655
Mark-up on short term borrowings	546,184,263	310,615,150
Bank Commission on exports	5,835,354	-
Bank charges	6,367,757	11,201,788
	<u>560,136,336</u>	<u>333,828,593</u>

33 Other income

Miscellaneous	33.1	6,555,190	4,257,844
Government grant	24.2	1,191,051	4,733,835
Gain on disposal of property, plant and equipment	5.1.5	-	1,289,770
Foreign currency exchange gain		578,756	-
		<u>8,324,997</u>	<u>10,281,449</u>

33.1 This mainly include interest received on saving accounts maintained with banks.

Notes to the Financial Statements

For the year ended September 30, 2023

	Note	2023 Rupees	2022 Rupees
34 Other expenses			
Loss on disposal of property, plant and equipment	5.1.5	558,530	-
Fair value loss on investment		129,228	-
Provision for Workers' Profit Participation Fund (WPPF)	17.4	14,012,520	14,258,545
		<u>14,700,278</u>	<u>14,258,545</u>
35 Taxation			
Income tax			
Current year	35.1	90,129,350	64,755,390
Prior year		76,733	(68,170)
		<u>90,206,083</u>	<u>64,687,220</u>
Deferred tax		<u>(36,201,043)</u>	<u>78,504,002</u>
		<u>54,005,040</u>	<u>143,191,222</u>

35.1 Provision for current taxation is based on minimum tax at the rate of 1.25% of net revenue under section 113 of Income Tax Ordinance, 2001, excess of minimum tax over normal tax liability shall be carry forward for next three years and shall be adjusted against normal tax liability. However, the tax credit for the year 2020 has lapsed.

35.2 The numerical reconciliation between the average tax rate and the applicable tax rate has not been presented in these financial statements, as the total income of the Company falls under section 113 of the Income Tax Ordinance, 2001, and the deferred tax asset was also recorded on unadjusted tax credit under section of 113.

35.3 The provision for current year tax represents tax on taxable income, net of tax credits. As per management's assessment the provision for tax made in the financial statements is sufficient. Tax assessment for the year 2022 is finalized, a comparison of income tax provision of last three years with tax assessment is presented below:

Years	Tax provision as per financial statements Rupees	Tax as per assessment Rupees
2021	61,619,284	61,551,115
2022	64,755,390	64,832,123
2023	90,129,350	-

36 Earnings per share

	Unit	2023 Rupees	2022 Rupees
36.1 Earnings per share - basic			
Profit after taxation attributable to members	Rupees	212,232,845	127,721,139
Weighted average number of ordinary shares	Number	<u>34,128,453</u>	<u>34,128,453</u>
Earnings per share - basic	Rupees	<u>6.22</u>	<u>3.74</u>

36.2 Earning per share - diluted

There is no dilutive effect on the basic earnings per share as the Company does not have any convertible instruments in issue as at 30 September 2023 and 30 September 2022.

37 Remuneration of Chief Executive, Director and Executives

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

Notes to the Financial Statements

For the year ended September 30, 2023

	Chief Executive		Directors				Executives	
			Executive Directors		Non Executive Directors			
	2023	2022	2023	2022	2023	2022	2023	2022
	----- (Rupees) -----							
Managerial remuneration	3,564,000	3,240,000	3,300,000	3,000,000	-	-	33,504,093	33,775,212
Utilities	-	-	-	-	-	-	-	-
	3,564,000	3,240,000	3,300,000	3,000,000	-	-	33,504,093	33,775,212
Number of key executives /non executives	1	1	1	1	5	5	17	17

37.1 The Chief Executive does not hold any shares in the Company.

37.2 Executives are employees whose basic salaries exceed Rs. 1.2 million (2022: 1.2 million) in a financial year.

37.3 The Company's contributions to provident fund of Chief Executive, Executive Directors and Executives are amounting to Rs. Nil (2022: Rs. Nil), Rs. 115,500 (2022: Rs. 105,000) and Rs. 997,410 (2022: Rs. 978,659) respectively.

38 Operating segments

38.1 These financial statements have been prepared on the basis of single reportable segment.

38.2 Revenue from sale of sugar represents 84.72% (2022: 85.22%) of the total revenue of the Company.

38.3 The Company sold sugar in Pakistan, Afghanistan and Tajikistan (2022: Pakistan).

38.4 Sale of sugar includes 94.39% (2022: 100.00%) that relates to customers in Pakistan.

38.5 All assets of the Company as at September 30, 2023 are located in Pakistan.

39 Financial risk management

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarized in note 39.5. The main types of risks are credit risk, liquidity risk and market risk.

The Company's risk management is conducted by the Board of Directors. The Company focuses on securing its cash flows & minimizing its exposure to financial markets. The Company does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the company is exposed are described below:

39.1 Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2023 Rupees	2022 Rupees
Long term deposits	3,090,642	2,800,300
Trade debts	5,569,558	5,942,914
Loans and advances	154,245,913	51,249,548
Trade deposits and short term prepayments	80,273,723	1,706,817
Short term investments	14,870,771	18,568,923
Bank balances	80,471,485	32,360,305
	<u>338,522,092</u>	<u>112,628,807</u>

Counterparties without external credit ratings

39.1.1 Trade debts - considered good

Majority of the company's revenue are on advance basis and all the trade debts at the statement of financial position date represents domestic parties.

The aging of trade debts at the reporting date is:

Notes to the Financial Statements
For the year ended September 30, 2023

	2023 Rupees	2022 Rupees
Upto 90 days	5,386,622	5,940,035
91 - 180 days	182,936	2,879
181 - 365 days	-	-
Above 365 days	-	-
	5,569,558	5,942,914
Allowance for expected credit loss	-	-
	5,569,558	5,942,914

39.1.2 Impairment of financial assets

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debts. The Company's trade debts against local sales of inventory are subject to the expected credit loss model. Bank balances are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

On that basis, the loss allowance as at September 30, 2023 and September 30, 2022 was determined as follows:

As at September 30, 2023	Trade Debts				Total
	Up to 90 days	91 to 180 days	181 to 365 days	Above 365 days	
-----Amount in Rupees-----					
Expected loss rate %	0.00%	0.00%	50.00%	100.00%	
Gross carrying amount of trade debts	5,386,622	182,936	-	-	5,569,558
Loss allowance - general	-	-	-	-	-
Loss allowance - specific	-	-	-	-	-
Total Loss allowance	-	-	-	-	-

As at September 30, 2022	Trade Debts				Total
	Up to 90 days	91 to 180 days	181 to 365 days	Above 365 days	
-----Amount in Rupees-----					
Expected loss rate %	0.00%	0.00%	50.00%	100.00%	
Gross carrying amount of trade debts	5,940,035	2,879	-	-	5,942,914
Loss allowance - general	-	-	-	-	-
Loss allowance - specific	-	-	-	-	-
Total Loss allowance	-	-	-	-	-

Credit risk is considered minimal since the counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

	Rating		Rating Agency	2023	2022
	Short Term	Long term		Rupees	Rupees
Al Baraka Bank Pakistan Limited	A1	A+	VIS	5,960,323	1,126,838
Allied Bank Limited	A1+	AAA	PACRA	27,779	2,129,830
Bank Alfalah Limited	A1+	AA+	PACRA	39,536	2,101,007
Dubai Islamic Bank	A1+	AA	JCR-VIS	636,168	47,853
Faysal Bank Limited	A1+	AA	PACRA-VIS	2,095,921	3,922,393

Notes to the Financial Statements
For the year ended September 30, 2023

Habib Bank Limited	A1+	AAA	VIS	1,846	1,846
JS Bank Limited	A1+	AA-	PACRA	3,098	263,545
MCB Bank Limited	A1+	AAA	PACRA	19,042,728	4,305,086
MCB Islamic Bank Limited	A1	A	PACRA	35,487,919	1,698,646
Meezan Bank Limited	A1+	AAA	VIS	10,599,999	466,907
National Bank Of Pakistan	A1+	AAA	PACRA-VIS	567,255	88,052
Soneri Bank Limited	A1+	AA-	PACRA	486,235	3,815,869
United Bank Limited	A1+	AAA	VIS	3,229,115	7,979,495
Askari Bank Limited	A1+	AA+	PACRA	771,718	231,202
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	1,035,678	4,181,736
Summit Bank Limited	-	-	VIS	9,810	-
Finca Microfinance Bank Limited	A2	A-	PACRA	476,357	-
				80,471,485	32,360,305

39.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities.

The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

39.2.1 Exposure to liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at year end.

	2023			
	Carrying amount	Contractual cash flows	Less than 1 year	More than 1 year but less than 5 year
	-----Amount in Rupees-----			
Long-term finances	-	-	-	-
Unclaimed dividend	1,639,700	1,639,700	1,639,700	-
Trade and other payables	315,859,617	315,859,617	315,859,617	-
Mark-up accrued	99,699,786	99,699,786	99,699,786	-
Short term borrowings	1,276,442,928	1,276,442,928	1,276,442,928	-
Lease Liability	2,960,351	4,240,503	1,385,028	2,855,475
	1,696,602,382	1,697,882,534	1,695,027,059	2,855,475
	2022			
Long-term finances	9,429,947	9,429,947	9,429,947	-
Unclaimed dividend	1,881,343	1,881,343	1,881,343	-
Trade and other payables	477,810,888	477,810,888	477,810,888	-
Mark-up accrued	59,649,304	59,649,304	59,649,304	-
Short term borrowings	1,154,281,956	1,154,281,956	1,154,281,956	-
Lease Liability	6,285,096	8,855,815	2,168,771	6,687,044
	1,709,338,534	1,711,909,253	1,705,222,209	6,687,044

Notes to the Financial Statements

For the year ended September 30, 2023

The Company's current ratio is 1.03 (2022: 1.03). The Company arranged facility from different conventional and Islamic financial institutions to meet its working capital requirements.

39.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return. Market risk comprises of currency risk, interest rate risk and other price risk.

39.3.1 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from sales, purchases and resulting balances that are denominated in a currency other than functional currency. The Company's potential currency exposure comprises of:

- Transactional exposure in respect of non-functional currency monetary items.
- Transactional exposure in respect of non-functional currency revenues.

The potential currency exposures are discussed below:

Transactional exposure in respect of non-functional currency monetary items

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Company are periodically restated to rupee equivalent, and the associated gain or loss is taken to the profit and loss account. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

Transactional exposure in respect of non-functional currency revenues

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Company are periodically restated to rupee equivalent, and the associated gain or loss is taken to the profit and loss account. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

Exposure to currency risk

The Company's exposure to currency risk at the reporting date was as follows:

	2023 USD	2022 USD
Export debtors considered good - secured	-	-

Exchange rates applied during the year

The following exchange rate has been applied during the year on transactions involving foreign currency.

	Reporting date rate		Average rate for the year
	Buying	Selling	
	----- USD -----		
Exchange rate during the year on transactions involving foreign currency	2023		
	288	287.98	287.99
Exchange rate during the year on transactions involving foreign currency	2022		
	228	228.5	228.25

Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the foreign currencies with all other variables held constant, profit for the year would have been higher by the amount shown below, mainly as a result of net foreign exchange gain on translation of export debtors.

	2023 Rupees	2022 Rupees
Effect on Profit or Loss	-	-

The weakening of the PKR against foreign currencies would have had an equal but opposite impact on the profit.

Notes to the Financial Statements

For the year ended September 30, 2023

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

39.3.2 Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of financial instruments will fluctuate due to changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at variable interest rates. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	Effective interest rate		Carrying amount	
	2023	2022	2023	2022
	Percentage	Percentage	Rupees	Rupees
Financial assets				
Fixed rate instruments				
Bank balances - saving accounts	4.97% to 15.50%	6.74% to 13.46%	1,074,626	979,021
Financial liabilities				
Floating rate instrument				
Long term loans from banking companies -secured	3% to 17.79%	3% to 17.79%	-	9,429,947
Short term borrowings	17.77% to 26.48%	9.25% to 18.11%	1,276,442,928	1,154,281,956

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for floating rate instruments.

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

	Profit or loss 100 bp	
	Increase	decrease
	-----Amount in Rupees-----	
As at 30 September 2023		
-Cash flow sensitivity-Variable rate financial liabilities	(12,764,429)	12,764,429
As at 30 September 2022		
-Cash flow sensitivity-Variable rate financial liabilities	(11,637,119)	11,637,119

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

Interest rate risk management

The Company manages interest rate risk through risk management strategies where significant changes in gap position can be adjusted. The short term borrowings and loans and advances by the Company have variable rate pricing that is mostly dependent on KIBOR as indicated in respective notes.

39.3.3 Concentration of credit risk

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

Notes to the Financial Statements

For the year ended September 30, 2023

39.3.4 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 believes that it is not exposed to other price risk.

39.4 Capital risk management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitor the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitor the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

- (i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) to provide an adequate return to shareholders.

The Company manages its capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt. The Company monitors capital on the basis of the debt-to-equity ratio - calculated as a ratio of long term debt to equity.

The gearing ratio as at 30 September were as follows:

	2023 Rupees	2022 Rupees
Debt	2,960,350	15,715,043
Equity	8,864,928,269	8,521,273,097
Total capital employed	8,867,888,619	8,536,988,140
Gearing ratio	0.03%	0.18%

The Company is less geared as compared to previous year.

