2023 | **Annual Report**
for the year ended 30 September 2023

Continued Excellence

Corporate Social Responsibility

Innovative Farming

Bond with Growers

Community Empowerment

JDW

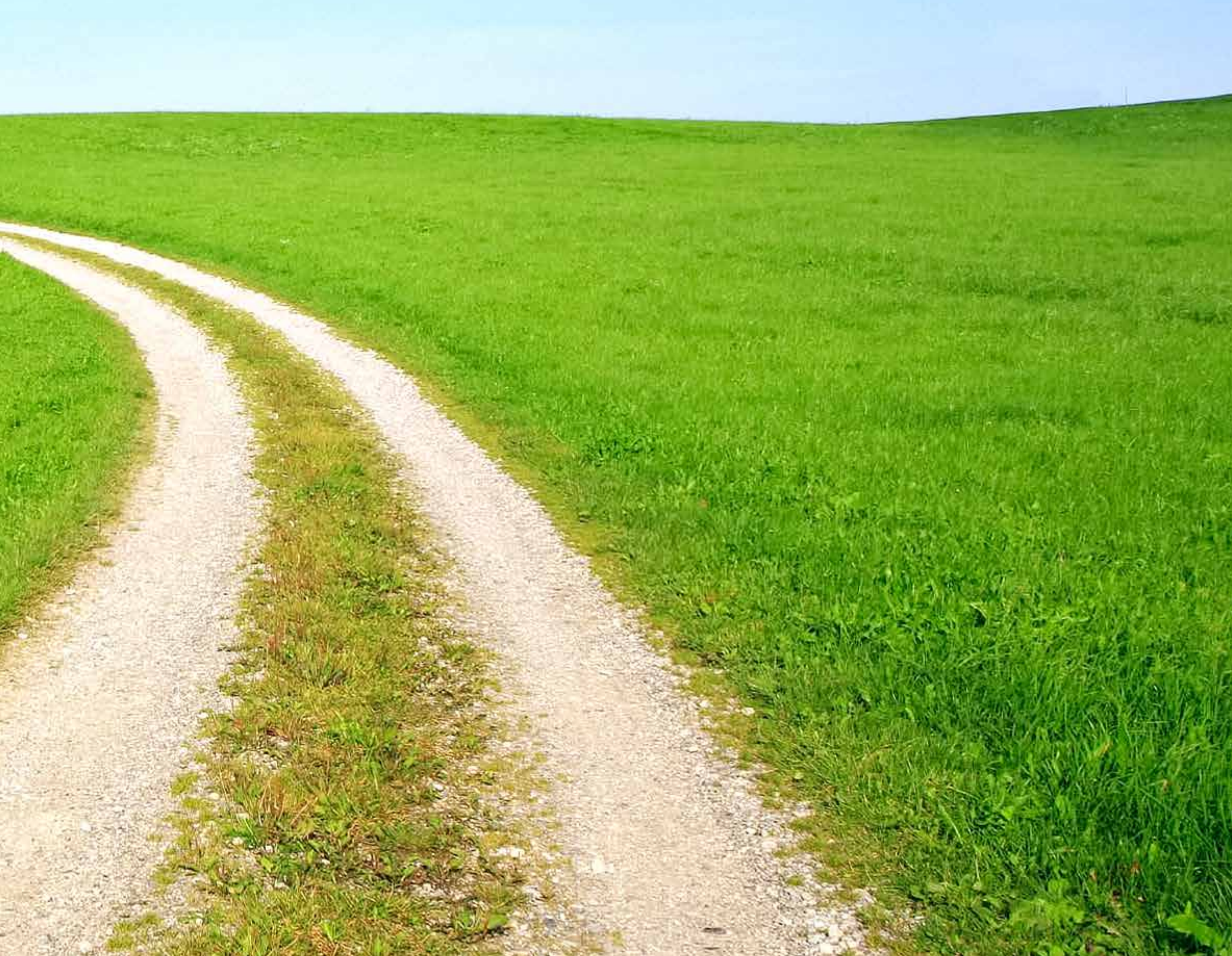
JDW Sugar Mills Limited

OUR VISION IS

to Create Opportunities for the Future.

Before bringing life to a vision we have to see it first and for that we need people who specialize in seeing the impossible. Here at JDW, we are proud of the visionary people we have who take up the responsibility of creating opportunities for the future, not only for our Company but for the whole community we operate in.

We believe life is about the betterment of the human condition; it's about social awareness, and random acts of kindness that weave the soul of humanity. Together, we all participate in weaving the social fabric; we should all therefore be patching the fabric when it develops holes. The change has begun, here at JDW, as we have started to unpack the challenges that encounter us, realizing that we each have a role that requires us to change and become more responsible for shaping our community and creating magic under JDW's vision. A vision in which everyone is benefited, be it our shareholders, the farmers or you.



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01

COMPANY REVIEW

CORPORATE INFORMATION

Board of Directors

Mr. Jahangir Khan Tareen
Director

Makhdoom Syed Ahmad Mahmud
Director / Chairman

Mr. Raheal Masud
Chief Executive Officer

Mrs. Samira Mahmud

Syed Mustafa Mehmud

Mr. Ijaz Ahmed

Mr. Asim Nisar Bajwa

Mr. Zafar Iqbal

Chief Operating Officer

Rana Nasim Ahmed

Group Director (Finance) & CFO

Mr. Muhammad Rafique

Company Secretary & Legal Head

Mr. Maqsood Ahmad Malhi

Audit Committee

Mr. Zafar Iqbal
Chairman / Member

Mrs. Samira Mahmud
Member

Mr. Ijaz Ahmed
Member

HR & R Committee

Mr. Asim Nisar Bajwa
Chairman / Member

Mrs. Samira Mahmud
Member

Mr. Ijaz Ahmed
Member

Nomination Committee

Mr. Jahangir Khan Tareen
Chairman / Member

Mr. Asim Nisar Bajwa
Member

Risk Management Committee

Mr. Jahangir Khan Tareen
Chairman / Member

Mr. Asim Nisar Bajwa
Member

Corporate Social Responsibility Committee

Mr. Ijaz Ahmed
Chairman / Member

Mr. Zafar Iqbal
Member

Share's Registrar

Corplink (Pvt.) Limited

Banks & Financial Institutions

Conventional

The Bank of Punjab

Pak Kuwait Investment Company Limited

Askari Bank Limited

National Bank of Pakistan

Allied Bank Limited

MCB Bank Limited

Habib Bank Limited

Pak Brunei Investment Company Limited

Soneri Bank Limited

United Bank Limited

Standard Chartered Bank (Pakistan) Limited

Islamic

Dubai Islamic Bank Pakistan Limited

MCB Islamic Bank Limited

Bank Alfalah Limited

BankIslami (Pakistan) Limited

Askari Bank Limited

National Bank of Pakistan

Auditors

Riaz Ahmad, Saqib, Gohar & Co.
Chartered Accountants

Legal Advisor

Cornelius, Lane & Mufti

Web Presence

www.jdw-group.com

Registered Office

17-Abid Majeed Road, Lahore Cantonment, Lahore, Pakistan

Mills

Unit-I: Mauza Shirin, Jamal Din Wali,District Rahim Yar Khan.

Unit-II: Machi Goth, Sadiqabad. District Rahim Yar Khan.

Unit-III: Mauza Laluwali, Near Village Islamabad, District Ghotki.

MISSION

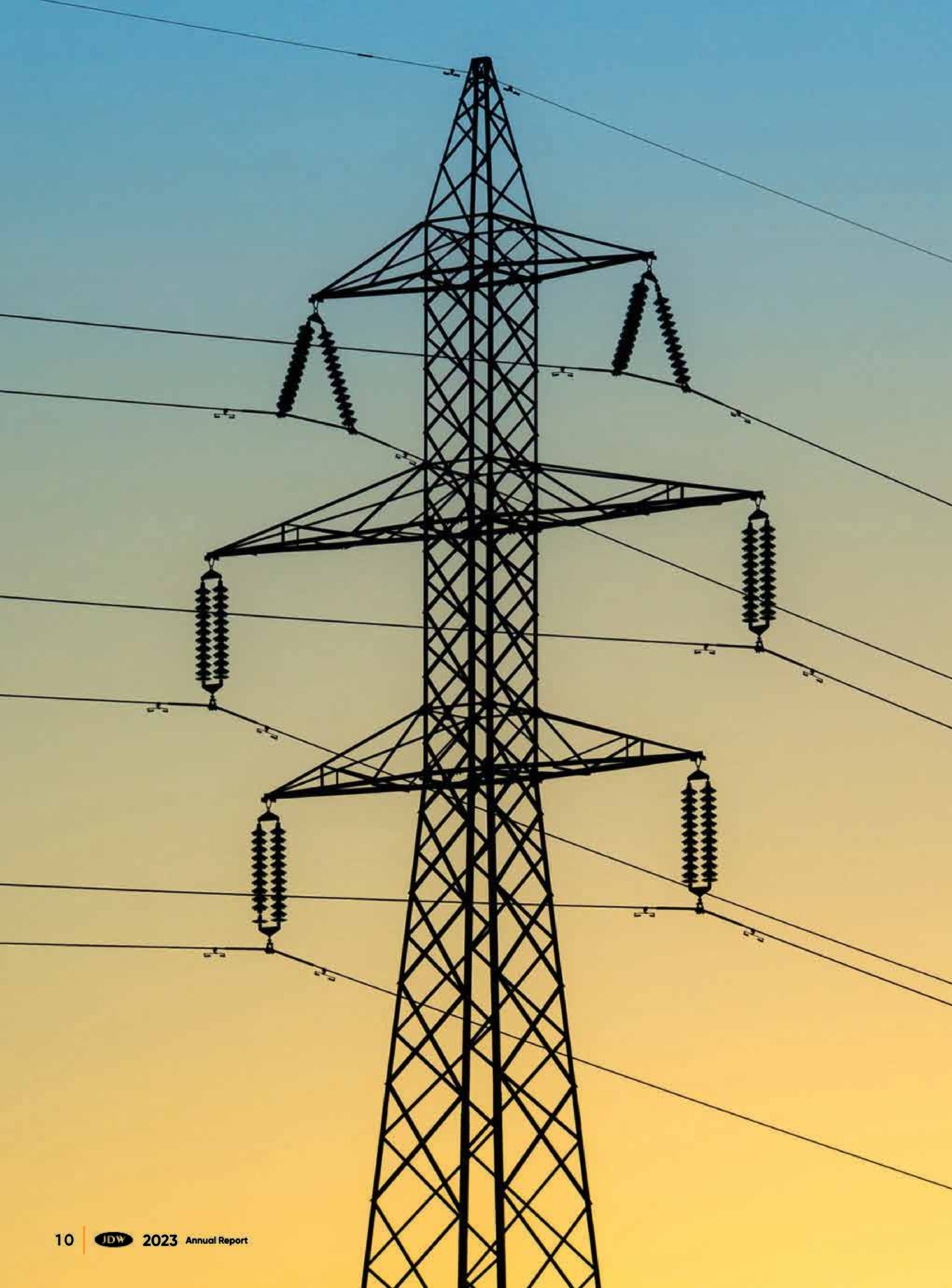
- To be the market leader and a world-class organization by meeting and proactively anticipating customer needs.
- To maximize the wealth of stakeholders by optimizing the long term returns and growth of the business.
- To be amongst the most efficient and lowest cost producers in the industry.
- To ensure a safe, harmonious and challenging working environment for the employees.

STRATEGY

- To grow our base business in sugar and build those related activities where there is opportunity to smooth the impact of sugar price cycles.
- To produce quality products which are of highest international standards.
- To make investment in sugarcane crop to ensure regular supply of cane and profitability of growers.
- To offer equal and fair growth opportunities to all employees.
- To undertake and support community development and welfare projects in order to fulfil social commitments.

VALUES

- Innovating & Improving
- Protecting our People & Growers
- Acting with Integrity
- Working Together
- Community Empowerment



HIGH PRESSURE CO-GENERATION POWER PLANTS

2023, was another satisfactory year for the pioneering Co-Generation Power projects which effectively achieved its generation capacity levels, maintaining it throughout the year. The plants ran smoothly contributing its share to the National Grid.

The first 26.6 MW power plant at JDW Unit-II, Sadiqabad, District Rahim Yar Khan, Punjab achieved Commercial Operations Date (COD) on June 12, 2014 after completing all independent testing and certification requirements, while the second 26.8 MW plant at JDW Unit-III, District Ghotki, Sindh achieved COD on October 3, 2014.

Both power plants are fully operational and supplying affordable and renewable electricity under Energy Purchase Agreements. The plants efficiently utilize indigenous bagasse as fuel, which besides being environment friendly, also has the major benefit of saving precious foreign exchange for the country compared to imported fuels such as furnace oil or imported coal. The Company's power plants are the first to materialize under National Electric Power Regulatory Authority (NEPRA)'s upfront bagasse tariff.

Gross Revenue from Co-Generation

4,843

Rs. in million **2022-23**

Energy Units Delivered

370,923

MWh **2022-23**

CORPORATE FARMING

Human resource is undoubtedly the backbone of our industry business. With sound farming knowledge, distinctive agronomic strategies and modern machinery, our people help us building highly efficient and eco-friendly farms with higher yields. Our innovative farming techniques have also led us to build the capacity of existing farmers resulting in improved and reliable cane supply to JDW.

JDW believes in investing in our future by undertaking large scale research and development activities such as:

- Varietal screening and selection.
- Soil and water testing laboratory.
- Bio-laboratory facility.
- Hot water treatment facility.
- Disease free Seed Screening Program.
- Transfer of technology.
- Application of GIS (Computerized Geographic Information System).
- Application of precision agriculture methodologies

Automation and Mechanization

Large scale farming operations cannot be managed effectively without mechanization. We have managed to acquire latest tractors and other farming equipment's from local as well as foreign sources. In addition to that, we have rationalized farm layouts and combined the traditional farming techniques with newly acquired technologies to achieve maximum yield in the region. Few of our mechanized operations are given below: -

- Using semi-mechanized planting techniques.
- Fertilizing (2 and 3 row coulter applicators).
- Magnum 340 HP tractors with GPS Scrappers for levelling.
- Magnum 340 HP tractors with GPS enable cultivation.
- Puma 140 HP tractors with hydraulic tilting blade to make drains.
- CNH 140 HP tractors for Zonal Ripper.
- Gypsum spreaders.
- Inter row herbicide sprayers.
- Drone sprayers.
- High clearance tractor spraying.
- Granular pesticide applicator.
- Harvesting.
- Designing and manufacturing of stubble cultivator or bed de-generator to replace rotary hoe.
- Well-equipped workshop for high tech maintenance.

Precision Agriculture

Precision Agriculture (PA) is the act of managing different land variables using latest technology such as Global Positioning Systems (GPS), Geographic Information Systems (GIS), Remote Sensing (RS) and Yield Mapping. Adoption of PA practices can improve the efficiency and profitability of farming operations to a great extent. Under the supervision of foreign consultants, our engineering team is making full use of these techniques to achieve higher yield at lower costs.

Sustaining Field Operations by Replacing Rotary HOE with Stumble Cultivator

Designing and fabrication of bed de-generator at site workshop is now ready to work in the fields. This will create revolution in term of time and energy saving in offset and seed bed operations. Replacement of rotary hoe will stop deterioration of soil structure which leads to improve soil by maintaining soil porosity, water holding capacity, soil drainage and reduction of surface sealing.

Crop Varieties

Promising Sugarcane varieties play an important role in crop improvement and sustainable farming. We are progressing with some good sugarcane varietal lines at JDW Research farm. These lines have been selected in 2022-23 from J16 and J19 nurseries which were produced from JDW sugarcane breeding station located at Thatha. These are early maturing and high yielding varieties. These varieties have shown disease resistance in various research trials at JDW research farm.

At this stage, these varieties are under seed multiplication process at JDW corporate farms. These have been planted on different soil types for adoptive trials in 2023. More qualitative and quantitative data will be taken to see their adoptability on larger fields. Further sugarcane seedlings have been produced every year through breeding of selected parents. We are utilizing both local and foreign germplasm in breeding having good traits.

Production of disease free seed for corporate farms and local growers and Production of certified seed (Disease free seed playing vital role in sugar industry).

Recent tests revealed ratoon stunting disease (RSD) and White leaf disease (WLD) is found common in commercial cultivars of the area. In this scenario, seed certification is important to keep sustain cane production through these locally adopted cultivars. Hot water treatment of the seed is the only solution to minimize the impact of above mentioned diseases. JDW have constructed large heat treatment facilities at each mill and seed treatment has been done successfully. Disease free seed nurseries have been established at JDW corporate farms. This is a continuous process. We are doing hot water treatment every year and keep building the healthy seed nurseries at our farms. This practice is very important to keep the disease pressure under economic threshold level.

Weed Management

Creeping weeds like morning glory and twine vine are giving serious problem among farms. These weeds are introduced around flood areas around Indus river bank in 2010. A serious efforts of herbicide trials are underway to control and check the further spread of these weeds. JDW is making long and short term strategies which are at final stage.

Field Spray through Drone

Traditionally, aerial spraying of pesticides has been done using conventional fixed-wing aircraft or helicopters with a pilot onboard. However, this is changing. Small, remotely piloted aircraft are being used to apply pesticides around the world.

Drone sprayers will never replace ground or conventional aerial application technology, but they may complement existing spray practices. The future of drone spraying will be mainly affected by the crop height, timeliness and field condition in post rain and irrigation (i.e., which option may get the job done in the shortest time, desiccating high temperature may reduce the adhesiveness being small

droplets from drone), the type of spraying to be done (insecticide or herbicide, use of water volume etc), and availability of local companies offering drone spraying.

JDW corporate farms also introduced drone spray to sugarcane crop especially when crop height hinders in traditional method of spray through tractors. Post rain or just after irrigation drone spray is being carried out when traditional way of spraying is impossible being wet field.

Hot Water Treatment (HWT) Facility

Hot water treatment is primarily required to ensure disease free seed for farms. Small portable HWT plant was setup in 2014 under crop improvement (R&D), new portable setup was imported and HWT started in 2016-17. Fixed hot water treatment plants of bigger capacities are now constructed at unit I and DSM. These plants are now in operation.

Irrigation

JDW has always emphasized on improving irrigation efficiency in the region. Over the years, irrigation using poor quality tube well water has led to serious soiled gradation that resulted in loss of yield. At JDW, all ground water sources are constantly tested in the laboratory to ensure that suitable water is supplied to crops. The farms are designed using latest laser levelling technology to ensure improved irrigation, at reduced costs and increasing yield potential. In recent times, addition of flow-meters on irrigation sources started to quantify the efficiency of irrigation. In addition, early hill up technique is developed to conserve moisture which leads to improve water use efficiency.

Harvesting Operations

JDW has adopted the use of mechanical harvesters and prime mover cane transport systems for harvesting and transporting cane from farm to mill on timely basis. This saves a lot of harvesting and transportation costs and crucial cane nutrition. JDW currently operates 16 harvesters and has the capacity to mechanically harvest over 450,000/- tonnes of cane over 13,000/- acres per season. The mechanical harvest and transport system continues to evolve into a world class operation as efficiencies improve with new innovations, improved infrastructure and improved farm designs.

Cane production is affected by both harvesting and field issues which can impact on sugar quality and quantity. Both harvesting efficiency and crop presentation affect cane yield, cane quality and ratooning. Foreign consultants are working with JDW and have developed Harvesting Best Practice (HBP) guidelines to reduce cane loss, improve cane quality, and reduce stool damage. The HBP guidelines also focus on the impact that crop presentation has on harvesting efficiency. Information available covers topics such as farming for efficient harvesting; the effect of extractor fan speed on cane loss, crop yield, Commercial Cane Sugar (CCS), reduction in base cutter/chopper losses; and improvement in billet quality for planting.

CORPORATE SOCIAL RESPONSIBILITY

Sugarcane Crop Improvement Program

Variety Development

Good sugarcane variety is a key to successful business for production of white refined sugar because every variety has different sugar accumulation potential. The main threat to sugarcane varieties is outbreak of disease particularly disease of mature stalk like “Red Rot”. In recent past our main variety i.e. SPF-234 was affected by this disease and now our variety i.e. CPF-246 is also damaging due to Red Rot disease. Due to this reason replacement of varieties becomes most important task for our group. In recent past we have introduced two disease resistant varieties i.e. CP77-400 and CPF-253 in our area, to fill the gap.

Disease Management

Most important diseases which have destructive impact on sugarcane varieties are “Red Rot”, “White Leaf” and “Smut” disease. Crushing zones of JDW Group Mills are facing problem of all these diseases. To save our crop from these diseases we are fighting on following frontiers:

(i) Introduction of disease resistant varieties.

(ii) Managing insect vectors responsible for spreading WLD.

(iii) Spray of fungicides for control of disease outbreaks.

Insect Pest Management

As far as insect pests are concerned; Pyrilla and Black bug are major sucking pests in our crushing zone and stem and top borers are among the major chewing type insect pests. We are investing huge budget for provision of pesticides to growers for the management of these pests. Field teams consisting of development and cane departments have rigorously followed the crop of every grower to control these pests. Alhamdulillah with coordinated efforts of field staff and with patronage of JDW Group’s management we have ideally managed the populations of above mentioned all insect pests. For managing these pests we are using best chemistries of pesticides.

Due to change in climate condition and favorable conditions during 2023 sugarcane whitefly also attacked the crop in all zones of JDW Group’s mills but our timely measures stopped its spreading on vast area.

During 2023 we have also introduced drones for managing top borer and whitefly. This new innovation is very efficient, effective and economical as well for management of insect/pest, particularly during the month of July-Sep. When crop cast be sprayed by tradition sources.

Livestock Support Project

As a supportive source of income or to supplement the cash needs, sugarcane growers also rear amounts both for milk & meat production.

But due to lack of awareness, skill and resources growers are not harnessing full potential of animals either in form of milk or meat.

For achieving good production of milk & meat from animals role of balanced nutrition and proper treatment is very crucial one. For providing said services to the growers we are working on the following:

1. Artificial Insemination by using high quality semen for breed improvement.
2. Deworming of animals for control of endo and ecto parasites.
3. Vaccination for control of diseases like FMD, HS and ETV etc.
4. All kind of emergency treatment on phone call.
5. Special care of model animals for increasing meat and milk production by use of balanced nutrition.

Sugarcane Productivity Enhancement Project (SPEP)

SPEP was initiated with combined efforts of JDW Sugar Mills and NRSP in 2000 with the objective of enabling 10,000 farmers with small landholdings to double their per acre yield of sugarcane, and thereby raise their incomes and standard of living. The project was launched in District Rahim Yar Khan in areas adjacent to the JDW Mills. We have intervened in one hundred eleven (111) union councils and 846 revenue villages within these union councils, 193,026 acres of land and 109,311 households in four (04) tehsils namely 'Rahim Yar Khan', 'Khan Pur', 'Liaqat Pur' and 'Sadiqabad'. It is a comprehensive and intended intervention for agriculture production expansion and the living standards of poor people. Its need was felt when the statistics of the region showed the declining trends in the acreage of sugarcane. The declining trend was attributed to poor seed quality, low yields, nonscientific agronomic practices, lack of access to credit and delayed payment to small growers by the Mills which discouraged the small farmers and growers. Therefore, another objective of SPEP was to double the production of sugarcane of 10,000 small farmers living in designated Union Council around the JDW Mills in RYK. SPEP has been designed to enhance small farm (<20 acres) profitability through agriculture & livestock extension services and provision of credit without collateral. The community organizations (COs) receive SPEP support from a professional team consisting of a social organizer, an agricultural extension officer, and a veterinary officer. The SPEP program had a significant positive impact on total household income, farm income, sugarcane income, and household expenditures.

The following activities have been carried out in the SPEP area

- Community Mobilization carried out by NRSP
- Organization of small farmers into Community Organization (CO)
- Providing them planning and management training
- Development of marketing channels

Extension services carried out by JDW Mills

- Arrangement of quality inputs
- Giving technical advice
- Better agronomic practices

Financial Services carried out both by NRSP and JDW Mills i.e., SPEP

- CO savings
- Credit for fertilizer
- Credit for agriculture machinery and implements

With continued support from JDW Sugar Mills, NRSP expanded its operation to 111 union councils. The number of active COs grew in 2022-23 up to 12,381 with a membership of 129,283 farmers. The main features of the SPEP include:

- Increase income of poor rural people by the increase in per acre yield of sugarcane, through:
    - Improvement in production technology
    - Resource use efficiency
    - Need-based support (credit, agri-machinery, inputs, seed etc.)
    - Assurance of timely payments by Sugar Mills.
- Ensure enough quality sugarcane in the catchment area of sugar mills.
- Social mobilization and organization of the rural poor into Community Organizations (COs)
- Provision of agricultural extension services; agricultural graduates employed by JDW Sugar Mills provide services through direct advice in CO meetings, published literature and farm visits.
- Credit facility from JDW Sugar Mills and NRSP for the purchase of seed and other agricultural inputs on the guarantee of the COs.
- Small farmers have access to new Seeds, Pesticides/ farm machinery provided by JDW Sugar Mills on credit at subsidized rates.

NRSP has distributed loans of Rs. 1,061.38 million in the year 2022-23 to raise the productivity & income of the farming communities, which is really helping to increase the social and economic life of the rural communities.

SPEP program has a significant impact on the income of participating households in treatment villages especially for those rural households that participate in CO over longer periods.

02

FINANCIAL PERFORMANCE

WE DELIVERED
2022-2023

Gross Revenue on Group Basis	Profit from Operations	Profit after Tax
103	8,518	2,166
Rs. in billion	Rs. in million	Rs. in million

Earnings per Share	Cash Dividend
37.17	400%
Rs. per share	% age per share

AS COMMITTED

Total Assets
51.9
Rs. in billion

Shareholders' Equity
16
Rs. in billion

Contribution to National Exchequer on Group Basis
14,537
Rs. in million

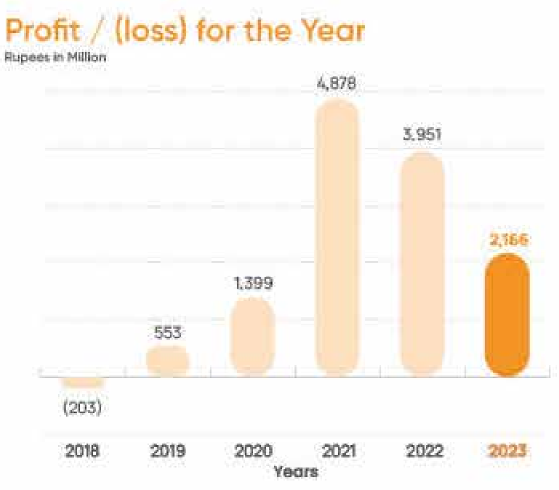
Share Price
374
Rs. per share
30 Sep 2023

Growers' Payment on Group Basis
58
Rs. in billion

OPERATING HIGHLIGHTS

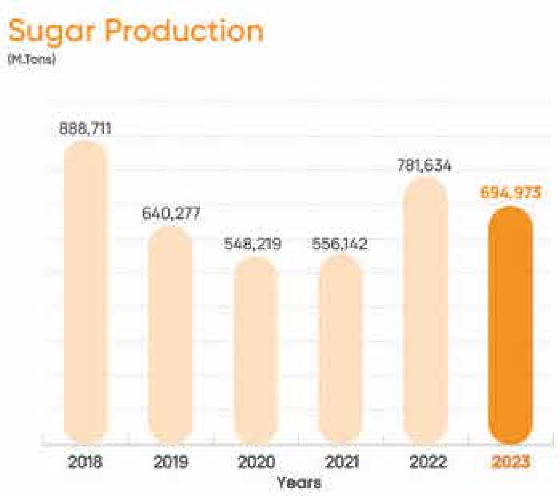
(Rupees in thousand)

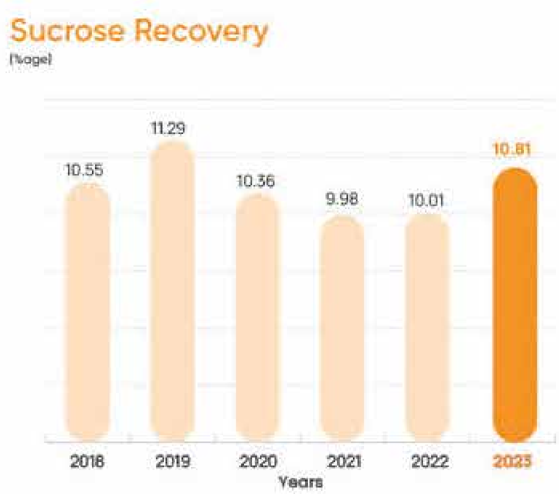
		2023	2022	2021	2020	2019	2018
Gross revenue		**81,904,267**	67,027,986	64,908,275	60,754,018	54,724,042	40,251,476
Revenue from contracts with customers		**72,343,106**	58,887,908	56,800,292	52,457,860	49,119,853	37,264,506
Cost of revenue		**62,032,104**	49,737,504	46,664,716	44,867,941	43,903,668	34,517,475
Administrative and selling expenses		**2,606,822**	2,207,964	1,954,335	1,706,550	1,303,568	1,088,427
Finance cost		**5,453,329**	3,404,137	2,251,743	3,550,397	3,511,601	2,269,761
Other expenses		**218,957**	393,288	3,692,881	584,371	754,316	5,238
Other income		**(1,032,854)**	(1,967,634)	(2,210,705)	(672,739)	(593,359)	(475,637)
Profit from operations		**8,518,076**	8,516,787	6,699,065	5,971,737	3,751,660	2,129,003
Profit / (loss) before taxation		**3,064,748**	5,112,649	4,447,322	2,421,340	240,060	(140,758)
Profit / (loss) after taxation		**2,166,094**	3,950,558	4,878,296	1,398,517	553,296	(203,441)
Basic earnings / (loss) per share	Rs.	**37.17**	66.09	81.61	23.40	9.26	(3.40)
Interim Dividend - cash	%	**250**	150	-	-	-	-
Final Dividend - cash	%	**150**	125	100	-	100	-
Total Dividend - cash	**%**	**400**	**275**	**100**	**-**	**100**	**-**



PRODUCTION DATA

		2023	2022	2021	2020	2019	2018
Unit - I							
Sugar production	M.Tons	**303,372**	336,630	255,396	260,845	287,394	409,507
Sugar recovery	% age	**11.24**	10.16	10.06	10.58	11.61	10.91
Molasses production	M.Tons	**118,684**	156,887	112,167	102,835	96,101	175,655
Molasses recovery	% age	**4.40**	4.74	4.42	4.17	3.88	4.68
Unit - II							
Sugar production	M.Tons	**212,016**	235,506	159,800	153,173	190,304	255,879
Sugar recovery	% age	**10.58**	9.78	9.85	10.23	11.40	10.54
Molasses production	M.Tons	**93,780**	124,116	78,991	68,003	72,354	133,267
Molasses recovery	% age	**4.68**	5.15	4.87	4.54	4.33	5.49
Unit - III							
Sugar production	M.Tons	**179,585**	209,498	140,946	134,202	162,580	223,325
Sugar recovery	% age	**10.41**	10.02	9.99	10.09	10.65	9.97
Molasses production	M.Tons	**77,347**	102,488	65,104	58,749	62,882	113,728
Molasses recovery	% age	**4.49**	4.90	4.61	4.42	4.12	5.08
JDW Sugar Mills Limited							
Sugar production	M.Tons	**694,973**	781,634	556,142	548,219	640,277	888,711
Sugar recovery	% age	**10.81**	10.01	9.98	10.36	11.29	10.55
Molasses production	M.Tons	**289,811**	383,491	256,262	229,587	231,337	422,650
Molasses recovery	% age	**4.51**	4.91	4.60	4.34	4.08	5.02






03

DIRECTORS' REVIEW

CHAIRMAN'S REVIEW

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

JDW Sugar Mills Limited 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 the Directors (''the Board") of JDW Sugar Mills Limited (''the Company") is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company. Areas, where improvements are required, are duly considered and action plans are framed and implemented.

For the purpose of Board evaluation, a comprehensive criteria has been developed. The Board has recently completed its annual self-evaluation for the year ended September 30, 2023 and I report that:

- The overall performance of the Board measured on the basis of approved criteria for the year was satisfactory.
- The overall assessment, as satisfactory, is based on an evaluation of the following integral components, which have a direct bearing on the Board's role in achievement of Company's objectives:
- The Board members are familiar with the current vision, mission and values and support them. The Board revisits the mission and vision statement from time to time. The Board has a clear understanding of the stakeholders (shareholders, customers, employees, vendors, society at large) whom the Company serves. The Board has a strategic vision of how the organization should evolve over the next three to five years. Further, the Board sets annual goals and targets for the management in all major performance areas.
- The Board members diligently performed their duties and thoroughly reviewed, discussed and approved business strategies, corporate objectives, budget plans, financial statements and other reports. It received clear and succinct agendas and supporting written material in sufficient time prior to Board and committee meetings. The Board met frequently enough to adequately discharge its responsibilities. The Board remained updated with respect to achievement of Company's objectives, goals, strategies and financial performance through regular presentations by the management, internal and external auditors and other independent consultants. The Board provided appropriate direction and oversight on a timely basis.
- The Board members effectively bring diversity to the Board and constitute a mix of Independent and Non-Executive Directors. The Non-Executive and Independent Directors were equally involved in important Board decisions. The Board has effectively set the tone at the top, by putting in place a transparent and robust system of governance. This is reflected by setting up an effective control environment, compliance with best practices of Regulations and by promoting ethical and fair behaviour across the Company.

03 January 2024
Lahore

Chairman

چیئرمین کا جائزہ

JDW شوگر ملز لمیٹڈ اپنی تشکیل، طریقہ کار، بورڈ آف ڈائریکٹرز کی میٹنگز اور اس کی متعلقہ کمیٹیوں کی میٹنگز کے حوالے سے کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 پر مکمل طور پر کاربند ہے۔ جیسا کہ کارپوریٹ گورننس کے تحت ضروری ہے کہ JDW شوگر ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی کارکردگی کا جائزہ لیا جائے۔ اس جائزے کا مقصد یہ ہے کہ بورڈ کی کارکردگی کو کمپنی کی توقعات اور مقاصد کی روشنی میں جانچا اور متعین کیا جا سکے۔

بورڈ کی کارکردگی کو جانچنے کیلئے ایک جامع معیار طے کیا گیا ہے۔ بورڈ نے 30 ستمبر 2023 کو اختتام پذیر ہونے والے سال کیلئے اپنی سالانہ کارکردگی کی جانچ مکمل کی ہے اور میں بلاشبہ یہ کہہ سکتا ہوں کہ:

- طے شدہ معیار کی روشنی میں بورڈ کی مجموعی کارکردگی تسلی بخش تھی۔
- بورڈ کی کارکردگی کو مندرجہ ذیل انتہائی اہم امور کی روشنی میں تسلی بخش قرار دیا گیا۔ کمپنی کے مقاصد کے حصول کیلئے ان امور کا بورڈ ممبران سے براہ راست تعلق ہے۔
- بورڈ کے تمام اراکین موجودہ اولین مقاصد، مشن اور اقدار سے پوری طرح آگاہ ہیں اور ان کی مکمل حمایت کرتے ہیں۔ بورڈ کے اراکین وقتاً فوقتاً مشن اور ویژن کا جائزہ لیتے رہتے ہیں۔
- بورڈ کو اپنے سٹیک ہولڈرز (حصص مالکان، گاہکوں، ملازمین، سپلائرز اور معاشرے) سے مکمل آگاہی ہے۔ بورڈ کو اس بات کا مکمل ادراک ہے کہ اگلے تین سے پانچ سال میں کمپنی کس مقام پر ہوگی۔ مزید برآں بورڈ، منتظمین کیلئے کارکردگی کے حوالے سے تمام اہم امور کے سالانہ اہداف مقرر کرتا ہے۔
- بورڈ کے ارکین نے اپنے فرائض تندہی سے ادا کئے۔ انہوں نے گفت و شنید اور محتاط جائزوں کے بعد کاروباری حکمتِ عملی، کاروباری مقاصد، بجٹ، مالیاتی اور دیگر رپورٹوں کی منظوری دی۔ بورڈ اور کمیٹی کی میٹنگز سے پہلے مکمل ایجنڈا اور تحریری مواد بروقت موجود ہوتا تھا۔ بورڈ نے اپنے فرائض کو احسن طریقے سے پورا کیا ہے۔
- بورڈ کمپنی کے مقاصد، اہداف، حکمتِ عملی اور مالیاتی کارکردگی کے حوالے سے مکمل باخبر رہا۔ بورڈ کو یہ معلومات منتظمین، اندرونی و بیرونی آڈیٹرز اور خودمختار مشاورت کاروں کی بدولت حاصل ہوتی رہیں۔ بورڈ نے ان تمام امور سے متعلق بروقت اور مناسب رہنمائی کی۔
- خودمختار اور نان ایگزیکٹو بورڈ ممبران کی بدولت بورڈ میں ایک موثر قسم کا تنوع پایا جاتا ہے۔ خودمختار اور نان ایگزیکٹو بورڈ ممبران اہم نوعیت کی فیصلہ سازی میں برابر کا حصہ رکھتے ہیں۔
- بورڈ نے نہایت موثر طریقے سے ایک شفاف اور مضبوط انتظامی نظام قائم کیا۔ کمپنی میں موثر کنٹرول سسٹم، کمپنی بھر میں منصفانہ اور اخلاقی رویے اچھے انتظام و انصرام اور کنٹرول کی بہترین جہتوں کو ظاہر کرتے ہیں۔

۳ جنوری ۲۰۲۴
لاہور

DIRECTORS' REPORT

We, on behalf of the Board of Directors of JDW Sugar Mills Limited, are pleased to present the Company's 34th Annual Report together with the Audited Financial Statements for the year ended 30 September 2023.

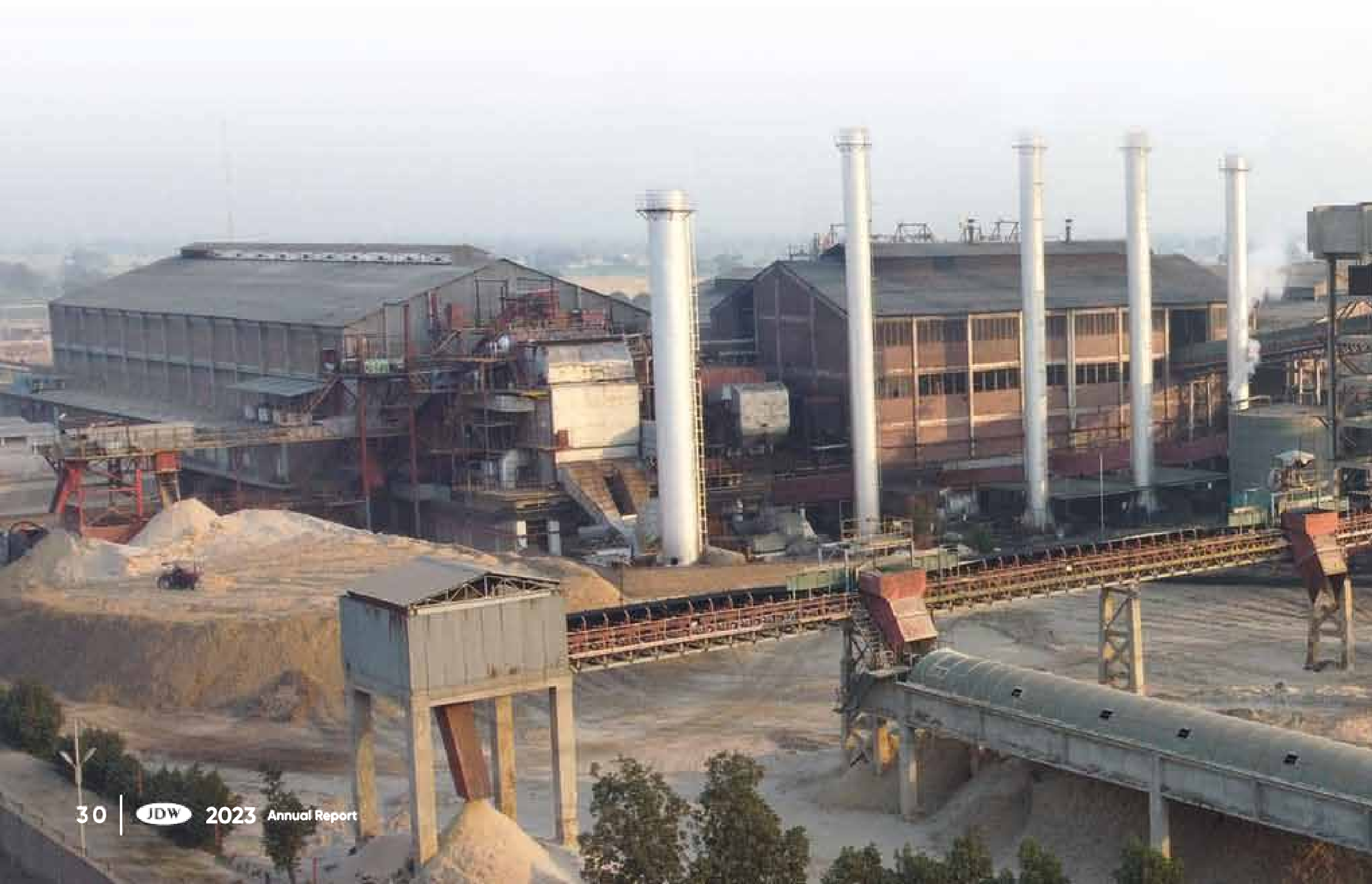
Overview

JDW Sugar Mills Limited ("the Company") was incorporated in Pakistan on 31 May 1990 as a private limited Company and was subsequently converted into a public limited Company on 24 August 1991. Shares of the Company are listed on the Pakistan Stock Exchange Limited. The Registered Office of the Company is situated at 17 - Abid Majeed Road, Lahore Cantonment, Lahore. The principal activities of the Company are production and sale of crystalline Sugar, Electricity and managing Corporate Farms.

Operating Results

Operating results of the Company for the year under review are summarized below:

Description		2022-23				2021-22			
		JDW-I	JDW-II	JDW-III	Combined	JDW-I	JDW-II	JDW-III	Combined
Sugarcane Crushed	M. Tons	2,698,673	2,003,727	1,724,264	**6,426,664**	3,311,789	2,408,562	2,091,205	**7,811,556**
Sugar Production	M. Tons	303,372	212,016	179,585	**694,973**	336,630	235,506	209,498	**781,634**
Sucrose Recovery	%age	11.24	10.58	10.41	**10.81**	10.16	9.78	10.02	**10.01**
Molasses Production	M. Tons	118,684	93,780	77,347	**289,811**	156,887	124,116	102,488	**383,491**
Molasses Recovery	%age	4.40	4.68	4.49	**4.51**	4.74	5.15	4.90	**4.91**



The comments on above operating results are as under:

Sugarcane crushed this time by the Company was 18% less than last year whereas sugar production decrease was 11% despite of 80 bps increase in the sucrose recovery. One thing is worth noting that 10 days delay in start of crushing season 2022-23 has resulted in achieving better sucrose recovery so the best time to start crushing season every year is the last week of November which can give at-least 250,000 – 300,000 tons extra sugar production on overall country basis. The crop size for crushing season 2022-23 was lesser than last year due to 2022 floods in the province of Sindh. Also, growers have experienced low yield per acre ranging from 10% to 20% from area to area. Better sucrose recoveries and more area under cultivation were the positive factors which mitigated to a large extent the negative impact of floods and low yields per acre and the country was able to produce 6.74 million tons of sugar as compared to 7.87 million tons in the last crushing season i.e.,15% drop over last crushing season.

Deharki Sugar Mills (Pvt.) Limited ("DSML") being wholly owned subsidiary of the Company has achieved the following operating results in its 12th year of operations:

Operating Results – Subsidiary Company

		2022-23	2021-22
Sugarcane Crushed	M. Tons	**1,585,515**	1,953,090
Sugar Production	M. Tons	**165,410**	196,560
Sucrose Recovery	%age	**10.43**	10.06
Molasses Production	M. Tons	**72,025**	96,603
Molasses Recovery	%age	**4.54**	4.95

DIRECTORS' REPORT

For DSML, there has been 19% decrease in the sugarcane crushing whereas decrease in sugar production was 16% despite of 37 bps increase in the sucrose recovery.

Overview of Financial Results:

An analysis of the key operating results of the Company is given below:

(Rs. in Million)

	30 Sep 2023	30 Sep 2022
Gross Revenue	**81,904**	67,028
Revenue from Contracts with Customers	**72,343**	58,888
Profit from Operations	**8,518**	8,517
Finance cost	**5,453**	3,404
Profit before Tax	**3,065**	5,113
Profit after Tax	**2,166**	3,951
Earnings per Share	**37.17**	66.09

- During this year despite 23% increase in the net sales of the Company which increased from Rs. 59 billion to Rs. 72 billion there has been 45% drop in the net profit after tax which has reduced from Rs. 3,951 million to Rs. 2,166 million, resultantly earnings per share of the Company have come down to Rs. 37.17 from Rs. 66.09 achieved last year. Gross profit ratio has also decreased from 16% to 14%. The profitability achieved in the current year has come from Sugar and Co-Gen divisions whereas Corporate Farms have shown negative results this time mainly caused by low yield per acre. Main reasons for drop in the profitability are summarized below:

    i) Unfavorable sugar prices prevailed most of the period because of surplus carryover sugar stock of approx. 1 million tons from last year which was available at start of the crushing season 2022-23 with expectation of bumper sugar production in the season. Delayed decision by the Federal Government for export of sugar coupled with inadequate permission for export i.e., just 250,000 tons out of available surplus has kept the local sugar prices depressed until end May, 2023.

    ii) Besides increase in other factory overheads i.e., salaries & wages, packing material cost, oil & lubricants and chemicals there was also substantial increase in the procurement cost of sugarcane which resulted in eroding the profitability of the Company. Provincial Governments are continuing to increase the support prices of sugarcane every year without giving any support to the sugar industry to keep sugar prices at a level where these support prices of sugarcane can be justified. Provinces simply claim that sugar prices are the subject of the Federal Government. We always support increase in the support prices of sugarcane but unfortunately Government does not provide any assistance to the sugar industry to get better sugar prices. In case of higher prices Govt. always intervene whereas in a situation of depressed sugar prices Govt. says let the market forces work.

    iii) Other income has also substantially decreased from Rs. 1,968 million to Rs. 1,033 million mainly due to net fair value loss of crop at the point of harvest caused by reduction in yield per acre. Financial results of the corporate farms are negative this year.

    iv) Another main reason is huge increase i.e., 60% in the financial charges of the Company which have increased from Rs. 3,404 million to Rs. 5,453 million i.e., Rs. 2,049 million up caused by higher markup rates and more working capital requirement to ensure timely payments to the growers and to meet other financial obligations.

    v) Sugarcane Corporate Farms have an area of approximately 26,000 acres of leased and owned agricultural land contributed up to approx. 7% of the total sugarcane crushed during the year but in the current year, sugarcane Corporate Farms have contributed negatively in the profitability of the Company because of reduction in yield per acre ranging from 173 to 280 maunds per acre due to unfavorable weather conditions plus substantial increases in the input costs.

- Deharki Sugar Mills (Pvt.) Limited (DSML), a 100% owned subsidiary of the Company has earned profit after tax amounting to Rs. 1,038 million as compared to profit after tax Rs. 380 million in the last year. The main reason for this improved profitability is 80 % increase in the net sales of the subsidiary company which has increased from Rs. 12 billion to Rs. 22 billion. Also, financial charges which always put major dent on the profitability were almost the same as were last year despite substantial increase in the turnover of the subsidiary company. DSML has early settled its long-term loans in September, 2023 and the subsidiary company now has become long term debt free.

- There has been 18% increase in the administrative expenses of the Company over last year which was mainly due to annual increments. Selling expenses have also increased from Rs. 50 million to Rs. 65 million owing to annual increments and rising inflation trend.

- In view of the consistent better performance of the Company, all financial covenants are improving every year. This year too, the Company is fully compliant with all financial covenants agreed upon with the financial institutions from time to time and fulfilling it's all financial obligations on time and enjoys good relationship with all the financial institutions it's dealing with.

- At year end our energy receivables stand at Rs. 2.3 billion from Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) which have considerably come down from the level of Rs. 7.3 billion in the year 2018-19. These receivables are now equivalent to our six months' sales whereas in year 2018-19 these went up to equivalent to two years sales. Over the years there have been improvement and situation is getting better.

DIRECTORS' REPORT

- Further to the above, the bagasse pricing issue of Bagasse Based Co-Gen Power Projects (Total 8 Projects installed in the Country with aggregate plant capacities of 259.10 MW) is still pending since October 2018 with National Electric Power Regulatory Authority (NEPRA). The Company was in litigation with NEPRA for its Order passed relating to bagasse pricing based on its Suo moto action in July 2019 and the said Order was immediately suspended by the Islamabad High Court (IHC). The case was pending in IHC. In June 2022, NEPRA Appellate Tribunal had become functional and in October 2022, Islamabad High Court (IHC) referred this case to the NEPRA Appellate Tribunal. In November 2022, the Tribunal has set aside the impugned Order and the matter has remanded to NEPRA for its decision a fresh in accordance with Law.

  After Tribunal decision, during the year 2023, hearings have been undertaken by the NEPRA for determination of Bagasse Price. Moreover, subsequent to year end, a consultative session has also been conducted by the NEPRA in December 2023 in this regard. We are very hopeful that this long outstanding issue would be resolved soon.

- The balance sheet size has increased to Rs. 52 billion from Rs. 46 billion last year and accumulated reserves are now 27 times of the paid-up capital of the Company.

Other points of your interest are summarized below:

- This year the consolidated net turnover of JDW Group has crossed Rs. 100 billion first time. Also, the Group has become long term debt free in the month of October, 2023. So, year 2023 was the lucky one for the Group in which these both major milestones were achieved.

- For crushing season 2022-23, notified support prices of sugarcane have again been increased to Rs. 300 from Rs. 225 per 40 kgs in the province of Punjab and to Rs. 302 from Rs. 250 per 40 kgs in Sindh. This increase in support price of sugarcane ultimately increased the production cost of the sugar. Prices of sugarcane which is a major cost component are determined & announced by the Provincial Governments every year whereas sugar prices when depressed are left on the market forces and when market forces start favouring the intervention from Govt starts with massive coercive measures causing big issue for the sugar industry. On Group basis approximately Rs. 1.8 billion was extra paid to growers over and above the enhanced sugarcane support prices as stated earlier. Growers were happy for getting better sugarcane prices and timely payments (100%) through their bank accounts only. Growers now have started enjoying payments through their bank accounts because of various comforts available in this system.

- As usual growers' payment has remained our top priority being one of the main keys of our success. This was the 6th consecutive crushing season in which all the growers of the Company were successfully fully paid through bank accounts throughout the season which was very well appreciated by the growers. Further Company also regularly provides financial assistance and technical support to its growers. Due to these policies and preferential treatment with growers, the Company enjoys excellent relationship with all of them.

- During the current year, in pursuant to a special resolution passed by the shareholders of the Company at extraordinary general meeting held on November 03, 2022, authorizing the Company to buy-back the shares under Section 88 of the Companies Act, 2017 read in conjunction with the Listing Companies (Buy Back of Shares) Regulations, 2019. The Company with the approval of the shareholders accorded to buy back up to a maximum of its 2,000,000 issued, subscribed and paid-up ordinary shares having face value Rs. 10 through the Pakistan Stock Exchange Limited at the spot/current price prevailing during purchase period. The Company has bought back its all 2,000,000 ordinary shares from its shareholders till dated 02 January 2023. Consequently, paid up capital of the Company has reduced to Rs. 577,766,610 divided into 57,776,661 ordinary shares of face value of Rs. 10 each. This Buy-Back transaction will have a positive effect on the future financial position of the Company, including the break-up value of the Company's shares and its Earnings per Share (EPS). It also provided an opportunity of exit to those members who wish to liquidate their investment, fully or partially at price. The average buy-back price was Rs. 440.39 per share.

- Alhamdulillah, VIS Credit Rating Company Limited (VIS) has reaffirmed the entity ratings of JDW Sugar Mills Limited (JDWS) at 'A+/A-1' (Single A Plus/A-One) on 17 May 2023. The medium to long-term rating of 'A+' denotes good credit quality coupled with adequate protection factors. Moreover, risk factors may vary with possible changes in the economy. The short-term rating of 'A-1' denotes high certainty of timely payment, excellent liquidity factors and supported by good fundamental protection factors. Outlook on the assigned ratings is 'Stable'.

- During the financial year 2022-23 and after obtaining member's approvals of Faruki Pulp Mills Limited ("FPML") dated December 13, 2021 and January 23, 2023, the FPML has sold its entire assets i.e. Building, Plant & Machinery except land to the highest bidder in response to the tender notice published in nationwide newspapers for Rs. 1.6 billion (inclusive of taxes). The contract signed with the successful bidder has been fully executed and total contract amount has been received. These funds have been kept in the profit bearing bank accounts. FPML also planned to sell the entire project land in the current financial year.
- Financial year 2022-2023 was challenging due to economic conditions of the country, increased discount rates of SBP caused drastic increase in the finance cost of the Company, higher inflation and increase in sugarcane support prices by the provinces have substantially increased the production cost of sugar. Local sugar prices in Pakistan were the lowest when these were compared with any country of the world which means that cheapest sugar was available in the country but federal Govt. especially Govt. of Punjab was not satisfied with the sugar prices which were around Rs. 130 per kg ex-mills. Replacement cost of sugar at Karachi port was approx. Rs. 255 per kg and equivalent sugar prices based on sugar was being exported from Sindh province worked out at Rs. 227 per kg. Huge price variance between local and international sugar prices encouraged the sugar smuggling to the neighboring countries which caused loss of foreign exchange of millions of dollars to the country. Huge profitability loss to the sugar industry and losses to growers for not getting sugarcane prices based on international trade parity. On pointing out by PSMA, Govt. took administrative measures to check smuggling of sugar which have been successfully implemented. To appreciate Govt's efforts to stop smuggling but the sugar stocks which have accumulated as a result need a way out for export so that country and industry can benefit out of it. Even this year there was a carryover sugar stock of 700,000 tons as on 1st December, 2023 out of which some quantity of sugar should have been exported.
- Federal Board of Revenue "FBR" has issued Sales Tax General Order No. 05 of 2021-22 on 11 November 2021, with subject of Implementation of Track & Trace System. As per order, no sugar bags shall be allowed to be removed from production site or factory without affixation of Tax Stamps / Unique Identification Marking (UIMs) with effect from 11 November 2021, which are to be obtained / procured from FBR Licensed vendor only. However, Automatic Applicators provided by Authentic, the vendor neither work successfully last year nor this year and all sugar mills are affixing tax stamps manually. FBR should continue its efforts for the ongoing crushing season 2023-24 and also try to come over the shortcomings it faced during the last crushing season. Apparently, implementation of TTS this year is not as effective as it was last year. FBR needs to work on it with same letter and spirit to increase its revenue and provide level playing field to fully compliant sugar mills. Now FBR should also find out practical ways out to document the sugar trade which is also another uphill task.

Relationship with Growers

The Company enjoys cordial relationship with the farmers' community as it considers the growers to be its backbone. To maintain and further strengthen the relationship, the Company as a matter of principle gives priority and endeavours to;

- Consistently follow the policy of timely payments of sugarcane to growers through their bank accounts.
- Fulfill farmers' financial requirements by providing them financial assistance from own sources & by arranging loans for them from banks. During the period under review, huge amount of Agri loans were advanced to growers in the form of cash, seed, agricultural implements, turbines & tube wells, fertilizers and pesticides.
- Procure and provide latest agricultural equipment on subsidized rates to growers on easy installment basis.
- Enhance technical skills through various extension and advisory programs.
- Provide better quality and better yield varieties of sugarcane resulting in increased productivity in sugarcane yield per acre.

Future Outlook

- Crushing season 2023-24 was started on 25 November 2023 in our all units of Punjab and Sindh and on Group basis up to 2 January 2024 sugar produced was 298,555 tons with average sucrose recovery of 9.60%. (Comparatively in 2022-23 as reported in the last balance sheet: Crushing season 2022-23 was started on 25 November 2022 in our units in Punjab and in Sindh DSML was started on 27 November 2022 and Unit III was started on 28 November 2022 and on Group basis up to 4 January 2023 sugar produced was 308,629 tons with average sucrose recovery of 9.91%.).

DIRECTORS' REPORT

- The Board of Directors of the Company has resolved to set-up a state-of-the-art distillery project with initial capacity of 200,000-230,000 liters per day (the "Distillery/ Ethanol Project"). The Distillery/Ethanol Project will produce best quality exportable Ethanol from molasses, which is Sugar's by-product.

  This addition is in line with Company's aim to maximize the wealth of stakeholders by optimizing the long-term returns and growth of the business. As we move forward with this initiative, we will share key updates on progress of this project

- In November 2023, State Bank of Pakistan (SBP) has maintained base rate at 22% which will result in increasing the financial cost of the Company and may adversely affect the profitability of the Company in future. Business community was expecting a reduction in the base rate this time.

- The crop size for crushing season 2023-24 is 11% short in the country and sugar production in the country will be lower than last year.

- For ongoing crushing season 2023-24, notified support prices of sugarcane have again been increased to Rs. 400 from Rs. 300 per 40 kgs in Punjab and to Rs. 425 from Rs. 302 per 40 kgs in the Province of Sindh. The Company is purchasing sugarcane in Punjab at Rs. 425 per 40 kgs from start of the crushing season which is Rs.25 per 40 kgs above of support price. This increase in support price of sugarcane will ultimately result in increasing the production cost of the sugar. Prices of sugarcane which is a major cost component are determined by the provincial governments every year whereas prices of sugar are left on the market forces causing big issue for the sugar industry. Gap between prices of imported sugar and local sugar is now more than 100 %. There is a need to stabilize sugar prices by taking measures to reduce the gap between imported and local sugar prices so that growers can get better prices of their produce according to the international prices of the commodity and sugar industry can make reasonable profits to further improve its profitability.

- Further, there has been no improvement in the case of amount due from TDAP on account of Inland Freight Subsidy of Rs. 306 million for JDWSML and DSML which is still awaited. Company has completed all its formalities relating to documentation and in certain cases instructions to banks were also issued by TDAP to release payments but as of today not a single penny has been received. On overall industry basis an amount of Rs. 2.6 billion is stuck up since last more than ten (10) years. The Company has decided to file a writ petition in Lahore High Court for recovery of this amount.

- On Group basis an amount of Rs. 405 million is also due from the Government of Sindh on account of subsidy for sugar exports made in the year 2017-18. Sugar Mills in Sindh province has filed a petition in Sindh High Court for recovery of this amount from the Sindh Government. Approx. Rs. 3 billion of all sugar mills in Sindh is stuck up causing liquidity issues for the mills. Federal Government and Government of Punjab have already released their share of export subsidies almost five (05) years ago. Sugar mills in Sindh filed a writ petition in the Sindh High Court for recovery of this amount and Honorable Sindh High Court has recently ordered the Sindh Government for release of these funds during the first quarter of the financial year 2023-24.

- Financial year 2023-2024 seems to be more challenging due to prevailing economic conditions of the country, higher discount rate of SBP may cause drastic increase in finance cost of the Company and increase in sugarcane support prices by the provinces which increases the production cost of sugar with no adequate corresponding increase in the sugar prices. On 1st December, 2023 carryover sugar stocks were approx. 700,000 tons available in the country and international sugar prices were USD 750 per ton but Federal Government has not taken timely decisions to export some quantity out of this surplus. Consequently, international prices now have dropped from US $ 750 per ton to US $ 595 per ton causing loss to the sugar industry as well as to the country for foreign exchange. Poor decision making at Government level is not letting this industry to grow at its real potential.

- We are maintaining continued good performance and want to focus more on loans to reduce the financial cost of the Company and sugarcane development in the vicinity of all our mills by introducing new varieties & working more on pest controls.

Corporate and Financial Reporting Framework

The Directors are pleased to state that the Company is compliant with the provisions of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (CCG) as required by Securities & Exchange Commission of Pakistan (SECP).

Following are the statements on Corporate and Financial Reporting Framework;

- The financial statements present fairly the state of affairs of the Company, the results of its operations, cash flow and changes in equity;

- Proper books of accounts of the Company have been maintained;
- Accounting policies as stated in the notes to the financial statements have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan and the requirements of Companies Act, 2017 have been followed in preparation of the financial statements;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no doubts about the Company's ability to continue as going concern;
- There has been no material departure from the best practices of corporate governance as detailed in the listing regulations;
- A statement regarding key financial data for the last six years is annexed to this report;
- Information about taxes and levies is given in the notes to the financial statements.
- There is no likelihood of any delayed payments or default in respect of all loans availed by the Company; and
- During the year, 12 Board meetings were held. The minutes of the meetings were appropriately recorded and circulated. Attendance was as under:

Sr. No.	Name of Directors	Designation	Meetings Attended
1	Mr. Jahangir Khan Tareen	Executive Director	11
2	Makhdoom Syed Ahmad Mahmud	Chairman / Non-Executive Director	9
3	Mr. Raheal Masud	Chief Executive Officer	12
4	Mrs. Sameera Mahmud	Female / Non-Executive Director	9
5	Mr. Ijaz Ahmed	Non-Executive Director	12
6	Syed Mustafa Mehmud	Non-Executive Director	9
7	Mr. Asim Nisar Bajwa	Independent Director	10
8	Mr. Zafar Iqbal	Independent Director	12

Audit Committee

The Board has constituted an Audit Committee consisting of three Non-Executive Directors and including an Independent Director as its Chairman of the Committee. The Committee regularly meets as per requirement of the CCG. The Committee assists the Board in reviewing internal audit manual and internal audit system.

Human Resource & Remuneration Committee

The Board has constituted a Human Resource & Remuneration Committee in compliance with the CCG.

Nomination Committee

The Board has constituted a Nomination Committee in compliance with the CCG.

Risk Management Committee

The Board has constituted a Risk Management Committee in compliance with the CCG.

Corporate Social Responsibility Committee

The Board has constituted a Corporate Social Responsibility Committee in compliance with the CCG.

For composition of all Committees, please refer to Statement of Compliance.

Directors' Remuneration

The Company has formal policy and transparent procedure for determining the remuneration of Executive Directors, Non-Executive and Independent Directors. Executive & Non-Executive Directors are paid remuneration with view of attracting and retaining Directors needed to govern the Company successfully while Independent Directors are entitled for the fee for attending the meetings. For information on remuneration of Directors and CEO, please refer relevant note to the financial statements. Further, Remuneration packages of Directors and Chief Executive are given below:

DIRECTORS' REPORT

(Rs. in million)

Name of Directors	Designations	Remuneration Package	
		2022-23	2021-22
Mr. Jahangir Khan Tareen	Director	**280**	425
Mukhdoom Syed Ahmad Mahmud	Director / Chairman	**430**	255
Mr. Ijaz Ahmed	Director	**17**	11
Mr. Raheal Masud	Chief Executive	**12**	8

Directors' Training Program

All Directors are either exempted or have attended the training in prior years.

Composition of Board

The total number of directors are 08 as per the following:

a)	Male:	07
b)	Female:	01

The composition of the Board is as under:

Sr. No.	Category	Names
(i)	Independent Directors	Mr. Asim Nisar Bajwa Mr. Zafar Iqbal
(ii)	Executive Directors	Mr. Jahangir Khan Tareen Mr. Raheal Masud
(iii)	Non-Executive Directors	Mukhdoom Syed Ahmad Mahmud Syed Mustafa Mehmud Mr. Ijaz Ahmed
(iv)	Female Director (Non-Executive)	Mrs. Samira Mahmud

Subsequent Events / Material Changes

Subsequent to the year end 30 September 2023, the Company has early repaid its entire outstanding long-term loans during the month of October, 2023 and has become long term debt free.

Adequacy of Internal Financial Controls

The Directors are aware of their responsibility with respect to internal financial controls. Through discussions with management and Auditors (both internal and external), they confirm that adequate controls have been implemented by the Company.

