

35th ANNUAL REPORT



SAKRAND



SAKRAND SUGAR MILLS LIMITED

For the year ended 30th September, 2023



SAKRAND SUGAR MILLS LIMITED
35th ANNUAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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COMPANY PROFILE

BOARD OF DIRECTORS

Mr. Saleem Zamindar	Chairman / Director
Mr. Dinshaw H. Anklesaria	Director
Mr. Shams Ghani	Director
Miss. Sadia Moin	Director
Mr. Muhammad Saleem Mangrio	Director
Mr. Abdul Qayyum Khan Abbasi	Director
Mr. Muhammad Omar Arshid	Director

AUDIT COMMITTEE

Miss. Sadia Moin	Chairperson
Mr. Saleem Zamindar	Member
Mr. Muhammad Saleem Mangrio	Member

HR COMMITTEE

Mr. Abdul Qayyum Khan Abbasi	Chairman
Mr. Muhammad Omar Arshid	Member
Mr. Shams Ghani	Member

CHIEF EXECUTIVE OFFICER

Mr. Mansoor Afzal Subzwari

CHIEF FINANCIAL OFFICER

Mr. Shams Ghani

COMPANY SECRETARY

Mr. Muhammad Imran Akber



BANKERS

Allied Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Habib Bank Limited
Meezan Bank Limited
MCB Bank Limited
National Bank Of Pakistan
Soneri Bank Limited
Sindh Bank Limited
Summit Bank Limited
United Bank Limited

AUDITORS

Parker Russell-A.J.S.
Chartered Accountants

LEGAL ADVISOR

Mr. Muhammad Jameel Choudry

REGISTRAR

M/s JWAFPS Registrar Services (Pvt.) Ltd.
407-408, Al Ameera Centre
Shahrah-e-Iraq, Saddar
Karachi-74400

REGISTERED OFFICE

41-K, Block-6,
P.E.C.H.S., Karachi
Phone. 0092-21-35303291-2
www.sakrandsugar.com

FACTORY ADDRESS

Deh Tharo Unar, Taluka Sakrand
District Shaheed Benazir Abad, Sindh



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 35th (Thirty Fifth) Annual General Meeting of the members of Sakrand Sugar Mills Limited (the Company) will be held on Friday January 26, 2024 at 3:00 p.m. at Institute of Chartered Accountants Auditorium, Clifton, Karachi to transact the following business.

A. ORDINARY BUSINESS

1. To confirm the minutes of the Last Annual General Meeting held on Tuesday May 09, 2023.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended September 30, 2023 together with the Directors' report and the Auditors' report thereon.
3. To appoint auditors for the year ending September 30, 2024 and fix their remuneration. The Members are hereby notified that the Board of Directors have recommended the name of Parker Russell-A.J.S. Chartered Accountants to be the Auditors for the year ending September 2024.

B. SPECIAL BUSINESS

4. Transmission of Annual Report including Notice of General Meeting:

To approve, as and by way of an Ordinary Resolution, transmission of the Audited Annual Financial Statements together with Auditors' and Directors' Report thereon and the notice of general meetings etc. to the Company's shareholders through email or QR enable code and weblink as allowed by the Securities and Exchange Commission of Pakistan via S.R.O No. 389 (I)/2023 dated March 21, 2023:

“RESOLVED THAT as notified by Securities Exchange Commission of Pakistan via S.R.O No.389(I)2023 date March 21, 2023 transmission of Annual Audited Financial Statements to members through QR enable code and weblink instead of transmitting the Annual Audited Accounts through CD/DVD/USB, be and is hereby ratified and approved for future.”

C. OTHER BUSINESS

5. To transact any other business with the permission of the Chairman. The Statement of material facts under Section 134(3) of the Companies Act, 2017 pertaining to the Special Businesses to be transacted at the Annual General Meeting is attached to this notice.

By Order of the Board

Muhammad Imran Akber
Company Secretary

Karachi,
Dated: January 05, 2024

NOTES:

1. Closure of Share Transfer Books:

The Shares Transfer Book of the Company will remain closed from January 19, 2024 to January 26, 2024 (both day inclusive). Transfers received in order at the office of our Registrar, M/s JWAFS Registrar Services (Pvt.) Ltd. (407-408, Al Ameera Centre, Shahrah-e-Iraq, Saddar, Karachi), by the



close of business (5:00 p.m.) on January 18, 2024 will be treated as being in time for the purposes of attending and voting at the meeting.

2. Virtual participation in the AGM proceedings:

Shareholders interested in attending the AGM virtually are hereby advised to get themselves registered with the Company by providing the following information through email at admin@sakrandsugar.com at the earliest but not later than close of business on January 23, 2023.

Name	CNIC # No	Folio no.	No. of Shares	Contact No.	Email Address
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Please note that video link and login credentials will be shared with only those members/ designated proxies whose e-mail and other required information are received in required time as mentioned above.

- a) Video-link for the AGM will be sent to members at their provided email addresses enabling them to attend the AGM on the given date and time.
- b) Login facility will be opened thirty (30) minutes before the AGM time to enable the participants to join the AGM after the identification process. Shareholders will be able to login and participate in the AGM proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders.

3. Participation in Annual General Meeting and appointing proxies:

A member of the company entitled to attend and vote at the AGM may appoint another member as his/her proxy to attend and vote on his behalf. Proxies in order to be effective must be received at the registered office of the company or shares registrar's office not later than 48 hours before the meeting.

CDC account holders / subaccount holders are requested to bring with them their original CNIC's or Passports along with Participant(s) ID number and CDC account numbers at the time of attending the Annual General Meeting for identification purpose. If proxies are granted by members, the same must be accompanied with attested copies of CNIC's or the passports of the beneficial owners. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be submitted along with Proxy form to the Company. The nominee shall produce his original CNIC at the time of attending the meeting for verification.

4. Submission of copies of CNIC:

In terms of the directive of the Securities and Exchange Commission of Pakistan (SECP) the Computerized National Identity Card Numbers (CNIC) of the registered shareholders or the authorized person, except in the case of minor(s) and corporate shareholders, are required to be mentioned in the annual return filed by the Company with the SECP. Therefore, the shareholders who have not yet provided copies of their CNIC's are advised to provide at earliest the attested copies of their CNIC's (if not already provided) directly to our Independent Share Registrar, **M/s JWAFS Registrar Services (Pvt.) Ltd.**, 407-408, AlAmeera Centre, Shahrah-e-Iraq, Saddar, Karachi.

5. Conversion of Physical Shares into CDC Account:

The SECP, through its letter No. CSD/ED/Misc/2016-639-640 dated March 26, 2021, has advised all listed companies to adhere to the provisions of Section 72 of the Companies Act, 2017 (the Act), which requires all companies to replace shares issued in physical form to book-entry form within four years of the promulgation of the Act.



Accordingly, all shareholders of the Company having physical folios/share certificates are requested to convert their shares from physical form into book-entry form at the earliest. Shareholders may contact a PSX Member, CDC Participant, or CDC Investor Account Service Provider for assistance in opening a CDS Account and subsequent conversion of the physical shares into book-entry form. Maintaining shares in book-entry form has many advantages – safe custody of shares with the CDC, avoidance of formalities required for the issuance of duplicate shares etc. The shareholders of the Company may contact the Share Registrar **M/s JWAFS Registrar Services (Pvt.) Ltd.**, for the conversion of physical shares into book-entry form.

6. Members are requested to notify any change in their addresses and their contact numbers immediately to our Share Registrar **M/s JWAFS Registrar Services (Pvt.) Ltd.** (407-408, Al Ameera Centre, Shahrah-e-Iraq, Saddar, Karachi).

7. Kindly quote your folio number in all correspondences with the Company.

8. **Availability of audited financial statements on company's website:**

As required under section 223(7) of the Companies Act 2017, Financial Statements of the Company have been uploaded on the official website of the Company (<http://www.sakrandsugar.com>).

9. **Transmission of annual audited financial statements through CD/DVD:**

The Company has circulated annual financial statements to its members through CD at their registered address. However, the Company will provide hard copies of Annual Report to any members on their demand, free of cost at their registered address.

10. **Unclaimed Dividend:**

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



STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This Statement sets out the material facts pertaining to the Special Businesses to be transacted at the Annual General Meeting of Sakrand Sugar Mills Limited (the "Company") to be held on Friday, January 26, 2024.

Agenda Item No 01

In view of technological advancements, and taking into account that old technology is becoming obsolete, the Securities and Exchange Commission of Pakistan ("SECP") has, vide S.R.O. 389(I)/2023 dated March 21, 2023, allowed listed companies to circulate the Annual Report (including the Audited Financial Statements, Auditor's Report, Directors' Report, Chairman's Review Report) to the members of the Company through QR enabled code and web link. The SECP has also permitted that the circulation of annual financial statements through CD/DVD/USB may be discontinued.

In accordance with the aforesaid SRO, the same is subject to the approval of the members of the Company.

Considering the optimum use of advancements in technology and in order to fulfill the Company's corporate social responsibility to the environment and sustainability, the Company seeks to discontinue the circulation of the Annual Report through CDs in the future. Consequently, the Board of Directors of the Company has recommended that the resolution, as set out in the notice, be passed by the members for approving the circulation of the Annual Report (including annual audited financial statements and other reports contained therein) to the members of the Company through QR enabled code and weblink.

This arrangement will help all members wherever they are located to access the financial statements of the Company. Additionally, it will also reduce unnecessary expenditure for making CDs.

It is pertinent to mention that if any member seeks to obtain a hard copy of the Annual Report, such member will be provided a printed version of the same free of cost in accordance with the aforementioned SRO. No change to that right / privileged is being proposed.

None of the Directors of the Company have any personal interest in the aforesaid special business, except in their capacity as members and Directors of the Company.



اطلاع برائے سالانہ اجلاس عام

مطلع کیا جاتا ہے کہ سکرٹڈ شوگر ملز لمیٹڈ (کمپنی) کے حصص یافتگان کا پنٹیس واں (35) سالانہ اجلاس عام بروز جمعہ 26 جنوری، 2024 کی دوپہر 3:00 بجے بمقام انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آڈیٹوریم، کلفٹن، کراچی میں منعقد ہوگا۔ جس میں درج ذیل امور طے پائیں گے۔

(الف) عمومی امور

- ۱۔ 9 مئی، 2023 بروز منگل کو منعقد ہونے والے سالانہ اجلاس عام کی کارروائی کی توثیق۔
- ۲۔ 30 ستمبر، 2023 کو اختتام پذیر ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ حسابات بمعہ ڈائریکٹرز اور ڈائریکٹرز رپورٹ کی وصولی، تجزیہ اور منظوری۔
- ۳۔ 30 ستمبر، 2024 کو ختم ہونے والے سال کیلئے آڈیٹرز کا تقرر اور ان کے معاوضہ کا تعین۔ اراکین کو مطلع کیا جاتا ہے کہ بورڈ آف ڈائریکٹرز نے 30 ستمبر، 2024 کو ختم ہونے والے سال کیلئے آڈیٹرز میسرز پارکر رسل اے۔ جے۔ ایس۔ چارٹرڈ اکاؤنٹنٹس کے نام کی سفارش کی ہے۔

(ب) خصوصی امور

۴۔ سالانہ رپورٹ بشمول اجلاس عام کے نوٹس کی ترسیل

کمپنی کے اراکین کو کیو آر کوڈ اور ویب لنک کے ذریعے سالانہ آڈٹ شدہ مالی گوشوارے بشمول آڈیٹرز اور ڈائریکٹرز رپورٹ اور سالانہ اجلاس عام کے نوٹس ارسال کرنے کیلئے بذریعہ عمومی قرارداد کی منظوری دینا جس کی اجازت ایس ای سی پی نے اپنے ایس آر او 389(I)/2023 بتاریخ 21 مارچ، 2023 کے ذریعے دی ہے۔

”قرار پایا کہ جیسا کہ سیکورٹیز ایکس چینج کمیشن آف پاکستان کی طرف سے ایس آر او 389(I)/2023 بتاریخ 21 مارچ، 2023 کے ذریعے مطلع کیا گیا ہے، سی ڈی ڈی وی ڈی ایو ایس بی کے بجائے کیو آر کوڈ اور ویب لنک کے ذریعے اراکین کو سالانہ آڈٹ شدہ مالی حسابات کی ترسیل کی توثیق کی جاتی ہے اور مستقبل کیلئے اس کی منظوری دی جاتی ہے۔“

(پ) دیگر امور

چیرمین کی اجازت سے دیگر امور کی انجام دہی۔ کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے تحت سالانہ اجلاس عام کے خصوصی امور سے متعلق اہمیت کے حامل معاملات کو نوٹس کے ساتھ منسلک کیا گیا ہے۔

تجکم بورڈ

محمد عمران اکبر

کمپنی سیکرٹری

کراچی

مورخہ: 5 جنوری، 2024



نوٹس:

۱۔ کمپنی حصص کی کتب بندش

کمپنی کی حصص کی منتقلی کی کتب 19 جنوری، 2024 سے 26 جنوری، 2024 تک بند رہیں گی (بشمول دونوں ایام) ہمارے شیئر رجسٹرار مینسٹرز JWAFS رجسٹرار سروسز (پرائیویٹ) لمیٹڈ (407-408، ال امیر اسٹریٹ، شاہراہ عراق، صدر کراچی) کو 18 جنوری، 2024 تک کاروباری اوقات کے اختتام (پانچ بجے شام) تک وصول ہونے والی منتقلیوں کو اجلاس میں شرکت اور ووٹ دینے کیلئے بروقت تصور کیا جائے گا۔

۲۔ اے جی ایم کی کارروائی میں ورچوئل شرکت

اے جی ایم میں ورچوئل شرکت کرنے کے متمنی حصص یافتگان سے درخواست ہے کہ وہ مندرجہ ذیل تفصیلات 23 جنوری، 2024 کو کاروبار کے اختتام سے قبل admin@sakrand sugar.com پر ای میل کے ذریعے ارسال کر کے کمپنی میں خود کو رجسٹر کرائیں۔

نام	شناختی کارڈ نمبر	فونیو نمبر	حصص کی تعداد	موبائل نمبر	ای میل ایڈریس
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براہ مہربانی نوٹ فرمائیں کہ صرف ان اراکین/مقرر پر اکیسوں لاگ ان کی تفصیلات فراہم کی جائیں گی جن کے ای میل اور دیگر مطلوبہ معلومات وقت پر وصول ہوں گی جیسا کہ اوپر بیان کیا گیا۔

(الف) اراکین کو ان کے فراہم کردہ ای میل ایڈریس پر اے جی ایم کیلئے ویڈیو لنک ارسال کیا جائے گا تاکہ وہ دیے گئے دن اور وقت پر اے جی ایم میں شرکت کر سکیں۔

(ب) لاگ ان کی سہولت اے جی ایم کے انعقاد کے وقت سے تیس (30) منٹ قبل کھولی جائے گی جس کے بعد شرکاء شناخت کے عمل کے بعد اے جی ایم میں شرکت کر سکیں گے۔ حصص یافتگان شناخت اور تصدیق کیلئے درکار کارروائی کی تکمیل کے بعد اپنے ایوانسز کے ذریعے اے جی ایم کی کارروائی میں شرکت کیلئے لاگ ان کر سکیں گے۔

۳۔ سالانہ اجلاس میں شرکت اور پرائیکسیوں کا تقرر

اجلاس ہذا میں شرکت اور رائے دہی کا اہل ممبر اپنی جانب سے شرکت اور رائے دہی کیلئے دوسرے ممبر کو اپنا پراکسی مقرر کر سکتا ہے۔ ہر لحاظ سے پُر کیا گیا پراکسی فارم کمپنی یا شیئر رجسٹرار آفس میں اجلاس شروع ہونے سے پہلے کم از کم 48 گھنٹے پہلے موصول ہونا چاہیے۔