39.5 Accounting classifications and fair values

September 30, 2023	Carrying amount			Fair value				
	Fair value through profit or loss	Fair value through OCI	At amortized cost	Total	Level 1	Level 2	Level 3	Total
-----Amount in Rupees-----								
Financial assets								
Investment	14,870,771	-	-	14,870,771	14,870,771	-	-	14,870,771
Long term deposits	-	-	3,090,642	3,090,642	-	-	-	-
Trade debts	-	-	5,569,558	5,569,558	-	-	-	-
Loan and advances	-	-	154,245,913	154,245,913	-	-	-	-
Trade deposit & prepayments	-	-	80,273,723	80,273,723	-	-	-	-
Cash and bank balances	-	-	80,517,758	80,517,758	-	-	-	-
	14,870,771	-	323,697,594	338,568,365	14,870,771	-	-	14,870,771
Financial liabilities								
Long term finances	-	-	-	-	-	-	-	-

Notes to the Financial Statements

For the year ended September 30, 2023

Liabilities against assets subject to finance lease	-	-	2,960,350	2,960,350	-	-	-	-
Trade and other payables	-	-	315,859,617	315,859,617	-	-	-	-
Unclaimed dividened	-	-	1,639,700	1,639,700	-	-	-	-
Accrued mark-up	-	-	99,699,786	99,699,786	-	-	-	-
Short term borrowings	-	-	1,276,442,928	1,276,442,928	-	-	-	-
			1,696,602,381	1,696,602,381				

September 30, 2022

Financial assets

Investment	18,568,923	-	-	18,568,923	18,568,923	-	-	18,568,923
Long term deposits	-	-	2,800,300	2,800,300	-	-	-	-
Trade debts	-	-	5,942,914	5,942,914	-	-	-	-
Loan and advances	-	-	51,249,548	51,249,548	-	-	-	-
Trade deposit & prepayments	-	-	1,706,817	1,706,817	-	-	-	-
Cash and bank balances	-	-	32,445,703	32,445,703	-	-	-	-
	18,568,923	-	94,145,282	112,714,205	18,568,923	-	-	18,568,923

Financial liabilities

Long term finances			9,429,947	9,429,947				
Liabilities against assets subject to finance lease	-	-	6,285,096	6,285,096	-	-	-	-
Trade and other payables	-	-	477,810,888	477,810,888	-	-	-	-
Unclaimed dividened	-	-	1,881,343	1,881,343	-	-	-	-
Accrued mark-up	-	-	59,649,304	59,649,304	-	-	-	-
Short term borrowings	-	-	1,154,281,956	1,154,281,956	-	-	-	-
	-	-	1,709,338,534	1,709,338,534	-	-	-	-

The aforementioned table presents assets and liabilities carried at fair value by valuation method. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - 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).

Level 3 - Inputs for the asset or liability that are not based on observable market data.

	2023 Number	2022 Number
40 Number of employees		
Average number of employees for the year		
Mills	864	888
Head Office	11	11
	875	899
Total number of employees at year end		
Mills	612	669
Head Office	11	11
	623	680

Notes to the Financial Statements

For the year ended September 30, 2023

	2023 M. Ton	2022 M. Ton
41 Plant capacity and production		
Cane crushing capacity (per day)	12,500	12,500
Line-I (Non-operational)	3,000	5,500
Line-II (Operational)	9,500	7,000
Operating days	103	146
Effective crushing days	88	119
Cane crushed	651,476	872,378
Sugar production	64,198	85,774
Recovery ratio	9.86%	9.83%

41.1 Shortage in capacity utilization is mainly due to the less availability/supply of sugarcane at the start and end of crushing season which limits the operations of Mills below the crushing capacity.

42 Related party transactions / balances

The related parties comprise directors of the Company, key employees, provident fund trust, associated undertakings and holding company. Details of transactions with related parties, other than those which have been specially disclosed elsewhere in these financial statements are as follows:

This represents interest free loan provided to the Company by its Sponsors. These loans have been agreed to be repayable/converted into equity at the Company's discretion. Loan was repaid and received during the year to abridge the working capital requirements of the Company.

Party name	Relationship and percentage of shareholding	Transaction during the year and year end balances	2023 Rupees	2022 Rupees
Cane Processing Private Limited	Holding company holds 63.63 % (2022: 63.63 %) share capital	Loan received during the year	-	-
		Loan repaid during the year	1,710,000	1,050,000
		Amount payable at year end	131,302,488	133,012,488
		Dividend paid	21,725,885	21,725,885
Mrs. Ghazala Amjad	Chief Executive officer of holding company (Cane Processing Private Limited)	Loan received during the year	127,500,000	200,000,000
		Loan repaid during the year	160,309,220	100,000,000
		Loan transferred from short term liability	200,070,000	-
		Amount payable at year end	743,295,190	576,034,410
		Dividend paid	3,175,816	3,175,816
Employee benefit-Provident Fund Trust	Employee benefit fund	Provident fund contribution	4,092,709	3,652,213
Chief Executive	Key management personnel	Remuneration paid	3,564,000	3,240,000
Mrs. Shahida Mazhar	Immediate family member of sponsor	Amount Payable at year end	-	200,070,000
Executive Director	Key management personnel	Remuneration paid	3,300,000	3,000,000
Non-executive Director	Key management personnel	Dividend paid	2,500	2,500

All transactions with related parties have been carried out on commercial terms and conditions.

43 Employees Provident Fund Trust

The following information is based on the financial statements of Provident Fund Trust.

Notes to the Financial Statements
For the year ended September 30, 2023

	Unit	2023 Rupees (Un-audited)	2022 Rupees (Audited)
Size of fund - total assets	Rupees	41,174,279	41,243,095
Cost of investments made	Rupees	26,050,000	26,050,000
Percentage of investments made	Percentage	63.27%	63.16%
Fair value of investment	Rupees	26,050,000	26,050,000

The break-up of cost of investments is as follows:

	2023		2022	
	Rupees	Percentage	Rupees	Percentage
Defence Saving Certificates	26,050,000	100.00%	26,050,000	100.00%
	26,050,000	100.00%	26,050,000	100.00%

The investments of the Provident Fund Trust are in compliance with the provision of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

44 Shariah screening disclosure

	2023 Rupees		2022 Rupees	
	Conventional	Shariah Compliant	Conventional	Shariah Compliant
Long term borrowings	-	-	-	9,429,947
Short term borrowings	812,806,852	463,636,076	894,864,757	259,417,199
Bank balances	25,691,155	54,780,330	25,097,667	7,262,638
Short term investment	14,870,771	-	18,568,923	-
Revenue	-	6,925,893,103	-	5,180,431,166
Other income				
-Interest on saving deposits accounts	4,718	1,056,760	38,137	2,727,559
-Return on investments	1,406,893	-	882,185	-
-Exchange gain earned	-	578,756	-	-
Mark-up paid	321,404,733	184,762,021	148,402,804	114,398,959

Relationship with shariah compliant banks

Name	Relationship at reporting date	2023 Rupees	2022 Rupees
MCB Islamic Bank Limited	Bank Balance	35,487,919	1,698,645
Faysal Bank Limited	Bank Balance	2,095,921	3,922,393
Dubai Islamic Bank	Bank Balance	636,168	47,854
Al Baraka Bank Pakistan Limited	Bank Balance	5,960,323	1,126,839
Meezan Bank Limited	Bank Balance	10,599,999	466,907
		54,780,330	7,262,638

Notes to the Financial Statements

For the year ended September 30, 2023

45 Date of authorization for issue

These financial statements have been authorized for issue on December 18, 2023 by the Board of Directors of the Company.

46 General

46.1 Figures have been rounded off to the nearest Rupee.

46.2 Corresponding figures have been re-classified and re-arranged where necessary, for the purpose of comparison, the effects of which are not material.

Lahore:
December 18, 2023



Syed Anwar Hussain
Chief Executive



Ghias-ul-Hasan
Director



Imran Ilyas
Chief Financial Officer

**STRIVING FOR EXCELLENCE
IN CORPORATE REPORTING**

Excellence is the gradual result of
always striving to do better.
- Pat Riley



Striving for Excellence in Corporate Reporting

Statement of Adherence with International Integrated reporting framework

Organizational overview and external environment.

This annual report of Jauharabad Sugar Mills Limited (the Company) adheres to the guidelines of the International Integrated Reporting (IR) framework and the Global Reporting Initiative (GRI) Standards. The primary objective is to furnish stakeholders with a high-quality, concise, and transparent overview of the Company's capabilities, positioning, and expertise in generating sustainable value. This information is crucial for understanding the Company's standing, performance, and reporting competencies.

In response to global changes and developments, the Company has adapted its structure and advanced its management processes. The management of Jauharabad Sugar Mills Limited is committed to upholding the spirit of best corporate and governance practices. The pursuit of excellence in all aspects of transparent reporting is a guiding principle for the management, reflecting the Company's dedication to achieving the highest standards.

Furthermore, the Company has attained a commendable level of compliance and emphasizes the importance of strengthening this report for enhanced information connectivity. The report aims to demonstrate the impact of results concerning various capital employed. Jauharabad Sugar Mills Limited views this commitment to transparency and comprehensive reporting as integral to its ongoing success and stakeholder engagement."

Mission and Contents

This report is meticulously crafted through the Company's active engagement with stakeholders, adherence to the International Integrated Reporting (IR) framework, and incorporation of Global Reporting Initiative (GRI) Standards on sustainability. Its purpose is to furnish high-quality information tailored to the diverse interests of stakeholder groups, shedding light on the impacts of the Company's activities on the economy, market, environment, and society. Moreover, the report delves into the long-term sustainability of the Company's business.

A paramount objective is to present the material in a manner that enhances stakeholders' understanding of these activities. The report strategically links business strategy information directly to both financial and non-financial aspects of the Company's operations, providing stakeholders with a comprehensive view of the synergies between the business strategy and its multifaceted impacts.

In addition, the forward-looking statement outlines anticipated future challenges and articulates the Company's proactive plans to address them. This approach underscores the Company's commitment to transparency, strategic planning, and sustainable business practices.

Approaches

In compiling data, the Company employs fundamental scientific measurements, mathematical calculation methods, accounting principles, actual basis, and various logical approaches. Every effort is made by the Company to ensure the accuracy of both sustainability data and the information provided.

Board Governance

The Board of Directors plays a pivotal role, as directors are elected by shareholders, and the IR framework serves as a mechanism to ensure long-term value creation and heightened transparency. Active involvement and support from both the Board and Chief Executive are requisite for effective implementation. Consequently, the Company's management is directed towards achieving organizational objectives through advisory, evaluative, and monitoring functions pertaining to business strategies. This involves ensuring the seamless execution and necessary adjustments to these activities.

Integrating Financial and Non-Financial Disclosures

The report encapsulates a spectrum of information, encompassing both financial and non-financial aspects of the Company, providing a detailed account of its brand, financial structure, operations, performance, insights, risks, opportunities, and outcomes associated with its value creation capabilities.

Aligned with the International Integrated Reporting (IR) framework, the Company aims to offer a holistic overview of its business affairs and philosophy. This involves connecting and presenting financial and non-financial information in a manner that caters to the diverse interests and wide-ranging concerns of stakeholders. The goal is to provide substantial value to the Company and its shareholders.

As part of an ongoing commitment to transparency and clarity, the Company endeavors to enhance the comprehensibility of the information produced. This continuous improvement ensures that stakeholders can better understand and appreciate the intricate details of the Company's financial and non-financial performance.

Reporting period:

This report of the Company is published annually and covers period beginning from October 01, 2022 till September 30, 2023.

Our Report:

This report of the Company has included following content elements for the users of this report:

- Organizational overview and external environment
- Risks and opportunities
- Governance
- Strategy and resource allocation
- Analysis of financial position

- IT governance & cybersecurity
- Outlook
- Performance
- Basis of Presentation
- Sustainability and corporate social responsibility
- Business Model
- Excellence in corporate reporting
- Financial Statements
-
- Need to add above information in page 172 of JSML report.

Disclosures beyond BCR Criteria

Sr. No	Description of Content	Page Number

	Organizational Overview and External Environment	
1.01	Principal business activities and markets (local and international) including key brands, products and services.	
1.02	Geographical location and address of all business units including sales units and plants.	
1.03	Mission, vision, code of conduct, culture, ethics and values.	
1.04	Ownership, operating structure and relationship with group companies (i.e. subsidiary, associated undertaking etc.) and number of countries in which the organization operates.	
1.05	Organization chart indicating functional and administrative reporting, presented with legends.	
1.06	Identification of the key elements of the business model of the company through simple diagram supported by a clear explanation of the relevance of those elements to the organization.	
1.07	Position of the reporting organization within the value chain showing connection with other businesses in the upstream and downstream value chain.	
1.08	Significant factors effecting the external environment and the associated organization's response. Also describe the effect of seasonality on business in terms of production and sales.	
1.09	The legitimate needs, interests of key stakeholders and industry trends.	
1.1	SWOT Analysis of the company.	
1.11	Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, relative strengths and weaknesses of competitors and customer demand and the intensity of competitive rivalry).	
1.12	The legislative and regulatory environment in which the organization operates.	
1.13	The political environment where the organization operates and other countries that may affect the ability of the organization to implement its strategy.	
1.14	Significant changes from prior years (regarding the information disclosed in this section).	
1.15	History of major events.	
1.16	Details of significant events occurred during the year and after the reporting period.	
2	Strategy and Resource Allocation	
2.01	Short, medium and long term strategic objectives.	
2.02	Strategies in place or intended to be implemented to achieve the strategic objectives.	
2.03	Resource allocation plans to implement the strategy and financial capital structure.	
2.04	Key resources and capabilities of the company which provide sustainable competitive advantage.	
2.05	Value created by the business, and for whom, using these resources and capabilities.	
2.06	The effect of technological change, societal issues such as population and demographic changes, human rights, health, poverty, collective values and educational systems, environmental challenges, such as climate change, the loss of ecosystems, and resource shortages on the company strategy and resource allocation.	
2.07	Specific processes used to make strategic decisions and to establish and monitor the culture of the organization, including its attitude to risk and mechanisms for addressing integrity and ethical issues.	
2.08	Key performance indicators (KPIs) to measure the achievement against strategic objectives including statement as to whether the indicators used will continue to be relevant in the future.	
2.09	Board's statement on the following:	
	a) significant plans and decisions such as corporate restructuring, business expansion, or discontinuance of operations;	
	b) business rationale of major capital expenditure or projects started during the year and those planned for next year etc.	
2.10	Significant changes in objectives and strategies from prior years.	
3	Risks and Opportunities	
3.01	CAPITALS in the short, medium and long term.Key risks and opportunities effecting availability, quality and affordability of	
3.02	Risk Management Framework including risk management methodology and principal risk and uncertainties facing the company.	
3.03	Sources of risks and opportunities (internal and external).	
3.04	The initiatives taken by the company in promoting and enabling innovation.	
3.05	Assessment of the 'likelihood' that the risk or opportunity will come to fruition and the 'magnitude' of its effect if it does.	
3.06	Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs.	
3.07	Board's efforts for determining the company's level of risk tolerance by establishing risk management policies.	
3.08	Statement from the board that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten the business model, future performance and solvency or liquidity.	
3.09	Strategy to overcome liquidity problem and the company's plan to manage its repayment of debts and meet operational losses.	
3.10	Inadequacy in the capital structure and plans to address such inadequacy.	
4	Sustainability and Corporate Social Responsibility	
4.01	Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability and corporate social responsibility as per best business practices including:	