Dividend

The Board of Directors of the Company has recommended a final cash dividend @ Rs. 15 (150%) per share for the year ended 30 September 2023. This is in addition to the already declared and paid interim cash dividends @ Rs. 25 (250%) per share, thus making a total cash dividend to Rs. 40 (400%) per share for the year ended 30 September 2023 subject to approval of the shareholders in the Annual General Meeting. If you look at the track record of dividend payouts of the Company, you will find that except for three years, the Company has been making regular payments of dividends since year 2000-01.

Pattern of Shareholding

There were 1,203 shareholders of the Company as of 30 September 2023 (2021-22: 1,173) A statement of pattern of shareholding is enclosed in this report.

Statement of transaction in shares of the Company by the Directors, CEO, CFO and Company Secretary and their spouses and minor children during the year is enclosed in this report.

Environmental Policy

The Company has a comprehensive policy that is in strict compliance with relevant environmental protocols.

Principal Risks

Following are the potential risks which the Company may face;

- Higher sugarcane prices & other input costs
- Foreign currency fluctuations
- Delay in payments of subsidies & Government dues
- Higher mark-up rates
- Coercive measures by the Provincial Governments
- Surplus sugar in the country may keep sugar prices depressed

Value of Provident Fund & Gratuity Fund Investments

The Company operates a Recognized Provident Fund Scheme covering its eligible permanent employees. Equal monthly contributions to the fund are made both by the Company and its employees in accordance with Fund's Rules. As per audited accounts of the Employees Provident Fund, the value of its investments as on 30 June 2023 is aggregating to Rs. 1,107 million (2022: Rs. 893 million).

The Company also operates an Approved Funded Gratuity Fund Scheme covering all its eligible permanent employees in accordance with Gratuity Fund Rules. The value of its investments as on 30 June 2023 is aggregating to Rs. 340 million (2022: Rs. 253 million).

National Exchequer

The Company has contributed on Group Basis a sum of Rs. 14,537 million approximately to the national exchequer in the form of taxes & duties during the year under review.

Corporate Social Responsibility Activities

The Company undertook the Corporate Social Responsibility Activities which are discussed in detail on pages from 16 to 19 during the period under review.

Auditors

The present auditors M/s. Riaz Ahmad, Saqib, Gohar & Co., Chartered Accountants retire and being eligible, offer themselves for appointment for the Audit of the year ending 30 September 2024.

Acknowledgement

The Directors would like to express their appreciation for the dedication, hard work of the workers, staff and members of the management team for achieving better financial results in the current year. Growers are the key element of our industry and we thank them for their continued support and co-operation. The Directors of the Company are also thankful to the financial institutions for their financial assistance and co-operation they have always extended in providing finances especially when it was going through difficult times of various inquiries conducted by numbers of Government Departments.

Chief Executive Officer **Director**

03 January 2024
Lahore

- شرح سود میں اضافہ
- صوبائی حکومتوں کی جانب سے سخت اقدامات
- ملک میں چینی کے وافر سٹاک کی موجودگی کے چینی کی قیمتوں پر منفی اثرات

پراویڈنٹ فنڈ اور گریجویٹی فنڈ کی سرمایہ کاری کی اہمیت

کمپنی اپنے اہل اور مستقل ملازمین کے لیے ایک تسلیم شدہ پراویڈنٹ فنڈ سکیم چلا رہی ہے۔ پراویڈنٹ فنڈ کے تحت آجر اور اجیر برابری کی بنیاد پر ماہانہ سرمایہ کاری کرتے ہیں۔ پراویڈنٹ فنڈ کے قواعد اور آڈٹ رپورٹ کے مطابق سرمایہ کاری کی قدر 30 جون 2023 میں 1,107 ملین روپے ہے۔ جبکہ سال 2022 میں یہ رقم 893 ملین تھی۔

اس کے علاوہ کمپنی ایک گریجوئی فنڈ سکیم چلا رہی ہے جس میں اس کے اہل اور مستقل ملازمین شامل ہیں۔ اسکی سرمایہ کاری کا حجم رواں سال 30 جون 2023 تک 340 ملین روپے تھا، جبکہ 2022 میں یہ حجم 253 ملین روپے تھا۔

نیشنل ایکس چیکر

کمپنی نے گروپ کی بنیاد پر رواں سال میں ٹیکسز اور ڈیوٹی کی مد میں 14,537 ملین روپے جمع کروائے۔

اداراتی سماجی ذمہ داری

کمپنی نے اپنی رواں سال کی سماجی ذمہ داریوں کا تذکرہ صفحہ نمبر 16 تا 19 صفحات نمبر میں کیا ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز ریاض احمد، ثاقب، گوہر اینڈ کمپنی چارٹرڈ اکاؤنٹینٹ ریٹائر ہو رہے ہیں اور انہوں نے اہل ہونے کے ناطے مورخہ 30 ستمبر 2024ء کے اختتام کیلئے اپنی خدمات کی دوبارہ پیشکش کی ہے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز کمپنی کیلئے موجودہ سال میں بہتر مالی نتائج یقینی بنانے پر اپنے تمام ورکر اور انتظامی سٹاف کی لگن اور انتھک محنت کا اعتراف کرتے ہیں اور شکریہ ادا کرتے ہیں۔ کاشتکار ہماری انڈسٹری کا اہم عنصر ہیں اُن کے لگاتار تعاون پر شکر گزار ہیں اس کے علاوہ کمپنی کے بورڈ آف ڈائریکٹرز حکومتی محکموں کی جانب سے مختلف انکوائریوں کی وجہ سے درپیش آنے والی مشکلات کے دوران مالی تعاون اور سپورٹ پر تمام مالیاتی اداروں، بنک، لیزنگ کمپنیوں کے تہہ دل سے شکر گزار ہیں۔

۳ جنوری ۲۰۲۴ | چیف ایگزیکٹو آفیسر | ڈائریکٹر

لاہور

آڈٹ کمیٹی

بورڈ نے ایک آڈٹ کمیٹی تشکیل دی ہے جو کمیٹی چیئرمین سمیت تین ممبران پر مشتمل ہے۔ کمیٹی کوڈ کے تقاضوں کے مطابق باقاعدگی سے ملاقات کرتی ہے۔ آڈٹ کمیٹی انٹرنل آڈٹ مینوئل اور انٹرنل آڈٹ سسٹم کا جائزہ لینے میں بورڈ کی معاونت کرتی ہے۔

انسانی وسائل اور معاوضہ کمیٹی

بورڈ نے کارپوریٹ گورننس کے ضمن میں انسانی وسائل اور معاوضہ کمیٹی تشکیل دی ہے۔

نامزدگی کمیٹی

بورڈ نے کارپوریٹ گورننس کے ضمن میں نامزدگی کمیٹی تشکیل دی ہے۔

رسک مینجمنٹ کمیٹی

بورڈ نے کارپوریٹ گورننس کے ضمن میں رسک مینجمنٹ کمیٹی تشکیل دی ہے۔

کارپوریٹ سوشل ریسپونسیبلیٹی کمیٹی

بورڈ نے کارپوریٹ گورننس کے ضمن میں کارپوریٹ سوشل ریسپونسیبلیٹی کمیٹی تشکیل دی ہے۔

تمام کمیٹیوں کی ساخت کیلئے براہ کرم سٹیٹمنٹ آف کمپلائنس کا جائزہ لیں۔

ڈائریکٹرز کے معاوضہ جات

کمپنی ایگزیکٹو ڈائریکٹرز، نان ایگزیکٹو ڈائریکٹرز اور خودمختار ڈائریکٹرز کے معاوضہ کے تعین کیلئے ایک جامع پالیسی اور شفاف طریقہ کار کی حامل ہے۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کو معاوضہ اس لئے دیا جاتا ہے کہ وہ کمپنی کو کامیابی سے چلانے والے ڈائریکٹرز کو کمپنی میں تادیر رکھ سکیں اور خودمختار ڈائریکٹرز کو اجلاس میں شرکت کیلئے فیس دی جاتی ہے۔ چیف ایگزیکٹو آفیسر اور ڈائریکٹرز کے معاوضہ جات کی معلومات کیلئے مالیاتی گوشواروں کے متعلقہ حصہ جات سے استفادہ کیا جاسکتا ہے۔ مزید براں ڈائریکٹرز اور چیف ایگزیکٹو کے معاوضے درج ذیل ہیں:

(ملین روپے)

نام	عہدہ	2022-23	2021-22
جناب جہانگیر خان ترین	ڈائریکٹر	280	425
جناب مخدوم سید احمد محمود	چیئرمین/ڈائریکٹر	430	255
جناب اعجاز احمد	ڈائریکٹر	17	11
جناب راحیل مسعود	چیف ایگزیکٹو	12	8

ڈائریکٹرز کے تربیتی پروگرام

تمام ڈائریکٹرز یا تو ٹریننگ پروگرام سے مستثنیٰ ہیں یا وہ گزشتہ سالوں کے دوران ان پروگراموں میں شرکت کر چکے ہیں۔

بورڈ آف ڈائریکٹرز کی تشکیل

ڈائریکٹران کی کل تعداد 8 ہے جن کی تفصیل مندرجہ ذیل ہے:

ا) مرد 7

ب) خاتون 1

بورڈ کی تشکیل مندرجہ ذیل ہے:

کیٹگری	نام
خودمختار ڈائریکٹرز	جناب عاصم نثار باجوہ جناب ظفر اقبال
ایگزیکٹو ڈائریکٹرز	جناب جہانگیر خان ترین جناب راحیل مسعود (سی ای او)
نان ایگزیکٹو ڈائریکٹرز	جناب مخدوم سید احمد محمود جناب اعجاز احمد
خاتون - نان ایگزیکٹو ڈائریکٹر	محترمہ سمیرا محمود

دیگر واقعات/نمایاں تبدیلی

سال کے اختتام 30 ستمبر 2023 کے بعد، کمپنی نے اکتوبر 2023 کے مہینے کے دوران اپنے تمام بقایا طویل مدتی قرضوں کی جلد ادائیگی کر دی ہے اور طویل مدتی قرض سے پاک ہوگئی ہے۔

داخلی مالیاتی کنٹرول

کمپنی کے داخلی مالیاتی کنٹرول کے حوالے سے ڈائریکٹران اپنی ذمہ داریوں سے بخوبی آگاہ ہیں۔ وہ مینجمنٹ اور آڈیٹرز (اندرونی اور بیرونی) کے ساتھ باہمی بات چیت سے اس بات کو یقینی بناتے ہیں کہ کمپنی کی جانب سے مناسب کنٹرول لاگو کیے گئے ہیں۔

منافع کی ادائیگی

کمپنی کے بورڈ آف ڈائریکٹرز نے سال مختتمہ 30 ستمبر 2023 کیلئے منافع میں 15 روپے روپے فی شیئر (150%) کے حساب سے حتمی کیش ڈیویڈنڈ کی سفارش کی ہے۔ یہ پہلے سے اعلان اور ادا کردہ انٹیرم کیش ڈیویڈنڈ بحساب 25 روپے (250 فیصد) فی شیئر سے الگ ہے، اس طرح سال مختتمہ 30 ستمبر 2023 کیلئے فی شیئر آمدن 40 روپے (400 فیصد) بنتی ہے اور یہ سالانہ اجلاس عام میں منظوری سے مشروط ہے۔ اگر آپ کمپنی کے ڈیویڈنڈ ادائیگی کے ریکارڈ پر نظر دوڑائیں تو آپ کو اندازہ ہوگا کہ کمپنی 01-2000 سے ماسوائے تین سالوں کے باقاعدگی سے ڈیویڈنڈ کی ادائیگیاں یقینی بنا رہی ہے۔

پیٹرن آف شیئر ہولڈنگ

30 ستمبر 2023 میں 1,203 (2021-22: 1,173) حصہ داران موجود تھے۔ جن کی علیحدہ سے تفصیل اس رپورٹ کے ساتھ منسلک ہے۔ ڈائریکٹرز، CEO، CFO اور کمپنی سیکرٹری اور اُن کی بیویاں، نابالغ بچوں کے حصص کی تفصیل رپورٹ کے ساتھ منسلک ہے۔

ماحولیاتی پالیسی

ماحولیات کے حوالے سے کمپنی کی ایک جامع پالیسی ہے جو اس بات کو یقینی بناتی ہے کہ صنعت سے متعلقہ ماحولیاتی اصول و ضوابط پر مکمل کاربند رہا جائے۔

بنیادی خدشات

کمپنی کو درج ذیل بنیادی خدشات کا سامنا ہے:

- گنے کی بڑھتی قیمتیں اور دیگر لاگتی اخراجات
- غیر ملکی کرنسی کا اتار چڑھاؤ
- مراعات اور سرکاری واجبات کی ادائیگی میں تاخیر

- نومبر 2023ء میں، اسٹیٹ بینک آف پاکستان (SBP) نے 22% پر بیس ریٹ برقرار رکھا جس سے کمپنی کی مالیاتی لاگت میں اضافہ ہوگا اور آئندہ کے لئے کمپنی کے منافع پر منفی اثرات مرتب کرے گا۔ جب کاروباری کمیونٹی اس وقت بیس ریٹ میں کمی کی توقع کر رہی تھی۔

- کرشنگ سیزن 24-2023 کے لئے کراپ سائز ملک میں 11% کم ہے اور چینی کی پیداوار گذشتہ برس کی نسبت کم رہے گی۔

- جاری کرشنگ سیزن 24-2023 کے لئے گنے کی مقررہ سپورٹ قیمتوں کو پنجاب میں دوبارہ 300 روپے سے 400 روپے فی من اور صوبہ سندھ میں 302 روپے سے 425 روپے فی من تک کر دیا گیا ہے۔ کمپنی پنجاب میں کرشنگ سیزن کے آغاز سے 425 روپے فی من پنجاب میں گنا خرید رہی ہے جو سپورٹ پرائس سے 25 روپے فی من زائد ہے۔ گنے کی سپورٹ پرائس میں اس اضافے سے چینی کی پیداواری لاگت میں اضافہ ہوگیا۔ لاگت کی بنیادی وجہ گنے کی قیمتوں کا تعین ہر سال صوبائی حکومتیں کرتی ہیں۔ جب کہ چینی کی قیمتوں پر دباؤ کو منڈی کی طاقتوں پر چھوڑ دیا گیا جس سے شوگر انڈسٹری کی مشکلات میں اضافہ ہوگیا۔ درآمدی چینی اور مقامی چینی کی قیمتوں میں فرق اب 100% ہوگیا ہے۔ درآمدی چینی اور مقامی چینی کی قیمتوں میں فرق کو کم کرنے کے لئے اقدامات کر کے چینی کی قیمتوں کو مستحکم کرنے کی ضرورت ہے تاکہ کاشتکار جنس کی بین الاقوامی قیمتوں کے مطابق اپنی فصلوں کی بہتر قیمت حاصل کر سکیں اور شوگر انڈسٹری اپنے منافع کو مزید بہتر کرنے کے لئے معقول منافع حاصل کر سکے۔

- مزید برآں، JDWSML اور DSML کے لئے 306 ملین روپے کی ان لینڈ فریٹ سبسڈی کی بابت TDAP سے واجب الوصول رقم کی بابت کوئی بہتری نہیں ہوئی ہے جس کا ابھی تک انتظار ہے۔ کمپنی دستاویزی شکل دینے کی بابت اپنے تمام تقاضوں کو پورا کر لیا ہے اور کچھ صورتوں میں TDAP نے بینکوں کو ہدایات بھی جاری کی ہیں تاکہ رقوم جاری کی جا سکیں لیکن اب تک ایک پیسہ بھی وصول نہ ہوا ہے۔ صنعتی بنیاد پر 2.6 بلین روپے کی رقم گذشتہ دس (10) برس سے پھنسی ہوئی ہے۔ کمپنی نے اس رقوم کی وصولی کے لئے لاہور ہائی کورٹ میں رٹ پٹیشن دائر کرنے کا ارادہ رکھتی ہے۔

- گروپ کی سطح پر سال 18-2017 میں چینی کی برآمد پر سبسڈی کی بابت حکومت سندھ سے 405 ملین روپے کی رقم وصول کرنی ہے۔ صوبہ سندھ کی شوگر ملوں نے حکومت سندھ سے اس رقم کی وصولی کے لئے سندھ ہائی کورٹ میں پٹیشن دائر کی ہے۔ تمام شوگر ملوں کے تقریباً 3 بلین روپے پھنسے ہوئے ہیں جس سے ملیں لیکویڈیٹی مسئلہ کا شکار ہیں۔ وفاقی حکومت اور حکومت پنجاب نے تقریباً پانچ (05) برس قبل درآمدی سبسڈیز کے اپنے حصہ کو پہلے ہی جاری کر دیا ہے۔ صوبہ سندھ کی شوگر ملوں نے حکومت سندھ سے اس رقم کی وصولی کے لئے سندھ ہائی کورٹ میں پٹیشن دائر کی اور فاضل سندھ ہائی کورٹ نے حکومت سندھ کو مالیاتی سال 24-2023 کی پہلی سہ ماہی میں یہ رقم جاری کرنے کا حکم دیا ہے۔

- مالیاتی سال 2023-2022 ء ملک میں جاری معاشی بحران کے باعث مشکلات سے بھرپور سال محسوس ہو رہا ہے۔ SBP کی جانب سے بلند شرح سود کمپنی کی قرضوں کی لاگت پر خطرناک اضافہ پیدا کر سکتا ہے اور صوبوں کی جانب سے چینی کی سپرٹ میں پرائس میں اضافہ جس سے چینی کی پیداوار میں اضافہ ہو سکتا ہے ہونے کے باوجود چینی کی قیمتوں میں متناسب اضافہ نہیں ہو رہا۔ یکم دسمبر 2023ء کو 700,000 ٹن کا کیری اوور سٹاک موجود ہے جس میں سے چینی کی کچھ مقدار کو برآمد کیا جانا چاہئے۔ اُس وقت چینی کی بین الاقوامی قیمتیں 750 ڈالر فی ٹن تھیں لیکن وفاقی حکومت نے سرپلس چینی کی کچھ مقدار برآمد کرنے کا بروقت فیصلہ نہیں کیا۔ نتیجتاً، بین الاقوامی قیمتیں اب 750 ڈالر فی ٹن سے کم ہو کر 595 ڈالر فی ٹن ہو گئی ہیں جس سے چینی کی انڈسٹری کو نقصان پہنچا ہے اور ملک کے زرمبادلہ کے ذخائر بھی کم ہوئے ہیں۔ حکومتی سطح پر ناقص فیصلہ سازی اس انڈسٹری کو اپنی اصلی صلاحیت پر لانے میں بڑی رکاوٹ بنی۔

- ہم مسلسل بہتری کو جاری رکھنے کے لئے کوشاں ہیں اور کمپنی کی مالیاتی لاگت کو کم کرنے کے لئے قرضوں پر توجہ دے رہے ہیں۔ ہم حشرات پر قابو پر کرنے مصنوعات کے تعارف کے ذریعے ہماری تمام شوگر ملیں گنے کی پیداوار میں اضافے کے لئے کوشاں ہیں۔

اداراتی اور مالیاتی جائزے کا نظام

کمپنی کا کارپوریٹ اور مالیاتی جائزے کا نظام مطلوبہ معیار کے مطابق ہے جیسا کہ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے کارپوریٹ گورننس 2019 کے کوڈ میں درج ہے اور ہم اس کی تصدیق کرتے ہیں کہ:

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے شفاف طریقے سے معاملات میں اس کی حیثیت' اس کے طریقہ کار کے نتائج' پیسے کا بہاؤ اور حصص کی مالیت میں تبدیلی کو ظاہر کرتے ہیں۔
- کمپنی کی جانب سے اکاؤنٹس کی باقاعدہ بکس تیار کی جاتی ہیں۔
- موزوں اکاؤنٹنگ پالیسیوں کو مالیاتی گوشواروں کی تیاری میں مستقل بنیادوں پر لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینے مناسب اور محتاط فیصلوں پر مبنی ہیں۔
- بین الاقوامی مالیاتی جائزوں کے معیار جیسا کہ پاکستان میں قابل اطلاق ہیں کو مالیاتی گوشواروں کی تیاری کے لیے لاگو کیا گیا ہے اور ان سے کسی قسم کے انحراف کو مناسب طور پر افشا اور اس کی وضاحت کی گئی ہے۔ کمپنی ایکٹ 2017 کی تمام شرائط و ضوابط کو مدِ نظر رکھا گیا ہے۔
- اندرونی کنٹرول کا نظام ڈیزائن کے لحاظ سے قابل بھروسہ ہے اور موثر طور پر نافذ العمل اور زیرِ نگرانی ہے۔
- کمپنی کے آگے بڑھتے رہنے کی اہلیت میں کوئی خاطر خواہ شک و شبہ نہیں ہے۔
- کارپوریٹ گورننس کے طے کردہ ریگولیشنز سے کوئی انحراف نہیں کیا گیا۔
- گزشتہ چھ (06) سالوں کے لیے بنیادی آپریٹنگ اور مالیاتی تفصیل لف ہیں۔
- ٹیکس اور لیویوں کے بارے میں معلومات مالیاتی گوشواروں کے نوٹس میں دی گئی ہیں۔
- کمپنی کی طرف سے حاصل کردہ تمام قرضوں کے بارے میں کسی بھی تاخیر کی ادائیگی یا ادائیگی سے گریز کا کوئی امکان نہیں ہے۔
- سال رواں کے دوران 12 بورڈ میٹنگز ہوئیں۔ جن کی تفصیلات اور حاضری کو مناسب طریقے میں مشتہر کیا جن کی حاضری کی تفصیل درج ذیل ہے۔

نمبر شمار	نام	عہدہ	تعداد میٹنگز
1	جناب جہانگیر خان ترین	ایگزیکٹو ڈائریکٹر	11
2	جناب مخدوم سید احمد محمود	چیئرمین/نان ایگزیکٹو ڈائریکٹر	9
3	جناب راحیل مسعود*	چیف ایگزیکٹو آفیسر	12
4	محترمہ سمیرا محمود	خاتون/نان ایگزیکٹو ڈائریکٹر	9
5	جناب اعجاز احمد	نان ایگزیکٹو ڈائریکٹر	12
6	جناب سید مصطفیٰ محمود	نان ایگزیکٹو ڈائریکٹر	9
7	جناب عاصم نثار باجوہ	خود مختار ڈائریکٹر	10
8	جناب ظفر اقبال	خود مختار ڈائریکٹر	12

- رواں برس کے دوران 03 نومبر 2022ء کو منعقدہ غیر معمولی اجلاس عام میں کمپنی کے شیئرز ہولڈرز کی جانب سے منظور شدہ خصوصی قرارداد کی پیروی میں کمپنیز ایکٹ 2017ء کے سیکشن 88 اور لسٹنگ کمپنیز (حصص کی واپس خرید) ضوابط 2019ء کے تحت کمپنی کو حصص واپس خرید کرنے کا مجاز ٹھہرایا گیا۔ شیئر ہولڈرز کی منظوری سے کمپنی نے خریداری کی مدت کے دوران حالیہ/ سپاٹ پرائس پر پاکستان اسٹاک ایکسچینج لمیٹڈ کے ذریعے -/10 روپے فیس ویلیو کے 2,000,000 جاری کردہ، سبسکرائبڈ اور ادا شدہ عمومی حصص تک واپس خرید کرنے کا ارادہ کیا۔ کمپنی نے 02 جنوری 2023ء تک اپنے شیئر ہولڈرز سے 2,000,000 عمومی حصص واپس خریدے۔ نتیجتاً، کمپنی کا ادا شدہ سرمایہ 10 روپے فیس ویلیو فی حصص پر 57,776,661 عمومی حصص میں 577,766,610 روپے تک کم ہوگیا۔ واپس خرید کی یہ ٹرانزیکشن کمپنی کی آئندہ مالیاتی حالت پر مثبت اثرات مرتب کرے گی جس میں کمپنی کے حصص کی بریک اپ ویلیو اور فی حصص آمدنی (EPS) شامل ہے۔ اس طرح ان اراکین کو نکلنے کا موقع میسر آیا جو اپنی سرمایہ کاری کو کلی یا جزوی طور پر لیکویڈیٹ کرنا چاہتے تھے۔ اوسط قیمت خرید 440.39 فی حصص تھی۔

- الحمد للہ، VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) نے 17 مئی 2023ء کو JDW شوگر ملز لمیٹڈ (JDWS) کی ادارہ جاتی درجہ بندی کی A+/A-1 (سنگل اے پلس/اے-ون) سے توثیق کی ہے۔ "A+" کی وسط سے طویل مدتی درجہ بندی اچھی کریڈٹ کوالٹی اور معقول حفاظتی عوامل کی نشاندہی کرتی ہے۔ مزید برآں، خطرات کے عوامل معیشت میں مثبت تبدیلیوں کے ساتھ تبدیل ہو سکتے ہیں۔ "اے-ون" قلیل مدتی درجہ بندی بروقت ادائیگی پر پختہ یقین، بہترین لکویڈیٹی عوامل اور بہتر بنیادی حفاظتی عوامل کی نشاندہی کرتی ہے۔ مقررہ کردہ درجہ بندی کی آؤٹ لک "مستحکم" قرار پائی ہے۔

- مالیاتی سال 23-2022 کے دوران اور 13 دسمبر 2021ء اور 23 جنوری 2023ء کو فاروقی پلپ ملز لمیٹڈ ("FPML") کے اراکین سے منظوری حاصل کرنے کے بعد FPML نے اراضی کے علاوہ اپنے تمام اثاثہ جات یعنی عمارت، پلانٹ اور مشینری بلند ترین بولی دہندہ کو 1.6 بلین روپے (بشمول سیلز ٹیکس) میں فروخت کر دیا جو ملکی اخباروں میں شائع ٹینڈر نوٹس کے جواب میں تھا۔ کامیاب بولی دہندہ کے ساتھ معاہدے پر مکمل عمل درآمد کیا گیا اور معاہدے کی مکمل رقم وصول کر لی گئی۔ یہ فنڈز منافع بخش بینک اکاؤنٹ میں جمع کرا دیے گئے۔ FPML نے رواں مالیاتی سال کے دوران پروجیکٹ کی مکمل اراضی فروخت کرنے کا ارادہ کیا ہے۔

- مالیاتی سال 2023-2022ء ملک میں جاری معاشی بحران اور SBP کی جانب سے شرح سود میں اضافے کے باعث مشکلات سے بھرپور سال تھا جس کے باعث کمپنی کے قرضوں کی لاگت میں بے انتہا اضافہ ہوا۔ افراط زر کی بلند شرح اور صوبوں کی جانب سے گنے کی سپورٹ پرائس میں اضافہ نے چینی کی قیمتوں میں نسبتاً غیر موافق اضافے کے ساتھ چینی کی پیداواری لاگت میں نمایاں اضافہ کیا ہے۔ مقامی سطح پر دنیا کے دیگر ملکوں کے مقابلے میں چینی کی قیمتیں بہت کم ہیں جس کا مطلب ہے کہ ملک میں سستی ترین چینی دستیاب ہے لیکن وفاقی حکومت خصوصاً حکومت پنجاب چینی کی حالیہ قیمتوں یعنی 130 روپے فی کلو ایکس مل قیمت پر مطمئن نہیں تھی۔ کراچی کی بندرگاہ پر چینی کی قیمت مبادلہ 255 روپے فی کلو ہے اور صوبہ سندھ سے حالیہ برآمد شدہ چینی کی بابت چینی کی مساوی قیمت 227 روپے فی کلوگرام ہے۔ ملکی اور غیر ملکی سطح پر چینی کی قیمتوں میں بھاری فرق نے ہمسایہ ممالک میں چینی کی سمگلنگ کو ہوا دی ہے جس کے باعث ملک میں غیر ملکی زرمبادلہ میں کئی ملین ڈالرز کا نقصان ہو رہا ہے۔ شوگر انڈسٹری کے منافع میں بھاری خسارہ اور کاشتکاروں کا نقصان بین الاقوامی تجارتی توازن کی بنیاد پر چینی کی قیمتوں میں اتار چڑھاؤ۔ PSMA کی جانب سے یاد دہانی کرانے پر حکومت نے چینی کی سمگلنگ کو چیک کرنے کے لئے انتظامی اقدامات کیے جس کا کامیابی نفاذ کیا گیا۔ سمگلنگ روکنے کی حکومتی کوششوں کو پذیرائی ملی لیکن شوگر سٹاک جو نتیجے کے طور پر بڑھے ہیں ان کی برآمد ضروری ہے تاکہ ملک اور انڈسٹری اس سے مستفید ہو سکے۔ اس سال بھی یکم دسمبر 2023ء کو 700,000 ٹن کا کیری اوور سٹاک موجود ہے جس میں سے چینی کی کچھ مقدار کو برآمد کیا جانا چاہئے۔

- فیڈرل بورڈ آف ریونیو "FBR" نے 11 نومبر 2021ء کو سیلز ٹیکس جنرل آرڈر نمبر 05 برائے 22-2021 جاری کیا تاکہ ٹریک اینڈ ٹریس سسٹم پر عمل درآمد کیا جا سکے۔ حکم کے مطابق، ٹیکس سٹامپ/ منفرد شناختی مارکنگ (UIMs) کے بغیر پیداواری جگہ/ فیکٹری سے چینی کی کوئی بوری نہ نکل سکے جس کا اطلاق 11 نومبر 2021ء سے ہوا۔ یہ شناختی نمبر صرف FBR کے لائسنس یافتہ وینڈر سے ہی حاصل کئے جا سکتے ہیں۔ البتہ، منظور شدہ وینڈر کی جانب سے فراہم کردہ آٹومیٹک ایپلی کیٹر کا اطلاق نہ اس برس اور نہ ہی گذشتہ برس کارآمد ثابت ہوا اور تمام شوگر ملوں نے ٹیکس سٹامپ خود لگائی۔ FBR جاری کرشنگ سیزن 24-2023 کے لئے اپنی کوششیں جاری رکھے گا اور گذشتہ کرشنگ سیزن کے دوران پید اکمی سے نبرد آزما بھی ہوگا۔ صاف ظاہر ہے کہ اس برس TTS کا نفاذ گذشتہ برس کی نسبت اتنا موثر نہیں۔ FBR کو اس پر اسی جوش وجذبے سے کام کرنے کی ضرورت ہے تاکہ وہ اپنی آمدنی میں اضافہ کر سکے اور مکمل تعمیل کنندہ شوگر ملوں کو مساوی مواقع میسر آ سکیں۔ اب FBR چینی کی تجارت کو دستاویزی شکل دینے کے لئے عملی کام کرنے کے لئے کوشاں ہے جو ایک مشکل ترین ٹاسک ہے۔

کاشتکاروں کے ساتھ تعلقات

- کمپنی کاشتکاروں کے ساتھ خوشگوار تعلقات قائم رکھتی ہے اور کسانوں کو اپنی ریڑھ کی ہڈی تصور کرتی ہے۔ ان تعلقات کو مزید مضبوط کرنے کے لیئے مندرجہ ذیل ترجیحات اختیار کی گئیں:
- متواتر طور پر گنے کی خرید کی بروقت ادائیگی کی پالیسی پر قائم رہنا۔
- ذاتی ذخائر سے کسانوں کی مالی ضروریات پوری کرنے کیلئے ان کی مالی معاونت اور ان کیلئے بینکوں سے قرضہ جات کا انتظام۔ زیر جائزہ مدت کے دوران، زرعی قرضوں کی بھاری رقم کاشتکاروں کو نقد، بیج، زرعی آلات، ٹریکٹرز اور ٹیوب ویلوں، کھادوں اور کیڑے مار ادویات کی شکل میں پیش کی گئیں۔
- آسان اقساط اور رعایتی قیمت پر کسانوں کو جدید زرعی آلات و مشینری کی فراہمی
- تکنیکی مہارت میں بڑھوتری کے لیئے مختلف مشاورتی پروگرام ہیں
- بہتر کوالٹی اور پیداواری صلاحیت کی حامل اقسام کی فراہمی سے فی ایکڑ پیداوار میں اضافہ شامل ہے۔

مستقبل کا منظر نامہ

- پنجاب اور سندھ کے ہمارے تمام یونٹس میں کرشنگ سیزن 24-2023 کا آغاز 25 نومبر 2023ء سے ہوا اور 2 جنوری 2024ء تک گروپ بھر میں 298,555 ٹن چینی پیدا ہوئی جب کہ اوسط سکروز ریکوری 9.60% رہی۔ (سال 23-2022ء کی گذشتہ بیلنس شیٹ کی رپورٹ کی نسبت: پنجاب کے تمام یونٹس میں کرشنگ سیزن 23-2022ء کا آغاز 25 نومبر 2022ء کو ہوا جب کہ سندھ DSML میں اس کا آغاز 27 نومبر 2022ء کو جب کہ یونٹ III میں اس کا آغاز 28 نومبر 2022ء کو ہوا۔ یونٹ کی بنیاد پر گروپ نے 4 جنوری 2023ء تک 308,629 ٹن چینی پیدا کی جب کہ اوسط سکروز ریکوری 9.91% رہی)۔

- بورڈ آف ڈائریکٹرز نے 200,000-230,000 لٹرز یومیہ استعداد کے حامل عالمی معیار کا ڈسٹلری پروجیکٹ قائم کرنے کا فیصلہ کیا ہے۔ جسے "ڈسٹلری/ ایتھانول پروجیکٹ" کا نام دیا گیا ہے۔ ڈسٹلری/ ایتھانول پروجیکٹ راب سے اعلیٰ معیار کا برآمد کے قابل ایتھانول تیار کرے گا جو چینی کی بائی پروڈکٹ ہے۔

اس اضافے کا مقصد طویل مدتی آمدنی اور کاروباری ترقی کو بہتر کر کے اپنے اسٹیک ہولڈرز کے منافع میں اضافہ کرنا ہے۔ اس اقدام پر آگے چلتے ہوئے ہم اس پروجیکٹ میں پیش رفت سے متعلق آپ سے تبادلہ خیال کرتے رہیں گے۔

i۔ کرشنگ سیزن 23-2022ء کے آغاز پر دستیاب گذشتہ برس سے حاصل تقریباً 1.0 ملین ٹن اضافی چینی سٹاک کے باعث مذکورہ مدت کے دوران چینی کی غیر موافق قیمتیں برقرار رہیں جب کہ توقع یہ تھی کہ مذکورہ سیزن میں چینی کی اضافی پیداوار سامنے آئے گی۔ چینی کی برآمد کے لئے وفاقی حکومت کے تاخیری فیصلے اور برآمدات کے لئے دستیاب اضافی چینی سے صرف 250,000 ٹن جیسی نامناسب منظوری نے مئی 2023ء تک مقامی سطح پر چینی کی قیمتوں کو دبائے رکھا۔

ii۔ تنخواہوں اور مزدوری، پیکنگ میٹریل کی لاگت اور آئل، لبریکنٹس اور کیمیکلز جیسے دیگر فیکٹری اخراجات میں اضافہ کے علاوہ گنے کے حصول پر لاگت میں نمایاں اضافہ بھی ہوا جس کے نتیجے کمپنی کے منافع میں کمی واقع ہوئی۔ صوبائی حکومتیں سپورٹ پرائس میں اضافہ سے نبرد آزما ہونے کے لئے چینی کی قیمتوں کی مد میں شوگر انڈسٹری کو کسی قسم کا سہارا دیئے بغیر ہر سال گنے کی سپورٹ پرائس میں مسلسل اضافہ کر رہی ہیں۔ صوبے عموماً دعویٰ کرتے ہیں کہ چینی کی قیمتوں پر وفاقی حکومت کا اختیار ہے۔ ہم ہمہ وقت گنے کی سپورٹ پرائس میں اضافے کی حمایت کرتے ہیں لیکن بدقسمتی سے حکومت چینی کی موافق قیمتوں تعین کرتے ہوئے شوگر انڈسٹری کو خاطر خواہ فائدہ نہیں پہنچا رہی۔ زیادہ قیمتوں کی صورت میں حکومت ہمیشہ مداخلت کرتی ہے جب کہ چینی کی کم قیمتوں کے بارے میں حکومت کا مؤقف ہے کہ منڈی کی طاقتوں کو اپنا کام کرنے دیں۔

iii۔ فی ایکڑ پیداوار میں کمی کے باعث کٹائی کے موقع پر فصلوں کی خالص فیئر ویلیو میں خسارے کے باعث دیگر آمدنی میں بھی 1,968 ملین روپے کے مقابلے میں 1,033 ملین روپے کی نمایاں کمی واقع ہوئی۔ رواں برس کارپوریٹ فارم کے مالیاتی نتائج منفی ہیں۔

iv) دوسری بڑی وجہ 60 فیصد شرح سود میں اضافہ اور کاشت کاروں کو بروقت ادائیگی کے لئے درکار اضافی سرمایے کے باعث کمپنی کے مالیاتی اخراجات میں 3,404 ملین روپے سے 5,453 ملین روپے یعنی 2,049 ملین روپے اضافہ ہوا ہے۔

v) گنے کے کارپوریٹ فارمز تقریباً 26,000 ایکڑ رقبے پر محیط ہیں جس میں مذکورہ سال کے دوران کل کرش شدہ گنے کا تقریباً 7% تک کا رقبہ لیز شدہ اور ملکیتی زرعی اراضی پر مشتمل ہے۔ لیکن رواں برس کے دوران گنے کے کارپوریٹ فارمز نے کمپنی کے منافع پر منفی اثرات مرتب کئے ہیں۔ غیر موافق موسمی حالات اور پیداواری لاگت میں غیر معمولی اضافے کے باعث فی ایکڑ پیداوار میں 173 سے 280 من فی ایکڑ پیداوار میں کمی کی وجہ سے اس مرتبہ گنے کے کاروباری فارم نے کمپنی کے منافع بخش بنانے میں منفی کردار ادا کیا۔

- کمپنی کی 100 فی صد ملکیتی ذیلی کمپنی ڈھرکی شوگر ملز (پرائیویٹ) لمیٹڈ (DSML) نے گذشتہ برس کی اسی مدت کے 380 ملین روپے کی نسبت 1,038 ملین روپے منافع علاوہ ٹیکس حاصل کیا۔ کمپنی کے بہتر منافع کی بنیادی وجہ کمپنی کی خالص سیلز میں 80% اضافہ ہے جو 12 بلین روپے سے بڑھ کر 22 بلین روپے ہوگئی ہے۔ مزید برآں، کمپنی کی مجموعی آمدنی میں نمایاں اضافے کے باوجود مالیاتی اخراجات جو کہ منافع پر انتہائی برے اثرات مرتب کرتے ہیں گذشتہ برس کی طرح ہی تھے۔ DSML نے ستمبر 2023ء میں طویل مدتی قرضہ ادا کیا اور اب کمپنی طویل مدت کے لئے قرضوں سے پاک ہوگئی ہے۔

- رواں برس کے دوران کمپنی کے انتظامی اخراجات میں 18% اضافہ ریکارڈ ہوا جسے تنخواہوں میں سالانہ اضافے سے منسوب کیا جا سکتا ہے۔ سیلنگ اخراجات میں بھی تنخواہوں میں سالانہ اضافے اور افراطِ زر کے بڑھتے ہوئے رجحان کے باعث 50 ملین روپے سے 65 ملین روپے اضافہ ریکارڈ ہوا۔

- کمپنی مسلسل بہتر کارکردگی کی روشنی میں کمپنی کے مالیاتی معاہدوں میں سالہا سال بہتری آرہی ہے۔ اس برس بھی، کمپنی نے مالیاتی اداروں کے ساتھ کئے گئے تمام مالیاتی معاہدوں پر مکمل عمل درآمد کیا ہے تاکہ تمام مالیاتی فرائض کی بروقت انجام دہی کو یقینی بنایا جا سکے اور تمام متعلقہ مالیاتی اداروں سے اچھے تعلقات استوار کئے جا سکیں۔

- سال کے اختتام پر سنٹرل پاور پرچیزنگ ایجنسی (گارنٹی) لمیٹڈ (CPPA-G) سے واجب الوصول توانائی کی بابت رقوم 2.3 بلین روپے ریکارڈ ہوئیں جو سال 19-2018 میں 7.3 بلین روپے کی سطح سے نمایاں طور پر کم ہوئیں۔ یہ واجب الوصول رقوم ہماری چھے ماہ کی سیلز کے مساوی ہوگئی ہیں جب کہ سال 19-2018 میں یہ رقم دو سالہ فروخت کے مساوی تھی۔ سالہا سال کی بنیاد پر بہتری آئی اور حالات بہتر ہو رہے ہیں۔

- مذکورہ بالا کے علاوہ پھوک پر مبنی کوجین پاور پروجیکٹس (ملک بھر میں کل 8 پروجیکٹس نصب کئے گئے جس کی کل پیداواری استعداد 259.10 میگاواٹ ہے) کے پھوک کی قیمتوں کا مسئلہ نیشنل الیکٹرک پاور ریگولیٹری اتھارٹی (NEPRA) کے ساتھ اکتوبر 2018ء سے ابھی تک برقرار ہے۔ کمپنی نے جولائی 2019ء میں از خود نوٹس کی بنیاد پر پھوک کی قیمتوں کے تعین سے متعلق جاری حکم کے لئے نیپرا کے خلاف قانونی چارہ جوئی کی اور مذکورہ حکم کو فی الفور اسلام آباد ہائی کورٹ نے مسترد کر دیا۔ مقدمہ IHC میں زیر التوا تھا۔ جون 2022ء میں NEPRA اپیلٹ ٹریبونل فعال ہوگیا اور اکتوبر 2022ء میں اسلام آباد ہائی کورٹ (IHC) نے یہ مقدمہ NEPRA اپیلٹ ٹریبونل کو سونپ دیا۔ نومبر 2022ء میں، ٹریبونل نے متنازعہ حکم کو مسترد کر دیا اور قانون کے مطابق از سر نو فیصلہ کے لئے معاملہ NEPRA کو سونپ دیا گیا۔

ٹریبونل کے فیصلے کے بعد سال 2023ء کے دوران پھوک کی قیمت کے تعین کے لئے NEPRA نے سماعت کا آغاز کیا۔ مزید برآں، سال کے اختتام پر اس بابت NEPRA نے دسمبر 2023ء میں مباحثہ سیشن کا آغاز کیا۔ ہم پر امید ہیں کہ یہ طویل مدتی مسئلہ جلد حل ہو جائے گا۔

- بیلنس شیٹ کا سائز 46 بلین روپے سے بڑھ کر 52 بلین روپے ہوگیا ہے۔ مجموعی ذخائر کمپنی کے ادا شدہ سرمایہ سے تقریباً 27 گنا زیادہ ہیں۔

آپ کی دلچسپی کے دیگر نکات حسب ذیل ہیں:

- رواں برس JDW گروپ کا خالص ٹرن اوور پہلی مرتبہ 100 بلین روپے سے تجاوز کر گیا۔ مزید برآں، گروپ اکتوبر 2023ء میں مکمل طور پر طویل مدتی قرض سے پاک ہوگیا۔ لہٰذا، سال 2023ء گروپ کے لئے خوش قسمت سال ثابت ہوا جس میں یہ دو بڑے سنگ میل عبور ہوئے۔

- کرشنگ سیزن 23-2022 کے لئے گنے کی مقررہ سپورٹ پرائس میں صوبہ پنجاب میں دوبارہ 225 فی من سے 300 روپے فی من اضافہ کر دیا گیا اور صوبہ سندھ میں 250 روپے فی من سے 302 روپے فی من اضافہ کر دیا گیا۔ گنے کی سپورٹ پرائس میں اس اضافے سے چینی کی پیداواری لاگت میں اضافہ ہو گیا۔ لاگت کی بنیادی وجہ گنے کی قیمتوں کا تعین ہر سال صوبائی حکومتیں کرتی ہیں۔ جب کہ چینی کی قیمتوں پر دباؤ کو منڈی کی طاقتوں پر چھوڑ دیا جاتا ہے اور جب منڈی کی طاقتیں حکومت سے مداخلت کی حمایت کا اعلان کرتی ہیں تو وہ اجارہ داری قائم کرنے کے لئے مزید اقدامات کرتی ہیں جس سے شوگر انڈسٹری کی مشکلات میں اضافہ ہو جاتا ہے۔ مذکورہ بالا گنے کی اضافی سپورٹ پرائس کے باعث گروپ کی سطح پر تقریباً 1.8 بلین روپے کاشتکاروں کو اضافی ادا کئے گئے۔ کاشتکار گنے کی بہتر قیمت ملنے پر خوش تھے جب کہ انہیں صرف بینک اکاؤنٹ کے ذریعے مکمل اور بروقت ادائیگی کی گئی۔ کاشتکار اپنے بینک اکاؤنٹس اس طرح رقم ملنے پر بہت خوش تھے کیونکہ اس سے انہیں کافی سہولت میسر آئی۔

- معمول کے مطابق کاشتکاروں کی ادائیگی ہماری اولین ترجیح رہی ہے جو ہماری کامیابی کی بنیادی وجہ ہے۔ یہ مسلسل چھٹا کرشنگ سیزن ہے جب کمپنی کے کاشتکاروں کو سیزن کے دوران بنک اکاؤنٹ کے ذریعے ادائیگی کی گئی جس پر کاشتکاروں نے بھرپور پذیرائی کی ہے۔ مزید برآں، کمپنی اپنے کاشتکاروں کو باقاعدگی سے مالیاتی معاونت اور تکنیکی سپورٹ فراہم کرتی ہے۔ ان پالیسیوں اور کاشتکاروں کے ساتھ ترجیحی رویے کے باعث کمپنی تمام کاشتکاروں کے ساتھ مربوط تعلقات برقرار رکھے ہوئے ہے۔

ڈائریکٹرز رپورٹ

ہم JDW شوگر ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز ہونے کے ناطے انتہائی مسرت کے ساتھ کمپنی کی 34 ویں سالانہ رپورٹ بمعہ آڈٹ شدہ مالیاتی دستاویزات برائے مالی سال 30 ستمبر 2023 پیش کرتے ہیں۔

جائزہ

JDW شوگر ملز 31 مئی 1990 میں بطور پرائیوٹ لمیٹڈ کمپنی پاکستان میں قائم کی گئی جسکو 24 اگست 1991 میں پبلک لمیٹڈ کمپنی میں تبدیل کر دیا گیا۔ کمپنی کے حصص پاکستان سٹاک ایکسچینج لمیٹڈ کی لسٹ میں شامل ہیں۔ کمپنی کا رجسٹرڈ شدہ دفتر 17 عابد مجید روڈ، لاہور کینٹ میں واقع ہے۔ کمپنی کا بنیادی کام چینی اور بجلی کی پیداوار و فروخت اور کارپوریٹ فارمنگ ہے۔

آپریٹنگ نتائج

سال رواں کے کمپنی کے آپریٹنگ نتائج مختصراً نیچے موجود ہیں:

		2022-23				2021-22			
		یونٹ-I	یونٹ-II	یونٹ-III	جے ڈی ڈبلیو	یونٹ-I	یونٹ-II	یونٹ-III	جے ڈی ڈبلیو
گنے کی کرشنگ (پسائی)	میٹرک ٹن	2,698,673	2,003,727	1,724,264	**6,426,664**	3,311,789	2,408,562	2,091,205	**7,811,556**
چینی کی پیداوار	میٹرک ٹن	303,372	212,016	179,585	**694,973**	336,630	235,506	209,498	**781,634**
چینی کا پیداواری تناسب	فیصد %	11.24	10.58	10.41	**10.81**	10.16	9.78	10.02	**10.01**
راب کی پیداوار	میٹرک ٹن	118,684	93,780	77,347	**289,811**	156,887	124,116	102,488	**383,491**
راب کا پیداواری تناسب	فیصد %	4.40	4.68	4.49	**4.51**	4.74	5.15	4.90	**4.91**

مذکورہ آپریٹنگ نتائج کا جائزہ حسب ذیل ہے

کمپنی نے گذشتہ برس کی نسبت 18% کم گنا کرش کیا جب کہ سکروز ریکوری میں 80bps اضافے کے باعث چینی کی پیداوار میں 11% کمی واقع ہوئی۔ ایک امر انتہائی قابل ذکر ہے کہ کرشنگ سیزن 23-2022 کے آغاز میں 10 یوم کی تاخیر کے نتیجے میں سکروز ریکوری میں بہتری سامنے آئی لہذا ہر سال کرشنگ سیزن شروع کرنے کا بہترین وقت نومبر کا آخری ہفتہ ہے جس کے نتیجے میں ملکی سطح پر 250,000-300,000 ٹن تک چینی کی اضافی پیداوار ہو سکتی ہے۔ صوبہ سندھ میں سال 2022ء کے دوران سیلاب کے باعث فصلوں کا سائز گذشتہ برس کی نسبت کرشنگ سیزن 23-2022 کے دوران کم رہا۔ مزید برآں، کاشتکاروں کو علاقوں کے مطابق 10% سے 20% کم پیداوار فی ایکڑ کا سامنا تھا۔ بہتر سکروز ریکوریز اور اضافی زیر کاشت رقبہ مثبت عوامل تھے جس سے سیلاب کے منفی اثرات اور فی ایکڑ کم پیداوار پر کافی حد تک قابو پا لیا گیا اور ملک گذشتہ کرشنگ سیزن میں 7.87 ملین ٹن کی نسبت 6.74 ملین ٹن چینی پیدا کر پایا۔

کمپنی کے مکمل ذیلی ادارہ ڈہرکی شوگر ملز (پرائیویٹ) لمیٹڈ (DSML) نے اپنے بارویں سال میں درج ذیل آپریٹنگ نتائج حاصل کیے:

ذیلی کمپنی کے آپریٹنگ نتائج

		2022-23	2021-22
گنے کی پسائی	میٹرک ٹن	**1,585,515**	1,953,090
چینی کی پیداوار	میٹرک ٹن	**165,410**	196,560
چینی کا پیداواری تناسب	فیصد%	**10.43**	10.06
راب کی پیداوار	میٹرک ٹن	**72,025**	96,603
راب کا پیداواری تناسب	فیصد%	**4.54**	4.95

DSML کی گزشتہ سال کے مقابلہ میں گنے کی پسائی 19 فیصد جبکہ چینی کی پیداوار 16 فیصد کم رہی۔ جبکہ چینی کی ریکوری اس دفعہ 37bps زیادہ رہی۔

مالیاتی نتائج کا جائزہ

کمپنی کے آپریٹنگ نتائج کے بنیادی مندرجات کا جائزہ درج ذیل ہے:

(ملین روپے)

	30 ستمبر 2023	30 ستمبر 2022
مجموعی آمدن	**81,904**	67,028
خالص آمدن	**72,343**	58,888
آپریشنز سے منافع	**8,518**	8,517
مالی لاگت	**5,453**	3,404
قبل از ٹیکس منافع	**3,065**	5,113
بعد از ٹیکس منافع	**2,166**	3,951
آمدن فی شیئر	**37.17**	66.09

- مذکورہ سال کے دوران کمپنی کی خالص سیلز میں 59 بلین روپے سے 72 بلین روپے یعنی 23% اضافے کے باوجود خالص منافع علاوہ ٹیکس 3,951 ملین روپے سے 2,166 ملین روپے یعنی 45% کم ہو گیا جس کے نتیجے میں کمپنی کی فی حصص آمدنی گذشتہ برس کے 66.09 روپے کے مقابلے میں 37.17 روپے تک ہو گئی۔ مجموعی منافع کے تناسب میں بھی 16% سے 14% کمی ریکارڈ ہوئی۔ حالیہ برس میں حاصل منافع چینی اور دیگر پیداواری شعبے سے ممکن ہوا جب کہ کارپوریٹ فارمز نے اس مرتبہ منفی نتائج دکھائے جسے فی ایکڑ کم پیداوار سے منسوب کیا جا سکتا ہے۔ منافع میں کمی کی وجوہات کا خلاصہ حسب ذیل ہے:

04

UNCONSOLIDATED

Financial Statements

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INDEPENDENT AUDITORS' REVIEW REPORT

To the Members of JDW 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 JDW Sugar Mills Limited for the year ended September 30, 2023 in accordance with the requirements of Regulation 36 of the Regulations.

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

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

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

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

Riaz Ahmad, Saqib, Gohar & Co.

03 January 2024
Lahore
UDIN: CR202310098Y3qjLiKtg

Riaz Ahmad, Saqib, Gohar & Company
Chartered Accountants

RIAZ AHMAD, SAQIB, GOHAR & CO.
Chartered Accountants

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Email: rasglhr@rasgco.com, Website: www.rasgco.com
Corporate Office at Karachi & Regional Office at Islamabad.

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STATEMENT OF COMPLIANCE

With Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: **JDW SUGAR MILLS LIMITED**

Year Ended: **30 SEPTEMBER 2023**

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the **"Regulations"**) in the following manner:

1) Total strength of Board is 08 with the following segregation:

   a) Male: 07
   b) Female: 01

2) The composition of the Board is as follows:

Sr. #	Category	Names
(i)	Independent Directors*	Mr. Asim Nisar Bajwa Mr. Zafar Iqbal
(ii)	Executive Directors	Mr. Jahangir Khan Tareen Mr. Raheal Masud
(iii)	Non-Executive Directors	Makhdoom Syed Ahmad Mahmud Mr. Ijaz Ahmed Syed Mustafa Mehmud
(iv)	Female Director (Non-Executive)	Mrs. Samira Mahmud

*Fraction (0.67) related to the requirement for number of independent directors is less than 1 and therefore, has not rounded up as one (01).

3) The Directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.

4) The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5) The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of 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 Companies Act, 2017 (the **"Act"**)and the Regulations.

7) The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

8) The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations.

9) All Directors are either exempted from training owing to their experience or have attended the training in prior years.

10) All appointments (including remuneration, terms and conditions of employment) of Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit have been duly approved by the Board as per the requirements of applicable provisions of the Act and the Regulations.

11) Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12) The Board has formed Committees comprising of following:

<table>
<tr><th rowspan="2">Sr. #</th><th rowspan="2">Name of Committee</th><th colspan="2">Composition</th></tr>
<tr><th>Name</th><th>Designation</th></tr>
<tr><td rowspan="3">(i)</td><td rowspan="3">Audit Committee</td><td>Mr. Zafar Iqbal</td><td>Chairman/Member</td></tr>
<tr><td>Mrs. Samira Mahmud</td><td>Member</td></tr>
<tr><td>Mr. Ijaz Ahmed</td><td>Member</td></tr>
<tr><td rowspan="3">(ii)</td><td rowspan="3">Human Resource and Remuneration Committee</td><td>Mr. Asim Nisar Bajwa</td><td>Chairman/Member</td></tr>
<tr><td>Mrs. Samira Mahmud</td><td>Member</td></tr>
<tr><td>Mr. Ijaz Ahmed</td><td>Member</td></tr>
<tr><td rowspan="2">(iii)</td><td rowspan="2">Nomination Committee</td><td>Mr. Jahangir Khan Tareen</td><td>Chairman/Member</td></tr>
<tr><td>Mr. Asim Nisar Bajwa</td><td>Member</td></tr>
<tr><td rowspan="2">(iv)</td><td rowspan="2">Risk Management Committee</td><td>Mr. Jahangir Khan Tareen</td><td>Chairman/Member</td></tr>
<tr><td>Mr. Asim Nisar Bajwa</td><td>Member</td></tr>
<tr><td rowspan="2">(v)</td><td rowspan="2">Corporate Social Responsibility Committee</td><td>Mr. Ijaz Ahmed</td><td>Chairman/Member</td></tr>
<tr><td>Mr. Zafar Iqbal</td><td>Member</td></tr>
</table>

13) The Terms of Reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.

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

Sr. #	Name of Committee	Frequency of Meeting(s)
(i)	Audit Committee	4
(ii)	Human Resource and Remuneration Committee	7
(iii)	Nomination Committee	1
(iv)	Corporate Social Responsibility Committee	3

15) The Board has set up an effective internal audit function controlled by internal audit department, which is comprised of qualified and experienced professionals 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 and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (the "IFAC") guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relatives (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or any 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, the 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 other requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

03 January, 2024
Lahore

(Makhdoom Syed Ahmad Mahmud)
Chairman

INDEPENDENT AUDITORS' REPORT

To the members of JDW Sugar Mills Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit or loss, unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 September 2023 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

RIAZ AHMAD, SAQIB, GOHAR & CO.
Chartered Accountants

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Corporate Office at Karachi & Regional Office at Islamabad.

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Following are the Key Audit Matters:

Sr. No.	Key Audit Matters	How the matters were addressed in our audit
1	**Revenue recognition**	
	Refer to notes 4.12.1 and 33 to these unconsolidated financial statements. The Company principally generates revenue from sale of crystalline sugar including by-products, agriculture produce and energy. We identified revenue recognition as a key audit matter because it is one of the key performance indicator of the Company and gives rise to an inherent risk of misstatement to meet expectations or targets, consequently requiring significant time and audit efforts.	Our audit procedures, amongst others, included the following: • obtained an understanding of the process relating to recording of revenue and testing the design, implementation and operating effectiveness of relevant key internal controls over recording of revenue; • assessed the appropriateness of the Company's accounting policy for recording of revenue and compliance of the policy with International Financial Reporting Standard 15 (IFRS 15) 'Revenue from Contracts with Customers'; • reviewed the management procedures carried out for evaluation of contractual arrangements with customers (oral and written) with respect to identification of each party's rights regarding the goods to be transferred and revenue has been recognized after meeting the conditions of IFRS 15; • reviewed a sample of contractual arrangement entered into by the Company with its customers and checking the Company's obligation to transfer goods to a customer; for which the Company has received consideration, has been satisfied before recognition of revenue; • compared a sample of sale transactions recorded during the year with sales orders, sales invoices, delivery orders and other relevant underlying documents; • compared a sample of sale transactions recorded before and after reporting period and near the year end with relevant underlying documentation to assess whether revenue has been recorded in the appropriate accounting period; • compared a sample of energy sales transactions with energy invoices duly verified by Central Power Purchasing Agency (Guarantee) Limited ("CPPA-G") and assess whether the revenue has been recorded in the appropriate accounting period; • for a sample of invoices, recalculated the invoice amount based on fixed and variable component provided by National Electric Power Regulatory Authority (NEPRA); • scanned for any manual journal entries relating to sales recorded during and near the year end which were considered to be material or met other specific risk based criteria for inspecting underlying documentation; and • assessed the adequacy of disclosures in the unconsolidated financial statements to be in accordance with the applicable accounting and reporting standards.

Sr. No.	Key Audit Matters	How the matters were addressed in our audit
2	**Valuation of biological assets (standing sugar-cane)**	
	Refer to notes 4.6 & 27 to these unconsolidated financial statements. Significant judgement and estimates are used in determining the fair value of biological assets. At 30 September 2023, the fair value of the standing sugarcane is Rs. 3,596 million which constitutes a significant balance on the unconsolidated statement of financial position. The value of standing sugarcane is based on the current estimated cane price for the following season and sucrose content less the estimated cost of harvesting, transport and other related cost. Significant judgement is required in estimating the expected cane yield, the maturity of the cane and the estimated sucrose content for the various operating locations and is also considered subjective since it is based on executive management, its experience, expectations and relevant current external factors. Given the value of the biological assets, together with the significant judgement and estimates that are required in determining the fair value, the valuation of biological assets is considered a key audit matter.	Our procedures performed in considering the appropriateness of the valuation of standing sugarcane included the following: • management's representation with regards to the valuation techniques and fair presentation of the biological assets were obtained and evaluated; • critically evaluated the fair value methodology against criteria in IAS 41 'Agriculture' and IFRS 13 'Fair Value Measurement', measurements and key assumptions applied by management in determining the fair value of the standing sugarcane; • examined the professional qualification of professional expert and assessed the independence, competence and experience of the professional expert in the field; • performed sensitivities to assess the impact of changes in the significant inputs; • reviewed the principles used in the valuation of standing sugarcane and analysed the key assumptions used in the valuation model; • detailed testing on the key inputs into the standing sugarcane valuation model including estimated yields, estimated sucrose content and forecast price to confirm the validity, accuracy and completeness of the data by comparing the data to market and other external data where applicable; • compared the prior year's estimated yields, estimated sucrose content and forecast price to the current year actuals attained to assess the reasonableness and accuracy of management' estimates; • reviewed the formulae as per the model and recalculating for mathematical accuracy; and • evaluated the adequacy of the unconsolidated financial statements disclosures, including disclosures of key assumptions, judgments and sensitivities to ensure that they are in compliance with the IAS 41 and IFRS 13.
3.	**Recognition of deferred tax assets relating to Minimum Turnover Tax and Alternative Corpo-rate Tax (tax credits)**	
	Refer to notes 4.9.2 & 10 to these unconsolidated financial statements. Under International Accounting Standard 12 "Income Taxes", the Company is required to review recoverability of the deferred tax assets recognized in the unconsolidated statement of financial position at each reporting period.	Our audit procedures amongst others included the following: • obtained understanding of management process of preparation of taxable income and liability forecast and deferred tax calculation; • tested management's computation of un-used tax credits for which deferred tax assets has been recognized;

Sr. No.	Key Audit Matters	How the matters were addressed in our audit
	Recognition of deferred tax assets is dependent on management's estimate of availability of sufficient future taxable profits against which carried forward un-used tax credits can be utilized. The future taxable profits are based on approved projections. This estimation involves a degree of uncertainty and requires judgement in relation to the future cash flows and also involves assessment of timing of reversal of un-used tax credits. As at 30 September 2023, the Company has recognized deferred tax assets amounting to Rs. 2,133 million mainly on account of un-used tax credits. We considered this as a key audit matter due to the inherent uncertainty in forecasting the amount and timing of future taxable profits and the reversal of deductible temporary differences and management judgement regarding assumptions used in this area.	• analyzed the requirements of Income Tax Ordinance, 2001, in relation to above and considered the ageing analysis, expiry periods of relevant deferred tax assets and tax rates enacted in consultation with our internal tax professionals; • assessed the reasonableness of assumptions such as growth rate, future revenue and costs and other relevant information for assessing the quality of Company's forecasting process in determining the future taxable profits; • tested mathematical accuracy of future projections and the use of appropriate tax rate applicable on temporary differences; and • assessed the appropriateness of management's accounting for deferred taxes and the accuracy of related disclosures in accordance with the applicable accounting and reporting standards.
4	**Valuation of stock-in-trade**	
	Refer to note 29 to these unconsolidated financial statements. Stock-in-trade at the reporting date mainly included bagasse and finished goods (sugar bags). The value of stock-in-trade at the reporting date aggregated to Rs. 15,823 million representing 57% of the Company's total current assets. The valuation of finished goods at cost has different components, which includes judgment and assumptions in relation to the allocation of labour and other various overheads incurred in bringing the inventories to their present location and conditions. Judgment has also been exercised by the management in determining the net realisable value of finished goods and estimating the stock of bagasse and mud. We identified this matter as key in our audit due to the judgment and assumptions applied by the Company in determining the cost and net realisable value of stock-in-trade at the reporting date.	We assessed the appropriateness of management assumptions applied in calculating the value of stock-in-trade and validated the valuation by taking following steps: • assessed whether the Company's accounting policy for inventory valuation is in line with the International Accounting Standard 2 "Inventories"; • attended inventory count at the year-end and reconciled physical inventory with inventory lists provided to ensure completeness of data; • assessed historical cost recorded in inventory valuation by checking purchase invoices on sample basis; • re-calculated the value of stock in trade by allocating the fixed and variable overheads and reviewed the adequacy of costing methodology; • performed net realisable value test to assess whether cost of inventories exceeded its net realisable value by detailed review of subsequent sale invoices; and • assessed the adequacy of disclosures in these unconsolidated financial statements to be in accordance with the applicable accounting and reporting standards.
5	**Financing obligations and compliance with related covenant requirements**	
	Refer notes 8,13 & 14 to these unconsolidated financial statements.	Our audit procedures in relation to verification of long and short term financing mainly included the following:

Sr. No.	Key Audit Matters	How the matters were addressed in our audit
	At the reporting date, the Company has outstanding financing facilities (both long and short term) aggregating Rs. 13,769 million which constitutes 38% of total liabilities of the Company. The Company's key operating / performance indicators including liquidity, gearing and finance cost are directly influenced by the additions to the portfolio of financing. Further, new financing arrangements entail additional financial and non-financial covenants for the Company to comply with. The significance level of financing facilities obtained along with the sensitivity of compliance with underlying financing covenants are considered a key area of focus during the audit and therefore, we have identified this as a key audit matter.	• reviewed terms and conditions of financing agreements entered into by the Company with various banks and financial institutions; • obtained direct balance confirmations from banks and financial institutions and verified outstanding obligations and certain other information from such confirmations; • reviewed maturity analysis of financing to ascertain the classification of financing as per their remaining maturities; • assessed the status of compliance with financing covenants and also inquired from the management with regard to their ability to ensure future compliance with the covenants; • assessed the adequacy of disclosures made in respect of the long and short term financing / borrowings in these unconsolidated financial statements; and • checked on test basis the calculations of finance cost recognised in the unconsolidated statement of profit or loss.
6	**Contingencies**	
	Refer to note 19.1 to these unconsolidated financial statements. The Company is exposed to different laws, regulations and interpretations thereof and hence, there is a litigation risk. 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 unconsolidated financial statements is subject to significant judgement, which can change over time as new facts emerge and each legal case progresses. For such reasons, we have considered the contingencies as a key audit matter.	Our audit procedures in this area included, amongst others, the following: • obtained an understanding of the Company's processes and controls over litigations through meeting with the management, review of the minutes of the Board of Directors; • reviewing the correspondence of the Company with the relevant authorities and legal advisors including judgments or orders passed by the competent authorities; • obtained and reviewed direct confirmations from the Company's external advisors for their views on the legal position of the Company in relation to the contingent matters; • involved our internal tax / legal professionals to assess management's conclusions on contingent tax / legal matters; and • evaluated the adequacy of disclosures made in respect of these contingencies in accordance with the applicable accounting and reporting standards.