سی ڈی سی اکاؤنٹ ہولڈرز/ذیلی اکاؤنٹ ہولڈرز سے درخواست ہے کہ وہ شناخت کے مقصد کیلئے سالانہ اجلاس عام میں شرکت کے وقت اپنا اصل شناختی کارڈ یا پاسپورٹ بشمول پارٹیشن آئی ڈی نمبر اور سی ڈی سی اکاؤنٹ نمبر ہمراہ لے کر آئیں۔ اگر اراکین کی طرف سے پراکسی دی جاتی ہے تو پراکسی کو حقیقی حصص یافتہ کے قومی شناختی کارڈ/پاسپورٹ مصدقہ نقول پراکسی فارم کے ہمراہ پیش کرنا ہوگی۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی نامزد شخص کے دستخط کے ساتھ پراکسی فارم کے ساتھ کمپنی کو جمع کرایا جائے گا۔ نامزد شخص تصدیق کیلئے اجلاس میں شرکت کے وقت اپنا اصل شناختی کارڈ پیش کرے گا۔



۴۔ شناختی کارڈ کی کاپی جمع کروانا

سیکورٹیز اینڈ ایکس چینج کمیشن آف پاکستان (ایس ای سی پی) کے اعلامیہ کے مطابق رجسٹرڈ حصص یافتگان اپنا کمپیوٹرائزڈ قومی شناختی کارڈ یا مجاز شخص کا ماسوائے نابالغان اور کارپوریٹ حصص یافتگان کے جمع کروانا لازمی قرار پایا ہے، چنانچہ حصص یافتگان کو جنہوں نے اپنے قومی شناختی کارڈ کی نقول فراہم نہیں کیں انہیں مشورہ دیا جاتا ہے کہ مصدقہ شناختی کارڈ کی نقول شیئرز رجسٹرار میسرز JWAFFS رجسٹرار سروسز (پرائیویٹ) لمیٹڈ (407-408، ال امیر اسینٹر شاہراہ عراق، صدر، کراچی) کو جمع کروائیں گے۔

۵۔ فیزیکل شیئرز کی سی ڈی سی اکاؤنٹ میں تبدیلی

ایس ای سی پی نے اپنے لیٹر نمبر CSD/ED/Misc/2016-639-640 بتاریخ 26 مارچ، 2021 کو لسنڈ کمپنیوں کو کمپنیز ایکٹ 2017 (ایکٹ) کے سیکشن 72 کی تعمیل میں تجویز دی ہے کہ وہ ایکٹ کے نفاذ کی تاریخ سے چار سال کے اندر فیزیکل شیئرز کو بک انٹری فارم میں منتقل کریں۔

اس طرح کمپنی کے فیزیکل فولیو شیئرز سرٹیفکیٹس رکھنے والے تمام شیئرز ہولڈرز سے گزارش کی جاتی ہے کہ جلد از جلد اپنے فیزیکل شیئرز کو بک انٹری فارم میں تبدیل کرائیں۔ اس ضمن میں شیئرز ہولڈرز پاکستان اسٹاک ایکس چینج ممبر، سی ڈی سی پارٹنیشن یا سی ڈی سی انویسٹرا کاؤنٹ سروس پرووائیڈر سے سی ڈی سی اکاؤنٹ کھولنے میں معاونت اور فیزیکل شیئرز کی بک انٹری فارم میں منتقلی کرا سکتے ہیں۔ بک انٹری فارم میں شیئرز رکھنا کئی فوائد کا حامل ہے جس میں سی ڈی سی شیئرز کی محفوظ تحویل، ڈیجیٹل شیئرز وغیرہ کے اجراء کیلئے مطلوبہ لوازمات سے بچاؤ شامل ہے۔ اس ضمن میں کمپنی کے شیئرز رجسٹرار میسرز JWAFFS رجسٹرار سروسز (پرائیویٹ) لمیٹڈ (407-408، ال امیر اسینٹر شاہراہ عراق، صدر، کراچی) سے فیزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنے کیلئے رابطہ کر سکتے ہیں۔

۶۔ اراکین سے گزارش ہے کہ اپنے پتے اور رابطہ نمبروں میں کسی بھی قسم کی تبدیلی کی فوری اطلاع ہمارے شیئرز رجسٹرار میسرز JWAFFS رجسٹرار سروسز (پرائیویٹ) لمیٹڈ (407-408، ال امیر اسینٹر شاہراہ عراق، صدر، کراچی) کو جمع کرائیں۔

۷۔ برائے مہربانی کمپنی کے ساتھ تمام مراسلات میں اپنے فولیو نمبر کا حوالہ دیں۔

۸۔ کمپنی کی ویب سائٹ پر آڈٹ شدہ مالی حسابات کی دستیابی

کمپنیز ایکٹ 2017 کے سیکشن 223(7) کے تحت کمپنی کے مالی حسابات کو کمپنی کی آفیشل ویب سائٹ (<http://www.sakrandsugar.com>) پر اپ لوڈ کر دیا گیا ہے۔

۹۔ سی ڈی سی / ڈی وی ڈی کے ذریعے سالانہ آڈٹ شدہ مالی حسابات کی ترسیل

کمپنی نے اپنے اراکین کو سالانہ مالی حسابات کو سی ڈی سی کے ذریعے ان کے رجسٹرڈ پتے پر ترسیل کر دی ہے۔ تاہم کمپنی اراکین کی درخواست پر ان کے رجسٹرڈ پتے پر سالانہ رپورٹ کی پرنٹ شدہ کاپی مفت میں فراہم کرے گی۔

۱۰۔ غیر دعویٰ شدہ منافع منقسمہ

حصص یافتگان جنہوں نے اپنا منافع منقسمہ وصول نہیں کیا کو مشورہ دیا جاتا ہے کہ وہ اپنے غیر دعویٰ شدہ منافع منقسمہ، اگر کوئی ہے، کو وصول / معلومات کیلئے ہمارے شیئرز رجسٹرار سے رابطہ کریں۔



کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے تحت بیان

یہ بیان 26 جنوری، 2024 کو منعقد ہونے والے سکریٹریٹ کے سالانہ اجلاس عام کے خصوصی امور سے متعلق مادی حقائق کو واضح کرتا ہے۔

ایجنڈا نمبر 1

میکینالوجی میں پیش رفت اور پرانی میکینالوجی کے معدوم ہونے کو مد نظر رکھتے ہوئے ایس ای سی پی نے اپنے ایس آر او 389(I)/2023 بتاریخ 21 مارچ، 2023 کے ذریعے کمپنیوں کو کیو آر کوڈ اور ویب لنک کے ذریعے اپنے اراکین کو سالانہ رپورٹ (بشمول آڈٹ شدہ مالی حسابات، آڈیٹرز اور ڈائریکٹرز رپورٹ، چیئرمین جائزہ رپورٹ) ارسال کرنے کی اجازت دی ہے۔ ایس ای سی پی نے اس بات کی بھی اجازت دی ہے کہ کسی ڈی ڈی ایو ایس بی کے ذریعے مالی حسابات کی ترسیل روکی جاسکتی ہے۔

مذکورہ بالا ایس آر او کے مطابق یہ کمپنی کے اراکین کی منظوری سے مشروط ہے۔

میکینالوجی میں ترقی کے زیادہ سے زیادہ استعمال پر غور اور ماحول اور پائیداری سے متعلق کمپنی کی کارپوریٹ سماجی ذمہ داری کو پورا کرنے کے لئے کمپنی مستقبل میں سی ڈیز کے ذریعے سالانہ رپورٹ کی ترسیل کو روکنا چاہتی ہے۔ نتیجتاً کمپنی کے بورڈ آف ڈائریکٹرز نے سفارش کی ہے کہ سالانہ رپورٹ (بشمول سالانہ آڈٹ شدہ مالی حسابات اور اس میں موجود دیگر رپورٹس) کو کمپنی کے اراکین کو کیو آر کوڈ اور ویب لنک کے ذریعے ارسال کرنے سے متعلق نوٹس سے میں بیان کردہ قرارداد کو اراکین کے ذریعے منظور کیا جائے۔

اس بندوبست سے اراکین کو وہ جہاں کہیں بھی ہوں کمپنی کے مالی حسابات تک رسائی میں مدد ملے گی۔ اس کے علاوہ اس سے سی ڈی کی تیاری پر اٹھنے والے غیر ضروری اخراجات بھی کم ہوں گے۔

یہ بات قابل ذکر ہے کہ اگر کوئی رکن سالانہ رپورٹ کی پرنٹ شدہ کاپی حاصل کرنا چاہتا ہے تو کمپنی ایسے رکن کو مذکورہ بالا ایس آر او کے مطابق مفت میں پرنٹ شدہ کاپی فراہم کرے گی۔ اس حق اور استحقاق میں تبدیلی کی کوئی تجویز پیش نہیں کی جارہی ہے۔

کوئی بھی ڈائریکٹر ماسوائے کمپنی میں اراکین اور ڈائریکٹرز کی حیثیت کی حد تک مذکورہ قرارداد میں کوئی ذاتی دلچسپی نہیں رکھتا۔



VISION & MISSION STATEMENT

VISION

To make a product of International Standard acceptable as a brand in the world market. To explore business opportunities available under the World Trade Organization regime.

MISSION

- Sustained contribution to the National Economy by producing cost effective product.
- To ensure of professionalism and healthy working environment.
- To create a reliable product through adoption of latest technology/advancement.
- To promote research & development and provide technical know how to the growers for improvement of sugarcane yield/recovery.



DIRECTORS' REPORT TO MEMBERS

On behalf of the Board, we are pleased to present the Audited Financial Statements of the Company for the year ended September 30, 2023.

Operational Highlights

The operational performance for the year under review as compared with that of last year is tabulated hereunder.

		Season	
		2022-23	2021-22
Start of Season		Nov 26, 2022	Nov 19, 2021
Season Duration		80	127
Operational Days		74	115
Sugarcane crushed	M. Tons	252,153	538,986
Production			
Sugar	M. Tons	25,716	53,633
Molasses	M. Tons	12,330	24,500
Recovery			
Sugar	%	10.217	9.951
Molasses	%	4.895	4.546

The crushing season 2022-2023 lasted for 74 days compared to 115 days in the previous year. The shorter crushing season was due to inadequate cane crop size and the quality of crop was affected due to standing water, the after effects of heavy rains and flooding. The company could crush only 252,153 metric tons as compared to 538,986 metric tons crushed in the preceding year. The Sugar recovery factor slightly improved from 9.951% to 10.217%. The Sindh Government raised the minimum support price of cane from PKR 250 per maund to PKR 302 per maund, an increase of 21% over last year's cane price. Besides, shortage of cane crop led to a price war amongst the millers and your company had to stop crushing at a point where contribution margin turned into negative.

Financial Result

The Financial Result for the period under review is tabulated hereunder.

		Rupees in Millions	
		2023	2022
Sales - net		2,626.59	3,995.00
Gross profit / (loss)		97.13	(76.90)
Profit/(loss) before taxation		(123.95)	(495.57)
Profit/(loss) after taxation		(156.06)	(297.85)
Loss per Share	Rs.	(3.50)	(6.68)



The period under review has been very tough for Sugar Industry. The environmental effects created by rains and flood disturbed the crushing season adversely. Significant cane cultivated area plus the standing crop was lost and affected. Similarly, economic downturn and hyperinflation resulted in the tremendous increase in cost of Production, whereas the price of sugar remained the same as last year. The Government also allowed the export of 250,000 metric tons, out of which your company exported its allocation of 2,500 metric tons.

The Company has entered into a Restructuring agreement with Sindh Bank Limited whereby the Principal amount of Long Term Loan amounting to PKR 727.0 million will be repaid in 10 years period commencing October 2022 with Zero mark-up.

AUDITORS' REPORT

As regards to the adverse opinion by the Auditors as to Going Concern, it may be mentioned that despite of stringent unfavorable conditions faced by the industry in general and as an entity in particular, the Company has successfully managed to restructure its' long term debts, further the company is in the middle of new crushing season i.e 2023 - 2024 which is expected to yield higher production as compare to last crushing season and the major cash flow requirements for operations are already met.

FUTURE OUTLOOK

Sindh Government has raised cane support price from PKR 302/- to PKR 425/- per maund for crushing season 2023-24, an increase of 40%. This along with the increase in other input costs will increase cost of production tremendously. The cane survey reflects a decline in the crop size by 10% to 15%. Yield per acre is highly dependent on the climatic conditions. We foresee a reduction in crop size for the crushing season 2023-24 which will lead to an increase in Cane price.

Management has also taken initiative to activate Fertilizer Plant which has been idle since last couple of years to improve bottom line.

CORPORATE SOCIAL RESPONSIBILITY

Being a responsible corporate citizen, the company always strives to discharge its social responsibilities towards the society. Go green activities are conducted throughout the year by planting trees in the surrounding area. Various measures are also taken to reduce pollution and pollutant affluent.

The company provides medical facilities for its employees and uses health insurance facility. Health cards are available to managers and employees for easy access to medical facilities when needed at approved hospitals. The company also organizes regular medical camps, and medical facilities are provided free of charge to workers and villagers.

The Company also plans to increase literacy in the surrounding areas and encourages farmers and workers to undergo basic and advanced education as well as training.

The Company always strive to provide a clean and healthier living conditions for its employees and providing ample extracurricular indoor and outdoor activities for resident employees and their families.



LABOUR MANAGEMENT RELATIONS

The relationship between management and workers is cordial and cooperative. I would like to take this opportunity to thank and appreciate the spirit of understanding, goodwill and cooperation shown by our staff/workers and hope that this continues in the future.

I would also like to thank the managers, officers and all employees of the company for their dedication, responsibility and loyalty.

AUDITORS

The External Auditors " M/s. Parker Russell-A.J.S. ". Chartered Accountants retire and being eligible offer their services for the year 2023-2024.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

1. The financial statements, prepared by the Company, present fairly its state of affairs, the result of its operation, cash flows and changes in equity.
2. The Company has maintained proper books of accounts as required under the law.
3. Appropriate accounting policies have been consistently applied in preparation of the financial statements, changes if any have been adequately disclosed and accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements and departure there from if any, has been adequately disclosed.
5. The Company operates a funded Provident Fund Scheme for its permanent employees.
6. There has been no material departure from the best practices of Corporate Governance except those mentioned in the preamble of the statement.
7. Key operating and financial data for last six years in summarized form is annexed.
8. The total number of Directors as on September 30, 2023 are as follow.
 - a) Male 6
 - B) Female 1
9. The composition of the Board is as follow;
 - i. Executive Directors 1
 - ii. Non-Executive Directors 3
 - iii. Independent Directors 3



10. During the period under review SIX meetings of the Board were held and the attendance by each director was as follow.

S.No.	Name Of Directors	Attended	Status
1	Mr. Saleem Zamindar (Chairman)	6	Independent
2	Dr. Dinshaw H. Anklesaria	5	Non -Executive
3	Mr. Muhammad Omar Arshid	3	Non-Executive
4	Miss Sadia Moin Khan	6	Independent
5	Mr. Mohammad Saleem Mangrio	1	Non-Executive
6	Mr. Abdul Qayyum Khan Abbasi	3	Independent
7	Mr. Shams Ghani	6	Executive

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

11. As required under the Code of Corporate Governance included in the Listing Regulation of Pakistan Stock Exchange the Board has constituted an AUDIT COMMITTEE comprising of the following directors. During the period under review SIX meetings of Audit Committee were held and attendance of each member was as under.

Names Of Members	Designation	Attended
Miss Sadia Moin Khan	Chairperson	6
Mr. Saleem Zamindar	Member	6
Mr. Muhammad Saleem Mangrio	Member	1
Mr. Abdul Qayyum Khan Abbasi (Ex-Member)	Member	1

Terms of reference of Audit Committee has been determined by the Board as laid down in the Listing Regulation of Pakistan Stock Exchange.

12. The Board also constituted Human Resource and Remuneration Committee as required under the code of Corporate Governance comprising of the following Directors. During the year ONE meeting of the Committee was held and was attended by all the members of the committee.

Names Of Members	Designation	Attended
Mr. Abdul Qayyum Khan Abbasi	Chairman	1
Mr. Muhammad Omar Arshid	Member	1
Mr. Shams Ghani	Member	1



13. All the directors of the Company are well experienced and have diverse background. The Company had also arranged training program to appraise the directors of their authorities and responsibility.
14. No dividend has been announced during the year.

PATTERN OF SHARE HOLDING

The pattern of shareholding and additional information regarding pattern of shareholding as on September 30, 2023 is annexed.

ACKNOWLEDGMENT

The Directors would like to thank all the government functionaries, banking and financial institutions, suppliers and shareholders for their continued support and cooperation for the betterment and prosperity of the Company.