	a) environment related obligation applicable on the company;	
	b) company progress towards environmental, social and & governance initiatives during the year; and	
	c) company's responsibility towards the staff, health & safety.	
4.02	Status of adoption/compliance of the Corporate Social Responsibility (Voluntary) Guidelines, 2013 issued by the SECP or any other regulatory framework as applicable.	
4.03	Certifications acquired and international standards adopted for best sustainability and CSR practices.	
5	Governance	
5.01	Board composition:	
	a) Leadership structure of those charged with governance.	
	b) Name of independent directors indicating justification for their independence.	
	c) Diversity in the board i.e. competencies, requisite knowledge & skills, and experience.	
	d) Profile of each director including education, experience and involvement /engagement of in other entities as CEO, Director, CFO or Trustee etc.	
	e) No. of companies in which the executive director of the reporting organization is serving as non-executive director.	
5.02	Chairman's Review Report on the overall performance of the board and effectiveness of the role played by the board in achieving the company's objectives.	
5.03	A statement of how the board operates, including a high-level statement of which types of decisions are to be taken by the board and which are to be delegated to management.	
5.05	Annual evaluation of performance, along with description of criteria used for the members of the board including CEO, Chairman and board's committees.	
5.06	Disclosure if the board's performance evaluation is carried out by an external consultant once in three years.	
5.07	Details of formal orientation courses for directors.	
5.08	Directors' Training Program (DTP) attended by directors, female executive and head of department from the institutes approved by the SECP and names of those who availed exemptions during the year.	
5.09	Description of external oversight of various functions like systems audit or internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.	
5.10	a) Approved policy for related party transactions.	
	b) Details of all related parties transactions, along with the basis of relationship describing common directorship and percentage of shareholding.	
	c) Contract or arrangement with the related party other than in the ordinary course of business on an arm's length basis, if any along with the justification for entering into such contract or arrangement.	
	d) Disclosure of director's interest in related party transactions.	
	e) In case of conflict, disclosure that how such a conflict is managed and monitored by the board.	
5.11	Disclosure of Board's Policy on the following significant matters:	
	a) Governance of risk and internal controls.	
	b) Diversity (including gender), any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.	
	c) Disclosure of director's interest in significant contracts and arrangements.	
	d) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings.	
	e) Retention of board fee by the executive director earned by him against his services as non-executive director in other companies.	
	f) Security clearance of foreign directors.	
	g) Board meetings held outside Pakistan.	
	h) Human resource management including preparation of succession plan.	
	i) Social and environmental responsibility.	
	j) Communication with stakeholders.	
	k) Investors' relationship and grievances.	
	l) Employee health, safety and protection.	
	m) Whistle blowing policy including mechanism to receive and handle complains in a fair and transparent manner and providing protection to the complainant against victimization and reporting in Audit Committee's report.	
	n) Safety of records of the company.	
	o) Providing reasonable opportunity to the shareholder for participation in the AGM.	
5.12	Board review statement of the organization's business continuity plan or disaster recovery plan.	
5.13	Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.	
5.14	Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance).	
5.15	A brief description about role of the Chairman and the CEO.	

5.16	Shares held by Sponsors / Directors / Executives.	
5.17	Salient features of TOR and attendance in meetings of the board committees (Audit, Human Resource, Nomination and Risk management).	
5.18	Timely Communication: Date of authorization of financial statements by the board of directors: within 40 days ---6 marks within 60 days ---3 marks	
5.19	Audit Committee report should describe the work of the committee in discharging its responsibilities.	
5.20	Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee's activities / matters that are within the scope of the Audit Committee's responsibilities.	
5.21	Board disclosure on Company's use of Enterprise Resource Planning (ERP) software	
5.22	Where an external search consultancy has been used in the appointment of the Chairman or a non-executive director, it should be disclosed if it has any other connection with the company.	
5.23	Chairman's significant commitments and any changes thereto.	
5.24	Disclosure about the Government of Pakistan policies related to company's business/sector in Directors' Report and their impact on the company business and performance.	
5.25	How the organization's implemented governance practices have been exceeding legal requirements.	
6	Analysis of the Financial Information	
6.01	Analysis of the financial and non-financial performance using both qualitative and quantitative indicators showing linkage between:	
	a) Past and current performance;	
	b) Performance against targets /budget; and	
	c) Objectives to assess stewardship of management.	
6.02	Analysis of financial ratios (Annexure I)	
6.03	Vertical and horizontal analysis of Balance Sheet, Profit and Loss Account and summary of Cash Flow Statement for last 6 years	
6.04	Graphical presentation of 6.02 and 6.03 above.	
6.05	Explanation of negative change in the performance against prior year including analysis of variation in results reported in interim reports with the final accounts, including comments on the results disclosed in 6.02 and 6.03 above.	
6.06	Any significant change in accounting policies, judgements, estimates and assumptions with rationale.	
6.07	Information about defaults in payment of any debts and reasons thereof period.	
6.08	Methods and assumptions used in compiling the indicators.	
6.09	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	
6.10	Segmental review and analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities.	
6.11	a) Share price sensitivity analysis using key variables (i.e. selling price, raw material cost, interest rate and currency) with the consequent impact on the company's earning .	
	b) Composition of local versus imported material and sensitivity analysis in narrative form due to foreign currency fluctuations	
6.12	Brief description and reasons:	
	a) for not declaring dividend despite earning profits and future prospects of dividend.	
	b) where any payment on account of taxes, duties, levies etc. is overdue or outstanding.	
6.13	CEO presentation video on the company's business performance of the year covering the company business strategy to improve and future outlook. (Please provide relevant webpage link of the video in the company's annual report).	
7	Disclosures on IT Governance and Cybersecurity	
7.01	The Board responsibility statement on the evaluation and enforcement of legal and regulatory implications of cyber risks and the responsibilities of the board in case of any breaches.	
7.02	Disclosure related to IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place.	
7.03	Disclosures about how cybersecurity fits into the board's risk oversight function and how the board is engaging with management on this issue.	
7.04	Disclosure that at least one board-level committee is charged with oversight of IT governance and cybersecurity matters and how the board administers its IT risk oversight function related to these risks.	
7.05	Disclosure about Company's controls and procedures about an "early warning system" that enables the company to identify, assess, address, make timely disclosures and timely communications to the board about cybersecurity risks and incidents.	
7.06	Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.	
7.07	Disclosure about resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about company's cyber insurance.	
7.08	Disclosure of advancement in digital transformation on how the organization has leveraged 4.0 Industrial revolution (RPA, Block Chain, AI, Cloud Computing etc.) to improve transparency, reporting and governance.	
7.09	Disclosure about education and training efforts of the Company to mitigate cybersecurity risks.	
8	Future Outlook	
8.01	Forward looking statement in narrative and quantitative form including projections or forecasts about known trends and uncertainties that could affect the company's resources, revenues and operations in the short, medium and long term.	

8.02	Explanation of the external environment including political, economic, social, technological, environmental and legal environment that is likely to be faced in the short, medium and long term and how it will affect the organization in terms of its business performance, strategic objectives and availability, quality and affordability of capitals.	
8.03	Explanation as to how the performance of the company meets the forward looking disclosures made in the previous year.	
8.04	Status of the projects in progress and were disclosed in the forward looking statement in the previous year.	
8.05	Sources of information and assumptions used for projections / forecasts in the forward looking statement and assistance taken by any external consultant.	
8.06	How the organization is currently equipped in responding to the critical challenges and uncertainties that are likely to arise.	
9	Stakeholders Relationship and Engagement	
9.01	Stakeholders engagement policy of the company and how the company has identified its stakeholders.	
9.02	Stakeholders' engagement process and the frequency of such engagements during the year. Explanation on how these relationships are likely to affect the performance and value of the company, and how those relationships are managed. These engagements may be with: a) Institutional investors; b) Customers & suppliers; c) Banks and other lenders; d) Media; e) Regulators; f) Local committees and g) Analysts.	
9.03	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	
9.04	Investors' Relations section on the corporate website.	
9.05	Issues raised in the last AGM, decisions taken and their implementation status.	
9.06	Statement of value added and its distribution with graphical presentation: a) Employees as remuneration; b) Government as taxes (separately direct and indirect); c) Shareholders as dividends; d) Providers of financial capital as financial charges; e) Society as donation; and f) Retained within the business.	
9.07	Steps board has taken to solicit and understand the views of stakeholders through corporate briefing sessions and disclosure of brief summary of Analyst briefing conducted during the year.	
9.08	Highlights about redressal of investors' complaints.	
10	Business Model	
10.01	Describe the business model including inputs, business activities, outputs and outcomes in accordance with the guidance as set out under section 4C of the International Integrated Reporting Framework (IR Framework).	
11	Striving for Excellence in Corporate Reporting	
11.01	Board's responsibility statement on full compliance of financial accounting and reporting standards as applicable in Pakistan (i.e. International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB)).	
11.02	Adoption of IR Framework by fully applying the 'Fundamental Concepts', 'Content Elements' and 'Guiding Principles' in the IR Framework.	
11.03	BCR criteria cross referred with page numbers of the annual report. (details can be maintained by companies on the Investor Relation section of the company's website).	
11.04	Disclosures beyond BCR criteria (The participating organization to send the list of additional disclosures to BCR Committee).	
12	Specific Disclosures of the Financial Statements	
12.01	Specific disclosures of the financial statements required under the Companies Act, 2017 and IFRSs (Annexure II).	
12.02	Shariah compliant companies/ companies listed on the Islamic Indices (Annexure III).	
	Annexure I - Financial Ratios	
	Non- Financial Sector Ratios	
	Ratios required for Shariah compliant companies	
	Annexure II - Specific Disclosures	
1	Fair value of Property, Plant and Equipment.	
2	Reconciliation of weighted average number of shares for calculating EPS and diluted EPS.	
3	Particulars of significant/ material assets and immovable property including location and area of land.	
4	Key quantitative information (Number of persons employed as on the date of financial statements and average number of employees during the year, separately disclosing factory employees).	
5	Disclosure of product wise data mentioning, product revenue, profit etc.	
6	Capacity of an industrial unit, actual production and the reasons for shortfall.	
7	Disclosure of discounts on revenue.	
8	Sector wise analysis of deposits and advances.	
9	Complete set of financial statements (Balance sheet, Income statement & Cash flow) for Islamic banking operations.	
10	Status for adoption of Islamic Financial Accounting Standards (IFAS) issued by the ICAP.	
11	Summary of significant transactions and events that have affected the company's financial position and performance during the year.	
12	Forced sale value in case of revaluation of Property, Plant and Equipment or investment property.	
13	Distribution of shareholders (Number of shares as well as category, e.g. Promoter, Directors/Executives or close family member of Directors/Executives etc.).	
14	Particulars of major foreign shareholders, other than natural person, holding more than 5% of paid up capital in the company in Pattern of Shareholding.	
15	Particulars where company has given loans or advances or has made investments in foreign companies or undertakings.	

OTHER INFORMATION



- متعلقہ فریق کے لین دین کے ممکنہ خطرات اور تخفیف کے اقدامات
- متعلقہ فریق کے لین دین کو مقررہ وقت کے اندر مناسب فورم کے ذریعے منظوری کے لیے پیش کرنے میں ناکامی کی صورت میں جس طریقہ پر عمل کیا جائے گا۔
- قیمتوں کے تعین کی پالیسی

معاوضہ کی پالیسی

کمپنی نے ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز اور ایسے افراد جنہیں سینئر مینجمنٹ اور کلیدی انتظامی عہدوں پر تعینات کیا جاسکتا ہے کے لیے معاوضے کی پالیسی قائم کی ہے۔ یہ پالیسی، ان کرداروں کے معاوضوں کے تعین کے لئے نامینیشن اور معاوضہ کمیٹی کی سفارش پر بورڈ آف ڈائریکٹرز کی طرف سے منظور شدہ ہے۔

رپورٹنگ کی مدت کے بعد اہم واقعات

رپورٹنگ کی مدت کے بعد سال کے دوران کوئی اہم واقعہ پیش نہیں آیا ہے۔

غیر محفوظ تعمیل کا بیان

کمپنی کے مالی حسابات کو کمپنیز ایکٹ 2017 کے تحت مطلع کردہ انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز بورڈ (IASB) کے جاری کردہ بین الاقوامی مالیاتی رپورٹنگ معیارات کے مطابق تیار کیا گیا ہے۔

مزید، کچھ معیارات اور تشریحات ہیں جو پاکستان میں ابھی تک مؤثر نہیں ہیں، جیسا کہ مالیاتی حسابات کے نوٹ 4.3.2 میں ظاہر کیا گیا ہے۔ تاہم، انتظامیہ کا خیال ہے کہ ان معیارات اور تشریحات کا کمپنی کے مالی حسابات پر کوئی مادی اثر نہیں ہوگا۔



سید انوار حسین شاہد

چیف ایگزیکٹو

لاہور: 18 دسمبر 2023ء

سال کے دوران منعقد ہونے والے تمام اجلاس پاکستان میں کمپنی کے رجسٹرڈ پتے پر منعقد کئے گئے۔

تفصیل کا بیان

30 ستمبر 2023 کو ختم ہونے والے سال کے لئے کمپنی کے لئے قابل اطلاق پاکستان اسٹاک ایکچینج کے فہرستی قواعد میں تفصیلی، کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں کیا گیا ہے۔

نمونہ حصص داری

30 ستمبر 2023 کو کمپنیز آرڈیننس، 1984 اور کارپوریٹ گورننس کے ضابطہ کے مطابق کمپنی کا نمونہ حصص داری منسلک ہے۔

سی ای او، بورڈ آف ڈائریکٹرز اور بورڈ کی کمیٹیوں کی کارکردگی کا جائزہ

بورڈ کے نگرانی کے کردار اور اس کی موثرگی کی تشخیص بورڈ خود کرتا ہے۔ توجہ کے اہم شعبے ہیں:

- کارپوریٹ اہداف اور مقاصد کو حاصل کرنا جیسا کہ کمپنی کے وژن اور مشن میں بیان کیا گیا ہے۔
- پائیدار منصوبہ بندی اور آپریشن کے لیے انتظامیہ کی طرف سے حکمت عملی کی تشکیل اور ہدایات کی تقسیم؛ اور
- طے شدہ ٹی او آر کے مطابق اپنی ذمہ داریاں نبھانے کے سلسلے میں بورڈ کی کمیٹیوں کی کارکردگی کا جائزہ۔