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

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 September 2023, but does not include the consolidated and unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated 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 unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated 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 Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated 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 unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 unconsolidated 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 unconsolidated 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 unconsolidated 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 unconsolidated financial statements, including the disclosures, and whether the unconsolidated 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 unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

Riaz Ahmad, Saqib, Gohar & Company
Chartered Accountants

03 January 2024
Lahore
UDIN: AR202310098g5mlvqaQj

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2023 Rupees	2022 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	6	577,766,610	597,766,610
Share premium reserve	7	678,316,928	678,316,928
Accumulated profit		14,735,295,329	15,628,973,589
		15,991,378,867	16,905,057,127
NON-CURRENT LIABILITIES			
Long term finances - secured	8	–	6,256,153,949
Lease liabilities	9	1,971,251,988	1,829,057,614
Deferred taxation	10	319,487,885	246,261,269
Retirement benefits	11	–	23,650,196
Deferred income - Government grant	12	–	–
		2,290,739,873	8,355,123,028
CURRENT LIABILITIES			
Short term borrowings	13	7,192,529,027	11,034,338,292
Current portion of non-current liabilities	14	7,339,156,750	3,801,685,517
Trade and other payables	15	3,023,944,806	3,027,697,166
Advances from customers	16	15,335,981,447	2,518,090,144
Unclaimed dividend	17	52,850,040	40,640,932
Accrued profit / interest / mark-up	18	674,037,003	812,967,857
		33,618,499,073	21,235,419,908
CONTINGENCIES AND COMMITMENTS	19		
		51,900,617,813	46,495,600,063

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

Chief Financial Officer

As at 30 September 2023

	Note	2023 Rupees	2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	20	19,512,840,544	19,335,452,013
Right-of-use assets	21	2,540,480,809	2,329,148,157
Investment property	22	317,840,212	185,854,012
Intangibles	23	608,650,648	610,690,376
Long term investments	24	1,049,752,500	1,084,012,500
Long term deposits	25	149,264,734	94,827,518
Retirement benefits	11	44,469,926	–
		24,223,299,373	23,639,984,576
CURRENT ASSETS			
Short term investments	24	1,067,680,059	651,994,491
Lease receivables	26	–	–
Biological assets	27	3,605,862,039	2,855,032,666
Stores, spare parts and loose tools	28	2,428,431,679	1,916,458,645
Stock-in-trade	29	15,822,918,641	12,145,780,400
Trade receivables	30	3,177,651,602	3,551,542,437
Advances, deposits, prepayments and other receivables	31	1,237,415,156	1,098,333,227
Advance income tax - net		178,768,184	346,779,028
Cash and bank balances	32	158,591,080	289,694,593
		27,677,318,440	22,855,615,487
		51,900,617,813	46,495,600,063

Chief Executive Officer

Director

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 September 2023

	Note	2023 Rupees	2022 Rupees
Gross revenue		81,904,266,779	67,027,986,040
Sales tax and commission		(9,561,160,883)	(8,140,078,189)
Revenue from contracts with customers	33	72,343,105,896	58,887,907,851
Cost of revenue	34	(62,032,103,826)	(49,737,503,926)
Gross profit		10,311,002,070	9,150,403,925
Administrative expenses	35	(2,541,448,555)	(2,157,610,208)
Selling expenses	36	(65,373,857)	(50,353,633)
Other income	37	1,032,854,277	1,967,634,189
Other expenses	38	(218,957,432)	(393,287,756)
		(1,792,925,567)	(633,617,408)
Profit from operations		8,518,076,503	8,516,786,517
Finance cost	39	(5,453,328,864)	(3,404,137,027)
Profit before taxation		3,064,747,639	5,112,649,490
Taxation	40	(898,653,561)	(1,162,091,911)
Profit for the year		2,166,094,078	3,950,557,579
Earnings per share - basic and diluted	41	37.17	66.09

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

Chief Financial Officer

Chief Executive Officer

Director

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2023

	Note	2023 Rupees	2022 Rupees
Profit for the year		2,166,094,078	3,950,557,579
Other comprehensive (loss) / income - net of tax			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of retirement benefits	11.4	(31,731,476)	2,044,186
Related deferred tax	10.2	10,790,054	(674,581)
		(20,941,422)	1,369,605
Total comprehensive income for the year		2,145,152,656	3,951,927,184

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

Chief Financial Officer | Chief Executive Officer | Director

UNCONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 September 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	42	19,428,931,651	1,857,276,748
Taxes paid		(750,815,931)	(749,474,963)
Staff retirement benefits paid		(425,975,352)	(270,651,214)
Interest income received		233,196,293	650,151,154
Long term deposits		(54,437,216)	359,223
Workers' Profit Participation Fund paid	15.3	(458,972,129)	(306,335,622)
Workers' Welfare Fund paid	15.5	–	(13,130,011)
		(1,457,004,335)	(689,081,433)
Net cash generated from operating activities		17,971,927,316	1,168,195,315
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(1,839,026,990)	(1,203,800,191)
Right-of-use assets		(11,629,962)	18,109,641
Payment for acquisition of investment property		(93,282,100)	–
Proceeds from insurance claim		–	24,541,000
Proceeds from disposal of operating fixed assets		80,397,412	138,266,990
Net cash used in investing activities		(1,863,541,640)	(1,022,882,560)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - net		(2,884,422,572)	(3,094,113,393)
Short term borrowings - net		(4,187,872,613)	6,883,802,991
Financial charges paid as:			
- finance cost		(5,192,235,932)	(2,575,657,251)
- interest on lease liabilities		(371,831,060)	(260,253,949)
Principal portion of lease liabilities paid		(902,568,552)	(697,301,249)
Payment for own shares purchased for cancellation		(892,206,128)	–
Dividend paid		(2,154,415,680)	(1,494,837,415)
Net cash used in financing activities		(16,585,552,537)	(1,238,360,266)
Net decrease in cash and cash equivalents		(477,166,861)	(1,093,047,511)
Cash and cash equivalents at beginning of the year		(2,291,362,215)	(1,198,314,704)
Cash and cash equivalents at end of the year		(2,768,529,076)	(2,291,362,215)
Cash and cash equivalents comprise of the following:			
- Cash and bank balances	32	158,591,080	289,694,593
- Running /Morabaha/Karobar/Musharakah finances	13.2	(2,927,120,156)	(2,581,056,808)
		(2,768,529,076)	(2,291,362,215)

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

Chief Financial Officer | Chief Executive Officer | Director

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2023

	Share capital	Reserves			Total equity
		Capital	Revenue	Total reserves	
		Share premium	Accumulated profit		
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 October 2021	597,766,610	678,316,928	13,171,462,931	13,849,779,859	14,447,546,469
Total comprehensive income for the year					
Profit for the year	–	–	3,950,557,579	3,950,557,579	3,950,557,579
Other comprehensive income for the year	–	–	1,369,605	1,369,605	1,369,605
	–	–	3,951,927,184	3,951,927,184	3,951,927,184
Transactions with owners of the Company recorded directly in equity					
Final cash dividend @ Rs. 10 per share for the year ended 30 September 2021	–	–	(597,766,610)	(597,766,610)	(597,766,610)
Interim cash dividend @ Rs. 7.50 per share for the half year ended 31 March 2022	–	–	(448,324,958)	(448,324,958)	(448,324,958)
Interim cash dividend @ Rs. 7.50 per share for the nine months ended 30 June 2022	–	–	(448,324,958)	(448,324,958)	(448,324,958)
	–	–	(1,494,416,526)	(1,494,416,526)	(1,494,416,526)
Balance as at 30 September 2022	597,766,610	678,316,928	15,628,973,589	16,307,290,517	16,905,057,127
Total comprehensive income for the year					
Profit for the year	–	–	2,166,094,078	2,166,094,078	2,166,094,078
Other comprehensive loss for the year	–	–	(20,941,422)	(20,941,422)	(20,941,422)
	–	–	2,145,152,656	2,145,152,656	2,145,152,656
Transactions with owners of the Company recorded directly in equity					
Final cash dividend @ Rs. 12.5 per share for the year ended 30 September 2022	–	–	(722,208,263)	(722,208,263)	(722,208,263)
Interim cash dividend @ Rs. 10 per share for the half year ended 31 March 2023	–	–	(577,766,610)	(577,766,610)	(577,766,610)
Interim cash dividend @ Rs. 15 per share for the nine months ended 30 June 2023	–	–	(866,649,915)	(866,649,915)	(866,649,915)
Own shares purchased and cancelled during the year	(20,000,000)	–	(872,206,128)	(872,206,128)	(892,206,128)
	(20,000,000)	–	(3,038,830,916)	(3,038,830,916)	(3,058,830,916)
Balance as at 30 September 2023	577,766,610	678,316,928	14,735,295,329	15,413,612,257	15,991,378,867

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

Chief Financial Officer | Chief Executive Officer | Director

1. CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

JDW Sugar Mills Limited ("the Company") was incorporated in Pakistan on 31 May 1990 as a private limited company and was subsequently converted into a public limited company on 24 August 1991. The shares of the Company are listed on the Pakistan Stock Exchange Limited. The principal activities of the Company are production and sale of crystalline sugar including its by-products i.e. molasses, bagasse and mud, generation and sale of energy and managing corporate farms.

The Board of Directors of the Company has resolved to set-up a state-of-the-art distillery project with initial capacity of 200,000-230,000 liters per day (the "Distillery/Ethanol Project"). The Distillery/Ethanol Project will produce best quality exportable Ethanol from molasses, which is Sugar's by-product. (for details, refer to note 20.1.6 & 20.2.1).

The geographical locations and addresses of the Company's business units, including production facilities are as under:

- Head office and registered office: 17 - Abid Majeed Road, Lahore Cantonment, Lahore, Pakistan
- Unit-I: Mauza Sharin, Jamal Din Wali, District Rahim Yar Khan, Punjab
- Unit-II: Machi Goth, Sadiqabad, District Rahim Yar Khan, Punjab
- Unit-III: Mauza Laluwali, Near Village Islamabad, District Ghotki, Sindh
- Corporate farms - Punjab Zone
- Corporate farms - Sindh Zone

The Company has executed Energy Purchase Agreements ("EPA") on 20 March 2014 for thirty years with National Transmission & Despatch Company Limited ("NTDC") through the Central Power Purchasing Agency (Guarantee) Limited ("'CPPA-G' and also referred to as "the Purchaser'") for its Bagasse Based Co-Generation Power Plants ("Co-Generation Power") at Unit-II, Sadiqabad, District Rahim Yar Khan, Punjab and Unit-III, District Ghotki, Sindh.

On February 12, 2021, the Company entered into a Novation Agreement to the EPA with NTDC and CPPA-G', whereby, NTDC irrevocably transferred all of its rights, obligations and liabilities under EPA to CPPA-G and thereafter, NTDC ceased to be a party to the EPA, and CPPA-G became a party to the EPA in place of NTDC.

The 26.60 MW power plant at Unit-II achieved Commercial Operations Date ("COD") on 12 June 2014 while the 26.83 MW power plant at Unit-III achieved COD on 03 October 2014 after completing all independent testing and certification requirements and commenced supplying renewable electricity to the national grid. Further, the Company's Co-Generation Power Plants are the first to materialize under National Electric Power Regulatory Authority's ("NEPRA") upfront bagasse tariff.

2. BASIS OF PREPARATION

2.1 Separate financial statements

These unconsolidated financial statements are separate financial statements of the Company in which investments in subsidiaries and associates have been accounted for at cost less accumulated impairment losses, if any. Consolidated financial statements of the Company are prepared separately.

The Company has made investments in following companies (for details, refer to note 24):

Name of company	Country of incorporation	Shareholding
Subsidiaries		
- Deharki Sugar Mills (Private) Limited ("DSML")	Pakistan	100%
- Ghotki Power (Private) Limited ("GPL")	Pakistan	100%
- Sadiqabad Power (Private) Limited ("SPL")	Pakistan	100%
- Faruki Pulp Mills Limited ("FPML")	Pakistan	57.67%
Associates		
- Kathai-II Hydro (Private) Limited ("KHL")	Pakistan	20%

2.2 Statement of compliance

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

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

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

2.3 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except for certain items as disclosed in the relevant accounting policies below.

2.4 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani Rupees (Rs. / Rupees) which is the Company's functional currency. All amounts have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.

3. KEY JUDGMENTS AND ESTIMATES

The preparation of these unconsolidated financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to exercise judgments, make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, and the results of which form the basis for making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The revisions to accounting estimates (if any) are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a high degree of judgments or complexity, or areas where assumptions and estimates are significant to these unconsolidated financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and depreciation method of operating fixed assets - note 4.1.1
- Estimation regrading determination of lease term, lease classification and incremental borrowing rate under IFRS 16 - note 4.2
- Useful lives, residual values and amortization method of intangible assets - note 4.4.2
- Fair value of biological assets - note 4.6 & 27
- Provision for impairment of inventories - note 4.7 & 28
- Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses and tax credits) - note 4.9
- Obligation under employee retirement benefits - note 4.10
- Revenue from contracts with customers – note 4.12
- Estimation of provisions - note 4.17
- Estimation of contingent liabilities and assets - note 4.18 & 4.19
- Expected credit losses of certain financial assets under IFRS 9 - note - 4.20.6
- Incurred impairment losses of certain financial assets under IAS 39 - note - 4.20.7
- Impairment loss of non-financial assets other than inventories and deferred tax assets - note 4.21

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Property, plant and equipment

4.1.1 Operating fixed assets

Items of operating fixed assets other than freehold land are measured at cost less accumulated depreciation and impairment loss (if any). Freehold land is stated at cost less any impairment loss (if any).

Cost of operating fixed assets comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is charged to the unconsolidated statement of profit or loss so as to write off the cost or carrying amount of assets (other than land, capital work-in-progress and identifiable major stores, spare parts and loose tools held for capital expenditure) over their estimated useful lives, using reducing balance method and straight-line method at rates specified in note 20.1. The straight-line method is used for assets related to corporate farms segment of the Company. However, sometimes, the future economic benefits embodied in an asset are absorbed in producing other assets. In this case, the depreciation charge constitutes part of the cost of the other asset and is included in its carrying amount.

Sugarcane roots (bearer plants) are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Costs capitalized to sugarcane roots include preparing the land, maintaining a source of seed cane, planting the seed cane and costs related to establishing new area under cane. Depreciation of bearer plants commences when they are ready for their intended use. Costs incurred for infilling including block infilling are generally recognized in the unconsolidated statement of profit or loss unless there is a significant increase in the yield of the sections, in which case such costs are capitalized and depreciated over the remaining useful life of the respective fields. Depreciation on bearer plants is recognized so as to write off its cost less residual values over useful lives, using the straight-line method at rates as specified in note 20.1

Depreciation on additions is charged from the date when the asset is available for use, while no depreciation is charged when an asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount as referred in note 4.21

Gains or losses arising on derecognition of an item of operating fixed assets is determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the unconsolidated statement of profit or loss within other income or other expenses. The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis. The Company's estimate of the residual value of its operating fixed assets as at 30 September 2023 has not required any adjustment as its impact is considered insignificant.

4.1.2 Capital work-in-progress

Capital work-in-progress are stated at cost less impairment loss (if any). Cost consists of expenditure incurred, advances made and other costs directly attributable to assets in the course of their construction, erection and installation. Cost also includes applicable borrowing costs. Transfers are made to relevant asset category as and when assets are available for intended use.

4.1.3 Major stores and spare parts held for capex

Major stores, spare parts and loose tools held for capital expenditure qualify as property, plant and equipment when the Company expects to use them for more than one year. These are stated at cost less impairment loss (if any). Transfers are made to operating fixed assets category as and when such items are available for use.

4.2 Lease liability and right-of-use asset

4.2.1 The Company is the lessee

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities related to land and building. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as specified in note 21.

Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. The Company also assesses the right-of-use asset for impairment when such indicators exist.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to the unconsolidated statement of profit or loss as incurred.

Lease liabilities

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed) less any lease incentive receivable, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

4.2.2 The Company is the lessor

As a lessor, the Company classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not. However, all leases of the Company as lessor are treated as operating leases and payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The Company also earns rental income from operating leases of its investment property (see note 4.3). Rental income is recognised on a straight-line basis over the term of the lease.

4.2.3 The Company is the intermediate lessor

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption as described in note 4.2.1, then it classifies the sub-lease as an operating lease.

The Company perform assessment regarding operating lease or finance lease at the date of initial application on the basis of the remaining contractual terms and conditions of the head lease and sublease at that date.

The Company has sub-leased a land that has been presented as part of a right-of-use asset and recognised a gain or loss on derecognition of the right of-use asset pertaining to the land and presented the gain / loss as part of other income / expense. The Company recognised interest income on lease receivables in the unconsolidated statement of profit or loss.

4.3 Investment property

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

The Company's investment property comprises of land which is carried at cost, including transaction cost, less identified impairment loss, if any. The Company assesses at each unconsolidated statement of financial position date whether there is any indication that investment property may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying value exceeds the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the unconsolidated statement of profit or loss for the year. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the cost at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Investment property is derecognized either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The gain or loss on derecognition being difference between the net disposal proceeds and the carrying amount of the asset is recognized in the unconsolidated statement of profit or loss as an income or expense in the period of derecognition.

4.4 Intangibles

4.4.1 Goodwill

Goodwill is initially measured as at the acquisition date, being the excess of (a) the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree; and (b) the net of the acquisition date amount of the identifiable assets acquired and the liabilities assumed.

In case the fair value attributable to the Company's interest in the identifiable net assets exceeds the fair value of consideration, the Company recognises the resulting gain in the unconsolidated statement of profit or loss on the acquisition date.

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at cost less accumulated impairment losses, if any. (for impairment testing, refer to note 4.21).

On disposal of the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

4.4.2 Computer software

Intangible assets acquired separately are initially recognized at cost. After initial recognition, these are measured at cost less accumulated amortization and accumulated impairment losses if any. Costs associated with routine maintenance of intangible assets are recognized as an expense when incurred. However, costs that are directly attributable to identifiable intangible assets and which enhance or extend the performance of intangible assets beyond the original specification and useful life is recognized as capital improvement and added to the original cost of the software.

The estimated useful life and amortization method is reviewed at the end of each annual reporting period, with effect of any changes in estimate being accounted for on a prospective basis. In addition, they are subject to impairment testing as described in note 4.21

Intangible assets with finite useful life are amortized using straight-line method over its useful life as specified in note 23.2 to these unconsolidated financial statements. Amortization on additions to intangible assets is charged from the date when an asset is put to use till the asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in the unconsolidated statement of profit or loss within other income or other expenses.

4.5 Investments

4.5.1 Investment in equity instruments of subsidiary companies

Investment in subsidiary company is measured at cost in the Company's separate financial statements, as per the requirements of IAS-27 "Separate Financial Statements". However, at subsequent reporting dates, the Company reviews the carrying amount of the investment and its recoverability to determine whether there is an indication that such investment has suffered an impairment loss. If any such indication exists, the carrying amount of the investment is adjusted to the extent of impairment loss. Impairment losses are recognized as an expense. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in unconsolidated statement of profit or loss.

4.5.2 Investments in equity instruments of associated companies

Associates are all entities over which the Company has significant influence but no has control. Investments in associates are measured at cost less any identified impairment loss if any in the Company's separate financial statements. However, at subsequent reporting dates, the Company reviews the carrying amount of the investment and its recoverability to determine whether there is an indication that such investment has suffered an impairment loss. If any such indication exists, the carrying amount of the investment is adjusted to the extent of impairment loss. Impairment losses are recognized as an expense in unconsolidated statement of profit or loss.

4.6 Biological assets

The Company recognises a biological asset or agricultural produce when, and only when the Company controls the asset as a result of past events; and it is probable that future economic benefits associated with the asset will flow to the Company, and the fair value or cost of the asset can be measured reliably.

Consumable biological assets, comprising of standing sugarcane and other crops (if any) are measured at their fair value determined by discounting future cash flows (income approach methodology) from operations over the estimated useful life of the biological assets using the risk adjusted discount rate.

Significant assumptions used are stated in note 27.1 to these unconsolidated financial statements. Fair value is deemed to approximate the cost when little biological transformation has taken place or the impact of the transformation in price is not expected to be material.

The sugarcane roots are bearer plants and are therefore presented and accounted for as operating fixed assets under the head ‘property, plant and equipment’ as explained in note 4.1.1. However, the standing sugarcane and other crops are accounted for as biological assets until the point of harvest. Sugarcane and other crops are transferred to inventory at fair value less costs to sell when harvested. A gain or loss arising on initial recognition of a biological asset / agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset are included in the unconsolidated statement of profit or loss for the period in which it arises. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income taxes.

Initial and subsequent expenditure incurred for the establishment and conservation of biological assets are capitalised as costs directly attributable to the biological transformation required to obtain the fair value at which biological assets are valued.

Management of the Company regularly reviews significant unobservable inputs and valuation adjustments used to arrive at fair value of biological assets. Any change in those inputs and valuation adjustments might affect valuation of biological assets and accordingly charge to the unconsolidated statement of profit or loss.

The Company managed, cultivate, consumed and sold sugarcane crops, while in case of other crops, the Company engaged in cultivation and sale of wheat, mustard and rice etc.

4.7 Stores, spare parts and loose tools

These are stated at lower of cost and net realizable value. Cost is determined using the weighted average method. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, that have been incurred in bringing the inventories to their present location and condition.

Estimates and judgements are continually evaluated and adjusted based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company reviews the stores, spare parts and loose tools for possible impairment on an annual basis. Any change in estimates in future years might affect the carrying amounts of respective items of stores, spare parts and loose tools with a corresponding effect on provision.

4.8 Stock-in-trade

These are valued at the lower of weighted average cost and net realizable value except for stock in transit, which is valued at cost comprising invoice value and related expenses incurred thereon up to the unconsolidated statement of financial position date.

Cost is determined as follows:

Raw materials	Average cost
Work-in-Process & finished goods	Average manufacturing cost
Molasses, bagasse and mud - by products	Net realizable value

Cost in relation to finished goods and work-in-process comprise of direct materials, direct labour and an appropriate proportion of overhead expenditure.

The cost of harvested crops transferred from biological assets to stock-in-trade is its fair value less costs to sell at the point of harvest.

The Company reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock-in-trade is adjusted where the net realizable value is below the cost. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

4.9 Taxation

Taxation for the year is the tax payable on the current year's taxable income based on the applicable income tax rate. Income tax expense comprises current and deferred tax.

4.9.1 Current tax

Income tax

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation. The charge for current tax is calculated using tax rates (and laws) that have been enacted or substantially enacted at the reporting date and 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 year for such years.

However, profits and gains of the Company derived from bagasse based cogeneration power project are exempt from tax in terms of clause 132C of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the conditions and limitations provided therein. Under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, the Company is also exempt from levy of minimum tax on 'turnover' under section 113 of the Income Tax Ordinance, 2001.

Agriculture tax

According to Section 41 of the Income Tax Ordinance, 2001, agriculture income of the Company is exempt from tax under Federal Board of Revenue. Provision for current tax is based on the taxable agriculture income for the year determined in accordance with the Punjab Agriculture Income Tax Act, 1997. The charge for current tax is calculated using prevailing tax rates.

4.9.2 Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the unconsolidated financial statements. However, deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. In this regard, the effect on deferred taxation of the portion of income subject to provisions of Section 113 is also considered in accordance with the requirement of Technical Release - 27 of Institute of Chartered Accountants of Pakistan.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax has been fully provided in these unconsolidated financial statements except profits and gains of the Company derived from bagasse based cogeneration power which are exempt from tax subject to the conditions and limitations provided for in terms of clause (132C) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 because the Company's management believes that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in unconsolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

4.9.3 Group taxation

The Company has filed an application dated 08 December 2021 to Securities Exchange Commission of Pakistan ('SECP') for Group Taxation under regulation 8 of the Group Companies Registration Regulation 2008. The above mentioned application has been considered by the SECP dated 27 December 2021 and issued the designation letter to the Company for Group Taxation for the Group which comprises of the Company and its wholly owned subsidiary, Deharki Sugar Mills (Pvt.) Limited. Consequently, the Group will be taxed as one fiscal unit from the tax year 2023 and onwards.

Further, as per clause 103A of Part I and clause 11C of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, any income derived from inter-corporate dividend and applicability of provision of section 151 of Income Tax Ordinance ('the Ordinance') on inter-corporate profit on debt within the group companies entitled to group taxation under section 59AA of the Ordinance, is exempt from tax subject to the condition that return of the Group has been filed for the tax year.

Current and deferred income taxes are recognised by each entity within the group, regardless of who has the legal rights for the recovery of tax. However, current tax liability / receivable is shown by the Company as it has legal obligation / right of recovery of tax upon submission of group annual income tax return. Balances among the group entities as a result of Group taxation is shown as tax recoverable / payable to the respective group entity. Any adjustments in the current and deferred taxes of the Company on account of group taxation are credited or charged to unconsolidated statement of profit or loss in the year in which they arise.

4.10 Employee benefits

4.10.1 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plan is recognized as an employee benefit expense in the unconsolidated statement of profit or loss when they are due.

The Company operates approved contributory provident fund for its eligible employees. Equal monthly contribution is made both by the Company and employee to the fund at the rate of 10% of basic salary.

4.10.2 Defined benefit plan

A defined benefit plan provides an amount of gratuity that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation. A defined benefit plan is a plan that is not a defined contribution plan. The liability recognized in the unconsolidated statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting year less the fair value of plan assets.

The Company operates approved funded gratuity fund covering eligible full time permanent employees who have completed the minimum qualifying period of service as defined under the JDW Sugar Mills Limited Employees Gratuity Fund Rules ("the Rules"). The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes. Employees are not required to contribute to the plan.

The gratuity fund is governed under the Punjab Trusts (Amendment) Act 2022, Trust Deed and Rules of Fund, Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002. Responsibility for governance of plan, including investment decisions and contribution schedule lie with Board of Trustees of the Fund.

The calculation of the benefit requires assumptions to be made of future outcomes, the principal ones being in respect of increase in remuneration and the discount rate used to convert future cash flows to current values.

The calculation of defined benefit obligation is performed by qualified actuary by using the projected unit credit method and charge for the year, other than on account of experience adjustment, is included in the unconsolidated statement of profit or loss.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income.

The Company determines the net interest expense / (income) on the net defined liability / (asset) for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual year to the then - net defined benefit liability / (asset) during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in the unconsolidated statement of profit or loss.

4.11 Deferred Government grant

Grant from the government is recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grant relating to costs is deferred and recognised in the unconsolidated statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate. Amortization of deferred grant is presented as reduction of related interest expense.

4.12 Revenue from contracts with customers

4.12.1 Revenue recognition

Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised goods or service to a customer, and control either transfers over time or at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, commissions and government levies. Revenue comprises income arising in the course of the Company's ordinary activities. The Company is engaged in the sale of crystalline sugar, its by-products, agri inputs, sale of energy and agricultural produce.

a) Sale of goods

Revenue from the sale of goods is recognized at the point in time when the performance obligations arising from the contract with a customer is satisfied and the amount of revenue that it expects to be entitled to can be determined. This usually occurs when control of the asset is transferred to the customer, which is when goods are dispatched or delivered to the customer. The normal credit terms for customers is as per sale order.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Revenue is disclosed net of returns, rebates, discounts and other allowances.

b) Sale of energy

Revenue from sale of energy is recognized over time as energy is delivered and based on the rates determined under the mechanism laid down in the EPA. The delivered energy units represent a series of distinct goods that are substantially the same and have the same pattern of transfer to the customer as measured using an output method. The amount that the Company has a right to invoice the customer corresponds directly with the value of the completed performance to the customer. As a result, the Company applies the “right to invoice” practical expedient under IFRS 15 to measure and recognize revenue.

Invoices are generally raised on a monthly basis and the Purchaser (CPPA-G) shall pay the Seller (the Company) the amount shown on an invoice on or before the thirtieth (30^{th}) Day following the Day the invoice is received by the Purchaser (CPPA-G).

Payments to customers are recorded as a reduction in revenue when the payments relate to the Company’s performance obligations under the contract (e.g. liquidated damages or penalties).

c) Other income

The Company also generates revenue from following other sources which are enumerated below:

– income on bank deposits is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return;
– foreign currency gains and losses are reported on a net basis;
– rental income arising from investment property and sub-lease (operating lease) is recognized in accordance with the terms of lease contracts over the lease term on straight-line basis;
– interest income is recognized as and when accrued on effective interest method;
– delayed payment mark-up on amounts due under the EPA is accrued on a time proportion basis by reference to the amount outstanding and the applicable rate of return under the EPA;
– Mark-up on grower advance is accounted for in line with the recovery of the respective loan;
– Income from sale of scrap is recorded when risks and rewards are transferred to the customers which coincides with the time of dispatch of items; and
– Other incomes, if any, are accounted when performance obligations are met.

4.12.2 Contract balances

a) Contract liabilities (advances from customers)

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as advances from customers in the unconsolidated statement of financial position (refer to note 16).

b) Trade receivables / contract assets

If the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a trade receivable in its unconsolidated statement of financial position, depending on whether something other than the passage of time is required before the consideration is due (refer to note 30).

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables are amounts due from customers for goods or services that are delivered in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. Refer note 4.20.6 for a description of the Company's impairment policies.

c) Contract cost

The contract cost is the incremental cost that the Company incurs to obtain a contract with customers that it would not have incurred if the contract had not been obtained. The Company recognized contract cost as an expense in the unconsolidated statement of profit or loss on a systematic pattern of revenue or contract basis.

4.13 Advances, deposits and prepayments except financial assets

These are initially measured at the fair value of the consideration paid. An estimated provision is made against amounts considered doubtful of recovery whereas, amounts considered irrecoverable are written off.

4.14 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognized in the unconsolidated statement of profit or loss as incurred.

4.15 Cash and cash equivalents

Cash and cash equivalents in the unconsolidated statement of financial position comprise cash at banks and on hand. For the purpose of the unconsolidated statement of cash flows, cash and cash equivalents consist of cash and bank deposits, as defined above, net of outstanding running finances /Morabaha/Karobar/Musharakah finances as they are considered an integral part of the Company's cash management.

4.16 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in ordinary course of business from suppliers. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. Trade and other payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

4.17 Provisions

Provisions are recognized when the 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. The Company reviews the status of all pending litigations and claims against the Company. Based on its judgment and the advice of the legal advisors/consultants for the estimated financial outcome, an appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the unconsolidated statement of financial position date.

4.18 Contingent liabilities

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

4.19 Contingent assets

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised until their realisation become virtually certain.

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.

4.20.1 Recognition and initial measurement

All financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instruments.

A financial asset (unless it is a trade receivable without a significant financing component or for which the Company has applied the practical expedient) or financial liability is initially measured at fair value plus/less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

4.20.2 Classification and subsequent measurement

Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ('FVTOCI'), and fair value through profit or loss ('FVTPL').

The classification is determined by both:

- the entity's business model for managing the financial asset, and
- the contractual cash flow characteristics of the financial asset.

Financial assets – Business model assessment

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

– contingent events that would change the amount or timing of cash flows;
– terms that may adjust the contractual coupon rate, including variable-rate features;
– prepayment and extension features; and
– terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

All revenue and expenses relating to financial assets that are recognised in unconsolidated statement of profit or loss are presented within finance costs, other income or other financial items, except for impairment of trade receivables which is presented within other expenses.

4.20.3 Subsequent measurement of financial assets

i) Financial assets at amortized cost (debt instruments)

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

The Company's financial assets at amortised cost includes trade receivables, due from related parties, securities deposits, other receivables, short term advances and bank balances and any other financial assets included under current financial assets.

ii) Financial assets at fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

– The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; 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.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals (if any) are recognised in the unconsolidated statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to unconsolidated statement of profit or loss.

Currently, the Company does not have any financial assets categorised as FVTOCI as debt instrument.

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

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

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

Currently, the Company does not have any financial assets categorised as FVTOCI as equity instrument.

iv) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the unconsolidated statement of financial position at fair value with net changes in fair value recognised in the unconsolidated statement of profit or loss. This includes derivative instruments and listed equity investments, if any which the Company had not irrevocably elected to classify at fair value through OCI. Assets in this category are measured at fair value with gains or losses recognised in the unconsolidated statement of profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Currently, the Company does not have any financial assets categorised as FVTPL.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, and financial liabilities at amortised cost, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

The Company has not designated any financial liability upon recognition as being at fair value through profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognised in unconsolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

4.20.4 Derecognition

Financial assets

A financial asset is primarily derecognised (i.e., removed from the Company's unconsolidated statement of financial position) when:

- The rights to receive cash flows from the asset 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 risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in unconsolidated statement of profit or loss.

Financial liabilities

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 the unconsolidated statement of profit or loss.

4.20.5 Offsetting of financial instruments

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

4.20.6 Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, 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.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter year if the expected life of the instrument is less than 12 months).

ECLs are 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 the 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 the default.

For debt instruments at amortised cost (other than trade receivables) and fair value through OCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than reasonable period past due.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the trade receivable and the economic environment.

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

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

The Gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

4.20.7 Financial assets due from the Government of Pakistan

Financial assets due from the Government of Pakistan include trade receivables due from CPPA-G under the EPA that also includes accrued amounts of markup. SECP vide S.R.O. 67 (I)/2023 dated 20 January 2023 notified a partial exemption of its previous S.R.O. 1177 (I)/2021, dated September 13, 2021, that in respect of companies holding financial assets due or ultimately due from the Government of Pakistan in respect of circular debt, the requirements contained in "IFRS 9 (Financial Instruments) with respect to application of Expected Credit Losses method" shall be not be applicable till 31 December 2024, provided that such companies shall follow relevant requirements of IAS 39 - Financial Instruments: Recognition and Measurement, in respect of above referred financial assets during the exemption period. The Company has applied the following policy during exemption period:

A provision for impairment is established when there is objective evidence that the Company will not be able to collect all the amount due according to the original terms of the receivable.

The Company assesses at the end of each reporting period whether there is objective evidence that the financial asset is impaired. The financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include indications that the trade receivable is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the unconsolidated statement of profit or loss. When the financial asset is uncollectible, it is written off against the provision.

Subsequent recoveries of amounts previously written off are credited to the unconsolidated statement of profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the trade receivable's credit rating), the reversal of the previously recognized impairment loss is recognised in the unconsolidated statement of profit or loss.

4.21 Non - Financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount.

Impairment losses are recognized in unconsolidated statement of profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized. A reversal of impairment loss for a cash generating unit is allocated to the assets of the unit, except for goodwill, pro rata with the carrying amounts of those assets. The increase in the carrying amounts shall be treated as reversals of impairment losses for individual assets and recognized in the unconsolidated statement of profit or loss unless the asset is measured at revalued amount. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase.

4.22 Business combination

Business combinations are accounted for by applying the acquisition method. The cost of acquisition is measured as the fair value of assets given, equity instruments issued and the liabilities incurred or assumed at the date of acquisition. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the identifiable net assets acquired is recorded as goodwill (for details, refer to note 4.4.1). If this is less than the fair value of the net assets acquired in the case of a bargain purchase, the difference is charged directly in the unconsolidated statement of profit or loss.

4.23 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the unconsolidated statement of profit or loss. Foreign exchange gains and losses that relate to borrowings are presented in the unconsolidated statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the unconsolidated statement of profit or loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are not translated again at the reporting date.

4.24 Dividend

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in the unconsolidated statement of changes in equity and as a liability in the Company's unconsolidated financial statements in the year in which it is declared by the Board of Directors and approved by the members.

4.25 Earnings per share (EPS)

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

4.26 Non – current assets held for sale

Non - current assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

These are classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Company's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortization.

5. NEW STANDARDS, AMENDMENTS TO APPROVED ACCOUNTING STANDARDS AND NEW INTERPRETATIONS

The following amendments to existing standards have been published that are applicable to the Company's unconsolidated financial statements covering annual periods, beginning on or after the following dates:

5.1 Standards, interpretations and amendments to published approved accounting standards that are effective during the current year

Certain standards, amendments and interpretations to IFRSs are effective for accounting periods beginning on October 01, 2022 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these unconsolidated financial statements.

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

The following Standards and amendments to published approved accounting standards that are effective for accounting periods, beginning on or after the date mentioned against each to them:

		Effective for the period beginning on or after
IAS-1	Presentation of Financial Statements – Amendments regarding the classification of liabilities.	January 01, 2024
IAS-1	Presentation of Financial Statements – Amendments regarding the disclosure of accounting policies.	January 01, 2023
IAS-7 & IFRS 7	Statement of Cash Flows & Financial Instrument – Amendments regarding to provide qualitative and quantitative information about supplier finance arrangements.	January 01, 2024
IAS-8	Accounting Policies, changes in Accounting Estimates and Errors – Amendment regarding the definition of accounting estimates.	January 01, 2023

		Effective for the period beginning on or after
IAS-12	Income Taxes – The amendments to narrow the scope of the initial recognition exemption.	January 01, 2023
IFRS-4	Insurance Contracts – Amendments regarding the expiry date of the deferral approach.	January 01, 2023
IFRS-16	Leases – Amendment regarding how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.	January 01, 2024
IFRS-10	Consolidated Financial Statements and IAS 28 - Investment in Associates and Joint Ventures –Amendment regarding sale or contribution of assets between an investor and its associate or Joint Venture.	The effective date for these changes has been deferred indefinitely until the completion of a broader review.

The above amendments and improvements are not expected to have any material impact on the Company's unconsolidated financial statements in the period of initial application.

5.3 New Standards issued by IASB but not yet been notified / adopted by SECP

Following new standards issued by IASB but not yet been notified / adopted by SECP:

		Effective for the period beginning on or after
IFRS – 1	First Time Adoption of IFRS	July 01, 2009
IFRS – 17	Insurance Contracts	January 01, 2023

Further, the above new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan and are not expected to have any material impact on the Company's unconsolidated financial statements in the period of initial application.

5.4 Waiver from application of IFRS 16 "Leases"

The Securities and Exchange Commission of Pakistan (SECP) through S.R.O. 24 (I) / 2012 dated January 16, 2012, as modified by S.R.O. 986 (I) / 2019 dated September 02, 2019, granted exemption from the application of IFRS 16 'Leases' to all companies, which have entered into power purchase agreements before January 01, 2019. However, SECP made it mandatory to disclose the impact of the application of IFRS 16 on the Company's financial statements. The Company's arrangement with CPPA-G covered under respective EPAs and consequently are exempt under the aforesaid S.R.O. Under IFRS-16 Leases, the consideration required to be made by lessees CPPA-G for the right to use the asset would have been accounted for as finance lease. The Company's power plant's control due to purchase of total output by CPPA-G appears to fall under the scope of finance lease under IFRS 16. Consequently, if the Company were to follow IFRS 16 with respect to its EPA, the effect on the unconsolidated financial statements would be as given below:

	2023 Rupees	2022 Rupees
De-recognition of property, plant and equipment	(3,780,524,394)	(3,919,193,645)
Recognition of lease receivables	20,094,185,925	17,187,586,969
Increase in un-appropriated profit at beginning of the year	13,268,393,324	13,670,130,922
Increase / (Decrease) in profit for the year	3,045,268,207	(401,737,598)
Increase in un-appropriated profit at end of the year	16,313,661,531	13,268,393,324

6. SHARE CAPITAL

		Note	2023 Rupees	2022 Rupees
6.1	**Authorized share capital**			
	75,000,000 (2022: 75,000,000) voting ordinary shares of Rs. 10 each		750,000,000	750,000,000
	25,000,000 (2022: 25,000,000) preference shares of Rs. 10 each		250,000,000	250,000,000
			1,000,000,000	1,000,000,000
6.2	**Issued, subscribed and paid up share capital**			
	32,145,725 (2022: 32,145,725) voting ordinary shares of Rs. 10 each fully paid in cash		321,457,250	321,457,250
	27,630,936 (2022: 27,630,936) voting bonus shares of Rs. 10 each fully paid		276,309,360	276,309,360
	Buy back of 2,000,000 (2022: Nil) ordinary shares having face value of Rs. 10 each	6.2.2	(20,000,000)	–
			577,766,610	597,766,610

6.2.1 Mr. Jahangir Khan Tareen, an Executive Director (2022: Executive Director) holds 8,649,012 (2022: 9,269,012) and Mr. Mukhdoom Syed Ahmad Mahmud, a Non-Executive Director (2022: Non- Executive Director) holds 19,251,203 (2022: 17,547,213) ordinary shares of Rs. 10 each representing 14.97% (2022: 15.51%) and 33.32% (2022: 29.35%) of the paid up capital of the Company respectively.

6.2.2 In pursuant of the special resolution passed by the shareholders of the Company at extraordinary general meeting held on November 03, 2022, authorizing the Company to buy-back the shares under Section 88 of the Companies Act, 2017 read in conjunction with the Listing Companies (Buy Back of Shares) Regulations, 2019. The Company with the approval of the shareholders accorded to buy back upto to a maximum of its 2,000,000 issued, subscribed and paid-up ordinary shares having face value Rs. 10 through the Pakistan Stock Exchange Limited at the spot/current price prevailing during purchase period. The Company has bought back its all 2,000,000 ordinary shares from its shareholders till dated 02 January 2023. Consequently, paid up capital of the Company has been reduced to Rs. 577,766,610 divided into 57,776,661 ordinary shares of face value of Rs. 10 each.

6.2.3 The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry one vote per share without restriction. The Company does not pay dividend until certain financial requirements of lenders are satisfied.

7. SHARE PREMIUM RESERVE

This reserve can be utilized by the Company only for the purposes specified in section 81(2) and 81(3) of the Companies Act, 2017.

	Note	2023 Rupees	2022 Rupees
8. LONG TERM FINANCES - SECURED			
Mark-up bearing finances from conventional banks / financial institutions	8.1.1	6,430,180,003	8,794,166,670
Islamic mode of financing	8.1.2	–	520,435,905
	8.1 & 8.3	6,430,180,003	9,314,602,575
Less: Transaction cost			
As at 01 October		(28,192,726)	(34,755,446)
Amortization of transaction cost	39 & 42	28,192,726	6,562,720
As at 30 September		–	(28,192,726)
		6,430,180,003	9,286,409,849
Current maturity presented under current liabilities:			
Mark-up bearing finances from conventional banks / financial institutions		(6,430,180,003)	(2,780,653,333)
Islamic mode of financing		–	(249,602,567)
	14	(6,430,180,003)	(3,030,255,900)
		–	6,256,153,949

8.1 Long term finances - secured

	Note	Mark-up / Interest basis	Limit	Loan duration	Grace period	Year of loan maturity	Principal outstanding 2023	Principal outstanding 2022
			Rupees	Years	Years		Rupees	Rupees
8.1.1 Mark-up bearing finances from conventional banks/ financial institutions								
The Bank of Punjab - Led Syndicate								
The Bank of Punjab		*3mk + 1.10	2,036,641,666	06 Years	-	2027	1,504,670,865	1,832,977,501
National Bank of Pakistan		3mk + 1.10	1,225,000,000	06 Years	-	2027	905,030,000	1,102,500,000
Askari Bank Limited		3mk + 1.10	975,000,000	06 Years	-	2027	720,330,000	877,500,000
MCB Bank Limited		3mk + 1.10	816,666,667	06 Years	-	2027	603,353,335	735,000,001
Dubai Islamic Bank Limited		3mk + 1.10	816,666,667	06 Years	-	2027	603,353,335	735,000,001
Pak Kuwait Investment Company (Pvt.) Limited		3mk + 1.10	612,500,000	06 Years	-	2027	452,515,000	551,250,000
MCB Islamic Bank Limited		3mk + 1.10	612,525,000	06 Years	-	2027	452,533,468	551,272,498
Askari Bank Limited (Islamic)		3mk + 1.10	255,000,000	06 Years	-	2027	188,394,000	229,500,000
	8.2		7,350,000,000				5,430,180,003	6,615,000,001
Conventional banks/ financial institutions								
Allied Bank Limited (I)		3mk + 0.50	1,000,000,000	1.5 Years	01 Year	2024	1,000,000,000	-
Allied Bank Limited (II)		3mk + 0.50	1,000,000,000	1.5 Years	01 Year	2023	-	1,000,000,000
Pak Libya Holding Company Limited (II)		3mk + 1.00	450,000,000	05 Years	0.5 Year	2026	-	350,000,000
Pak Brunei Investment Company Limited		3mk + 1.00	500,000,000	06 Years	01 Year	2025	-	300,000,000
Askari Bank Limited (IV)		3mk + 1.25	500,000,000	04 Years	0.25 Year	2024	-	266,666,669
Soneri Bank Limited (II)		3mk + 1.00	500,000,000	05 Years	01 Year	2023	-	125,000,000
Pak Oman Investment Company Limited (II)		3mk + 1.00	500,000,000	06 Years	01 Year	2023	-	75,000,000
Habib Bank Limited		6mk + 1.00	500,000,000	05 Years	01 Year	2022	-	62,500,000
			4,950,000,000				1,000,000,000	2,179,166,669
			12,300,000,000				6,430,180,003	8,794,166,670
8.1.2 Islamic mode of financing								
Bank Islami Pakistan Limited		3mk + 1.25	250,000,000	05 Years	01 Year	2026	-	218,750,000
National Bank of Pakistan (II)		3mk + 1.00	250,000,000	05 Years	01 Year	2024	-	177,083,338
Bank Alfalah Limited		3mk + 0.90	500,000,000	05 Years	01 Year	2023	-	124,602,567
			1,000,000,000				-	520,435,905
			13,300,000,000				6,430,180,003	9,314,602,575

* 3 mk i.e. 3 months KIBOR

8.2 The Company was not in compliance with non-financial covenant towards the Bank of Punjab – Led Syndicate regarding breach of dividend distribution conditions as defined in the loan agreement.

8.3 Long term finances are secured against ranking / joint parri passu charge over all present and future fixed assets including land, building and plant & machinery of the Company amounting to Rs. 14,975 million (2022: Rs. 20,268 million) and personal guarantees of sponsor directors of the Company.

9. LEASE LIABILITIES

	Note	2023			
		Land	Buildings	Vehicles	Total
		Rupees	Rupees	Rupees	Rupees
Balance as at 01 October		2,126,843,322	61,404,595	412,239,314	2,600,487,231
Additions / modification / remeasurement of lease		668,998,594	92,254,073	440,095,236	1,201,347,903
Impact of early termination		(24,784,127)	–	–	(24,784,127)
Finance cost regarding lease arrangement	39	269,672,379	11,101,205	91,057,476	371,831,060
Exchange difference		–	5,746,280	–	5,746,280
Lease payments		(952,594,065)	(61,825,457)	(259,980,090)	(1,274,399,612)
	9.1 & 9.2	2,088,136,103	108,680,696	683,411,936	2,880,228,735
Less: Current maturity presented					
under current liabilities	14	(684,855,317)	(47,825,538)	(176,295,892)	(908,976,747)
Balance as at 30 September		1,403,280,786	60,855,158	507,116,044	1,971,251,988

	Note	2022			
		Land	Buildings	Vehicles	Total
		Rupees	Rupees	Rupees	Rupees
Balance as at 01 October		1,626,260,249	52,330,850	425,517,994	2,104,109,093
Additions / modification / remeasurement of lease		1,188,730,806	51,986,277	125,378,720	1,366,095,803
Impact of early termination		(172,124,118)	(292,298)	–	(172,416,416)
Finance cost regarding lease arrangement	39	207,685,691	8,123,864	44,444,394	260,253,949
Lease payments		(723,709,306)	(50,744,098)	(183,101,794)	(957,555,198)
	9.1 & 9.2	2,126,843,322	61,404,595	412,239,314	2,600,487,231
Less: Current maturity presented					
under current liabilities	14	(613,159,496)	(30,854,436)	(127,415,685)	(771,429,617)
Balance as at 30 September		1,513,683,826	30,550,159	284,823,629	1,829,057,614

9.1 This includes lease obligation against lease of land for Rs. Nil (2022: Rs. 7.876 million) towards Deharki Sugar Mills (Private) Limited, a wholly owned subsidiary of the Company.

9.2 This includes Rs. 603.694 million and Rs. 79.453 million (2022: Rs. 398.707 million and Rs. 13.531 million) outstanding under Diminishing Musharakah financing arrangement and conventional banks for lease of vehicles respectively.

9.3 The Company has lease contracts for agricultural land (for cultivation of sugarcane), vehicles (for its employees and other business operations) and office buildings (for office operations).

9.4 Implicit borrowing rate used against lease liabilities towards First Habib Modaraba / conventional banks is ranging from three to twelve months KIBOR plus 100 bps to 110 bps per annum (2022: six month KIBOR plus 100 bps to 110 bps per annum). The Company's obligations under such leases are secured by the lessor's title to the leased assets (vehicles) and security deposits (for details, refer to note 21 & 25). Further, the Company has provided Demand Promissory Note in favour of the Diminishing Musharakah financing arrangement as security of outstanding due.

9.5 The maturity analysis of lease liabilities is presented in note 44.1.2 to these unconsolidated financial statements.

9.6 The incremental borrowing rate applied at inception of lease related to land and building is ranging from 16.70% to 23.97% (2022: 9.70% to 15.87%). There are no variable lease payments in lease contracts. There were no lease with residual value guarantee.

	Note	2023 Rupees	2022 Rupees
10. DEFERRED TAXATION			
Deferred tax liability on taxable temporary differences arising in respect of:			
- accelerated tax depreciation on operating fixed assets		3,763,980,376	3,251,158,496
- right-of-use assets		816,862,976	664,176,775
- staff retirement benefits		3,553,338	–
		4,584,396,690	3,915,335,271
Deferred tax asset on deductible temporary differences arising in respect of:			
- lease liabilities against right-of-use assets		(932,391,744)	(744,764,480)
- provisions for doubtful debts and obsolescence		(24,469,276)	(31,101,719)
- provision for Workers' Profit Participation Fund		(54,925,872)	(80,474,103)
- provision for Workers' Welfare Fund		(16,601,835)	(16,269,609)
- staff retirement benefits		–	(14,299,857)
- tax credits		(2,132,846,852)	(1,811,398,038)
		(3,161,235,579)	(2,698,307,806)
- Unrecognized deferred tax liability related to operating fixed assets of bagasse based Co-Generation	4.9.2	(1,103,673,226)	(970,766,196)
	10.2	319,487,885	246,261,269

10.1 Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. Further, during the year, an amendment made to Income Tax Ordinance, 2001 through Finance Act, 2023. In accordance with the such amendment, super tax for the tax year 2023 and onwards has been revised to 10% from 4% in the prior year, in addition to the corporate tax rate of 29%. Accordingly, deferred tax assets and liabilities have been recognised using the expected applicable rate of 39% (2022: 33%).

	Note	2023 Rupees	2022 Rupees
10.2 Movement in deferred tax balances is as follows:			
As at 01 October		246,261,269	(368,027,550)
Recognized in statement of profit or loss:			
- accelerated tax depreciation on operating fixed assets		379,914,850	101,400,586
- right-of-use assets		152,686,201	195,657,413
- lease liabilities against right-of-use assets		(187,627,264)	(217,256,507)
- provisions for doubtful debts and obsolescence		6,632,443	32,676,099
- provision for Workers' Profit Participation Fund		25,548,231	(18,793,125)
- provision for Workers' Welfare Fund		(332,226)	10,972
- staff retirement benefits		28,643,249	4,995,195
- tax losses		–	186,624,114
- origination and reversal of tax credits		(321,448,814)	328,299,491
	40	84,016,670	613,614,238
Recognized in other comprehensive income:			
- staff retirement benefits		(10,790,054)	674,581
	10	319,487,885	246,261,269

11. RETIREMENT BENEFITS

The latest actuarial valuation of the Company's defined benefit plan was conducted on 30 September 2023 using projected unit credit method. Details of obligation for defined benefit plan are as follows:

		Note	2023 Rupees	2022 Rupees
11.1	**Unconsolidated statement of financial position**			
	Present value of defined benefit obligation	11.2	325,997,710	282,100,806
	Fair value of plan assets	11.3	(370,467,636)	(258,450,610)
	Net (asset) / liability at end of the year		(44,469,926)	23,650,196
11.2	**Movement in liability for funded defined benefit obligation**			
	Present value of defined benefit obligation at beginning of the year		282,100,806	240,194,734
	Current service cost for the year		29,675,112	25,956,103
	Interest cost for the year		35,918,972	24,386,767
	Benefits paid during the year		(15,245,958)	(10,921,818)
	Remeasurement on obligation		(6,451,222)	2,485,020
	Present value of defined benefit obligation at end of the year	11.1	325,997,710	282,100,806
11.3	**Movement in fair value of plan assets**			
	Balance at beginning of the year		258,450,610	184,207,482
	Return on plan assets excluding interest income		41,449,414	21,854,410
	Contributions made during the year		123,996,268	58,781,330
	Remeasurement on plan assets		(38,182,698)	4,529,206
	Benefits paid during the year		(15,245,958)	(10,921,818)
	Fair value of plan assets at end of the year	11.1	370,467,636	258,450,610
11.4	**Charge for the year**			
	Unconsolidated statement of profit or loss:			
	Current service cost		29,675,112	25,956,103
	Interest cost for the year		35,918,972	24,386,767
	Return on plan assets excluding interest income		(41,449,414)	(21,854,410)
			24,144,670	28,488,460
	Other comprehensive (loss) / income:			
	Remeasurement on obligation		(6,451,222)	2,485,020
	Remeasurement on plan assets		38,182,698	(4,529,206)
			31,731,476	(2,044,186)
			55,876,146	26,444,274
11.5	**Movement in experience losses**			
	Opening experience (gain) / losses		–	–
	Experience (gain) / losses		(31,731,476)	2,044,186
	Charge to other comprehensive (loss) / income		31,731,476	(2,044,186)
	Closing experience (gain) / losses		–	–

	2023		2022	
Break up of plan assets	**Rupees**	**%**	**Rupees**	**%**
Mutual funds	51,473,462	14%	57,077,277	22%
Term deposit receipts	–	0%	110,472,397	43%
Listed equity securities	263,670,000	71%	–	0%
Term finance certificates	31,836,953	9%	31,440,296	12%
Cash at bank	23,487,221	6%	59,460,640	23%
	370,467,636	100%	258,450,610	100%

11.6 Risks on account of defined benefit plan

The Company faces the following risks on account of defined benefit plan:

Final salary risk - The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

Longevity Risks - The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Investment risk - The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.

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.

11.7 Expected future contribution

Expected future contribution for the year ending 30 September 2024 is Rs. 24.056 million (2023: Rs. 30.711 million).

11.8 Actuarial assumptions sensitivity analysis

The below sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in these unconsolidated statement of financial position. There is no change from prior year in respect of methods and assumptions used to prepare sensitivity analysis. If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 100 bps with all other variables held constant, the impact on the present value of the defined benefit obligation as at 30 September 2023 and 2022 would have been as follows:

		Impact on defined benefit obligation			
		2023		2022	
	Change	**Increase**	**Decrease**	**Increase**	**Decrease**
		Rupees			
Discount rate	100 BPS	(23,568,968)	26,736,615	(23,355,229)	26,921,458
Salary growth rate	100 BPS	25,922,296	(23,262,107)	26,083,843	(23,055,602)

If longevity and withdrawal rates increases by 1 year and 10% respectively, the resultant increase in obligation is insignificant.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

		2023	2022
11.9	**Principal actuarial assumptions used**		
	Valuation discount rate	16.75%	13.25%
	Salary increase rate	16.50%	13.25%
	Expected return on plan assets	16.75%	13.25%
	Retirement assumption	60 years	60 years
	Weighted average duration of obligation	7.81 year	9 year
	Mortality rate	SLIC 2001 - 2005	SLIC 2001 - 2005
	Withdrawal rate	Moderate	Moderate

		2023 Rupees	2022 Rupees
11.10	**Maturity profile**		
	1 - 5 years	277,973,114	178,617,636
	6 - 10 years	174,426,956	143,312,839
	11 - above years	2,096,590,964	1,276,937,097

	Note	2023 Rupees	2022 Rupees
12. DEFERRED INCOME - GOVERNMENT GRANT			
Balance as at 01 October		–	23,388,308
Amortized during the year	39	–	(23,388,308)
Balance as at 30 September		–	–

	Note	2023 Rupees	2022 Rupees
13. SHORT TERM BORROWINGS			
Mark-up based borrowings from conventional banks / financial institution - secured			
- Cash finances	13.1	2,095,363,687	5,965,974,626
- Running finances	13.2	2,927,120,156	2,581,056,808
- Finance against trust receipts	13.3	52,134,162	229,447,425
- Agriculture finance facility	13.4	250,000,000	–
		5,324,618,005	8,776,478,859
Islamic mode of financing - secured			
- Salam / Istisna / Musawamah / Tijarah finances	13.5	667,911,022	2,257,859,433
- Agriculture finance facility	13.6	50,000,000	–
		717,911,022	2,257,859,433
Borrowings from related party - unsecured			
- Deharki Sugar Mills (Private) Limited	13.7	1,150,000,000	–
		7,192,529,027	11,034,338,292

13.1 The Company has availed cash finance facilities from various banks aggregated to Rs. 15,400 million (2022: Rs. 10,950 million). The mark-up rates applicable during the year ranges from one to three months KIBOR plus 50 to 100 bps per annum (2022: one to three months KIBOR plus 50 to 100 bps per annum) on utilized limits. These facilities are secured against pledge charge over white refined sugar bags with 15% to 25% margin and personal guarantees of all Directors of the Company.

13.2 The Company has obtained running finance facilities aggregated to Rs. 3,271 million (2022: Rs. 2,771 million). The mark-up rates applicable during the year ranges from one to three months KIBOR plus 75 to 100 bps per annum (2022: one to three months KIBOR plus 75 to 100 bps per annum). These are secured against ranking charge / joint pari passu charge over all present and future current assets, excluding pledge stock, of the Company and personal guarantees of all Directors of the Company.

13.3 The limit of finance against trust receipt facility is Rs. 530 million (2022: Rs. 380 million). The mark-up rates applicable during the year ranges from one to six months KIBOR plus 100 to 250 bps per annum (2022: one to six months KIBOR plus 100 bps per annum). These are secured against ranking charge / joint pari passu charge over present and future current assets, excluding pledge stock, of the Company and personal guarantees of sponsor Directors of the Company.

13.4 The Company has obtained agriculture finance facility amounted to Rs. 250 million (2022: Rs. Nil) for sugarcane growers to support crop cultivation for upcoming crushing season. The mark-up rates applicable during the year is three month KIBOR plus 300 bps per annum (2022: Nil). These are secured against ranking / joint pari passu charge over present and future current assets (excluding pledge stock) of the Company, insurance cover, post dated cheques amounting to Rs. 312 million and personal guarantees of sponsor Directors of the Company.

13.5 The Company has obtained Salam / Istisna / Musawamah / Tijarah financing facilities from various banks aggregated to Rs. 9,185 million (2022: Rs. 8,384 million). The mark-up rates applicable during the year ranges from three to nine months KIBOR plus 50 to 150 bps per annum (2022: three to six months KIBOR plus 50 to 100 bps per annum). These facilities are secured against pledge charge over white refined sugar bags with 10% to 25% margin and personal guarantees of sponsor Directors of the Company.

13.6 The Company has availed Diminishing Musharakah finance facility amounted to Rs. 50 million (2022: Rs. Nil) for sugarcane growers to support crop cultivation for upcoming crushing season. The mark-up rate applicable during the year is twelve months KIBOR plus 300 bps per annum (2022: Nil). These are secured against joint pari passu charge over fixed assets of the Company.

13.7 The Company has entered into agreements with the Deharki Sugar Mills (Private) Limited, a wholly owned subsidiary, to obtain and provide the short term advance/loan up to aggregate amount to Rs. 4.5 billion and Rs. Nil (2022: Rs. 2.5 billion and Rs. 3 billion), for period of one year respectively. Mark-up is payable and receivable on quarterly basis at the average borrowing rate of the Deharki Sugar Mills (Private) Limited or KIBOR for relevant period, whichever is higher (2022: weighted average borrowing rate of the respective lender). The effective interest rate charged during the year is ranging from 16.68 % to 23.82 % (2022: 8.78% to 11.48% and 11.46% to 15.95%) per annum respectively.

13.8 The available facilities for opening letters of credit and guarantee as on the reporting date are amounting to Rs. 1,650 million (2022: Rs. 1,650 million) which includes Rs. 530 million (2022: Rs. 380 million) sub-limit of FATR facility. Further, facilities of amounting Rs. 100 million (2022: Rs. 100 million) remained unutilized as on reporting date. These are secured against ranking charge / joint pari passu charge over present and future current assets, excluding pledge stock, of the Company and by lien over import documents and personal guarantees of the sponsor Directors of the Company.

13.9 Credit facilities as mentioned in note 13.2, 13.3, 13.4 and 13.8 are secured by an aggregate amount of Rs. 4,446 million (2022: Rs. 4,113 million) as at reporting date.

	Note	2023 Rupees	2022 Rupees
14. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Long term finances - secured	8	6,430,180,003	3,030,255,900
Lease liabilities	9	908,976,747	771,429,617
		7,339,156,750	3,801,685,517

	Note	2023 Rupees	2022 Rupees
15. TRADE AND OTHER PAYABLES			
Trade and other creditors	15.1	1,102,854,038	1,366,768,539
Sales tax payable		586,788,148	723,449,810
Accrued expenses	15.2	489,490,795	137,560,464
Markup payable on behalf of growers		197,839,137	–
Payable to Workers' Profit Participation Fund	15.3	161,526,445	270,956,575
Due to related party	15.4	175,205,784	207,329,562
Payable to Workers' Welfare Fund	15.5	48,822,808	54,779,827
Tax deducted at source		67,878,621	107,162,592
Payable to Employees' Provident Fund		34,020,242	24,497,471
Retention money		9,786,973	6,520,212
Security deposits	15.6	3,820,410	1,700,000
Agriculture Income Tax payable		2,892,033	2,144,987
Other payables	15.7	143,019,372	124,827,127
		3,023,944,806	3,027,697,166

15.1 Payable to growers against purchase of sugarcane is Rs. Nil as at 30 September 2023 (2022: Rs. Nil).

15.2 This includes Rs. 92.03 million (2022: Rs. 97.63 million) in respect of market committee fee (for details, refer to note 19.1.19).

		Note	2023 Rupees	2022 Rupees
15.3	**Payable to Workers' Profit Participation Fund**			
	Balance as at 01 October		270,956,575	234,729,641
	- allocation for the year	38 & 42	161,526,444	270,956,575
	- interest on funds utilized	39	188,015,555	71,605,981
			620,498,574	577,292,197
	Paid during the year		(458,972,129)	(306,335,622)
	Balance as at 30 September		161,526,445	270,956,575

15.3.1 The interest on funds utilized by the Company is charged higher of interest at the rate of 2.5% above the bank interest rate or 75 % of the rate at which dividend is declared by the Company as prescribed under the Companies Profit (Workers Participation) Act, 1968 till the date of distribution of funds to the workers. The interest rate charged during the year is 206% (2022: 75%) per annum.