On behalf of the Board of Directors

Saleem Zamindar

Chairman / Director
Karachi
December 28, 2023

Chief Executive Officer



ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے ہم آپ کو کمپنی کے پینتیسواں (35واں) سالانہ اجلاس عام میں خوش آمدید کہتے ہیں۔ ساتھ ہی آڈٹ شدہ مالیاتی حسابات برائے 30 ستمبر 2023 بمعہ آڈیٹرز رپورٹ پیش خدمت ہیں۔

آپریٹنگ نتائج

زیر جائزہ مدت کی آپریٹنگ کارکردگی کا گزشتہ سال کی مدت سے مختصر موازنہ مندرجہ ذیل ہے۔

	Season		
	2022-23	2021-22	
Start of Season	Nov 26, 2022	Nov 19, 2021	
Season Duration	80	127	
Operational Days	74	115	
Sugarcane crushed	M. Tons	252,153	538,986
Production			
Sugar	M. Tons	25,716	53,633
Molasses	M. Tons	12,330	24,500
Recovery			
Sugar	%	10.217	9.951
Molasses	%	4.895	4.546

کرشنگ سیزن 2022-2023 کا دورانیہ 74 دن رہا جبکہ گزشتہ سال یہ دورانیہ 115 دن تھا۔ پلانٹ کی کم دن چلنے کی بڑی وجہ گنے کی کم پیداوار اور گنے کا معیاری نہ ہونا تھا اور بارش کی وجہ سے سیلابی پانی کا فصل میں ٹھہرے رہنا بھی اس کا سبب بنا۔ کمپنی نے 252,153 میٹرک ٹن گنا کرش کیا جبکہ گزشتہ سال کمپنی نے 538,986 میٹرک ٹن گنا کرش کیا تھا۔ مزید یہ کہ اس سیزن میں چینی کی اوسط ریکوری سابقہ سیزن سے نسبتاً بہتر رہی۔ اس سیزن میں چینی کی اوسط ریکوری 10.217 فیصد رہی جبکہ سابقہ سیزن میں چینی کی اوسط ریکوری 9.951 فیصد تھی۔

حکومت سندھ نے گزشتہ سال کی نسبت اس سال گنے کی امدادی قیمت میں 21 فیصد اضافہ کیا۔ اس سال گنے کی قیمت 302 روپے فی من مقرر کی جبکہ پچھلے سال کی قیمت 250 روپے فی من تھی۔ گنے کی پیداوار میں کمی کی وجہ سے قیمت میں غیر معمولی اضافہ ہوا۔ ان حالات کو مد نظر رکھتے ہوئے اور کمپنی کو مالی نقصان سے بچانے کے لیے گنے کی کرشنگ کو محدود رکھا گیا۔

مالیاتی نتائج

زیر جائزہ مدت کے مالیاتی نتائج کا گزشتہ سال کی مدت سے مختصر موازنہ مندرجہ ذیل ہے۔

	Rupees in Millions	
	2023	2022
Sales - net	2,626.59	3,995.00
Gross profit / (loss)	97.13	(76.90)
Profit/(loss) before taxation	(123.95)	(495.57)
Profit/(loss) after taxation	(156.06)	(297.85)
Loss per Share	Rs. (3.50)	(6.68)



اس سال شوگر انڈسٹری نے بہت مشکل حالات کا سامنا کیا۔ بارش اور سیلاب نے کھری فصلوں کو بہت بری طرح نقصان پہنچایا۔ اسی طرح معاشی بحران اور مہنگائی نے پیداواری لاگت میں بے تحاشہ اضافہ کیا جبکہ چینی کی قیمت فروخت میں معمولی اضافہ ہوا۔ گورنمنٹ نے 250,000 میٹرک ٹن چینی کی برآمد کی اجازت دی جس میں سے کمپنی نے اپنے حصے کی چینی برآمد کر دی ہے۔

کمپنی اور سندھ بینک لمیٹڈ کے درمیان طویل مدتی قرض کے معاملات طے ہو جانے کی وجہ سے 727 ملین کے قرض کی رقم اکتوبر 2022 سے 10 سال کی مدت میں بغیر کسی مارک اپ کے ادا کی جائے گی۔

آڈیٹرز کی رپورٹ

آڈیٹرز نے اپنی منفی رپورٹ Go in Concern مرتب کی ہے تاہم ادارے کو اور انڈسٹری کو اس وقت نامناسب حالات کا سامنا ہے جس کے باوجود کمپنی نے اپنے طویل مدتی قرضوں کی تنظیم نو کرنے میں کامیابی حاصل کی ہے۔ مزید یہ کہ کمپنی نئے کرٹنگ سیزن یعنی 2023 سے 2024 کے درمیان عرصہ میں ہے جس میں گزشتہ کرٹنگ سیزن کے مقابلے میں زیادہ پیداواری توقع ہے اور آپریشنز کے لیے کیش فلو کی اہم ضروریات پہلے ہی پوری ہو چکی ہیں۔

مستقبل کا نکتہ نظر

حکومت سندھ نے سیزن 2023-24 کے لیے گنے کی امدادی قیمت 425 روپے فی من مقرر کی ہے جبکہ گزشتہ سال یہ قیمت 302 روپے فی من تھی جو کہ 40 فیصد کا اضافہ بنتا ہے۔ گنے کے ابتدائی سروے کے لحاظ سے فصل میں 10 سے 15 فیصد تک کمی ہوئی ہے۔ گنے کی فی ایکڑ پیداوار کا دارو مدار موسمی حالات پر ہوگا، بظاہر سیزن 2023-24 میں گنے کی پیداوار کم ہونے کا اندیشہ ہے جس کی وجہ سے گنے کی قیمت خرید میں اضافہ ہونے کا امکان ہے۔ گنا چینی بنانے کا اہم جز ہے اور اس کی دستیابی یقیناً مالیاتی نفع و نقصان کا باعث بنے گی۔

اس سال انتظامیہ نے فریٹلائزر پلانٹ سے کھاد کی پیداوار کا دوبارہ آغاز کر دیا ہے جو کہ منافع میں اضافے کا باعث بنے گا۔

کارپوریٹ سماجی ذمہ داری اور کمپنی کے کاروبار کے ماحول پر اثرات

ایک ذمہ دار کارپوریٹ ادارہ ہونے کے ناطے، کمپنی ہمیشہ معاشرے کے حوالے سے اپنی سماجی ذمہ داریوں کو نبھانے کی کوشش کرتی ہے۔ آس پاس کے علاقے میں درخت لگا کر سال بھر شجر کاری کی سرگرمیاں چلائی جاتی ہیں۔ آلودگی کو کم کرنے کے لئے بھی مختلف اقدامات کیے جاتے ہیں۔

کمپنی ملازمین کی صحت اور حفاظت پر خصوصی توجہ دیتی ہے۔ خاص طور پر کام کے دوران ہونے والے ممکنہ حادثات کو روکنے کیلئے تمام اقدامات بروئے کار لائے جاتے ہیں۔ تمام ملازمین پر حفاظتی قوانین کی پاسداری لازم ہے اور اس میں ذرا سی بھی کوتاہی برداشت نہیں کی جاتی۔ کمپنی اپنے ملازمین کو میڈیکل کی سہولیات بھی مہیا کرتی ہے اور اس امر کیلئے کمپنی نے جو بی ہیلتھ انشورنس کمپنی کی خدمات حاصل کی ہوئی ہیں۔ اس کے ساتھ ساتھ وقتاً فوقتاً ملازمین اور گردنواح کے گاؤں والوں کیلئے مفت میڈیکل کیمپ کا اہتمام کرتی رہتی ہے۔ تعلیم کی اہمیت کو مد نظر رکھتے ہوئے کمپنی اپنے ملازمین اور گردنواح کے افراد کی بنیادی اور ایڈوانس تعلیم کے حصول کا درس دیتی ہے اور اس مقصد کے حصول کیلئے ان کی ہر ممکن مدد کرتی ہے۔



یہ بات کمپنی کیلئے باعث فخر ہے کہ کمپنی اپنے ملازمین کو بہتر ماحول اور طرز رہائش مہیا کرنے میں کامیاب رہی ہے اور ملازمین کو بھی اس بات کی بھرپور تاکید کرتی ہے کہ وہ اپنے ماحول کو بہتر بنانے میں کلیدی کردار ادا کریں۔

کمپنی ہمیشہ اپنے ملازمین کے لیے ایک صاف ستھرا ماحول اور صحت مند زندگی فراہم کرنے کیلئے کوشاں ہے اور رہائشی ملازمین اور ان کے اہل خانہ کے لیے غیر نصابی اندرونی اور بیرونی سرگرمیاں فراہم کرنے کی کوشش کرتی ہے۔

لیبر مینجمنٹ کے تعلقات

انتظامیہ اور لیبر کے مابین تعلقات خوشگوار اور باہمی تعاون کی فضاء میں سازگار ہیں۔ میں تمام تر تعاون، تفہیم کی فضاء، خلوص اور اچھی ساکھ کے حامل تمام تر ملازمین اور کام کرنے والوں کا شکریہ ادا کرنا چاہتا ہوں اور امید کرتا ہوں کہ مستقبل میں بھی ہم سب اسی رویے کا برتاؤ کریں گے۔

میں شکرگزار ہوں تمام تراگیزیکٹو افسران اور تمام اسٹاف اراکین کا ان کی تمام تر وفاداری، احساس ذمہ داری اور کام سے بھرپور لگاؤ پر خراج تحسین پیش کرتے ہوئے اسے ریکارڈ کا حصہ بناتا ہوں۔

آڈیٹرز

آڈیٹرز میسرز پارکر رسل - اے جے ایس - "چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں۔ اور اسی کے ساتھ ہی اہلیت کے بدولت آئندہ مالی سال 2023-2024 کیلئے بحیثیت ایکسٹرنل آڈیٹرز اپنی خدمات پیش کرنے کا اظہار کر چکے ہیں۔ بورڈ نے سال 2023-2024 کے لیے میسرز پارکر رسل - اے جے ایس کی بطور ایکسٹرنل آڈیٹرز تقرری کی منظوری دی۔

کارپوریٹ اور مالیاتی رپورٹنگ کے ضابطہ (فریم ورک)

۱۔ کمپنی کی جانب سے حساب کتاب کا مناسب انتظام ہے اور اکاؤنٹس کے تمام کھاتے کمپنی احسن طریقے سے تشکیل دیتی ہے۔
۲۔ کمپنی کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے شفاف معاملات کو ظاہر کرتے ہیں ایکویٹی میں تبدیلی، کیش (فنانس) کا بہاؤ اور آپریشن ایک شفاف طور سے چل رہے ہیں۔

۳۔ مالیاتی گوشواروں کی تیاری میں پاکستان میں لاگو ہونے والے بین الاقوامی فنانشل رپورٹنگ اور اکاؤنٹنگ کے معیارات کی مکمل پیروی کی گئی ہے۔

۴۔ مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹس کے طریقے کا اپنائے جاتے ہیں، مالیاتی تفصیلات کی تیاری مناسب اور دانشمندہ فیصلوں پر مبنی ہوتی ہے۔

۵۔ کمپنی نے اپنے مستقل ملازمین کیلئے پروویڈنٹ فنڈ جاری کیا ہوا ہے۔

۶۔ تمام قابل اطلاق کارپوریٹ گورننس کے بہترین اصولوں پر عمل کیا جا رہا ہے اور کسی بھی اصول کی عدم تعمیل نہیں کی گئی۔ بجز ان دفعات کے جن کا ذکر کارپوریٹ گورننس کی رپورٹ میں کیا گیا ہے۔

۷۔ کلیدی کارکردگی اور مالیاتی معلومات گزشتہ 6 سال کے ضمیمے میں مہیا کی گئی ہیں۔



۸۔ 30 ستمبر 2023 تک کمپنی کے ڈائریکٹرز کی کل تعداد درج ذیل ہے۔

(الف) مرد 6

(ب) خاتون 1

۹۔ بورڈ کی تشکیل حسب ذیل ہے۔

i. ایگزیکٹو ڈائریکٹرز 1

ii. نان ایگزیکٹو ڈائریکٹرز 3

iii. انڈپنڈنٹ ڈائریکٹرز 3

۱۰۔ زیرجائزہ مدت کے دوران بورڈ کے چھ اجلاس ہوئے اور ہر ڈائریکٹر کی حاضری حسب ذیل تھی۔

سیریل نمبر	ڈائریکٹر کے نام	حاضری	حیثیت
1	جناب سلیم زمیندار (چیئرمین)	6	انڈپنڈنٹ ڈائریکٹر
2	ڈاکٹر ڈنشا ایچ انکسریا	5	نان ایگزیکٹو ڈائریکٹر
3	جناب محمد عمر ارشد	3	نان ایگزیکٹو ڈائریکٹر
4	محترمہ سعدیہ معین خان	6	انڈپنڈنٹ ڈائریکٹر
5	جناب محمد سلیم منگریو	1	نان ایگزیکٹو ڈائریکٹر
6	جناب عبدالقیوم خان عباسی	3	انڈپنڈنٹ ڈائریکٹر
7	جناب شمس غنی	6	ایگزیکٹو ڈائریکٹر

ایگزیکٹو ڈائریکٹرز کے معاوضے کی تفصیلات بھی متعلقہ نوٹ میں مالیاتی گوشواروں میں فراہم کی گئی ہیں جیسا کہ پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز کے تحت مطلوب ہے۔ نان ایگزیکٹو اور آزاد ڈائریکٹرز کو اجلاس کی فیس کے علاوہ کوئی معاوضہ ادا نہیں کیا گیا۔

۱۱۔ پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشن میں درج کوڈ آف کارپوریٹ گورننس کے تحت بورڈ نے مندرجہ ذیل ڈائریکٹرز پر مشتمل ایک آڈٹ کمیٹی تشکیل دی ہے۔ زیرجائزہ مدت کے دوران آڈٹ کمیٹی کے چھ اجلاس منعقد ہوئے اور ہر ممبر کی حاضری حسب ذیل تھی۔

اراکین کے نام	عہدہ	حاضری
محترمہ سعدیہ معین خان	چیئرمین	6
جناب سلیم زمیندار	رکن	6
جناب محمد سلیم منگریو	رکن	1
جناب عبدالقیوم خان عباسی (سابق ممبر)	سابق رکن	1

آڈٹ کمیٹی کے ٹرمز آف ریفرنس کا تعین بورڈ نے کیا ہے جیسا کہ پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشن میں بیان کیا گیا ہے۔



۱۲۔ بورڈ نے کارپوریٹ گورننس کے ضابطہ کے تحت (ایچ آر کمیٹی) بھی تشکیل دی جس میں درج ذیل ڈائریکٹرز شامل ہیں۔ سال کے دوران کمیٹی کا ایک اجلاس ہوا اور اس میں کمیٹی کے تمام اراکین نے شرکت کی۔

حاضری	عہدہ	اراکین کے نام
1	چیئرمین	جناب عبدالقیوم خان عباسی
1	رکن	جناب محمد عمر ارشد
1	رکن	جناب شمس غنی

۱۳۔ کمیٹی کے تمام ڈائریکٹرز باصلاحیت و تجربہ کار ہیں اور ان کا پس منظر متنوع ہے۔ کمیٹی نے ڈائریکٹرز کو ان کے اختیار اور ذمہ داریوں کا اندازہ لگانے کے لیے تربیتی پروگرام کا بھی اہتمام کیا تھا۔

۱۴۔ سال کے دوران کسی ڈیویڈنڈ (Dividend) کا اعلان نہیں کیا گیا ہے۔

حصص داری کا خاکہ

30 ستمبر 2023 کے حصص داری کا خاکہ شیئر ہولڈنگ کی تفصیلات کے ضمیمہ میں درج ہے۔

اظہار تشکر

کمیٹی کے ڈائریکٹرز تمام گورنمنٹ کے اداروں، بینک اور مالیاتی اداروں، بزنس پارٹنرز اور کھاتے داروں کا تہہ دل سے شکریہ ادا کرتے ہیں کہ جنہوں نے کمیٹی کے بہترین مفاد کے لیے کمیٹی کا ساتھ دیا۔

منجانب بورڈ ممبران

سرگنڈ شوگر ملز لمیٹڈ

چیف ایگزیکٹو

Saleem Zamindar

چیئرمین / ڈائریکٹر

کراچی

28 دسمبر 2023ء



CHAIRMAN'S REVIEW

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

I am pleased to present the 35th Annual Report of the Company for the year ended September 30, 2023.