سوالنامے بورڈ اور اس کی کمیٹیوں کی جانب سے متعلقہ معیارات جیسے کہ تاثیر، جوابدہی، منصوبہ بندی، قیادت اور حکمت عملی کی تشکیل کی بنیاد پر تیار کیے گئے ہیں۔ چیف ایگزیکٹو آفیسر کی کارکردگی کے لیے ایک الگ تشخیصی سوالنامہ بھی تیار کیا گیا ہے۔ سی ای او کی کارکردگی کا جائزہ ڈائریکٹرز لیتے ہیں۔ عمل کی شفافیت کو یقینی بنانے کے لیے، کمپنی نے نتائج مرتب کرنے اور بورڈ آف ڈائریکٹرز کے لیے ایک رپورٹ تیار کرنے کے لیے تیسرے فریق چارٹرڈ اکاؤنٹنٹس کو شامل کرنے کا منصوبہ بنایا ہے۔ تاہم، رپورٹ کے مواد کا اندرونی طور پر جائزہ لیا گیا ہے اور جن شعبوں میں بہتری کی ضرورت ہے ان کی نشاندہی کی گئی ہے۔

آڈٹ کمیٹی

اس رپورٹ کی تاریخ تک، آڈٹ کمیٹی تین ڈائریکٹرز پر مشتمل ہے، جن میں سے دو آزاد ڈائریکٹرز، اور ایک نان ایگزیکٹو ڈائریکٹر، یعنی جناب فرحان الیاس بطور چیئر مین، اور جناب امجد جاوید آفتاب اور جناب محمد عامر بیگ بطور ممبر ہیں۔ آڈٹ کمیٹی کے ڈرمز آف ریفرنس، منعقدہ اجلاسوں کی تعداد اور تاریخیں، حاضری، اور دیگر تفصیلات منسلک کارپوریٹ گورننس رپورٹ میں الگ سے دی گئی ہیں۔ اس کے علاوہ، آڈٹ کمیٹی کے چیئر مین نے سالانہ اجلاس عام (AGM) میں بھی شرکت کی اور حصص داران کے تمام سوالات کے جواب دیئے۔

انسانی وسائل اور معاوضے کی کمیٹی (HR&R) کمیٹی

کمیٹی تین ارکان پر مشتمل ہے۔ جس میں ایک آزاد ڈائریکٹر، ایک ایگزیکٹو اور ایک نان ایگزیکٹو ڈائریکٹرز شامل ہیں۔ اس کمیٹی کے ڈرمز آف ریفرنس کا تعین کوڈ آف کارپوریٹ گورننس، 2019، "ضابطہ" میں فراہم کردہ گائیڈ لائنز کے مطابق کیا گیا ہے۔

اپنے مینڈیٹ کے مطابق، کمیٹی سینئر ایگزیکٹوز کے معاوضے سے متعلق معاوضے، تنظیمی پالیسیوں، اور ملازمین کی ترقی کی پالیسیوں کے تمام پہلوؤں کا جائزہ لینے اور تجویز کرنے میں مدد کرتی ہے۔ مزید برآں، کمیٹی کو انتظامی کمیٹی کے ایگزیکٹو ڈائریکٹرز اور ممبران کے معاوضوں سے متعلق تمام امور کی منظوری کی ذمہ داری سونپی گئی ہے۔ مالی سال 2022/23 کے دوران، کمیٹی نے ان ذمہ داریوں کو پورا کرنے کے لئے ایک اجلاس منعقد کیا ہے۔

متعلقہ پارٹی کے ساتھ لین دین

زیر جائزہ سال کے دوران متعلقہ فریقوں کے ساتھ کیے گئے تمام لین دین قابل رسائی قیمتوں کی بنیاد پر تھے، جن کی آڈٹ کمیٹی نے باقاعدہ منظوری دی اور کنٹریباٹ، 2017 اور SECP کے فہرستی ضوابط کی لاگو شدہ فریقوں کے مطابق ہیں۔

متعلقہ فریقوں کے ساتھ لین دین کی پالیسی (متعلقہ پارٹی ٹرانزیکشنز اینڈ مینجمنٹ آف ریویو ریکارڈز) ریگولیشنز، 2018 کے رول 3 کے مطابق تیار کی گئی ہے جس میں درج ذیل کم از کم شرائط کا احاطہ کیا گیا ہے:

- متعلقہ فریقوں کے لیے درکار معلومات جن کے ساتھ لین دین کیا جانا ہے بشمول بورڈ کے اجلاسوں یا عام اجلاسوں میں منظوری کے وقت متعلقہ پارٹی کے تعلقات کی نوعیت
- حدود یا شرائط جو متعلقہ فریق کے لین دین کی صورت میں لاگو ہو سکتی ہیں

ڈائریکٹرز کی کل تعداد:

مرد: 06

خاتون: 01

بورڈ کی ترتیب:

بورڈ آف ڈائریکٹرز کی ترتیب حسب ذیل کے مطابق ہے:

02	ایگزیکٹو ڈائریکٹرز
03	آزاد ڈائریکٹرز
05	نان ایگزیکٹو ڈائریکٹرز
01	خاتون ڈائریکٹرز

30 ستمبر 2023 کو ڈائریکٹرز کے نام حسب ذیل کے مطابق ہیں:

نمبر شمار	نام ڈائریکٹر	عہدہ	تعداد حاضری
1	سید انوار حسین شاہد	چیف ایگزیکٹو	05
2	جناب محمد عامر بیگ	چیرمین	05
3	جناب فرحان الیاس	آزاد	05
4	جناب غیاث الحسن	CPL نامزدہ/ نان ایگزیکٹو	05
5	جناب محمد سیف الرحمان	CPL نامزدہ/ ایگزیکٹو	04
6	جناب امجد جاوید آفتاب	CPL نامزدہ/ نان ایگزیکٹو	02/03
7	محترمہ فائزہ افتخار	آزاد	05

ڈائریکٹرز جو بورڈ کے اجلاس میں شرکت نہیں کر سکتے تھے اور چھٹی کی درخواست گذاری ان کو قانون کے مطابق بورڈ کی طرف سے اجلاس میں غیر حاضری کی چھٹی دی گئی۔

دیگر تنظیم میں خدمات سرانجام دینے والے ایگزیکٹو ڈائریکٹر

کوئی ایسا ایگزیکٹو ڈائریکٹر نہیں ہے جو کسی دیگر کمپنی میں نان ایگزیکٹو ڈائریکٹر کے طور پر خدمات سرانجام دے رہا ہو۔ اسی طرح، کمپنی بورڈ آف ڈائریکٹرز پر خدمات سرانجام دینے کے لئے کسی نان ایگزیکٹو ڈائریکٹر کو کوئی معاوضہ ادا نہیں کرتی ہے۔

ڈائریکٹرز ٹریننگ پروگرام (DTP)

کوڈ آف کارپوریٹ گورننس کے سچپٹر VI کے ریگولیشن 19 کی شرائط میں، اس وقت کمپنی کے چھ (6) ڈائریکٹرز ٹریننگ پروگرام کے تحت پہلے ہی سرٹیفائیڈ ہیں۔ باقی ایک ڈائریکٹر مقررہ وقت کے اندرون سرٹیفکیٹ حاصل کر لے گا۔

بیرونی ماہر کے ذریعہ سسٹم آڈٹ

اندرونی نظام بیورویریٹاس سے سرٹیفائیڈ ہے اور کمپنی کی طرف سے خصوصی بیرونی ماہر بھی مقرر کیا گیا ہے جو اندرونی کنٹرول سسٹم کی ساکھ کو بڑھانے کے لئے خدمات فراہم کرنے کے ماہر ہیں۔

ڈائریکٹرز کی سیکورٹی کلیئرنس

کمپنی کی طرف سے مقرر کیے گئے تمام ڈائریکٹرز پاکستانی شہری ہیں، کمپنی کے پاس ڈائریکٹرز کی تقرری کے لیے بلائے گئے اجلاس میں کمپنی کے ممبران کی طرف سے منتخب ہونے سے پہلے ہر ڈائریکٹر کی سیکورٹی کلیئرنس حاصل کرنے کے لیے خصوصی پالیسی ہے۔

گنے کی دستیابی

چینی کے کاروبار کو درپیش بڑے خطرات گنے کی دستیابی، ریگولٹری خطرات، چینی کی قیمت اور آس پاس کی ملوں میں مسابقت ہیں۔ چینی کے لیے کلیدی خام مال گنا ہے اور صحیح وقت پر گنے کے حصول میں کسی بھی مشکل کا کاروبار پر اثر پڑے گا۔ گنے کی دستیابی کو متاثر کرنے والے اہم عوامل موسمی حالات، گنے کی کٹائی کرنے والے مزدوروں کی دستیابی اور کسانوں کا مسابقتی فصلوں کا انتخاب کرنا ہیں۔

کمپنی کا پختہ یقین ہے کہ گنے کے کاشتکاروں کے ساتھ اچھے تعلقات کو فروغ دے کر گنے کی دستیابی کو یقینی بنایا جاتا ہے۔ یہ گنے کی کاشت میں ان کی مدد کرنے کے ساتھ ساتھ ان کی سپلائی کی بروقت ادائیگی کرنے کے لیے مختلف اقدامات کے ذریعے کیا جاتا ہے۔ یہ ڈرپ آپاشی، مکینیکل اور دستی کٹائی اور گنے کی بہتر اقسام میں مدد فراہم کرنے کی شکل میں ہیں۔ اس کے علاوہ کاشتکاروں کو مل یا رڈ میں گنے کی فصل لانے کے لیے مالی امداد اور مل ٹرانسپورٹ بھی فراہم کی گئی ہے۔

تکنیکی فرسودگی

کمپنی کا فلسفہ اجدید، مقامی بننا ہے۔ تکنیکی فرسودگی کا مستقل بنیادوں پر جائزہ لیا جاتا ہے اور موجودہ ٹیکنالوجی میں سے بہترین کو لانے کے لیے ضروری سرمایہ کاری کی جاتی ہے۔ جو ہر آباد شوگر نے کیپٹل گڈز میں سرمایہ کاری کی کافی رقم خرچ کی ہے جس کے نتیجے میں بیگاس کی کم کھپت کے نتیجے میں بھاپ کی بچت ہوئی ہے اور پیداوار میں صرف آلودگی کے لیے اوپوریشن اور اسپرے پونڈز میں بھی سرمایہ کاری کی گئی ہے۔ کمپنی کی پالیسیوں میں اس طرح کی تکنیکی محرکات سے فائدہ اٹھانے کے لیے مستقل بنیادوں پر مشینری اور آلات کی تبدیلی کے لیے سازگار انتظام بھی شامل ہے۔

رویہ کا ارتکاز

کسی ایک کاروباری شعبہ میں زیادہ ارتکاز کمپنی کو اس شعبہ میں موجود خطرات سے دوچار کرتا ہے۔ ان خطرات کو کم کرنے کے لیے، کمپنی مجموعی نظم و نسق کے موجودہ دائرہ کار میں متنوع سرگرمیوں کی پیروی کرتے ہوئے حکمت عملی اختیار کرتی ہے۔ یہ فیصلہ ہر ایک سرگرمی سے وابستہ فوائد اور نقصانات کے جامع جائزے پر مبنی ہے۔ اس طرح کی حکمت عملی کمپنی کی پالیسی سے مطابقت رکھتی ہے، جو کم سے کم غیر ضروری خطرات سے نمٹنے کے ساتھ ساتھ کاروباری حجم کو بڑھانے کی کوشش کرتی ہے۔

افراط زر اور لاگت کا سٹرکچر

محصولات کی لاگت بنیادی طور پر خام مال پر مشتمل ہوتی ہے جس میں گنے، کیمیکلز، اسٹورز، مرمت اور دیکھ بھال اور مالیاتی لاگت شامل ہوتی ہے۔ محصولات کی لاگت میں یقینی افراط زر کا بہت زیادہ انحصار ہوتا ہے۔ خطرے کو کم کرنے کے لیے، کمپنی نے گنے اور مینوفیکچرنگ کے لیے درکار اس سے منسلک اسٹور کی خریداری کے لیے مخصوص پالیسیاں قائم کی ہیں۔

تنظیمی سطح پر جو ہر آباد شوگر، لاگت کو بہتر بنانے اور لاگت میں کمی کے اقدامات کو نافذ اور ان کی کڑی نگرانی کرتی ہے۔ کمپنی بجٹ کے طریقہ کار کے ذریعے لاگت کو کنٹرول کرتی ہے اور مالیاتی ماڈل سے ہم آہنگ کرنے کے کلیدی مقصد کے ساتھ اصل کارکردگی کا جائزہ لیتی ہے۔ ان اقدامات پر توجہ نے پوری تنظیم میں لاگت میں کمی اور کنٹرول کی اہمیت کو اجاگر کیا ہے۔

حکومتی پالیسیاں اور اثرات

صوبائی حکومت گنے کی پالیسیوں کو ریگولٹ کرتی ہے اور اس کا خام مال کی قیمت کا تعین کر کے اس صنعت پر بڑا کنٹرول ہوتا ہے اور مختلف قوانین کے ذریعے شوگر ملوں کے آپریشنل آغاز پر بھی اثر انداز ہوتی ہے۔ وفاقی حکومت چینی کی برآمد کو ریگولٹ کرتی ہے۔ لہذا، شوگر کمپنی کا کریڈٹ رسک پر وفاقی حکومتی پالیسیوں کے لیے کمزور ہے۔ یہ پالیسیاں گنے کی ریگولیشن قیمتوں کے ذریعے چینی کی پیداواری لاگت اور اس کی ریگولیشن برآمد/درآمد کی اجازتوں کے ذریعے حصول پر اثر انداز ہوتی ہیں۔ تاہم، انتظامیہ ہموار آپریشنز اور کاروباری ترقی کے لیے متعلقہ ضوابط کی تبدیلی سے تعمیل کرتی ہے۔

قانونی خطرہ

قانونی خطرہ وہ خطرہ ہے جس میں کمپنی کو قانونی کارروائی کا سامنا کرنا پڑ سکتا ہے۔ جیسا کہ کمپنی مختلف قوانین کے تحت چلتی ہے اور کمپنی کو قانون کی چار دیواری کے اندر رہ کر اپنا کاروبار کرنا ہوتا ہے، جہاں کمپنی قانونی خطرے سے دوچار ہوتی ہے۔