15.4 This represents payable to Deharki Sugar Mills (Private) Limited, a wholly own subsidiary, in respect of purchase of bagasse.

		Note	2023 Rupees	2022 Rupees
15.5	**Payable to Workers' Welfare Fund**			
	Balance as at 01 October		54,779,827	61,956,458
	Provision for the year	38 & 42	4,254,806	35,525,427
	Reversal of prior year provision	37	(10,211,825)	(29,572,047)
			48,822,808	67,909,838
	Paid during the year		–	(13,130,011)
	Balance as at 30 September		48,822,808	54,779,827

15.5.1 Under section 9.2 (a) of the EPA, payments for Workers' Welfare Fund and Workers' Profit Participation Fund are recoverable from CPPA-G as a pass through item in relation to Co-Generation Power Plants only.

15.6 This represents security deposits received from vendors for goods to be delivered. This has been utilized for the purpose of business in accordance with written agreements in terms of section 217 of the Companies Act, 2017.

15.7 These mainly represents deductions against vehicles as per the Company's car finance scheme from employees salaries. This includes accumulated deductions of Rs. 0.804 million (2022: Rs. 1.168 million) against the key management personnel of the Company.

These also includes liability associated with non-current asset held for sale amounting to Rs. 2.8 million (2022: Rs. 1.41 million) for details, refer to note 20.1.7.

16. ADVANCES FROM CUSTOMERS

The advances from customers primarily relate to the advance consideration received from customers for sale of sugar (2022: sugar and molasses), for which revenue is recognised at point in time when goods are transferred. Information regarding the timing of satisfaction of performance obligations underlying the closing contract liability is not presented since the expected duration of all the contracts entered into with the customers is less than one year.

17. UNCLAIMED DIVIDEND

As at the reporting date, the Company is in the process of complying with the provisions of Section 244 of the Companies Act, 2017.

18. ACCRUED PROFIT / INTEREST / MARK-UP

	2023 Rupees	2022 Rupees
Mark-up on financing / borrowings from conventional banks / financial institution:		
- Long term finances - secured	330,614,705	299,176,709
- Short term borrowings - secured	150,794,431	290,977,837
	481,409,136	590,154,546
Profit on Islamic mode of financing:		
- Long term finances - secured	–	14,347,889
- Short term borrowings - secured	88,596,464	208,465,422
	88,596,464	222,813,311
Borrowings from related party - unsecured		
- Deharki Sugar Mills (Private) Limited	104,031,403	–
	674,037,003	812,967,857

19. CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

19.1.1 The tax department issued a show cause notice to the Company on 09 April 2013 on the grounds that the Company has charged Federal Excise duty at the rate of 0.5% instead of 8% on local supplies made and raised a demand of Rs. 50.68 million. Consequently, the Company filed a Writ Petition ('WP') against this notice in the Honorable Lahore High Court ("LHC") on the basis that the rate of 0.5% has been charged as allowed by the Federal Board of Revenue ('FBR') vide SRO 77(I)/2013 dated 07 February 2013. The Honorable LHC decided the matter in favour of the Company vide order dated 22 November 2013. The FBR has filed an intra-court appeal against the order dated 22 November 2013 before LHC which is still pending for adjudication. The management of the Company expects a favorable outcome in this case.

19.1.2 The Company was selected for audit u/s 177 of Income Tax Ordinance, 2001 ("I.T.O") for Tax year 2008. Assistant Commissioner of Inland Revenue ("ACIR") passed an order u/s 122(5) / 122(1) of I.T.O by making additions on different issues i.e. interest expense, salaries, sale, gain on sale of assets etc., amounting to Rs. 516 million by reducing brought forward losses. The Company has filed an appeal before Commissioner Inland Revenue (Appeals) ("CIR(A)"), who vide order dated 06 April 2010 decided appeal in favor of the Company on most of the issues. The department filed an appeal before Appellate Tribunal Inland Revenue ("ATIR"). Respectable ATIR passed an order in favor of the Company except for two issues with an aggregate amount of Rs. 72.57 million. The Company has filed an appeal before Honorable LHC, against the order of the ATIR. The management of the Company expects a favorable outcome in this case.

19.1.3 The Company (Previously United Sugar Mills Limited) was selected for audit u/s 177 of I.T.O for Tax year 2008. The Company has filed WP before Honorable LHC against selection of audit which was rejected by the LHC. Income tax department initiated audit proceeding and Deputy Commissioner Inland Revenue ("DCIR") passed an order u/s 122(4)/(5) of I.T.O by making additions on different issues and created a demand of Rs. 76.56 million vide order dated 22-12-2017. The Company filed an appeal before CIR(A), who passed ex-parte order against the Company. The Company has filed second appeal before the ATIR. Appeal was heard and matter has been remanded back for denovo consideration. The management of the Company expects a favorable outcome in this case.

19.1.4 Additional Commissioner Inland Revenue ("ACIR") issued show cause notice u/s 122(5A) of I.T.O for tax year 2011 confronting several matters. The said notice was duly complied and plea of the Company was largely accepted by the tax department. ACIR passed order u/s 122(5A) of I.T.O by making additions on different issues and created a demand of Rs. 18.75 million vide order dated 30-06-2017. The Company filed an appeal before CIR(A). The CIR(A) has decided the case majorly in the favour of the Company vide order no. 45-A/V dated 22-02-2021. The FBR has filed appeal before the ATIR against the CIR(A) order which is still pending for adjudication. The management of the Company expects a favorable outcome in this case.

19.1.5 The Company was selected for audit u/s 177 of I.T.O for tax year 2014. DCIR passed an order u/s 122(1) of I.T.O by making additions on different expenses, amounting to Rs. 163.16 million. The Company has filed an appeal before CIR(A) who vide order dated 07-03-2018 accepted the tax payer contention and has granted relief on major issues amounting Rs. 127.03 million and upheld the remaining issues amounting to Rs. 36.15 million. The Company has filed second appeal before ATIR against the issues. The hearing of the same is pending. The management of the Company expects a favorable outcome in this case.

19.1.6 The Company was selected for audit u/s 72B of Sale Tax Act, 1990 (the Act) for the period from June 2013 to July 2014 by the FBR. A sales tax demand was raised by the tax department on various grounds of Rs. 70.94 million. The Company has filed an appeal before CIR(A) who vide its order dated 08-02-2018 has granted relief amounting to Rs. 57.37 million and the remaining issues with an aggregate amount of Rs. 12.62 million were upheld. The Company has filed second appeal before ATIR. The hearing of the same is pending. The management of the Company expects a favorable outcome in this case.

19.1.7 The Company was selected for audit u/s 214C of I.T.O for tax year 2016. ACIR passed an order u/s 122(4) / 122(5) of I.T.O by making additions on different issues amounting to Rs. 506 million by reducing brought forward losses. The Company has filed an appeal before CIR(A) who granted relief for an amount of Rs. 30.88 million vide order no. 12/A-V dated 08 April 2021. The Company has filed second appeal before the ATIR against the above mentioned order which is pending for adjudication. The management of the Company expects a favorable outcome in this case.

19.1.8 The Company has filed W.P 67473/2020 & 65212/2019 before Honorable LHC challenging the amendment inserted vide Finance Act, 2019 whereby tax credit under section 65B of I.T.O has been reduced from 10% to 5% for the tax year 2019 and period for availing this credit has also been restricted till 30 June 2019. The Company has claimed tax credit at the rate of 10% for the year ended 30 September 2018 and 30 September 2019 amounting to Rs. 254.9 million and Rs. 94.34 million respectively. Now the matter is pending before the Honorable LHC. The management of the Company expects a favorable outcome in this case.

19.1.9 A show-cause notice u/s 122(5) of I.T.O was served by DCIR for tax year 2015 confronting bank credits to the Company. The said notice was duly complied and the plea of the Company was accepted to some extent in the order dated 15-06-2021. As a result, demand amounting to Rs. 1,555 million was created on account of unexplained bank credits. The Company has filed an appeal before CIR (A). The CIR (A) remanded back the case to learned DCIR for reassessment and affording proper time to the Company. The Company has filed second appeal before ATIR against above mentioned order of CIR (A). The ATIR adjudicated the appeal vide ITA. No. 799/LB/2022 dated 19-05-2022 by remanding back the case to assessing officer for denovo consideration. The Company has filed reference before Honorable LHC against ATIR order. The reference has been admitted and operation of impugned order dated 19-05-2022 has been suspended. Now the matter is pending before the Honorable LHC. The management of the Company expects a favorable outcome in this case.

19.1.10 A show-cause notice u/s 122(5A)/122(9) of I.T.O was served by Additional CIR for tax year 2015 to the Company confronting several matters. The notice was duly complied and the plea of the Company was largely accepted in the order dated 02-07-2021. As a result, demand for Rs. 258.8 million was created on account of proration of expenses and advances from customers. The Company has filed an appeal before CIR (A). The CIR (A) has granted relief on allocation of expenses amounting to Rs. 6.9 million only and upheld the addition related to advances from customers amounting to Rs. 687.4 million. The Company has filed second appeal before ATIR on advances from customers against CIR (A) order, which is still pending. The management of the Company expects a favorable outcome in this case.

19.1.11 A show cause notice u/s 11(3) of Sales Tax Act, 1990 was served to the Company confronting matter of suppression of sales. The said notice was duly complied and plea of the Company was rejected and a demand of Rs. 845.52 million was created vide order dated July 10, 2020. The Company, being aggrieved, has filed appeal before CIR (A), who vide order No. 02/A-V, dated December 15, 2020 remanded back the case. Thus, tax payable has become nil. The Company and the tax department both has challenged the decision of CIR (A) in ATIR. The hearing of the appeal is still pending. The management of the Company expects a favorable outcome in this case.

19.1.12 A show-cause notice u/s 8 of Sales Tax Act, 1990 dated 16-02-2022 was served by ACIR to the Company on account of claim of input tax of Rs. 83.85 million for the period July-2021 to November-2021. The ACIR has finalized the proceeding vide its order no. 19473 dated May 12, 2022 by disallowing input tax of Rs. 19.52 million & imposing penalty of Rs. 0.975 million. The Company has filed an appeal before CIR (A) against the order of ACIR. The CIR (A) adjudicated the appeal by confirming the disallowance and penalty imposed by ACIR. The Company has filed second appeal against order of CIR (A) before ATIR which is pending. The management of the Company expects a favorable outcome in this case.

19.1.13 The DCIR has passed an order dated 28-06-2019 by making additions amounting to Rs. 41.1 million for Tax Year 2016. The Company has filed an appeal before CIR(A) against the said order. The CIR(A) has confirmed the additions made by DCIR vide order dated 24-10-2022. The Company has filed a second appeal before ATIR against the above mentioned order which is pending for adjudication. The management of the Company expects a favorable outcome in this case.

19.1.14 The Company has filed I.C.A No. 48728/2023 dated 24th July 2023 challenging the retrospective application of section 4C of the Income Tax Ordinance, 2001 introduced vide Finance Act, 2022 against the order passed by Honorable Lahore High Court in W.P No. 60005/2022. The Company has also filed W.P No. 76696/2023 dated 21st November 2023 before the Honorable Lahore High Court challenging the retrospective implication of section 4C of the Income Tax Ordinance, 2001 introduced vide Finance Act, 2023. The Honorable Lahore High Court has granted interim-relief in the afore-mentioned intra-court appeal and writ-petition till the final decision of Court. The additional financial impact of Super Tax u/s 4C of the Income Tax Ordinance, 2001 amounting to Rs. 53.1 million for Tax Year 2022 and Rs. 110.8 million for Tax Year 2023 has not been recognized in these unconsolidated financial statements. The management of the Company expects a favorable outcome in this case.

19.1.15 The Ministry of Interior (GoP) had constituted the Inquiry Commission under the Pakistan Commission of Inquiry Act, 2017 dated 16 March 2020 to probe into the increase in sugar prices in the country. Due to political rivalry, the Company was unnecessarily dragged into politically motivated cases tainted with malafide of the then Govt. The Company through its management appeared before the FIA and produced all the information/data as required. The allegations, however, were so weak that FIA officials after complete and thorough investigation failed to incriminate the accused due to deficient evidence. Ultimately the Honorable District Court/Judicial Magistrate Section 30, Lahore, vide its order dated 10 January 2023, acquitted all the accused from the alleged charges.

Pakistan Sugar Mills Association (PSMA) along with its member sugar mills, including the Company, filed Writ Petition (WP) 1544/2020 before the Honorable Islamabad High Court (IHC) challenging the initiation of inquiry, Constitution of the Commission Inquiry and all action taken pursuant thereto. Vide order dated 20 June 2020, this above petition was disposed off and the commission's report upheld, however, the delegation of Cabinet's power to special assistant was declared unlawful. PSMA along with its member sugar mills, including the Company, challenged the order before the Division Bench of IHC in Intra Court Appeal (ICA) No. 156 of 2020. This ICA was decided on 18 August 2020. Thereafter, on 26 October 2020, PSMA and the Company filed Civil Petition for Leave to Appeal (CPLA) No. 2697 of 2020 against the judgment dated 18 August 2020 before the Honorable Supreme Court of Pakistan which is pending adjudication. The Company has a good prima facie case.

The Commission of Inquiry in its report has highlighted discrepancies with respect to Benami Transactions (Prohibition) Act, 2017 with respect to the standard business practice of Pakistan sugar industry. The Commission of inquiry has revealed that names of the brokers may be masked, by the sugar mills, and there is risk of sales in benami / fictitious names. The Commission of Inquiry in its report has also highlighted discrepancies in crushing capacity of the Company and claimed that such enhancement and enlargement was made in the period of ban on capacity enhancement/enlargement although all mills were being operated under the allowed/permitted capacities. However, during the year, the Govt. amended the governing law under Punjab Industries (Control on Establishment & Enlargement) (Amendment) Act, 2022 (refer to note 47), pursuant to which the Company got crushing capacities of its Unit I and Unit II regularized as per law.

19.1.16 A petitioner has filed Constitution Petition (CP) No. 3823 of 2018 in the Honorable High Court of Sindh against the Company (Unit III at Ghotki) 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.

19.1.17 The matter of fixation of minimum price of sugarcane fixed under relevant notifications for crushing season 2014 - 2015 issued by the Government of Sindh was challenged by sugar mills including the Company before the Honorable SHC which stood dismissed vide order dated 30 December 2014 and said order was assailed before Honorable Supreme Court of Pakistan ('SCP') in CA 48. The Growers also filed petitions for implementation of order dated 30 December 2014. However, during the proceedings, an interim arrangement was reached out between the parties whereby price of Rs. 172 was fixed out of which Rs. 160 were to be paid by the Mills and Rs. 12 were to be paid by the Government. The said arrangement was subject to the final outcome in the decision of the Honorable SCP in Appeals. The Honorable SCP vide its order 13 September 2023 dismissed the Appeals being infructuous on account of settlement. In addition to this, the Company is already compliant of the minimum support price notification for 2014-15.

Similarly, for year 2017 – 2018, minimum price of sugarcane fixed was challenged before the Honorable SHC and Honorable High Court of Lahore ('LHC') in C.P No. 8666 of 2017 & 7951 of 2017 and W.P 16375/2018 respectively. During the proceedings, similar arrangement as above was reached between the parties. The said arrangement was also subject to the final outcome in the decision of the Honorable SCP in Appeals. As the said appeals stood dismissed vide order dated 13 September 2023 being infructuous on account of settlement. The matter is still pending adjudication before the Honorable SHC, the Company is expecting favorable outcome.

Further, C.P.L.A 714/2021 & 4718/2021 also pending in Honorable SCP for fixation of minimum price of sugarcane fixed for crushing season 2012 - 2013. Furthermore, the Company along with other sugar mills have also filed WP 3910/2014 in the Honorable LHC challenging the minimum price fixation mechanism. The Honorable LHC vide Order dated 16 March 2017 adjourned the case till the final outcome in the decision of the Honorable SCP in C.P 7/2015. Although, the matter is pending adjudication, the subject matter has become infructuous as the Company is already compliant of the minimum support price notification for relevant year. The management of the Company expects a favorable outcome in this case.

19.1.18 A petitioner has filed civil suit no. 1296 of 2005 and 496 of 2007 in the Honorable SHC against the Company who has claimed a sum of Rs. 446 million and entitlement to retain the possession of and run the Unit II. The matter is pending adjudication.

19.1.19 The Secretary and Administrator of the Market Committee (MC) issued notices to Units I and II of the Company demanding arrears on account of market fee for crushing season 2016-2017 to 2018-2019 amounting to Rs. 16.45 million. The Company has filed an appeal before the Director Agriculture (E&M) against such notices which is pending adjudication.

Further, the Company was in a C.P 126999/2017 challenging notification No. DIR (FB) XV-II8I-VIII dated 02 August 2017 issued by the Govt of the Punjab in Honorable LHC whereby market committee fee was enhanced for purchase of sugarcane from 50 paisa to 1 rupee per 100 kg and for Sugar & molasses from 1 rupee to 2 rupees per 100 kg vide order dated 18 December 2020, the said W.P was referred to the Secretary Agriculture for deciding the grievance in the light of new legal framework. However, the Secretary Agriculture, Govt. of Pakistan via order dated 07 July 2021 concluded that said notification is valid from its issuance and demanded Rs. 76.8 million. The Company has filed an W.P. 55108/2021 in Honorable LHC against above Order and notification. The Honorable LHC has restrained the authorities from taking any coercive measures. The case is currently pending adjudication. (for details, refer to note 15.2).

19.1.20 Employee Old Age Benefits Institution (EOBI) issued show cause notices to the Company demanding an amount of Rs. 7,084,800 and Rs. 5,313,600 in respect of employees of Unit-I & Unit-II respectively for the period October, 2015 to September, 2016. Further, the Adjudicating Authority passed an order dated 08 December 2020 against the Company and directed to recover the demanded amount immediately. The Company has filed appeal against such order. The matter is pending adjudication. Further, Adjudicating Authority, Lahore issued assessment order dated 25 April 2022 and demand notice no. 1141 dated 06 May 2022 to the Company demanding an amount of Rs. 12,038,176 in respect of employees of Unit III for the period July, 2018 to June, 2020. The Company has filed complaint No. ADJ-1/Law/2021-22/493 before Adjudicating Authority, Lahore for setting aside of impugned assessment order and impugned demand notices. The matter is pending adjudication.

19.1.21 The Competition Commission of Pakistan (CCP) imposed a penalty of Rs. 8,237.78 million vide order dated 13 August 2021 on the Company. The Company has filed appeals No. 55, 56 & 57 before the Competition Appellate Tribunal and a Writ Petition No. 64858 of 2021 before the Honorable Lahore High Court, Lahore challenging constitutional vires, legality, correctness, propriety and legitimacy of the casting vote order dated 13 Aug 2021 entitled as Commission's view passed by the Chairperson of Competition Commission of Pakistan (CCP), by purportedly exercising powers under Sections 24(1) (5) & (6) read with Section 28(1) of the Competition Act, 2010. The Company also seek a declaration that Section 24 of Competition Act, 2020 is ultra vires of the Constitution. The Appellate Tribunal has restrained CCP from recovery of the penalty vide its order dated 02 June 2022. Moreover, the Lahore High Court Lahore vide its order dated 18 October, 2021 has also suspended the impugned order of CCP. The matter is pending adjudication.

19.1.22 The Honorable SHC passed an order in C.P. no. D-1313/2013 dated 12 February 2018, according to which, in the case of trans-provincial companies, the location of the workers should be considered, and an allocation should be made accordingly. The Sindh Revenue Board (SRB) vide the impugned judgment issued notice to the Company for the non-payment of WPPF as per the impugned judgment. The Company has filed a C.P.L.A 1826 dated 16 May 2018 against this order in the Honorable Supreme Court of Pakistan ('SCP') and impugned judgment of Honorable SHC has been suspended by Honorable SCP vide order dated 03 July 2018. However, allocation of WPPF has been made in accordance with provision of the Companies Profits (Workers Participation) Act, 1968 keeping in view the benefit of workers in best spirit of the law. (for details, refer to note 15.3).

19.1.23 The Company received various show causes notices from the SRB demanding payment of Sindh Workers' Welfare Fund ('WWF') amounting to Rs. 116 million for the period 2015 to 2017. The Company has challenged the said notices through C.P. 7956/2019 in Honorable SHC on the ground that after the 18th Amendment, SRB and Federation of Pakistan, both can only collect WWF from the Company after a law is enacted catering to WWF collection from trans-provincial organizations. Further, august Supreme Court of Pakistan, in CA. No. 1583 of 2014 has held that exclusive jurisdiction rested with the Parliament and Federation of Pakistan in respect of labour matters of trans-provincial organizations. The Federation of Pakistan and the Province of Sindh along with SRB have been made parties in the said matter. However, provision for the year has been made in accordance with the Workers Welfare Fund Ordinance, 1971 (for details, refer to note 15.5).

19.1.24 As at 30 September 2023, several cases were filed against the Company before various court of laws relating to claims, settlements of dues, staff retirement benefits etc., the amount of which cannot be determined. The management, based on the opinion of the legal counsel expects that the outcome of all these cases will be in favour of the Company, as they have a reasonable defense in the cases filed. Accordingly, no provision has been made in these unconsolidated financial statements.

Based on the opinion of the Company's legal advisors, management is expecting a favorable outcome of the above cases except 19.1.22 and 19.1.23. Therefore, no provision has been recognized in these unconsolidated financial statements.

19.1.25 Guarantees issued by the banks on behalf of the Company in favour of various parties as at the reporting date aggregate amounts to Rs. 650 million (2022: Rs. 799 million).

19.1.26 The Company has availed growers financing facilities from various banks aggregated to Rs. 3,343 million (2022: Rs. 2,021 million). The mark-up rates applicable during the year ranges from three to twelve month KIBOR plus 225 to 300 bps per annum (2022: one year KIBOR plus 240 to 250 bps per annum). The Company has provided counter guarantees to various banks against growers financing facilities as at the reporting date amounts to Rs. 4,490 million (2022: Rs. 3,145 million) and personal guarantees of sponsor Directors of the Company (for details, refer to note 30.1).

19.1.27 The Company has issued cross corporate guarantees of Rs. Nil (2022: Rs. 944 million) on behalf of Deharki Sugar Mills (Private) Limited - wholly owned subsidiary, to secure the obligations of subsidiary company towards their lenders.

		2023 Rupees	2022 Rupees
19.2	**Commitments**		
19.2.1	Letters of credit for import of machinery and its related components	295,731,221	404,899,443

19.2.2 Commitments in respect of operation and maintenance cost of Co - Generation Power Plants contracted for but not incurred as at 30 September 2023 amounts to Rs. 35.64 million (2022: Rs. Nil).

19.2.3 At 30 September 2023, the Company has committed to leases for vehicles amounting to Rs. 135.23 million (2022: Rs. 16 million) which has not yet commenced.

20. PROPERTY, PLANT AND EQUIPMENT

	Note	2023 Rupees	2022 Rupees
Operating fixed assets	20.1	19,144,790,202	19,068,801,186
Capital work in progress	20.2	299,470,019	196,702,905
Stores, spare parts and loose tools held for capital expenditure	20.3	68,580,323	69,947,922
		19,512,840,544	19,335,452,013

20.1 Operating fixed assets

20.1.1 Reconciliation of ending balances by classes of assets is as follows:

	Cost				Rate / Useful Life	Depreciation				Carrying amount as at 30 September 2023
	As at 01 October 2022	Additions / (deletions) during the year	Transfers / reclassification during the year	As at 30 September 2023		As at 01 October 2022	For the year	Transfers / reclassification / (deletions) during the year	As at 30 September 2023	
	Rupees	Rupees	Rupees	Rupees	% / Year	Rupees	Rupees	Rupees	Rupees	Rupees
Freehold land	1,729,658,247	159,166,058	(38,704,100)	1,850,120,205	-	-	-	-	-	1,850,120,205
		-						-		
Factory building on freehold land	2,291,737,850	116,471,917	-	2,408,209,767	10%	1,381,706,960	98,757,247	-	1,480,464,207	927,745,560
		-						-		
Non-factory building on freehold land	802,577,942	12,571,793	-	814,993,501	5% - 5/20 years	376,792,517	27,499,053	-	404,218,660	410,774,841
		(156,234)						(72,910)		
Plant and machinery	22,584,554,696	370,605,824	-	22,951,873,257	5% - 5/10 years	8,402,143,055	743,347,445	-	9,142,273,200	13,809,600,057
		(3,287,263)						(3,217,300)		
Sugarcane roots	1,061,299,933	851,050,763	-	1,470,349,458	3 years	330,681,596	415,324,054	-	486,978,930	983,370,528
		(442,001,238)						(259,026,720)		
Motor vehicles	2,018,791,744	124,028,205	147,826,277	2,156,497,456	20% - 5 years	1,683,730,577	93,833,390	91,041,847	1,760,621,752	395,875,704
		(134,148,770)						(107,984,062)		
Electrical installation	189,287,469	15,903,489	101,562	205,027,130	10% - 10 years	107,648,274	9,683,355	-	117,169,109	87,858,021
		(265,390)						(162,520)		
Office equipment	64,212,205	1,659,189	-	65,871,394	20% - 5 years	49,792,829	3,062,182	-	52,855,011	13,016,383
		-						-		
Solar system	-	34,796,620	-	34,796,620	4%	-	209,733	-	209,733	34,586,887
		-						-		
Tools and equipment	80,684,326	20,582,660	-	101,266,986	10%	42,488,374	4,639,405	-	47,127,779	54,139,207
		-						-		
Furniture and fixture	16,523,371	584,328	(101,562)	17,006,137	10% - 10 years	10,670,520	1,145,705	-	11,750,039	5,256,098
		-						(66,186)		
Weighbridge	41,449,368	-	-	41,449,368	10% - 10 years	28,081,486	1,322,485	-	29,403,971	12,045,397
		-						-		

	Cost					Depreciation				
	As at 01 October 2022	Additions / (deletions) during the year	Transfers / reclassification during the year	As at 30 September 2023	Rate / Useful Life	As at 01 October 2022	For the year	Transfers / reclassification / (deletions) during the year	As at 30 September 2023	Carrying amount as at 30 September 2023
	Rupees	Rupees	Rupees	Rupees	% / Year	Rupees	Rupees	Rupees	Rupees	Rupees
Roads and boundary wall	139,690,712	-	-	139,690,712	10% - 5 years	81,589,598	3,752,614	-	85,342,212	54,348,500
		-						-		
Arms and ammunitions	8,309,465	-	-	8,309,465	10% - 10 years	6,194,268	211,520	-	6,405,788	1,903,677
		-						-		
Fire fighting equipment	85,350,587	-	-	85,350,587	20%	70,316,514	3,006,815	-	73,323,329	12,027,258
		-						-		
Aircrafts	961,777,661	18,013,434	-	979,791,095	10%	466,056,729	50,332,187	-	516,388,916	463,402,179
		-						-		
Tube well	59,048,732	5,318,550	-	62,717,868	10% - 5 years	47,414,815	4,497,516	-	50,786,475	11,931,393
		(1,649,414)						(1,125,856)		
Computers	91,990,574	6,874,645	-	98,713,219	33% - 3 years	72,835,584	9,224,295	-	81,924,912	16,788,307
		(152,000)						(134,967)		
	32,226,944,882	1,737,627,475	109,122,177	33,492,034,225		13,158,143,696	1,469,849,001	91,041,847	14,347,244,023	19,144,790,202
		(581,660,309)						(371,790,521)		

20.1.2 Additions in operating fixed assets includes transfer from capital work-in-progress and stores, spare parts and loose tools held for capital expenditure amounting to Rs. 1,350.67 million (2022: Rs. 739.038 million) and Rs. 3.4 million (2022: Rs. 26.58 million) respectively.

20.1.3 Transfers from / to freehold land and motor vehicles represents transfer of freehold land and vehicles to / from investment property and right-of-use assets at carrying value amounting to Rs. 38.704 million and Rs. 56.78 million (2022: Rs. nil and Rs. 38.8 million) respectively.

20.1.4 Property, plant and equipment of the Company are kept secured with the banks under ranking and joint pari passu charge, for obtaining long term financing. For details, refer to note 8.

20.1.5 Operating fixed assets having carrying amount Rs. 78 (2022: Rs. 78) as at 30 September 2023 have been retired from active use and not classified as held for sale in accordance with IFRS 5.

20.1.6 Addition in freehold land represents, the Company has purchased freehold land measuring 29.5 acres in Rahimyar Khan and also obtained the possesion and legal title of land to its name as at reporting date for its distillery project.

20.1.7 The management had entered into an agreement to sell its land (agriculture) measuring 3.13 Acres located at district Rajanpur against which during the year ended September 30, 2023, the Company received partial sales consideration of Rs. 2.8 million (Refer note 15.7) from the ultimate buyer. However, the Company has transferred the possession but the title of the land is still with the Company. IFRS 5 requires assets that meet the criteria to be classified as held for sale and presented separately in the statement of financial position. 'The impact of classification and presentation of such asset is considered insignificant by the management. Hence, not classified and presented in the statement of financial position.

20.1.8 Reconciliation of beginning balances by classes of assets is as follows:

	Cost					Depreciation				
	As at 01 October 2021	Additions / (deletions) during the year	Transfers / reclassification during the year	As at 30 September 2022	Rate / Useful Life	As at 01 October 2021	For the year	Transfers / reclassification / (deletions) during the year	As at 30 September 2022	Carrying amount as at 30 September 2022
	Rupees	Rupees	Rupees	Rupees	% / Year	Rupees	Rupees	Rupees	Rupees	Rupees
Freehold land	1,729,658,247	-	-	1,729,658,247	-	-	-	-	-	1,729,658,247
		-						-		
Factory building on freehold land	2,292,797,850	-	(1,060,000)	2,291,737,850	10%	1,281,155,562	101,114,543	(563,145)	1,381,706,960	910,030,890
		-						-		
Non-factory building on freehold land	833,290,595	13,907,082	(44,619,735)	802,577,942	5% - 5/20 years	364,195,595	22,736,730	(10,139,808)	376,792,517	425,785,425
		-						-		
Plant and machinery	22,525,456,883	117,929,854	(56,086,750)	22,584,554,696	5% - 5/10 years	7,676,195,911	766,980,440	(39,190,785)	8,402,143,055	14,182,411,641
		(2,745,291)						(1,842,511)		
Sugarcane roots	776,236,276	651,405,712	-	1,061,299,933	3 years	274,848,701	302,772,325	-	330,681,596	730,618,337
		(366,342,055)						(246,939,430)		
Motor vehicles	1,896,038,972	187,330,771	102,115,913	2,018,791,744	20% - 5 years	1,663,649,036	90,670,951	60,376,380	1,683,730,577	335,061,167
		(166,693,912)						(130,965,790)		
Electrical installation	174,808,018	4,397,826	11,200,736	189,287,469	10% - 10 years	93,284,487	9,539,109	5,625,003	107,648,274	81,639,195
		(1,119,111)						(800,325)		
Office equipment	73,189,228	3,515,653	(11,938,844)	64,212,205	20% - 5 years	56,080,012	3,286,503	(9,103,596)	49,792,829	14,419,376
		(553,832)						(470,090)		
Tools and equipment	78,480,510	2,926,242	(722,426)	80,684,326	10%	38,699,346	4,109,399	(320,371)	42,488,374	38,195,952
		-						-		
Furniture and fixture	28,693,025	738,732	(12,669,557)	16,523,371	10% - 10 years	16,221,243	1,191,937	(6,529,918)	10,670,520	5,852,851
		(238,829)						(212,742)		
Weighbridge	40,223,357	-	1,226,011	41,449,368	10% - 10 years	25,529,080	1,592,029	960,377	28,081,486	13,367,882
		-						-		

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 September 2023

	Cost				Rate / Useful Life	Depreciation				Carrying amount as at 30 September 2022
	As at 01 October 2021	Additions / (deletions) during the year	Transfers / reclassification during the year	As at 30 September 2022		As at 01 October 2021	For the year	Transfers / reclassification / (deletions) during the year	As at 30 September 2022	
	Rupees	Rupees	Rupees	Rupees	% / Year	Rupees	Rupees	Rupees	Rupees	Rupees
Roads and boundary wall	95,300,302	-	44,390,410	139,690,712	10% - 5 years	62,698,401	8,782,112	10,109,085	81,589,598	58,101,114
		-						-		
Arms and ammunitions	8,237,117	-	72,348	8,309,465	10% - 10 years	5,886,898	235,022	72,348	6,194,268	2,115,197
		-						-		
Fire fighting equipment	82,815,232	-	2,535,355	85,350,587	20%	65,779,405	3,758,518	778,591	70,316,514	15,034,073
		-						-		
Aircrafts	902,022,925	59,754,736	-	961,777,661	10%	412,811,389	53,245,340	-	466,056,729	495,720,932
		-						-		
Tube well	8,607,613	-	50,441,119	59,048,732	10% - 5 years	5,459,526	3,249,254	38,706,035	47,414,815	11,633,917
		-						-		
Computers	79,393,189	4,676,535	13,967,820	91,990,574	33% - 3 years	60,235,866	8,892,188	9,233,248	72,835,584	19,154,990
		(6,046,970)						(5,525,718)		
	31,625,249,339	1,046,583,143	98,852,400	32,226,944,882		12,102,730,458	1,382,156,400	60,013,444	13,158,143,696	19,068,801,186
		(543,740,000)						(386,756,606)		

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

Location	Usage of immovable property	Total area (Acres)
Mauza Sharin, Jamal Din Wali, District Rahim Yar Khan	Manufacturing facility	348.10
Machi Goth, Sadiqabad, District Rahim Yar Khan	Manufacturing facility & Co-Gen Power Plant	189.15
Mauza Laluwali, Near Village Islamabad, District Ghotki	Manufacturing facility & Co-Gen Power Plant	157.03
59-A, Gulberg, Lahore	Space for corporate office	0.65
29-B, Gulberg, Lahore	Rest house	0.30
Agricultural Land - Punjab (various locations)*	Cultivation of sugarcane and other crops	925.28
Agricultural Land - Sindh (various locations)*	Cultivation of sugarcane and other crops	1,078.98

The buildings on freehold land and other immovable fixed assets of the Company are constructed / located at above mentioned freehold land.

*Due to large number of area, it is impracticable to disclose the name of each location of these immovable fixed assets, as required under Paragraph 1(b) of the 4th Schedule to the Companies Act, 2017.

20.1.10 Land measuring 158.5 Kanals/19.81 acres situated at Sadiqabad is under litigation by virtue of an appeal filed by the Company, whereby the Additional Commissioner Revenue, Bahawalpur has granted stay Order in the favour of the Company dated 08 November 2021 against Order dated 26 October 2021 ('Impugned Order') passed by the Additional Deputy Commissioner Revenue, Bahawalpur. The Company has also filed W.P 74396/2022 in Honorable Lahore High Court ('LHC') against the order of Board of Revenue and the Honorable LHC has suspended the operation of Impugned Order dated 18 May 2023. The matter is pending adjudication. Based on the opinion of the Company's legal advisors, management is expecting a favorable outcome of the case.

	Note	2023 Rupees	2022 Rupees
20.1.11 Depreciation charge for the year has been allocated as follows:			
Cost of goods manufactured	34.1	756,404,546	847,564,715
Further cost charged on biological assets	34.1.1.1	211,796,803	168,730,769
Administrative expenses	35	217,384,814	146,122,778
Cost incurred on standing crops	37.1.1	284,262,838	219,738,138
		1,469,849,001	1,382,156,400

20.1.12 Detail of disposals of operating fixed assets

The details of operating fixed assets disposed off / written off during the year are as follows:

Description	Particulars of purchaser	Cost	Accumulated depreciation	Net book value	Sales value	Gain / (loss)	Mode of disposal	Relationship with the Company
		Rupees	Rupees	Rupees	Rupees	Rupees		
Motor vehicles								
Toyota Corolla GLI	Mr. Captain Afnan Arshad	1,912,000	1,357,651	554,349	764,800	210,451	Company policy	Employee
Toyota Corolla Altis	Mr. M. Khalid	2,166,500	1,562,679	603,821	649,950	46,129	Company policy	Employee
Toyota Corolla XLI	Mr. Captain Rizwan Noori	1,782,000	1,265,675	516,325	712,800	196,475	Company policy	Employee
Toyota Corolla GLI	Mr. Nadeem Haider	1,906,500	1,342,334	564,166	571,950	7,784	Company policy	Employee
Toyota Corolla Altis	Mr. Safdar Kanjoo	2,166,500	1,590,641	575,859	649,950	74,091	Company policy	Employee
Toyota Corolla Altis	Mr. Shahid Jamil	2,166,500	1,562,679	603,821	649,950	46,129	Company policy	Employee
Toyota Corolla Altis	Mr. Maqsood Ahmed Malhi	2,397,000	1,646,356	750,644	719,100	(31,544)	Company policy	Key management
Toyota Corolla Altis	Mr. Tauseef Baig	2,166,500	1,568,306	598,194	649,950	51,756	Company policy	Employee
Toyota Corolla Altis	Mr. Imtiaz Ashraf	2,010,000	1,480,667	529,333	603,000	73,667	Company policy	Employee
Toyota Corolla GLI	Mr. Zafar Iqbal	1,966,500	1,342,388	624,112	786,600	162,488	Company policy	Employee
Toyota Corolla Altis	Mr. M. Rafiq Gohar	2,216,500	1,510,811	705,689	664,950	(40,739)	Company policy	Employee
Toyota Corolla Altis	Mr. Javed Anwer	2,166,500	1,559,599	606,901	649,950	43,049	Company policy	Employee
Toyota Corolla Altis	Mr. Rana Niaz	2,011,500	1,498,532	512,968	603,450	90,482	Company policy	Employee
Suzuki Alto	Mr. Muhammad Zeeshan	1,675,000	335,734	1,339,266	1,645,455	306,189	Negotiation	Employee
		28,709,500	19,624,052	9,085,448	10,321,855	1,236,407		
Assets - written off								
Sugarcane roots		442,001,238	259,026,720	182,974,518	-	-	Company policy	
Others		12,315,649	11,602,119	713,530	-	-	Company policy	
		454,316,887	270,628,839	183,688,048	-	-		
Assets having net book value less than Rs. 500,000		98,633,922	81,537,630	17,096,292	70,075,557	52,979,265		
2023		581,660,309	371,790,521	209,869,788	80,397,412	54,215,672		
2022		543,740,000	386,756,606	156,983,394	138,266,990	102,628,872		

		Note	2023 Rupees	2022 Rupees
20.2	**Capital work in progress**			
	Balance as at 01 October		196,702,905	60,266,380
	Additions during the year		1,453,437,328	875,475,342
	Transfers made during the year	20.1.2	(1,350,670,214)	(739,038,817)
	Balance as at 30 September	20.2.1	299,470,019	196,702,905

20.2.1 Reconciliation of carrying amounts by classes of assets is as follows:

	Note	Opening balance (2023)	Addition for the year (2023)	Transferred to operating fixed assets (2023)	Closing balance (2023)
		Rupees	Rupees	Rupees	Rupees
Advances for vehicles	31.1	42,649,386	32,605,415	(42,649,386)	32,605,415
Advances for capex	31.1	–	177,032,521	–	177,032,521
Advances for land	31.1	–	11,575,810	–	11,575,810
Buildings		14,096,716	132,975,749	(120,331,415)	26,741,050
Plant and machinery	20.2.2	139,956,803	240,984,190	(336,638,650)	44,302,343
Distillery project	20.1.6	–	7,212,880	–	7,212,880
Sugarcane roots	20.2.3	–	851,050,763	(851,050,763)	–
		196,702,905	1,453,437,328	(1,350,670,214)	299,470,019

	Note	2022			
		Opening balance	Addition for the year	Transferred to operating fixed assets	Closing balance
		Rupees	Rupees	Rupees	Rupees
Advances for vehicles	31.1	30,670,978	42,649,386	(30,670,978)	42,649,386
Buildings		11,579,326	16,556,952	(14,039,562)	14,096,716
Plant and machinery	20.2.2	16,419,823	166,459,545	(42,922,565)	139,956,803
Sugarcane roots	20.2.3	1,596,253	649,809,459	(651,405,712)	–
		60,266,380	875,475,342	(739,038,817)	196,702,905

20.2.2 Additions in plant and machinery includes cost incurred for solar system amounting to Rs. 41.3 million (2022: Rs. Nil) out of which Rs. 34.7 million (2022: Rs. Nil) has been transferred to operating fixed assets.

20.2.3 Additions in sugarcane roots included transfer from biological assets amounting to Rs. 435 million (2022: Rs. 369 million).

		Note	2023 Rupees	2022 Rupees
20.3	**Stores, spare parts and loose tools held for capital expenditure**			
	Balance as at 01 October		69,947,922	88,006,362
	Additions during the year		2,649,406	8,526,540
			72,597,328	96,532,902
	Transferred to operating fixed assets	20.1.2	(3,492,754)	(26,584,980)
	Change to consumption / adjustments		(524,251	–
			(4,017,005)	(26,584,980)
	Balance as at 30 September	28	68,580,323	69,947,922

21. RIGHT-OF-USE ASSETS

	2023			
	Land	Buildings	Vehicles	Total
	Rupees	Rupees	Rupees	Rupees
Balance as at 01 October	1,813,183,236	55,796,647	460,168,274	2,329,148,157
Additions during the year	668,998,594	92,297,829	457,427,722	1,218,724,145
Deletions during the year	(22,850,106)	–	–	(22,850,106)
Transfer to operating fixed assets - net book value	–	–	(56,784,430)	(56,784,430)
Depreciation charged for the year	(751,877,005)	(47,983,325)	(127,896,627)	(927,756,957)
Balance as at 30 September	1,707,454,719	100,111,151	732,914,939	2,540,480,809
Useful life (rate) / lease term	2 to 10 years	3 to 5 years	20%	

	2022			
	Land	Buildings	Vehicles	Total
	Rupees	Rupees	Rupees	Rupees
As at 01 October	1,362,720,555	45,446,352	471,458,460	1,879,625,367
Additions during the year	1,188,730,806	–	132,638,090	1,321,368,896
Deletions during the year	(95,685,274)	–	(540,632)	(96,225,906)
Transfer to operating fixed assets - net book value	–	–	(38,838,956)	(38,838,956)
Impact of remeasurement	–	51,986,278	–	51,986,278
Depreciation charged for the year	(642,582,851)	(41,635,983)	(104,548,688)	(788,767,522)
As at 30 September	1,813,183,236	55,796,647	460,168,274	2,329,148,157
Useful life (rate) / lease term	2 to 10 years	2 to 3 years	20%	

21.1 The Company's obligations under leases of vehicle are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options, which are further discussed in note 4.2.1. Leases for vehicles may contain an option to purchase the underlying leased asset outright at the end of the lease and the Company has the intention to exercise such option.

21.2 Right-of-use assets for land includes Rs. 4.67 million (2022: Rs. 12.06 million) towards Deharki Sugar Mills (Private) Limited, a wholly owned subsidiary of the Company.

21.3 The depreciation charge on right-of-use assets for the year has been allocated as follows:

	Note	2023 Rupees	2022 Rupees
Cost of goods manufactured	34.1	118,971,374	103,361,699
Further cost charged on biological assets	34.1.1.1	6,130,200	4,020,416
Administrative expenses	35	47,983,325	41,635,983
Cost incurred on standing crops	37.1.1	754,672,058	639,749,424
		927,756,957	788,767,522

	Note	2023 Rupees	2022 Rupees
22. INVESTMENT PROPERTY			
Balance as at 01 October		185,854,012	185,854,012
Purchased during the year		93,282,100	–
Transferred from operating fixed assets	20.1.3	38,704,100	–
Balance as at 30 September		317,840,212	185,854,012

22.1 Investment property represents agricultural land measuring 512.14 acres (2022: 401.04 acres) situated at various locations of Tehsil Sadiqabad, District Rahim Yar Khan. The fair value of investment property is Rs. 687 million (2022: Rs. 577 million). The fair value of investment property was determined by approved external, independent property valuer i.e. Hamid Mukhtar and Co. (Pvt.) Limited on 30 June 2022 by using the market approach whereby sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input into this valuation approach is price / rate per acre in particular locality and categorize as level 2 fair value (i.e. significant observable inputs).

22.2 Forced sale value of the investment property as per the latest valuation report was assessed at Rs. 550 million (2022: Rs. 462 million).

22.3 The Company as a lessor has entered into operating leases contract having lease terms upto 2 years. Maturity analysis of future minimum rentals receivable under non-cancellable operating leases are as follows:

	2023 Rupees	2022 Rupees
Less than one year	17,007,333	14,618,381
More than one year	2,036,958	–
	19,044,291	14,618,381

	Note	2023 Rupees	2022 Rupees
23. INTANGIBLES			
Goodwill	23.1	608,310,693	608,310,693
Oracle computer software	23.2	339,955	2,379,683
		608,650,648	610,690,376

23.1 Goodwill includes Rs. 568,545,391 and Rs. 39,765,302 arisen at the time of mergers of United Sugar Mills Limited and Ghotki Sugar Mills (Private) Limited into the Company. For impairment testing, the recoverable amount of both cash generating units are determined based on value in use calculation which uses cash flow projections approved by the Board of Directors covering a five year period using the average discount rate of 23.09 % per annum (2022: 13.94% per annum). The calculation of value in use is sensitive to discount rate and key commercial assumptions. The discount rate reflects current market assessment of the rate of return required for the business and is calculated using the Capital Asset Pricing Model. The discount rate reflects the Weighted Average Cost of Capital of the Company. Management's key assumptions include stable profit margins, based on past experience in this market. No expected efficiency improvements have been taken into account and prices and wages reflect publicly available forecasts of inflation for the industry. Management believes that after considering the various scenarios no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount. Based on this calculation, no impairment is required to be accounted for against the carrying amount of goodwill.

	Note	2023 Rupees	2022 Rupees
23.2 Oracle computer software			
Cost		20,397,279	20,397,279
Accumulated amortization			
Balance as at 01 October		18,017,596	15,977,868
Amortization for the year	35 & 42	2,039,728	2,039,728
		20,057,324	18,017,596
Balance as at 30 September		339,955	2,379,683
Rate of amortization		10%	10%

23.2.1 The amortisation for the year has been charged to administrative expenses.

	Note	2023 Rupees	2022 Rupees
24. LONG TERM INVESTMENTS			
Investment in subsidiary companies - unquoted	24.1	2,117,430,059	1,736,004,491
Investment in associated companies - unquoted	24.2	2,500	2,500
		2,117,432,559	1,736,006,991
Less: Classified under current assets as short term investments			
Faruki Pulp Mills Limited ("FPML")		(1,067,680,059)	(651,994,491)
Classified under non - current assets		1,049,752,500	1,084,012,500

	Note	2023 Rupees	2022 Rupees
24.1 Investment in subsidiary companies - unquoted			
Deharki Sugar Mills (Private) Limited ("DSML")			
104,975,000 (2022: 104,975,000) fully paid shares of Rs. 10 each			
Equity held 100% (2022: 100%)		1,049,750,000	1,049,750,000
Faruki Pulp Mills Limited ("FPML")			
310,892,638 (2022: 310,892,638) fully paid shares of Rs. 10 each			
Equity held 57.67% (2022: 57.67%)		3,154,426,383	3,154,426,383
Less: Accumulated impairment allowance		(2,086,746,324)	(2,502,431,892)
		1,067,680,059	651,994,491
Sadiqabad Power (Private) Limited ("SPL")			
1,694,500 (2022: 1,694,500) fully paid shares of Rs. 10 each			
Equity held 100% (2022: 100%)		16,945,000	16,945,000
Less: impairment allowance for the year		(16,945,000)	–
		–	16,945,000
Ghotki Power (Private) Limited ("GPL")			
1,731,500 (2022: 1,731,500) fully paid shares of Rs. 10 each			
Equity held 100% (2022: 100%)		17,315,000	17,315,000
Less: impairment allowance for the year		(17,315,000)	–
		–	17,315,000
		2,117,430,059	1,736,004,491
24.1.1 Accumulated impairment allowance			
Opening balance		2,502,431,892	2,502,431,892
Impairment allowance for the year	38	34,260,000	–
Reversal of prior periods impairment loss	24.1.1.1 & 37	(415,685,568)	–
Closing balance		2,121,006,324	2,502,431,892

24.1.1.1 Keeping in view the commercial viability of the plant and substantial accumulated losses, the management of FPML believes that FPML may not be able to realize its assets and discharge its liabilities in the normal course of business and prepared its financial statements for the year ended 30 September 2023 and 2022 on liquidation basis of accounting. Further, FPML through an extraordinary general meeting held on 25 March 2020, has resolved to dispose of its property, plant and equipment either in parts or in their entirety to the prospective buyers after due process. However, due to COVID-19 situation in the country this was not completed during the financial year 2020 and the said arrangement was re-approved by the FPML shareholders in its EOGM held on 13 December 2021. However, during the year, the FPML has executed tendering process through the 'Moveable Assets Sale Agreement' with the highest bidder against sale consideration of Rs. 1,600 million inclusive of Sales Tax.

As per 'Moveable Assets Sale Agreement' for plant, machinery and ancillary equipment and recent valuation of land conducted by independent valuer, management of the Company has reassessed the recoverable amount of investment in FPML amounted to Rs. 1,067.68 million (2022: Rs. 744.44 million) and decided to reversed further impairment loss of Rs. 415.685 million (2022: Rs. Nil) as recognized in prior years (for details, refer to note 24.1.1).

Valuation techniques used to derive fair values of the underlying assets as:

	Carrying Value	Recoverable amount	Reversal of Impairment loss	Valuation technique used
	Rupees	Rupees	Rupees	
Net current assets	7,305,791	7,305,791	–	The carrying amount is assumed to approximate the fair value as these are reported at amounts not less than those at which these are expected to be recovered.
Property, plant and equipment	644,688,700	1,060,374,268	(415,685,568)	Sales comparison approach for the freehold land while negotiated price approach used for plant & machinery and ancillary equipment prospective buyers.
2023	651,994,491	1,067,680,059	(415,685,568)	
2022	651,994,491	744,442,369	(92,447,878)	

FPML engaged an independent valuer, to assess the recoverable amount of the property, plant and equipment based on fair value less costs of disposal calculation. The fair value of freehold land has been derived using a sales comparison approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the land. The most significant input in this valuation approach is price per acre.

Before disposal of entire plant, machinery and ancillary equipment as explain above, fair value of plant, machinery and ancillary equipment for financial year 2022 was based on depreciated replacement cost approach taking into account the prevailing market value of identified items and net realizable value assets grouped according to machinery class, adjusted against depreciation, price indices and exchange differences on imported assets. The fair value of building and civil work was based on depreciated replacement cost approach taking into account the construction features and measurements of built area involved.

The following table summarizes the quantitative and qualitative information about the significant unobservable inputs used in fair value measurements of the FPML' assets in financial year 2022.

Description	Significant unobservable inputs	Quantitative data / range and relationship to the fair value
Buildings and civil works	Cost of construction of a similar building and structure.	The prevailing market rate of construction has been determined by taking into account the finishes required in wood pulp manufacturing industry.
	Straight line depreciation applied for usage from date of construction.	The versatility and general conditions of the building have been used to estimate the straight line basis of depreciation of the building.
	Forced sale value used since FPML is liquidating its assets.	
Plant and machinery and ancillary equipment	Cost of acquisition of similar machinery with similar level of technology.	The market value has been determined by using cost of acquisition of similar plant and machinery with similar level or technology and applying a suitable depreciation factor based on remaining useful lives of plant and equipment.
	Suitable depreciation rate to arrive at depreciated replacement value.	The higher the cost of acquisition of similar machinery, the higher the fair value of plant and equipment.
	Forced sale value used since FPML is liquidating its assets.	Furthermore, higher the depreciation rate, the lower the fair value of items.

		Note	2023 Rupees	2022 Rupees
24.2	**Investment in associated companies - unquoted**			
	Kathai-II Hydro (Private) Limited ("KHL")			
	250 (2022: 250) fully paid shares of Rs. 10 each			
	Equity held 20% (2022: 20%)	24.2.1	2,500	2,500

24.2.1 The KHL is a private limited company incorporated in Pakistan on 27 August 2012 under the repealed Companies Ordinance, 1984. The principal activity of the associate is to generate, distribute and sell energy.

	Note	2023 Rupees	2022 Rupees
25. LONG TERM DEPOSITS			
Leasing facilities against right-of-use assets	25.1	138,243,624	79,491,270
Others	25.2	22,081,530	28,372,878
		160,325,154	107,864,148
Less: Current maturity presented under current assets	31	(11,060,420)	(13,036,630)
		149,264,734	94,827,518

25.1 These include security deposits with conventional banks and Islamic financial institution/banks in respect of leasing facilities availed against right-of-use assets (vehicles) amounting to Rs. 20.26 million and Rs. 117.98 million (2022: Rs. 4.46 million and Rs. 88.41 million) respectively.

25.2 The fair value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of others security deposits is not considered material and hence not recognized. This also includes an advance amounting to Rs. 1.55 million (2022: Rs. 1.85 million) due from JDW Aviation (Pvt.) Limited, an associated company by virtue of common directorship. The maximum aggregate amount outstanding during the year with respect to month end balances amounts to Rs. 4.56 million (2022: Rs. 4.56 million). This balance was neither past due nor impaired. These deposits do not carry any interest or markup.

	Note	2023 Rupees	2022 Rupees
26. LEASE RECEIVABLES			
Balance as at 01 October		–	69,633,908
Impact of early termination		–	(13,718,278)
Impact of remeasurment		–	3,589,965
Interest income from subleasing of right-of-use assets	37	–	2,705,119
Receipt during the year / other adjustment		–	(62,210,714)
Balance as at 30 September	26.2	–	–

26.1 It presents sub-lease of agriculture land for lease term 1 to 1.5 years. The incremental borrowing rate applied to lease receivable is nil (2022: 9.71 %).

26.2 The risks associated with rights the Company retains in underlying assets are not considered to be significant, the Company employs strategies to further minimise these risks as ensuring all contracts include clauses requiring the lessee to submit security cheque during the lease term which will be refundable at the end of lease term.

27. BIOLOGICAL ASSETS

	Note	2023					
		Standing sugarcane crop	Wheat	Rhodes grass	Mustard	Rice	Total
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
At the beginning of the year at fair value		2,853,458,837	836,163	–	737,667	–	2,855,032,666
Further cost charged during the year	34.1.1.1	1,401,871,297	42,439,318	–	12,406,436	–	1,456,717,051
Fair value (loss)/gain on initial recognition							
of agricultural produce	34.1.1	(504,621,858)	93,453,284	–	13,973,991	–	(397,194,583)
Decrease due to harvest		(3,750,506,892)	(136,728,765)	–	(27,118,094)	–	(3,914,353,751)
Cost incurred on standing crops		3,542,492,714	2,668,053	–	3,655,139	3,302,285	3,552,118,191
Net fair value gain on biological assets	37.1	53,542,465	–	–	–	–	53,542,465
At the end of the year at fair value		3,596,236,563	2,668,053	–	3,655,139	3,302,285	3,605,862,039

	Note	2022					
		Standing sugarcane crop	Wheat	Rhodes grass	Mustard	Rice	Total
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
At the beginning of the year at fair value		2,333,366,150	1,317,463	52,436	464,158	–	2,335,200,206
Further cost charged during the year	34.1.1.1	1,118,077,306	33,010,047	–	4,728,157	–	1,155,815,510
Fair value gain on initial recognition							
of agricultural produce	34.1.1	816,440,302	40,338,568	126,064	16,268,878	–	873,173,812
Decrease due to harvest		(4,267,883,756)	(74,666,078)	(178,500)	(21,461,194)	–	(4,364,189,528)
Cost incurred on standing crops		2,397,069,755	836,163	–	737,668	–	2,398,643,586
Net fair value gain on biological assets	37.1	456,389,080	–	–	-	–	456,389,080
At the end of the year at fair value		2,853,458,837	836,163	–	737,667	–	2,855,032,666

27.1 Measurement of fair values

27.1.1 Fair value hierarchy

In absence of active market for standing sugarcane crop, the fair value measurement for the standing sugarcane crop has been categorised as Level 3 fair value based on the inputs to the valuation techniques used. Fair value has been determined by independent professional valuer, Osam Consultants Engineers as at 30 September 2023 on the basis of a discounted cash flow model by using income approach. The valuation model considers the present value of the net cash flows expected to be generated by the standing sugarcane crop at maturity, in its most relevant market, and includes the potential biological transformation and related risks associated with the asset. The cash flows projections include specific estimates for next year which mainly include crop's expected yield and expected production costs and costs to sell. The expected cash flows are discounted using a average risk adjusted discount rate.

27.1.2 Valuation techniques and significant unobservable inputs

The key variables, assumptions and the impact of changes in those is given below:

	Unit	2023	2022
Valued plantations (Actual)			
- Punjab Zone	Acres	8,952	8,624
- Sindh Zone	Acres	10,921	10,542
Estimated further production costs			
and costs to sell per acre			
- Punjab Zone	Rupees	164,394	117,558
- Sindh Zone	Rupees	171,828	112,582
Estimated yield per acre			
- Punjab Zone	Maunds	881	942
- Sindh Zone	Maunds	819	857
Harvest age	Months	12 - 14	12 - 14
Estimated future sugarcane			
price per maunds			
- Punjab Zone	Rupees	425	300
- Sindh Zone	Rupees	425	302
Risk - adjusted discount rate	% per month	1.09%	0.81%

Cost of biological assets other than standing sugarcane crop of Rs. 9.63 million (2022: Rs. 1.57 million) is considered to approximate their respective fair value less costs to sell as these assets are still at a very early stage of plantation and it is considered that in-significant biological transformation has taken place or the impact of fair value measurement is not significant.

27.2 Sensitivity analysis

Impact of changes in key subjective assumptions on fair value of biological assets is given below:

	Increase / (Decrease) 2023 Rupees	Increase / (Decrease) 2022 Rupees
Decrease of 10% in estimated average yield per acre	(679,827,805)	(498,013,252)
Increase of 10% in estimated further production cost	(320,204,148)	(212,667,368)
Increase of 10% in estimated average selling price per maunds	679,827,805	498,013,252
Increase of 10% in discount rate	(19,978,175)	(11,452,384)

27.3 Risk management strategy related to agricultural activities

The Company is exposed to the following risks relating to its sugarcane cultivation.

Regulatory and environmental risks

The Company is subject to various laws and regulations in Pakistan. The Company has established environmental policies and procedures aimed at ensuring compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

Climate and other risks

Due to inherent nature of the agricultural assets, it contains elements of significant risks and uncertainties which may adversely affect business and resultant profitability, including but not limited to the following:

i) adverse weather conditions such as floods etc. affecting the quality and quantity of production; and

ii) potential insect, fungal and weed infestations resulting in crop failure and reduced yields.

The Company is principally dependent upon the Government's measures for flood control. The Company follows an effective preventive pesticide / insecticide / fungicide program, regularly monitors the crops for any infestations and takes immediate curative measures. The management of the Company considered that sugarcane produced for crushing season 2022-23 was 18% lesser than last year due to floods - 2022 Pakistan.

Supply and demand risk

The price of sugarcane is driven by consumer demand of sugar as well as Government's intervention in setting of minimum / support price for the grower. Surplus production or bumper crop may result in a lower selling price hence affecting profitability of the Company adversely. The Company manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analysis for projected harvest volume and analysis.

	Note	2023 Rupees	2022 Rupees
28. STORES, SPARE PARTS AND LOOSE TOOLS			
Stores:			
- Sugar		1,424,281,785	1,032,082,185
- Co-Generation Power		260,563,196	178,817,677
- Corporate Farms		593,083,456	537,236,178
		2,277,928,437	1,748,136,040
Spare parts:			
- Sugar		563,800,103	455,672,713
- Co-Generation Power		111,823,920	97,241,947
		675,624,023	552,914,660
Loose tools:			
- Sugar		38,089,521	37,169,670
- Co-Generation Power		11,897,258	11,298,934
		49,986,779	48,468,604
		3,003,539,239	2,349,519,304
Less: Stores, spare parts and loose tools held for capex	20.3	(68,580,323)	(69,947,922)
Less: Provision for obsolescence	28.1	(506,527,237)	(363,112,737)
	28.3	2,428,431,679	1,916,458,645

28.1 These include reversals of provision for obsolescence of Rs. 81.77 million (2022: Rs. 151.96 million) which is included under the head 'cost of goods manufactured'.

28.2 Stores, spare parts and loose tools are pledged as security against short term borrowings (refer to note 13).

28.3 It includes 2,891 items of store, spare parts and loose tools which had been discarded in prior periods and measured at nil value.

	Note	2023 Rupees	2022 Rupees
29. STOCK-IN-TRADE			
Sugar	29.1	15,540,161,367	11,509,245,669
Bagasse		231,921,750	574,591,236
Mud		50,835,524	61,943,495
	34	15,822,918,641	12,145,780,400

29.1 The closing stock of sugar, net of 10% to 25% margin, having carrying value of Rs. 2,763 million (2022: Rs. 8,224 million) has been pledged against cash finances obtained from commercial and Islamic banks (for details, refer to note 13).

	Note	2023 Rupees	2022 Rupees
30. TRADE RECEIVABLES			
Considered good	30.1 & 30.2	3,177,651,602	3,551,542,437
Considered doubtful		100,391,459	100,391,459
		3,278,043,061	3,651,933,896
Less: Impairment allowance	30.3	(100,391,459)	(100,391,459)
		3,177,651,602	3,551,542,437

30.1 It includes net carrying amount of Rs. 807.65 million (2022: Rs. 1,019 million) receivables from growers against sale of agri inputs. The gross carrying amount of such receivables amounting to Rs. 4,152 million (2022: Rs. 3,040 million) is off set by Rs. 3,343 million (2022: Rs. 2,021 million).

30.2 These also include Rs. 2,328 million (2022: Rs. 2,279 million) receivable from CPPA-G on account of sale of energy under Energy Purchase Agreements. These are secured by a guarantee from the Government of Pakistan under the Implementation Agreements (IAs) and interest free, however, a delayed payment mark-up is charged in case the amounts are not paid within due dates. The rate of delayed payment mark-up charged during the year on outstanding amounts was 3MK+2% to 3MK+4.5% (2022: 3MK+2% to 3MK+4.5%) per annum. The effective interest rate charged during the year is ranging from 17.77% to 28.44% (2022: 17.02% to 20.56%) per annum.

		Note	2023 Rupees	2022 Rupees
30.3	**Movement for impairment allowance**			
	Balance as at 01 October		100,391,459	51,672,219
	Impairment against delayed payment markup - CPPA - G	38 & 42	–	48,719,240
	Balance as at 30 September		100,391,459	100,391,459

	Note	2023 Rupees	2022 Rupees
31. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Advances to suppliers and contractors	31.1	319,809,172	338,724,230
Advances to growers	31.2	481,631,259	453,503,219
Prepaid expenses		58,996,624	43,040,442
Current portion of long term security deposits	25	11,060,420	13,036,630
Other short term security deposits	31.3	47,377,300	64,350,690
Receivable from the DSML - subsidiary company	31.4	250,323,769	145,386,839
Advances to staff	31.5	34,046,071	13,904,526
Sugar export subsidy	31.6	–	–
Other receivables	31.7	34,170,541	26,386,651
		1,237,415,156	1,098,333,227

		Note	2023 Rupees	2022 Rupees
31.1	**Advances to suppliers and contractors**			
	- Considered good	31.1.1	541,022,918	381,373,616
	- Considered doubtful		23,217,008	55,977,156
			564,239,926	437,350,772
	Less: Capital advances			
	- Advances for capital expenditure		(177,032,521)	–
	- Advances for vehicles		(32,605,415)	(42,649,386)
	- Advances for land		(11,575,810)	–
		20.2.1	(221,213,746)	(42,649,386)
	Less: Provision for doubtful advances	31.1.2	(23,217,008)	(55,977,156)
			319,809,172	338,724,230

31.1.1 This includes Rs. Nil (2022: Rs. 0.0741 million) due from Lahore Flying Club (Guarantee) Limited, an associated company as Mr. Mukhdoom Syed Ahmad Mahmud, a Non-Executive Director of the Company, is also president of Lahore Flying Club (Guarantee) Limited. The maximum aggregate amount outstanding during the year with respect to month end balances amounts to Rs. 0.172 million (2022: Rs. 0.53 million). This balance was neither past due nor impaired.