During the year under review, the economy remains subdued on account of low foreign exchange reserves and rising inflation. Because of floods, rupee devaluation and revision in energy prices, inflation recorded at an all time high. Supply shortages of essential items and restriction on imports created further pressure on domestic prices. Overall deterioration in economic fundamentals has led to the revision in the GDP growth projection for the fiscal year under review.

The Company complies with all the requirements set out in the Companies Act, 2017 ("the Act") and the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("Regulations") with respect to the composition, procedures and meetings of the Board of Directors and its committees. As required under Regulations, an annual evaluation of the Board of Directors of the Board is carried out.

The Company implemented a strong governance framework supportive of an effective and prudent management of business matters, which is regarded as instrumental in achieving the long-term objectives. During the year, the Board Committees continued to work with a great measure of proficiency. The Board has reviewed the Annual Report and Financial Statements and is pleased to confirm that in its view the report and financial statements, taken as a whole, are fair, balanced and understandable.

The Board of Directors receive agendas and supporting written material including follow up materials in advance of its meetings. The Board meets frequently enough to adequately discharge its responsibilities. The Non-Executive and Independent Directors are equally involved in important decisions. The Board has effectively set the tone at the top, by putting in place a transparent and robust system of governance.

I would like to acknowledge the dedication and commitment of my fellow directors, key executives and overall staff towards the betterment and growth of the company. We pray to Almighty ALLAH to guide us in our pursuits of national development and for the betterment of our organisation.

Saleem Zamindar

Chairman

Karachi; December 28, 2023



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

Year Ending: September 30, 2023

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

1. The total number of Directors are 07 as follows:

- a) Male: 06
- b) Female: 01

2. The Composition of Board is as follows:

Category	Names
Independent Director	Miss Sadia Moin khan
	Mr. Saleem Zamindar
	Mr. Abdul Qayyum Khan Abbasi
Executive Director	Mr. Shams Ghani
Non-Executive Director	Mr. Omar Arshid
	Mr. Dinshaw H. Anklesaria
	Mr. Muhammad Saleem Mangrio
Female Director	Miss Sadia Moin

- 3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this, Company;
- 4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
- 5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
- 7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
- 8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;
- 9. During the year the Company has arranged Director's Training Program for the following:

Name of Director	Designation
Mr.Omar Arshid	Non-Executive Director



10. During the year, there has been no change in the position and terms and conditions of employment of the Chief Financial Officer and the Head of Internal Audit, however Company Secretary was appointed according to the relevant provisions of the Act and these Regulation.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

Board Audit Committee		
Name of Members	Category	Designation
Miss Sadia Moin	Independent Director	Chairman
Mr. Saleem Zamindar	Independent Director	Member
Mr.M.Saleem Mangrio	Non-Executive Director	Member

Human Resource & Remuneration Committee		
Name of Members	Category	Designation
Mr. Abdul Qayyum Khan	Independent Director	Chairman
Mr. M.Omar Arshid	Non-Executive Director	Member
Mr. Shams Ghani	Executive Director	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the Committee for compliance;
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

Board Audit Committee	Quarterly
Human Resource & Remuneration Committee	Annually

15. The Board has set up an effective internal audit function who are considered suitably qualified and Experienced for the purpose and are conversant with the policies and procedures of the company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating Under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm 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, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below :



Reg no.	Section*	Description	Explanation
19	9	It is encouraged that all the directors on their Boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	<p>This year Director's Training Program was successfully attended by newly elected Non-Executive Director Mr.OmerArshid.</p> <p>Further, efforts are underway to achieve compliance for other Directors on Board.</p>

Saleem Zamindar

Saleem Zamindar
Chairman

December 28, 2023



Independent Auditor's Review Report to the Members of Sakrand 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 **Sakrand Sugar Mills Limited** (the Company) for the year ended September 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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



(Chartered Accountants)

Place: Karachi

Date: January 02, 2024

UDIN: CR202310192EiAnFRkQh



**PATTERN OF SHAREHOLDING
OF THE SHARES HELD BY THE SHAREHOLDERS
AS AT SEPTEMBER 30, 2023**

NUMBER OF SHAREHOLDERS	SHAREHOLDING			TOTAL SHARES HELD
	FROM		TO	
662	1	-	100	48,115
654	101	-	500	216,098
296	501	-	1,000	254,803
363	1,001	-	5,000	946,436
91	5,001	-	10,000	715,699
34	10,001	-	15,000	416,874
24	15,001	-	20,000	432,620
8	20,001	-	25,000	190,000
8	25,001	-	30,000	228,000
5	30,001	-	35,000	171,000
6	35,001	-	40,000	233,160
1	40,001	-	45,000	44,500
5	45,001	-	50,000	241,840
3	50,001	-	55,000	157,526
2	55,001	-	60,000	112,122
3	60,001	-	65,000	185,244
5	65,001	-	70,000	340,200
2	70,001	-	75,000	146,000
4	75,001	-	80,000	311,300
2	85,001	-	90,000	175,200
1	100,001	-	105,000	101,500
1	105,001	-	110,000	108,480
1	110,001	-	115,000	111,979
3	115,001	-	120,000	354,200
1	140,001	-	145,000	142,500
1	155,001	-	160,000	157,500
1	180,001	-	185,000	183,000
1	185,001	-	190,000	187,500
1	195,001	-	200,000	198,000
1	260,001	-	265,000	264,800
1	340,001	-	345,000	344,000
1	395,001	-	400,000	397,500
1	400,001	-	405,000	403,270
1	420,001	-	425,000	424,700
1	465,001	-	470,000	468,820
1	580,001	-	585,000	581,400
1	595,001	-	600,000	600,000
1	715,001	-	720,000	715,600
1	795,001	-	800,000	800,000
2	1,000,001	-	1,005,000	2,004,108
1	1,545,001	-	1,550,000	1,545,826
1	1,555,001	-	1,560,000	1,559,960
1	1,795,001	-	1,800,000	1,800,000
1	2,060,001	-	2,065,000	2,063,000
1	2,760,001	-	2,765,000	2,761,742
1	4,195,001	-	4,200,000	4,200,000
1	5,415,001	-	5,420,000	5,417,000
1	11,150,001	-	11,155,000	11,152,878
2,209				44,616,000



**PATTERN OF SHAREHOLDING
OF THE SHARES HELD BY THE SHAREHOLDERS
AS AT SEPTEMBER 30, 2023**

S.NO.	CATEGORY	NO. OF SHAREHOLDERS	TOTAL SHARES HELD	PERCENTAGE %
1	INDIVIDUALS	2,171	40,879,106	91.62
2	INVESTMENT COMPANIES	3	123,800	0.28
3	INSURANCE COMPANIES	1	17,500	0.04
4	JOINT STOCK COMPANIES	12	378,463	0.85
5	FINANCIAL INSTITUTION	17	2,402,691	5.39
6	NBFC	2	198,040	0.44
7	OTHERS	3	616,400	1.38
		2,209	44,616,000	100



**PATTERN OF SHAREHOLDING AS AT SEPTEMBER 30, 2023
AS PER REQUIREMENTS OF
THE CODE OF CORPORATE GOVERNANCE**

CATEGORY	Number of Shares Held	Categor wise No. of Shareholders	Category wise shares held	Percentage %
JOINT STOCK COMPANIES		12	378,463	0.85
INVESTMENT COMPANIES		3	123,800	0.28
DIRECTORS CHIEF EXECUTIVE AND THEIR SPOUSE AND MINOR CHILDREN		7	11,156,378	25.01
DINSHAW H.ANKLESARIA	11,152,878			
SALEEM ZAMINDAR	500			
MUHAMMAD OMAR ARSHID	500			
SADIA MOIN	500			
MUHAMMAD SALEEM MANGRIO	500			
SHAMS GHANI	1,000			
ABDUL QAYYAM KHAN ABBASI	500			
BANKS,DFIS,NBFIS,INSURANCE COMPANIES, MODARABA & MUTUAL FUNDS		23	3,234,631	7.25
INDIVIDUALS		2,164	29,722,728	66.62
		2,209	44,616,000	100.00

Shareholders holding five percent or more voting interest in the company

Name of Shareholders	No. of Shares held	Percentage %
MR. DINSHAW H.ANKLESARIA	11,152,878	25.00
FAISAL	5,417,000	12.14
MUHAMMAD FAROOQ	4,200,500	9.41
YASIR GUL	2,761,742	6.19
	18,115,120	52.74



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**Independent Auditor's Report to the Members of Sakrand Sugar Mills Limited
Report on the Audit of the Financial Statements**

Adverse Opinion

We have audited the annexed financial statements of **Sakrand 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 the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including 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, because of the significance of the matters described in the Basis for Adverse Opinion paragraph, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at September 30, 2023 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Adverse 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 adverse opinion:

- The Company had entered into a restructuring agreement with one of its major lender to reschedule the terms of repayment of the outstanding loan and markup amounting to Rs. 1,057.830 million. The restructured terms of the loan agreement have resulted in substantial modification in liability which has not been accounted for in accordance with the applicable financial reporting standards in these financial statements. Had the Company accounted for the substantial modification in liability in accordance with the applicable financial reporting standards, the liability would have been reduced by Rs. 802.833 million while the net loss after tax for the year ended September 30, 2023, and accumulated losses as at September 30, 2023, would have been reduced by Rs. 564.495 million.
- As disclosed in note 1.1 of the financial statements, the Company has incurred a loss after taxation of Rs 156.067 million during the year ended September 30, 2023, has accumulated losses, as at September 30, 2023 amounts to Rs. 1,672.931 million, its current liabilities exceed its current assets by Rs. 2,100.647 million and loans amounting to Rs 181.818 million are still overdue. The Company has suspended payments of Sales Tax, Worker Welfare Fund and Workers Profit Participation Fund. Further, no provision has been made for the surcharge applicable on these outstanding amounts, which results in the non-compliance with the respective requirements of laws.

The above financial condition cast doubt on Company' ability to continue as a going concern which led us to believe that the going concern assumption used in preparation of these financial statements is



inappropriate; consequently, the assets and liabilities should have been stated at their realizable and settlement amounts respectively.

Key Audit Matters

Except for the matters described in the Basis for Adverse Opinion section, we have determined, key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters

Key audit matters	How the matter was addressed in our audit
<p>I. Revenue recognition</p> <p>As disclosed in note 26, the Company has reported revenue amounting to Rs. 2,626.592 million during the year ended September 30, 2023.</p> <p>The Company principally generates revenue from manufacturing and sale of white sugar.</p> <p>We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators and gives rise to an inherent risk that revenue could be subject misstatement to meet expectations or targets.</p>	<p>Our key audit procedures in this area amongst others included the following:</p> <ul style="list-style-type: none">• obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue;• assessed the appropriateness of the Company's use of accounting policy for recognition and recording of revenue and compliance of the said policy with the requirements of International Financial Reporting Standard 15 (IFRS 15) Revenue from Contract with Customers;• compared a sample of sales transactions recorded during the year with sales orders, sales invoices, delivery order and other relevant underlying documents for both local and export sales;• compared a sample of sale transactions recorded before and after the reporting period and near the year end, with the relevant underlying documentation to assess whether revenue has been recorded in the appropriate accounting period;• scanned for any journal entries relating to revenue recognised during and near the year end which were considered to be material or met other specified risk-based criteria for inspecting the underlying documentation; and• assessed the adequacy and appropriateness of the disclosures that are made in the financial statements, to be in accordance with the applicable accounting and reporting standard related to (IFRS 15) Revenue from contract with customers.



Parker Russell-A. J. S.

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Key audit matters	How the matter was addressed in our audit
<p>2. Valuation of stock-in-trade</p> <p>As disclosed in the note 10 to the financial statements, stock-in-trade amounts to Rs. 32.855 million, representing 11% of the Company's current assets.</p> <p>At the reporting date, stock-in-trade includes sugar in process, compost fertilizer and bagasse.</p> <p>There is an element of judgement involved in determining an appropriate costing basis and assessing its valuation.</p> <p>Given the significance of stock-in-trade to the Company's current assets and the level of judgements and estimates involved in determining the cost and net realisable value of stock-in-trade at the reporting date, we identified this as a key audit matter.</p>	<p>Our key audit procedures in this area amongst others included the following:</p> <ul style="list-style-type: none">assessed whether the Company's accounting policy for inventory valuation is in line with the International Accounting Standards 2 "Inventories";attended inventory count at the year-end and reconciled physical inventory with inventory lists provided to ensure completeness of data;performed net realisable value test to assess whether cost of inventories exceeded its net realisable value by detailed review of subsequent sale invoices; andassessed the adequacy and appropriateness of the disclosures that are made in the financial statements, to be in accordance with the applicable accounting and reporting standards related to IAS 2 inventories.
<p>3. Contingencies</p> <p>As disclosed in note 25 to the financial statements, the Company has contingent liabilities in respect of various matters, which are pending adjudication before respective authorities and courts of law</p> <p>Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provision that may be required against such contingencies.</p> <p>Given the nature and amounts involved in such cases and the appellate forums at which these are pending, the ultimate outcome and the resultant accounting in the financial statements is subject to inherent uncertainty and involvement of significant judgement, which can change over time and can significantly impact the financial statements as new facts emerge and each legal case progresses.</p> <p>For such reasons, we have considered the contingencies as a key audit matter.</p>	<p>Our key audit procedures in this area amongst others included the following:</p> <ul style="list-style-type: none">assessed management's processes to identify new possible litigations, obligations and changes in existing obligations through inquiries from management and review of the minutes of meetings of the Board of Directors and Audit Committee;reviewed the relevant information including case proceedings, legal opinions related industry information and correspondences in respect of the ongoing litigations;obtained confirmation from the legal counsel and tax advisor of the Company to evaluate the status of the pending litigations and view point of the Company's legal counsel thereon;examined legal and professional expenses to confirm that all pending legal matters are identified and disclosed;and assessed the adequacy and appropriateness of the disclosures that are made in the financial statements, to be in accordance with the applicable accounting and reporting standards related to IAS-37 "Provisions and Contingencies".



Key audit matters	How the matter was addressed in our audit
<p>4. First year audit</p> <p>We have been engaged to perform the audit of the Company for the first time i.e., for the year ended September 30, 2023. Initial audit engagements involve a number of considerations not associated with recurring audits. Additional planning activities and considerations necessary to establish an appropriate audit strategy and audit plan include gaining an initial understanding of the Company and its business, obtaining sufficient audit evidence regarding the opening balances including the selection and application of accounting principles and communicating with the previous auditors.</p>	<p>Our key audit procedures in this area amongst others included the following:</p> <ul style="list-style-type: none"> • We reviewed the predecessor auditor's work paper files and made additional inquiries of the predecessor auditors about matters that may affect our audit in the current year; • We evaluated the key accounting position and matters from prior years; and • We evaluated whether accounting policies reflected in the opening balances have been consistently applied in the current year's financial statements and adequately presented and disclosed in accordance with the applicable financial reporting framework.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) because of the matter described in Basis for Adverse Opinion section, the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon



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have not been drawn up in conformity with the Companies Act, 2017 (XIX of 2017). However, the same are in agreement with the books of account and returns;

- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

The financial statements of the Company for the year ended September 30, 2022 were audited by another firm of Chartered Accountants who expressed an adverse opinion on those statements dated April 07, 2023.

The engagement partner on the audit resulting in independent auditor's report is Mr. Muhammad Shabbir Kasbati.

(Chartered Accountants)

Date: January 02, 2024

Karachi.