کمپنی کے پاس پیشہ ور افراد، مشیروں کی ایک تجربہ کار ٹیم ہے جو معاہدے میں شامل خطرات کا جائزہ لینے، معاہدے کے قابل اطلاق قانون کے تحت ہماری ذمہ داریوں کا پتہ لگانے، معاہدے کے تحت ہماری ذمہ داریوں کو محدود کرنے، اور اس میں شامل خطرات کا احاطہ کرنے پر توجہ مرکوز کرتی ہے تاکہ وہ تمام معاہدے کی پابندی کو یقینی بنا سکیں۔

اس پر کمپنی نے سال 2023 کے لیے شرعی اسکریننگ کے معیار کے لحاظ سے تسلی بخش رویہ ظاہر کیا ہے کیونکہ تمام مطلوبہ بیئج مارکس زیادہ سے زیادہ قابل قبول مقدار میں رواداری کی سطح کے اندر ہیں۔

آگے بڑھتے ہوئے کمپنی کو ہدایت کی گئی ہے کہ وہ SECP/IFD/ SCC/2023/351 کے حوالے سے جاری کردہ نوٹس اور ضوابط کے مطابق SECP سے شرعی کمپلائنس سرٹیفکیٹ حاصل کرے۔

انسانی وسائل

کمپنی نے اپنے کاروبار کی بڑھتی ہوئی ضروریات کو پورا کرنے کے لیے اپنی انسانی وسائل کی پالیسیوں کو مزید ہم آہنگ کرنے کے لیے مضبوط اور جامع ایچ آر پراسیسز، کارکردگی کے منصفانہ شفاف جائزے اور نئے اقدامات کرتے ہوئے ایک نتیجہ خیز، سیکھے اور دیکھ بھال کرنے والا ماحول پیدا کرنا جاری رکھا۔

کاروبار کی نوعیت میں تبدیلی

سال کے دوران، کمپنی کے کاروبار کی نوعیت میں کوئی مادی تبدیلی نہیں آئی۔

قرضوں، ضمانتوں یا سرمایہ کاری کی تفصیلات

کمپنی ایکٹ 2017 کی دفعات کے تحت قرضوں، ضمانتوں اور سرمایہ کاری کی تفصیلات اس سالانہ رپورٹ کا حصہ بننے والے مالیاتی گوشواروں کے نوٹس میں دی گئی ہیں۔

اندرونی مالیاتی کنٹرول

مالیاتی گوشواروں کے حوالے سے کمپنی کا اندرونی کنٹرول کا نظام مناسب اور اس کے کاروبار کی نوعیت اور اس کے آپریشنز کے سائز اور پیچیدگی کے مطابق ہم آہنگ ہے۔ وقتاً فوقتاً آڈٹ اور جانچ پڑتال کی جاتی ہے اور کمپنی کی طرف سے آپریشنز میں بے ضابطگیوں کو روکنے، ان کا پتہ لگانے اور درست کرنے کے لیے کنٹرولز مرتب کیے گئے ہیں۔

انتظامی بحث اور تجزیہ

کمپنی کے آپریشنز پر انتظامی بحث اور تجزیہ کی رپورٹ، جیسا کہ SECP (فہرستی ذمہ داریاں اور انکشافات کے تقاضے) کے تحت مطلوب ہے، ایک علیحدہ حصہ میں فراہم کی گئی ہے اور اس رپورٹ کا ایک لازمی حصہ ہے۔

گورننس آف رسک اور اندرونی کنٹرولز

کمپنی کے ہاں ایک رسک مینجمنٹ کمیٹی ہے جو اہم کاروباری مقاصد کے لیے مختلف خطرات کی شناخت، تشخیص، نگرانی اور تخفیف کرتی ہے۔ جن بڑے خطرات کی نشاندہی کی جائے ان کا تذکرہ مسلسل بنیادوں پر تخفیف کے اقدامات کے ذریعے کیا جاتا ہے۔ ان پر آڈٹ کمیٹی اور کمپنی کے بورڈ آف ڈائریکٹرز کے اجلاسوں میں تبادلہ خیال کیا جاتا ہے۔

حالیہ تشویش

یہ مالیاتی گوشوارے حالیہ تشویش کی بنیاد پر تیار کیے گئے ہیں اور کمپنی کی گونگ کنسرن کے طور پر جاری رہنے کی صلاحیت پر کوئی تشویش نہیں ہے۔

اہم منصوبے اور فیصلے

مستقبل قریب میں، کمپنی کی مینوفیکچرنگ سائنس پر پیداواری صلاحیتوں کو معمول کے مطابق اپ ڈیٹ کرنے کے علاوہ کسی قسم کی تنظیم نو یا آپریشن کو بند کرنے کا کوئی منصوبہ نہیں ہے۔

سی ایف او اور داخلی آڈٹ کے سربراہ کی اہلیت

چیف فنانشل آفیسر اور داخلی آڈٹ کے سربراہ کارپوریٹ گورننس کے ضابطہ میں مقرر کردہ ضروری اہلیتیں اور تجربہ رکھتے ہیں۔

داخلی تجارت

بورڈ نے ایک پالیسی ترتیب دی ہے کہ پاکستان میں فہرستی قواعد کے مطابق کوئی شخص داخلی تجارت نہیں کرے گا۔ مالی سال کے دوران، کمپنی کے حصص میں کسی ایک ڈائریکٹر، سی ای او، سی ایف او، داخلی آڈٹ کے سربراہ اور کمپنی سیکریٹری کی طرف سے کوئی بھی تجارت نہیں ہوئی ہے۔

خطرے کا تجزیہ اور تخفیف کی تکنیک

ایک زرعی صنعت کے طور پر، شوگر ملوں کو ان کے موسمی، خراب ہونے والے، بھاری اور متنوع معیار کے باعث خام مال سے حاصل کردہ پیداواری عمل کی کارکردگی کو متاثر کرنے والے اضافی خطرات کا سامنا ہے۔ اس لیے رسک مینجمنٹ بہت اہمیت کی حامل ہے۔ اس مطالعہ کا مقصد خطرے کو کم کرنے کی حکمت عملیوں کی شناخت، تجزیہ اور وضاحت کرنا تھا۔

کمپنی نے اپنے اسٹیک ہولڈرز کے لیے زیادہ سے زیادہ منافع کو ترجیح دیتے ہوئے مسلسل عمدہ مارکردگی کا مظاہرہ کیا ہے۔ پچھلی دہائی کے دوران، ایک اہم تبدیلی واقع ہوئی ہے، جس میں اسٹیک ہولڈرز کو نوازنے کے نقطہ نظر کو نئی شکل دی گئی ہے۔ کمپنی باقاعدگی سے ڈیویڈنڈ ادا کر رہی ہے جو کہ پچھلے سال میں اس کے خالص منافع کے 16% سے زائد ہے۔ موجودہ مالی سال میں مشینری کو اپ گریڈ کرنے میں نمایاں سرمایہ کاری کی گئی ہے۔ مثبت نتائج کی توقع کرتے ہوئے، خاص طور پر 2023/24 کے کرشنگ سیزن کے دوران، بہتر پاور پلانٹ اور دیگر اپ گریڈ شدہ مشینری تمام اسٹیک ہولڈرز کو بہتر نتائج فراہم کرے گی۔

ڈیویڈنڈ

آپ کی کمپنی نے ڈیویڈنڈ ڈسٹری بیوٹن پالیسی اختیار کی تھی جو آپ کی کمپنی کی طویل مدتی نمو میں معاونت کے لیے صحت مند سرمایہ کے موزوں تناسب کو برقرار رکھنے کے لیے ڈیویڈنڈ کے ذریعے ممبران کو مناسب طریقے سے ریوارڈنگ اور سرمایہ کو برقرار رکھنے کے دوہرے مقاصد میں توازن رکھتی ہے۔ زیر جائزہ سال کے دوران اس پالیسی میں کوئی تبدیلی نہیں کی گئی۔ کمپنی خاص ریزرو میں کوئی رقم لے جانے کا ارادہ نہیں رکھتی۔ اس پالیسی کے مطابق، آپ کے بورڈ نے کمپنی کے اراکین کو مالی سال 2022/23 کے لیے ایکویٹی شیئرز پر 1.00 روپے کی سفارش کی ہے۔ یہ تجویز آپ کی کمپنی کے 27 جنوری 2024 کو منعقد ہونے والے 55 ویں سالانہ اجلاس عام (AGM) میں اراکین کی منظوری سے مشروط ہے۔ ٹیکس کے مضمرات کے ساتھ ڈیویڈنڈ 34.12 ملین روپے کی نقد رقم کا اخراج کرے گا۔

ہولڈنگ کمپنی

کین پروسیسنگ (پرائیویٹ) لمیٹڈ، پاکستان کے قوانین کے تحت قائم شدہ رجسٹرڈ دفتر بواقع لاہور، 63.66 فیصد حصص کے ساتھ جو ہر آباد شوگر ملز لمیٹڈ کی ہولڈنگ کمپنی ہے۔

قانونی آڈیٹرز اور ان کی آڈٹ رپورٹ

یو ایچ وائی حسن نعیم اینڈ چارٹرڈ اکاؤنٹنٹس، سٹیٹ بینک آف پاکستان پینل آف آڈیٹرز پر "A" کیٹیگری چارٹرڈ اکاؤنٹنٹس فرم کمپنی کے آڈیٹرز ہیں اور سال 2024 میں منعقد ہونے والے 55th سالانہ اجلاس عام کے اختتام تک قانونی آڈیٹرز رہیں گے۔ 30 ستمبر 2023 کو ختم ہونے والے سال کے لئے کمپنی کے مالی گوشواروں پر آڈیٹرز کی طرف سے دی گئی رپورٹ اس سالانہ رپورٹ کا حصہ ہے اور اپنی رپورٹس میں آڈیٹرز کی طرف سے کوئی اہلیت، ریزرویشن، اختلافی ریمارک یا ڈسکلیمر نہیں دیا گیا ہے۔ یو ایچ وائی حسن نعیم اینڈ چارٹرڈ اکاؤنٹنٹس نے مالی سال 2022/23 کے لئے اپنی اسائنمنٹ مکمل کر لی اور 55th سالانہ اجلاس عام کے اختتام پر ریٹائر ہو گئے ہیں۔ اہل ہونے کی بناء پر، انہوں نے خود کو دوبارہ تقرری کے لئے پیش کیا ہے اور آڈٹ کمیٹی کی سفارشات کے مطابق، بورڈ آف ڈائریکٹرز نے توثیق اور حصص داران کی منظوری کی سفارش کی ہے۔ شریعہ اسکریٹنگ کے معیار کا کمیٹی تجزیہ:

کمپنی نے، شریعہ گورننس ریگولیشنز، 2023 (ریگولیشنز) کی شرائط میں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے تقاضوں کو مدنظر رکھتے ہوئے، کمپنی کی طرف سے شریعہ تعمیل کے تعین کے لیے بیرونی شرعی مشاورتی فرم یعنی سعودیہ سنز اکاؤنٹنٹس اینڈ ایڈوائزری (پرائیویٹ) لمیٹڈ سے رابطہ کیا گیا ہے۔ شریعہ کمیٹی اسکریٹنگ کے تجزیہ کے نتائج درج ذیل ہیں۔

تفصیل	کم از کم قابل قبول پینچ مارک	مالی سال 2022	مالی سال 2023
کل اثاثہ کے تناسب سے سودی قرض	<37%	8.14%	6.64%
کل اثاثہ کے تناسب سے غیر شرعی تعمیل سرمایہ کاری	<33%	0.16%	0.12%
کل محصول کے تناسب سے غیر شرعی تعمیل آمدنی	<5%	0.00%	0.02%
کل اثاثہ تناسب سے غیر لیکویڈ اثاثہ	=>25%	95.84%	95.13%
مارکیٹ پرائس فی شیئر	=> خالص لیکویڈ اثاثہ فی شیئر	(81.70)	(84.50)

تفصیلات	FY2021/22	FY2022/23	YOY تبدیلی
فروخت-خالص	5,180,431	6,925,893	33.69%
فروخت کی لاگت	4,371,867	5,851,908	33.85%
مجموعی منافع	828,564	1,073,985	29.62%
فروخت اور تقسیم کے اخراجات	18,943	29,748	57.04%
انتظامی اور عمومی اخراجات	200,903	211,487	5.27%
آپریٹنگ منافع	608,718	832,749	36.80%
دیگر آپریٹنگ آمدنی	(3,977)	(6,375)	-60.30%
مالیاتی اخراجات	333,829	560,136	67.79%
ٹیکس سے قبل منافع	270,912	266,238	-1.73%
ٹیکسیشن	143,191	54,005	-62.28%
ٹیکس کے بعد منافع	127,721	212,233	66.17%
آمدنی فی شیئر (روپے/شیئر)	3.74	6.22	66.31%

اس سال کمپنی نے 6,926 ملین روپے [مالی سال 2021/22: 5,180 ملین روپے] کی ٹاپ لائن درج کی جو 33.69 فی صد کا سالانہ اضافہ ظاہر کر رہی ہے اور چینی کے کل اشٹاک کا 28.48 فی صد [مالی سال 2021/22: 27.73] آگے لے جانے کا منصوبہ ہے۔ چینی کے کل اشٹاک کے 71.52 فی صد [مالی سال 2021/22: 72.27] لیکویڈیٹی کے نتیجے میں ٹاپ لائن 1,745 ملین روپے تک بہتر ہوئی ہے۔ کمپنی کی فروخت لاگت گنے کی زیادہ قیمتوں کی وجہ سے بڑھ گئی یعنی 4,354 ملین روپے کے مقابلے میں 5,852 ملین روپے ہوئی جو 34.47 فی صد کی سالانہ تبدیلی کی عکاسی کرتی ہے۔ کمپنی کا مجموعی منافع 1,074 ملین روپے [مالی سال 2021/22: 829 ملین روپے] تک بڑھ گیا جو گزشتہ سال کے مقابلے میں 29.55 فی صد کا اضافہ ظاہر کر رہا ہے۔ کمپنی نے موجودہ مالی سال کے دوران 212 ملین روپے [مالی سال 2021/22: 128 ملین روپے] کی زیریں لائن درج کرائی۔ موجودہ مالی سال کے لئے فی شیئر آمدنی 6.22 روپے رہی جبکہ گزشتہ مالی سال میں 3.74 روپے حاصل ہوئی تھی، جو کہ فی شیئر آمدنی میں 66.31 فی صد کا اوسط اضافہ ہے۔