		Note	2023 Rupees	2022 Rupees
31.1.2	**Provision for doubtful advances**			
	Balance as at 01 October		55,977,156	55,977,156
	Provision for year	38	1,711,644	–
	Written off during the year		(6,778,420)	–
	Reversal of provision for doubtful advances	37	(27,693,372)	–
	Balance as at 30 September		23,217,008	55,977,156
31.2	**Advances to growers**			
	- Considered good		481,631,259	453,503,219
	- Considered doubtful		4,937,966	4,937,966
			486,569,225	458,441,185
	Less: Provision for doubtful advances		(4,937,966)	(4,937,966)
		31.2.1	481,631,259	453,503,219

31.2.1 This represents advances provided to various sugarcane growers in the form of cash and for purchase of seeds and agri-implements. These carry interest rates ranging from 17% to 20% (2022: 10% to 17%) per annum and will be adjusted against sugarcane payment in forthcoming crushing season.

31.3 This represents security deposit paid to Utility Stores Corporation of Pakistan against the tender of sale of sugar and Nazir High Court of Sindh for disputed quota of sugar export amounting to Rs. Nil and Rs. 47.37 million (2022: Rs. 64.35 million and Rs. Nil) respectively.

31.4 The Company and Deharki Sugar Mills (Pvt.) Limited - a wholly own subsidiary, have opted for group taxation as one fiscal unit under section 59AA of the Income Tax Ordinance, 2001 as explained in note 4.10.3. As on reporting date, the Company's share under group taxation after netting of advance tax has been recognized as receivable from the Subsidiary company - DSML.

		Note	2023 Rupees	2022 Rupees
31.5	**Advances to staff**			
	- against salaries	31.5.1	28,588,173	11,077,078
	- against expenses		5,457,898	2,827,448
			34,046,071	13,904,526

31.5.1 These represent advances given to staff as in accordance with the Company's policy.

		Note	2023 Rupees	2022 Rupees
31.6	**Sugar export subsidy**			
	Freight support / subsidy	31.6.1	306,334,430	306,334,430
	Others		92,961,760	92,961,760
		19.1.16	399,296,190	399,296,190
	Less: Provision for sugar export subsidy		(399,296,190)	(399,296,190)
			–	–

31.6.1 The Company is unable to recover the subsidy amount of Rs. 306 million from the Sindh Government till the date against cash freight subsidy of Rs.10.70/- kg which was announced by the Government against sugar export made in the year 2017-18. The Company has already filed a petition No. 5410 of 2021 before the Honourable Sindh High Court ('SHC') for recovery of said stuck subsidy. During the year, the Honourable SHC disposed of the petition vide their order dated 30 March 2023 in favor of the Company and issue directives for disbursement of the outstanding Sindh share of subsidy till first quarter of financial year 2023-24. However, till the reporting date, the Company has not received any recovery of said subsidy.

		Note	2023 Rupees	2022 Rupees
31.7	**Other receivables**			
	Considered good		34,170,541	26,386,651
	Considered doubtful		3,596,334	3,596,334
		31.7.1	37,766,875	29,982,985
	Less: Provision for doubtful receivables		(3,596,334)	(3,596,334)
			34,170,541	26,386,651

31.7.1 It includes Rs. 30.81 million (2022: Rs. 21.35 million) receivable in respect of sub-lease of land and are classified as operating lease in line with accounting policies of the Company as stated in note 4.2.3 to these unconsolidated financial statements.

	Note	2023 Rupees	2022 Rupees
32. CASH AND BANK BALANCES			
At banks:			
Current accounts			
- Balance with conventional banks		97,120,944	247,262,956
- Balance with Islamic banks		48,291,613	36,393,785
		145,412,557	283,656,741
Saving accounts			
- Deposits with conventional banks	32.1	2,172,284	1,780,395
		147,584,841	285,437,136
Cash in hand		11,006,239	4,257,457
		158,591,080	289,694,593

32.1 The balances in saving accounts are placed under mark-up arrangements and bear mark-up ranging from 13.5 % to 20.5 % (2022: 5.50 % to 13.5 %) per annum.

		Note	2023 Rupees	2022 Rupees
33.	**REVENUE FROM CONTRACTS WITH CUSTOMERS**			
	Disaggregation of revenue based on:			
33.1	**Segments**			
	Sugar			
	Sugar	33.1.1	51,691,021,214	42,167,063,393
	Molasses - by product	33.1.2	8,458,852,378	7,912,725,812
	Agri Inputs		4,151,268,610	3,010,758,777
	Bagasse - by product		1,206,321,145	313,855,799
	Mud - by product		424,109,198	323,985,987
			65,931,572,545	53,728,389,768
	Co-Generation Power	33.1.3	4,377,899,053	3,641,150,936
	Corporate Farms	33.1.4	2,033,634,298	1,518,367,147
		33.1.5	72,343,105,896	58,887,907,851
33.1.1	**Sugar**			
	Local		49,041,790,374	42,167,063,393
	Export	33.1.1.1	2,649,230,840	–
			51,691,021,214	42,167,063,393
33.1.1.1	**Geopraphic markets**			
	Asia		2,367,349,240	–
	Africa		281,881,600	–
			2,649,230,840	–
33.1.2	**Molasses - by product**			
	- Sale under DTRE (Duty & Tax Remission for Exporters)		8,102,454,400	7,303,995,880
	- Others		356,397,978	608,729,932
			8,458,852,378	7,912,725,812
33.1.3	**Co-Generation Power**			
	Variable energy price		2,638,220,565	2,219,199,529
	Fixed energy price		1,739,678,488	1,421,951,407
			4,377,899,053	3,641,150,936
33.1.4	**Corporate Farms**			
	Sugarcane to Deharki Sugar Mills (Private) Limited		1,864,713,977	1,418,901,000
	Sugarcane seed and other crops		168,920,321	99,466,147
			2,033,634,298	1,518,367,147
33.1.5	**Timing of revenue recognition**			
	Products transferred at a point in time		67,965,206,843	55,246,756,915
	Products transferred over time		4,377,899,053	3,641,150,936
			72,343,105,896	58,887,907,851

33.2 Revenue recognised during the year included Rs. 2,518 million (2022: Rs. 1,064 million) that was included in contract liabilities / advances from customers at the beginning of the year.

	Note	2023 Rupees	2022 Rupees
34. COST OF REVENUE			
Opening stock-in-trade		12,145,780,400	1,880,461,902
Add: Cost of goods manufactured	34.1	65,513,524,278	59,973,992,551
Add: Freight and other costs related to contracts		195,717,789	28,829,873
		77,855,022,467	61,883,284,326
Less: closing stock-in-trade			
- Sugar		(15,540,161,367)	(11,509,245,669)
- Bagasse		(231,921,750)	(574,591,236)
- Mud		(50,835,524)	(61,943,495)
	29	(15,822,918,641)	(12,145,780,400)
	34.1.4	62,032,103,826	49,737,503,926

	Note	2023 Rupees	2022 Rupees
34.1 Cost of goods manufactured			
Cost of crops consumed			
(including procurement and other costs)	34.1.1	52,468,011,101	50,490,284,695
Cost of agri inputs		3,570,721,334	2,694,163,138
Salaries, wages and other benefits	34.1.2	2,913,155,409	2,726,155,268
Cost of bagasse consumed		1,600,701,690	547,011,098
Stores and spare parts consumed		852,573,267	426,561,907
Depreciation of operating fixed assets	20.1.11	756,404,546	847,564,715
Packing materials consumed		622,809,933	575,654,978
Fee and taxes	34.1.3	570,000,000	–
Chemicals consumed		548,319,063	556,002,759
Operation and maintenance	34.1.5	259,267,662	221,032,622
Vehicle running expenses		273,955,735	168,860,222
Provision for obsolescence		225,188,214	43,283,317
Sugarcane roots written off	20.1.12	182,974,518	119,402,625
Depreciation of right-of-use assets	21.3	118,971,374	103,361,699
Electricity and power		114,135,211	123,795,065
Insurance		100,427,599	83,768,566
Oil, lubricants and fuel consumed		87,087,178	78,323,859
Mud and bagasse shifting expenses		47,578,406	45,922,614
Handling and storage		37,354,020	26,455,010
Repairs and maintenance		87,224,236	29,441,398
Printing and stationery		19,477,174	14,417,537
Freight and octroi		13,770,234	10,054,628
Telephone and fax		12,329,244	9,212,307
Travelling and conveyance		2,449,951	2,943,141
Assets written off	20.1.12	713,530	1,354,042
Initial land preparation		–	4,901,749
Other expenses		27,923,649	24,063,592
		65,513,524,278	59,973,992,551

		Note	2023 Rupees	2022 Rupees
34.1.1	**Cost of crops consumed**			
	Sugarcane purchased		48,335,848,110	45,917,649,983
	Cost of harvested crops			
	Cost incurred on standing crops		2,398,442,203	1,966,327,273
	Net fair value gain on biological assets	37.1	456,389,080	368,872,933
	Fair value (loss)/gain on initial recognition			
	of agricultural produce	27 & 37	(397,194,583)	873,173,812
	Further cost charged	34.1.1.1	2,109,460,051	1,733,380,064
			4,567,096,751	4,941,754,082
	Less: transferred to capital work in progress	20.2.3	(434,933,760)	(369,119,370)
			52,468,011,101	50,490,284,695

		Note	2023 Rupees	2022 Rupees
34.1.1.1	**Further cost charged**			
	Salaries, wages and other benefits	34.1.1.1.1	379,609,037	341,344,599
	Fuel expenses		273,626,129	207,009,907
	Repairs and maintenance		232,002,592	141,679,186
	Depreciation of operating fixed assets	20.1.11	211,796,803	168,730,769
	Harvesting expense		116,048,829	129,443,354
	Irrigation expenses		113,012,841	79,904,981
	Vehicle running expenses		40,963,632	26,484,462
	Bio-laboratory expenses		25,967,335	21,260,981
	Fertilizer expenses		23,013,129	13,627,117
	Depreciation of right-of-use assets	21.3	6,130,200	4,020,416
	Seed expenses		6,317,043	4,234,493
	Insurance		3,397,358	2,829,745
	Pesticide and herbicide expenses		1,039,658	2,395,936
	Others		23,792,465	12,849,564
	Cost charged to biological assets	27	1,456,717,051	1,155,815,510
	Transportation expenses		643,558,099	567,301,490
	Road cess		9,184,901	10,263,064
			652,743,000	577,564,554
		34.1.1	2,109,460,051	1,733,380,064

34.1.1.1.1 Salaries, wages and other benefits include Rs. 8.17 million (2022: Rs. 7.03 million) in respect of contribution towards provident fund.

34.1.2 Salaries, wages and other benefits includes contribution to provident fund of Rs. 74.14 million (2022: Rs. 64.94 million) and expense recognized in respect of employees' gratuity fund of Rs. 16.90 million (2022: Rs. 19.94 million).

34.1.3 This represents the Company has paid requital fee for regularisation of crushing capacities of its Unit I and Unit II under Punjab Industries (Control on Establishment & Enlargement) (Amendment) Act, 2022 (for details, refer to note 19.1.15 & 47).

34.1.4 It includes estimated loss of bagasse by fire amounting to Rs. Nil (2022: Rs. 29.6 million).

		2023 Rupees	2022 Rupees
34.1.5	**Operation and maintenance**		
	Reimbursable cost	223,627,662	188,632,622
	Operating fee	35,640,000	32,400,000
		259,267,662	221,032,622

	Note	2023 Rupees	2022 Rupees
35. ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	35.1	1,757,988,343	1,542,983,042
Depreciation of operating fixed assets	20.1.11	217,384,814	146,122,778
Vehicle running and maintenance		91,574,350	58,278,191
Charity and donations	35.2	82,700,000	102,545,660
Legal and professional services		81,474,367	71,442,994
Travelling and conveyance		52,476,543	30,934,161
Depreciation of right-of-use assets	21.3	47,983,325	41,635,983
Insurance		35,645,745	30,812,960
Repairs and maintenance		35,571,461	22,147,351
Printing and stationery		23,575,928	16,056,613
Subscription and renewals		21,203,818	8,393,984
Electricity and power		17,280,334	14,185,551
Fee and taxes		15,263,651	22,231,583
Telephone, fax and postage		13,396,289	11,263,079
Entertainment		8,215,983	5,520,140
Auditors' remuneration	35.3	6,920,200	6,280,375
Office renovation		7,472,815	5,769,725
Amortization of intangible asset	23.2	2,039,728	2,039,728
Advertisement		1,164,908	1,512,580
Consultancy and Advisory		981,015	–
Newspapers, books and periodicals		552,775	311,890
Assets written off		–	588,616
Other expenses		20,582,163	16,553,224
		2,541,448,555	2,157,610,208

35.1 Salaries, wages and other benefits includes contribution to provident fund of Rs. 40.08 million (2022: Rs. 32.58 million) and expense recognized in respect of employees' gratuity fund of Rs. 7.24 million (2022: Rs. 8.55 million).

	Note	2023 Rupees	2022 Rupees
35.2 Donations for the year have been given to:			
- Tareen Education Foundation		71,500,000	65,000,000
- Professional Education Foundation		1,500,000	1,500,000
- National Society for M.E.H Children		1,000,000	1,000,000
- Lahore Garrison Shooting Gallery		2,000,000	–
- Lahore Race Club		2,000,000	–
- Forman Chirstian College		2,000,000	–
- Lahore Divisional Squash Association		1,500,000	–
- Kidney Centre Training Institute		1,000,000	–
- Water proof tent & Mosquito nets for flood affectees		–	17,385,660
- Prime Minister's Flood Relief Fund		–	10,000,000
- KPK CM's Flood Relief Fund		–	5,000,000
- Mr. Syed Inam for flood relief efforts		–	1,000,000
- Others	35.2.1	200,000	1,660,000
	35.2.2	82,700,000	102,545,660

35.2.1 Others' include donations paid to various institutions or individual. The aggregate amount paid to a single institution / individual is less than Rs. 1 million.

35.2.2 None of the Directors of the Company or their spouses have any interest as in any of the recipients of donations made by the Company during the year except Mr. Mukhdoom Syed Ahmad Mahmud, a Non-Executive Director, is a chairman of Lahore Race Club. and an Executive Director, an Alumni of Forman Chirstian College.

	Note	2023 Rupees	2022 Rupees
35.3 Auditors' remuneration			
The charges for professional services			
(exclusive of sales tax) consist of the following:			
Services as auditors:			
Statutory audit		5,500,000	4,400,000
Half yearly review		700,000	660,000
Out of pocket expenses		75,000	55,000
Others	35.3.1	241,200	446,250
		6,516,200	5,561,250
Other services:			
Certifications for regulatory purposes		349,000	331,000
Tax advisory services		55,000	388,125
		404,000	719,125
		6,920,200	6,280,375

35.3.1 It represents audit fee charged for Employees' Provident Fund, Workers' Profit Participation Fund's and Employees Gratuity Fund audit.

	Note	2023 Rupees	2022 Rupees
36. SELLING EXPENSES			
Salaries, wages and other benefits	36.1	58,627,222	50,197,101
Other selling expenses		6,746,635	156,532
		65,373,857	50,353,633

36.1 Salaries, wages and other benefits include Rs. 0.83 million (2022: Rs. 0.72 million) in respect of contribution towards provident fund.

	Note	2023 Rupees	2022 Rupees
37. OTHER INCOME			
Income from financial assets			
Delayed payment markup - CPPA-G	30.2	345,821,495	194,535,051
Rental income under operating sub-lease		87,580,924	50,770,691
Foreign exchange gain - net		22,882,990	–
Interest income on bank deposits	32.1	5,979,324	1,038,737
Interest income from subleasing of right-of-use assets	26	–	2,705,119
Mark up on advances / loan given to DSML	13.7	–	72,142,061
		462,264,733	321,191,659
Income from non-financial assets			
Fair value (loss) / gain on initial recognition of agricultural produce	34.1.1	(397,194,583)	873,173,812
Reversal of impairment loss in FPML investment	24.1.1	415,685,568	–
Sale of scrap		207,002,723	7,570,007
Gain on disposal of operating fixed assets	20.1.12	54,215,672	102,628,872
Net fair value gain on biological assets	37.1	53,542,465	456,389,080
Liabilities no longer payable written back		66,065,265	4,682,992
Penalty for not honoring of contract		55,416,500	8,731,791
Sale of stores, spare parts and loose tools		40,964,239	19,929,962
Reversal of provision for doubtful advances	31.1.2	27,693,372	–
Rental income from investment property		17,557,518	12,280,212
Mark-up on advances to growers	31.2.1	15,520,409	24,385,001
Gain on derecognition of the right of-use assets		1,934,021	76,438,844
Reversal of Workers' Welfare Fund	15.5	10,211,825	29,572,047
Insurance claim		–	24,541,000
Others		1,974,550	6,118,910
		570,589,544	1,646,442,530
		1,032,854,277	1,967,634,189

		Note	2023 Rupees	2022 Rupees
37.1	**Net fair value gain on biological assets**			
	Fair value of standing crops		3,605,862,039	2,855,032,666
	Cost incurred on standing crops	37.1.1	(3,552,319,574)	(2,398,643,586)
		27	53,542,465	456,389,080
37.1.1	**Cost incurred on standing crops**			
	Irrigation expenses		804,732,165	443,695,966
	Depreciation of right-of-use assets	21.3	754,672,058	639,749,424
	Fertilizer expenses		721,147,787	329,270,090
	Salaries, wages and other benefits	37.1.1.1	353,649,680	276,969,921
	Depreciation of operating fixed assets	20.1.11	284,262,838	219,738,138
	Pesticide and herbicide expenses		189,658,061	172,875,510
	Repairs and maintenance		176,337,978	143,905,952
	Fuel expenses		168,640,656	89,689,674
	Vehicle running expenses		44,834,917	33,499,534
	Bio-laboratory expenses		28,061,317	23,027,836
	Insurance		3,568,843	3,279,720
	Others		22,753,274	22,941,821
			3,552,319,574	2,398,643,586

37.1.1.1 Salaries, wages and other benefits include Rs. 9.2 million (2022: Rs. 7.58 million) in respect of contribution towards provident fund.

37.1.1.2 The cost of inventories recognised as an expense and included under the head ''cost of growing crops'' and ''further cost charged'' (note 34.1.1.1) amounted to Rs. 3,291 million (2022: Rs. 2,026 million).

	Note	2023 Rupees	2022 Rupees
38. OTHER EXPENSES			
Workers' Profit Participation Fund	15.3	161,526,444	270,956,575
Impairment loss of SPL & GPL	24.1.1	34,260,000	–
Advances and other receivables written off		7,189,901	10,457,542
Workers' Welfare Fund	15.5	4,254,806	35,525,427
Provision for doubtful advances	31.1.2	1,711,644	–
Impairment against delayed payment markup - CPPA-G	30.3	–	48,719,240
Loss on termination of sub-lease of land		–	13,718,278
Loss on acknowledged receipts		–	13,159,419
Others		10,014,637	751,275
		218,957,432	393,287,756

	Note	2023 Rupees	2022 Rupees
39. FINANCE COST			
Mark-up based loans from conventional			
banks / financial institutions			
- Long term finances - secured		1,549,570,661	1,243,584,510
- Short term borrowings - secured		1,889,452,838	1,113,534,718
- Interest expense for leasing arrangements	9	371,831,060	260,253,949
		3,810,854,559	2,617,373,177
Islamic mode of financing			
- Long term finances - secured		69,230,885	81,627,965
- Short term borrowings - secured		952,220,848	603,011,686
		1,021,451,733	684,639,651
Borrowings from related party - unsecured			
- Deharki Sugar Mills (Private) Limited	13.7	359,281,081	–
Amortization of transaction cost	8	28,192,726	6,562,720
Workers' Profit Participation Fund	15.3	188,015,555	71,605,981
Markup on short term advance from provident fund		–	3,425,096
Bank charges and commission		45,533,210	43,918,710
		261,741,491	125,512,507
Less: Amortization of deferred Government grant	12	–	(23,388,308)
		5,453,328,864	3,404,137,027

	Note	2023 Rupees	2022 Rupees
40. TAXATION			
Income tax		800,920,992	653,688,632
Super tax	10.1	57,923,324	104,354,081
Change in estimate related to prior years		(47,099,458)	(211,710,027)
		811,744,858	546,332,686
Deferred tax	10.2	84,016,670	613,614,238
Agriculture tax		2,892,033	2,144,987
		898,653,561	1,162,091,911

40.1 Relationship between tax expense and accounting profit before tax

The provision for taxation related to current and preceding financial year mainly represents the Minimum Tax and final tax liabilities under section 113 and 169 of the Income Tax Ordinance, 2001 respectively. Accordingly, tax charge reconciliation for current and preceding financial year has not been prepared and presented.

40.2 For tax contingencies, refer to note 19.1.1 to 19.1.14

		2023	2022
41. EARNINGS PER SHARE - BASIC AND DILUTED			
Profit for the year	Rupees	2,166,094,078	3,950,557,579
Weighted average number of ordinary shares	Numbers	58,278,579	59,776,661
Basic earnings per share	Rupees	37.17	66.09

	Note	2023 Numbers	2022 Numbers
41.1 Weighted average number of ordinary shares			
Outstanding number of shares before own shares purchased		59,776,661	59,776,661
Less: Impact of own shares purchased during the year	6.2.2	(1,498,082)	–
		58,278,579	59,776,661

41.2 A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at 30 September 2023 and 2022 which would have any effect on the profit per share if the option to convert is exercised.

	Note	2023 Rupees	2022 Rupees
42. CASH GENERATED FROM OPERATIONS			
Profit before taxation		3,064,747,639	5,112,649,490
Adjustments for non-cash income and expenses:			
Finance cost		5,425,136,138	3,397,574,307
Depreciation of operating fixed assets		2,045,073,725	1,892,284,541
Staff retirement benefits		289,595,105	266,674,755
Provision for obsolescence	34.1	225,188,214	43,283,317
Assets written off	20.1.12	183,688,048	121,345,283
Workers' Profit Participation Fund	15.3	161,526,444	270,956,575
Depreciation of right-of-use assets	21.3	173,084,899	149,018,098
Workers' Welfare Fund	15.5	4,254,806	35,525,427
Advances and other receivables written off	38	7,189,901	10,457,542
Amortization of transaction cost	8	28,192,726	6,562,720
Impairment loss of SPL & GPL	24.1	34,260,000	–
Amortization of intangibles	23.2	2,039,728	2,039,728
Provision for doubtful advances	38	1,711,644	–
Reversal of impairment loss in FPML investment	24.1.1	(415,685,568)	–
Interest income		(367,321,228)	(294,805,969)
Liabilities no longer payable written back		(66,065,265)	(4,682,992)
Reversal of provision for obsolescence		(81,773,714)	(151,962,706)
Gain on disposal of operating fixed assets	20.1.12	(54,215,672)	(102,628,872)
Net fair value gain on biological assets	37.1	(53,542,465)	(456,389,080)
Foreign exchange gain - net	37	(22,882,990)	–
Reversal of provision for doubtful advances	31.1.2	(27,693,372)	–
Reversal of Workers' Welfare Fund	15.5	(10,211,825)	(29,572,047)
Gain on derecognition of the right of-use assets	37	(1,934,021)	(76,438,844)
Impairment against delayed payment markup - CPPA-G	30.3	–	48,719,240
Loss on termination of sub-lease of land		–	13,718,278
Loss on acknowledged receipts		–	13,159,419
		7,479,615,258	5,154,838,720
		10,544,362,897	10,267,488,210
Working capital changes:			
Trade receivables		530,898,760	202,534,200
Stores, spare parts and loose tools		(655,387,534)	(425,962,363)
Biological assets		(517,839,574)	66,177,903
Advances, deposits, prepayments and other receivables		(120,290,102)	(366,515,684)
Stock-in-trade		(3,677,138,241)	(10,265,318,498)
Trade and other payables		491,464,675	850,839,003
Advances from customers		12,832,860,770	1,458,400,069
Lease receivables		–	69,633,908
		8,884,568,754	(8,410,211,462)
Cash generated from operations		19,428,931,651	1,857,276,748

43. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Directors							
	Chief Executive		Executive		Non - Executive		Executives	
	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees
Managerial remuneration	8,300,000	5,000,000	136,666,667	200,000,000	211,633,334	125,600,000	644,275,874	499,088,533
House allowance	3,320,000	2,000,000	54,666,667	80,000,000	84,653,334	50,240,000	257,710,350	199,635,413
Medical and other allowances	830,000	500,000	13,666,666	20,000,000	21,163,333	12,560,000	64,427,587	49,908,853
Bonus	–	–	75,000,000	125,000,002	130,000,004	78,000,000	569,211,556	563,159,535
Company's contribution towards provident fund	–	–	–	–	–	–	59,108,871	45,804,178
Staff retirement benefit - gratuity	–	–	–	–	–	–	6,623,400	5,572,040
	12,450,000	7,500,000	280,000,000	425,000,002	447,450,005	266,400,000	1,601,357,638	1,363,168,552
Number of persons	1	1	1	1	2	2	142	109

43.1 In addition to the above, Chief Executive and some of the Executives are provided with free use of Company maintained cars and certain other benefits as per the Company policy.

43.2 No meeting fee has been paid to the chief executive, non-executive and executive directors of the Company during the current and preceding year.

43.3 Mr. Jahangir Khan Tareen, an Executive Director, and its family owned business concerns are permitted to use the Company maintained aircraft for private trips, subject to availability, for which the proportionate share of operating expenses is reimbursed to the Company. During the year, Rs. 56.611 million (2022: Rs. 44.527 million) was charged for the use of aircraft.

44. FINANCIAL INSTRUMENTS

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

- Credit risk
- Liquidity risk
- Market risk (including currency risk, interest rate risk and other price risk)

44.1 Risk management framework

The Board of Directors has overall responsibility for establishment and oversight of the Company's risk management framework. The Board of Directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee regularly meets for any changes and compliance issues are reported to the Board of Directors through the audit committee.

Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

44.1.1 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. To manage credit risk, the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes, the financial viability of all counterparties are regularly monitored and assessed.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at unconsolidated statement of financial position date is:

	2023 Rupees	2022 Rupees
Financial assets at amortized cost		
Long term deposits	19,865,212	26,524,199
Trade receivables	2,370,000,313	2,532,554,007
Advances, deposits and other receivables	110,136,014	101,814,419
Bank balances	147,584,841	285,437,136
	2,647,586,380	2,946,329,761

Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focuses on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. However, the Company identifies concentration of credit risk by reference to type of counterparty. Maximum exposure to credit risk by type of counterparty is as follows:

	2023 Rupees	2022 Rupees
Customers:		
- Sugar segment	41,466,860	253,303,072
- Co-Generation Power segment	2,328,533,453	2,279,250,935
Banking companies	147,584,841	285,437,136
Others	130,001,226	128,338,618
	2,647,586,380	2,946,329,761

Credit quality and impairment

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Trade receivables

The Company's exposure to credit risk arising from trade receivables is mainly influenced by the individual characteristics of each customer. Majority of the Company's revenue is made against receipts in advance from customers. Trade receivables mainly represents receivable from Central Power Purchasing Agency (Guarantee) Limited, a Government owned entity and are secured by guarantee from Government of Pakistan under the Implementation Agreements.

The Company recognized ECL / impairment loss allowance for trade receivables in line with accounting policies of the Company as explained in note 4.20.6 & 4.20.7. As per aforementioned approach, the loss allowance was determined as:

	2023		2022	
	Gross carrying amount	Accumulated impairment	Gross carrying amount	Accumulated impairment
	Rupees	Rupees	Rupees	Rupees
Not past due	1,275,260,275	–	1,156,874,546	–
Past due:				
1 - 90 days	997,969,794	–	1,118,556,132	–
91 - 365 days	96,770,244	–	257,123,329	–
366 - above days	100,391,459	100,391,459	100,391,459	100,391,459
	2,470,391,772	100,391,459	2,632,945,466	100,391,459

Customer credit risk is managed subject to the Company's established policy, procedures and controls relating to customer credit risk management. Based on the past experience, consideration of financial position, past track records and recoveries, the Company believes that no impairment allowance is necessary in respect of trade receivables past due as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time. Management also believes that the unimpaired balances that are past due are still collectible in full, based on historical payment behavior and review of financial strength of respective customers. Therefore, the Company has no material expected credit loss under IFRS 9 'Financial Instruments' and incurred impairment loss under IAS 39 'Financial Instrument Recognition and Measurement' at the year end.

The above gross carrying amount includes Rs. 2,377 million (2022: Rs. 2,328 million) amount receivable from Central Power Purchasing Agency (Guarantee) Limited against sale of energy.

Bank balances

Impairment on bank balances has been measured on a 12 months expected credit loss basis and reflects the short maturities of the exposures. The Company considers that its bank balances have low credit risk based on the external credit ratings of the counterparties. The credit quality of the Company's bank balances can be assessed with reference to external credit rating agencies as follows:

Banks	Rating Long term	Rating Short term	Rating Agency	2023 Rupees	2022 Rupees
Conventional					
Habib Bank Limited	AAA	A1+	JCR-VIS	88,924,514	19,809,845
MCB Bank Limited	AAA	A1+	PACRA	5,531,308	92,750,165
Faysal Bank Limited	AA	A1+	PACRA	1,382,734	3,286,519
National Bank of Pakistan	AAA	A1+	PACRA	934,192	6,632,642
The Bank of Punjab	AA+	A1+	PACRA	771,539	125,916,432
JS Bank Limited	AA-	A1+	PACRA	757,948	20,553
Bank Al Habib Limited	AAA	A1+	PACRA	277,499	30,354
Sindh Bank Limited	A+	A1	JCR-VIS	200,850	85,419
United Bank Limited	AAA	A1+	JCR-VIS	180,104	200,438
Bank Alfalah Limited	AA+	A1+	PACRA	112,748	75,394
Allied Bank Limited	AAA	A1+	PACRA	50,217	77,050
Summit Bank Limited	BBB-	A-3	JCR-VIS	42,649	43,290
Askari Bank Limited	AA+	A1+	PACRA	39,718	23,137
The First Microfinance Bank Limited	A+	A1	JCR-VIS	37,976	47,892
Soneri Bank Limited	AA-	A1+	PACRA	36,805	22,788
The Bank of Khyber	A+	A1	PACRA	7,042	16,047
Silk Bank Limited	A-	A2	JCR-VIS	5,386	5,386
				99,293,229	249,043,351
Islamic					
Meezan Bank Limited	AAA	A1+	JCR-VIS	29,895,885	9,978,715
Bank Alfalah Limited	AA+	A1+	PACRA	8,176,042	9,292,162
National Bank of Pakistan	AAA	A1+	PACRA	7,925,339	14,687,889
Dubai Islamic Bank (Pakistan) Limited	AA	A1+	JCR-VIS	1,118,573	1,227,687
Albaraka Bank (Pakistan) Limited	A+	A1	PACRA	836,223	857,154
Askari Bank Limited	AA+	A1+	PACRA	143,252	3,692
MCB Islamic Bank Limited	A	A1	PACRA	84,972	194,197
NRSP Microfinance Bank	A-	A2	PACRA	65,928	–
Al Baraka Bank (Pakistan) Limited (Formally Burj Bank Limited)	A+	A1	PACRA	20,016	20,016
Bank Islamic (Pakistan) Limited	AA-	A1	PACRA	19,058	125,949
Faysal Bank Limited	AA	A1+	PACRA	6,324	6,324
				48,291,612	36,393,785
				147,584,841	285,437,136

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non performance by these counterparties on their obligations to the Company. Accordingly, the credit risk is minimal.

Advances, deposits and other receivables

Advances, deposits and other receivables mainly comprise of advances to employees against salaries, receivables from related parties and deposits with government entities and financial institution. These are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider 'low credit risk' based on historical experience. The Company has assessed that sufficient securities are available against advances to employees and may recovered from the final settlement of employees in case of default. Short term deposits are placed with counterparties as per contractual arrangement and are refundable. The management assessed that the expected credit loss associated with these financial assets is trivial and therefore no impairment allowance is necessary.

44.1.2 Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. For this purpose, the Company ensures that it has sufficient cash to meet expected working capital requirements by having credit lines available. Further, liquidity position of the Company is closely monitored by the Board of Directors through budgets, cash flows projections and comparison with actual results. The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

	2023				
	Carrying amount	Contractual cash flows	One year or less	One to five years	More than five years
	Rupees				
Non-derivative financial liabilities					
At amortized cost:					
Long term finances - secured	6,430,180,003	6,550,033,141	6,550,033,141	–	–
Short term borrowings	7,192,529,027	9,651,279,613	9,651,279,613	–	–
Lease liabilities	2,880,228,735	3,571,006,229	1,285,270,352	2,285,735,877	–
Accrued profit / interest / mark-up	674,037,003	674,037,003	674,037,003	–	–
Trade and other payables	1,518,039,495	1,518,039,495	1,518,039,495	–	–
Unclaimed dividend	52,850,040	52,850,040	52,850,040	–	–
	18,747,864,303	22,017,245,521	19,731,509,644	2,285,735,877	–

	2022				
	Carrying amount	Contractual cash flows	One year or less	One to five years	More than five years
	Rupees				
Non-derivative financial liabilities					
At amortized cost:					
Long term finances - secured	9,286,409,849	12,235,499,849	4,311,495,900	7,924,003,949	–
Short term borrowings	11,034,338,292	12,305,330,011	12,305,330,011	–	–
Lease liabilities	2,600,487,231	2,650,734,992	799,389,081	1,851,345,911	–
Accrued profit / interest / mark-up	812,967,857	812,967,857	812,967,857	–	–
Trade and other payables	1,710,872,045	1,710,872,045	1,710,872,045	–	–
Unclaimed dividend	40,640,932	40,640,932	40,640,932	–	–
	25,485,716,206	29,756,045,686	19,980,695,826	9,775,349,860	–

44.1.3 Market risk

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

i) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. This exists due to the Company's exposure resulting from outstanding import payments, foreign commercial transactions and related interest payments if any.

Financial liabilities of the Company include Rs. 13.06 million (2022: Rs. 16.21 million) in foreign currencies which are subject to currency risk exposure. The Company believes that the foreign exchange risk exposure on financial assets and liabilities is immaterial.

Foreign currency risk management

The Company manages foreign currency risk through due monitoring of the exchange rates, adjusting net exposure and obtaining forward covers where necessary. The Company does not enter into forward exchange contracts as at reporting date.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short-term financing arrangements and obligations under finance lease at floating interest rates to meet its business operations and working capital requirements. The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to these unconsolidated financial statements. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

		2023		2022	
		Financial asset	Financial liability	Financial asset	Financial liability
Non-derivative financial instruments	Note	Rupees	Rupees	Rupees	Rupees
Fixed rate instruments:					
Lease liabilities		–	2,196,816,800	–	2,188,247,918
Variable rate instruments:					
Long term finances - secured	8	–	6,430,180,003	–	9,314,602,575
Lease liabilities		–	683,411,935	–	412,239,313
Short term borrowings	13	–	7,192,529,027	–	11,034,338,292
Cash at bank	32.1	2,172,284	–	1,780,395	–
		2,172,284	14,306,120,965	1,780,395	20,761,180,180
		2,172,284	16,502,937,765	1,780,395	22,949,428,098

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

Profit or loss (100 bps)			
2023		2022	
Increase	Decrease	Increase	Decrease
Rupees			
(143,039,487)	143,039,487	(207,593,998)	207,593,998

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

Interest rate risk management

The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The long and short term financing / borrowing and obligation under finance lease has variable rate pricing that is mostly dependent on Karachi Inter Bank Offered Rate ("KIBOR") as indicated in respective notes.

iii) Other price risk

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

44.2 Fair value measurements of financial instruments

Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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 carrying amounts of all the financial instruments reflected in these unconsolidated financial statements are a reasonable approximate their fair value largely due to the short-term maturities of these instruments. Long & short term investments are carried at cost less accumulated impairment loss and biological assets are measured at fair value less costs to sell.

Fair value measurement

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measure using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants at in their economic best interest.

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

Fair value hierarchy

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfers occur. However, there were no transfers amongst levels during the year.

For details of the valuation techniques and significant unobservable inputs related to determining the fair value of biological assets, which are classified in level 3 of the fair value hierarchy, refer to note 27.

45. CAPITAL MANAGEMENT

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

The Company's objectives when managing capital are:

a) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

b) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Company's strategy is to ensure compliance with the Prudential Regulations issued by the State Bank of Pakistan and is in accordance with agreements executed with financial institutions so that the total borrowings to equity ratio does not exceed the lender covenants. The total borrowings to equity ratio as at 30 September 2023 and 2022 are as follows:

	2023 Rupees	2022 Rupees
Total debt	14,980,157,970	21,545,955,312
Less: cash and bank balances	(158,591,080)	(289,694,593)
Net debt	14,821,566,890	21,256,260,719
Total equity	15,991,378,867	16,905,057,127
Total capital employed	30,812,945,757	38,161,317,846
Gearing ratio	48%	56%

Total debt comprises of long term financing from banking companies / financial institutions, lease obligation towards banks only, short term borrowings and accrued mark-up.

Total equity includes issued, subscribed and paid-up share capital, share premium reserve and accumulated profits.

46. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of subsidiary companies, associated companies, other related companies, entities under common directorship, key management personnel and post employment benefit plans. Amounts due from and due to related parties are shown under respective notes to these unconsolidated financial statements. Other significant transactions with related parties except those disclosed elsewhere are as follows:

Name of company	Relationship	Nature of transactions	2023 Rupees	2022 Rupees
Deharki Sugar Mills	**Subsidiary Company**	Short term advances paid	3,290,700,000	4,865,610,000
(Pvt.) Limited	(Equity held 100%)	Short term advances received	4,440,700,000	5,865,610,000
		Mark-up paid on short term advances	255,249,678	72,142,061
		Sale of sugarcane	1,864,713,977	1,418,901,000
		Purchase of bagasse	1,433,050,974	399,284,631
		Payment made against purchase		
		of bagasse	1,465,174,751	414,189,295
		Reimbursement on use of		
		Company's aircraft	24,100,577	10,836,985
		Rent on land acquired on lease	9,079,050	8,585,300
		Purchase of agri-inputs	25,246,211	2,382,703
		Sale / receipts of stores items	45,464,570	22,439,609
		Sale of operating fixed assets	–	1,750,000
		Purchase of operating fixed assets	–	15,857,080
		Others	4,002,641	1,676,057
JDW Aviation	**Associated Company**			
(Pvt.) Limited	(Common directorship)	Reimbursement of expenses	4,100,358	4,557,417
Lahore Flying Club	**Associated Company**	Services rendered against		
(Guarantee) Limited	(Related party)	aircraft hangar	229,067	767,191
Post employment	**Other related party**	Provident fund contribution	301,979,084	259,729,396
benefit plans		Payment to recognised		
		gratuity fund	123,996,268	58,781,330
		Shares purchased	310,725,789	–
		Loan recoveries	46,059,261	28,269,769
		Short term advances received	–	250,000,000
		Short term advances paid	–	250,000,000
		Mark-up paid on short term advances	–	3,425,096
Key management	**Key management**	Dividend paid	205,101,788	136,734,650
personnel		Reimbursement of expenses	5,101,006	5,415,829

46.1 Detail of compensation to Chief Executive, Executive Director, Non-Executive Directors and Executives are disclosed in note 43.

46.2 There is no outstanding balance as at 30 September 2023 (2022: Nil) in respect of above transactions except as disclosed in respective notes to these unconsolidated financial statements.

46.3 All transactions with related parties are entered into at agreed terms/contractual arrangement duly approved by the Board of Directors of the Company.

	Capacity Tons	2023 Tons	2022 Tons
47. CAPACITY AND PRODUCTION			
Sugar			
Unit I			
- Crushing capacity per day	35,000		
- Sugarcane crushed		2,698,673	3,311,789
- Actual production		303,372	336,630
Unit II			
- Crushing capacity per day	22,000		
- Sugarcane crushed		2,003,727	2,408,562
- Actual production		212,016	235,506
Unit III			
- Crushing capacity per day	14,000		
- Sugarcane crushed		1,724,264	2,091,205
- Actual production		179,585	209,498

47.1 The main reason for under utilization of production capacity is lesser availability of sugarcane during the season.

	2023 Mwh	2022 Mwh
Co - Generation Power		
Unit II		
- Installed capacity (based on 8,760 hours)	233,016	233,016
- Energy generated	203,339	195,649
- Energy delivered	180,354	166,201
Unit III		
- Installed capacity (based on 8,760 hours)	235,031	235,031
- Energy generated	217,161	186,096
- Energy delivered	190,569	160,046

47.2 Energy delivered to CPPA-G is dependent on the plant availability.

	2023		2022	
Corporate Farms	Zones	Acres/Maunds	Zones	Acres/Maunds
Sugarcane crop				
- Land (Acres)	Punjab & Sindh	25,694	Punjab & Sindh	24,970
- Land under cultivation (Acres)	Punjab & Sindh	19,166	Punjab & Sindh	19,712
- Crop harvested (Maunds)	Punjab & Sindh	14,071,232	Punjab & Sindh	19,045,523

47.3 The Company also has harvested 34,387 Maunds of wheat (2022: 33,939 Maunds), no any Maunds of Rhode grass (2022: 446 Maunds) and 3,513 Maunds of Mustard (2022: 3,828 Maunds) during the year.

48. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2023						
	Equity		Liabilities				
	Accumulated profit	Share capital	Unclaimed dividend	Long term finances - secured	Lease liabilities	Short term borrowings	Accrued profit / interest / mark-up
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 October 2022	15,628,973,589	597,766,610	40,640,932	9,286,409,849	2,600,487,231	11,034,338,292	812,967,857
Changes from financing cash flows:							
Loans received during the year	–	–	–	–	–	162,404,942,455	–
Principal portion of lease liabilities paid	–	–	–	–	(1,274,399,612)	–	–
Dividend paid	(2,154,242,100)	–	(173,580)	–	–	–	–
Interest paid during the year	–	–	–	–	–	–	(5,192,235,932)
Loans repaid during the year	–	–	–	(2,884,422,572)	–	(166,592,815,068)	–
Own shares purchased and cancelled during the year	(872,206,128)	(20,000,000)	–	–	–	–	–
	(3,026,448,228)	(20,000,000)	(173,580)	(2,884,422,572)	(1,274,399,612)	(4,187,872,613)	(5,192,235,932)
Other changes - liability related:							
Interest expense for the year	–	–	–	–	371,831,060	–	5,081,497,804
Addition in lease liabilities	–	–	–	–	1,201,347,903	–	–
Profit for the year	2,145,152,656	–	–	–	–	–	–
Increase in short term finances	–	–	–	–	–	346,063,348	–
Amortization of transaction cost	–	–	–	28,192,726	–	–	(28,192,726)
Exchange difference	–	–	–	–	5,746,280	–	–
Others	(12,382,688)	–	12,382,688	–	(24,784,127)	–	–
Total liability - related other changes	2,132,769,968	–	12,382,688	28,192,726	1,554,141,116	346,063,348	5,053,305,078
Balance as at 30 September 2023	14,735,295,329	577,766,610	52,850,040	6,430,180,003	2,880,228,735	7,192,529,027	674,037,003

	2022						
	Equity		Liabilities				
	Accumulated profit	Share capital	Unclaimed dividend	Long term finances - secured	Lease liabilities	Short term borrowings	Accrued profit / interest / mark-up
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 October 2021	13,171,462,931	597,766,610	33,748,830	12,350,572,214	2,104,109,093	3,015,112,876	251,304,750
Changes from financing cash flows:							
Loans received during the year	–	–	–	1,000,000,000	–	134,041,325,237	–
Payments for lease liabilities	–	–	–	–	(957,555,198)	–	–
Dividend paid	(1,494,416,526)	–	(420,889)	–	–	–	–
Interest paid during the year	–	–	–	–	–	–	(2,575,657,251)
Loan repaid during the year	–	–	–	(4,094,113,393)	–	(127,157,522,246)	–
	(1,494,416,526)	–	(420,889)	(3,094,113,393)	(957,555,198)	6,883,802,991	(2,575,657,251)
Other changes - liability related:							
Interest expense for the year	–	–	–	–	260,253,949	–	3,143,883,078
Addition in lease liabilities	–	–	–	–	1,366,095,803	–	–
Profit for the year	3,951,927,184	–	–	–	–	–	–
Decrease in short term finances	–	–	–	–	–	1,135,422,425	–
Impact of IAS 20	–	–	–	23,388,308	–	–	–
Amortization of transaction cost	–	–	–	–	–	–	(6,562,720)
Others	–	–	7,312,991	6,562,720	(172,416,416)	–	–
Total liability - related other changes	3,951,927,184	–	7,312,991	29,951,028	1,453,933,336	1,135,422,425	3,137,320,358
Balance as at 30 September 2022	15,628,973,589	597,766,610	40,640,932	9,286,409,849	2,600,487,231	11,034,338,292	812,967,857

49. NUMBER OF EMPLOYEES

The average and total number of employees are as follows:

	2023 Number	2022 Number
Average number of employees during the year	7,841	7,862
Total number of employees as at 30 September	5,868	5,761

50. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated financial statements were authorized for issue on 03 January 2024 by the Board of Directors of the Company.

51. SUBSEQUENT EVENTS

51.1 The Board of Directors in their meeting held on 03 January 2024 has proposed final cash dividend for the year ended 30 September 2023 of Rs. 15 (2022: Rs. 12.5) per share amounting to Rs. 866.650 million (2022: Rs. 722.208 million) subject to the approval of the Company in the forthcoming annual general meeting. These financial statements do not include the effect of the above which will be accounted for in the year in which it is approved.

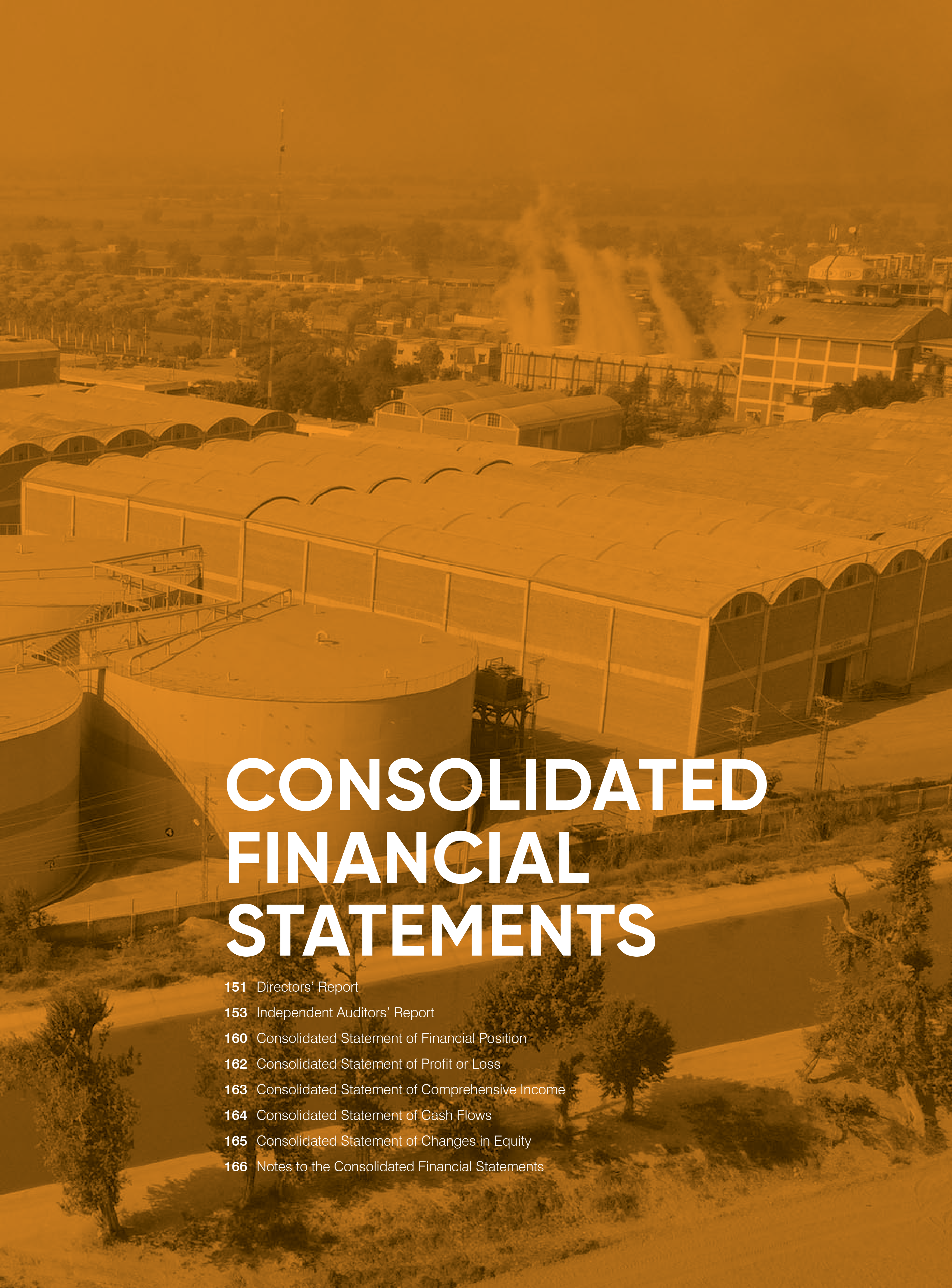
51.2 The Company has early repaid its entire contractual obligation towards the Bank of Punjab – Led Syndicate amounting to Rs. 5,430 million dated 27 October 2023 (for details, refer to note 8.1.1).

52. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever considered necessary, for the purposes of comparison and better presentation to comply with the requirements of the accounting and reporting standards as applicable in Pakistan, however, no significant re-arrangements and reclassification have been made during the year except current maturity of right-of-use assets has been re-classified to non-current portion of right-of-use assets having value of Rs. 730 million in financial year 2022.

Chief Financial Officer | Chief Executive Officer | Director

05



CONSOLIDATED FINANCIAL STATEMENTS

DIRECTORS' REPORT
on Consolidated Financial Statements

The Directors are pleased to present the Consolidated Financial Statements of JDW Sugar Mills Limited ("the Holding Company"), its Subsidiary Companies; Deharki Sugar Mills (Private) Limited, Faruki Pulp Mills Limited, Sadiqabad Power (Private) Limited and Ghotki Power (Private) Limited ("the Group") and its Associated Company Kathai-II Hydro (Private) Limited for the year ended 30 September 2023.

Deharki Sugar Mills (Private) Limited ("DSML") was incorporated as a Private Limited Company. The Principal activity of Subsidiary Company is production and sale of crystalline sugar. The Holding Company holds 100% shares of the Subsidiary Company.

Faruki Pulp Mills Limited ("FPML") was incorporated as a Public Limited Company, with the primary objective to manufacture and sale of paper pulp. The Holding Company holds 57.67% shares of the Subsidiary Company. Further FPML has been, for the considerable number of years, unable to commence its commercial operations and considering this fact management of subsidiary company has principally decided not to inject further funds in the company as significant capital expenditure are required. Moreover, keeping in view commercial viability of the plant as well as the substantial accumulated losses the management of the Subsidiary Company has determined that the company might not be able to realize its assets and discharge its liabilities in the normal course of business. During the financial year 2022-23 and after obtaining member's approvals of Faruki Pulp Mills Limited ("FPML") dated December 13, 2021 and January 23, 2023, the FPML has sold its entire assets i.e. Building, Plant & Machinery except land to the highest bidder in response to the tender notice published in nationwide newspapers for Rs. 1.6 billion (inclusive of taxes). The contract signed with the successful bidder has been fully executed and total contract amount has been received. These funds have been kept in the profit bearing bank accounts. FPML also planned to sell the entire project land in the current financial year.

Ghotki Power (Private) Limited ("GPL") was incorporated on 15 December 2016. The Subsidiary Company will be engaged in the production of energy under the expansion program of the Holding Company's existing bagasse based Co-Generation Power Plants. The Holding Company holds 100% shares of the Subsidiary Company.

Sadiqabad Power (Private) Limited ("SPL") was incorporated on 16 December 2016. The Subsidiary Company will be engaged in the production of energy under the expansion program of the Holding Company's existing bagasse based Co-Generation Power Plants. The Holding Company holds 100% shares of the Subsidiary Company.

The Holding Company acquired the 20% shareholding in Kathai-II Hydro (Private) Limited ("the Associate") on 12 November 2019. The Associate is a private limited company incorporated in Pakistan on 27 August 2012 under the repealed Companies Ordinance, 1984. The principal activity of the associate is to generate, distribute and sell energy.

It is being confirmed that to the best of our knowledge, these consolidated financial statements for the year ended 30 September 2023 give a true and fair view of the assets, liabilities, financial position and financial results of the Group and are in conformity with approved accounting standards as applicable in Pakistan.

FINANCIAL OVERVIEW

The consolidated financial results are as follows:

(Rs. in Million)

	2022-23	2021-22
Gross Revenue	103,380	78,923
Revenue from Contracts with Customers	90,810	69,089
Profit from Operations	10,467	9,524
Profit before Tax	4,457	5,285
Profit after Tax	3,441	4,319

Directors have given their detailed report of affairs of the Holding Company, Subsidiary Companies as well as Associated Companies in Directors' report to the shareholders of the Holding Company.

03 January 2024 Chief Executive Officer Director

Lahore

ڈائریکٹرز رپورٹ

ڈائریکٹرز خوشی کے ساتھ جے ڈی ڈبلیو شوگر ملز اور اسکے زیریں ادارے ڈہرکی شوگر ملز پرائیویٹ لمیٹڈ، فاروقی پلپ ملز لمیٹڈ، صادق آباد پاور پرائیویٹ لمیٹڈ، گھوٹکی پاور پرائیویٹ لمیٹڈ اور منسلک ادارہ کتھائی ہائیڈرو-II پرائیویٹ لمیٹڈ کی سالانہ آڈیٹڈ مالیاتی رپورٹ برائے سال 30 ستمبر 2023 پیش کر رہے ہیں۔

ڈہرکی شوگر ملز پرائیویٹ لمیٹڈ کمپنی ایک پرائیویٹ لمیٹڈ کمپنی کے طور پر قائم کیا گیا تھا۔ اس ذیلی ادارے کا بنیادی کام گنے سے چینی بنانا اور بیچنا ہے۔ اس ذیلی کمپنی کے 100 فیصد حصص جے ڈی ڈبلیو کے پاس ہیں۔

فاروقی پلپ ملز لمیٹڈ کو پبلک لمیٹڈ کمپنی کے طور پر قائم کیا گیا تھا۔ اس ادارے کا بنیادی کام پیپر پلپ بنانا اور بیچنا ہے۔ کمپنی اب تک کاروباری سرگرمی شروع نہیں کر سکی ہے۔ اس ذیلی کمپنی کے 57.67 فیصد حصص جے ڈی ڈبلیو کے پاس ہیں۔ مالیاتی سال 23-2022 کے دوران اور 13 دسمبر 2021ء اور 23 جنوری 2023ء کو فاروقی پلپ ملز لمیٹڈ ("FPML") کے اراکین سے منظوری حاصل کرنے کے بعد FPML نے اراضی کے علاوہ اپنے تمام اثاثہ جات یعنی عمارت، پلانٹ اور مشینری بلند ترین بولی دہندہ کو 1.6 بلین روپے (بشمول ٹیکس) میں فروخت کر دیا جو ملکی اخباروں میں شائع ٹینڈر نوٹس کے جواب میں تھا۔ کامیاب بولی دہندہ کے ساتھ معاہدے پر مکمل عمل درآمد کیا گیا اور معاہدے کی مکمل رقم وصول کر لی گئی۔ یہ فنڈز منافع بخش بینک اکاؤنٹ میں جمع کرا دیے گئے۔ FPML نے رواں مالیاتی سال کے دوران پروجیکٹ کی مکمل اراضی فروخت کرنے کا ارادہ کیا ہے۔

گھوٹکی پاور پرائیویٹ لمیٹڈ کمپنی کو ایک پرائیویٹ لمیٹڈ کمپنی کے طور پر قائم کیا گیا تھا۔ اس ادارے کا بنیادی کام بجلی پیدا کرنا اور بیچنا ہوگا۔ اس ذیلی کمپنی کے 100 فیصد حصص جے ڈی ڈبلیو کے پاس ہیں۔

صادق آباد پاور پرائیویٹ لمیٹڈ کمپنی کو ایک پرائیویٹ لمیٹڈ کمپنی کے طور پر قائم کیا گیا تھا۔ اس ادارے کا بنیادی کام بجلی پیدا کرنا اور بیچنا ہوگا۔ اس ذیلی کمپنی کے 100 فیصد حصص جے ڈی ڈبلیو کے پاس ہیں۔

کتھائی ہائیڈرو-II پرائیویٹ لمیٹڈ کمپنی کو ایک پرائیویٹ لمیٹڈ کمپنی کے طور پر قائم کیا گیا تھا۔ اس ادارے کا بنیادی کام بجلی پیدا کرنا اور بیچنا ہے۔ اس کمپنی کے 20 فیصد حصص جے ڈی ڈبلیو کے پاس ہیں جو کمپنی نے 12 نومبر 2019 کو حاصل کیے تھے۔

ہم اس بات کی تصدیق کرتے ہیں کہ ہماری بہترین معلومات کے مطابق یہ سالانہ آڈیٹڈ مالیاتی رپورٹ برائے 30 ستمبر 2023 پاکستان میں منظور شدہ اکاؤنٹنگ سٹنڈرڈ کے مطابق ہے اور اپنے تمام اثاثوں، واجبات اور مالیاتی پوزیشن کی سچی اور منصفانہ تصویر پیش کر رہی ہے۔

سالانہ مالیاتی نتائج مندرجہ ذیل ہیں:

(ملین روپے)

	2022-23	2021-22
مجموعی فروخت	103,380	78,923
خالص فروخت	90,810	69,089
کارکردگی منافع	10,467	9,524
قبل از ٹیکس منافع	4,457	5,285
بعد از ٹیکس منافع	3,441	4,319

ڈائریکٹرز نے اس رپورٹ میں اپنے تمام شیئر ہولڈرز کو ہولڈنگ ادارے اور اسکی تمام ذیلی اور منسلک اداروں کی تفصیلی امور سے آگاہ کیا ہے۔

۳ جنوری ۲۰۲۴

لاہور

چیف ایگزیکیٹو آفیسر

ڈائریکٹر

INDEPENDENT AUDITORS' REPORT

To the members of JDW Sugar Mills Limited

Opinion

We have audited the annexed consolidated financial statements of JDW Sugar Mills Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 30 September 2023, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 September 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 1.3 and 33 to these consolidated financial statements, which describes that intention of Faruki Pulp Mills Limited – Subsidiary Company to liquidate its entire property, plant and equipment and other assets. However, during the year, the Faruki Pulp Mills Limited has disposed of its entire property, plant and equipment except land and is no longer a going concern, therefore, the financial statements of Faruki Pulp Mills Limited have been prepared using liquidation basis of accounting. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

RIAZ AHMAD, SAQIB, GOHAR & CO.
Chartered Accountants

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Email: rasglhr@rasgco.com, Website: www.rasgco.com
Corporate Office at Karachi & Regional Office at Islamabad.

Following are the Key Audit Matters:

Sr. No.	Key Audit Matters	How the matters were addressed in our audit
1	**Revenue recognition**	
	Refer to notes 4.13 and 35 to these consolidated financial statements. The Group principally generates revenue from sale of crystalline sugar including by-products, agriculture produce and energy. We identified revenue recognition as a key audit matter because it is one of the key performance indicator of the Group and gives rise to an inherent risk of misstatement to meet expectations or targets, consequently requiring significant time and audit efforts.	Our audit procedures, amongst others, included the following: • obtained an understanding of the process relating to recording of revenue and testing the design, implementation and operating effectiveness of relevant key internal controls over recording of revenue; • assessed the appropriateness of the Group's accounting policy for recording of revenue and compliance of the policy with International Financial Reporting Standard 15 (IFRS 15) 'Revenue from Contracts with Customers'; • reviewed the management procedures carried out for evaluation of contractual arrangements with customers (oral and written) with respect to identification of each party's rights regarding the goods to be transferred and revenue has been recognized after meeting the conditions of IFRS 15; • reviewed a sample of contractual arrangement entered into by the Group with its customers and checking the Group's obligation to transfer goods to a customer; for which the Group has received consideration, has been satisfied before recognition of revenue; • compared a sample of sale transactions recorded during the year with sales orders, sales invoices, delivery orders and other relevant underlying documents; • compared a sample of sale transactions recorded before and after reporting period and near the year end with relevant underlying documentation to assess whether revenue has been recorded in the appropriate accounting period; • compared a sample of electricity sales transactions with energy invoices duly verified by Central Power Purchasing Agency (Guarantee) Limited ("CPPA-G") and assess whether the revenue has been recorded in the appropriate accounting period; • for a sample of invoices, recalculated the invoice amount based on fixed and variable component provided by National Electric Power Regulatory Authority (NEPRA); • scanned for any manual journal entries relating to sales recorded during and near the year end which were considered to be material or met other specific risk based criteria for inspecting underlying documentation; and • assessed the adequacy of disclosures in these consolidated financial statements to be in accordance with the applicable accounting and reporting standards.

<table>
<tr><th>Sr. No.</th><th>Key Audit Matters</th><th>How the matters were addressed in our audit</th></tr>
<tr><td>2</td><td>Valuation of biological assets (standing sugarcane)</td><td></td></tr>
<tr><td></td><td>Refer to notes 4.7 & 27 to these consolidated financial statements.

Significant judgement and estimates are used in determining the fair value of biological assets. At 30 September 2023, the fair value of the standing sugarcane is Rs. 3,596 million which constitutes a significant balance on the consolidated statement of financial position.

The value of standing sugarcane is based on the current estimated cane price for the following season and sucrose content less the estimated cost of harvesting, transport and other related cost.

Significant judgement is required in estimating the expected cane yield, the maturity of the cane and the estimated sucrose content for the various operating locations and is also considered subjective since it is based on executive management, its experience, expectations and relevant current external factors.

Given the value of the biological assets, together with the significant judgement and estimates that are required in determining the fair value, the valuation of biological assets is considered a key audit matter.</td><td>Our procedures performed in considering the appropriateness of the valuation of standing sugarcane included the following:
• management's representation with regards to the valuation techniques and fair presentation of the biological assets were obtained and evaluated;
• critically evaluated the fair value methodology against criteria in IAS 41 'Agriculture' and IFRS 13 'Fair Value Measurement', measurements and key assumptions applied by management in determining the fair value of the standing sugarcane;
• examined the professional qualification of professional expert and assessed the independence, competence and experience of the professional expert in the field;
• performed sensitivities to assess the impact of changes in the significant inputs;
• reviewed the principles used in the valuation of standing sugarcane and analysed the key assumptions used in the valuation model;
• detailed testing on the key inputs into the standing sugarcane valuation model including estimated yields, estimated sucrose content and forecast price to confirm the validity, accuracy and completeness of the data by comparing the data to market and other external data where applicable;
• compared the prior year's estimated yields, estimated sucrose content and forecast price to the current year actuals attained to assess the reasonableness and accuracy of management' estimates;
• reviewed the formulae as per the model and recalculating for mathematical accuracy; and
• evaluated the adequacy of the consolidated financial statements disclosures, including disclosures of key assumptions, judgments and sensitivities to ensure that they are in compliance with the IAS 41 and IFRS 13.</td></tr>
</table>

Sr. No.	Key Audit Matters	How the matters were addressed in our audit
3	**Recognition of deferred tax assets relating to Minimum Turnover Tax and Alternative Corporate Tax (tax credits)**	
	Refer to notes 4.10.2 & 10 to these consolidated financial statements. Under International Accounting Standard 12 "Income Taxes", the Group is required to review recoverability of the deferred tax assets recognized in the consolidated statement of financial position at each reporting period. Recognition of deferred tax assets is dependent on management's estimate of availability of sufficient future taxable profits against which carried forward un-used tax credits can be utilized. The future taxable profits are based on approved projections. This estimation involves a degree of uncertainty and requires judgement in relation to the future cash flows and also involves assessment of timing of reversal of un-used tax credits. As at 30 September 2023, the Group has recognized deferred tax assets amounting to Rs. 2,314 million mainly on account of un-used tax credits. We considered this as a key audit matter due to the inherent uncertainty in forecasting the amount and timing of future taxable profits and the reversal of deductible temporary differences and management judgement regarding assumptions used in this area.	Our audit procedures amongst others included the following: • obtained understanding of management process of preparation of taxable income and liability forecast and deferred tax calculation; • tested management's computation of un-used tax credits for which deferred tax assets has been recognized; • analyzed the requirements of Income Tax Ordinance, 2001, in relation to above and considered the ageing analysis, expiry periods of relevant deferred tax assets and tax rates enacted in consultation with our internal tax professionals; • assessed the reasonableness of assumptions such as growth rate, future revenue and costs and other relevant information for assessing the quality of Group's forecasting process in determining the future taxable profits; • tested mathematical accuracy of future projections and the use of appropriate tax rate applicable on temporary differences; and • assessed the appropriateness of management's accounting for deferred taxes and the accuracy of related disclosures in accordance with the applicable accounting and reporting standards.
4	**Valuation of stock-in-trade**	
	Refer to note 29 to the consolidated financial statements. Stock-in-trade at the reporting date mainly included bagasse and finished goods (sugar bags). The value of stock-in-trade at the reporting date aggregated to Rs. 18,326 million representing 61% of the Group's total current assets. The valuation of finished goods at cost has different components, which includes judgment and assumptions in relation to the allocation of labour and other various overheads incurred in bringing the inventories to their present location and conditions. Judgment has also been exercised by the management in determining the net realisable value of finished goods and estimating the stock of bagasse and mud. We identified this matter as key in our audit due to the judgment and assumptions applied by the Group in determining the cost and net realisable value of stock-in-trade at the reporting date.	We assessed the appropriateness of management assumptions applied in calculating the value of stock-in-trade and validated the valuation by taking following steps: • assessed whether the Group's accounting policy for inventory valuation is in line with the International Accounting Standard 2 "Inventories"; • attended inventory count at the year-end and reconciled physical inventory with inventory lists provided to ensure completeness of data; • assessed historical cost recorded in inventory valuation by checking purchase invoices on sample basis; • re-calculated the value of stock in trade by allocating the fixed and variable overheads and reviewed the adequacy of costing methodology; • performed net realisable value test to assess whether cost of inventories exceeded its net realisable value by detailed review of subsequent sale invoices; and • assessed the adequacy of disclosures in these consolidated financial statements to be in accordance with the applicable accounting and reporting standards.