UDIN: AR2023101924i7g0PKcF



Statement of Financial Position
As at September 30, 2023

	Note	September 30, 2023	September 30, 2022
.....Rupees in 000'.....			
Assets			
Non-current assets			
Property, plant and equipment	5	3,847,298	3,731,900
Intangible asset	6	1,513	2,258
Long-term loans	7	191	381
Long-term deposits	8	2,860	2,098
		<u>3,851,862</u>	<u>3,736,637</u>
Current assets			
Stores, spares and loose tools	9	108,823	148,075
Stock-in-trade	10	32,855	203,769
Trade debts	11	1,188	54,006
Loans and advances	12	46,458	112,804
Deposit, prepayments and other receivables	13	94,861	50,431
Short term investment	14	10,000	-
Cash and bank balances	15	5,611	33,882
		<u>299,796</u>	<u>602,967</u>
Total assets		<u><u>4,151,658</u></u>	<u><u>4,339,604</u></u>
Equity and liabilities			
Authorized share capital	16.1	<u>600,000</u>	<u>600,000</u>
Share capital and reserves			
Issued, subscribed and paid-up share capital	16.2	446,160	446,160
Revenue reserves - accumulated loss		(1,672,931)	(1,552,393)
Surplus on revaluation of property, plant and equipment-net of deferred tax	17	2,131,204	2,168,001
Directors' / sponsors' subordinated loan	18	92,767	92,767
Shareholders' equity		<u>997,200</u>	<u>1,154,535</u>
Non-current liabilities			
Deferred taxation	19	-	-
Long term financing - secured	20	686,673	-
Deferred liabilities	21	67,342	71,512
		<u>754,015</u>	<u>71,512</u>
Current liabilities			
Trade and other payables	22	1,675,780	1,749,119
Unclaimed dividend		6,198	6,198
Unpaid dividend		30	30
Accrued mark-up	23	461,091	419,133
Current maturity of long-term financing		223,218	924,091
Taxation - net	24	34,126	14,986
		<u>2,400,443</u>	<u>3,113,557</u>
Contingencies & commitments	25	-	-
Total equity and liabilities		<u><u>4,151,658</u></u>	<u><u>4,339,604</u></u>

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

Mansoor Afzal Subzwari
Chief Executive Officer

Shams Ghani
Chief Financial Officer

Sadia Moin
Director



Statement of Profit or Loss
For the year ended September 30, 2023

	Note	September 30, 2023.....Rupees in 000'.....	September 30, 2022
Sales - net	26	2,626,592	3,995,003
Cost of sales	27	(2,529,462)	(4,071,902)
Gross profit / (loss)		<u>97,130</u>	<u>(76,899)</u>
Operating expenses			
Administrative expenses	28	(156,504)	(265,843)
Selling and distribution expenses	29	(4,082)	(4,725)
		<u>(160,586)</u>	<u>(270,568)</u>
Operating loss		<u>(63,456)</u>	<u>(347,467)</u>
Finance cost	30	(51,728)	(149,880)
Other charges	31	(6,676)	-
Other (loss) / income	32	(2,092)	1,776
		<u>(60,496)</u>	<u>(148,104)</u>
Loss before taxation		<u>(123,952)</u>	<u>(495,571)</u>
Taxation - net	33	(32,115)	197,723
Loss after taxation		<u>(156,067)</u>	<u>(297,848)</u>
Loss per share - Basic and diluted	34	<u>(3.50)</u>	<u>(6.68)</u>

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

Mansoor Afzal Subzwari
Chief Executive Office

Shams Ghani
Chief Financial Office

Sadia Moin
Director



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

	September 30, 2023	September 30, 2022
	.....Rupees in 000'.....	
Loss after taxation	(156,067)	(297,848)
Other comprehensive income for the year		
<i>Items that will not be reclassified to profit or loss:</i>		
Actuarial loss during the year	(1,267)	(1,692)
Total comprehensive loss for the year	<u>(157,334)</u>	<u>(299,540)</u>

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

Mansoor Afzal Subzwari
Chief Executive Officee

Shams Ghani
Chief Financial Office

Sadia Moin
Director



Statement of Cash Flows
For the year ended September 30, 2023

		September 30, 2023	September 30, 2022
	Note	.....Rupees in '000'.....	
Cash flow from operating activities			
Cash generated from operations	35	201,352	82,209
Taxes paid		(12,975)	(5,188)
Gratuity paid		(229)	-
Net cash generated from operating activities		<u>188,148</u>	<u>77,021</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(196,534)	(64,182)
Purchase of intangible assets		-	(3,000)
Proceed from sale of fixed assets		4,888	92
Long term deposits		(762)	-
Net cash used in investing activities		<u>(192,408)</u>	<u>(67,090)</u>
Cash flows from financing activities			
Long term financing - secured		(14,200)	-
Long term loan to employees		190	122
Dividend paid		-	(38)
Net cash (used in) / generated from financing activities		<u>(14,011)</u>	<u>84</u>
Net (decrease) / increase in cash and cash equivalents		<u>(18,271)</u>	<u>10,015</u>
Cash and cash equivalents at the beginning of the year		33,882	23,867
Cash and cash equivalents at the end of the year	39	<u><u>15,611</u></u>	<u><u>33,882</u></u>

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

Mansoor Afzal Subzwari
Chief Executive Officee

Shams Ghani
Chief Financial Office

Sadia Moin
Director



Statement of Changes in Equity
For the year ended September 30, 2023

Share capital	Revenue reserves	Capital reserves	Directors' / sponsors subordinated loan	Total
Issued, subscribed & paid-up share capital	Un-appropriated Profit / Accumulated loss	Surplus on revaluation of property, plant and equipment		

..... Rupees in 000'.....

Balance as at October 01, 2021	446,160	(1,292,292)	1,809,512	92,767	1,056,147
Loss after taxation	-	(297,848)	-	-	(297,848)
Other comprehensive loss for the year	-	(1,692)	-	-	(1,692)
Total comprehensive loss for the year	-	(299,540)	-	-	(299,540)
Transferred from revaluation surplus on account of incremental depreciation- net of tax	-	39,439	(39,439)	-	-
Revaluation surplus arising during the year	-	-	397,928	-	397,928
Balance as at September 30, 2022	446,160	(1,552,393)	2,168,001	92,767	1,154,535
Loss after taxation	-	(156,067)	-	-	(156,067)
Other comprehensive loss for the year	-	(1,267)	-	-	(1,267)
Total comprehensive loss for the year	-	(157,334)	-	-	(157,334)
Transferred from revaluation surplus on account of incremental depreciation- net of tax	-	36,796	(36,796)	-	-
Balance as at September 30, 2023	446,160	(1,672,931)	2,131,204	92,767	997,200

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

Mansoor Afzal Subzwari
Chief Executive Office

Shams Ghani
Chief Financial Office

Sadia Moin
Director



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

1. COMPANY AND ITS OPERATION

Sakrand Sugar Mills Limited was incorporated in Pakistan as a public limited company under the Companies Ordinance, 1984 [Repealed with the enactment of Companies Act, 2017], on March 02, 1989 and its shares are quoted on Pakistan Stock Exchange. The principal business of the Company is to manufacture and sell white sugar and its by product. The registered office of the Company is situated in 41-K, Block-6, P.E.C.H.S, Karachi while the Company's mill is situated at Dch Tharo Unar, Taluka Sakrand, District Shaheed Benazirabad, Sindh, Pakistan, having an area of 102.18 acres.

1.1 GOING CONCERN ASSUMPTION

The financial statements of the Company for the year ended September 30, 2023 reflect net loss (2022: loss) after taxation amounting to Rs. 156,067 (2022: 297,848) thousands, and its current liabilities exceeds its current assets by Rs. 2,100,647 (2022: 2,510,590) thousands. The company defaulted in repayment of its long term resturctured liabilities and other liabilities due to liquidity crunch faced by the Company.

However the financial statements are prepared by the management on going concern assumption on the basis of following factors:

- a) The Company has successfully completed crushing season for 2022-2023, Further the company is in the middle of new crushing season i.e 2023 to 2024 which is expected to yield higher production as compare to last crushing season and the major cash flow requirements for operations are already met.
- b) The Company has already approached its banker for restructuring of its loans and the loan has been restructured successfully.
- c) The management is working on further processing of filter mud (By product) into composite fertilizer and believe that the sale of its will result in increase in profits.
- d) The management is working on improvement of production cycles that will results in reduction in cost of production in future.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

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

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

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



2.2 Basis of preparation

These financial statements have been prepared under the historical cost convention except for the following material items in the statement of financial position:

- a) Inventories are carried at lower of cost or net realisable value;
- b) Financial assets/ liabilities are carried in accordance with the requirements of IFRS-09 "Financial Instruments";
- c) Freehold land, factory and non-factory building on freehold land, plant and machinery are stated at revalued amounts; and
- d) Staff retirement benefit plan which is carried at present value of defined benefit obligation net of fair value of the plan assets as prescribed in IAS-19 " Employee Benefits".

2.3 Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). These financial statements are presented in Pakistan Rupee which is the Company's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ASSUMPTION AND ESTIMATES

The preparation of financial statements in conformity with approved accounting standards requires the use of certain accounting estimates. It also requires management to exercise its judgements in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the process of applying the accounting policies, management has made the following estimates, assumptions and judgements which are significant to the financial statements:

- a) Determining the residual values and useful life of property, plant and equipment;
- b) Impairment / adjustment of inventories to their net realizable values;
- c) Accounting for staff retirement benefits;
- d) Recognition of tax and deferred tax;
- e) Impairment of financial and non-financial assets;
- f) Contingencies and commitments.

3.1 CHANGE IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS

- a) Amendments to published accounting and reporting standards which became effective during the year:

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations does not have significant impact on the financial statements.

	Period beginning on or after
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous contracts - Cost of fulfilling a contract	January 01, 2022



b) Amendments to published accounting and reporting standards that are not yet effective:

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

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous contracts - Cost of fulfilling a contract	Jan 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	Jan 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	Jan 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	Jan 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	Jan 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	Jan 01, 2024
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	Jan 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	Jan 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	Jan 01, 2023

c) New standards and interpretations which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

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

IFRS 1 First Time Adoption of International Financial Reporting Standards
IFRS 17 Insurance Contracts

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies have been applied consistently to the periods presented in these financial statements.

4.1 Property, plant & equipment

a) Tangible asset & depreciation

Assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land, factory and non-factory building on freehold land and plant & machinery. Cost comprises of purchase price, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction, erection and installation.



Subsequent costs are included in the asset's carrying amounts or are recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is charged to statement of profit or loss by applying the reducing balance method except for plant & machinery on which units of production method has been applied so, as to write down the assets over their estimated useful lives at the rates specified in note 5 to these financial statements. The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end.

Freehold land, factory and non factory building on freehold land and plant & machinery are carried at revalued amount. The revaluation is done by professionally qualified valuers with sufficient regularity to ensure that the net carrying amounts do not differ materially from their fair values.

Any revaluation increase arising on the revaluation of freehold land, factory and non-factory building on freehold land and plant & machinery is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant & equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of freehold land, factory and non-factory building on freehold land and plant & machinery is charged to profit or loss to the extent that it exceeds the balance, if any, held in the "Revaluation surplus on property, plant & equipment" relating to a previous revaluation increase of that asset. The surplus on revaluation in respect of freehold land, factory and non-factory building on freehold land and plant & machinery to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

Depreciation on additions is charged from the quarter in which the assets become available for use, while no depreciation is charged in the quarter of disposal.

Normal repairs and maintenance are charged to the statement of profit or loss during the period in which they are incurred.

The gain or loss arising on disposal or retirement of an item of property, plant & equipment is determined as the difference between the sale proceeds and the carrying amounts of the asset and is recognised as other income in the statement of profit or loss. In case of the sale or retirement of a revalued property, the attributable revaluation surplus remaining in the surplus on revaluation is transferred to other comprehensive income.

4.2 Intangible asset and amortisation

Intangible asset represents the cost of computer software acquired and is stated at cost less accumulated amortisation and any identified impairment loss.

Amortisation is charged to the statement of profit or loss on the written down basis so as to write off the cost of an asset over its estimated useful life. Amortisation on additions is charged from the month in which an asset is acquired or capitalised while no amortisation is charged for the month in which the asset is disposed off. Amortisation is being charged at the rate disclosed in note 6 to the financial statements.

4.3 Stores, spares and loose tools

These are valued at lower of cost or net realisable value except for items in transit, which are valued at cost comprising invoice value and related expenses incurred thereon upto date of the statement of financial position. Cost is calculated on weighted average basis. Obsolete and used stores, spares and loose tools are recorded at nil value.



4.4 Stock-in-trade

The basis of valuation has been specified against each:

Finished goods - sugar	Lower of cost or net realisable value
Sugar-in-process	Cost of raw material consumed and proportionate manufacturing expenses
Molasses	Net realisable value
Bagasse	Net realisable value
Composite fertilizer	Lower of cost or net realisable value

Provision for obsolete and slow moving stock are made as and when required. Net realisable value signifies the estimated selling price in the ordinary course of business less estimated cost of completion and estimated cost necessary to be included in order to make the sale.

4.5 Trade debts

Trade debts are carried at original invoice amount being the fair value, less an allowance for uncollectible amounts, if any. The Company applies IFRS 9 simplified approach to measure the expected credit losses (ECL) which uses the life time expected loss allowance for trade debts.

4.6 Capital work-in-progress

Capital work-in-progress, if any, is stated at cost less accumulated impairment losses, if any, and represents expenditure on fixed assets in the course of construction and installation and advances for capital expenditure. Transfers are made to the relevant category of tangible / intangible assets as and when the assets are available for intended use.

4.7 Provisions

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

4.8 Impairment

The carrying amounts of the assets are reviewed at each date of statement of financial position to determine whether there is any indication of impairment of any asset or a group of assets. If any such indication exists, the recoverable amount of that asset is estimated and impairment losses are recognised in the statement of profit or loss.

4.9 Taxation

Income tax expense comprises of current and deferred tax.

a) Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the period for such years.



b) Deferred

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

The carrying amount of deferred tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

After the provision for taxation has been made partially under the normal basis and partially under the final tax regime, therefore the deferred tax liability has been recognised on a proportionate basis in accordance with TR 27 issued by the Institute of Chartered Accountants of Pakistan.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the statement of financial position date.

4.10 Cash and cash equivalents

Cash and cash equivalents are carried at cost in the statement of financial position. For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash in hand and bank balances.

4.11 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds received.

4.12 Subordinated loan from directors

The Company has adopted Technical Release - 32 (Accounting Directors' Loan) issued by the Institute of Chartered Accountants of Pakistan. In accordance with TR- 32, directors' interest free, unsecured loans that are repayable at the discretion of the Company have been accounted for in equity and presented separately as "Directors' / Sponsors' subordinated loan".

4.13 Post retirement benefits

a) Defined contribution plan - provident fund

The Company operates a provident fund scheme for its permanent employees. Obligation for contributions to the fund are recognised as an expense in the statement of profit or loss when they are due. A Trust has been established and its approval has been obtained from the Commissioner of Income Tax. Monthly contributions are made at the rate of 8.33% of basic salary both by the Company and its employees to the Fund as per the Company's policy.

b) Defined benefit plan - staff gratuity

The Company operates an unfunded gratuity scheme for all of its eligible employees who have completed the minimum qualification period of service. The contribution to the scheme are made in accordance with actuarial valuation using "Projected Unit Credit Method".

4.14 Trade and other payables

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



4.15 Loans, advances and deposits

These are stated at cost less estimates made for any doubtful receivables based on a review of all outstanding amounts at the date of statement of financial position. Balances considered bad and irrecoverable are written off when identified.

4.16 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying capital asset under construction are capitalised and added to the project cost until such time the asset is substantially ready for their intended use, i.e., when they are capable of commercial production. All other borrowing costs are recognised as an expense in the statement of profit or loss in the period in which they are incurred.

4.17 Contingencies

Contingencies are disclosed when the Company has possible obligation that arises from past event and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of entity, or a present obligation that arises from past event but is not recognised because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation or, when amount of obligation cannot be measured with sufficient reliability.

4.18 Foreign currency transactions

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in foreign currencies, are translated into the functional currency using the exchange rate prevailing on the date of the statement of financial position. Exchange differences arising from the settlement of such transactions, and from the translation of monetary items at the end of the year exchange rates, are charged to the statement of profit or loss.

4.19 Finance lease obligations

Finance lease obligations are accounted for at the net present value of minimum payments under the lease arrangements.

Finance charges under lease arrangements are allocated to periods during the lease term so as to produce a constant periodic rate of financial cost on the remaining balance of principal liability for each period.

4.20 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.21 Financial assets

a) Initial recognition and measurement

Financial assets are classified at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVPL).

The classification of financial asset at initial recognition depends on the financial asset contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables, the Company initially measures financial asset at its fair value plus transaction cost except for fair value through profit and loss. Trade receivables are measured at transaction price determined under IFRS-15.