مستقبل کے امکانات

آگے بڑھتے ہوئے، صنعت کیری فارورڈ اشٹاک، ورکنگ کپینٹل کی کمی، فنڈز کی زیادہ لاگت، کم پیداوار، کم سکروس ریکوری اور گنے کی MSP میں 33.33 فی صد یعنی 400 روپے فی من [CY2022/23: 300 روپے فی من] کے اضافے کے ساتھ کرشنگ سال 2023/24 میں داخل ہوئی ہے۔ وزارت قومی غذائی تحفظ اور پاکستان کی چینی پر تحقیق کے مطابق یہ پیش گوئی کی گئی ہے کہ CY2023/24 کے لئے چینی کی متوقع پیداوار 6.19 ملین ٹن کے ساتھ ساتھ CY2022/23 میں 0.55 ملین ٹن کا کیری فارورڈ شوگر اشٹاک ملک کی تاریخی سالانہ مقامی طلب کو پورا کرنے کے لئے بشکل ہی کافی ہوگا۔ سٹریٹجک ریزرو اور سمگلنگ/مارکیٹ کی کشیدگی کے عوامل کو مد نظر نہیں رکھا جاتا جس کے نتیجے میں سال کے اشٹاک میں کمی ہو سکتی ہے اور آئندہ سال کے لئے چینی درآمد کرنا پڑ سکتی ہے۔

ملز کی کارکردگی کو بہتر بنانے کے لئے کمپنی اپنے وژن کے مطابق بی ایم آر اور پلانٹ کی دیکھ بھال میں مسلسل سرمایہ کاری کر رہی ہے۔ آگے بڑھتے ہوئے کمپنی نے اپنی مارکیٹنگ حکمت عملی کے تحت کارپوریٹ اور ریٹیل سیگمنٹ پر توجہ مرکوز کرنے کا منصوبہ بنایا ہے۔ ریونیوسٹریم میں تنوع لانے کے لیے، کمپنی ٹاپ لائن پر بائی پروڈکٹس کے شیئر کو بڑھانے پر توجہ دے رہی ہے اور FESCO کے ساتھ EPA کی غیر موجودگی میں سرپلس پاور درآمد کرنے کے راستے تلاش کر رہی ہے۔

کریڈٹ ریٹنگ

کریڈٹ ریٹنگ پاکستان میں اداروں کے کریڈٹ سٹیٹنگ کا اندازہ ہے۔ PACRA کا بنیادی کام ہے کہ وہ اپنی قرض کی ذمہ داریوں کو پورا کرنے کے لیے کسی ادارے کی صلاحیت اور رضامندی کا جائزہ لے۔ سال کے دوران، پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے طویل مدتی بینک سہولیات کے حوالے سے کمپنی کی اہلیت کی سطح کو "BBB+" اور مختصر مدتی بینک سہولیات کے حوالے سے "A2" برقرار رکھی۔ یہ ریٹنگ کریڈٹ رسک کی کم توقع کو اور مالی وعدوں کی بروقت واپس ادائیگی کی تسلی بخش صلاحیت کی نشاندہی کرتی ہیں۔ کمپنی اپنے موجودہ تمام مختصر مدتی قرضوں کے ساتھ ہے۔ رپورٹنگ تاریخ کو فی الحال کمپنی کی کوئی طویل مدتی ذمہ داریاں نہیں ہیں۔

مالی سال 2022/23 کے دوران آپ کی کمپنی کی بنیادی سرگرمیوں یعنی چینی اور اس سے منسلک مصنوعات کی تیاری اور فروخت میں کوئی تبدیلی نہیں آئی۔ کمپنی نے حکومت پنجاب کی طرف سے جاری کردہ ہدایات کی تعمیل میں 25 نومبر 2022 [مالی سال 2022/23: 18 نومبر 2021] کو کرشنگ سیزن شروع کیا تھا۔ گزشتہ سیزن کے موازنہ میں مالی سال 2022/23 کے لئے آپ کی ملز کے تقابلی آپریٹل نتائج مندرجہ ذیل ہیں:

تفصیلات	اکائیاں	مالی سال 2022/23	مالی سال 2021/22	YOY تبدیلی
کام کے ایام	دن	103	146	(29.45%)
گنے کی کرشنگ	میٹرک ٹن	651,476	872,378	(25.32%)
چینی کی پیداوار	میٹرک ٹن	64,198	85,774	(25.25%)
چینی کی ریکوری	فیصد	9.86%	9.83%	0.3%
چینی کی فروخت - مقامی	میٹرک ٹن	67,210	61,992	8.42%
چینی کی فروخت - بین الاقوامی	میٹرک ٹن	2,487	-	100%
چینی کی فروخت - کل	میٹرک ٹن	69,697	61,992	12.42%
چینی کا کلوزنگ اسٹاک	میٹرک ٹن	18,282	23,782	(23.12%)
مولاسس کی پیداوار	میٹرک ٹن	29,630	34,909	(15.12%)
مولاسس کی ریکوری	فیصد	4.55%	4.00%	12.75%

رواں مالی سال کے دوران، کمپنی کی مل نے 103 دن کام کیا، جو پچھلے سال کے 146 دنوں سے 43 دن کم ہے۔ یہ کمی بنیادی طور پر ملک بھر میں گنے کی کمی کی وجہ سے تھی۔ مشکلات کے باوجود، کمپنی نے اس کرشنگ سال کے دوران اوسطاً 6,325 میٹرک ٹن یومیہ گنے کی کرشنگ کی جو گزشتہ مالی سال (مالیاتی سال 2021/22: 5,975 میٹرک ٹن یومیہ) کے مقابلے میں 5.9 فی صد کا اضافہ ظاہر کرتی ہے۔ یومیہ زیادہ کرشنگ کو ملنگ کے مؤثر طریقوں، گنے کے کاشتکاروں کو فوری ادائیگی، اور گزشتہ دہائی کے دوران کاشتکاروں کے ساتھ استوار کیے گئے دیرینہ اعتماد سے منسوب کیا جاسکتا ہے۔

پورے مالی سال میں، کمپنی نے 651,476 میٹرک ٹن گنے کی کرشنگ کی، جو پچھلے سال [CY2021/22: 872,378 میٹرک ٹن] سے 25 فی صد کم ہے۔ سفید ریفاؤنڈ چینی کی پیداوار 64,198 میٹرک ٹن، جو پچھلے سال [CY2021/22: 85,774 میٹرک ٹن] سے کم رہی ہے۔ مزید برآں، کمپنی نے 29,630 میٹرک ٹن مولاسس پیدا کیا، جو پچھلے سال [CY2021/22: 34,909 میٹرک ٹن] کے مقابلے میں ریکوری شرح میں 13 فی صد کی بہتری ظاہر کرتا ہے۔

زیر جائزہ مالی سال کے دوران، کمپنی نے اپنے پلانٹ آپریشنز میں آٹومیشن اپناتے ہوئے ایک اہم تبدیلی کی ہے۔ آٹومیشن کی طرف اس اسٹریٹجک تبدیلی میں 541 ملین روپے سے زائد کی نمایاں سرمایہ کاری کی ہے۔ کپٹلانٹریژیشن، آپریٹل کارکردگی اور تکنیکی صلاحیتوں کو بڑھانے کے لیے متعدد اپ گریڈ کے مختلف اقدامات کیے گئے ہیں۔ چند اہم اضافوں میں ملوں کی تزئین و آرائش، شمسی توانائی کے تحفظ کا منصوبہ، ہائی پریشر بولمر کے لیے 80 TPH کارپورس اوسموسس واٹر پیٹ اور خوشاب زون کے اندر گنے کی ڈولپمنٹ کے لیے زرعی آلات شامل ہیں۔

مالیاتی کارکردگی

30 ستمبر 2023 کو ختم ہونے والے سال کے لئے آپ کی کمپنی کے تقابلی کلیدی اعداد و شمار مندرجہ ذیل ہیں:



ڈائریکٹرز کی حصص یافتگان کو رپورٹ

شروع اللہ کے نام سے جو بڑا رحمان اور رحم کرنے والا ہے۔ کمپنی کے ڈائریکٹرز 30 ستمبر 2023 کو ختم ہونے والے سال کے لئے کمپنی کی سالانہ رپورٹ کے ساتھ نظر ثانی شدہ مالی حسابات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

عالمی معیشت

COVID-19 کے طویل مدتی نتائج، روس کے یوکرین پر حملے، بڑھتے ہوئے جیواکناک فریگمنٹیشن، مہنگائی کو کم کرنے کے لیے ضروری مانیٹری پالیسی کی سختی کے اثرات، زیادہ قرضوں کے درمیان مالی امداد سے دستبرداری اور شدید موسمی حالات کی وجہ سے عالمی اقتصادی سرگرمیاں ابھی تک وبائی بیماری کے پھیلنے کی راہ سے کم ہیں۔ بالآخر عالمی نمو کے خطرات کا توازن منفی پہلو کی طرف جھکا رہا۔ موسمیاتی اور جغرافیائی سیاسی بحرانوں نے پوری دنیا میں خوراک اور توانائی کی قیمتوں میں اضافہ کر دیا ہے۔

ملکی معیشت

اس سال پاکستان کی معیشت کو کئی معاشی مشکلات کا سامنا کرنا پڑا، جن میں مالیاتی خسارہ، عوامی قرضوں کی بلند سطح، افراط زر کا دباؤ اور بیرونی کھاتوں کا عدم توازن شامل ہیں۔ ملک نے اپنی معیشت کو مستحکم کرنے اور ساختی اصلاحات کے نفاذ کے لیے بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) سے مالی امداد طلب کی تھی۔ زرمبادلہ کی شرح بھی کم ترین سطح پر گر گئی جس کے نتیجے میں براہ راست غیر ملکی سرمایہ کاری کے اخراج میں اضافہ ہوا اور سال بھر میں افراط زر کا زیادہ دباؤ دیکھا گیا۔ موجودہ سال کے لیے مانیٹری پالیسی شرح میں کمی نہیں کی گئی اس طرح پوری معیشت میں ورکنگ کپینٹل کی کمی برقرار ہے۔ اقتصادی نموست رہی اور نقطہ نظر کے لیے منفی خطرات غیر معمولی طور پر زیادہ رہے۔ جولائی 2023 میں بین الاقوامی مالیاتی فنڈ (IMF) کے اسٹینڈ بائی اریٹمنٹ (SBA) کی منظوری نے نئی بیرونی مالی امداد کو کھول دیا اور ادائیگیوں کے توازن کے بحران کو کم کیا۔ SBA کے باوجود بھی، توقع ہے کہ ذخائر کم رہیں گے، جس سے جاری درآمدی کنٹرول کو جاری رکھنا ضروری ہوگا اور اقتصادی بحالی محدود رہے گی۔ مستحکم اور قابل اعتماد خوراک اور توانائی کی فراہمی کو برقرار رکھنے کی اہمیت کو کم نہیں کیا جاسکتا کیونکہ دونوں معاشی نمو اور مسابقت کے لیے بہت اہم ہیں۔ اس سال موسمیاتی خرابی اور بین الاقوامی سطح پر زرعی مصنوعات کی قیمتوں میں اضافے کی وجہ سے پیدا ہونے والی مہنگی خوراک نے CPI کے بڑھنے میں اہم کردار ادا کیا ہے۔

چینی کی صنعت

پاکستان کے اقتصادی سروے 2022/23 کے مطابق، زراعت کے شعبے نے قومی جی ڈی پی کی شرح نمو میں 22.90 فیصد حصہ شامل کیا۔ شوگر انڈسٹری زراعت پر مبنی دوسری سب سے بڑی صنعت ہے جس نے ملک کی مجموعی جی ڈی پی نمو میں زرعی شعبے کے شراکت کے لحاظ سے 1.55 فیصد اضافہ کیا۔ چینی کی پیداوار زراعت کی ویلیو ایڈیشن کا 3.7 فیصد، جی ڈی پی کا 0.9 فیصد اور واحد روزگار کا بڑا ذریعہ بنی ہوئی ہے، یعنی 37.40 ملین زرعی مزدوروں میں سے تقریباً 16 فیصد ہے۔ اس حقیقت کے باوجود کہ سال 2022/23 مشکلات کا سال رہا، صنعت کی مجموعی کارکردگی نے چلک دکھائی اور اقتصادی اور مالیاتی مشکلات برداشت کی ہیں۔

اس سال میں تقریباً 1.319 ملین ہیکٹر زمین [CY2021/22: 1.260 ملین ہیکٹر] پر گنے کی کاشت کی گئی، جو کہ 4.68 فیصد زیادہ ہوئی، جس کے نتیجے میں اندازاً پیداوار 91.111 ملین ٹن [CY2021/22: 886 ملین ٹن] ہوئی، جو کہ سالانہ بنیادوں پر 2.77 فیصد کا اضافہ ہے۔ پنجاب کی صوبائی حکومت نے کسانوں کی حوصلہ افزائی کے لیے کم از کم امدادی قیمت [MSP] 33.33 فیصد زیادہ 300 روپے فی من [CY2021/22]: 225 روپے فی من کا اعلان کیا۔ چینی کی فروخت پر کم مارجن شرح حاصل کرنے کے باوجود، گنے کی فصل کا شیکاروں کو بروقت سب سے زیادہ فائدہ مند فصل کے طور پر برقرار رہی۔

کرشنگ میزن 2022/23 کے لیے چینی کی پیداوار 6.73 ملین ٹن [CY2021/22: 7.42 ملین ٹن] تھی، جو کہ سالانہ بنیاد پر 9.3 فیصد کم ہوئی۔ CY2021/22 میں 0.216 ملین ٹن مقدار برآمد اور 6.70 ملین ٹن کی سالانہ ملکی طلب کو پورا کرنے کے بعد، 0.73 ملین ٹن کے کیری فارورڈ شوگر اسٹاکس کے ساتھ اس پیداوار سے تقریباً ایک ماہ کے اسٹریٹجک ریزرو کے برابر 0.55 ملین ٹن کا کیری فارورڈ شوگر اسٹاک پیدا ہوا ہے۔ حکومت کی بے جا مداخلتوں کے باوجود، چینی کی مارکیٹ قیمت میں مالی سال 2022/23 کے دوران بہتری آئی ہے۔ صنعت نے حکومت سے درخواست کی ہے کہ وہ تفاوت سے بچنے اور چینی کی ذخیرہ اندوزی سے بچنے کے لیے اشیاء کی فری فلوٹ حصص کی قیمت کی بنیاد پر مارکیٹ قیمت مقرر کرے۔ صنعت نے CY2023/24 کے آغاز پر وزارت پیش نظر نوڈ سیکوریٹی اینڈ ریسرچ کو سفارش کی ہے کہ صنعت کے لیے لیکویڈٹی کو بہتر بنانے اور ملک کے لیے قیمتی زرمبادلہ کمانے کے لیے 0.5 ملین ٹن چینی برآمد کرنے کی اجازت دی جائے جس کو وزارت نے دوبارہ ٹھکرا دیا ہے۔