Sr. No.	Key Audit Matters	How the matters were addressed in our audit
5	**Financing obligations and compliance with related covenant requirements**	
	Refer notes 8, 13 & 14 to these consolidated financial statements. At the reporting date, the Group has outstanding financing facilities (both long and short term) aggregating Rs. 12,723 million which constitutes 33% of total liabilities of the Group. The Group's key operating / performance indicators including liquidity, gearing and finance cost are directly influenced by the additions to the portfolio of financing. Further, new financing arrangements entail additional financial and non-financial covenants for the Group to comply with. The significance level of financing facilities obtained along with the sensitivity of compliance with underlying financing covenants are considered a key area of focus during the audit and therefore, we have identified this as a key audit matter.	Our audit procedures in relation to verification of long and short term financing mainly included the following: • reviewed terms and conditions of financing agreements entered into by the Group with various banks and financial institutions; • obtained direct balance confirmations from banks and financial institutions and verified outstanding obligations and certain other information from such confirmations; • reviewed maturity analysis of financing to ascertain the classification of financing as per their remaining maturities; • assessed the status of compliance with financing covenants and also inquired from the management with regard to their ability to ensure future compliance with the covenants; • assessed the adequacy of disclosures made in respect of the long and short term financing / borrowings in these consolidated financial statements; and • checked on test basis the calculations of finance cost recognised in the consolidated statement of profit or loss.
6	**Contingencies**	
	Refer to note 19.1 to these consolidated financial statements. The Group is exposed to different laws, regulations and interpretations thereof and hence, there is a litigation risk. 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 consolidated financial statements is subject to significant judgement, which can change over time as new facts emerge and each legal case progresses. For such reasons, we have considered the contingencies as a key audit matter.	Our audit procedures in this area included, amongst others, the following: • obtained an understanding of the Group's processes and controls over litigations through meeting with the management, review of the minutes of the Board of Directors; • reviewing the correspondence of the Group with the relevant authorities and legal advisors including judgments or orders passed by the competent authorities; • obtained and reviewed direct confirmations from the Group's external advisors for their views on the legal position of the Group in relation to the contingent matters; • involved our internal tax / legal professionals to assess management's conclusions on contingent tax / legal matters; and • evaluated the adequacy of disclosures made in respect of these contingencies in accordance with the applicable accounting and reporting standards.

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

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 September 2023, but does not include the consolidated and unconsolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated 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.

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

Riaz Ahmad / Saqib Gohar & Co.

03 January 2024	Riaz Ahmad, Saqib, Gohar & Company
Lahore	Chartered Accountants
UDIN: AR202310098sopBD5Kkc	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2023 Rupees	2022 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	6	577,766,610	597,766,610
Share premium reserve	7	678,316,928	678,316,928
Accumulated profit		17,645,124,456	17,521,680,614
Equity attributable to owners of the Holding Company		18,901,207,994	18,797,764,152
Non - controlling interest	34	632,513,476	374,672,247
		19,533,721,470	19,172,436,399
NON-CURRENT LIABILITIES			
Long term finances - secured	8	–	7,686,703,300
Lease liabilities	9	1,971,856,431	1,846,353,605
Deferred taxation	10	715,499,312	380,933,944
Retirement benefits	11	–	23,650,196
Deferred income - Government grant	12	–	–
		2,687,355,743	9,937,641,045
CURRENT LIABILITIES			
Short term borrowings	13	6,292,529,027	14,830,264,117
Current portion of non-current liabilities	14	7,341,833,125	4,385,280,678
Trade and other payables	15	3,494,399,904	3,427,848,539
Advances from customers	16	18,671,702,990	3,291,833,080
Unclaimed dividend	17	52,850,040	40,640,932
Accrued profit / interest / mark-up	18	576,851,539	1,043,339,635
		36,430,166,625	27,019,206,981
Liabilities classified as held for sale	33	220,158,975	36,593,732
		36,650,325,600	27,055,800,713
CONTINGENCIES AND COMMITMENTS	19		
		58,871,402,813	56,165,878,157

The annexed notes from 1 to 56 form an integral part of these consolidated financial statements.

Chief Financial Officer

	Note	2023 Rupees	2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	20	23,174,767,655	22,913,520,193
Right-of-use assets	21	2,543,162,549	2,354,000,180
Investment property	22	317,840,212	185,854,012
Intangibles	23	608,658,513	610,702,115
Long term investments	24	–	–
Long term deposits	25	149,583,734	97,494,818
Retirement benefits	11	44,469,926	–
		26,838,482,589	26,161,571,318
CURRENT ASSETS			
Lease receivables	26	–	–
Biological assets	27	3,605,862,039	2,855,032,666
Stores, spare parts and loose tools	28	2,894,582,560	2,217,524,718
Stock-in-trade	29	18,325,999,039	17,918,960,986
Trade receivables	30	3,669,800,494	3,920,509,349
Advances, deposits, prepayments and other receivables	31	1,311,517,907	1,106,464,947
Advance income tax - net		282,245,504	596,663,748
Cash and bank balances	32	183,791,476	440,945,386
		30,273,799,019	29,056,101,800
Assets classified as held for sale	33	1,759,121,205	948,205,039
		32,032,920,224	30,004,306,839
		58,871,402,813	56,165,878,157

Chief Executive Officer

Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 September 2023

	Note	2023 Rupees	2022 Rupees
Continuing operations:			
Gross revenue		103,380,437,085	78,922,981,038
Sales tax and commission		(12,570,335,459)	(9,833,936,218)
Revenue from contracts with customers	35	90,810,101,626	69,089,044,820
Cost of revenue	36	(77,093,335,518)	(58,156,652,078)
Gross profit		13,716,766,108	10,932,392,742
Administrative expenses	37	(3,455,745,256)	(2,875,576,418)
Selling expenses	38	(83,842,256)	(63,394,544)
Other income	39	610,189,841	1,940,773,445
Other expenses	40	(320,710,188)	(410,247,961)
		(3,250,107,859)	(1,408,445,478)
Profit from operations		10,466,658,249	9,523,947,264
Share of loss of associate	24	–	–
Finance cost	41	(6,009,684,186)	(4,238,507,133)
Profit before taxation		4,456,974,063	5,285,440,131
Taxation	42	(1,643,267,577)	(962,605,454)
Profit from continuing operations		2,813,706,486	4,322,834,677
Discontinued operations:			
Profit /(loss) from discontinued operations – net of tax	43.1	627,350,923	(3,411,266)
Profit for the year		3,441,057,409	4,319,423,411
Attributable to:			
- Owners of the Holding Company		3,183,216,180	4,320,825,441
- Non - controlling interest	43.2	257,841,229	(1,402,030)
		3,441,057,409	4,319,423,411
Earnings per share - basic and diluted			
Continuing operations		48.28	72.32
Discontinued operations		6.34	(0.03)
Attributable to owners of the Holding Company	44	54.62	72.29

The annexed notes from 1 to 56 form an integral part of these consolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2023

	Note	2023 Rupees	2022 Rupees
Profit for the year		3,441,057,409	4,319,423,411
Other comprehensive (loss) / income - net of tax			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of retirement benefits	11.4	(31,731,476)	2,044,186
Related deferred tax	10.2	10,790,054	(674,581)
		(20,941,422)	1,369,605
Total comprehensive income for the year		3,420,115,987	4,320,793,016
Attributable to:			
- Owners of the Holding Company		3,162,274,758	4,322,195,046
- Non - controlling interest	43.2	257,841,229	(1,402,030)
		3,420,115,987	4,320,793,016

The annexed notes from 1 to 56 form an integral part of these consolidated financial statements.

Chief Financial Officer　　Chief Executive Officer　　Director

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 September 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	45	27,446,143,354	58,756,439
Taxes paid		(982,746,866)	(906,432,043)
Staff retirement benefits paid		(496,537,067)	(326,796,468)
Interest income received		261,354,261	630,526,856
Long term deposits		(52,088,916)	(2,244,078)
Workers' Profit Participation Fund paid	15.3	(469,145,497)	(328,660,801)
Workers' Welfare Fund paid	15.4	(13,849,535)	(21,994,389)
		(1,753,013,620)	(955,600,923)
Net cash generated from / (used in) operating activities		25,693,129,734	(896,844,484)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(2,046,597,454)	(1,250,581,735)
Right-of-use assets		(12,537,538)	15,961,641
Payment for acquisition of investment property		(93,282,100)	–
Proceeds from insurance claim		–	24,541,000
Proceeds from disposal of operating fixed assets		80,928,212	138,454,557
Net cash used in investing activities		(2,071,488,880)	(1,071,624,537)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - net		(4,900,672,568)	(3,581,326,137)
Short term borrowings - net		(8,822,939,021)	10,444,813,652
Financial charges paid as:			
- finance cost		(6,063,158,777)	(3,234,379,113)
- interest on lease liabilities		(377,600,135)	(261,513,480)
Principal portion of lease liabilities paid		(953,006,386)	(699,143,076)
Payment for own share purchased for cancellation		(892,206,128)	–
Dividend paid		(2,154,415,680)	(1,494,837,415)
Net cash (used in) / generated from financing activities		(24,163,998,695)	1,173,614,431
Net decrease in cash and cash equivalents		(542,357,841)	(794,854,590)
Cash and cash equivalents at beginning of the year		(2,200,970,839)	(1,406,116,249)
Cash and cash equivalents at end of the year		(2,743,328,680)	(2,200,970,839)
Cash and cash equivalents comprise of the following:			
- Cash and bank balances	32	183,791,476	440,945,386
- Running /Morabaha/Karobar/Musharakah finances	13.2	(2,927,120,156)	(2,641,916,225)
		(2,743,328,680)	(2,200,970,839)

The annexed notes from 1 to 56 form an integral part of these consolidated financial statements.

Chief Financial Officer Chief Executive Officer Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2023

	Share capital	Reserves: Capital – Share premium	Reserves: Revenue – Accumulated profit	Total reserves	Equity attributable to owners of the Holding Company	Non-controlling interest	Total equity
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 October 2021	597,766,610	678,316,928	14,693,902,094	15,372,219,022	15,969,985,632	376,074,277	16,346,059,909
Total comprehensive income for the year							
Profit for the year	–	–	4,320,825,441	4,320,825,441	4,320,825,441	(1,402,030)	4,319,423,411
Other comprehensive income for the year	–	–	1,369,605	1,369,605	1,369,605	–	1,369,605
	–	–	4,322,195,046	4,322,195,046	4,322,195,046	(1,402,030)	4,320,793,016
Transactions with owners of the Holding Company recorded directly in equity							
Final cash dividend @ Rs. 10 per share for the year ended 30 September 2021	–	–	(597,766,610)	(597,766,610)	(597,766,610)	–	(597,766,610)
Interim cash dividend @ Rs. 7.50 per share for the half year ended 31 March 2022	–	–	(448,324,958)	(448,324,958)	(448,324,958)	–	(448,324,958)
Interim cash dividend @ Rs. 7.50 per share for the nine months ended 30 June 2022	–	–	(448,324,958)	(448,324,958)	(448,324,958)	–	(448,324,958)
	–	–	(1,494,416,526)	(1,494,416,526)	(1,494,416,526)	–	(1,494,416,526)
Balance as at 30 September 2022	597,766,610	678,316,928	17,521,680,614	18,199,997,542	18,797,764,152	374,672,247	19,172,436,399
Total comprehensive income for the year							
Profit for the year	–	–	3,183,216,180	3,183,216,180	3,183,216,180	257,841,229	3,441,057,409
Other comprehensive loss for the year	–	–	(20,941,422)	(20,941,422)	(20,941,422)	–	(20,941,422)
	–	–	3,162,274,758	3,162,274,758	3,162,274,758	257,841,229	3,420,115,987
Transactions with owners of the Holding Company recorded directly in equity							
Final cash dividend @ Rs. 12.5 per share for the year ended 30 September 2022	–	–	(722,208,263)	(722,208,263)	(722,208,263)	–	(722,208,263)
Interim cash dividend @ Rs. 10 per share for the half year ended 31 March 2023	–	–	(577,766,610)	(577,766,610)	(577,766,610)	–	(577,766,610)
Interim cash dividend @ Rs. 15 per share for the nine months ended 30 June 2023	–	–	(866,649,915)	(866,649,915)	(866,649,915)	–	(866,649,915)
Own shares purchased and cancelled during the year	(20,000,000)	–	(872,206,128)	(872,206,128)	(892,206,128)	–	(892,206,128)
	(20,000,000)	–	(3,038,830,916)	(3,038,830,916)	(3,058,830,916)	–	(3,058,830,916)
Balance as at 30 September 2023	577,766,610	678,316,928	17,645,124,456	18,323,441,384	18,901,207,994	632,513,476	19,533,721,470

The annexed notes from 1 to 56 form an integral part of these consolidated financial statements.

Chief Financial Officer | Chief Executive Officer | Director

1. CORPORATE AND GENERAL INFORMATION

1.1 The Group consists of the Holding Company and its Subsidiary Companies.

	2023	2022
	Holding percentage	
Holding Company		
JDW Sugar Mills Limited		
Subsidiaries:		
- Deharki Sugar Mills (Private) Limited ("DSML")	100%	100%
- Ghotki Power (Private) Limited ("GPL")	100%	100%
- Sadiqabad Power (Private) Limited ("SPL")	100%	100%
- Faruki Pulp Mills Limited ("FPML")	57.67%	57.67%
Associate:		
- Kathai-II Hydro (Private) Limited ("KHL")	20%	20%

JDW Sugar Mills Limited ("the Holding Company") was incorporated in Pakistan on 31 May 1990 as a private limited company and was subsequently converted into a public limited company on 24 August 1991. The shares of the Holding Company are listed on the Pakistan Stock Exchange Limited. The principal activities of the Holding Company are production and sale of crystalline sugar including its by-products i.e. molasses, bagasse and mud, generation and sale of energy and managing corporate farms.

The Board of Directors of the Holding Company has resolved to set-up a state-of-the-art distillery project with initial capacity of 200,000-230,000 liters per day (the "Distillery/Ethanol Project"). The Distillery/ Ethanol Project will produce best quality exportable Ethanol from molasses, which is Sugar's by-product. (for details, refer to note 20.1.6 & 20.2.1).

The geographical locations and addresses of the Holding Company's business units, including production facilities are as under:

- Head office and registered office: 17 - Abid Majeed Road, Lahore Cantonment, Lahore, Pakistan
- Unit-I: Mauza Sharin, Jamal Din Wali, District Rahim Yar Khan, Punjab
- Unit-II: Machi Goth, Sadiqabad, District Rahim Yar Khan, Punjab
- Unit-III: Mauza Laluwali, Near Village Islamabad, District Ghotki, Sindh
- Corporate farms - Punjab Zone
- Corporate farms - Sindh Zone

The Holding Company has executed Energy Purchase Agreements ("EPA") on 20 March 2014 for thirty years with National Transmission & Despatch Company Limited ("NTDC") through the Central Power Purchasing Agency (Guarantee) Limited ("'CPPA-G' and also referred to as "the Purchaser'") for its Bagasse Based Co-Generation Power Plants ("Co-Generation Power") at Unit-II, Sadiqabad, District Rahim Yar Khan, Punjab and Unit-III, District Ghotki, Sindh.

On February 12, 2021, the Holding Company entered into a Novation Agreement to the EPA with NTDC and CPPA-G', whereby, NTDC irrevocably transferred all of its rights, obligations and liabilities under EPA to CPPA-G and thereafter, NTDC ceased to be a party to the EPA, and CPPA-G became a party to the EPA in place of NTDC.

The 26.60 MW power plant at Unit-II achieved Commercial Operations Date ("COD") on 12 June 2014 while the 26.83 MW power plant at Unit-III achieved COD on 03 October 2014 after completing all independent testing and certification requirements and commenced supplying renewable electricity to the national grid. Further, the Holding Company's Co-Generation Power Plants are the first to materialize under National Electric Power Regulatory Authority's ("NEPRA") upfront bagasse tariff.

1.2 Deharki Sugar Mills (Private) Limited – "DSML" ("the Subsidiary Company") having financial year ended 30 September 2023 was incorporated in Pakistan on 14 July 2010 as a Private Limited Company. The principal activity of DSML is manufacturing and sale of crystalline sugar. Geographical location and addresses of all business units are as follows:

- Head office / registered office: 17-Abid Majeed Road, Lahore Cantonment, Lahore, Pakistan;
- Manufacturing unit: KLP Road, Mauza Kamoo Shaheed, Taluka Ubauro, Mirpur Mathelo, Ghotki, Sindh. and
- Karachi Office: Office No.4, 12th Floor Bahria Town Tower, Karachi.

1.3 Faruki Pulp Mills Limited – "FPML" ("the Subsidiary Company") having financial year ended 30 September 2023 was incorporated in Pakistan on 20 October 1991 as a Public Limited Company. FPML will be engaged in the manufacture and sale of paper pulp. Geographical location and addresses of all business units are as follows:

- Head office / registered office: 14/4- Abid Majeed Road Lahore Cantt, Pakistan.; and
- Production facility is situated at 20 km from Gujrat, Sargodha Road, Mangowal, Punjab.

FPML has been unable to commence its commercial operations till date. The trial runs conducted over the years, identified significant additional capital expenditure requirements to make the plant commercially viable.

Keeping in view the commercial viability of the plant and substantial accumulated losses, the management of FPML believes that it may not be able to realize its assets and discharge its liabilities in the normal course of business, and there does not exist any realistic basis to prepare these financial statements on a going concern basis. Accordingly, separate financial statements of FPML have been prepared on non-going concern basis (for details, refer to note 33). As at 30 September 2023, the Group's share in the net assets of FPML is Rs. 868.10 million (2022: Rs. 498.59 million). The financial statements of the Group have been prepared on a going concern basis.

Moreover, FPML through an extraordinary general meeting held on 25 March 2020, resolved to dispose of its property, plant and equipment either in parts or in their entirety to the prospective buyers after due process. As a result, the Group's operations have been divided into Continuing and Discontinued operations in accordance with the requirements of International Financial Reporting Standard (IFRS) 5, "Non-current Assets Held for Sale and Discontinued Operations".

Paper Pulp business have been classified as Discontinued operations (for details, refer to note 33). Continuing operations include Sugar, Co-Generation Power and Corporate Farms business.

1.4 Sadiqabad Power (Private) Limited - "SPL" ("the Subsidiary Company") having financial year ended 30 September 2023 was incorporated in Pakistan on 16 December 2016. SPL will be engaged in the production of energy under the expansion program of the Holding Company's existing bagasse based Co-Generation Power Plants. Geographical location and addresses of all business units are as follows:

- Head office / registered office: 17-Abid Majeed Road, Lahore Cantonment, Lahore, Pakistan and
- The generation facility is located at Machi Goth, Tehsil Sadiqabad, District Rahim Yar Khan.

1.5 Ghotki Power (Private) Limited - "GPL" ("the Subsidiary Company") having financial year ended 30 September 2023 was incorporated in Pakistan on 15 December 2016. GPL will be engaged in the production of energy under the expansion program of the Holding Company's existing bagasse based Co-Generation Power Plants. Geographical location and addresses of all business units are as follows:

- Head office / registered office: 17-Abid Majeed Road, Lahore Cantonment, Lahore, Pakistan; and
- The generation facility is located at Ghot Islamabad, Tehsil and District Ghotki adjacent to JDW Sugar Mills unit III.

1.6 Kathai-II Hydro (Private) Limited – "KHL" ("the associate") having financial year ended 30 June 2023 is a private limited company incorporated in Pakistan on August 27, 2012 under the repealed Companies Ordinance, 1984. The Principal activity of KHL is to generate, distribute and sell electricity. Geographical location and addresses of all business units are as follows:

- Head office / registered office of KHL is situated at 300 Main Boulevard, Phase 6, DHA, Lahore; and
- Production unit is located on the Kathai Nullah in Azad Jammu & Kashmir ("AJK") about 50 km east of Muzaffarabad.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

– International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

– Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and

– Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except for certain items as disclosed in the relevant accounting policies below.

2.3 Functional and presentation currency

These consolidated financial statements are presented in Pakistani Rupees (Rs. / Rupees) which is the Groups functional currency. All amounts have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.

3. KEY JUDGMENTS AND ESTIMATES

The preparation of these consolidated financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to exercise judgments, make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, and the results of which form the basis for making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The revisions to accounting estimates (if any) are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a high degree of judgments or complexity, or areas where assumptions and estimates are significant to these consolidated financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and depreciation method of operating fixed assets - note 4.3.1
- Estimation regrading determination of lease term, lease classification and incremental borrowing rate under IFRS 16 - note 4.4
- Useful lives, residual values and amortization method of intangible assets - note 4.6.2
- Fair value of biological assets - note 4.7 & 27
- Provision for impairment of inventories - note 4.8 & 28
- Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses and tax credits) - note 4.10
- Obligation under employee retirement benefits - note 4.11
- Revenue from contracts with customers – note 4.13
- Estimation of provisions - note 4.18
- Estimation of contingent liabilities and assets - note 4.19 & 4.20
- Expected credit losses of certain financial assets under IFRS 9 - note - 4.21.6
- Incurred impairment losses of certain financial assets under IAS 39 - note - 4.21.7
- Impairment loss of non-financial assets other than inventories and deferred tax assets - note 4.22

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Basis of consolidation and equity accounting

The consolidated financial statements include the financial statements of the Holding Company and its subsidiaries. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group companies.

4.1.1 Subsidiaries

Subsidiaries are those entities in which the Holding Company directly or indirectly controls, beneficially owns or holds more than 50 percent of its voting securities or otherwise has power to elect and appoint more than 50 percent of its directors. The financial statements of subsidiaries are included in these consolidated financial statements from the date control commences.

The financial statements of the subsidiaries are consolidated on a line-by-line basis and the carrying value of investment held by the Holding Company is eliminated against the Holding Company's share in paid up capital of the subsidiaries. The Group applies uniform accounting policies for like transactions and events in similar circumstances except where specified otherwise.

Non-controlling interests are that part of net results of the operations and of net assets of Subsidiary Companies attributable to interest which are not owned by the Holding Company. Changes in the Holding Company's interest in the subsidiaries that do not result in a loss of control are accounted for as equity transactions. Non-controlling interests are presented as separate item in these consolidated financial statements. Non-controlling interest is measured at proportionate share of identifiable net assets at the time of acquisition.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

4.1.2 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% to 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in consolidated statement of profit or loss, and the Group's share of movements in other comprehensive income of the investee in consolidated statement of comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the Group does not recognise additional losses unless the entity has incurred legal or constructive obligations or made payments on behalf of the associate.

If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Associates, which the Group intends to dispose off within twelve months of the reporting date are not accounted for under the equity method and are shown under non-current assets held for sale at the lower of carrying amount and fair value less cost to sell.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 4.22

4.2 Disposal group held for sale and discontinued operations

Disposal group comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Disposal group classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Group's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortization.

Additional disclosures are provided in note 33. All other notes to the consolidated financial statements include amounts for continuing operations, unless indicated otherwise.

4.3 Property, plant and equipment

4.3.1 Operating fixed assets

Items of operating fixed assets other than freehold land are measured at cost less accumulated depreciation and impairment loss (if any). Freehold land is stated at cost less any impairment loss (if any).

Cost of operating fixed assets comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is charged to the consolidated statement of profit or loss so as to write off the cost or carrying amount of assets (other than land, capital work-in-progress and identifiable major stores, spare parts and loose tools held for capital expenditure) over their estimated useful lives, using reducing balance method and straight-line method at rates specified in note 20.1. The straight-line method is used for assets related to corporate farms segment of the Group. However, sometimes, the future economic benefits embodied in an asset are absorbed in producing other assets. In this case, the depreciation charge constitutes part of the cost of the other asset and is included in its carrying amount.

Sugarcane roots (bearer plants) are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Costs capitalized to sugarcane roots include preparing the land, maintaining a source of seed cane, planting the seed cane and costs related to establishing new area under cane. Depreciation of bearer plants commences when they are ready for their intended use. Costs incurred for infilling including block infilling are generally recognized in the consolidated statement of profit or loss unless there is a significant increase in the yield of the sections, in which case such costs are capitalized and depreciated over the remaining useful life of the respective fields. Depreciation on bearer plants is recognized so as to write off its cost less residual values over useful lives, using the straight-line method at rates as specified in note 20.1

Depreciation on additions is charged from the date when the asset is available for use, while no depreciation is charged when an asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount as referred in note 4.22

Gains or losses arising on derecognition of an item of operating fixed assets is determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the consolidated statement of profit or loss within other income or other expenses. The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis. The Group's estimate of the residual value of its operating fixed assets as at 30 September 2023 has not required any adjustment as its impact is considered insignificant.

4.3.2 Capital work-in-progress

Capital work-in-progress are stated at cost less impairment loss (if any). Cost consists of expenditure incurred, advances made and other costs directly attributable to assets in the course of their construction, erection and installation. Cost also includes applicable borrowing costs. Transfers are made to relevant asset category as and when assets are available for intended use.

4.3.3 Major stores and spare parts held for capex

Major stores, spare parts and loose tools held for capital expenditure qualify as property, plant and equipment when the Group expects to use them for more than one year. These are stated at cost less impairment loss (if any). Transfers are made to operating fixed assets category as and when such items are available for use.

4.4 Lease liability and right-of-use asset

4.4.1 The Group is the lessee:

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities related to land and building. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as specified in note 21.

Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. The Group also assesses the right-of-use asset for impairment when such indicators exist.

The Group has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to the consolidated statement of profit or loss as incurred.

Lease liabilities

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed) less any lease incentive receivable, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

4.4.2 The Group is the lessor:

As a lessor, the Group classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not. However, all leases of the Group as lessor are treated as operating leases and payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The Group also earns rental income from operating leases of its investment property (see note 4.5). Rental income is recognised on a straight-line basis over the term of the lease.

4.4.3 The Group is the intermediate lessor:

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption as described in note 4.4.1, then it classifies the sub-lease as an operating lease.

The Group perform assessment regarding operating lease or finance lease at the date of initial application on the basis of the remaining contractual terms and conditions of the head lease and sublease at that date.

The Group has sub-leased a land that has been presented as part of a right-of-use asset and recognised a gain or loss on derecognition of the right of-use asset pertaining to the land and presented the gain / loss as part of other income / expense. The Group recognised interest income on lease receivables in the consolidated statement of profit or loss.

4.5 Investment property

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

The Group's investment property comprises of land which is carried at cost, including transaction cost, less identified impairment loss, if any. The Group assesses at each consolidated statement of financial position date whether there is any indication that investment property may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying value exceeds the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the consolidated statement of profit or loss for the year. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the cost at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Investment property is derecognized either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The gain or loss on derecognition being difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statement of profit or loss as an income or expense in the period of derecognition.

4.6 Intangibles

4.6.1 Goodwill

Goodwill is initially measured as at the acquisition date, being the excess of (a) the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree; and (b) the net of the acquisition date amount of the identifiable assets acquired and the liabilities assumed.

In case the fair value attributable to the Group's interest in the identifiable net assets exceeds the fair value of consideration, the Group recognises the resulting gain in the consolidated statement of profit or loss on the acquisition date.

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at cost less accumulated impairment losses, if any. (for impairment testing, refer to note 4.22).

On disposal of the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

4.6.2 Computer software

Intangible assets acquired separately are initially recognized at cost. After initial recognition, these are measured at cost less accumulated amortization and accumulated impairment losses if any. Costs associated with routine maintenance of intangible assets are recognized as an expense when incurred. However, costs that are directly attributable to identifiable intangible assets and which enhance or extend the performance of intangible assets beyond the original specification and useful life is recognized as capital improvement and added to the original cost of the software.

The estimated useful life and amortization method is reviewed at the end of each annual reporting period, with effect of any changes in estimate being accounted for on a prospective basis. In addition, they are subject to impairment testing as described in note 4.22

Intangible assets with finite useful life are amortized using straight-line method over its useful life as specified in note 23.2 to these consolidated financial statements. Amortization on additions to intangible assets is charged from the date when an asset is put to use till the asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in the consolidated statement of profit or loss within other income or other expenses.

4.7 Biological assets

The Group recognises a biological asset or agricultural produce when, and only when the Group controls the asset as a result of past events; and it is probable that future economic benefits associated with the asset will flow to the Group, and the fair value or cost of the asset can be measured reliably.

Consumable biological assets, comprising of standing sugarcane and other crops (if any) are measured at their fair value determined by discounting future cash flows (income approach methodology) from operations over the estimated useful life of the biological assets using the risk adjusted discount rate.

Significant assumptions used are stated in note 27.1 to these consolidated financial statements. Fair value is deemed to approximate the cost when little biological transformation has taken place or the impact of the transformation in price is not expected to be material.

The sugarcane roots are bearer plants and are therefore presented and accounted for as operating fixed assets under the head ‘property, plant and equipment’ as explained in note 4.3.1. However, the standing sugarcane and other crops are accounted for as biological assets until the point of harvest. Sugarcane and other crops are transferred to inventory at fair value less costs to sell when harvested. A gain or loss arising on initial recognition of a biological asset / agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset are included in the consolidated statement of profit or loss for the period in which it arises. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income taxes.

Initial and subsequent expenditure incurred for the establishment and conservation of biological assets are capitalised as costs directly attributable to the biological transformation required to obtain the fair value at which biological assets are valued.

Management of the Group regularly reviews significant unobservable inputs and valuation adjustments used to arrive at fair value of biological assets. Any change in those inputs and valuation adjustments might affect valuation of biological assets and accordingly charge to the consolidated statement of profit or loss.

The Group managed, cultivate, consumed and sold sugarcane crops, while in case of other crops, the Group engaged in cultivation and sale of wheat, mustard and rice etc.

4.8 Stores, spare parts and loose tools

These are stated at lower of cost and net realizable value. Cost is determined using the weighted average method. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, that have been incurred in bringing the inventories to their present location and condition.

Estimates and judgements are continually evaluated and adjusted based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group reviews the stores, spare parts and loose tools for possible impairment on an annual basis. Any change in estimates in future years might affect the carrying amounts of respective items of stores, spare parts and loose tools with a corresponding effect on provision.

4.9 Stock-in-trade

These are valued at the lower of weighted average cost and net realizable value except for stock in transit, which is valued at cost comprising invoice value and related expenses incurred thereon up to the consolidated statement of financial position date.

Cost is determined as follows:

Raw materials	Average cost
Work-in-Process & finished goods	Average manufacturing cost
Molasses, bagasse and mud - by products	Net realizable value

Cost in relation to finished goods and work-in-process comprise of direct materials, direct labour and an appropriate proportion of overhead expenditure.

The cost of harvested crops transferred from biological assets to stock-in-trade is its fair value less costs to sell at the point of harvest.

The Group reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock-in-trade is adjusted where the net realizable value is below the cost. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

4.10 Taxation

Taxation for the year is the tax payable on the current year's taxable income based on the applicable income tax rate. Income tax expense comprises current and deferred tax.

4.10.1 Current tax

Income tax

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation. The charge for current tax is calculated using tax rates (and laws) that have been enacted or substantially enacted at the reporting date and 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 year for such years.

However, profits and gains of the Group derived from bagasse based cogeneration power project are exempt from tax in terms of clause 132C of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the conditions and limitations provided therein. Under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, the Group is also exempt from levy of minimum tax on 'turnover' under section 113 of the Income Tax Ordinance, 2001.

Agriculture tax

According to Section 41 of the Income Tax Ordinance, 2001, agriculture income of the Group is exempt from tax under Federal Board of Revenue. Provision for current tax is based on the taxable agriculture income for the year determined in accordance with the Punjab Agriculture Income Tax Act, 1997. The charge for current tax is calculated using prevailing tax rates.

4.10.2 Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. In this regard, the effect on deferred taxation of the portion of income subject to provisions of Section 113 is also considered in accordance with the requirement of Technical Release - 27 of Institute of Chartered Accountants of Pakistan.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax has been fully provided in these consolidated financial statements except profits and gains of the Group derived from bagasse based cogeneration power which are exempt from tax subject to the conditions and limitations provided for in terms of clause (132C) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 because the Group's management believes that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

4.10.3 Group taxation

The Holding Company has filed an application dated 08 December 2021 to Securities Exchange Commission of Pakistan ('SECP') for Group Taxation under regulation 8 of the Group Companies Registration Regulation 2008. The above mentioned application has been considered by the SECP dated 27 December 2021 and issued the designation letter to the Holding Company for Group Taxation for the Group which comprises of the Holding Company and its wholly owned subsidiary, Deharki Sugar Mills (Pvt.) Limited. Consequently, the Group will be taxed as one fiscal unit from the tax year 2023 and onwards.

Further, as per clause 103A of Part I and clause 11C of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, any income derived from inter-corporate dividend and applicability of provision of section 151 of Income Tax Ordinance ('the Ordinance') on inter-corporate profit on debt within the group companies entitled to group taxation under section 59AA of the Ordinance, is exempt from tax subject to the condition that return of the Group has been filed for the tax year.

Current and deferred income taxes are recognised by each entity within the group, regardless of who has the legal rights for the recovery of tax. However, current tax liability / receivable is shown by the respective companies of the Group as it has legal obligation / right of recovery of tax upon submission of Group annual income tax return. Balances among the Group entities as a result of Group taxation is shown as tax recoverable / payable to the respective group entity. Any adjustments in the current and deferred taxes of the respective companies on account of Group taxation are credited or charged to profit or loss in the year in which they arise.

4.11 Employee benefits

4.11.1 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plan is recognized as an employee benefit expense in the consolidated statement of profit or loss when they are due.

The Group operates approved contributory provident fund for its eligible employees. Equal monthly contribution is made both by the Group and employee to the fund at the rate of 10% of basic salary.

4.11.2 Defined benefit plan

A defined benefit plan provides an amount of gratuity that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation. A defined benefit plan is a plan that is not a defined contribution plan. The liability recognized in the consolidated statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting year less the fair value of plan assets.

The Holding Company operates approved funded gratuity fund covering eligible full time permanent employees who have completed the minimum qualifying period of service as defined under the JDW Sugar Mills Limited Employees Gratuity Fund Rules ("the Rules"). The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes. Employees are not required to contribute to the plan.

The gratuity fund is governed under the Punjab Trust (Amendment) Act 2022, Trust Deed and Rules of Fund, Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002. Responsibility for governance of plan, including investment decisions and contribution schedule lie with Board of Trustees of the Fund.

The calculation of the benefit requires assumptions to be made of future outcomes, the principal ones being in respect of increase in remuneration and the discount rate used to convert future cash flows to current values.

The calculation of defined benefit obligation is performed by qualified actuary by using the projected unit credit method and charge for the year, other than on account of experience adjustment, is included in the consolidated statement of profit or loss.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income.

The Holding Company determines the net interest expense / (income) on the net defined liability / (asset) for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual year to the then - net defined benefit liability / (asset) during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in the consolidated statement of profit or loss.

4.12 Deferred Government grant

Grant from the government is recognised at their fair value where there is a reasonable assurance that the grant will be received and the Holding Company will comply with all attached conditions. Government grant relating to costs is deferred and recognised in the consolidated statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate. Amortization of deferred grant is presented as reduction of related interest expense.

4.13 Revenue from contracts with customers

4.13.1 Revenue recognition

Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised goods or service to a customer, and control either transfers over time or at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, commissions and government levies. Revenue comprises income arising in the course of the Group's ordinary activities. The Group is engaged in the sale of crystalline sugar, its by-products, agri inputs, sale of energy and agricultural produce.

a) Sale of goods

Revenue from the sale of goods is recognized at the point in time when the performance obligations arising from the contract with a customer is satisfied and the amount of revenue that it expects to be entitled to can be determined. This usually occurs when control of the asset is transferred to the customer, which is when goods are dispatched or delivered to the customer. The normal credit terms for customers is as per sale order.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Revenue is disclosed net of returns, rebates, discounts and other allowances.

b) Sale of energy

Revenue from sale of energy is recognized over time as energy is delivered and based on the rates determined under the mechanism laid down in the EPA. The delivered energy units represent a series of distinct goods that are substantially the same and have the same pattern of transfer to the customer as measured using an output method. The amount that the Group has a right to invoice the customer corresponds directly with the value of the completed performance to the customer. As a result, the Group applies the "right to invoice" practical expedient under IFRS 15 to measure and recognize revenue.

Invoices are generally raised on a monthly basis and the Purchaser (CPPA-G) shall pay the Seller (the Company) the amount shown on an invoice on or before the thirtieth (30^{th}) Day following the Day the invoice is received by the Purchaser (CPPA-G).

Payments to customers are recorded as a reduction in revenue when the payments relate to the Group's performance obligations under the contract (e.g. liquidated damages or penalties).

c) Other income

The Group also generates revenue from following other sources which are enumerated below:

- income on bank deposits is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return;
- foreign currency gains and losses are reported on a net basis;
- rental income arising from investment property and sub-lease (operating lease) is recognized in accordance with the terms of lease contracts over the lease term on straight-line basis;
- interest income is recognized as and when accrued on effective interest method;
- delayed payment mark-up on amounts due under the EPA is accrued on a time proportion basis by reference to the amount outstanding and the applicable rate of return under the EPA.
- Mark-up on grower advance is accounted for in line with the recovery of the respective loan;
- Income from sale of scrap is recorded when risks and rewards are transferred to the customers which coincides with the time of dispatch of items; and
- Other incomes, if any, are accounted when performance obligations are met.

4.13.2 Contract balances

a) Contract liabilities (advances from customers)

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as advances from customers in the consolidated statement of financial position (refer to note 16).

b) Trade receivables / contract assets

If the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a trade receivable in its consolidated statement of financial position, depending on whether something other than the passage of time is required before the consideration is due (refer to note 30).

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables are amounts due from customers for goods or services that are delivered in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. Refer note 4.21.6 for a description of the Group's impairment policies.

c) Contract cost

The contract cost is the incremental cost that the Group incurs to obtain a contract with customers that it would not have incurred if the contract had not been obtained. The Group recognized contract cost as an expense in the consolidated statement of profit or loss on a systematic pattern of revenue or contract basis.

4.14 Advances, deposits and prepayments except financial assets

These are initially measured at the fair value of the consideration receivable or paid. An estimated provision is made against amounts considered doubtful of recovery whereas, amounts considered irrecoverable are written off.

4.15 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognized in the consolidated statement of profit or loss as incurred.

4.16 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and bank deposits, as defined above, net of outstanding running finances /Morabaha/ Karobar/Musharakah finances as they are considered an integral part of the Group's cash management.

4.17 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in ordinary course of business from suppliers. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. Trade and other payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

4.18 Provisions

Provisions are recognized when the Group 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. The Group reviews the status of all pending litigations and claims against the Group. Based on its judgment and the advice of the legal advisors/consultants for the estimated financial outcome, an appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the consolidated statement of financial position date.

4.19 Contingent liabilities

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

4.20 Contingent assets

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognised until their realisation become virtually certain.

4.21 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.

4.21.1 Recognition and initial measurement

All financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instruments.

A financial asset (unless it is a trade receivable without a significant financing component or for which the Group has applied the practical expedient) or financial liability is initially measured at fair value plus/less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

4.21.2 Classification and subsequent measurement
Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (‘FVTOCI’), and fair value through profit or loss (‘FVTPL’). The classification is determined by both:

– the entity’s business model for managing the financial asset, and
– the contractual cash flow characteristics of the financial asset.

Financial assets – Business model assessment

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

– contingent events that would change the amount or timing of cash flows;
– terms that may adjust the contractual coupon rate, including variable-rate features;
– prepayment and extension features; and
– terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

All revenue and expenses relating to financial assets that are recognised in consolidated statement of profit or loss are presented within finance costs, other income or other financial items, except for impairment of trade receivables which is presented within other expenses.

4.21.3 Subsequent measurement of financial assets

i) Financial assets at amortized cost (debt instruments)

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

The Group's financial assets at amortised cost includes trade receivables, due from related parties, securities deposits, other receivables, short term advances and bank balances and any other financial assets included under current financial assets.

ii) Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

– The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; 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.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals (if any) are recognised in the consolidated statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to consolidated statement of profit or loss.

Currently, the Group does not have any financial assets categorised as FVTOCI as debt instrument.

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

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

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

Currently, the Group does not have any financial assets categorised as FVTOCI as equity instrument.

iv) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss. This includes derivative instruments and listed equity investments, if any which the Group had not irrevocably elected to classify at fair value through OCI. Assets in this category are measured at fair value with gains or losses recognised in the consolidated statement of profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Currently, the Group does not have any financial assets categorised as FVTPL.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, and financial liabilities at amortised cost, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

The Group has not designated any financial liability upon recognition as being at fair value through profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognised in consolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

4.21.4 Derecognition

Financial assets

A financial asset is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in consolidated statement of profit or loss.

Financial liabilities

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 the consolidated statement of profit or loss.

4.21.5 Offsetting of financial instruments

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

4.21.6 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group 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.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter year if the expected life of the instrument is less than 12 months).

ECLs are 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 the 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 the default.

For debt instruments at amortised cost (other than trade receivables) and fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than reasonable period past due.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the trade receivable and the economic environment.

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

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

The Gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

4.21.7 Financial assets due from the Government of Pakistan

Financial assets due from the Government of Pakistan include trade receivables due from CPPA-G under the EPA that also includes accrued amounts of markup. SECP vide S.R.O. 67 (I)/2023 dated 20 January 2023 notified a partial exemption of its previous S.R.O. 1177 (I)/2021, dated September 13, 2021, that in respect of companies holding financial assets due or ultimately due from the Government of Pakistan in respect of circular debt, the requirements contained in "IFRS 9 (Financial Instruments) with respect to application of Expected Credit Losses method" shall be not be applicable till 31 December 2024, provided that such companies shall follow relevant requirements of IAS 39 - Financial Instruments:

Recognition and Measurement, in respect of above referred financial assets during the exemption period. The Group has applied the following policy during exemption period:

A provision for impairment is established when there is objective evidence that the Group will not be able to collect all the amount due according to the original terms of the receivable.

The Group assesses at the end of each reporting period whether there is objective evidence that the financial asset is impaired. The financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include indications that the trade receivable is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated statement of profit or loss. When the financial asset is uncollectible, it is written off against the provision.

Subsequent recoveries of amounts previously written off are credited to the consolidated statement of profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the trade receivable's credit rating), the reversal of the previously recognized impairment loss is recognised in the consolidated statement of profit or loss.

4.22 Non - Financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount.

Impairment losses are recognized in consolidated statement of profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized. A reversal of impairment loss for a cash generating unit is allocated to the assets of the unit, except for goodwill, pro rata with the carrying amounts of those assets. The increase in the carrying amounts shall be treated as reversals of impairment losses for individual assets and recognized in the consolidated statement of profit or loss unless the asset is measured at revalued amount. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase.

4.23 Business combination

Business combinations are accounted for by applying the acquisition method. The cost of acquisition is measured as the fair value of assets given, equity instruments issued and the liabilities incurred or assumed at the date of acquisition. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the identifiable net assets acquired is recorded as goodwill (for details, refer to note 4.6.1). If this is less than the fair value of the net assets acquired in the case of a bargain purchase, the difference is charged directly in the consolidated statement of profit or loss.

4.24 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the consolidated statement of profit or loss. Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are not translated again at the reporting date.

4.25 Dividend

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in the consolidated statement of changes in equity and as a liability in the financial statements in the year in which it is declared by the Board of Directors and approved by the members.

4.26 Earnings per share (EPS)

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

4.27 Operating segment

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated (for details, refer to note 46.2).

5. NEW STANDARDS, AMENDMENTS TO APPROVED ACCOUNTING STANDARDS AND NEW INTERPRETATIONS

The following amendments to existing standards have been published that are applicable to the consolidated financial statements covering annual periods, beginning on or after the following dates:

5.1 Standards, interpretations and amendments to published approved accounting standards that are effective during the current year

Certain standards, amendments and interpretations to IFRSs are effective for accounting periods beginning on October 01, 2022 but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these consolidated financial statements.

5.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following Standards and amendments to published approved accounting standards that are effective for accounting periods, beginning on or after the date mentioned against each to them:

		Effective for the period beginning on or after
IAS-1	Presentation of Financial Statements – Amendments regarding the classification of liabilities.	January 01, 2024
IAS-1	Presentation of Financial Statements – Amendments regarding the disclosure of accounting policies.	January 01, 2023
IAS-7 & IFRS 7	Statement of Cash Flows & Financial Instrument – Amendments regarding to provide qualitative and quantitative information about supplier finance arrangements.	January 01, 2024
IAS-8	Accounting Policies, changes in Accounting Estimates and Errors – Amendment regarding the definition of accounting estimates.	January 01, 2023

		Effective for the period beginning on or after
IAS-12	Income Taxes – The amendments to narrow the scope of the initial recognition exemption.	January 01, 2023
IFRS-4	Insurance Contracts – Amendments regarding the expiry date of the deferral approach.	January 01, 2023
IFRS-16	Leases – Amendment regarding how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.	January 01, 2024
IFRS-10	Consolidated Financial Statements and IAS 28 - Investment in Associates and Joint Ventures –Amendment regarding sale or contribution of assets between an investor and its associate or Joint Venture.	The effective date for these changes has been deferred indefinitely until the completion of a broader review.

The above amendments and improvements are not expected to have any material impact on the consolidated financial statements in the period of initial application.

5.3 New Standards issued by IASB but not yet been notified / adopted by SECP

Following new standards issued by IASB but not yet been notified / adopted by SECP:

		Effective for the period beginning on or after
IFRS – 1	First Time Adoption of IFRS	July 01, 2009
IFRS – 17	Insurance Contracts	January 01, 2023

Further, the above new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan and are not expected to have any material impact on the consolidated financial statements in the period of initial application.

5.4 Waiver from application of IFRS 16 "Leases"

The Securities and Exchange Commission of Pakistan (SECP) through S.R.O. 24 (I) / 2012 dated January 16, 2012, as modified by S.R.O. 986 (I) / 2019 dated September 02, 2019, granted exemption from the application of IFRS 16 'Leases' to all companies, which have entered into power purchase agreements before January 01, 2019. However, SECP made it mandatory to disclose the impact of the application of IFRS 16 on the Group's financial statements. The Group's arrangement with CPPA-G covered under respective EPAs and consequently are exempt under the aforesaid S.R.O. Under IFRS-16 Leases, the consideration required to be made by lessees CPPA-G for the right to use the asset would have been accounted for as finance lease. The Group's power plant's control due to purchase of total output by CPPA-G appears to fall under the scope of finance lease under IFRS 16. Consequently, if the Group were to follow IFRS 16 with respect to its EPA, the effect on the consolidated financial statements would be as given below:

	2023 Rupees	2022 Rupees
De-recognition of property, plant and equipment	(3,780,524,394)	(3,919,193,645)
Recognition of lease receivables	20,094,185,925	17,187,586,969
Increase in un-appropriated profit at beginning of the year	13,268,393,324	13,670,130,922
Increase / (decrease) in profit for the year	3,045,268,207	(401,737,598)
Increase in un-appropriated profit at end of the year	16,313,661,531	13,268,393,324

6. SHARE CAPITAL

		Note	2023 Rupees	2022 Rupees
6.1	**Authorized share capital**			
	75,000,000 (2022: 75,000,000) voting ordinary shares of Rs. 10 each		750,000,000	750,000,000
	25,000,000 (2022: 25,000,000) preference shares of Rs. 10 each		250,000,000	250,000,000
			1,000,000,000	1,000,000,000
6.2	**Issued, subscribed and paid up share capital**			
	32,145,725 (2022: 32,145,725) voting ordinary shares of Rs. 10 each fully paid in cash		321,457,250	321,457,250
	27,630,936 (2022: 27,630,936) voting bonus shares of Rs. 10 each fully paid		276,309,360	276,309,360
	Buy back of 2,000,000 (2022: Nil) ordinary shares having face value of Rs. 10 each	6.2.2	(20,000,000)	–
			577,766,610	597,766,610

6.2.1 Mr. Jahangir Khan Tareen, an Executive Director (2022: Executive Director) holds 8,649,012 (2022: 9,269,012) and Mr. Mukhdoom Syed Ahmad Mahmud, a Non-Executive Director (2022: Non-Executive Director) holds 19,251,203 (2022: 17,547,213) ordinary shares of Rs. 10 each representing 14.97% (2022: 15.51%) and 33.32% (2022: 29.35%) of the paid up capital of the Holding Company respectively.

6.2.2 In pursuant of the special resolution passed by the shareholders of the Holding Company at extraordinary general meeting held on November 03, 2022, authorizing the Holding Company to buy-back the shares under Section 88 of the Companies Act, 2017 read in conjunction with the Listing Companies (Buy Back of Shares) Regulations, 2019. The Holding Company with the approval of the shareholders accorded to buy back upto to a maximum of its 2,000,000 issued, subscribed and paid-up ordinary shares having face value Rs. 10 through the Pakistan Stock Exchange Limited at the spot/ current price prevailing during purchase period. The Holding Company has bought back its all 2,000,000 ordinary shares from its shareholders till dated 02 January 2023. Consequently, paid up capital of the Holding Company has been reduced to Rs. 577,766,610 divided into 57,776,661 ordinary shares of face value of Rs. 10 each.

6.2.3 The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Holding Company. All shares carry one vote per share without restriction. The Group does not pay dividend until certain financial requirements of lenders are satisfied.

7. SHARE PREMIUM RESERVE

This reserve can be utilized by the Holding Company only for the purposes specified in section 81(2) and 81(3) of the Companies Act, 2017.

	Note	2023 Rupees	2022 Rupees
8. LONG TERM FINANCES - SECURED			
Mark-up bearing finances from conventional			
banks / financial institutions	8.1.1	6,430,180,003	10,279,166,666
Islamic mode of financing	8.1.2	–	1,051,685,905
	8.1 & 8.3	6,430,180,003	11,330,852,571
Less: Transaction cost			
As at 01 October		(35,413,371)	(43,656,920)
Amortization of transaction cost	41 & 45	35,413,371	8,243,549
As at 30 September		–	(35,413,371)
		6,430,180,003	11,295,439,200
Current maturity presented under current liabilities:			
Mark-up bearing finances from conventional			
banks / financial institutions		(6,430,180,003)	(3,046,633,333)
Islamic mode of financing		–	(562,102,567)
	14	(6,430,180,003)	(3,608,735,900)
		–	7,686,703,300

8.1 Long term finances - secured

	Note	Mark-up / Interest basis	Limit	Loan duration	Grace period	Year of loan maturity	Principal outstanding 2023	Principal outstanding 2022
			Rupees	Years	Years		Rupees	Rupees
8.1.1 Mark-up bearing finances from conventional banks/ financial institutions								
The Bank of Punjab - Led Syndicate								
The Bank of Punjab		*3mk + 1.10	2,500,000,000	06 Years	-	2027	1,504,670,865	2,250,000,000
National Bank of Pakistan		3mk + 1.10	1,500,000,000	06 Years	-	2027	905,030,000	1,350,000,000
Askari Bank Limited		3mk + 1.10	975,000,000	06 Years	-	2027	720,330,000	877,500,000
MCB Bank Limited		3mk + 1.10	1,000,000,000	06 Years	-	2027	603,353,335	900,000,000
Dubai Islamic Bank Limited		3mk + 1.10	1,000,000,000	06 Years	-	2027	603,353,335	900,000,000
Pak Kuwait Investment Company (Pvt.) Limited		3mk + 1.10	750,000,000	06 Years	-	2027	452,515,000	675,000,000
MCB Islamic Bank Limited		3mk + 1.10	750,000,000	06 Years	-	2027	452,533,468	674,999,997
Askari Bank Limited (Islamic)		3mk + 1.10	525,000,000	06 Years	-	2027	188,394,000	472,500,000
	8.2		9,000,000,000				5,430,180,003	8,099,999,997
Conventional banks/ financial institutions								
Allied Bank Limited (I)		3mk + 0.50	1,000,000,000	1.5 Years	01 Year	2024	1,000,000,000	-
Allied Bank Limited (II)		3mk + 0.50	1,000,000,000	1.5 Years	01 Year	2023	-	1,000,000,000
Pak Libya Holding Company Limited (II)		3mk + 1.00	450,000,000	05 Years	0.5 Year	2026	-	350,000,000
Pak Brunei Investment Company Limited		3mk + 1.00	500,000,000	06 Years	01 Year	2025	-	300,000,000
Askari Bank Limited (IV)		3mk + 1.25	500,000,000	04 Years	0.25 Year	2024	-	266,666,669
Soneri Bank Limited (II)		3mk + 1.00	500,000,000	05 Years	01 Year	2023	-	125,000,000
Pak Oman Investment Company Limited (II)		3mk + 1.00	500,000,000	06 Years	01 Year	2023	-	75,000,000
Habib Bank Limited		6mk + 1.00	500,000,000	05 Years	01 Year	2022	-	62,500,000
			4,950,000,000				1,000,000,000	2,179,166,669
			13,950,000,000				6,430,180,003	10,279,166,666
8.1.2 Islamic mode of financing								
Al Baraka Bank Limited		3mk + 1.00	1,000,000,000	05 Years	01 Year	2023	-	312,500,000
Bank Islami Pakistan Limited		3mk + 1.25	500,000,000	05 Years	01 Year	2026	-	437,500,000
National Bank of Pakistan (II)		3mk + 1.00	250,000,000	05 Years	01 Year	2024	-	177,083,338
Bank Alfalah Limited		3mk + 0.90	500,000,000	05 Years	01 Year	2023	-	124,602,567
			2,250,000,000				-	1,051,685,905
			16,200,000,000				6,430,180,003	11,330,852,571

* 3 mk i.e. 3 months KIBOR

8.2 The Holding Company was not in compliance with non-financial covenant towards the Bank of Punjab – Led Syndicate regarding breach of dividend distribution conditions as define in the loan agreements.

8.3 Long term finances are secured against ranking / joint parri passu charge over all present and future fixed assets including land, building and plant & machinery of the Group amounting to Rs. 18,576 million (2022: Rs. 23,869 million) and personal guarantees of sponsor directors of the Holding Company.

9. LEASE LIABILITIES

	Note	2023 Land Rupees	2023 Buildings Rupees	2023 Vehicles Rupees	2023 Total Rupees
Balance as at 01 October		2,126,843,322	66,255,567	429,799,494	2,622,898,383
Additions / modification / remeasurement of lease		668,998,594	92,254,073	471,402,736	1,232,655,403
Impact of early termination		(24,784,127)	–	–	(24,784,127)
Finance cost regarding lease arrangement	41	269,672,379	11,571,051	96,356,705	377,600,135
Exchange difference		–	5,746,280	–	5,746,280
Lease payments		(952,594,065)	(63,865,457)	(314,146,999)	(1,330,606,521)
	9.1	2,088,136,103	111,961,514	683,411,936	2,883,509,553
Less: Current maturity presented under current liabilities	14	(684,855,317)	(50,501,913)	(176,295,892)	(911,653,122)
Balance as at 30 September		1,403,280,786	61,459,601	507,116,044	1,971,856,431

	Note	2022 Land Rupees	2022 Buildings Rupees	2022 Vehicles Rupees	2022 Total Rupees
Balance as at 01 October		1,626,260,249	52,330,850	425,517,994	2,104,109,093
Additions / modification / remeasurement of lease		1,188,730,806	57,665,256	425,517,994	1,390,348,782
Impact of early termination		(172,124,118)	(292,298)	–	(172,416,416)
Finance cost regarding lease arrangement	41	207,685,691	8,485,857	45,341,932	261,513,480
Lease payments		(723,709,306)	(51,934,098)	(185,013,152)	(960,656,556)
	9.1	2,126,843,322	66,255,567	429,799,494	2,622,898,383
Less: Current maturity presented under current liabilities	14	(613,159,496)	(32,577,590)	(130,807,692)	(776,544,778)
Balance as at 30 September		1,513,683,826	33,677,977	298,991,802	1,846,353,605

9.1 This includes Rs. 603.649 million and Rs. 79.453 million (2022: Rs. 416.268 million and Rs. 13.531 million) outstanding under Diminishing Musharakah financing arrangement and conventional banks for lease of vehicles respectively.

9.2 The Group has lease contracts for agricultural land (for cultivation of sugarcane), vehicles (for its employees and other business operations) and office buildings (for office operations).

9.3 Implicit borrowing rate used against lease liabilities towards First Habib Modaraba / conventional banks is ranging from six to twelve months KIBOR plus 100 bps to 120 bps per annum (2022: six month KIBOR plus 100 bps to 120 bps per annum). The Group's obligations under such leases are secured by the lessor's title to the leased assets (vehicles) and security deposits (for details, refer to note 21 & 25). Further, the Group has provided Demand Promissory Note in favour of the Diminishing Musharakah financing arrangement as security of outstanding due.

9.4 The maturity analysis of lease liabilities is presented in note 48.1.2 to these consolidated financial statements.

9.5 The incremental borrowing rate applied at inception of lease related to land and building is ranging from 12.50% to 23.97% (2022: 9.70% to 15.87%). There are no variable lease payments in lease contracts. There were no lease with residual value guarantee.

	Note	2023 Rupees	2022 Rupees
10. DEFERRED TAXATION			
Deferred tax liability on taxable temporary differences			
arising in respect of:			
- accelerated tax depreciation on operating fixed assets		4,443,486,082	3,805,706,346
- right-of-use assets		817,785,850	670,561,407
- staff retirement benefits		707,911	–
		5,261,979,843	4,476,267,753
Deferred tax asset on deductible temporary differences			
arising in respect of:			
- lease liabilities against right-of-use assets		(933,520,780)	(749,005,356)
- provisions for doubtful debts and obsolescence		(78,344,438)	(66,396,127)
- provision for Workers' Profit Participation Fund		(87,874,541)	(83,232,210)
- provision for Workers' Welfare Fund		(29,122,329)	(20,198,922)
- staff retirement benefits		–	(15,934,856)
- tax credits		(2,313,945,217)	(2,189,800,142)
		(3,442,807,305)	(3,124,567,613)
- Unrecognized deferred tax liability related to operating			
fixed assets of bagasse based Co-Generation	4.10.2	(1,103,673,226)	(970,766,196)
	10.2	715,499,312	380,933,944

10.1 Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. Further, during the year, an amendment made to Income Tax Ordinance, 2001 through Finance Act, 2023. In accordance with the such amendment, super tax for the tax year 2023 and onwards has been revised to 10% from 4% in the prior year, in addition to the corporate tax rate of 29%. Accordingly, deferred tax assets and liabilities of the Group have been recognised using the expected applicable rate of 39% (2022: 32% to 33%).

	Note	2023 Rupees	2022 Rupees
10.2 Movement in deferred tax balances is as follows:			
As at 01 October		380,933,944	114,896,886
Recognized in statement of profit or loss:			
- accelerated tax depreciation on operating fixed assets		504,872,706	133,183,777
- right-of-use assets		147,224,443	202,042,045
- lease liabilities against right-of-use assets		(184,515,424)	(221,497,383)
- provisions for doubtful debts and obsolescence		(11,948,311)	25,359,508
- provision for Workers' Profit Participation Fund		(4,642,331)	(15,916,824)
- provision for Workers' Welfare Fund		(8,923,407)	1,060,443
- staff retirement benefits		27,432,821	4,609,410
- tax losses		–	186,624,114
- origination and reversal of tax credits		(124,145,075)	(50,102,613)
	42	345,355,422	265,362,477
Recognized in other comprehensive income:			
- staff retirement benefits		(10,790,054)	674,581
	10	715,499,312	380,933,944

11. RETIREMENT BENEFITS

The latest actuarial valuation of the Holding Company's defined benefit plan was conducted on 30 September 2023 using projected unit credit method. Details of obligation for defined benefit plan are as follows:

		Note	2023 Rupees	2022 Rupees
11.1	**Consolidated statement of financial position**			
	Present value of defined benefit obligation	11.2	325,997,710	282,100,806
	Fair value of plan assets	11.3	(370,467,636)	(258,450,610)
	Net (asset) / liability at end of the year		(44,469,926)	23,650,196
11.2	**Movement in liability for funded defined benefit obligation**			
	Present value of defined benefit obligation at beginning of the year		282,100,806	240,194,734
	Current service cost for the year		29,675,112	25,956,103
	Interest cost for the year		35,918,972	24,386,767
	Benefits paid during the year		(15,245,958)	(10,921,818)
	Remeasurement on obligation		(6,451,222)	2,485,020
	Present value of defined benefit obligation at end of the year	11.1	325,997,710	282,100,806
11.3	**Movement in fair value of plan assets**			
	Balance at beginning of the year		258,450,610	184,207,482
	Return on plan assets excluding interest income		41,449,414	21,854,410
	Contributions made during the year		123,996,268	58,781,330
	Remeasurement on plan assets		(38,182,698)	4,529,206
	Benefits paid during the year		(15,245,958)	(10,921,818)
	Fair value of plan assets at end of the year	11.1	370,467,636	258,450,610
11.4	**Charge for the year**			
	Consolidated statement of profit or loss:			
	Current service cost		29,675,112	25,956,103
	Interest cost for the year		35,918,972	24,386,767
	Return on plan assets excluding interest income		(41,449,414)	(21,854,410)
			24,144,670	28,488,460
	Other comprehensive (loss) / income			
	Remeasurement on obligation		(6,451,222)	2,485,020
	Remeasurement on plan assets		38,182,698	(4,529,206)
			31,731,476	(2,044,186)
			55,876,146	26,444,274
11.5	**Movement in experience losses**			
	Opening experience (gain) / losses		–	–
	Experience (gain) / losses		(31,731,476)	2,044,186
	Charge to other comprehensive (loss) / income		31,731,476	(2,044,186)
	Closing experience (gain) / losses		–	–

	2023		2022	
Break up of plan assets	**Rupees**	**%**	**Rupees**	**%**
Mutual funds	51,473,462	14%	57,077,277	22%
Term deposit receipts	–	0%	110,472,397	43%
Listed equity securities	263,670,000	71%	–	0%
Term finance certificates	31,836,953	9%	31,440,296	12%
Cash at bank	23,487,221	6%	59,460,640	23%
	370,467,636	100%	258,450,610	100%

11.6 Risks on account of defined benefit plan

The Holding Company faces the following risks on account of defined benefit plan:

Final salary risk - The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

Longevity Risks - The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Investment risk - The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.