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

Purchases or sales of financial asset that requires delivery of asset within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date the Company commits to purchase or sell the asset.

b) Subsequent measurement

For the purpose of subsequent measurement, the Company classifies its financial assets into following categories;

- Financial assets at amortised cost (debt instruments);
- Financial assets designated at fair value through other comprehensive income (FVOCI) with no recycling of cumulative gains and losses upon derecognition (equity instrument); and
- Financial assets at fair value through profit or loss (FVPL).

c) Financial asset at amortised cost (debt instruments)

The Company measures financial asset at amortised cost when both the following conditions are met:

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

Financial asset at amortised cost are subsequently measured using effective interest rate (EIR) method and are subject to impairment. Gain and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

d) Financial asset designated at FVOCI (equity instrument)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under Financial instruments: Presentation and are not held for trading. The classification is determined on instrument-by-instrument basis.

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

e) Financial assets at FVPL

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in near term. Financial asset with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces accounting mismatch.



Financial assets at FVPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category also includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are also recognised in profit or loss when the right of payment has been established. The Company has not designated any financial asset at FVPL.

f) Derecognition

A financial asset (or where applicable, a part of financial asset or part of a group of similar financial assets) is primarily (i.e. removed from the Company statement of financial position) when:

- The right to receive cash flows from the assets have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass through arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.

4.22 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as FVPL or amortised cost.

All financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction cost.

Subsequent measurement

a) Financial Liabilities at FVPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial recognition , only if the criteria in IFRS 09 are satisfied. The company has not designated any financial liability as FVPL.

b) Financial Liabilities at amortised cost

After initial recognition, borrowing and payables are subsequently measured at amortised cost using EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Borrowings are classified as current liabilities unless the company has unconditional right to defer the settlement of the liability for at least twelve months after the reporting date. Exchange gains and losses arising in respect of borrowings in foreign currency are added to the carrying amount of borrowing.

c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.



4.23 Impairment

4.23.1 Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECL) for all the debt instruments not held at fair value through profit or loss. ECL 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, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL is recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within next 12- months (a 12- month ECL). for those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of default (a life time ECL).

For financial assets other than trade debts, the Company applies general approach in calculating ECL. It is based on the difference between contractual cash flow due in accordance with the contract and all the cash flows that the Company expect to receive discounted at the approximation of the original effective interest rate. The expected cash flows will include cash flows from sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade debts the Company applies a simplified approach where applicable in calculating ECL. Therefore the company does not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECL at each reporting date. The Company has established a provision matrix for large portfolio customer having similar characteristics and default rates based on the credit rating of customers from which the receivables are due that is based on the Company's historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days over due. However in certain cases, the Company may also consider a financial asset to be in default when contractual payments are 90 days past due. 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 in to account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

4.23.2 Impairment of non financial assets

The carrying amounts of the Company's non financial assets are reviewed annually to determine whether there is any indication of impairment. If any such indication exist the asset's recoverable amount is estimated and impairment losses are recognised in the profit or loss. The recoverable is the higher of an asset's fair value less cost to disposals and value in use.

4.23.3 Offsetting

Financial assets and liabilities are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset or settle the liability simultaneously.

4.24 Revenue recognition

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable net of discounts and applicable taxes. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing involvement of management with the goods and the amount of revenue can be measured reliably on the following basis:



- Local sales are recognised when goods are lifted by the customer.
- Export sales are recognised when the goods are on board the shipping vessel.
- Dividend income is recognised when the right to receive the dividend is established.
- Interest income is recognised using effective interest method on an accrual basis.
- Government grants relating to export subsidy are recognised when there is a reasonable assurance that the Company will comply with the conditions attached to it and the grant will be received.

4.25 Dividends

Dividend declared and appropriations to reserves made subsequent to the reporting date are considered non-adjusting events and are recognised in the financial statements in the year in which they are approved.

4.26 Related party transactions

Related party comprises of major shareholders, associated companies with common directorship, directors of the Company, key management personal and their close family members. The Company continues to have a policy whereby transactions with related parties are entered into at commercial terms, approved policy and at rates agreed under a contract / agreement / arrangement.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Directors, Company Secretary and departmental heads to be its key management personnel.

The followings are the related parties of the Company:

Name of related party	Basis of relationship	(%) of shareholding
Mr. Dinshaw H. Anklesaria	Key management personnel	25%
Mr. Saleem Zamindar	Key management personnel	0.001%
Mr. Muhammad Omar Arshid	Key management personnel	0.001%
Ms. Sadia Moin	Key management personnel	0.001%
Mr. Saleem Mangrio	Key management personnel	0.001%
Mr. Shams	Key management personnel	0.002%
Mr. Abdul Qayyum Khan Abbasi	Key management personnel	0.001%

4.27 Off-setting of financial assets and liabilities

Financial assets and financial liabilities are only off-set and the net amount is reported in the financial statements when there is a legally enforceable right to set off the recognised amounts and the Company intends to either settle on net basis or to realise the asset and settle the liability simultaneously.

4.28 Earning per share

The Company presents basic and diluted 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 period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

4.29 Unclaimed dividend

The Company recognised unclaimed dividend which was declared and remained unclaimed from the date it was due and payable. The dividend declared and remained unpaid from the date it was due and payable is recognised as unpaid dividend.



5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

	September 30, 2023	September 30, 2022
Note	-----Rupees in '000'-----	
5.1	<u>3,847,298</u>	<u>3,731,900</u>

5.1 Operating fixed assets

The statement of operating fixed assets is as follows:

	Cost				Depreciation						
	As at October 1, 2022	Additions	Disposals	Revaluation surplus	As at September 30, 2023	As at October 01, 2022	For the year	Disposals	As at September 30, 2023	WDV as at September 30, 2023	Depreciation rate per annum %
Rupees in '000'											
Freehold land	561,990	-	-	-	561,990	-	-	-	-	561,990	0%
Factory building	601,459	-	-	-	601,459	92,912	24,955	-	117,866	483,593	5%
Non-factory building	356,029	7,751	(539)	-	363,240	172,525	9,128	(357)	181,296	181,944	5%
Plant and machinery	3,330,869	183,006	-	-	3,513,875	878,299	41,707	-	920,006	2,593,869	UOP
Office equipment & others	23,491	802	(86)	-	24,207	13,199	1,026	(52)	14,173	10,034	10%
Furniture and fixtures	9,557	691	-	-	10,248	7,274	253	-	7,527	2,721	10%
Vehicles	61,936	4,285	(3,540)	-	62,681	49,433	2,922	(2,672)	49,683	12,998	20%
Tents and tarpaulins	2,321	-	-	-	2,321	2,291	9	-	2,300	21	33%
Tools and tackles	4,522	-	-	-	4,522	4,341	55	-	4,394	128	33%
	<u>4,952,174</u>	<u>196,534</u>	<u>(4,165)</u>	<u>-</u>	<u>5,144,543</u>	<u>1,220,274</u>	<u>80,051</u>	<u>(3,080)</u>	<u>1,297,245</u>	<u>3,847,298</u>	

The statement of operating fixed assets for last year is as follows:

	Cost				Depreciation						
	As at October 1, 2021	Additions	Disposals	Revaluation surplus	As at September 30, 2022	As at October 01, 2021	For the year	Disposals	As at September 30, 2022	WDV as at September 30, 2022	Depreciation rate per annum %
Rupees in '000'											
Freehold land	510,900	-	-	51,090	561,990	-	-	-	-	561,990	0%
Factory building	370,174	-	-	231,285	601,458	78,605	14,307	-	92,912	508,547	5%
Non-factory building	330,736	-	-	25,293	356,029	164,361	8,164	-	172,525	183,504	5%
Plant and machinery	3,039,124	59,819	-	231,926	3,330,869	801,387	76,912	-	878,299	2,452,570	UOP
Office equipment & others	22,752	739	-	-	23,491	12,107	1,092	-	13,199	10,292	10%
	9,194	363	-	-	9,557	7,032	242	-	7,274	2,283	10%
Vehicles	67,276	3,082	(8,422)	-	61,936	54,058	2,697	(7,322)	49,433	12,503	20%
Tents and tarpaulins	2,321	-	-	-	2,321	2,279	12	-	2,291	30	33%
Tools and tackles	4,343	179	-	-	4,522	4,277	64	-	4,341	181	33%
	<u>4,356,819</u>	<u>64,182</u>	<u>(8,422)</u>	<u>539,594</u>	<u>4,952,174</u>	<u>1,124,106</u>	<u>103,490</u>	<u>(7,322)</u>	<u>1,220,274</u>	<u>3,731,900</u>	

5.2 The depreciation charge for the year has been allocated as follows:

	Note	September 30, 2023	September 30, 2022
		-----Rupees in '000'-----	
Cost of sales	27.1	66,714	91,283
General and administrative expenses	28	<u>13,337</u>	<u>12,207</u>
		<u>80,051</u>	<u>103,490</u>

5.3 The latest valuation of the freehold land, factory building, non factory building and plant and machinery as carried out by an independent valuer, Pakistan Inspection Co. (Private) Limited as at December 07, 2021. According to that valuation, the fair value and forced sale value of the assets were as follows:

	Fair value	Forced sale value
	-----Rupees in '000'-----	
Freehold land	561,990	449,592
Building - Factory & non-factory	691,625	553,300
Plant & machinery	2,411,000	1,928,800

5.4 Had there been no revaluation, the figures of the revalued assets would have been as follows:

	2023		2022	
Cost:	Accumulated depreciation	Written down value	Written down value	
----- Rupees in '000' -----				
Free hold land	102,973	-	102,973	7,602
On freehold land	-	-	-	-
Factory building	102,973	75,836	27,137	28,538
Non-factory building	27,483	19,359	8,123	1,071
Plant & machinery	1,887,651	910,161	977,489	816,888
	<u>2,121,080</u>	<u>1,005,358</u>	<u>1,115,724</u>	<u>854,099</u>



		September 30, 2023	September 30, 2022
		.....Rupees in 000'.....	
6. INTANGIBLE ASSET			
Computer software	6.1	1,513	2,258
6.1 Net carrying amount			
Opening net book value		2,258	1,478
Addition during the year		-	3,000
Amortisation charged		(745)	(986)
Impairment charged		-	(1,234)
Closing net book value		1,513	2,258
Amortisation rate (%)		33%	33%
6.2	The entire amortisation and impairment charge has been allocated to 'Administrative expenses'.		
		September 30, 2023	September 30, 2022
		.....Rupees in 000'.....	
7. LONG TERM LOANS			
<i>Secured - considered good</i>			
Vehicle loans to employees	7.1	303	540
Less: Current portion of long term loans shown under current assets		(112)	(159)
		191	381
7.1	These are interest free loans given to employees for the purchase of vehicles other than directors and executives of the Company. The loan is recoverable in 60 to 84 installments from the date of disbursement and is secured by registration of vehicles in the name of the Company.		
		September 30, 2023	September 30, 2022
		.....Rupees in 000'.....	
8. LONG TERM DEPOSITS			
<i>Unsecured - interest free</i>			
Utilities		1,273	1,273
Rent		818	818
Others		769	7
		2,860	2,098
9. STORES, SPARES AND LOOSE TOOLS			
Stores		13,594	14,263
Spares & loose tools		95,229	133,812
		108,823	148,075
10. STOCK IN TRADE			
Finished goods - Sugar		-	185,896
Work in process - Sugar		3,545	3,288
Compost fertilizer		9,176	14,585
Bagasse		20,134	-
		32,855	203,769



		September 30, 2023	September 30, 2022
		.....Rupees in 000'.....	
11. TRADE DEBTS			
Considered good - unsecured	11.1	1,188	54,006
Considered Doubtful		296,574	296,574
Provision for expected credit losses	11.2	(296,574)	(296,574)
		-	-
		<u>1,188</u>	<u>54,006</u>
11.1 Aging analysis of trade debts:			
less than one year		1,188	54,006
Above one year		296,574	296,574
		<u>297,762</u>	<u>350,580</u>
11.2 Movement of allowance of expected credit losses of trade receivable:			
Balance as at 1st October		296,574	174,047
Impairment charge for the year		-	122,527
Balance as at 30th September		<u>296,574</u>	<u>296,574</u>
12. LOANS AND ADVANCES			
Current portion of vehicle loans	7	112	159
Unsecured considered good			
Loan to growers		13,266	10,980
Advance to suppliers and contractors		31,750	99,341
Advance against expenses		1,239	1,293
Advance against salaries		91	1,031
		<u>46,346</u>	<u>112,645</u>
		<u>46,458</u>	<u>112,804</u>
13. DEPOSIT, PREPAYMENTS AND OTHER RECEIVABLES			
Short term deposit		2,262	-
Prepayments		8,089	5,742
Government subsidy receivable on export of sugar	13.1	36,624	36,624
Sales tax		-	6,465
Other receivables	13.2	47,886	1,600
		<u>94,861</u>	<u>50,431</u>
13.1	This represents export subsidy on export of sugar as announced by the federal and provincial governments of Pakistan.		
13.2	This include an amount of Rs. 47,347 million deposited with Nazir Court against Order No. 64-67 of 2023 dated May 31, 2023 on behalf of appellants and respondents interim arrangement to allow export of sugar till the decision of High Court Appeal pending.		
		September 30, 2023	September 30, 2022
		.....Rupees in 000'.....	
14. SHORT TERM INVESTMENT			
At amortize			
Meezan Bank Limited TDR	14.1	<u>10,000</u>	<u>-</u>



- 14.1 This represents placement made in Term Deposit Receipt (TDR) certificate of a commercial bank carrying profit at the rate of 19.5% (2022: nil) per annum, maturing on various dates from the date of placement of funds.

September 30, September 30,
2023 2022
.....Rupees in 000'.....

15. CASH AND BANK BALANCES

Cash in hand	93	262
Cash at banks:		
in current accounts	5,518	33,610
in saving accounts	-	10
	5,518	33,620
	5,611	33,882

16. SHARE CAPITAL AND RESERVES

16.1 AUTHORISED SHARE CAPITAL

60,000,000 ordinary shares of Rs. 10/- each	600,000	600,000
---------------------------------------------	---------	---------

16.2 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

	September 30, 2023	September 30, 2022			
	Number of Shares				
16,900,000	16,900,000		Fully paid ordinary shares of Rs.10/- each issued for cash	169,000	169,000
5,408,000	5,408,000		Fully paid ordinary shares of Rs.10/- each issued as bonus shares	54,080	54,080
22,308,000	22,308,000		Fully paid ordinary shares of Rs.10/- each issued as right shares	223,080	223,080
44,616,000	44,616,000			446,160	446,160

17. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

As at October 01	2,827,082	2,343,036
Revaluation surplus on land, plant & machinery and building arise during the year	-	539,594
Transferred to retained earnings in respect of incremental depreciation charged during the year- net of deferred tax	(36,796)	(39,439)
Relevant deferred tax	(15,029)	(16,109)
	(51,826)	484,046
As at September 30	2,775,256	2,827,082
As at October 01	659,081	533,524
On revaluation surplus on plant and machinery & building arise during the year	-	141,666
Reversal on incremental depreciation charged during the year	(15,029)	(16,109)
<i>Related deferred tax on revaluation surplus</i>	644,052	659,081
As at September 30	2,131,204	2,168,001



- 17.1 The revaluation surplus on property, plant and equipment is a capital reserve and is not available for distribution to the shareholders of the Company in accordance with section 241 of the Companies Act, 2017.

18. DIRECTORS' / SPONSORS' SUBORDINATED LOANS

These represent unsecured, interest free loan which are repayable at the discretion of the Company. These loans are also subordinated to syndicated long-term financing facility (SLTFF). The Company's agreement with the syndicate stipulates that the financing availed by the Company are to be extinguished in full before any payment is made against the subordinated loans as disclosed in note 20.2.

September 30, September 30,
2023 2022
.....Rupees in 000'.....

19. DEFERRED TAXATION

Deferred Tax arises due to following elements:

Deferred tax liability arises due to :

Accelerated depreciation	185,486	161,992
Stock in trade	8,500	-
Surplus on revaluation of property, plant & equipment	644,052	659,081
	838,037	821,073

Deferred tax asset arises due to :

Impairment loss on trade debts	86,007	86,006
Provision for staff gratuity	3,155	4,365
Carried forward tax losses, minimum taxes and tax credits	748,876	730,702
	(838,037)	(821,073)

Deferred tax liability

	-	-
--	---	---

As at September 30, 2023, deferred tax asset amounting Rs. 21.830 million on unused tax losses, impairment loss and gratuity have not been recognised in the financial statements as a matter of prudence as in the opinion of the management there is no certainty regarding realisability of the amount.