میں اپنے تمام اسٹیک ہولڈرز، بشمول شیئر ہولڈرز، ملازمین، کسٹمرز، سپلائرز، ڈسٹری بیوٹرز، اور بینکرز کی طرف سے پورے مالی سال کے دوران کی جانے والی قابل قدر شراکت کا شکریہ ادا کروں گا۔ کمپنی کے حصول کے بعد سے ہم جو مسلسل سرمایہ کاری کر رہے ہیں اس سے ہمارا کاروبار نمونہ کی پوزیشن میں ہے۔ مشترکہ کوششوں کے ذریعے ہم اس بات کو یقینی بنائیں گے کہ کمپنی مستحکم نمو کی راہ پر گامزن رہے گی اور آئندہ سالوں میں درپیش مشکلات پر قابو پانے میں کامیاب رہے گی۔ باوجود اس کے، بورڈ اور انتظامیہ اپنے اعتماد اور مکمل تیاری پر ثابت قدم ہیں کہ وہ تمام حالات کا سامنا کریں اور ان سے گزریں گے۔

بورڈ کے ممبران بورڈ کے تنوع میں اہم کردار ادا کرتے ہیں، جس میں آزاد اور نان ایگزیکٹو ڈائریکٹرز کا ایک متوازن امتزاج ہوتا ہے۔ دونوں نان ایگزیکٹو اور آزاد ڈائریکٹرز نے بورڈ کے اہم فیصلوں میں فعال طور پر حصہ لیا۔ بورڈ نے کامیابی کے ساتھ ایک شفاف اور مضبوط گورننس سسٹم لاگو کر کے اعلیٰ مقام حاصل کیا ہے۔ یہ موشٹر کنٹرول ماحول کی تخلیق، ریگولیٹری بہترین طریقوں کی پابندی، اور پوری کمپنی میں اخلاقی اور مساوی رویہ کے فروغ سے ثابت ہوتا ہے۔



محمد عامر بیگ

چیئرمین

لاہور

مورخہ: 18 دسمبر 2023ء



چیمپئن کا جائزہ

کمپنیز ایکٹ 2017 کی دفعہ 192 کے تحت بورڈ کی مجموعی کارکردگی

میں جو ہر آباد شوکر ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی چیمپئن شپ سونے جانے کو ایک امتیاز اور بہت بڑا اعزاز خیال کرتا ہوں۔

میں اپنی تمام صلاحیتوں کو کمپنی کی ترقی میں بھرپور تعاون کے لئے وقف کرتا ہوں اور مجھے 30 ستمبر 2023 کو ختم ہونے والے سال کے لیے کمپنی کے آپریٹنگز کا جائزہ پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

زیر جائزہ مالی سال کے دوران پاکستان کی کمزور بیرونی پوزیشن، محدود درآمدی کوریج اور قرضوں کے زیادہ بوجھ کی وجہ سے پاکستان کی معیشت خطرات کا شکار رہی۔ پاکستانی روپیہ اہم کرنسیوں کے مقابلے میں قدر کم ہو گئی، افراط زر میں بہت زیادہ اضافہ ہو گیا، بجلی کی شدید قلت، ایندھن کی قیمتیں زیادہ ہیں، کرنٹ اکاؤنٹ خسارہ ناقابل برداشت سطح تک بڑھ گیا ہے اور مارک اپ کی شرح تاریخ کی بلند ترین سطح پر پہنچ گئی ہے۔ شوگر انڈسٹری ہمارے ملک کی دیہی خطے میں معاشی باختیاری کا ایک اہم محرک ہے۔ گزشتہ چند سالوں سے کراس روڈز پر رہنے کے بعد، اسے اپنی ویلیو چین میں ایک قدر بڑھانے والی صنعت کے طور پر ابھرنے کے لئے پُرکشش، مثبت اشارے ملے ہیں اور اس میں خالص برآمد کنندہ بننے کی حقیقی صلاحیت رکھتی ہے۔

کمپنی کی انتظامیہ اپنی مسلسل آپریشنل کوششوں کے ساتھ ساتھ بورڈ آف ڈائریکٹرز کی طرف سے فراہم کردہ حکمت عملی کے ذریعے موجودہ مشکلات کا مقابلہ کرنے کے لیے پُر عزم ہے۔ اللہ تعالیٰ کے فضل و کرم سے، کمپنی نے اپنی کارکردگی کو کافی حد تک برقرار رکھا ہے جو ہماری اقدار، مقاصد، اسٹریٹجک مینجمنٹ اور کمپنی کے تمام اسٹیک ہولڈرز کی اجتماعی کوششوں کے ساتھ ساتھ مشترکہ کاروباری وژن کا نتیجہ ہے۔ زیر جائزہ سال کے لیے کمپنی کی مالی کارکردگی ہماری کمپنی کے بزنس ماڈل کے اندر چلک کو ظاہر کرتی ہے۔ ہماری کل آمدنی تقریباً 33.69 فیصد بڑھ کر 6,925 ملین روپے ہو گئی، جبکہ ہمارا EBITDA 1,128 ملین روپے ریکارڈ کیا گیا، جو کہ مصنوعات کی شراکت میں اضافہ سے کارفرما ہے۔

کمپنی نے ایک مؤثر گورننس فریم ورک قائم کیا ہے جو کمپنیز ایکٹ، 2017، اور سٹیٹ کمیٹیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں بیان کردہ شرائط کے مطابق ہے۔ یہ فریم ورک خاص طور پر بورڈ کی تشکیل، طریقہ کار اور اس کی کمیٹیوں کے اجلاسوں سے متعلق ہے۔

ایک مضبوط گورننس، رسک مینجمنٹ اور کنٹرول ماحول قائم کرنے کے لیے، بورڈ نے پوری کمپنی میں اخلاقی اور مساوی طرز عمل کو فروغ دیتے ہوئے ایک شفاف تعمیل کا نظام نافذ کیا ہے۔ اخلاقی رویہ کے لیے یہ وابستگی تنظیم کی ثقافت اور اقدار سے جڑی ہوئی ہے، جو ضابطہ اخلاق کی مکمل نشر و اشاعت کے ذریعے سہولت فراہم کرتی ہے۔ مزید برآں، بورڈ نے کمپنی کے مجموعی انتظامی ڈھانچے کو وسعت دینے کے لیے ایک آزاد آڈٹ کمیٹی، انسانی وسائل، نامزدگی کمیٹی اور معاوضہ کمیٹی قائم کی ہے۔

اس کی کمیٹیوں سمیت بورڈ کی کارکردگی کا سالانہ جائزہ، کوڈ ریگولیشنز میں بیان کردہ شرائط کی تعمیل کے مطابق لیا گیا ہے۔ اس تشخیص کا مقصد یہ معلوم کرنا ہے کہ بورڈ کی مجموعی کارکردگی محتاط انداز سے تیار کردہ جامع معیار کے مطابق اور اس کے تسلی بخش ہونے کا عزم کیا گیا ہے۔ نظر ثانی شدہ مالی سال کے دوران، بورڈ نے کمپنی کے انتظامات میں اہم اور مؤثر کردار ادا کیا۔ بنیادی توجہ سٹریٹجک نمو کے اقدامات، کاروباری مواقع، پیچیدہ رسک مینجمنٹ، بورڈ کی تشکیل کو بہتر بنانے اور انتظامیہ کو مستعدی سے نگرانی فراہم کرنے پر مرکوز تھی۔


بورڈ کے اراکین موجودہ وژن، مشن اور اقدار سے آگاہ ہیں اور ان کی حمایت کرتے ہیں۔ بورڈ وقتاً فوقتاً مشن اور وژن بیان پر نظر ثانی کرتا ہے۔ بورڈ کو اسٹیک ہولڈرز (شیر ہولڈرز، صارفین، ملازمین، ویٹرز، بڑے بیانیے پر سوسائٹی) کی واضح سمجھ بوجھ ہے جن کی کمپنی خدمت کرتی ہے۔

پورے سال کے دوران، بورڈ آف ڈائریکٹرز نے انتظامیہ کو مسلسل قیمتی رہنمائی اور نگرانی فراہم کی ہے۔ تمام نقطہ نظر کو سننے، اور بورڈ اور سینئر انتظامیہ کے درمیان رابطے کو آسان بنانے کو یقینی بناتے ہوئے کھلے پن اور تعمیری بحث کی ثقافت کو فروغ دیا گیا ہے۔ بورڈ نے کمپنی کے مقاصد، حکمت عملیوں اور کاروباری اور مالیاتی کارکردگی کا باقاعدگی سے جائزہ لینے کے لیے ایک منظم طریقہ کار نافذ کیا ہے۔ اس میں انتظامیہ، اندرونی آڈیٹرز، اور دیگر آزاد کونسلٹنٹس کے ساتھ بروقت تعامل شامل ہے، جس سے بورڈ کو مناسب سمت فراہم کی جا سکتی ہے۔ یہ ذکر کرنا ضروری ہے کہ انتظامیہ کو روزمرہ کی کاروباری سرگرمیوں کو سرانجام دینے، بورڈ کی حکمت عملیوں کو قابل عمل منصوبوں میں تبدیل کرنے، اور ایسے فیصلے کرنے کی ذمہ داری سونپی گئی ہے جو مختصر، درمیانی اور طویل مدتی قدر پیدا کریں۔



نوٹ:-

1- 30 ستمبر 2023 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ نظر ثانی شدہ مالیاتی گوشواروں کے ساتھ آڈیٹرز اور ڈائریکٹرز کی رپورٹ اور اس پر چیئرمین کی جائزہ رپورٹ کمپنی کی ویب سائٹ www.jsml.com.pk پر رکھی گئی ہے، جو کہ درج ذیل QR کوڈ اور ویب لنک سے ڈاؤن لوڈ/ملاحظہ کی جاسکتی ہے:

ویب لنک	QR کوڈ
https://www.jsml.com.pk/index.php/financial-reports/	

2- کمپنی کی حصص منتقلی کتاب میں 20 جنوری 2024ء تا 27 جنوری 2024ء (بشمول ہر دو ایام) بند رہیں گی۔ **منتقلیاں** کمپنی کے شیئرز رجسٹرار، میسرز کارپ لنک (پرائیویٹ) لمیٹڈ، وگلز آر کیڈ، 1-K، کمرشل، ماڈل ٹاؤن لاہور کو 19 جنوری 2024ء کو کاروبار کے اختتام تک وصول ہونے والی اجلاس میں شرکت کے استحقاق کیلئے بروقت تصور ہوگی۔

3- اجلاس میں شرکت اور ووٹ دینے کا مستحق ممبر اپنی جانب سے شرکت اور ووٹ دینے کیلئے کسی دیگر ممبر کو اپنا پراسی مقرر کر سکتا ہے۔ کارپوریت اسٹیٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/اختیار نامہ معتمدہ کے نمونہ دستخط کمپنی کے پراسی فارم کے ہمراہ جمع کرانا ہوگا۔ پراسی تا آئندہ مؤثر ہو سکیں، کمپنی کے رجسٹرڈ دفتر میں اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل لازماً وصول ہونا چاہئیں۔

4- وہ ممبران جو اپنے حصص سنٹرل ڈیپازٹری کمپنی پاکستان لمیٹڈ (سی ڈی سی) کے ہاں جمع کرا چکے ہوں، سے درخواست ہے کہ اپنے اصل CNIC، اکاؤنٹ اور پارٹیشن کے نمبرز ہمراہ لائیں۔ ایسے ممبران کو مزید برآں سکیورٹیز اینڈ ایکسچینج کمیشن پاکستان کے سرکلر نمبر 1 مورخہ 26 جنوری 2000 میں دی گئی درج ذیل گائیڈ لائنز کی پیروی کرنا ہوگی۔

5- ممبران کو کمپنی کے ساتھ تمام کارپوریشن میں اور سالانہ اجلاس عام میں شرکت کے وقت اپنے فوئیو نمبر درج کرنے چاہئیں۔

6- ممبران سے درخواست ہے کہ اپنے رجسٹرڈ پتوں میں تبدیلی، زکوٰۃ ڈیکلریشن اور ٹیکس ایگریمنٹس، اگر کوئی ہو، باقاعدہ اپنے کارڈ ممبر شپ کے ہمراہ کمپنی کے شیئرز رجسٹرار کو فی الفور مطلع فرمائیں۔

7- کمپنیز ایکٹ 2017ء کی دفعہ 242 کی پرویز کے مطابق کوئی منافع **منتقسمہ** قابل ادا صورت میں فقط ایکٹرویک طرف سے ذریعے براہ راست مستحق ممبران کے منسوب کردہ بینک اکاؤنٹ میں ادا کیا جائے گا۔ اس کے مطابق تمام ممبران سے درخواست ہے کہ کمپنی کے شیئرز رجسٹرار، ممبر بروکر، پارٹیشن اسٹیٹس اور فوئیو اکاؤنٹ سروسز کو فوئیو نمبرز اور معلومات مہیا کریں۔ سی ڈی سی میں حصص رکھنے کی صورت میں یہ معلومات سی ڈی ایس کو براہ راست مہیا کی جانی چاہئیں۔ ممبران سے معلومات حاصل کرنے کا نوٹس انہیں الگ الگ ارسال کیا جا رہا ہے۔ معیاری درخواست فارم کمپنی کی ویب سائٹ www.jsml.com.pk پر بھی رکھا جا چکا ہے۔ معلومات مہیا کرنے میں ناکامی کی صورت میں، کمپنی ڈیویڈنڈ ادا کرنے کے قابل نہیں ہوگی۔