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.

11.7 Expected future contribution

Expected future contribution for the year ending 30 September 2024 is Rs. 24.056 million (2023: Rs. 30.711 million).

11.8 Actuarial assumptions sensitivity analysis

The below sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in these consolidated statement of financial position. There is no change from prior year in respect of methods and assumptions used to prepare sensitivity analysis. If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 100 bps with all other variables held constant, the impact on the present value of the defined benefit obligation as at 30 September 2023 and 2022 would have been as follows:

		Impact on defined benefit obligation			
		2023		2022	
	Change	**Increase**	**Decrease**	**Increase**	**Decrease**
		Rupees			
Discount rate	100 BPS	(23,568,968)	26,736,615	(23,355,229)	26,921,458
Salary growth rate	100 BPS	25,922,296	(23,262,107)	26,083,843	(23,055,602)

If longevity and withdrawal rates increases by 1 year and 10% respectively, the resultant increase in obligation is insignificant.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

		2023	2022
11.9	**Principal actuarial assumptions used**		
	Valuation discount rate	16.75%	13.25%
	Salary increase rate	16.50%	13.25%
	Expected return on plan assets	16.75%	13.25%
	Retirement assumption	60 years	60 years
	Weighted average duration of obligation	7.81 year	9 year
	Mortality rate	SLIC 2001 - 2005	SLIC 2001 - 2005
	Withdrawal rate	Moderate	Moderate

		2023 Rupees	2022 Rupees
11.10	**Maturity profile**		
	1 - 5 years	277,973,114	178,617,636
	6 - 10 years	174,426,956	143,312,839
	11 - above years	2,096,590,964	1,276,937,097

	Note	2023 Rupees	2022 Rupees
12. DEFERRED INCOME - GOVERNMENT GRANT			
Balance as at 01 October		–	25,862,000
Amortized during the year	41	–	(25,862,000)
Balance as at 30 September		–	–

	Note	2023 Rupees	2022 Rupees
13. SHORT TERM BORROWINGS			
Mark-up based borrowings from conventional banks / financial institution - secured			
- Cash finances	13.1	2,095,363,687	9,235,755,370
- Running finances	13.2	2,927,120,156	2,641,916,225
- Finance against trust receipts	13.3	52,134,162	270,733,089
- Agriculture finance facility	13.4	500,000,000	–
		5,574,618,005	12,148,404,684
Islamic mode of financing - secured			
- Salam / Istisna / Musawamah / Tijarah finances	13.5	667,911,022	2,681,859,433
- Agriculture finance facility	13.6	50,000,000	–
		717,911,022	2,681,859,433
		6,292,529,027	14,830,264,117

13.1 The Group has availed cash finance facilities from various banks aggregated to Rs. 20,050 million (2022: Rs. 15,000 million). The mark-up rates applicable during the year ranges from one to three months KIBOR plus 20 to 100 bps per annum (2022: one to three months KIBOR plus 20 to 100 bps per annum) on utilized limits. These facilities are secured against pledge charge over white refined sugar bags with 10% to 25% margin, corporate guarantee of the Holding Company and personal guarantees of all Directors of the Holding Company.

13.2 The Group has obtained running finance facilities aggregated to Rs. 3,421 million (2022: Rs. 2,921 million). The mark-up rates applicable during the year ranges from one to three months KIBOR plus 75 to 100 bps per annum (2022: one to three months KIBOR plus 75 to 100 bps per annum). These are secured against ranking charge / joint pari passu charge over all present and future current assets, excluding pledge stock, of the Group, corporate guarantee of the Holding Company and personal guarantees of all Directors of the Holding Company.

13.3 The limit of finance against trust receipt facility is Rs. 630 million (2022: Rs. 480 million). The mark-up rates applicable during the year ranges from one to six months KIBOR plus 100 to 250 bps per annum (2022: one to six months KIBOR plus 100 bps per annum). These are secured against ranking charge / joint pari passu charge over present and future current assets, excluding pledge stock, of the Group, corporate guarantee of the Holding Company and personal guarantees of sponsor Directors of the Holding Company.

13.4 The Group has obtained agriculture finance facility amounted to Rs. 500 million (2022: Rs. Nil) for sugarcane growers to support crop cultivation for upcoming crushing season. The mark-up rates applicable during the year is three month KIBOR plus 300 bps per annum (2022: Nil). These are secured against ranking / joint pari passu charge over present and future current assets (excluding pledge stock) of the Group, insurance cover, post dated cheques amounting to Rs. 854.76 million and personal guarantees of sponsor Directors of the Holding Company.

13.5 The Group has obtained Salam / Istisna / Musawamah / Tijarah financing facilities from various banks aggregated to Rs. 11,285 million (2022: Rs. 10,584 million). The mark-up rates applicable during the year ranges from three to nine months KIBOR plus 50 to 150 bps per annum (2022: one to six months KIBOR plus 50 to 100 bps per annum). These facilities are secured against pledge charge over white refined sugar bags with 10% to 25% margin, corporate guarantee of the Holding Company and personal guarantees of sponsor Directors of the Holding Company.

13.6 The Holding Company has availed Diminishing Musharakah finance facility amounted to Rs. 50 million (2022: Rs. Nil) for sugarcane growers to support crop cultivation for upcoming crushing season. The mark-up rate applicable during the year is twelve month KIBOR plus 300 bps per annum (2022: Nil). These are secured against joint pari passu charge over fixed assets of the Holding Company.

13.7 The available facilities for opening letters of credit and guarantee as on the reporting date are amounting to Rs. 2,050 million (2022: Rs. 2,050 million) which includes Rs. 630 million (2022: Rs. 580 million) sub-limit of FATR facility. Further, facilities of amounting Rs. 100 million (2022: Rs. 100 million) remained unutilized as on reporting date. These are secured against ranking charge / joint pari passu charge over present and future current assets, excluding pledge stock, of the Group, by lien over import documents, corporate guarantee of the Holding Company and personal guarantees of sponsor Directors of the Holding Company.

13.8 Credit facilities as mentioned in note 13.2, 13.3, 13.4 and 13.7 are secured by an aggregate amount of Rs. 5,381 million (2022: Rs. 4,714 million) as at reporting date.

	Note	2023 Rupees	2022 Rupees
14. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Long term finances - secured	8	6,430,180,003	3,608,735,900
Lease liabilities	9	911,653,122	776,544,778
		7,341,833,125	4,385,280,678

	Note	2023 Rupees	2022 Rupees
15. TRADE AND OTHER PAYABLES			
Trade and other creditors	15.1	1,404,469,135	1,623,535,085
Sales tax payable		699,281,957	996,981,883
Accrued expenses	15.2	504,440,545	147,473,501
Markup payable on behalf of growers		223,383,409	–
Payable to Workers' Profit Participation Fund	15.3	257,270,534	280,677,992
Payable to Workers' Welfare Fund	15.4	85,205,562	68,629,362
Tax deducted at source		83,360,979	123,860,021
Payable to Employees' Provident Fund		42,288,643	30,260,305
Retention money		16,930,145	12,212,985
Security deposits	15.5	3,820,410	1,700,000
Agriculture Income Tax payable		3,790,688	3,012,782
Other payables	15.6	170,157,897	139,504,623
		3,494,399,904	3,427,848,539

15.1 Payable to growers against purchase of sugarcane is Rs. Nil as at 30 September 2023 (2022: Rs. Nil).

15.2 This includes Rs. 92.03 million (2022: Rs. 97.63 million) in respect of market committee fee (for details, refer to note 19.1.21).

	Note	2023 Rupees	2022 Rupees
15.3 Payable to Workers' Profit Participation Fund			
Balance as at 01 October		280,677,992	256,254,006
- allocation for the year	40 & 45	257,270,534	280,677,992
- interest on funds utilized	41	188,467,505	72,406,795
		726,416,031	609,338,793
Paid during the year		(469,145,497)	(328,660,801)
Balance as at 30 September		257,270,534	280,677,992

15.3.1 The interest on funds utilized by the Group is charged higher of interest at the rate of 2.5% above the bank interest rate or 75 % of the rate at which dividend is declared by the Group as prescribed under the Companies Profit (Workers Participation) Act, 1968 and the Sindh Companies Profit (Workers Participation) Act, 2021 till the date of distribution of funds to the workers. The interest rate charged during the year is ranging from 14.69% to 206% (2022: 10.9% to 75%) per annum.

		Note	2023 Rupees	2022 Rupees
15.4	**Payable to Workers' Welfare Fund**			
	Balance as at 01 October		68,629,362	80,976,232
	Provision for the year	40 & 45	40,637,560	39,219,566
	Reversal of prior year provision	39	(10,211,825)	(29,572,047)
			99,055,097	90,623,751
	Paid during the year		(13,849,535)	(21,994,389)
	Balance as at 30 September		85,205,562	68,629,362

15.4.1 Under section 9.2 (a) of the EPA, payments for Workers' Welfare Fund and Workers' Profit Participation Fund are recoverable from CPPA-G as a pass through item in relation to Co-Generation Power Plants segment of the Holding Company only.

Provision for the year has been made in accordance with the the Sindh Workers Welfare Fund Act, 2014 and Workers Welfare Fund Act, 1971 for Deharki Sugar Mills (Pvt.) Limited - Subsidiary Company and the Holding Company respectively.

15.5 This represents security deposits received from vendors for goods to be delivered. This has been utilized for the purpose of business in accordance with written agreements in terms of section 217 of the Companies Act, 2017.

15.6 These mainly represents deductions against vehicles as per the Group's car finance scheme from employees salaries. This includes accumulated deductions of Rs. 0.804 million (2022: Rs. 1.168 million) against the key management personnel of the Group.

These also includes liability associated with non-current asset held for sale amounting to Rs. 2.8 million (2022: Rs. 1.41 million) for details, refer to note 20.1.7

16. ADVANCES FROM CUSTOMERS

The advances from customers primarily relate to the advance consideration received from customers for sale of sugar (2022: sugar and molasses), for which revenue is recognised at point in time when goods are transferred. Information regarding the timing of satisfaction of performance obligations underlying the closing contract liability is not presented since the expected duration of all the contracts entered into with the customers is less than one year.

17. UNCLAIMED DIVIDEND

As at the reporting date, the Holding Company is in the process of complying with the provisions of Section 244 of the Companies Act, 2017.

		2023 Rupees	2022 Rupees
18.	**ACCRUED PROFIT / INTEREST / MARK-UP**		
	Mark-up on financing / borrowings from conventional banks / financial institution:		
	- Long term finances - secured	330,614,705	350,678,949
	- Short term borrowings - secured	157,640,370	439,459,410
		488,255,075	790,138,359
	Profit on Islamic mode of financing:		
	- Long term finances - secured	–	24,894,178
	- Short term borrowings - secured	88,596,464	228,307,098
		88,596,464	253,201,276
		576,851,539	1,043,339,635

19. CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

19.1.1 The tax department issued a show cause notice to the Holding Company on 09 April 2013 on the grounds that the Holding Company has charged Federal Excise duty at the rate of 0.5% instead of 8% on local supplies made and raised a demand of Rs. 50.68 million. Consequently, the Holding Company filed a Writ Petition ('WP') against this notice in the Honorable Lahore High Court ("LHC") on the basis that the rate of 0.5% has been charged as allowed by the Federal Board of Revenue ('FBR') vide SRO 77(I)/2013 dated 07 February 2013. The Honorable LHC decided the matter in favour of the Holding Company vide order dated 22 November 2013. The FBR has filed an intra-court appeal against the order dated 22 November 2013 before LHC which is still pending for adjudication. The management of the Holding Company expects a favorable outcome in this case.

19.1.2 The Holding Company was selected for audit u/s 177 of Income Tax Ordinance, 2001 ("I.T.O") for Tax year 2008. Assistant Commissioner of Inland Revenue ("ACIR") passed an order u/s 122(5) / 122(1) of I.T.O by making additions on different issues i.e. interest expense, salaries, sale, gain on sale of assets etc., amounting to Rs. 516 million by reducing brought forward losses. The Holding Company has filed an appeal before Commissioner Inland Revenue (Appeals) ("CIR(A)"), who vide order dated 06 April 2010 decided appeal in favor of the Company on most of the issues. The department filed an appeal before Appellate Tribunal Inland Revenue ("ATIR"). Respectable ATIR passed an order in favor of the Company except for two issues with an aggregate amount of Rs. 72.57 million. The Holding Company has filed an appeal before Honorable LHC, against the order of the ATIR. The management of the Holding Company expects a favorable outcome in this case.

19.1.3 The Holding Company (Previously United Sugar Mills Limited) was selected for audit u/s 177 of I.T.O for Tax year 2008. The Holding Company has filed WP before Honorable LHC against selection of audit which was rejected by the LHC. Income tax department initiated audit proceeding and Deputy Commissioner Inland Revenue ("DCIR") passed an order u/s 122(4)/(5) of I.T.O by making additions on different issues and created a demand of Rs. 76.56 million vide order dated 22-12-2017. The Holding Company filed an appeal before CIR(A), who passed ex-parte order against the Holding Company. The Holding Company has filed second appeal before the ATIR. Appeal was heard and matter has been remanded back for denovo consideration. The management of the Holding Company expects a favorable outcome in this case.

19.1.4 Additional Commissioner Inland Revenue ("ACIR") issued show cause notice u/s 122(5A) of I.T.O for tax year 2011 confronting several matters. The said notice was duly complied and plea of the Holding Company was largely accepted by the tax department. ACIR passed order u/s 122(5A) of I.T.O by making additions on different issues and created a demand of Rs. 18.75 million vide order dated 30-06-2017. The Holding Company filed an appeal before CIR(A). The CIR(A) has decided the case majorly in the favour of the Holding Company vide order no. 45-A/V dated 22-02-2021. The FBR has filed appeal before the ATIR against the CIR(A) order which is still pending for adjudication. The management of the Holding Company expects a favorable outcome in this case.

19.1.5 The Holding Company was selected for audit u/s 177 of I.T.O for tax year 2014. DCIR passed an order u/s 122(1) of I.T.O by making additions on different expenses, amounting to Rs. 163.16 million. The Holding Company has filed an appeal before CIR(A) who vide order dated 07-03-2018 accepted the tax payer contention and has granted relief on major issues amounting Rs. 127.03 million and upheld the remaining issues amounting to Rs. 36.15 million. The Holding Company has filed second appeal before ATIR against the issues. The hearing of the same is pending. The management of the Holding Company expects a favorable outcome in this case.

19.1.6 The Holding Company was selected for audit u/s 72B of Sale Tax Act, 1990 (the Act) for the period from June 2013 to July 2014 by the FBR. A sales tax demand was raised by the tax department on various grounds of Rs. 70.94 million. The Holding Company has filed an appeal before CIR(A) who vide its order dated 08-02-2018 has granted relief amounting Rs. 57.37 million and the remaining issues with an aggregate amount of Rs. 12.62 million were upheld. The Holding Company has filed second appeal before ATIR. The hearing of the same is pending. The management of the Holding Company expects a favorable outcome in this case.

19.1.7 The Holding Company was selected for audit u/s 214C of I.T.O for tax year 2016. ACIR passed an order u/s 122(4) / 122(5) of I.T.O by making additions on different issues amounting to Rs. 506 million by reducing brought forward losses. The Holding Company has filed an appeal before CIR(A) who granted relief for an amount of Rs. 30.88 million vide order no. 12/A-V dated 08 April 2021. The Holding Company has filed second appeal before the ATIR against the above mentioned order which is pending for adjudication. The management of the Holding Company expects a favorable outcome in this case.

19.1.8 The Holding Company has filed W.P 67473/2020 & 65212/2019 before Honorable LHC challenging the amendment inserted vide Finance Act, 2019 whereby tax credit under section 65B of I.T.O has been reduced from 10% to 5% for the tax year 2019 and period for availing this credit has also been restricted till 30 June 2019. The Holding Company has claimed tax credit at the rate of 10% for the year ended 30 September 2018 and 30 September 2019 amounting to Rs. 254.9 million and Rs. 94.34 million respectively. Now the matter is pending before the Honorable LHC. The management of the Holding Company expects a favorable outcome in this case.

19.1.9 A show-cause notice u/s 122(5) of I.T.O was served by DCIR for tax year 2015 confronting bank credits to the Holding Company. The said notice duly complied and the plea of the Holding Company was accepted to some extent in the order dated 15-06-2021. As a result, demand amounting to Rs. 1,555 million was created on account of unexplained bank credits. The Holding Company has filed an appeal before CIR (A). The CIR (A) remanded back the case to learned DCIR for reassessment and affording proper time to the Holding Company. The Holding Company has filed second appeal before ATIR against above mentioned order of CIR (A). The ATIR adjudicated the appeal vide ITA No. 799/LB/2022 dated 19-05-2022 by remanding back the case to assessing officer for denovo consideration. The Holding Company has filed reference before Honorable LHC against ATIR order. The reference has been admitted and operation of impugned order dated 19-05-2022 has been suspended. Now the matter is pending before the Honorable LHC. The management of the Holding Company expects a favorable outcome in this case.

19.1.10 A show-cause notice u/s 122(5A)/122(9) of I.T.O was served by Additional CIR for tax year 2015 to the Holding Company confronting several matters. The notice was duly complied and the plea of the Holding Company was largely accepted in the order dated 02-07-2021. As a result, demand for Rs. 258.8 million was created on account of proration of expenses and advances from customers. The Holding Company has filed an appeal before CIR (A). The CIR (A) has granted relief on allocation of expenses amounting to Rs. 6.9 million only and upheld the addition related to advances from customers amounting to Rs. 687.4 million. The Holding Company has filed second appeal before ATIR on advances from customers against CIR (A) order, which is still pending. The management of the Holding Company expects a favorable outcome in this case.

19.1.11 A show cause notice u/s 11(3) of Sales Tax Act, 1990 was served to the Holding Company confronting matter of suppression of sales. The said notice was duly complied and plea of the Holding Company was rejected and a demand of Rs. 845.52 million was created vide order dated July 10, 2020. The Holding Company, being aggrieved, has filed appeal before CIR (A), who vide order No. 02/A-V, dated December 15, 2020 remanded back the case. Thus, tax payable has become nil. The Holding Company and the tax department both has challenged the decision of CIR (A) in ATIR. The hearing of the appeal is still pending. The management of the Holding Company expects a favorable outcome in this case.

19.1.12 A show-cause notice u/s 8 of Sales Tax Act, 1990 (the Act) dated 16-02-2022 was served by ACIR to the Holding Company on account of claim of input tax of Rs. 83.85 million for the period July-2021 to November-2021. The ACIR has finalized the proceeding vide its order no. 19473 dated May 12, 2022 by disallowing input tax of Rs. 19.52 million & imposing penalty of Rs. 0.975 million. The Holding Company has filed an appeal before CIR (A) against the order of ACIR. The CIR (A) adjudicated the appeal by confirming the disallowance and penalty imposed by ACIR. The Holding Company has filed second appeal against order of CIR (A) before ATIR which is pending. The management of the Holding Company expects a favorable outcome in this case.

19.1.13 The DCIR has passed an order dated 28-06-2019 by making additions amounting to Rs. 41.1 million for Tax Year 2016. The Holding Company has filed an appeal before CIR(A) against the said order. The CIR(A) has confirmed the additions made by DCIR vide order dated 24-10-2022. The Holding Company has filed a second appeal before appellate tribunal ("ATIR") against the above mentioned order which is pending for adjudication. The management of the Holding Company expects a favorable outcome in this case.

19.1.14 The Holding Company has filed I.C.A No. 48728/2023 dated 24th July 2023 challenging the retrospective application of section 4C of the Income Tax Ordinance, 2001 introduced vide Finance Act, 2022 against the order passed by Honorable LHC in W.P No. 60005/2022. The Holding Company has also filed W.P No. 76696/2023 dated 21st November 2023 before the Honorable LHC challenging the retrospective implication of section 4C of the Income Tax Ordinance, 2001 introduced vide Finance Act, 2023. The Honorable LHC has granted interim-relief in the afore-mentioned intra-court appeal and writ-petition till the final decision of Court. The additional financial impact of Super Tax u/s 4C of the Income Tax Ordinance, 2001 amounting to Rs. 53.1 million for Tax Year 2022 and Rs. 110.8 million for Tax Year 2023 has not been recognized in these consolidated financial statements. The management of the Company expects a favorable outcome in this case.

19.1.15 The Subsidiary Company - DSML filed WP No. 65212 dated 21 January 2020 before Honorable LHC challenging the amendment inserted vide Finance Act, 2019 whereby tax credit under section 65B of Income Tax Ordinance, 2001 has been reduced from 10% to 5% for tax year 2019 and period for availing this credit has also been restricted till June 30, 2019. The DSML prayed for the grant of relief regarding filing of tax returns for tax year 2019 with tax credit @ 10% i.e. Rs. 26.5 million. The WP is pending adjudication. The management of the DSML expects a favorable outcome in this case.

19.1.16 The tax department issued a show cause notice to the Subsidiary Company - DSML on May 23, 2013 on the grounds that the DSML has charged Federal Excise duty at the rate of 0.5% instead of 8% on local supplies made and raised a demand of Rs. 15.8 million. Consequently, the DSML filed a Writ Petition CP.No. 2401 dated 31 May 2013 against this notice in the Honorable SHC on the basis that the rate of 0.5% has been charged as allowed by the FBR vide SRO 77(I)/2013 dated 07 February 2013. The Honorable SHC has suspended the proceedings of the notice and the final outcome of the case is pending adjudication. The management of the the DSML expects a favorable outcome in this case. Hence no provision has been made in the financial statements.

19.1.17 The Ministry of Interior (GoP) had constituted the Inquiry Commission under the Pakistan Commission of Inquiry Act, 2017 dated 16 March 2020 to probe into the increase in sugar prices in the country. Due to political rivalry, the Holding Company was unnecessarily dragged into politically motivated cases tainted with malafide of the then Govt. The Holding Company through its management appeared before the FIA and produced all the information/data as required. The allegations, however, were so weak that FIA officials after complete and thorough investigation failed to incriminate the accused due to deficient evidence. Ultimately, the Honorable District Court/Judicial Magistrate Section 30, Lahore, vide its order dated 10 January 2023, acquitted all the accused from the alleged charges.

Pakistan Sugar Mills Association (PSMA) along with its member sugar mills, including the Holding Company and the Subsidiary Company - DSML, filed Writ Petition (WP) 1544/2020 before the Honorable Islamabad High Court (IHC) challenging the initiation of inquiry, Constitution of the Commission Inquiry and all action taken pursuant thereto. Vide order dated 20 June 2020, this above petition was disposed off and the commission's report upheld, however, the delegation of Cabinet's power to special assistant was declared unlawful. PSMA along with its member sugar mills, including the Holding Company and DSML, challenged the order before the Division Bench of IHC in Intra Court Appeal (ICA) No. 156 of 2020. This ICA was decided on 18 August 2020. Thereafter, on 26 October 2020, PSMA, the Holding Company and DSML filed Civil Petition for Leave to Appeal (CPLA) No. 2697 of 2020 against the judgment dated 18 August 2020 before the Honorable Supreme Court of Pakistan which is pending adjudication. The Holding Company and DSML has a good prima facie case.

The Commission of Inquiry in its report has highlighted discrepancies with respect to Benami Transactions (Prohibition) Act, 2017 with respect to the standard business practice of Pakistan sugar industry. The Commission of inquiry has revealed that names of the brokers may be masked, by the sugar mills, and there is risk of sales in benami / fictitious names. The Commission of Inquiry in its report has also highlighted discrepancies in crushing capacity of the Holding Company and claimed that such enhancement and enlargement was made in the period of ban on capacity enhancement/enlargement although all mills were being operated under the allowed/permitted capacities. However, during the year, the Govt. amended the governing law under Punjab Industries (Control on Establishment & Enlargement) (Amendment) Act, 2022 (refer to note 51), pursuant to which the Holding Company got crushing capacities of its Unit I and Unit II regularized as per law.

19.1.18 A petitioner has filed Constitution Petition (CP) No. 3823 of 2018 in the Honorable High Court of Sindh against the Holding Company (Unit III at Ghotki) and the Subsidiary Company - DSML 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.

19.1.19 The matter of fixation of minimum price of sugarcane fixed under relevant notifications for crushing season 2014 - 2015 issued by the Government of Sindh was challenged by sugar mills including the Holding Company and the Subsidiary Company - DSML before the Honorable SHC which stood dismissed vide order dated 30 December 2014. and said order was assailed before Honorable Supreme Court of Pakistan ('SCP') in CA 48. The Growers also filed petitions for implementation of order dated 30 December 2014. However, during the proceedings, an interim arrangement was reached out between the parties whereby price of Rs. 172 was fixed out of which Rs. 160 were to be paid by the Mills and Rs. 12 were to be paid by the Government. The said arrangement was subject to the final outcome in the decision of the Honorable SCP in Appeals. The Honorable SCP vide its order 13 September 2023 dismissed the Appeals being infructuous on account of settlement. In addition to this, the Holding Company and DSML is already compliant of the minimum support price notification for 2014-15.

Similarly, for year 2017 – 2018, minimum price of sugarcane fixed was challenged before the Honorable SHC and Honorable High Court of Lahore ('LHC') in C.P No. 8666 of 2017 & 7951 of 2017 and W.P 16375/2018 respectively. During the proceedings, similar arrangement as above was reached between the parties. The said arrangement was also subject to the final outcome in the decision of the Honorable SCP in Appeals. As the said appeals stood dismissed vide order dated 13 September 2023 being infructuous on account of settlement. The matter is still pending adjudication before the Honorable SHC, the Holding Company and DSML are expecting favorable outcome.

Further, C.P.L.A 714/2021 & 4718/2021 also pending in Honorable SCP for fixation of minimum price of sugarcane fixed for crushing season 2012 - 2013. Furthermore, the Holding Company along with other sugar mills have also filed WP 3910/2014 in the Honorable LHC challenging the minimum price fixation mechanism. The Honorable LHC vide Order dated 16 March 2017 adjourned the case till the final outcome in the decision of the Honorable SCP in C.P 7/2015. Although, the matter is pending adjudication, the subject matter has become infructuous as the Holding Company and DSML are already compliant of the minimum support price notification for relevant year. The management of the Holding Company and DSML expects a favorable outcome in this case.

19.1.20 A petitioner has filed civil suit no. 1296 of 2005 and 496 of 2007 in the Honorable SHC against the Holding Company who has claimed a sum of Rs. 446 million and entitlement to retain the possession of and run the Unit II. The matter is pending adjudication.

19.1.21 The Secretary and Administrator of the Market Committee (MC) issued notices to Units I and II of the Holding Company demanding arrears on account of market fee for crushing season 2016-2017 to 2018-2019 amounting to Rs. 16.45 million. The Holding Company has filed an appeal before the Director Agriculture (E&M) against such notices which is pending adjudication.

Further, the Holding Company was in a C.P 126999/2017 challenging notification No. DIR (FB) XV-II8I-VIII dated 02 August 2017 issued by the Govt of the Punjab in Honorable LHC whereby market committee fee was enhanced for purchase of sugarcane from 50 paisa to 1 rupee per 100 kg and for Sugar & molasses from 1 rupee to 2 rupees per 100 kg vide order dated 18 December 2020, the said W.P was referred to the Secretary Agriculture for deciding the grievance in the light of new legal framework. However, the Secretary Agriculture, Govt. of Pakistan via order dated 07 July 2021 concluded that said notification is valid from its issuance and demanded Rs. 76.8 million. The Holding Company has filed an W.P. 55108/2021 in Honorable LHC against above Order and notification. The Honorable LHC has restrained the authorities from taking any coercive measures. The case is currently pending adjudication. (for details, refer to note 15.2).

19.1.22 Employee Old Age Benefits Institution (EOBI) issued show cause notices to the Holding Company demanding an amount of Rs. 7,084,800 and Rs. 5,313,600 in respect of employees of Unit-I & Unit-II respectively for the period October, 2015 to September, 2016. Further, the Adjudicating Authority passed an order dated 08 December 2020 against the Holding Company and directed to recover the demanded amount immediately. The Holding Company has filed appeal against such order. The matter is pending adjudication. Further, Adjudicating Authority, Lahore issued assessment order dated 25 April 2022 and demand notice no. 1141 dated 06 May 2022 to the Holding Company demanding an amount of Rs. 12,038,176 in respect of employees of Unit III for the period July, 2018 to June, 2020. The Holding Company has filed complaint No. ADJ-1/Law/2021-22/493 before Adjudicating Authority, Lahore for setting aside of impugned assessment order and impugned demand notices. The matter is pending adjudication.

19.1.23 The Competition Commission of Pakistan (CCP) imposed a penalty of Rs. 8,237.78 million and Rs. 747.369 million vide order dated 13 Aug 2021 on the Holding Company and DSML respectively. The Holding Company and the Subsidiary Company - DSML have filed appeals No. 55, 56, 57 & No. 15 of 2022 before the Competition Appellate Tribunal as well as WP No. 64858 and WP No. 64850 of 2021 before the Honorable Lahore High Court, Lahore challenging constitutional vires, legality, correctness, propriety and legitimacy of the casting vote order dated 13 Aug 2021 entitled as Commission's view passed by the Chairperson of Competition Commission of Pakistan (CCP), by purportedly exercising powers under Sections 24(1)(5) & (6) read with Section 28(1) of the Competition Act, 2010. The Company also seek a declaration that Section 24 of Competition Act, 2020 is ultra vires of the Constitution. The Appellate Tribunal has restrained CCP from recovery of the penalty vide its order dated 02 June 2022. Moreover, the Lahore High Court, Lahore vide its order dated 18 October, 2021 has also suspended the impugned order of CCP. The matter is pending adjudication.

19.1.24 The Honorable SHC passed an order in C.P. no. D-1313/2013 dated 12 February 2018, according to which, in the case of trans-provincial companies, the location of the workers should be considered, and an allocation should be made accordingly. The Sindh Revenue Board (SRB) vide the impugned judgment issued notice to the Holding Company for the non-payment of WPPF as per the impugned judgment. The Holding Company has filed a C.P.L.A 1826 dated 16 May 2018 against this order in the Honorable Supreme Court of Pakistan ('SCP') and impugned judgment of Honorable SHC has been suspended by Honorable SCP dated 03 July 2018. However, allocation of WPPF has been made in accordance with provision of the Companies Profits (Workers Participation) Act, 1968 keeping in view the benefit of workers in best spirit of the law. (for details, refer to note 15.3).

19.1.25 The Holding Company received various show causes notices from the SRB demanding payment of Sindh Workers' Welfare Fund ('WWF') amounting to Rs. 116 million for the period 2015 to 2017. The Holding Company has challenged the said notices through C.P. 7956/2019 in Honorable SHC on the ground that after the 18th Amendment, SRB and Federation of Pakistan, both can only collect WWF from the Holding Company after a law is enacted catering to WWF collection from trans-provincial organizations. Further, august Supreme Court of Pakistan, in CA. No. 1583 of 2014 has held that exclusive jurisdiction rested with the Parliament and Federation of Pakistan in respect of labour matters of trans-provincial organizations. The Federation of Pakistan and the Province of Sindh along with SRB have been made parties in the said matter. However, provision for the year has been made in accordance with the Workers Welfare Fund Ordinance, 1971 (for details, refer to note 15.4).

19.1.26 The Subsidiary Company - DSML challenged cancelling of No Objection Certificate (collectively "Impugned Cancellation Order") through Constitutional Petition ('CP') 616/2011 dated 01 March, 2011 against Additional Secretary Industries and Commerce Department, Government of Sindh. The Honorable SHC has suspended the Impugned Cancellation Order and the Govt. of Sindh and others Respondents in the CP have been restrained from interfering in the construction of the sugar mills. The CP is pending adjudication before the Honorable SHC. In the view of legal advisor, the DSML has an arguable case, and it is not possible at this stage to give a definitive opinion on the ultimate outcome or any losses that may be incurred by the the DSML.

19.1.27 Employee Old Age Benefits Institution (EOBI) issued assessment order dated 19 April 2022 and demand notice dated 28 April 2022 to the Subsidiary Company - DSML demanding an amount of Rs. 11,502,410 for the period July, 2018 to June, 2020. The DSML has filed complaint before Adjudicating Authority, Lahore for setting aside of impugned assessment order and impugned demand notices. The matter is pending adjudication. The DSML has a good prime facie case.

19.1.28 In year 2016, the subsidiary Companies (SPL & GPL) were formed as a wholly owned subsidiary of the Holding Company for establishment of Bagasse Base Power Plant with generation capacity of 45-MW each and accordingly, both SPL & GPL have adopted Upfront Tariff 2013 under Framework for Power Cogeneration 2013 (Bagasse and Biomass) vide Order of National Electric Power Regulatory Authority ('NEPRA') dated 11.9.2017. Hence later on, sudden shift in Government power policy, renewable energy projects pushed at back-burner including the SPL & GPL projects. Accordingly, the Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) refused to issue Energy Purchase Consent on "Take or Pay basis". The SPL & GPL have filed review petition 704/2018 against NEPRA Tariff Ruling, which was disposed of by the Honorable Islamabad High Court ('IHC') vide order dated 07.06.2023 and matter was remanded back to NEPRA. Further, CPPA-G approached to Honorable IHC through Writ Petition No. 1571/2018, which was also disposed of by the Honorable IHC vide order dated 07.06.2023. Witnessing the Government policy shift from renewable energy and ancillary issues, the operations of the SPL & GPL project were put on hold for the time being.

19.1.29 Appeal 326/2023 and 325/2023 titled Ghotki Power (Private) Limited (GPL) and Sadiqabad Power (Private) Limited (SPL) Vs. Alternate Energy Development Board (AEDB) & 3 others respectively, instituted before the Islamabad High Court ('IHC') by the Alternate Energy Development Board ('AEDB') challenging the judgement and decree dated 5-2-2023, in Civil suit No. 436 & 435 of 2020 ('Civil Suit'). The Civil suit was decreed in favour of the SPL & GPL in which it was held that the SPL & GPL is entitled for recovery of the encashed bank guarantee of US$22,500 each product from AEDB and the Ministry of Energy Power Division. Based on the opinion of the SPL & GPL's legal advisors, the appeal is still at a preminary stage as the Honorable IHC has only issued notice to the Respondents. The next date of hearing appeal is 7-2-2024. The management is expecting a favorable outcome of the above case.

19.1.30 As at 30 September 2023, several cases were filed against the Holding Company and the Subsidiary Company - DSML before various court of laws relating to claims, settlements of dues, staff retirement benefits etc., the amount of which cannot be determined. The management, based on the opinion of the legal counsel expects that the outcome of all these cases will be in favour of the Holding Company and the Subsidiary Company - DSML, as they have a reasonable defense in the cases filed. Accordingly, no provision has been made in these consolidated financial statements.

Based on the opinion of the Company's legal advisors, management is expecting a favorable outcome of the above cases except 19.1.24 and 19.1.25. Therefore, no provision has been recognized in these consolidated financial statements.

19.1.31 Guarantees issued by the banks on behalf of the Group in favour of various parties as at the reporting date aggregate amounts to Rs. 850 million (2022: Rs. 899 million).

19.1.32 The Group has availed growers financing facilities from various banks aggregated to Rs. 3,694 million (2022: Rs. 2,271 million). The mark-up rates applicable during the year ranges from three to twelve month KIBOR plus 225 to 300 bps per annum (2022: one year KIBOR plus 240 to 250 bps per annum). The Company has provided counter guarantees to various banks against growers financing facilities as at the reporting date amounts to Rs. 4,850 million (2022: Rs. 3,395 million) and personal guarantees of sponsor Directors of the Company (for details, refer to note 30.1).

19.1.33 The Holding Company has issued cross corporate guarantees of Rs. Nil (2022: Rs. 944 million) on behalf of Deharki Sugar Mills (Private) Limited - wholly owned subsidiary, to secure the obligations of subsidiary company towards their lenders.

		2023 Rupees	2022 Rupees
19.2	**Commitments**		
19.2.1	Letters of credit for import of machinery and its related components		
	Holding Company - JDWSML	295,731,221	404,899,443
	Subsidiary Company - DSML	24,821,204	94,096,363
		320,552,425	498,995,806

19.2.2 Commitments in respect of operation and maintenance cost of Co - Generation Power Plants contracted for but not incurred as at 30 September 2023 amounts to Rs. 35.64 million (2022: Rs. Nil).

19.2.3 At 30 September 2023, the Holding Company has committed to leases for vehicles amounting to Rs. 135.23 million (2022: Rs. 16 million) which has not yet commenced.

20. PROPERTY, PLANT AND EQUIPMENT

	Note	2023 Rupees	2022 Rupees
Operating fixed assets	20.1	22,708,354,417	22,595,408,838
Capital work in progress	20.2	386,789,395	224,145,180
Stores, spare parts and loose tools held for capital expenditure	20.3	79,623,843	93,966,175
		23,174,767,655	22,913,520,193

20.1 Operating fixed assets

20.1.1 Reconciliation of ending balances by classes of assets is as follows:

	Cost				Rate / Useful Life	Depreciation				Carrying amount as at 30 September 2023
	As at 01 October 2022	Additions / (deletions) during the year	Transfers / reclassification during the year	As at 30 September 2023		As at 01 October 2022	For the year	Transfers / reclassification / (deletions) during the year	As at 30 September 2023	
	Rupees	Rupees	Rupees	Rupees	% / Year	Rupees	Rupees	Rupees	Rupees	Rupees
Freehold land	2,392,979,913	232,482,070	(38,704,100)	2,586,757,883	-	–	-	–	–	2,586,757,883
		–						–		
Factory building on freehold land	2,942,103,304	118,841,310	–	3,060,944,614	10%	1,754,153,899	125,276,990	–	1,879,430,889	1,181,513,725
		–						–		
Non-factory building on freehold land	1,027,363,373	12,571,793	–	1,039,778,932	5% - 5/20 years	472,381,455	34,611,938	–	506,920,483	532,858,449
		(156,234)						(72,910)		
Plant and machinery	26,529,972,802	429,111,541	–	26,955,797,080	5% - 5/10 years	9,994,569,543	863,150,546	–	10,854,502,789	16,101,294,291
		(3,287,263)						(3,217,300)		
Sugarcane roots	1,061,299,933	851,050,763	–	1,470,349,458	3 years	330,681,596	415,324,054	–	486,978,930	983,370,528
		(442,001,238)						(259,026,720)		
Motor vehicles	2,162,629,547	147,056,307	200,763,353	2,374,973,437	20% - 5 years	1,771,678,445	104,647,314	97,322,900	1,864,681,529	510,291,908
		(135,475,770)						(108,967,130)		
Electrical installation	207,259,790	16,843,484	101,562	223,939,446	10% - 10 years	118,040,230	10,502,809	–	128,380,519	95,558,927
		(265,390)						(162,520)		
Office equipment	75,623,088	1,659,189	–	77,282,277	20% - 5 years	59,046,976	3,188,663	–	62,235,639	15,046,638
		–						–		
Solar system	–	34,796,620	–	34,796,620	4%	–	209,733	–	209,733	34,586,887
		–						–		
Tools and equipment	90,935,440	22,276,127	–	113,211,567	10%	48,386,822	5,088,075	–	53,474,897	59,736,670
		–						–		
Furniture and fixture	21,279,957	584,328	(101,562)	21,762,723	10% - 10 years	14,174,491	1,235,791	–	15,344,096	6,418,627
		–						(66,186)		
Weighbridge	48,050,447	–	–	48,050,447	10% - 10 years	31,349,156	1,655,826	–	33,004,982	15,045,465
		–						–		

	Cost					Depreciation				
	As at 01 October 2022	Additions / (deletions) during the year	Transfers / reclassification during the year	As at 30 September 2023	Rate / Useful Life	As at 01 October 2022	For the year	Transfers / reclassification / (deletions) during the year	As at 30 September 2023	Carrying amount as at 30 September 2023
	Rupees	Rupees	Rupees	Rupees	% / Year	Rupees	Rupees	Rupees	Rupees	Rupees
Roads and boundary wall	214,954,578	–	–	214,954,578	10% - 5 years	129,738,712	6,464,090	–	136,202,802	78,751,776
		–						–		
Arms and ammunitions	8,344,607	–	–	8,344,607	10% - 10 years	6,197,791	214,682	–	6,412,473	1,932,134
		–						–		
Fire fighting equipment	85,350,587	–	–	85,350,587	20%	70,316,514	3,006,815	–	73,323,329	12,027,258
		–						–		
Aircrafts	961,777,661	18,013,434	–	979,791,095	10%	466,056,729	50,332,187	–	516,388,916	463,402,179
		–						–		
Tube well	59,998,032	5,318,550	–	63,667,168	10% - 5 years	47,942,916	4,539,636	–	51,356,696	12,310,472
		(1,649,414)						(1,125,856)		
Computers	100,004,404	7,165,805	–	107,018,209	33% - 3 years	79,803,350	9,899,226	–	89,567,609	17,450,600
		(152,000)						(134,967)		
	37,989,927,463	1,897,771,321	162,059,253	39,466,770,728		15,394,518,625	1,639,348,375	97,322,900	16,758,416,311	22,708,354,417
		(582,987,309)						(372,773,589)		

20.1.2 Additions in operating fixed assets includes transfer from capital work-in-progress and stores, spare parts and loose tools held for capital expenditure amounting to Rs. 1,388.57 million (2022: Rs. 739.038 million) and Rs. 3.4 million (2022: Rs. 28.9 million) respectively.

20.1.3 Transfers from / to freehold land and motor vehicles represents transfer of freehold land and vehicles to / from investment property and right-of-use assets at carrying value amounting to Rs. 38.704 million and Rs. 103.44 million (2022: Rs. nil and Rs. 38.8 million) respectively.

20.1.4 Property, plant and equipment of the Group are kept secured with the banks under ranking and joint pari passu charge, for obtaining long term financing. For details, refer to note 8.

20.1.5 Operating fixed assets having carrying amount Rs. 94 (2022: Rs. 94) as at 30 September 2023 have been retired from active use and not classified as held for sale in accordance with IFRS 5.

20.1.6 Addition in freehold land represents, the Holding Company has purchased freehold land measuring 29.5 acres in Rahimyar Khan, and also obtained the possession and the legal title of land to its name as at reporting date for its distillery project.

20.1.7 The management of the Holding Company had entered into an agreement to sell its land (agriculture) measuring 3.13 Acres located at district Rajanpur against which during the year ended September 30, 2023, the Holding Company received partial sales consideration of Rs. 2.8 million (Refer note 15.6) from the ultimate buyer. However, the Holding Company has transferred the possession but the title of the land is still with the Holding Company. IFRS 5 requires assets that meet the criteria to be classified as held for sale and presented separately in the statement of financial position. 'The impact of classification and presentation of such asset is considered insignificant by the management. Hence, not classified and presented in the statement of financial position.

20.1.8 Reconciliation of ending balances by classes of assets is as follows:

	Cost					Depreciation				
	As at 01 October 2021	Additions / (deletions) during the year	Transfers / reclassification during the year	As at 30 September 2022	Rate / Useful Life	As at 01 October 2021	For the year	Transfers / reclassification / (deletions) during the year	As at 30 September 2022	Carrying amount as at 30 September 2022
	Rupees	Rupees	Rupees	Rupees	% / Year	Rupees	Rupees	Rupees	Rupees	Rupees
Freehold land	2,392,979,913	–	–	2,392,979,913	-	–	-	–	–	2,392,979,913
		–						–		
Factory building on freehold land	2,943,163,304	–	(1,060,000)	2,942,103,304	10%	1,624,311,390	130,405,654	(563,145)	1,754,153,899	1,187,949,405
		–						–		
Non-factory building on freehold land	1,058,076,026	13,907,082	(44,619,735)	1,027,363,373	5% - 5/20 years	452,297,285	30,223,978	(10,139,808)	472,381,455	554,981,918
		–						–		
Plant and machinery	26,474,438,216	114,366,627	(56,086,750)	26,529,972,802	5% - 5/10 years	9,143,969,624	891,633,215	(39,190,785)	9,994,569,543	16,535,403,259
		(2,745,291)						(1,842,511)		
Sugarcane roots	776,236,276	651,405,712	–	1,061,299,933	3 years	274,848,701	302,772,325	–	330,681,596	730,618,337
		(366,342,055)						(246,939,430)		
Motor vehicles	2,024,877,480	201,781,971	101,709,512	2,162,629,547	20% - 5 years	1,742,965,022	98,584,084	60,376,380	1,771,678,445	390,951,102
		(165,739,416)						(130,247,041)		
Electrical installation	192,745,624	4,432,541	11,200,736	207,259,790	10% - 10 years	102,836,738	10,378,814	5,625,003	118,040,230	89,219,560
		(1,119,111)						(800,325)		
Office equipment	83,366,008	3,515,653	(10,704,741)	75,623,088	20% - 5 years	65,176,058	3,444,604	(9,103,596)	59,046,976	16,576,112
		(553,832)						(470,090)		
Tools and equipment	88,561,624	3,096,242	(722,426)	90,935,440	10%	44,117,011	4,590,182	(320,371)	48,386,822	42,548,618
		–						–		
Furniture and fixture	32,742,429	1,445,914	(12,669,557)	21,279,957	10% - 10 years	19,677,215	1,239,936	(6,529,918)	14,174,491	7,105,466
		(238,829)						(212,742)		
Weighbridge	46,824,436	–	1,226,011	48,050,447	10% - 10 years	28,426,371	1,962,408	960,377	31,349,156	16,701,291
		–						–		

	Cost					Depreciation				
	As at 01 October 2021	Additions / (deletions) during the year	Transfers / reclassification during the year	As at 30 September 2022	Rate / Useful Life	As at 01 October 2021	For the year	Transfers / reclassification / (deletions) during the year	As at 30 September 2022	Carrying amount as at 30 September 2022
	Rupees	Rupees	Rupees	Rupees	% / Year	Rupees	Rupees	Rupees	Rupees	Rupees
Roads and boundary wall	170,564,168	–	44,390,410	214,954,578	10% - 5 years	107,834,764	11,794,863	10,109,085	129,738,712	85,215,866
		–						–		
Arms and ammunitions	8,272,259	–	72,348	8,344,607	10% - 10 years	5,886,908	238,535	72,348	6,197,791	2,146,816
		–						–		
Fire fighting equipment	82,815,232	–	2,535,355	85,350,587	20%	65,779,405	3,758,518	778,591	70,316,514	15,034,073
		–						–		
Aircrafts	902,022,925	59,754,736	–	961,777,661	10%	412,811,389	53,245,340	–	466,056,729	495,720,932
		–						–		
Tube well	9,556,913	–	50,441,119	59,998,032	10% - 5 years	5,940,827	3,296,054	38,706,035	47,942,916	12,055,116
		–						–		
Computers	88,059,208	5,358,449	12,733,717	100,004,404	33% - 3 years	66,545,291	9,648,143	9,233,248	79,803,350	20,201,054
		(6,146,970)						(5,623,332)		
	37,375,302,041	1,059,064,927	98,445,999	37,989,927,463		14,163,423,999	1,557,216,653	60,013,444	15,394,518,625	22,595,408,838
		(542,885,504)						(386,135,471)		

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

Location	Usage of immovable property	Total area (Acres)
Mauza Sharin, Jamal Din Wali, District Rahim Yar Khan	Manufacturing facility	348.10
Machi Goth, Sadiqabad, District Rahim Yar Khan	Manufacturing facility & Co-Gen Power Plant	189.15
Mauza Laluwali, Near Village Islamabad District Ghotki	Manufacturing facility & Co-Gen Power Plant	157.03
Mauza Kamoo Shaheed, Taluka Ubauro, Mirpur Mathelo, Ghotki	Manufacturing facility	133.25
59-A, Gulberg, Lahore	Space for corporate office	0.65
29-B, Gulberg, Lahore	Rest house	0.30
Agricultural Land - Punjab (various locations)*	Cultivation of sugarcane and other crops	925.28
Agricultural Land - Sindh (various locations)*	Cultivation of sugarcane and other crops	1,078.98

The buildings on freehold land and other immovable fixed assets of the Group are constructed / located at above mentioned freehold land.

*Due to large number of area, it is impracticable to disclose the name of each location of these immovable fixed assets, as required under Paragraph 1(b) of the 4th Schedule to the Companies Act, 2017.

20.1.10 Land measuring 158.5 Kanals/19.81 acres situated at Sadiqabad is under litigation by virtue of an appeal filed by the Holding Company, whereby the Additional Commissioner Revenue, Bahawalpur has granted stay Order in the favour of the Holding Company dated 08 November 2021 against Order dated 26 October 2021 ('Impugned Order') passed by the Additional Deputy Commissioner Revenue, Bahawalpur. The Holding Company has also filed W.P 74396/2022 in Honorable Lahore High Court ('LHC') against the order of Board of Revenue and the Honorable LHC has suspended the operation of said Order dated 18 May 2023. The matter is pending adjudication. Based on the opinion of the Holding Company's legal advisors, management is expecting a favorable outcome of the case.

	Note	2023 Rupees	2022 Rupees
20.1.11 Depreciation charge for the year has been allocated as follows:			
Cost of goods manufactured	36.1	923,369,566	1,020,132,294
Further cost charged on biological assets	36.1.1.1	211,796,803	168,730,769
Administrative expenses	37	219,919,168	148,615,452
Cost incurred on standing crops	39.1.1	284,262,838	219,738,138
		1,639,348,375	1,557,216,653

20.1.12 Detail of disposals of operating fixed assets

The details of operating fixed assets disposed off / written off during the year are as follows:

Description	Particulars of purchaser	Cost	Accumulated depreciation	Net book value	Sales value	Gain / (loss)	Mode of disposal	Relationship with the Company
		Rupees	Rupees	Rupees	Rupees	Rupees		
Motor vehicles								
Toyota Corolla GLI	Mr. Captain Afnan Arshad	1,912,000	1,357,651	554,349	764,800	210,451	Group policy	Employee
Toyota Corolla Altis	Mr. M. Khalid	2,166,500	1,562,679	603,821	649,950	46,129	Group policy	Employee
Toyota Corolla XLI	Mr. Captain Rizwan Noori	1,782,000	1,265,675	516,325	712,800	196,475	Group policy	Employee
Toyota Corolla GLI	Mr. Nadeem Haider	1,906,500	1,342,334	564,166	571,950	7,784	Group policy	Employee
Toyota Corolla Altis	Mr. Safdar Kanjoo	2,166,500	1,590,641	575,859	649,950	74,091	Group policy	Employee
Toyota Corolla Altis	Mr. Shahid Jamil	2,166,500	1,562,679	603,821	649,950	46,129	Group policy	Employee
Toyota Corolla Altis	Mr. Maqsood Ahmed Malhi	2,397,000	1,646,356	750,644	719,100	(31,544)	Group policy	Key management
Toyota Corolla Altis	Mr. Tauseef Baig	2,166,500	1,568,306	598,194	649,950	51,756	Group policy	Employee
Toyota Corolla Altis	Mr. Imtiaz Ashraf	2,010,000	1,480,667	529,333	603,000	73,667	Group policy	Employee
Toyota Corolla GLI	Mr. Zafar Iqbal	1,966,500	1,342,388	624,112	786,600	162,488	Group policy	Employee
Toyota Corolla Altis	Mr. M. Rafiq Gohar	2,216,500	1,510,811	705,689	664,950	(40,739)	Group policy	Employee
Toyota Corolla Altis	Mr. Javed Anwer	2,166,500	1,559,599	606,901	649,950	43,049	Group policy	Employee
Toyota Corolla Altis	Mr. Rana Niaz	2,011,500	1,498,532	512,968	603,450	90,482	Group policy	Employee
Suzuki Alto	Mr. Muhammad Zeeshan	1,675,000	335,734	1,339,266	1,645,455	306,189	Negotiation	Employee
		28,709,500	19,624,052	9,085,448	10,321,855	1,236,407		
Assets - written off								
Sugarcane roots		442,001,238	259,026,720	182,974,518	-	-	Group policy	
Others		12,315,649	11,602,119	713,530	-	-	Group policy	
		454,316,887	270,628,839	183,688,048	-	-		
Assets having net book value less than Rs. 500,000		99,960,922	82,520,698	17,440,224	70,606,357	53,166,135		
2023		582,987,309	372,773,589	210,213,720	80,928,212	54,402,542		
2022		542,885,504	386,135,471	156,750,033	138,454,557	103,049,807		

		Note	2023 Rupees	2022 Rupees
20.2	**Capital work in progress**			
	Balance as at 01 October		224,145,180	60,266,380
	Additions during the year		1,551,215,349	902,917,617
	Transfers made during the year	20.1.2	(1,388,571,134)	(739,038,817)
	Balance as at 30 September	20.2.1	386,789,395	224,145,180

20.2.1 Reconciliation of carrying amounts by classes of assets is as follows:

	Note	2023 Opening balance	Addition for the year	Transferred to operating fixed assets	Closing balance
		Rupees	Rupees	Rupees	Rupees
Advances for vehicles	31.1	42,649,386	32,605,415	(42,649,386)	32,605,415
Advances for capex	31.1	21,631,778	195,242,301	(21,631,778)	195,242,301
Advances for land	31.1	–	11,575,810	–	11,575,810
Buildings		16,395,714	146,564,067	(122,700,808)	40,258,973
Plant and machinery	20.2.2	143,468,302	306,964,113	(350,538,399)	99,894,016
Distillery project	20.1.6	–	7,212,880	–	7,212,880
Sugarcane roots	20.2.3	–	851,050,763	(851,050,763)	–
		224,145,180	1,551,215,349	(1,388,571,134)	386,789,395

	Note	2022			
		Opening balance	Addition for the year	Transferred to operating fixed assets	Closing balance
		Rupees	Rupees	Rupees	Rupees
Advances for vehicles	31.1	30,670,978	42,649,386	(30,670,978)	42,649,386
Advances for capex	31.1	–	21,631,778	–	21,631,778
Buildings		11,579,326	18,855,950	(14,039,562)	16,395,714
Plant and machinery	20.2.2	16,419,823	169,971,044	(42,922,565)	143,468,302
Sugarcane roots	20.2.3	1,596,253	649,809,459	(651,405,712)	–
		60,266,380	902,917,617	(739,038,817)	224,145,180

20.2.2 Additions in plant and machinery includes cost incurred for solar system amounting to Rs. 90.88 million (2022: Rs. Nil) out of which Rs. 34.7 million (2022: Rs. Nil) has been transferred to operating fixed assets.

20.2.3 Additions in sugarcane roots included transfer from biological assets amounting to Rs. 435 million (2022: Rs. 369 million).

	Note	2023 Rupees	2022 Rupees
20.3 Stores, spare parts and loose tools held for capital expenditure			
Balance as at 01 October		93,966,175	105,167,132
Additions during the year		4,496,489	17,904,766
		98,462,664	123,071,898
Transferred to operating fixed assets	20.1.2	(3,492,754)	(28,941,390)
Charged to consumption / adjustments		(15,346,067)	(164,333)
		(18,838,821)	(29,105,723)
Balance as at 30 September	28	79,623,843	93,966,175

21. RIGHT-OF-USE ASSETS

	2023			
	Land	Buildings	Vehicles	Total
	Rupees	Rupees	Rupees	Rupees
Balance as at 01 October	1,813,183,236	61,030,916	479,786,028	2,354,000,180
Additions during the year	668,998,594	92,297,829	489,642,798	1,250,939,221
Deletions during the year	(22,850,106)	–	–	(22,850,106)
Transfer to operating fixed assets - net book value	–	–	(103,440,453)	(103,440,453)
Depreciation charged for the year	(751,877,005)	(49,876,318)	(133,732,970)	(935,486,293)
Balance as at 30 September	1,707,454,719	103,452,427	732,255,403	2,543,162,549
Useful life (rate) / lease term	2 to 10 years	3 to 5 years	20%	

	2022			
	Land	Buildings	Vehicles	Total
	Rupees	Rupees	Rupees	Rupees
Balance as at 01 October	1,362,720,555	45,446,352	471,458,460	1,879,625,367
Additions during the year	1,188,730,806	5,678,979	153,360,090	1,347,769,875
Deletions during the year	(95,685,274)	–	(540,632)	(96,225,906)
Transfer to operating fixed assets - net book value	–	–	(38,838,956)	(38,838,956)
Impact of remeasurement	–	51,986,278	–	51,986,278
Depreciation charged for the year	(642,582,851)	(42,080,693)	(105,652,934)	(790,316,478)
Balance as at 30 September	1,813,183,236	61,030,916	479,786,028	2,354,000,180
Useful life (rate) / lease term	2 to 10 years	2 to 3 years	20%	

21.1 The Group's obligations under leases of vehicle are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options, which are further discussed in note 4.4.1. Leases for vehicles may contain an option to purchase the underlying leased asset outright at the end of the lease and the Group has the intention to exercise such option.

21.2 The depreciation charge on right-of-use assets for the year has been allocated as follows:

	Note	2023 Rupees	2022 Rupees
Cost of goods manufactured	36.1	118,971,374	103,361,699
Further cost charged on biological assets	36.1.1.1	6,130,200	4,020,416
Administrative expenses	37	55,712,661	43,184,939
Cost incurred on standing crops	39.1.1	754,672,058	639,749,424
		935,486,293	790,316,478

22. INVESTMENT PROPERTY

	Note	2023 Rupees	2022 Rupees
Balance as at 01 October		185,854,012	185,854,012
Purchased during the year		93,282,100	–
Transferred from operating fixed assets	20.1.3	38,704,100	–
Balance as at 30 September		317,840,212	185,854,012

22.1 Investment property represents agricultural land measuring 512.14 acres (2022: 401.04 acres) situated at various locations of Tehsil Sadiqabad, District Rahim Yar Khan. The fair value of investment property is Rs. 687 million (2022: Rs. 577 million). The fair value of investment property was determined by approved external, independent property valuer i.e. Hamid Mukhtar and Co. (Pvt.) Limited on 30 June 2022 by using the market approach whereby sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input into this valuation approach is price / rate per acre in particular locality and categorize as level 2 fair value (i.e. significant observable inputs).

22.2 Forced sale value of the investment property as per the latest valuation report was assessed at Rs. 550 million (2022: Rs. 462 million).

22.3 The Holding Company as a lessor has entered into operating leases contract having lease terms upto 2 years. Maturity analysis of future minimum rentals receivable under non-cancellable operating leases are as follows:

	2023 Rupees	2022 Rupees
Less than one year	17,007,333	14,618,381
More than one year	2,036,958	–
	19,044,291	14,618,381

	Note	2023 Rupees	2022 Rupees
23. INTANGIBLES			
Goodwill	23.1	608,310,693	608,310,693
Oracle computer software	23.2	347,820	2,391,422
		608,658,513	610,702,115

23.1 Goodwill includes Rs. 568,545,391 and Rs. 39,765,302 arisen at the time of mergers of United Sugar Mills Limited and Ghotki Sugar Mills (Private) Limited into the Holding Company. For impairment testing, the recoverable amount of both cash generating units are determined based on value in use calculation which uses cash flow projections approved by the Board of Directors covering a five year period using the average discount rate of 23.09 % per annum (2022: 13.94% per annum). The calculation of value in use is sensitive to discount rate and key commercial assumptions. The discount rate reflects current market assessment of the rate of return required for the business and is calculated using the Capital Asset Pricing Model. The discount rate reflects the Weighted Average Cost of Capital of the Holding Company. Management's key assumptions include stable profit margins, based on past experience in this market. No expected efficiency improvements have been taken into account and prices and wages reflect publicly available forecasts of inflation for the industry. Management believes that after considering the various scenarios no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount. Based on this calculation, no impairment is required to be accounted for against the carrying amount of goodwill.

		Note	2023 Rupees	2022 Rupees
23.2	**Oracle computer software**			
	Cost		21,397,279	21,397,279
	Accumulated amortization			
	Balance as at 01 October		19,005,857	16,960,347
	Amortization for the year	37 & 45	2,043,602	2,045,510
			21,049,459	19,005,857
	Balance as at 30 September		347,820	2,391,422
	Rate of amortization		10% - 33%	10% - 33%

23.2.1 Amortization for the year has been allocated to administrative expense.

	Note	2023 Rupees	2022 Rupees
24. LONG TERM INVESTMENTS			
Kathai-II Hydro (Private) Limited ("KHL")	24.1	–	–

		Note	2023 Rupees	2022 Rupees
24.1	**Kathai-II Hydro (Private) Limited ("KHL")**			
	250 (2022: 250) fully paid shares of Rs. 10 each			
	Equity held 20% (2022: 20%)		2,500	2,500
	Share of post acquision reserve:			
	Brought forward post acquision loss		(2,500)	(2,500)
	Share of loss for the year	24.1.1	–	–
			(2,500)	(2,500)
	Balance as at 30 September		–	–

24.1.1 Equity method has been applied on audited financial statements for the year ended June 30, 2023 (2022: June 30, 2022). Post acquisition reserves restricted to the cost of investment, therefore share of loss amounted to Rs. 185,350 (2022: Rs. 204,831) for the year has not taken under equity method. The summarized audited financial information of KHL is as follows:

	Note	2023 Rupees	2022 Rupees
Revenue		–	–
Loss for the year		(926,749)	(1,024,154)
Company's share of loss	24.1.1	(185,350)	(204,831)
Other comprehensive income for the year		–	–
Company's share of other comprehensive income		–	–

		Note	2023 Rupees	2022 Rupees
25.	**LONG TERM DEPOSITS**			
	Leasing facilities against right-of-use assets	25.1	138,243,624	81,839,570
	Others	25.2	22,400,530	28,691,878
			160,644,154	110,531,448
	Less: Current maturity presented under current assets	31	(11,060,420)	(13,036,630)
			149,583,734	97,494,818

25.1 These include security deposits with conventional banks and Islamic financial institution/banks in respect of leasing facilities availed against right-of-use assets (vehicles) amounting to Rs. 20.26 million and Rs. 117.98 million (2022: Rs. 4.46 million and Rs. 90.75 million) respectively.

25.2 The fair value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of others security deposits is not considered material and hence not recognized. This also includes an advance amounting to Rs. 1.55 million (2022: Rs. 1.85 million) due from JDW Aviation (Pvt.) Limited, an associated company by virtue of common directorship. The maximum aggregate amount outstanding during the year with respect to month end balances amounts to Rs. 4.56 million (2022: Rs. 4.56 million). This balance was neither past due nor impaired. These deposits do not carry any interest or markup.

		Note	2023 Rupees	2022 Rupees
26.	**LEASE RECEIVABLES**			
	Balance as at 01 October		–	69,633,908
	Impact of early termination		–	(13,718,278)
	Impact of remeasurment		–	3,589,965
	Interest income from subleasing of right-of-use assets	39	–	2,705,119
	Receipt during the year / other adjustment		–	(62,210,714)
	Balance as at 30 September	26.2	–	–

26.1 It presents sub-lease of agriculture land for lease term 1 to 1.5 years. The incremental borrowing rate applied to lease receivable is nil (2022: 9.71 %).

26.2 The risks associated with rights the Group retains in underlying assets are not considered to be significant, the Group employs strategies to further minimise these risks as ensuring all contracts include clauses requiring the lessee to submit security cheque during the lease term which will be refundable at the end of lease term.