20. LONG TERM FINANCING - SECURED

	NBP DF (Note 20.1)	SLTFF (Note 20.2)	September 2023	September 2022
	.....Rupees in 000'.....			
Opening balance	15,000	909,091	924,091	924,091
Repaid during the year	-	(14,200)	(14,200)	-
	15,000	894,891	909,891	924,091
Overdue installments	(15,000)	(181,818)	(196,818)	(560,455)
Current portion	-	(26,400)	(26,400)	(363,636)
Closing liability as at September, 30	-	686,673	686,673	-

20.1 National Bank of Pakistan-Demand Finance

This represents long-term finance facility obtained by the Company from a commercial bank. This facility was created by conversion of short-term running finance facility as a result of restructuring agreement reached between the Bank and the Company dated June 12, 2017. This facility carries mark-up at the rate of 3 months KIBOR + 2.5% p.a. The principal amount and mark-up thereon is repayable in 11 quarterly equal installments effective from the date of agreement.



This facility is secured by way of first pari passu hypothecation charge over plant & machinery, first equitable mortgage over land and buildings thereon and personal guarantees of all the directors of the Company. The Company is in discussion with the bank for restricting of loan which has not yet finalized.

20.2 Syndicated long term finance facility (SLTFF)

This represent long-term finance facility obtained by the Company from syndicate of Summit Bank Limited and Sindh Bank Limited (the Banks) for working capital purpose amounting to Rs. 1,000 million. This carries mark-up at the rate of 3 months KIBOR plus 3% (2022: KIBOR plus 3%) per annum payable quarterly. The principal amount is repayable in 22 equal quarterly installments after 18 months grace period.

This facility is secured by way of pari passu hypothecation charge over all present and future fixed assets of the Company, first pari passu charge over immovable property, lien on current assets and personal guarantees of all sponsors / directors of the Company along with subordinated loan agreements.

20.3 During the year the Company has finalized and fulfill the restructuring term and condition the Sindh Bank Limited, for restructuring of the long term loan amounting to Rs. 727.27 million. As per the term of the agreement all the markup accrued has been waived of while the principal amount has to be paid on step up basis in 10 year starting from October 2022.

The revised term's has resulted in the significant modification of liability resulting in a gain of Rs. 802.833 million. However, been prudent, the management has not accounted for the gain arising on accounts of change in the term of loan agreements'.

20.4 The Company has been in compliance with the payment terms in accordance with the mutual agreement, with Sindh Bank Limited.

The Company is in discussion with Summit Bank Limited for restricting of loan which has not yet finalized.

	Note	September 30, 2023	September 30, 2022
		.....Rupees in 000'.....	
21. DEFERRED LIABILITIES			
Quality premium	21.1	56,461	56,461
Gratuity	21.2	10,881	15,051
		<u>67,342</u>	<u>71,512</u>

21.1 Subsequent to the verdict issued by the Honorable Supreme Court of Pakistan (SCP) dated March 03, 2018 relating to quality premium, the Company based on advice from its legal advisor has taken the position that since no valid notification for quality premium under section 16(v) of the Sugar Factories Control Act, 1950 could have been issued by the Provincial Government, no liability for the payment of quality premium has arisen between the crushing season 1998-1999 till the date of the decree. The Company has also considered additional payments made to the cane grower over and above minimum support price fixed by the Provincial Government which are considered to be inclusive of quality premium. However, as a matter of prudence, the Company carries full provision in respect of quality premium payable pertaining to years 2003 and 2004 in these financial statements.

21.2 Staff gratuity

Contributions to the fund are made based on actuarial recommendations. The last actuarial valuation was carried out as at September 30, 2023 using the Projected Unit Credit Method.



	September 30, 2023	September 30, 2022
Note	.....Rupees in 000'.....	
21.2.1 Changes in defined benefit liabilities are:		
Opening defined benefit obligation	15,051	15,535
Expense for the year / current service cost	1,558	599
Interest cost	1,716	1,631
Actuarial (Gains)/Losses	1,266	1,692
Benefits due but not paid	(3,976)	(4,406)
Past services cost- contact employee reversal	(4,506)	-
Benefit paid by the Company	(229)	-
Closing defined benefit obligation	10,881	15,051
21.2.2 Liability for gratuity arose in the following manner:		
Opening net liability	15,051	15,535
Expense for the year	(1,232)	2,230
Benefit payable	(3,976)	(4,406)
Other comprehensive expense/(income)	1,266	1,692
Benefit paid	(229)	-
Closing net liability	10,881	15,051

21.2.3 Principal actuarial assumptions used in the actuarial valuation:

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

	2023	2022
	%	%
Discount rate used for interest cost	13.25	10.50
Discount rate used for year end obligation	16.75	13.25
Salary increase rate - long term	14.75	13.25
Salary increase rate - short term	11.75	13.25
Demographic assumptions:		
Mortality rates	SLIC 2001-2005	SLIC 2001-2005

	September 30, 2023	September 30, 2022
	.....Rupees in 000'.....	
21.2.4 Remeasurement recognised in OCI during the year:		
Actuarial (gains) / losses from changes in demographic assumptions	-	-
Actuarial (gains) / losses from changes in financial assumptions	-	43
Experience adjustments	1,267	1,649
Remeasurement loss / (gain) on defined benefit obligation	1,267	1,692

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

<u>Plan duration</u>	Years
September 30, 2023	8
September 30, 2022	8

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



	Effect of 1 Percent increase.....Rupees in 000'.....	Effect of 1 Percent increase.....Rupees in 000'.....
2023		
Discount rate	10,654	11,121
Future salary growth	11,174	10,600
2022		
Discount rate	14,118	16,093
Future salary growth	16,099	14,095

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

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

Final salary risks:

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

Mortality risks:

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

Withdrawal risks:

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

	September 30, 2023.....Rupees in 000'.....	September 30, 2022.....Rupees in 000'.....
22. TRADE AND OTHER PAYABLES		
Trade payables		
Sugar cane and others	138,202	197,512
Accrued expenses	54,644	56,018
Other payables		
Advance from customers	174,105	243,543
Sales tax and excise duty payable	1,175,540	1,135,548
Workers' welfare fund	15,232	15,232
Workers' profit participation fund	50,390	50,390
Payable to provident fund	49,286	36,959
Others	18,381	13,917
	1,482,934	1,495,589
	<u>1,675,780</u>	<u>1,749,119</u>



	September 30, 2023	September 30, 2022
	.....Rupees in 000'.....	
23. ACCRUED MARK UP		
National Bank of Pakistan - Demand finance	9,251	5,937
Syndicate long term finance facility	451,839	413,196
	<u>461,091</u>	<u>419,133</u>
24. TAXATION - NET		
Advance tax	(119,175)	(106,205)
less: Provision for taxation	153,300	121,191
	<u>34,126</u>	<u>14,986</u>

25. CONTINGENCIES AND COMMITMENTS

Contingencies

- 25.1 Appeals were instituted by the Company before Appellate Tribunal, Karachi, against the orders dated September 30, 2006 and dated September 30, 2006 passed by Additional Collector (Customs, Central Excise and Sales Tax) Hyderabad, whereby a demand of further tax of Rs. 5.917 million was established. The Appellate Tribunal decided the case in favor of the Company in orders dated April 04, 2008, however, being aggrieved by the decisions, Civil Appeals No. 938 of 2011 and 939 of 2011 were filed in Sindh High Court which were dismissed and as a result CPLA No. 85 of 2009 and CPLA No. 86 of 2009 were instituted before Honorable Supreme Court of Pakistan by the department. These CPLAs were subsequently disposed off in a judgment dated February 06, 2012 and remanded back to Sindh High Court which is currently pending adjudication. The management and the legal advisors of the Company are confident about the favorable outcome of the above matters, therefore, no provisions in this respect are made in these financial statements.
- 25.2 The Company along with other sugar mills (Petitioners) has filed Constitution Petition (CP) No. 230 of 2014 challenging certain provisions of prevailing sugar sectors regulatory regime including the fixation of the minimum price of sugarcane and a linked corresponding minimum price of refined sugar, which is currently pending before the Honorable High Court of Sindh. The legal advisors of the Company are confident about the favorable outcome of this matter, therefore, no provisions in this respect are made in these financial statements.
- 25.3 The Commissioner Inland Revenue Zone II, LTO selected the case of the Company for tax years 2015, 2017, 2018 and 2019 for audit under section 177(1) of the Income Tax Ordinance, 2001 (hereinafter referred to as the Ordinance, 2001). The Assistant / Deputy Commissioner (Audit-I) Inland Revenue, after proceedings, passed orders under Section 122(1) of the Ordinance, 2001, of identical nature resulting in demand aggregating to Rs. 15.408 Billion. Similar approach was adopted while framing the assessment orders of other sugar mills in the province of Sindh.

The Company filed appeals against the orders and demand for the aforesaid years before the Commissioner (Appeals) Inland Revenue, wherein the orders were confirmed by the forum, thereafter the Company filed appeal before the Appellate Tribunal Inland Revenue against the decision of the Commissioner (Appeals) and is pending before the forum. The Company meanwhile has obtained stay from recovery of tax demanded in the respective years from Honorable High Court of Sindh.

In the opinion of the tax advisor of the Company, the above assessments have been framed on frivolous and flimsy grounds without applying judicial mind and without due process of law. The Company, therefore, based on the opinion of its legal counsel, has not made any provision in these financial statements against the above orders and demands.



- 25.4 The Deputy Commissioner Inland Revenue unit -10 Audit -1, selected the case of the company for tax years 2014-2015 & 2015-2016 and passed disputed sales tax order No. 02/198/2021 dated 26-06-2021 & Order No 03/198/2021 dated 28-06-2021 and imposing sales tax U/s 11(2) of sales tax Act, 1990 & penalty u/s 33(5), of identical nature resulting in demand aggregating to Rs.4.51 billion. Similar approach was adopted while framing the assessment orders of other sugar mills in the province of Sindh. The Company has filed appeal against the Order which is pending for hearing before the Commissioner Appeals-I, Karachi. The Company has good arguable case on merit and likely to be decide in favor of Company.
- 25.5 Deputy Commissioner Inland Revenue has passed an order U/s 161 (1) dated 26-02-2022 for TY-2020 & 25-02-2021 for TY-2019, imposing tax not deducting from Unregistered buyers of the Company who have been treated as who have been treated as retailers, resulting in demand aggregating of Rs.65.2 million. The Company has filed appeal against the Order which is pending for hearing before the Commissioner Appeals-I, Karachi. The Company has good arguable case on merit and likely to be decide in favor of Company.
- 25.6 The Competition Commission of Pakistan (CCP) in August 2021 passed an orders dated 13 August 2021 and imposed penalty on PSMA and member sugar mills alleging them to be guilty of collusive activities and cartelization. The penalty imposed on the Company is Rs. 169 million. The PSMA and our Company along with other sugar mills filed the Suit against the order of the Competition Commission of Pakistan (CCP) at Honorable High Court of Sindh. The Honorable Court passed the interim order on October 7, 2021 that the operation of orders dated 06.08.2021 and 13.08.2021 shall remain suspended till the hearing is underway.
- In the opinion of the legal advisor of the Company, based on merit the final outcome of aforesaid suit is expected to be in favor of the Company. The Company, therefore, based on the opinion of its legal advisor, has not made any provision in these financial statements against the above order.
- 25.7 A petitioner has filed Constitution Petition (CP) No. 3823 of 2018 in the Honorable High Court of Sindh against the Company along with other sugar mills dated 15 May 2018 for withdrawal/cancellation/refunding of the cash freight subsidy on sugar export approved by the Cabinet Economic Coordination Committee and additional cash freight subsidy approved by the Sindh Cabinet. The matter is pending adjudication. legal advisors are optimistic about the outcome of this petition in favor of company.
- 25.8 State Bank of Pakistan issued a letter dated 14-Sep-2019 pertaining to levy of non performance penalty @ 15% alleged delay in the shipment of consignment. Therefore, Company challenged this letter before Sindh High Court, through the mentioned petition. The court passed an ad-interim order dated 26-Feb-2019 in which it directed to maintain status-quo. Legal advisors are confident about the said petition in favor of Company.
- 25.9 Contingencies in respect of quality premium has been disclosed in note 21.1 to the financial statements.

Commitments

- 25.10 There is no capital commitment existed at the year end.



		September 30, 2023	September 30, 2022
		.....Rupees in 000'.....	
26. SALES - Net			
Sugar - Local		2,177,707	4,122,696
Sugar - Export		394,371	-
Bagasse		13,000	-
Compost fertilizer		3,785	22,933
Filter mud		2,094	4,000
Molasses		359,218	472,950
		<u>2,950,175</u>	<u>4,622,579</u>
Less: Sales tax		(323,583)	(627,576)
		<u>2,626,592</u>	<u>3,995,003</u>
27. COST OF SALES			
Sugarcane consumed		1,971,267	3,807,376
Manufacturing expenses	27.1	387,281	416,994
		<u>2,358,548</u>	<u>4,224,370</u>
Sugar in process			
Opening		3,288	13,146
Closing		(3,545)	(3,288)
		(257)	9,858
Finished goods - sugar			
Opening		185,896	-
Closing		-	(185,896)
		185,896	(185,896)
Bagasse			
Opening		-	-
Closing		(20,134)	-
		(20,134)	-
Compost fertilizer			
Opening		14,585	38,155
Closing		(9,176)	(14,585)
		5,409	23,570
		<u>2,529,462</u>	<u>4,071,902</u>
27.1 Manufacturing expenses			
Salaries, wages and other benefits	27.1.1	100,437	116,397
Stores and spares consumed		56,200	93,437
Fuel and power		38,899	42,000
Repairs and maintenance		113,246	60,655
Vehicle maintenance		3,544	4,141
Insurance		5,436	2,816
Depreciation	5.2	66,714	91,283
Bagasse, mud, ash handling and others		2,806	6,265
		<u>387,281</u>	<u>416,994</u>

27.1.1 This includes reversal Rs. 0.801 (2022: Provision of Rs. 1.449) in respect of staff gratuity and Rs. 1.788 (2022: 1.892) million in respect of contribution to staff provident fund.