8- انکم ٹیکس آرڈیننس، 2001 (آرڈیننس) کی طرف سے مروجہ کے مطابق ڈیویڈنڈ ادا کیے جانے پر موجودہ ود ہولڈنگ ٹیکس ریٹس افراد جن کے نام ایکٹو ٹیکس بیئرز فہرست (ATL) میں درج ہیں کے لئے 15% اور افراد جن کے نام ATL میں درج نہیں ہیں کے لئے 30% ہیں۔ کمپنی کو نقد ڈیویڈنڈ کی رقم پر ٹیکس دیکشن 30% کے بجائے 15% شرح سے منہا کرنے کے قابل بنانے کے لئے، تمام حصص داران جن کے نام فیڈرل بورڈ آف ریونیو کی ویب سائٹ پر دستیاب ATL میں درج نہیں ہیں کو ہدایت ہے کہ ڈیویڈنڈ ادا کیے جانے کی تاریخ سے قبل ATL میں اپنے ناموں کا اندراج یقینی بنائیں، بصورت دیگر ان سے بطور ٹیکس بیئرز سلوک نہیں کیا جائے گا (باوجودیکہ وہ انکم ٹیکس ریٹرن کے فائلرز ہیں) اور ان کے نقد ڈیویڈنڈ پر ٹیکس 30% کی شرح سے منہا کیا جائے گا۔

9- سی ڈی سی اکاؤنٹ کے حامل کارپوریت ممبران کو اپنے متعلقہ پارٹیشن کے ہاں اپنے نیشنل ٹیکس نمبر (NTN) اپ ڈیٹ رکھنے چاہئیں جبکہ کارپوریت ممبران کو اپنے این ٹی این سرٹیفیکیشن کی کاپی کمپنی کے شیئرز رجسٹرار کو ارسال کرنی چاہئیں۔

10- ایف بی آر کی وضاحت کے مطابق آرڈیننس کی دفعہ 159 کے تحت کارڈ ممبر شپ کے ساتھ آرڈیننس کے دوسرے شیڈول کے پارٹ-IV کی کاڈ 47B کے تحت ود ہولڈنگ ٹیکس کی ایگریمنٹس کے دعوئی کیلئے لازمی ہے۔ وہ جو مذکورہ بالا کاڈ کی کیلگری میں آتے ہیں کو لازماً کمپنی کے شیئرز رجسٹرار کو کارڈ ممبر شپ کی ایگریمنٹس سرٹیفیکیشن مہیا کریں بصورت دیگر مجوزہ شرحوں کے مطابق ڈیویڈنڈ پر ٹیکس منہا کیا جائے گا۔

11- ایف بی آر نے واضح کیا ہے کہ فائلرز اور نان فائلرز کے ملکیٹی مشترکہ حصص داران کے اکاؤنٹس سے الگ الگ سلوک کیا جائے گا اور ایسی خاص صورت حال میں ہر ایک اکاؤنٹ ہولڈر سے یا تو فائلر یا نان فائلر سلوک کیا جائے گا اور ٹیکس ان کے شیئرز ہولڈنگ کے مطابق منہا کیا جائے گا۔ اگر شیئرز قابل تحقیق نہیں ہوا تو ہر اکاؤنٹ ہولڈر شیئرز کے مساوی تناسب کا مالک تصور ہوگا اور اس کے مطابق ڈیویڈنڈ ہوگی اس لئے زیادہ شرح پر ٹیکس کی ڈیکشن سے بچنے کیلئے مشترکہ اکاؤنٹ ہولڈرز سے درخواست ہے کہ اپنے شیئرز ہولڈنگ کی حسب ذیل تفصیلات کمپنی کے شیئرز رجسٹرار کو کم از کم AGM کی تاریخ تک مہیا کریں۔

فولیو/سی ڈی سی اکاؤنٹ نمبر	نام شیئرز ہولڈر	کمپوز انڈسٹری/شراکتی کارڈ	شیئرز ہولڈنگ	کل حصص	پرنسپل/جوائنٹ شیئرز ہولڈر
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12- کمپنیز ایکٹ 2017ء کی دفعہ 244 کے تحت ضروری ہے کہ کوئی شیئرز/مضاربہ سرٹیفیکیشن/ڈیویڈنڈ جو تین سالوں (یا زیادہ) کی مدت کیلئے غیر دعویٰ شدہ رہے ہوں وفاقی حکومت کو پہنچائے جائیں۔ قانون کے مطابق کمپنی کیلئے ضروری ہے کہ اگر حصص داران کو نوٹس دینے کے بعد کمپنی کے ہاں کوئی دعویٰ نہ کیا جائے تو غیر دعویٰ شدہ یا غیر ادا شدہ رقم فیڈرل حکومت کے ہاں جمع کرائی جائے۔ لہذا تمام حصص داران جو کسی وجہ سے اپنے ڈیویڈنڈ یا حصص دعویٰ نہیں کر سکتے تھے نوٹس ہڈا کے ذریعے تصحیح کی جانی ہے کہ اپنے غیر دعویٰ شدہ ڈیویڈنڈ یا پنڈنگ حصص/مضاربہ سرٹیفیکیشن/اگر کوئی ہوں فی الفور حاصل کرنے کے بارے میں کمپنی کے شیئرز رجسٹرار سے رابطہ کریں۔

13- برطانیق نوٹیفیکیشن PSX/N-92 مورخہ 28 جنوری 2019 پاکستان اسٹاک ایکسچینج کی طرف سے ضروری جوہر آباد شاہد گل مل لمیٹڈ کا کارپوریت اینالسٹ بریفنگ سیشن بھی بروز ہفتہ 27 جنوری 2024 کو AGM کی تکمیل کے فوراً بعد رجسٹرڈ دفتر B-125، قائد اعظم انڈسٹریل اسٹیٹ، کوٹ لکھپت، لاہور میں منعقد ہوگا جس میں 30 ستمبر 2023 کو ختم ہونے والے سال کی کارکردگی اور نتائج کی وضاحت کی جائے گی۔ حصص داران/انویسٹرز اور اینالسٹ، جو ڈیویڈنڈ کے ذریعے سیشن میں شرکت کرنے کے خواہشمند ہیں سے درخواست ہے کہ حسب ذیل کے مطابق نوٹس فراہم کر کے مورخہ 25 جنوری 2024 شام 5:00 بجے تک secretary@jsml.com.pk پر اپنی رجسٹریشن ارسال کریں:

نام	CNIC	فولیو نمبر (اگر کوئی ہو)	رابطہ نمبر	ای میل

14- سالانہ مالی حسابات کی بذریعہ ای میل ترسیل

سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے بروئے SRO 787(1)/2014 مورخہ 8 ستمبر 2014 کمپنیوں کو سالانہ بیننس شیٹ، نفع و نقصان اکاؤنٹ، آڈیٹرز، ڈائریکٹرز رپورٹ اور چیئرمین کی جائزہ رپورٹ مع اطلاع سالانہ اجلاس عام اپنے ممبران کو بذریعہ ای میل جاری کرنے کی اجازت دی ہے۔ ارکان جنہوں نے اپنے ای میل ایڈریس فراہم کر دیے ہیں کو بذریعہ ای میل ارسال کئے جارہے ہیں۔ ارکان جنہوں نے اپنے ای میل ایڈریس فراہم نہیں کئے اور اس سہولت سے مستفید ہونا چاہتے ہیں، کمپنی کو اپنی رضامندی بعد ای میل ایڈریس ارسال کریں۔ سالانہ نظر ثانی شدہ حسابات کی بارڈ کا یہاں مطالبہ پرفراہم کی جائے گی۔

15- کمپنیز ایکٹ 2017ء کی دفعہ (2) 132 کے مطابق، اگر کمپنی کو جغرافیائی گل وقوع پر سکوٹی مجموعی 10% یا زیادہ شیئرز ہولڈنگ کے مالک ممبران سے اجلاس میں بذریعہ ڈیویڈنڈ یا نوٹس شرکت کیلئے رضامندی AGM کی تاریخ سے کم از کم 7 یوم قبل وصول ہوئی تو، کمپنی اس شہر میں ایسی سہولت کی دستیابی کے حوالہ سے شہر میں ڈیویڈنڈ یا نوٹس سہولت کا انتظام کرے گی۔ کمپنی ایسے حصص داران کو ایسی سہولت تک رسائی کے قابل بنانے کے لئے ڈیویڈنڈ یا نوٹس سہولت کے مقام کی بابت معلومات سالانہ اجلاس عام کی تاریخ سے کم از کم 5 یوم قبل مطلع کرے گی۔

16- ارکان کمپنیز ایکٹ 2017 کی دفعہ 143 تا دفعہ 145 آرڈیننس (پوشل بیلٹ) ریگولیشنز، 2018 کی قابل اطلاق کلاسیکی ضروریات کے حوالہ سے انتخاب کے مطالبہ کا پناہ حق استعمال کر سکتے ہیں۔

17- مادی حصص کا سی ڈی سی اکاؤنٹ میں ڈیپازٹ کمپنیز ایکٹ 2017 کی دفعہ 72 کے مطابق، کمپنی کو اپنے مادی حصص بک انٹری فارم میں تبدیل کرنا ضروری ہے۔ کمپنیز ایکٹ 2017 کی دفعہ 72 کی پرویز کی تعمیل یقینی بنانے اور بک انٹری فارم میں حصص رکھنے کی سہولت کا فائدہ اٹھانے کے لئے، ایسے تمام ارکان/حصص داران جو ابھی بھی مادی شکل میں حصص رکھتے ہیں کو اپنے حصص بک انٹری شکل میں تبدیل کرنا ضروری ہے۔


18- کمپنی نے AGM کا نوٹس انگریزی اور اردو زبانوں میں پراسی فارم کے ساتھ اپنی ویب سائٹ www.jsml.com.pk پر رکھ دیا ہے۔

اطلاع سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ جوہر آباد شوگر ملز لمیٹڈ ("کمپنی") کے ممبران کا 55 واں سالانہ اجلاس عام بروز ہفتہ 27 جنوری 2024ء کو صبح 11:00 بجے، رجسٹرڈ دفتر B-125، قائد اعظم انڈسٹریل اسٹیٹ، کوٹ لکھپت، لاہور میں درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

عام امور:

- 1- 30 ستمبر 2023ء کو ختم ہونے والے سال کیلئے کمپنی کے نظر ثانی شدہ سالانہ مالی حسابات مع ان پرنٹڈ ایکٹرز اور آڈیٹرز کی رپورٹس اور چیئرمین کی جائزہ رپورٹ کی وصولی، غور و خوض اور منظوری دینا۔
- 2- 30 ستمبر 2023ء کو ختم ہونے والے سال کیلئے بورڈ آف ڈائریکٹرز کی سفارشات کے مطابق حتمی نقد ڈیویڈنڈ بشرح 10% یعنی 1/- روپے فی عام شیئر کی ادائیگی کیلئے غور و خوض اور منظوری دینا۔
- 3- 30 ستمبر 2024ء کو ختم ہونے والے اگلے مالی سال کیلئے آڈیٹرز کا تقرر اور ان کے صلہء خدمت کا تعین کرنا۔ میسرز یو ایچ وائی حسن نعیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، نے اہل ہونے کی بناء پر دوبارہ تقرری کے لئے اپنے آپ کو پیش کیا ہے۔
- 4- صاحب صدر کی اجازت سے کسی دیگر امر پر کارروائی کرنا۔

بحکم بورڈ

کمپنی سیکرٹری
لاہور

مورخہ: 04 جنوری 2024ء

تشکیل نیابت داری (پراسی فارم)

میں / ہم

ساکن

بحیثیت حصہ دار جوہر آباد شوگر ملز لمیٹڈ

نام (فولیو ای ڈی سی اکاؤنٹ نمبر اگر ممبر ہو)

یا بصورت دیگر

نام (فولیو ای ڈی سی اکاؤنٹ نمبر اگر ممبر ہو)

ساکن کو اپنی جگہ بروز ہفتہ 27 جنوری 2024

کو بوقت 11:00 بجے دن B - 125، قائد اعظم انڈسٹریل اسٹیٹ، کوٹ لکھپت، لاہور پاکستان۔ میں منعقد یا ملتوی ہونے والے سالانہ عام اجلاس میں شرکت کرنے، بولنے اور ووٹ دینے کے لیے اپنا نمائندہ مقرر کرتا کرتی ہوں۔

بطور گواہ میرے / ہمارے دستخط سے مورخہ _____ جنوری 2024 کو دی گئی۔

پچاس روپے کارسیدی ٹکٹ
یہاں چسپاں کریں

۱۔ گواہ

دستخط

نام

شناختی کارڈ نمبر

پتہ

دستخط

(ممبر اجازت فرس)

۲۔ گواہ

دستخط

نام

شناختی کارڈ نمبر

پتہ

حامل عام حصص

سی ڈی سی اکاؤنٹ نمبر		فولیو نمبر
اکاؤنٹ نمبر	شراکتی آئی ڈی	

کمپیوٹرائزڈ شناختی کارڈ نمبر _____

نوٹس:

- (۱) پراسیڈنگ کے موثر ہونے کیلئے لازم ہے کہ وہ اجلاس سے ۴۸ گھنٹے قبل بمعہ دستخط گواہان اور رسیدی ٹکٹ کمپنی کو موصول ہو جانی چاہئیں۔
- (۲) سی ڈی سی حصص داران اجلاس ہذا میں شرکت کرنے، بولنے اور ووٹ دینے کیلئے اہل ہیں اور اپنی شناخت ثابت کرنے کے لیے اپنے اصلی کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ ساتھ لائیں اور پراسی کی صورت میں اپنے کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ کی تصدیق شدہ کاپی ساتھ لگائیں۔
- (۳) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی بمعہ نمائندہ کے دستخط پراسی فارم کے ساتھ لف کرنے ہونگے۔

درست رسیدی
ٹکٹ چسپاں کریں

کمپنی سیکرٹری

جوہر آباد شوگر ملز لمیٹڈ

B - 125، قائد اعظم انڈسٹریل اسٹیٹ،

کوٹ لکھپت، لاہور پاکستان۔

فون: 042 35213491

AFFIX
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The Company Secretary

Jauharabad Sugar Mills Limited

125-B, Quaid-e-Azam Industrial Estate,
Kot Lakh Pat, Lahore, Pakistan.
Tel : 042 35213491

Kot Lakhpat,



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**Registered Address**

125-B, Quaid-e-Azam Industrial Estate
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Fax No. 042 35213490
E-mail secretary@jsml.com.pk

**Mills**

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