		September 30, 2023	September 30, 2022
		.....Rupees in 000'.....	
28. ADMINISTRATIVE EXPENSES			
Salaries and other benefits	28.1	89,432	76,978
Rent, rates and taxes	28.2	5,698	5,217
Insurance		4,141	2,484
Water, gas and electricity		1,748	2,188
Printing and stationery		2,359	1,977
Postage, telephone, telegrams and telex		1,203	1,164
Vehicle maintenance		8,554	8,191
Repairs and maintenance		4,832	4,867
Traveling and conveyance		2,154	1,039
Fee and subscription		1,813	2,062
Legal and professional		7,733	10,902
Auditors' remuneration	28.3	1,992	1,928
Loss allowance for expected credit loss		-	122,527
Entertainment		2,690	2,733
Computer maintenance		3,369	5,769
Charity and donation	28.4	46	27
Depreciation	5.2	13,337	12,207
Amortisation		745	986
Impairment of intangible asset		-	1,234
Advertisement		127	211
Security charges		1,543	-
Others		2,988	1,152
		<u>156,504</u>	<u>265,843</u>
28.1	This includes reversal Rs. 0.432 (2022: Provision of Rs. 0.780) million in respect of staff gratuity and Rs. 1.177 (2022: 0.972) million in respect of contribution to staff provident fund.		
28.2	This include rent payment on short term lease.		
28.3	Auditors' remuneration comprises of :		
Statutory audit fees		1,219	1,197
Half yearly review		553	565
Other certifications		100	100
Out of pocket expenses		120	66
		<u>1,992</u>	<u>1,928</u>
28.4	No donation were made to any donee in which any director or his spouse had any interest at any time during the year.		
29. SELLING AND DISTRIBUTION EXPENSES			
Loading, stacking		3,984	4,664
Sampling charges		98	61
		<u>4,082</u>	<u>4,725</u>



	September 30, 2023	September 30, 2022
	.....Rupees in 000'.....	
30. FINANCE COST		
Mark-up on long term financing	41,957	149,822
Interest expense on provident funds	7,872	-
Bank charges	1,900	58
	<u>51,728</u>	<u>149,880</u>
31. OTHER CHARGES		
Write off sales tax prepayment	6,465	-
Write off dormant bank account's	211	-
	<u>6,676</u>	<u>-</u>
32. OTHER (LOSS) / INCOME		
Profit on short-term investment - TDR	1,791	-
Gain on sale of fixed assets	3,803	1,776
Exchange loss	(7,686)	-
	<u>(2,092)</u>	<u>1,776</u>
33. TAXATION		
Current period	32,115	14,986
Prior period	-	(58,283)
Deferred	-	(154,426)
	<u>32,115</u>	<u>(197,723)</u>
33.1 Relationship between profit and tax expense		
Accounting loss	(123,952)	(495,571)
Tax rate	29%	29%
Theoretical tax expense	<u>(35,946)</u>	<u>(143,716)</u>
Prior year adjustment	-	(58,283)
Other adjustment	68,061	4,275
Actual expense	<u>32,115</u>	<u>(197,723)</u>
33.2		
Income tax assessments of the Company have been completed up to the tax year 2023 (accounting year ended September 30, 2022) which are deemed to have been assessed under section 120 of the Income Tax Ordinance, 2001. Except for the open assessment as disclosed in the note 25 to the financial statement.		
	September 30, 2023	September 30, 2022
34. LOSS PER SHARE - BASIC AND DILUTED		
Loss for the year (Rupees in 000')	<u>(156,067)</u>	<u>(297,848)</u>
Weighted average number of ordinary shares (in 000')	<u>44,616</u>	<u>44,616</u>
Loss per share	<u>(3.50)</u>	<u>(6.68)</u>
34.1		
There is no dilutive effect on the basic earnings of the Company.		



		September 30, 2023	September 30, 2022
		.....Rupees in 000'.....	
35. CASH GENERATED FROM OPERATIONS			
Loss before taxation		(123,952)	(495,571)
Adjustments for non cash charges and other items :			
Depreciation	5.2	80,051	103,490
Amortization	6.1	745	986
Impairment of intangible asset		-	1,234
Finance cost	30	41,957	149,822
Provision for bad debts		-	122,527
(Gain) on sale of fixed assets	32	(3,803)	(1,776)
Reversal of provision for gratuity		(1,232)	(1,692)
		117,718	374,591
Working capital changes			
Change in current assets			
Stores, spares and loose tools		39,252	(68,331)
Stock in trade		170,914	(152,468)
Trade debts		52,818	2,514
Loans and advances		66,346	(61,970)
Prepayments and other receivables		(44,430)	(5,441)
		284,900	(285,696)
Change in current liabilities			
Trade and other payables		(77,314)	488,885
Cash generated from operations		201,352	82,209
36. PLANT CAPACITY AND PRODUCTION			
Installed production capacity - Metric ton		86,400	86,400
Duration of season - Days		80	127
Actual production - Metric ton		25,716	53,633
Actual crushing - Days		75	115
% of capacity attained		30%	62%

The Company could not operate at full capacity due to shortage of availability of sugarcane in market.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks i.e. market risk, credit risk and liquidity risk. The risk is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the management. The Board of Directors supervises the overall risk management approach within the Company.

37.1 Market risk

Market risk is the risk that the value of financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. There has been no change in the Company's exposure to market risk or the manner in which the this risk is managed. Under market risk the Company is exposed to interest rate risk, currency risk and equity price risk.



37.2 Interest rate risk

This represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of change in market interest rates. As of September 30, 2023, the Company is exposed to such risk mainly in respect of long-term financing.

Management of the Company estimates that 1% increase in the market interest rate, with all other factors remaining constant, would increase the Company's loss by Rs. 1.237 million (2022: Rs. 9.24 million) and a 1% decrease would result in an increase in the Company's loss by the same amount. However, in practice, the actual results may differ from the sensitive analysis. This analysis is prepared assuming that all other variables held constant and the amount of net liabilities outstanding as at the date of statement of financial position.

37.3 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of the changes in foreign exchange rates. The Company is not exposed to foreign currency risk as at September 30, 2023 due to the fact that neither of the assets or liabilities are dominated in foreign currencies.

37.4 Equity risk

Equity risk is the risk of volatility in share prices resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. As of September 30, 2023, the Company is not exposed to equity price risk.

37.5 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The maximum exposure to credit risk at the reporting date is:

		September 30, 2023	September 30, 2022
	Note	.....Rupees in 000'.....	
Long-term deposits	8	2,860	2,098
Trade debts	11	1,188	54,006
Loan, advances and other receivables		93,013	112,080
Bank balances	15	5,518	33,620
		<u>102,579</u>	<u>201,804</u>

Trade debts

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

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

	September 30, 2023	September 30, 2022
	.....Rupees in 000'.....	
Compost fertilizer (net of provisions)	-	51,519
Others	-	5,001
	<u>-</u>	<u>56,520</u>



September 30, September 30,
2023 2022
.....Rupees in 000'.....

The aging of trade receivable at the reporting date is:

With in one year	1,188	56,520
------------------	-------	--------

The Company has made adequate provision of Rs. 296.574 million for receivables since it is likely that the same is not to be received and for rest of the receivables, the Company considers the amount to be fully recoverable and therefore, no further provision has been made.

Quality of financial assets

The credit quality of financial assets that are neither past nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates as follows:

September 30, September 30,
2023 2022
.....Rupees in 000'.....

Cash at bank

AA+	5,222	32,368
A+	102	954
AA-	37	123
A	5	7
Unrated	150	158
	5,516	33,610

37.6 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company attempts to follow effective cash management and planning policy to ensure the availability of funds through committed credit facilities. The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	On demand	Less than one year	1 to 5 Years	Total
Deferred liabilities	-	-	67,342	67,342
Trade and other payables	1,241,162	385,332	-	1,626,494
Current maturity of long-term financing	-	-	-	924,091
Unclaimed dividend	6,198	-	-	6,198
Unpaid dividend	30	-	-	30
Taxation - net	-	34,126	-	34,126
Accrued mark-up	461,091	-	-	461,091
September 30, 2023	1,708,482	419,458	67,342	3,119,372

	On demand	Less than one year	1 to 5 Years	Total
Deferred liabilities	-	-	71,512	71,512
Trade and other payables	1,201,170	510,990	-	1,712,160
Current maturity of long-term financing	924,091	-	-	924,091
Unclaimed dividend	6,198	-	-	6,198
Unpaid dividend	30	-	-	30
Taxation - net	-	14,986	-	14,986
Accrued mark-up	419,133	-	-	419,133
September 30, 2022	2,550,621	525,977	71,512	3,148,110



Effective interest/mark-up rates for the financial liabilities are mentioned in the respective notes to the financial statements.

37.7 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The estimated fair value of all financial assets and liabilities is considered not significantly different from book values as the items are either short-term in nature or repriced periodically.

Certain property, plant and equipment of the Company was valued by independent valuer to determine the fair value of property, plant and equipment as at December 7, 2021. The revaluation surplus was credited to other comprehensive income and is shown as 'surplus on revaluation of property, plant and equipment'. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active market for identical assets/ liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Level 2 fair value of revalued property, plant and equipment has been derived using the current market price or depreciated replacement cost method. Sales prices of comparable property, plant and equipment in identical circumstances or close proximity are adjusted for differences in key attributes such as property size, structure, location, capacity etc. The most significant inputs into this valuation approach are price per marla, price per square feet, depreciated replacement cost etc.

37.8 Capital risk management

The Company finances its operations through equity, borrowings and management of working capital with a view of maintaining an appropriate mix between various sources of finance to minimise risk. The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business, sustain future development of the business and maximise shareholders value. The Company monitors capital using a debt equity ratio as follows:

		September 30, 2023	September 30, 2022
	Note	.....Rupees in 000'.....	
Long term financing - secured	20	686,673	-
Current maturity of long-term financing		223,218	924,091
Total debt		909,891	924,091
Total equity		997,200	1,154,535
Total debt and equity		1,907,091	2,078,626
Gearing ratio		48%	44%



37.9 Financial instruments by category

37.9.1 Financial asset as per statement of financial position

September 30, 2023 September 30, 2022
Rupees in 000'.....

At amortised cost

Trade debts	1,188	54,006
Loans and advances	46,458	112,804
Prepayments and other receivables	94,861	50,431
Cash and bank balances	5,611	33,882
	<u>148,118</u>	<u>251,123</u>

37.9.2 Financial liabilities as per statement of financial position

At amortised cost

Trade and other payables	1,675,780	1,749,119
Unclaimed dividend	6,198	6,198
Unpaid dividend	30	30
Current maturity of long-term financing	223,218	924,091
Accrued markup	461,091	419,133
	<u>2,366,317</u>	<u>3,098,571</u>

38. REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for the year for remuneration, including all benefits to the executives of the Company are as follows:

	2023			2022		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
Remuneration	5,400	10,795	4,883	-	9,109	7,640
Perquisites						
Conveyance	781	768	615	-	524	819
Telephone	27	60	24	-	60	24
Medical	281	600	247	-	217	149
Company's contribution to PF	225	400	150	-	350	225
Meeting fees	-	4,000	-	-	1,000	-
	<u>6,714</u>	<u>16,623</u>	<u>5,919</u>	<u>-</u>	<u>11,260</u>	<u>8,857</u>
Number of person(s)	1	7	1	1	6	2

38.1 Meeting fees is Rs. 0.15 million (2022: 0.1 million) per director for attending each board meeting of the Company.

39. CASH AND CASH EQUIVALENTS

Note

September 30, 2023 September 30, 2022
Rupees in 000'.....

Cash at bank	15	5,611	33,882
Short term investment	14	10,000	-
		<u>15,611</u>	<u>33,882</u>



40. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties, other than those disclosed elsewhere in the financial statements are as under:

Name	Designation	Nature	September 30,	September 30,
			2023	2022
			.....Rupees in 000'.....	
Dinshaw H. Anklesaria	Non - Executive Director	Balance at year end subordinated loan	45,988	45,988
Jamil Akbari	Ex-Director / Shareholder	Balance at year end subordinated loan	19,768	19,768
Muhammad Farooq	Shareholder	Balance at year end subordinated loan	27,000	27,000
Jamil Akbari	Ex-Director / Shareholder	Disposal of vehicle	1,190	-

41. INVESTMENTS MADE BY THE PROVIDENT FUND

The investments out of provident fund have not been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

42. OPERATING SEGMENTS

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

42.1 All sales of the Company comprises of sugar and its by-products.

42.2 All non-current assets of the Company as at September 30, 2023 were located in Pakistan.

43. NUMBER OF EMPLOYEES

The total number of employees as at year end and average number of employees during the year are as follows:

	September 30,	September 30,
	2023	2022
Total number of employees as at reporting date	156	182
Total number of factory employees as at reporting date	137	169
Average number of employees during the year	167	185
Average number of factory employees during the year	148	172

44. CORRESPONDING FIGURES

Corresponding figures have been reclassified / rearranged wherever necessary for better presentation, however, there were no material reclassifications of corresponding figures.

45. AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 28 December 2023 by the board of directors of the Company.



46. GENERAL

Figures in these financial statements have been rounded off to the nearest thousand rupees, unless otherwise stated.

Mansoor Afzal Subzwari
Chief Executive Office

Shams Ghani
Chief Financial Office

Sadia Moin
Director



SIX YEARS' REVIEW AT A GLANCE















FINANCIAL RESULTS		2023	2022	2021	2020	2019	2018
(Rs. in '000)							
Sales		2,626,592	3,995,003	1,614,526	1,966,828	3,387,534	1,821,745
Gross (loss) / profit		97,130	(76,899)	(47,490)	(458,675)	510,301	503,547
Operating profit/(loss)		(63,456)	(347,467)	(332,979)	(579,916)	398,594	400,543
Profit/ (loss) before taxation		(123,952)	(495,571)	(492,441)	(741,936)	223,350	388,077
Profit/(loss) after taxation		(156,067)	(297,848)	(359,507)	(599,246)	156,649	268,232
Accumulated (loss) for the year		(1,672,931)	(1,552,393)	(1,292,292)	(958,473)	(387,383)	(566,148)
OPERATING RESULTS		2023	2022	2021	2020	2019	2018
Sugarcane crushed	(tonnes)	252,153	538,986	205,968	312,129	335,136	367,222
Sugar recovery	(%)	10.21	9.95	9.44	9.67	11.00	10.80
Sugar produced	(tonnes)	25,716	53,633	19,453	30,123	36,865	39,660
Molasses recovery	(%)	4.89	4.55	4.90	6.48	5.08	5.50
Molasses produced	(tonnes)	12,330	24,500	10,093	22,040	19,435	26,047
Operating period	(days)	80	127	115	116	113	148
ASSETS EMPLOYED		2023	2022	2021	2020	2019	2018
(Rs. in '000)							
Fixed capital expenditure		3,848,811	3,731,900	3,234,192	3,195,928	3,253,753	3,104,279
Long term loans and deposits		3,051	2,478	2,601	2,842	2,842	2,421
Investments		10,000	-	-	-	-	-
Current assets		289,796	602,967	429,783	662,350	1,042,735	814,545
Total assets employed		4,151,658	4,339,603	3,666,576	3,861,120	4,299,330	3,940,672
FINANCED BY		2023	2022	2021	2020	2019	2018
(Rs. in '000)							
Shareholders' equity		(1,226,771)	(1,106,233)	(846,132)	(512,313)	58,777	(119,988)
Revaluation on fixed assets		2,131,204	2,168,001	1,809,512	1,687,975	1,768,672	1,789,432
Subordinate loan from directors		92,767	92,767	92,767	92,767	92,767	92,767
Long term liabilities		686,673	-	-	538,352	763,849	921,937
Deferred liabilities		67,342	71,512	84,756	384,358	496,540	454,732
Current liabilities		2,400,443	3,113,557	2,525,674	1,669,982	1,118,726	801,792
Total funds invested		4,151,658	4,339,603	3,666,576	3,861,120	4,299,330	3,940,672
Break-up value per share	(Rupees)	(27.49)	(24.79)	(18.96)	(11.48)	1.32	(2.69)
Earnings/(Loss) per share	(Rupees)	(3.50)	(6.68)	(8.06)	(13.43)	3.51	6.01



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پراکسی فارم

سکرٹڈ شوگر ملز لمیٹڈ

41-K، بلاک 6، پی۔ای۔سی۔ایچ۔ایس، کراچی، پاکستان۔

تشکیل نیابت داری (پراکسی فارم)

میں اہم _____
 ساکن _____
 بحیثیت حصہ دار سکرٹڈ شوگر ملز لمیٹڈ _____
 (مذکورہ ذیلی داری کا نمبر) _____
 یا بصورت دیگر _____
 (مذکورہ ذیلی داری کا نمبر) _____
 ساکن _____
 کو بروز جمعہ 26 جنوری 2024 کو بوقت 3:00 بجے دن، بمقام انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آڈیٹوریم کاشن، کراچی میں منعقد ہونے والے 35 ویں 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 _____ 2024 کو دی گئی۔

10 روپے کارسیدی ٹکٹ
 چسپاں کر کے دستخط کریں

دستخط _____
 (ممبر/مجازی ممبر)

حامل عام حصص _____

سی ڈی سی اکاؤنٹ نمبر		فولیو نمبر
اکاؤنٹ نمبر	شرائط آئی ڈی	

کیپیوٹرائزڈ شناختی کارڈ نمبر _____

نوٹس

- (1) موثر العمل ہونے کے لیے پراکسی اجلاس کے وقت انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں لازماً وصول ہو جائیں۔ پراکسی کو کمپنی کارکن ہونا ضروری ہے۔
- (2) 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 کیپیوٹرائزڈ قومی شناختی کارڈ یا سپورٹ ساتھ لائیں اور پراکسی کی صورت میں اپنے کیپیوٹرائزڈ قومی شناختی کارڈ یا سپورٹ کی تصدیق شدہ کاپی ساتھ لگائیں۔
- (3) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی بعد نمائندہ کے دستخط پراکسی فارم کے ساتھ منسلک کرنے ہوتے۔

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