27. BIOLOGICAL ASSETS

		2023					
		Standing sugarcane crop	Wheat	Rhodes grass	Mustard	Rice	Total
	Note	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
At the beginning of the year at fair value		2,853,458,837	836,163	–	737,667	–	2,855,032,666
Further cost charged during the year	36.1.1.1	1,401,871,297	42,439,318	–	12,406,436	–	1,456,717,051
Fair value (loss)/gain on initial recognition							
of agricultural produce	36.1.1	(504,621,858)	93,453,284	–	13,973,991	–	(397,194,583)
Decrease due to harvest		(3,750,506,892)	(136,728,765)	–	(27,118,094)	–	(3,914,353,751)
Cost incurred on standing crops		3,542,492,714	2,668,053	–	3,655,139	3,302,285	3,552,118,191
Net fair value gain on biological assets	39.1	53,542,465	–	–	–	–	53,542,465
At the end of the year at fair value		3,596,236,563	2,668,053	–	3,655,139	3,302,285	3,605,862,039

		2022					
		Standing sugarcane crop	Wheat	Rhodes grass	Mustard	Rice	Total
	Note	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
At the beginning of the year at fair value		2,333,366,150	1,317,463	52,436	464,158	–	2,335,200,206
Further cost charged during the year	36.1.1.1	1,118,077,306	33,010,047	–	4,728,157	–	1,155,815,510
Fair value gain on initial recognition							
of agricultural produce	36.1.1	816,440,302	40,338,568	126,064	16,268,878	–	873,173,812
Decrease due to harvest		(4,267,883,756)	(74,666,078)	(178,500)	(21,461,194)	–	(4,364,189,528)
Cost incurred on standing crops		2,397,069,755	836,163	–	737,668	–	2,398,643,586
Net fair value gain on biological assets	39.1	456,389,080	–	–	–	–	456,389,080
At the end of the year at fair value		2,853,458,837	836,163	–	737,667	–	2,855,032,666

27.1 Measurement of fair values

27.1.1 Fair value hierarchy

In absence of active market for standing sugarcane crop, the fair value measurement for the standing sugarcane crop has been categorised as Level 3 fair value based on the inputs to the valuation techniques used. Fair value has been determined by independent professional valuer, Osam Consultants Engineers as at 30 September 2023 on the basis of a discounted cash flow model by using income approach. The valuation model considers the present value of the net cash flows expected to be generated by the standing sugarcane crop at maturity, in its most relevant market, and includes the potential biological transformation and related risks associated with the asset. The cash flows projections include specific estimates for next year which mainly include crop's expected yield and expected production costs and costs to sell. The expected cash flows are discounted using a average risk adjusted discount rate.

27.1.2 Valuation techniques and significant unobservable inputs

The key variables, assumptions and the impact of changes in those is given below:

	Unit	2023	2022
Valued plantations (Actual)			
- Punjab Zone	Acres	8,952	8,736
- Sindh Zone	Acres	10,921	11,102
Estimated further production costs and costs to sell per acre			
- Punjab Zone	Rupees	164,394	117,558
- Sindh Zone	Rupees	171,828	112,582
Estimated yield per acre			
- Punjab Zone	Maunds	881	942
- Sindh Zone	Maunds	819	857
Harvest age	Months	12 - 14	12 - 14
Estimated future sugarcane price per maunds			
- Punjab Zone	Rupees	425	300
- Sindh Zone	Rupees	425	302
Risk - adjusted discount rate	% per month	1.09%	0.81%

Cost of biological assets other than standing sugarcane crop of Rs. 9.63 million (2022: Rs. 1.57 million) is considered to approximate their respective fair value less costs to sell as these assets are still at a very early stage of plantation and it is considered that in-significant biological transformation has taken place or the impact of fair value measurement is not significant.

27.2 Sensitivity analysis

Impact of changes in key subjective assumptions on fair value of biological assets is given below:

	Increase / (Decrease) 2023 Rupees	Increase / (Decrease) 2022 Rupees
Decrease of 10% in estimated average yield per acre	(679,827,805)	(498,013,252)
Increase of 10% in estimated further production cost	(320,204,148)	(212,667,368)
Increase of 10% in estimated average selling price per maunds	679,827,805	498,013,252
Increase of 10% in discount rate	(19,978,175)	(11,452,384)

27.3 Risk management strategy related to agricultural activities

The Group is exposed to the following risks relating to its sugarcane cultivation.

Regulatory and environmental risks

The Group is subject to various laws and regulations in Pakistan. The Group has established environmental policies and procedures aimed at ensuring compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

Climate and other risks

Due to inherent nature of the agricultural assets, it contains elements of significant risks and uncertainties which may adversely affect business and resultant profitability, including but not limited to the following:

i) adverse weather conditions such as floods etc. affecting the quality and quantity of production; and

ii) potential insect, fungal and weed infestations resulting in crop failure and reduced yields.

The Group is principally dependent upon the Government's measures for flood control. The Group follows an effective preventive pesticide / insecticide / fungicide program, regularly monitors the crops for any infestations and takes immediate curative measures. The management of the Group considered that sugarcane produced for crushing season 2022-23 was 18% lesser than last year due to floods - 2022 Pakistan.

Supply and demand risk

The price of sugarcane is driven by consumer demand of sugar as well as Government's intervention in setting of minimum / support price for the grower. Surplus production or bumper crop may result in a lower selling price hence affecting profitability of the Group adversely. The Group manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analysis for projected harvest volume and analysis.

	Note	2023 Rupees	2022 Rupees
28. STORES, SPARE PARTS AND LOOSE TOOLS			
Stores:			
- Sugar		1,824,178,460	1,329,731,383
- Co-Generation Power		260,563,196	165,263,929
- Corporate Farms		593,083,456	537,236,178
		2,677,825,112	2,032,231,490
Spare parts:			
- Sugar		786,669,454	608,984,969
- Co-Generation Power		111,823,920	97,241,947
		898,493,374	706,226,916
Loose tools:			
- Sugar		47,428,015	44,633,468
- Co-Generation Power		11,897,258	11,298,934
		59,325,273	55,932,402
		3,635,643,759	2,794,390,808
Less: Stores, spare parts and loose tools held for capex	20.3	(79,623,843)	(93,966,175)
Less: Provision for obsolescence	28.1	(661,437,356)	(482,899,915)
	28.3	2,894,582,560	2,217,524,718

28.1 These include reversals of provision for obsolescence of Rs. 89.04 million (2022: Rs. 159.05 million) which is included under the head 'cost of goods manufactured'.

28.2 Stores, spare parts and loose tools are pledged as security against short term borrowings (refer to note 13).

28.3 It includes 2,891 items of store, spare parts and loose tools which had been discarded in prior periods and measured at nil value.

	Note	2023 Rupees	2022 Rupees
29. STOCK-IN-TRADE			
Sugar	29.1	17,886,551,022	16,905,020,652
Bagasse		387,111,246	935,260,218
Mud		52,336,771	78,680,116
	36	18,325,999,039	17,918,960,986

29.1 The closing stock of sugar, net of 10% to 25% margin, having carrying value of Rs. 2,763 million (2022: Rs. 11,917 million) has been pledged against cash finance obtained from commercial and Islamic banks (for details, refer to note 13).

	Note	2023 Rupees	2022 Rupees
30. TRADE RECEIVABLES			
Considered good	30.1 & 30.2	3,669,800,494	3,920,509,349
Considered doubtful		100,391,459	100,391,459
		3,770,191,953	4,020,900,808
Less: Impairment allowance	30.3	(100,391,459)	(100,391,459)
		3,669,800,494	3,920,509,349

30.1 It includes net carrying amount of Rs. 1,297 million (2022: Rs. 1,254 million) receivables from growers against sale of agri inputs. The gross carrying amount of such receivables amounting to Rs. 4,991 million (2022: Rs. 3,530 million) is off set by Rs. 3,694 million (2022: Rs. 2,275 million).

30.2 These also include Rs. 2,328 million (2022: Rs. 2,279 million) receivable from CPPA-G on account of sale of energy under Energy Purchase Agreements. These are secured by a guarantee from the Government of Pakistan under the Implementation Agreements (IAs) and interest free, however, a delayed payment mark-up is charged in case the amounts are not paid within due dates. The rate of delayed payment mark-up charged during the year on outstanding amounts was 3MK+2% to 3MK+4.5% (2022: 3MK+2% to 3MK+4.5%) per annum. The effective interest rate charged during the year is ranging from 17.77% to 28.44% (2022: 17.02% to 20.56%) per annum.

	Note	2023 Rupees	2022 Rupees
30.3 Movement for impairment allowance			
Balance as at 01 October		100,391,459	51,672,219
Impairment against delayed payment markup - CPPA - G	40 & 45	–	48,719,240
Balance as at 30 September		100,391,459	100,391,459

31. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2023 Rupees	2022 Rupees
Advances to suppliers and contractors	31.1	382,537,361	384,562,678
Advances to growers	31.2	679,476,839	534,701,497
Prepaid expenses		62,390,896	45,606,445
Current portion of long term security deposits	25	11,060,420	13,036,630
Other short term security deposits	31.3	108,254,600	88,500,690
Advances to staff	31.4	35,179,004	14,722,110
Short term advances	31.5	–	–
Sugar export subsidy	31.6	–	–
Other receivables	31.7	32,618,787	25,334,897
		1,311,517,907	1,106,464,947

	Note	2023 Rupees	2022 Rupees
31.1 Advances to suppliers and contractors			
- Considered good	31.1.1	621,960,887	448,843,842
- Considered doubtful		24,860,358	60,591,136
		646,821,245	509,434,978
Less: Capital advances			
- Advances for capital expenditure		(195,242,301)	(21,631,778)
- Advances for vehicles		(32,605,415)	(42,649,386)
- Advances for land		(11,575,810)	–
	20.2.1	(239,423,526)	(64,281,164)
Less: Provision for doubtful advances	31.1.2	(24,860,358)	(60,591,136)
		382,537,361	384,562,678

31.1.1 This includes Rs. Nil (2022: Rs. 0.0741 million) due from Lahore Flying Club (Guarantee) Limited, an associated company as Mr. Mukhdoom Syed Ahmad Mahmud, a Non-Executive Director of the Holding Company, is also president of Lahore Flying Club (Guarantee) Limited. The maximum aggregate amount outstanding during the year with respect to month end balances amounts to Rs. 0.172 million (2022: Rs. 0.53 million). This balance was neither past due nor impaired.

		Note	2023 Rupees	2022 Rupees
31.1.2	**Provision for doubtful advances**			
	Balance as at 01 October		60,591,136	60,591,136
	Provision for year	40	3,354,994	–
	Written off during the year		(9,850,047)	–
	Reversal of provision for doubtful advances	39	(29,235,725)	–
	Balance as at 30 September		24,860,358	60,591,136
31.2	**Advances to growers**			
	- Considered good		679,476,839	534,701,497
	- Considered doubtful		4,937,966	4,937,966
			684,414,805	539,639,463
	Less: Provision for doubtful advances		(4,937,966)	(4,937,966)
		31.2.1	679,476,839	534,701,497

31.2.1 This represents advances provided to various sugarcane growers in the form of cash and for purchase of seeds and agri-implements. These carry interest rates ranging from 17% to 20% (2022: 10% to 17%) per annum and will be adjusted against sugarcane payment in forthcoming crushing season.

31.3 This represents security deposit paid to Utility Stores Corporation of Pakistan against the tender of sale of sugar and Nazir High Court of Sindh for disputed quota of sugar export amounting to Rs. 13.5 and Rs. 94.74 million (2022: Rs. 88.5 million and Rs. Nil) respectively.

		Note	2023 Rupees	2022 Rupees
31.4	**Advances to staff**			
	- against salaries	31.4.1	29,687,087	11,077,078
	- against expenses		5,491,917	3,645,032
			35,179,004	14,722,110

31.4.1 These represent advances given to staff as in accordance with the Group's policy.

31.5 The Subsidiary Company - DSML has entered into an agreement dated 29 December 2022 (2022: 08 January 2021) with JK Sugar Mills (Pvt.) Limited ('JKSML') to provide the short term advance/loan up to aggregate amount to Rs. 500 million (2022: Rs. 1 billion), for period of one year. These are receivable as and when funds were available with JKSML or upon demand of the DSML, provided that the entire outstanding principal amount reduced to zero by the end of term. Mark up is receivable quarterly at the average borrowing rate of the DSML 17.8 % per annum (2022: 8.78 % to 11.48 % per annum). Further, these advances / loan is secured by personal guarantee of one director of JKSML with an amount aggregating to Rs. 666.67 million.

		Note	2023 Rupees	2022 Rupees
31.6	**Sugar export subsidy**			
	Freight support / subsidy	31.6.1	405,531,830	405,531,830
	Others		92,961,760	92,961,760
		19.1.18	498,493,590	498,493,590
	Less: Provision for sugar export subsidy		(498,493,590)	(498,493,590)
			–	–

31.6.1 The Holding Company and the Subsidiray Company - DSML are unable to recover the subsidy amount of Rs. 404 million from the Sindh Government till the date against cash freight subsidy of Rs.10.70/ kg which was announced by the Government of Pakistan against sugar export made in the year 2017-18. The Holding Company and DSML has already filed a Petition No. 5410 & 5411 of 2021 before the Honorable Sindh High Court ('SHC') for recovery of said stuck subsidy. During the year, the Honorable SHC disposed of the Petition vide their order dated 30 March 2023 in favor of the Holding Company and DSML and issue directives for disbursement of the outstanding Sindh share of subsidy till first quarter of financial year 2023-24. However, till the reporting date, the Group has not received any recovery of said subsidy.

		Note	2023 Rupees	2022 Rupees
31.7	**Other receivables**			
	Considered good		32,618,787	25,334,897
	Considered doubtful		3,596,334	3,596,334
		31.7.1	36,215,121	28,931,231
	Less: Provision for doubtful receivables		(3,596,334)	(3,596,334)
			32,618,787	25,334,897

31.7.1 It includes Rs. 30.81 million (2022: Rs. 21.35 million) receivable in respect of sub-lease of land and are classified as operating lease in line with accounting policies of the Group as stated in note 4.4.3 to these consolidated financial statements.

32. CASH AND BANK BALANCES

	Note	2023 Rupees	2022 Rupees
At banks:			
Current accounts			
- Balance with conventional banks		118,075,364	332,347,315
- Balance with Islamic banks		51,247,017	74,754,946
		169,322,381	407,102,261
Saving accounts			
- Deposits with conventional banks	32.1	2,184,595	28,996,915
		171,506,976	436,099,176
Cash in hand		12,284,500	4,846,210
		183,791,476	440,945,386

32.1 The balances in saving accounts are placed under mark-up arrangements and bear mark-up ranging from 13.5 % to 20.5 % (2022: 5.50 % to 14.25 %) per annum.

33. ASSETS / (LIABILITIES) CLASSIFIED AS HELD FOR SALE

As explained in note 1.3 to the consolidated financial statements, the Board of Directors of the Subsidiary Company "FPML" through an extraordinary general meeting held on 25 March 2020, resolved to dispose of its property, plant and equipment either in parts or in their entirety to the prospective buyers after due process. However, due to COVID-19 situation in the country this was not completed during the financial year 2020 and the said arrangement was re-approved by the FPML shareholders in its EOGM held on 13 December 2021. However, during the year, the FPML has executed tendering process through the 'Moveable Assets Sale Agreement' with a prospective buyer against sale consideration of Rs. 1,600 million inclusive of sale tax and disposed off its entire property, plant and equipment except land.

As at 30 September 2023, the disposal group is stated at lower of carrying value or fair value less cost to sell i.e. carrying value which comprised of the following assets and liabilities:

	Note	2023 Rupees	2022 Rupees
Disposal group			
Operating fixed assets		70,000,000	70,000,000
Capital work-in-progress - net	33	–	828,942,347
Advances, deposits, prepayments and other receivables		65,362,349	–
Cash and bank balances	43.3	1,623,758,856	49,262,692
Assets held for sale		1,759,121,205	948,205,039
Trade and other payables		110,996,737	33,633,018
Provision for tax		109,162,238	2,960,714
Liabilities held for sale		220,158,975	36,593,732
Net assets		1,538,962,230	911,611,307

34. NON - CONTROLLING INTEREST - "NCI"

	Note	2023 Rupees	2022 Rupees
NCI percentage		41.10%	41.10%
Net assets	33	1,538,962,230	911,611,307
Net assets attributable to NCI		632,513,476	374,672,247

		Note	2023 Rupees	2022 Rupees
35.	**REVENUE FROM CONTRACTS WITH CUSTOMERS**			
	Disaggregation of revenue based on:			
35.1	**Segments**			
	Sugar			
	Sugar	35.1.1	68,998,807,722	51,211,264,019
	Molasses - by product	35.1.2	10,522,041,038	9,914,365,971
	Agri Inputs		4,990,555,935	3,495,975,809
	Bagasse - by product		1,206,321,145	322,472,112
	Mud - by product		545,556,412	404,349,826
			86,263,282,252	65,348,427,737
	Co-Generation Power	35.1.3	4,377,899,053	3,641,150,936
	Corporate Farms	35.1.4	168,920,321	99,466,147
		35.1.5	90,810,101,626	69,089,044,820
35.1.1	**Sugar**			
	Local		65,927,543,132	51,211,264,019
	Export	35.1.1.1	3,071,264,590	–
			68,998,807,722	51,211,264,019
35.1.1.1	**Geopraphic markets**			
	Asia		2,789,382,990	–
	Africa		281,881,600	–
			3,071,264,590	–
35.1.2	**Molasses - by product**			
	- Sale under DTRE (Duty & Tax Remission for Exporters)		10,160,960,800	8,984,640,650
	- Others		361,080,238	929,725,321
			10,522,041,038	9,914,365,971
35.1.3	**Co-Generation Power**			
	Variable energy price		2,638,220,565	2,219,199,529
	Fixed energy price		1,739,678,488	1,421,951,407
			4,377,899,053	3,641,150,936
35.1.4	**Corporate Farms**			
	Sugarcane seed and other crops		168,920,321	99,466,147
35.1.5	**Timing of revenue recognition**			
	Products transferred at a point in time		86,432,202,573	65,447,893,884
	Products transferred over time		4,377,899,053	3,641,150,936
			90,810,101,626	69,089,044,820

35.2 Revenue recognised during the year included Rs. 3,287 million (2022: Rs. 1,404 million) that was included in contract liabilities / advances from customers at the beginning of the year.

	Note	2023 Rupees	2022 Rupees
36. COST OF REVENUE			
Opening stock-in-trade		17,918,960,986	3,495,317,580
Add: Cost of goods manufactured	36.1	77,301,737,993	72,549,817,338
Add: Freight and other costs related to contracts		198,635,578	30,478,146
		95,419,334,557	76,075,613,064
Less: closing stock-in-trade			
- Sugar		(17,886,551,022)	(16,905,020,652)
- Bagasse		(387,111,246)	(935,260,218)
- Mud		(52,336,771)	(78,680,116)
	29	(18,325,999,039)	(17,918,960,986)
	36.1.4	77,093,335,518	58,156,652,078

	Note	2023 Rupees	2022 Rupees
36.1 Cost of goods manufactured			
Cost of crops consumed			
(including procurement and other costs)	36.1.1	63,097,190,843	61,558,707,512
Cost of agri inputs		4,304,116,059	3,138,358,789
Salaries, wages and other benefits	36.1.2	3,845,796,534	3,433,213,490
Cost of bagasse consumed		383,368,268	205,742,182
Stores and spare parts consumed		932,498,398	536,639,428
Depreciation of operating fixed assets	20.1.11	923,369,566	1,020,132,294
Packing materials consumed		767,330,544	720,569,528
Fee and taxes	36.1.3	570,000,000	-
Chemicals consumed		656,995,878	664,964,886
Operation and maintenance	36.1.5	259,267,662	221,032,622
Vehicle running expenses		326,857,092	206,509,119
Provision for obsolescence		267,583,225	67,896,799
Sugarcane roots written off	20.1.12	182,974,518	119,402,625
Depreciation of right-of-use assets	21.2	118,971,374	103,361,699
Electricity and power		144,176,872	147,384,553
Insurance		116,776,272	99,221,676
Oil, lubricants and fuel consumed		98,371,006	84,187,132
Mud and bagasse shifting expenses		80,655,601	75,912,925
Handling and storage		44,703,380	33,371,701
Repairs and maintenance		92,645,632	33,546,810
Printing and stationery		27,124,541	17,486,905
Freight and octroi		15,962,103	12,891,220
Telephone and fax		14,157,737	10,313,706
Initial land preparation		–	4,901,749
Travelling and conveyance		3,029,034	3,005,549
Assets written off	20.1.12	713,530	1,356,428
Other expenses		27,102,324	29,706,011
		77,301,737,993	72,549,817,338

		Note	2023 Rupees	2022 Rupees
36.1.1	**Cost of crops consumed**			
	Sugarcane purchased		58,964,826,469	56,986,072,800
	Cost of harvested crops			
	Cost incurred on standing crops		2,398,643,586	1,966,327,273
	Net fair value gain on biological assets	39.1	456,389,080	368,872,933
	Fair value (loss)/gain on initial recognition of agricultural produce	27 & 39	(397,194,583)	873,173,812
	Further cost charged	36.1.1.1	2,109,460,051	1,733,380,064
			4,567,298,134	4,941,754,082
	Less: transferred to capital work in progress	20.2.3	(434,933,760)	(369,119,370)
			63,097,190,843	61,558,707,512
36.1.1.1	**Further cost charged**			
	Salaries, wages and other benefits	36.1.1.1.1	379,609,037	341,344,599
	Repairs and maintenance		232,002,592	141,679,186
	Harvesting expense		116,048,829	129,443,354
	Fuel expenses		273,626,129	207,009,907
	Depreciation of operating fixed assets	20.1.11	211,796,803	168,730,769
	Irrigation expenses		113,012,841	79,904,981
	Vehicle running expenses		40,963,632	26,484,462
	Bio-laboratory expenses		25,967,335	21,260,981
	Fertilizer expenses		23,013,129	13,627,117
	Pesticide and herbicide expenses		1,039,658	2,395,936
	Seed expenses		6,317,043	4,234,493
	Insurance		3,397,358	2,829,745
	Depreciation of right-of-use assets	21.2	6,130,200	4,020,416
	Others		23,792,465	12,849,564
	Cost charged to biological assets	27	1,456,717,051	1,155,815,510
	Transportation expenses		643,558,099	567,301,490
	Road cess		9,184,901	10,263,064
			652,743,000	577,564,554
		36.1.1	2,109,460,051	1,733,380,064

36.1.1.1.1 Salaries, wages and other benefits include Rs. 8.17 million (2022: Rs. 7.03 million) in respect of contribution towards provident fund.

36.1.2 Salaries, wages and other benefits includes contribution to provident fund of Rs. 94.03 million (2022: Rs. 82.39 million) and expense recognized in respect of employees' gratuity fund of Rs. 16.90 million (2022: Rs. 19.94 million).

36.1.3 This represents the Holding Company has paid requital fee for regularisation of crushing capacities of its Unit I and Unit II under Punjab Industries (Control on Establishment & Enlargement) (Amendment) Act, 2022 (for details, refer to note 19.1.17 & 51).

36.1.4 It includes estimated loss of bagasse by fire amounting to Rs. Nil (2022: Rs. 29.6 million).

	2023 Rupees	2022 Rupees
36.1.5 Operation and maintenance		
Reimbursable cost	223,627,662	188,632,622
Operating fee	35,640,000	32,400,000
	259,267,662	221,032,622

	Note	2023 Rupees	2022 Rupees
37. ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	37.1	2,442,363,068	2,160,117,805
Legal and professional services		112,603,205	77,595,244
Depreciation of operating fixed assets	20.1.11	219,919,168	148,615,452
Vehicle running and maintenance		97,120,590	59,990,523
Depreciation of right-of-use assets	21.2	55,712,661	43,184,939
Charity and donations	37.2	237,900,000	176,045,660
Repairs and maintenance		35,692,137	22,524,065
Insurance		36,730,345	32,070,738
Travelling and conveyance		60,689,095	34,142,166
Subscription and renewals		23,431,039	10,119,699
Printing and stationery		23,884,301	16,168,721
Telephone, fax and postage		13,640,460	11,508,831
Fee and taxes		18,652,492	24,929,604
Electricity and power		17,449,677	14,291,131
Entertainment		8,505,219	5,708,948
Auditors' remuneration	37.3	10,024,075	9,057,750
Office renovation		7,793,049	6,259,598
Amortization of intangible asset	23.2	2,043,602	2,045,510
Advertisement		1,164,908	1,512,580
Assets written off		–	588,616
Consultancy and Advisory		981,015	–
Expense relating to leases of less than 12 month		–	450,000
Newspapers, books and periodicals		552,775	311,890
Other expenses		28,892,375	18,336,948
		3,455,745,256	2,875,576,418

37.1 Salaries, wages and other benefits includes contribution to provident fund of Rs. 53.95 million (2022: Rs. 42.81 million) and expense recognized in respect of employees' gratuity fund of Rs. 7.24 million (2022: Rs. 8.55 million).

		Note	2023 Rupees	2022 Rupees
37.2	**Donations for the year have been given to:**			
	- Tareen Education Foundation		152,200,000	71,000,000
	- Lodhran Pilot Project		64,500,000	38,000,000
	- Al Siraj Welfare Foundation		10,000,000	–
	- Professional Education Foundation		1,500,000	1,500,000
	- National Society for M.E.H Children		1,000,000	1,000,000
	- Lahore Garrison Shooting Gallery		2,000,000	–
	- Lahore Race Club		2,000,000	–
	- Forman Chirstian College		2,000,000	–
	- Lahore Divisional Squash Association		1,500,000	–
	- Kidney Centre Training Institute		1,000,000	–
	- Pak-Afghan Cooperation Forum	37.2.1	–	10,000,000
	- The Citizens Foundation		–	2,000,000
	- Water proof tent & Mosquito nets for flood affectees		–	17,385,660
	- Prime Minister's Flood Relief Fund		–	10,000,000
	- KPK CM's Flood Relief Fund		–	5,000,000
	- Donation for flood relief efforts to:			
	- Ameer Buksh Khan Bhutto		–	2,000,000
	- Ihsan Ullah Khan		–	5,000,000
	- Ihsan Alam		–	2,500,000
	- Muhammad Sohail		–	5,000,000
	- Muhammad Zahir Shah		–	2,500,000
	- Mr. Syed Inam		–	1,000,000
	- Syed Zafar Abbas Shah		–	500,000
	- Others	37.2.2	200,000	1,660,000
		37.2.3	237,900,000	176,045,660

37.2.1 It represents a relief package consist of 100 MT sugar for Afghan earthquake affectees was delivered to Afghanistan with the efforts of Pak Afghan Cooperation Forum.

37.2.2 Others' include donations paid to various institutions or individual. The aggregate amount paid to a single institution / individual is less than Rs. 1 million.

37.2.3 None of the Directors of the Group or their spouses have any interest as in any of the recipients of donations made by the Group during the year except Mr. Mukhdoom Syed Ahmad Mahmud, a Non-Executive Director, is a chairman of Lahore Race Club and an Executive Director, an Alumni of Forman Chirstian College.

		Note	2023 Rupees	2022 Rupees
37.3	**Auditors' remuneration**			
	The charges for professional services (exclusive of sales tax) consist of the following:			
	Riaz Ahmad Saqib Gohar & Co. Auditor's of JDWSML, DSML, SPL & GPL			
	Statutory audit		6,570,000	5,330,000
	Half yearly review		700,000	660,000
	Out of pocket expenses		100,000	144,600
	Certifications for regulatory purposes		480,250	452,000
	Tax advisory services		1,932,625	1,811,650
	Others	37.3.1	241,200	659,500
			10,024,075	9,057,750
	Rizwan & Co. Auditors of FPML			
	Statutory audit		500,000	500,000
	Out of pocket expenses		15,000	15,000
			515,000	515,000
	Less: Classified under discontinued operations	43.1.1	(515,000)	(515,000)
			10,024,075	9,057,750

37.3.1 It represents audit fee charged for Employees' Provident Fund, Workers' Profit Participation Fund's and Employees Gratuity Fund audit.

	Note	2023 Rupees	2022 Rupees
38. SELLING EXPENSES			
Salaries, wages and other benefits	38.1	67,085,855	61,207,561
Other selling expenses		16,756,401	2,186,983
		83,842,256	63,394,544

38.1 Salaries, wages and other benefits include Rs. 1.10 million (2022: Rs. 0.96 million) in respect of contribution towards provident fund.

	Note	2023 Rupees	2022 Rupees
39. OTHER INCOME			
Income from financial assets			
Delayed payment markup - CPPA-G	30.2	345,821,495	194,535,051
Rental income under operating sub-lease		87,580,924	50,770,691
Foreign exchange gain - net		23,232,345	–
Interest income on bank deposits	32.1	30,306,472	9,366,762
Interest income from subleasing of right-of-use assets	26	–	2,705,119
Markup on advances to JK Sugar Mills (Pvt.) Ltd.		1,950,685	40,394,839
		488,891,921	297,772,462
Income from non-financial assets			
Fair value (loss) / gain on initial recognition of agricultural produce	36.1.1	(397,194,583)	873,173,812
Sale of scrap		208,021,297	8,478,442
Gain on disposal of operating fixed assets	20.1.12	54,402,542	102,645,785
Net fair value gain on biological assets	39.1	53,542,465	456,389,080
Liabilities no longer payable written back		69,925,050	16,347,569
Penalty for not honoring of contract		55,416,500	8,731,791
Reversal of provision for doubtful advances	31.1.2	27,693,372	–
Rental income from investment property		17,557,518	12,280,212
Mark-up on advances to growers	31.2.1	17,400,544	28,179,900
Gain on derecognition of the right of-use assets		1,934,021	76,438,844
Reversal of Workers' Welfare Fund	15.4	10,211,825	29,572,047
Insurance claim		–	24,541,000
Others		2,387,369	6,222,501
		121,297,920	1,643,000,983
		610,189,841	1,940,773,445

	Note	2023 Rupees	2022 Rupees
39.1 Net fair value gain on biological assets			
Fair value of standing crops		3,605,862,039	2,855,032,666
Cost incurred on standing crops	39.1.1	(3,552,319,574)	(2,398,643,586)
	27	53,542,465	456,389,080
39.1.1 Cost incurred on standing crops			
Irrigation expenses		804,732,165	443,695,966
Depreciation of right-of-use assets	21.2	754,672,058	639,749,424
Fertilizer expenses		721,147,787	329,270,090
Salaries, wages and other benefits	39.1.1.1	353,649,680	276,969,921
Depreciation of operating fixed assets	20.1.11	284,262,838	219,738,138
Pesticide and herbicide expenses		189,658,061	172,875,510
Repairs and maintenance		176,337,978	143,905,952
Fuel expenses		168,640,656	89,689,674
Vehicle running expenses		44,834,917	33,499,534
Bio-laboratory expenses		28,061,317	23,027,836
Insurance		3,568,843	3,279,720
Others		22,753,274	22,941,821
		3,552,319,574	2,398,643,586

39.1.1.1 Salaries, wages and other benefits include Rs. 9.20 million (2022: Rs. 7.58 million) in respect of contribution towards provident fund.

39.1.1.2 The cost of inventories recognised as an expense and included in cost of growing crops and further cost charged (note 36.1.1.1) amounted to Rs. 3,291 million (2022: Rs. 2,026 million).

	Note	2023 Rupees	2022 Rupees
40. OTHER EXPENSES			
Workers' Profit Participation Fund	15.3	257,270,534	280,677,992
Workers' Welfare Fund	15.4	40,637,560	39,219,566
Advances and other receivables written off		9,432,463	14,002,191
Provision for doubtful advances	31.1.2	3,354,994	–
Impairment against delayed payment markup - CPPA-G	30.3	–	48,719,240
Loss on termination of sub-lease of land		–	13,718,278
Loss on acknowledged receipts		–	13,159,419
Others		10,014,637	751,275
		320,710,188	410,247,961

	Note	2023 Rupees	2022 Rupees
41. FINANCE COST			
Mark-up based loans from conventional banks / financial institutions			
- Long term finances - secured		1,798,157,470	1,438,779,324
- Short term borrowings - secured		2,263,446,009	1,483,700,848
- Interest expense for leasing arrangements	9	377,600,135	261,513,480
		4,439,203,614	3,183,993,652
Islamic mode of financing			
- Long term finances - secured		135,994,866	166,260,597
- Short term borrowings - secured		1,153,653,164	771,254,107
		1,289,648,030	937,514,704
Amortization of transaction cost	8	35,413,371	8,243,549
Workers' Profit Participation Fund	15.3	188,467,505	72,406,795
Markup on short term advance from provident fund		–	3,425,096
Bank charges and commission		56,951,666	58,785,337
		280,832,542	142,860,777
Less: Amortization of deferred Government grant	12	–	(25,862,000)
		6,009,684,186	4,238,507,133

	Note	2023 Rupees	2022 Rupees
42. TAXATION			
Income tax		1,086,037,566	799,075,471
Super tax	10.1	243,137,027	104,354,081
Change in estimate related to prior years		(35,053,126)	(209,199,357)
		1,294,121,467	694,230,195
Deferred tax	10.2	345,355,422	265,362,477
Agriculture tax		3,790,688	3,012,782
		1,643,267,577	962,605,454

42.1 Relationship between tax expense and accounting profit before tax

The provision for taxation related to current and preceding financial year mainly represents the Minimum Tax and final tax liabilities under section 113 and 169 of the Income Tax Ordinance, 2001 respectively. Accordingly, tax charge reconciliation for current and preceding financial year has not been prepared and presented.

42.2 For tax contingencies, refer to note 19.1.1 to 19.1.16

	Note	2023 Rupees	2022 Rupees
43. PROFIT /(LOSS) FROM DISCONTINUED OPERATIONS – NET OF TAX			
43.1 Results of discontinued operations			
Revenue		768,898,569	4,812,933
Expenses	43.1.1	(13,054,084)	(8,224,199)
Results from operating activities		755,844,485	(3,411,266)
Taxation	43.1.2	(128,493,562)	–
Results from operating activities - net of tax		627,350,923	(3,411,266)

43.1.1 It includes statutory audit fee including out of pocket expense of Rs. 0.515 Million (2022: Rs. 0.515 million).

43.1.2 Due to tax loss for the current and preceeding year and tax losses available for carry forward, provision for taxation for the current year has been made on alternative corporate tax basis. Accordingly, tax charge reconciliation for current financial year has not been prepared and presented. Moreover, the FPML has not recognized deferred tax asset including deferred tax asset on minimum tax on prudence principle as the FPML does not expect to utilize this asset before it lapses.

	2023 Rupees	2022 Rupees
43.2 Allocation of loss between owners of the Holding Company and NCI		
Profit /(loss) from discontinued operations	627,350,923	(3,411,266)
- Owners of the Holding Company	369,509,694	(2,009,236)
- Non - controlling interest	257,841,229	(1,402,030)
	627,350,923	(3,411,266)

		2023 Rupees	2022 Rupees
43.3	**Cash flows from discontinued operations**		
	Cash and cash equivalents at beginning of the year	49,262,692	53,488,517
	Net cash used in operating activates	220,190,232	(4,225,825)
	Net cash generated from investing activities	1,354,305,932	–
	Net cash flows for the year	1,574,496,164	(4,225,825)
	Cash and cash equivalents at end of the year	1,623,758,856	49,262,692

		2023 Tons	2022 Tons
43.4	**Capacity and production - Air dry metric tons**		
	Capacity	–	47,600
	Actual production	–	–

43.4.1 The FPML has not commenced its commercial operations yet.

44. EARNINGS PER SHARE - BASIC AND DILUTED

		2023	2022
Profit from continuing operations	Rupees	2,813,706,486	4,322,834,677
Weighted average number of ordinary shares	Numbers	58,278,579	59,776,661
Basic earnings per share	Rupees	48.28	72.32
Profit / (loss) from discontinued operations	Rupees	369,509,694	(2,009,236)
Weighted average number of ordinary shares	Numbers	58,278,579	59,776,661
Basic earnings / (loss) per share	Rupees	6.34	(0.03)

		Note	2023 Numbers	2022 Numbers
44.1	**Weighted average number of ordinary shares**			
	Outstanding number of shares before own shares purchased		59,776,661	59,776,661
	Less: Impact of own shares purchased during the year	6.2.2	(1,498,082)	–
			58,278,579	59,776,661

44.2 A diluted earnings per share has not been presented as the Holding Company does not have any convertible instruments in issue as at 30 September 2023 and 2022 which would have any effect on the profit or loss per share if the option to convert is exercised.

	Note	2023 Rupees	2022 Rupees
45. CASH GENERATED FROM OPERATIONS			
Profit before taxation		4,456,974,063	5,285,440,131
Adjustments for non-cash income and expenses:			
Finance cost		5,974,270,815	4,230,263,584
Depreciation of operating fixed assets		2,214,573,099	2,067,344,795
Staff retirement benefits		357,651,253	321,829,377
Provision for obsolescence	36.1	267,583,225	67,896,799
Assets written off	20.1.12	183,688,048	121,347,669
Workers' Profit Participation Fund	15.3	257,270,534	280,677,992
Depreciation of right-of-use assets	21.2	180,814,235	150,567,054
Workers' Welfare Fund	15.4	40,637,560	39,219,566
Advances and other receivables written off	40	9,432,463	14,002,191
Amortization of transaction cost	8	35,413,371	8,243,549
Amortization of intangibles	23.2	2,043,602	2,045,510
Provision for doubtful advances	40	3,354,994	–
Interest income		(395,479,196)	(275,181,671)
Liabilities no longer payable written back		(69,925,050)	(16,347,569)
Reversal of provision for obsolescence		(89,045,784)	(159,054,896)
Gain on disposal of operating fixed assets	20.1.12	(54,402,542)	(102,645,785)
Net fair value gain on biological assets	39.1	(53,542,465)	(456,389,080)
Foreign exchange gain - net	39	(23,232,345)	–
Reversal of provision for doubtful advances	31.1.2	(29,235,725)	–
Gain on derecognition of the right of-use assets	39	(1,934,021)	(76,438,844)
Reversal of Workers' Welfare Fund	15.4	(10,211,825)	(29,572,047)
Impairment against delayed payment markup - CPPA-G	30.3	–	48,719,240
Loss on termination of sub-lease of land		–	13,718,278
Loss on acknowledged receipts		–	13,159,419
		8,799,724,246	6,263,405,131
		13,256,698,309	11,548,845,262
Working capital changes:			
Trade receivables		408,066,135	134,652,589
Stores, spare parts and loose tools		(855,071,031)	(477,109,368)
Biological assets		(517,839,574)	66,177,903
Advances, deposits, prepayments and other receivables		(293,543,064)	135,887,944
Stock-in-trade		(407,038,053)	(14,423,643,406)
Trade and other payables		460,031,255	1,104,705,373
Advances from customers		15,394,839,377	1,899,606,234
Lease receivables		–	69,633,908
		14,189,445,045	(11,490,088,823)
Cash generated from operations		27,446,143,354	58,756,439

46. BUSINESS SEGMENT INFORMATION

46.1 The Group has four reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. Information reported to the Group's chief operating decision maker for the purpose of resource allocation and assessment of segment performance is focused on type of goods supplied. In addition to actual expenses incurred in operating segments, un-allocated expenses have been allocated to operating segments on net sales proportionate basis. The following summary describes the operations in each of the Group's reportable segments that is submitted to chief operating decision maker:

Reportable Segment	Operations
Sugar	Production and sale of crystalline sugar and other related joint and by-products.
Co-Generation Power	Generation and sale of energy to CPPA-G
Corporate Farms	Managing corporate farms for cultivation of sugarcane and the small quantity of other crops.
Others	Project under construction for manufacture / generation and sale of ethanol and energy. However, operation of paper pulp classified as disposal group (for detail, refer to note 33).

46.2 Information regarding the Group's reportable segments from continuing operations are presented below:

		Sugar		Co-Generation segment		Corporate Farms segment		Others		Inter segment reconciliation		Total	
		2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees
46.2.1	**Segment revenues & results**												
	Net external revenues	86,263,282,252	65,348,427,737	4,377,899,053	3,641,150,936	168,920,321	99,466,147	-	-			90,810,101,626	69,089,044,820
	Inter-segment revenues	2,758,073,676	2,247,170,747	1,023,311,319	1,309,741,314	3,963,242,674	4,473,168,564	-	-	(7,744,627,669)	(8,030,080,625)	-	-
	Reportable segment revenue	89,021,355,928	67,595,598,484	5,401,210,372	4,950,892,250	4,132,162,995	4,572,634,711	-	-	(7,744,627,669)	(8,030,080,625)	90,810,101,626	69,089,044,820
	Depreciation	1,099,691,038	1,085,706,158	216,153,526	227,688,663	1,258,990,104	1,034,138,310	-	-			2,574,834,668	2,347,533,131
	Interest income	49,657,701	77,941,501	345,821,495	194,535,051	-	2,705,119	-	-			395,479,196	275,181,671
	Finance cost	5,425,510,447	3,867,380,008	207,486,070	113,893,423	376,687,169	257,233,102	500	600			6,009,684,186	4,238,507,133
	Segment profit / (loss) before tax	3,857,751,544	2,610,055,365	1,421,882,010	1,624,111,260	(822,470,331)	1,059,495,656	(189,160)	(8,222,150)			4,456,974,063	5,285,440,131

46.2.2 Inter-segment sales and purchases

Inter-segment sales and purchases have been eliminated from total figures.

46.2.3 Basis of inter-segment pricing

Inter-segment pricing is determined on an arm's length basis.

46.2.4 Segment assets & liabilities of continuing operations

	Sugar		Co-Generation segment		Corporate Farms segment		Others				Total	
	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees			2023 Rupees	2022 Rupees
Total assets for reportable segment	42,073,800,304	41,421,865,239	6,479,953,931	6,451,554,109	8,368,587,090	7,343,242,158	189,940,283	1,011,612			57,112,281,608	55,217,673,118
Total liabilities for reportable segment	36,340,662,310	34,272,185,845	318,845,350	333,689,617	2,452,205,214	2,350,885,452	5,809,494	87,112			39,117,522,368	36,956,848,026
Capital expenditure	784,430,016	243,614,336	77,484,273	11,320,066	882,351,344	817,683,585	153,505,688	-			1,897,771,321	1,072,617,987

		2023 Rupees	2022 Rupees
46.3	**Reconciliation of reportable segment profit or loss**		
	Total profit before tax for reportable segments	4,456,974,063	5,285,440,131
	Taxation	(1,643,267,577)	(962,605,454)
	Consolidated profit after tax from continuing operations	2,813,706,486	4,322,834,677

46.4 Geographical information

The segments of the Group are managed on nationwide basis except export sale. Geographical information relating to segment is presented below:

		2023 Rupees	2022 Rupees
46.4.1	**Revenue**		
	Domestic (Pakistan)	87,738,837,036	69,089,044,820
	Exports (Asia and Africa)	3,071,264,590	–
		90,810,101,626	69,089,044,820

46.4.2 Non-current assets

All non-current assets of the Group as at 30 September 2023 are located in Pakistan.

46.4.3 Unallocated liabilities

Unallocated liabilities include deferred liabilities and unclaimed dividend.

46.4.4 Unallocated assets

Unallocated assets include cash and bank balances.

46.5 Revenue from major customer

The Group's revenue is earned from a large mix of customers.

47. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Directors - Executive		Directors - Non - Executive		Executives	
	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees
Managerial remuneration	8,300,000	5,000,000	336,666,667	400,000,000	211,633,334	125,600,000	804,904,004	619,115,317
House allowance	3,320,000	2,000,000	134,666,667	160,000,000	84,653,334	50,240,000	321,961,602	247,646,127
Medical and other allowances	830,000	500,000	33,666,666	40,000,000	21,163,333	12,560,000	80,490,400	61,911,532
Bonus	–	–	200,000,002	250,000,004	130,000,004	78,000,000	878,674,409	673,195,454
Company's contribution towards provident fund	–	–	–	–	–	–	75,163,675	57,803,687
Staff retirement benefit - gratuity	–	–	–	–	–	–	6,623,400	5,572,040
	12,450,000	7,500,000	705,000,002	850,000,004	447,450,005	266,400,000	2,167,817,490	1,665,244,157
Number of persons	1	1	1	1	2	2	168	123

47.1 In addition to the above, Chief Executive and some of the Executives are provided with free use of Group maintained cars and certain other benefits as per the Group policy.

47.2 No meeting fee has been paid to the chief executive, non-executive and executive directors of the Holding Company during the current and preceding year.

47.3 Mr. Jahangir Khan Tareen, an Executive Director, and its family owned business concerns are permitted to use the Holding Company maintained aircraft for private trips, subject to availability, for which the proportionate share of operating expenses is reimbursed to the Holding Company. During the year, Rs. 56.611 million (2022: Rs. 44.527 million) was charged for the use of aircraft.

48. FINANCIAL INSTRUMENTS

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

- Credit risk
- Liquidity risk
- Market risk (including currency risk, interest rate risk and other price risk)

48.1 Risk management framework

The Board of Directors has overall responsibility for establishment and oversight of the Group's risk management framework. The Board of Directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee regularly meets for any changes and compliance issues are reported to the Board of Directors through the audit committee.

Risk management systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

48.1.1 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. To manage credit risk, the Group maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes, the financial viability of all counterparties are regularly monitored and assessed.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at consolidated statement of financial position date is:

	2023 Rupees	2022 Rupees
Financial assets at amortized cost		
Long term deposits	20,184,212	26,843,199
Trade receivables	2,373,232,302	2,666,350,750
Advances, deposits and other receivables	170,560,474	124,912,665
Bank balances	171,506,976	436,099,176
	2,735,483,964	3,254,205,790

Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focuses on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. However, the Group identifies concentration of credit risk by reference to type of counterparty. Maximum exposure to credit risk by type of counterparty is as follows:

	2023 Rupees	2022 Rupees
Customers:		
- Sugar segment	44,698,849	387,099,815
- Co-Generation Power segment	2,328,533,453	2,279,250,935
Banking companies	171,506,976	436,099,176
Others	190,744,686	151,755,864
	2,735,483,964	3,254,205,790

Credit quality and impairment

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Trade receivables

The Group's exposure to credit risk arising from trade receivables is mainly influenced by the individual characteristics of each customer. Majority of the Group's revenue is made against receipts in advance from customers. Trade receivables mainly represents receivable from Central Power Purchasing Agency (Guarantee) Limited, a Government owned entity and are secured by guarantee from Government of Pakistan under the Implementation Agreements.

The Group recognized ECL / impairment loss allowance for trade receivables in line with accounting policies of the Group as explained in note 4.21.6 & 4.21.7. As per aforementioned approach, the loss allowance was determined as:

	2023		2022	
	Gross carrying amount	Accumulated impairment	Gross carrying amount	Accumulated impairment
	Rupees	Rupees	Rupees	Rupees
Not past due	1,278,492,264	–	1,290,671,289	–
Past due:				
1 - 90 days	997,969,794	–	1,118,556,132	–
91 - 365 days	96,770,244	–	257,123,329	–
366 - above days	100,391,459	100,391,459	100,391,459	100,391,459
	2,473,623,761	100,391,459	2,766,742,209	100,391,459

Customer credit risk is managed subject to the Group's established policy, procedures and controls relating to customer credit risk management. Based on the past experience, consideration of financial position, past track records and recoveries, the Group believes that no impairment allowance is necessary in respect of trade receivables past due as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time. Management also believes that the unimpaired balances that are past due are still collectible in full, based on historical payment behavior and review of financial strength of respective customers. Therefore, the Group has no material expected credit loss under IFRS 9 'Financial Instruments' and incurred impairment loss under IAS 39 'Financial Instrument Recognition and Measurement' at the year end.

The above gross carrying amount includes Rs. 2,377 million (2022: Rs. 2,328 million) amount receivable from Central Power Purchasing Agency (Guarantee) Limited against sale of energy.

Bank balances

Impairment on bank balances has been measured on a 12 months expected credit loss basis and reflects the short maturities of the exposures. The Group considers that its bank balances have low credit risk based on the external credit ratings of the counterparties. The credit quality of the Group's bank balances can be assessed with reference to external credit rating agencies as follows:

	Rating		Rating	2023	2022
	Long term	Short term	Agency	Rupees	Rupees
Banks					
Conventional					
Habib Bank Limited	AAA	A1+	JCR-VIS	93,454,201	59,389,953
United Bank Limited	AAA	A1+	JCR-VIS	13,420,565	8,006,410
MCB Bank Limited	AAA	A1+	PACRA	6,012,292	105,185,162
The Bank of Punjab	AA+	A1+	PACRA	2,002,239	126,238,655
Faysal Bank Limited	AA	A1+	PACRA	1,401,461	3,305,246
National Bank of Pakistan	AAA	A1+	PACRA	1,357,305	6,632,642
JS Bank Limited	AA-	A1+	PACRA	795,456	58,061
Habib Metropolitan Bank Limited	AA+	A1+	PACRA	722,994	872,448
Bank Alfalah Limited	AA+	A1+	PACRA	284,397	12,361,613
Bank Al Habib Limited	AAA	A1+	PACRA	278,686	30,354
Sindh Bank Limited	A+	A1	JCR-VIS	200,850	85,419
Allied Bank Limited	AAA	A1+	PACRA	94,514	6,654,249
Soneri Bank Limited	AA-	A1+	PACRA	66,348	3,993,000
Summit Bank Limited	BBB-	A-3	JCR-VIS	63,467	78,468
Askari Bank Limited	AA+	A1+	PACRA	39,718	563,393
The First Microfinance Bank Limited	A+	A1	JCR-VIS	37,976	47,892
Silk Bank Limited	A-	A2	JCR-VIS	20,448	20,448
The Bank of Khyber	A+	A1	PACRA	7,042	16,047
				120,259,959	333,539,460
Islamic					
Meezan Bank Limited	AAA	A1+	JCR-VIS	30,084,181	47,456,109
Bank Alfalah Limited	AA+	A1+	PACRA	8,176,042	9,292,162
National Bank of Pakistan	AAA	A1+	PACRA	7,925,339	15,907,860
Askari Bank Limited	AA+	A1+	PACRA	1,742,402	3,692
Dubai Islamic Bank (Pakistan) Limited	AA	A1+	JCR-VIS	1,118,573	1,227,687
Albaraka Bank (Pakistan) Limited	A+	A1	PACRA	1,108,971	425,889
NRSP Microfinance Bank	A-	A2	PACRA	821,173	27,125,054
Bank Islamic (Pakistan) Limited	AA-	A1	PACRA	149,075	928,669
MCB Islamic Bank Limited	A	A1	PACRA	92,812	164,145
Al Baraka Bank (Pakistan) Limited					
(Formally Burj Bank Limited)	A+	A1	PACRA	20,016	20,016
Faysal Bank Limited	AA	A1+	PACRA	8,433	8,433
				51,247,017	102,559,716
				171,506,976	436,099,176

Due to the Group's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non performance by these counterparties on their obligations to the Group. Accordingly, the credit risk is minimal.

Advances, deposits and other receivables

Advances, deposits and other receivables mainly comprise of advances to employees against salaries, receivables from related parties and deposits with government entities and financial institution. These are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider 'low credit risk' based on historical experience. The Group has assessed that sufficient securities are available against advances to employees and may recovered from the final settlement of employees in case of default. Short term deposits are placed with counterparties as per contractual arrangement and are refundable. The management assessed that the expected credit loss associated with these financial assets is trivial and therefore no impairment allowance is necessary.

48.1.2 Liquidity risk

Liquidity risk represents the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities. The Group's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. For this purpose, the Group ensures that it has sufficient cash to meet expected working capital requirements by having credit lines available. Further, liquidity position of the Group is closely monitored by the Board of Directors through budgets, cash flows projections and comparison with actual results. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

	2023				
	Carrying amount	Contractual cash flows	One year or less	One to five years	More than five years
	Rupees				
Non-derivative financial liabilities					
At amortized cost:					
Long term finances - secured	6,430,180,003	6,550,033,141	6,550,033,141	–	–
Short term borrowings	6,292,529,027	9,128,556,091	9,128,556,091	–	–
Lease liabilities	2,883,509,553	3,576,228,229	1,288,024,352	2,288,203,877	–
Accrued profit / interest / mark-up	576,851,539	576,851,539	576,851,539	–	–
Trade and other payables	1,683,141,725	1,683,141,725	1,683,141,725	–	–
Unclaimed dividend	52,850,040	52,850,040	52,850,040	–	–
	17,919,061,887	21,567,660,765	19,279,456,888	2,288,203,877	–

	2022				
	Carrying amount	Contractual cash flows	One year or less	One to five years	More than five years
	Rupees				
Non-derivative financial liabilities					
At amortized cost:					
Long term finances - secured	11,295,439,200	14,644,161,771	5,060,834,110	9,583,327,661	–
Short term borrowings	14,830,264,117	18,120,108,942	18,120,108,942	–	–
Lease liabilities	2,622,898,383	2,678,387,282	807,323,241	1,871,064,041	–
Accrued profit / interest / mark-up	1,043,339,635	1,043,339,635	1,043,339,635	–	–
Trade and other payables	1,978,503,022	1,978,503,022	1,978,503,022	–	–
Unclaimed dividend	40,640,932	40,640,932	40,640,932	–	–
	31,811,085,289	38,505,141,584	27,050,749,882	11,454,391,702	–

48.1.3 Market risk

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

i) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. This exists due to the Group's exposure resulting from outstanding import payments, foreign commercial transactions and related interest payments if any.

Financial liabilities of the Group include Rs. 13.06 million (2022: Rs. 16.21 million) in foreign currencies which are subject to currency risk exposure. The Group believes that the foreign exchange risk exposure on financial assets and liabilities is immaterial.

Foreign currency risk management

The Group manages foreign currency risk through due monitoring of the exchange rates, adjusting net exposure and obtaining forward covers where necessary. The Group does not enter into forward exchange contracts as at reporting date.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term and short-term financing arrangements and obligations under finance lease at floating interest rates to meet its business operations and working capital requirements. The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to these consolidated financial statements. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

		2023		2022	
		Financial asset	Financial liability	Financial asset	Financial liability
Non-derivative financial instruments	**Note**	**Rupees**	**Rupees**	**Rupees**	**Rupees**
Fixed rate instruments:					
Lease liabilities		–	2,200,097,617	–	2,193,926,897
Variable rate instruments:					
Long term finances - secured	8	–	6,430,180,003	–	11,330,852,571
Lease liabilities		–	683,411,936	–	428,971,486
Short term borrowings	13	–	6,292,529,027	–	14,830,264,117
Cash at bank	32.1	2,184,595	–	28,996,915	–
		2,184,595	13,406,120,966	28,996,915	26,590,088,174
		2,184,595	15,606,218,583	28,996,915	28,784,015,071

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

Profit or loss (100 bps)			
2023		2022	
Increase	Decrease	Increase	Decrease
Rupees			
(134,039,364)	134,039,364	(265,610,913)	265,610,913

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

Interest rate risk management

The Group manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The long and short term financing / borrowing and obligation under finance lease has variable rate pricing that is mostly dependent on Karachi Inter Bank Offered Rate ("KIBOR") as indicated in respective notes.

iii) Other price risk

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

48.2 Fair value measurements of financial instruments

Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Group 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 carrying amounts of all the financial instruments reflected in these consolidated financial statements are a reasonable approximate their fair value largely due to the short-term maturities of these instruments. Long & short term investments are carried at cost less accumulated impairment loss and biological assets are measured at fair value less costs to sell.

Fair value measurement

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measure using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants at in their economic best interest.

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

Fair value hierarchy

IFRS 13, 'Fair Value Measurements' requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfers occur. However, there were no transfers amongst levels during the year.

For details of the valuation techniques and significant unobservable inputs related to determining the fair value of biological assets, which are classified in level 3 of the fair value hierarchy, refer to note 27.

49. CAPITAL MANAGEMENT

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

The Group's objectives when managing capital are:

a) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

b) to provide an adequate return to shareholders.

The Group manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Group's strategy is to ensure compliance with the Prudential Regulations issued by the State Bank of Pakistan and is in accordance with agreements executed with financial institutions so that the total borrowings to equity ratio does not exceed the lender covenants. The total borrowings to equity ratio as at 30 September 2023 and 2022 are as follows:

	2023 Rupees	2022 Rupees
Total debt	13,982,972,505	27,598,842,446
Less: cash and bank balances	(183,791,476)	(440,945,386)
Net debt	13,799,181,029	27,157,897,060
Total equity	18,901,207,994	18,797,764,152
Total capital employed	32,700,389,023	45,955,661,212
Gearing ratio	42%	59%

Total debt comprises of long term financing from banking companies / financial institutions, lease obligation towards banks only, short term borrowings and accrued mark-up.

Total equity includes issued, subscribed and paid-up share capital, share premium reserve and accumulated profits.

50. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of subsidiary companies, associated companies, other related companies, entities under common directorship, key management personnel and post employment benefit plans. Amounts due from and due to related parties are shown under respective notes to these consolidated financial statements. Other significant transactions with related parties except those disclosed elsewhere are as follows:

Name of company	Relationship	Nature of transactions	2023 Rupees	2022 Rupees
JDW Aviation (Pvt.) Limited	Associated Company (Common directorship)	Reimbursement of expenses	4,100,358	4,557,417
Lahore Flying Club (Guarantee) Limited	Associated Company (Related party)	Services rendered against aircraft hangar	229,067	767,191
Post employment benefit plans	Other related party	Provident fund contribution	372,540,799	315,874,650
		Shares purchased	310,725,789	–
		Payment to recognised gratuity fund	123,996,268	58,781,330
		Loan recoveries	56,224,213	28,269,769
		Short term advances received	–	250,000,000
		Short term advances paid	–	250,000,000
		Mark-up paid on short term advances	–	3,425,096
Key management personnel	Key management	Dividend paid	205,101,788	136,734,650
		Reimbursement of expenses	5,101,006	5,415,829

50.1 Detail of compensation to Chief Executive, Executive Director, Non-Executive Directors and Executives are disclosed in note 47.

50.2 There is no outstanding balance as at 30 September 2023 (2022: Nil) in respect of above transactions except as disclosed in respective notes to these consolidated financial statements.

50.3 All transactions with related parties are entered into at agreed terms/contractual arrangement duly approved by the Board of Directors of the Group.

51. CAPACITY AND PRODUCTION

	Capacity Tons	2023 Tons	2022 Tons
Sugar			
Holding Company:			
Unit I			
- Crushing capacity per day	35,000		
- Sugarcane crushed		2,698,673	3,311,789
- Actual production		303,372	336,630
Unit II			
- Crushing capacity per day	22,000		
- Sugarcane crushed		2,003,727	2,408,562
- Actual production		212,016	235,506
Unit III			
- Crushing capacity per day	14,000		
- Sugarcane crushed		1,724,264	2,091,205
- Actual production		179,585	209,498
Subsidiary Company - DSML:			
- Crushing capacity per day	13,000		
- Sugarcane crushed		1,585,515	1,953,090
- Actual production		165,410	196,560

51.1 The main reason for under utilization of production capacity is lesser availability of sugarcane during the season.

	2023 Mwh	2022 Mwh
Co - Generation Power		
Unit II		
- Installed capacity (based on 8,760 hours)	233,016	233,016
- Energy generated	203,339	195,649
- Energy delivered	180,354	166,201
Unit III		
- Installed capacity (based on 8,760 hours)	235,031	235,031
- Energy generated	217,161	186,096
- Energy delivered	190,569	160,046

51.2 Energy delivered to CPPA-G is dependent on the plant availability.

	2023		2022	
Corporate Farms	Zones	Acres/Maunds	Zones	Acres/Maunds
Sugarcane crop				
- Land (Acres)	Punjab & Sindh	25,694	Punjab & Sindh	24,970
- Land under cultivation (Acres)	Punjab & Sindh	19,166	Punjab & Sindh	19,712
- Crop harvested (Maunds)	Punjab & Sindh	14,071,232	Punjab & Sindh	19,045,523

51.3 The Holding Company also has harvested 34,387 Maunds of wheat (2022: 33,939 Maunds), no any Maunds of Rhode grass (2022: 446 Maunds) and 3,513 Maunds of Mustard (2022: 3,828 Maunds) during the year.

52. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2023						
	Equity		Liabilities				
	Accumulated profit	Share capital	Unclaimed dividend	Long term finances - secured	Lease liabilities	Short term borrowings	Accrued profit / interest / mark-up
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 October 2022	17,521,680,614	597,766,610	40,640,932	11,295,439,200	2,622,898,383	14,830,264,117	1,043,339,635
Changes from financing cash flows:							
Loans received during the year	–	–	–	–	–	169,529,557,594	–
Principal portion of lease liabilities paid	–	–	–	–	(1,330,606,521)	–	–
Dividend paid	(2,154,242,100)	–	(173,580)	–	–	–	–
Interest paid during the year	–	–	–	–	–	–	(6,063,158,777)
Loans repaid during the year	–	–	–	(4,900,672,568)	–	(178,352,496,615)	–
Own shares purchased and cancelled during the year	(872,206,128)	(20,000,000)	–	–	–	–	–
	(3,026,448,228)	(20,000,000)	(173,580)	(4,900,672,568)	(1,330,606,521)	(8,822,939,021)	(6,063,158,777)
Other changes – liability related:							
Interest expense for the year	–	–	–	–	377,600,135	–	5,632,084,052
Addition in lease liabilities	–	–	–	–	1,232,655,403	–	–
Profit for the year	3,162,274,758	–	–	–	–	–	–
Increase in short term finances	–	–	–	–	–	285,203,931	–
Amortization of transaction cost	–	–	–	35,413,371	–	–	(35,413,371)
Exchange difference	–	–	–	–	5,746,280	–	–
Others	(12,382,688)	–	12,382,688	–	(24,784,127)	–	–
Total liability – related other changes	3,149,892,070	–	12,382,688	35,413,371	1,591,217,691	285,203,931	5,596,670,681
Balance as at 30 September 2023	17,645,124,456	577,766,610	52,850,040	6,430,180,003	2,883,509,553	6,292,529,027	576,851,539

	2022						
	Equity		Liabilities				
	Accumulated profit	Share capital	Unclaimed dividend	Long term finances - secured	Lease liabilities	Short term borrowings	Accrued profit / interest / mark-up
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 October 2021	14,693,902,094	597,766,610	33,748,830	14,842,659,788	2,104,109,093	3,433,591,564	308,968,644
Changes from financing cash flows							
Loans received during the year	–	–	–	1,000,000,000	–	146,871,115,717	–
Payments for lease liabilities	–	–	–	–	(960,656,556)	–	–
Dividend paid	(1,494,416,526)	–	(420,889)	–	–	–	–
Interest paid during the year	–	–	–	–	–	–	(3,234,379,113)
Loan repaid during the year	–	–	–	(4,581,326,137)	–	(136,426,302,065)	–
	(1,494,416,526)	–	(420,889)	(3,581,326,137)	(960,656,556)	10,444,813,652	(3,234,379,113)
Other changes – liability related							
Interest expense for the year	–	–	–	–	261,513,480	–	3,976,993,653
Addition in lease liabilities	–	–	–	–	1,390,348,782	–	–
Profit for the year	4,322,195,046	–	–	–	–	–	–
Decrease in short term finances	–	–	–	–	–	951,858,901	–
Impact of IAS 20	–	–	–	25,862,000	–	–	–
Amortization of transaction cost	–	–	–	–	–	–	(8,243,549)
Others	–	–	7,312,991	8,243,549	(172,416,416)	–	–
Total liability – related other changes	4,322,195,046	–	7,312,991	34,105,549	1,479,445,846	951,858,901	3,968,750,104
Balance as at 30 September 2022	17,521,680,614	597,766,610	40,640,932	11,295,439,200	2,622,898,383	14,830,264,117	1,043,339,635

53. NUMBER OF EMPLOYEES

The average and total number of employees are as follows:

	2023 Number	2022 Number
Average number of employees during the year	9,285	9,301
Total number of employees as at 30 September	6,733	6,618

54. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on 03 January 2024 by the Board of Directors of the Group.

55. SUBSEQUENT EVENTS

55.1 The Board of Directors in their meeting held on 03 January 2024 has proposed final cash dividend for the year ended 30 September 2023 of Rs. 15 (2022: Rs. 12.5) per share amounting to Rs. 866.650 million (2022: Rs. 722.208 million) subject to the approval of the Holding Company in the forthcoming annual general meeting. These financial statements do not include the effect of the above which will be accounted for in the year in which it is approved.

55.2 The Holding Company has early repaid its entire contractual obligation towards the Bank of Punjab - Led Syndicate amounting to Rs. 5,430 million dated 27 October 2023 (for details, refer to note 8.1.1).

56. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever considered necessary, for the purposes of comparison and better presentation to comply with the requirements of the accounting and reporting standards as applicable in Pakistan, however, no significant re-arrangements and reclassification have been made during the year except current maturity of right-of-use assets has been re-classified to non-current portion of right-of-use assets having value of Rs. 730 million in financial year 2022.

Chief Financial Officer | Chief Executive Officer | Director

06

SHAREHOLDERS' INFORMATION

NOTICE OF 34TH ANNUAL GENERAL MEETING

Notice is hereby given that the 34th Annual General Meeting (the "AGM") of JDW Sugar Mills Limited (the "Company") will be held at Summit Hall, Royal Palm Golf & Country Club, 52-Canal Bank Road, Lahore on Saturday, January 27, 2024 at 10:00 a.m., to transact the following business:

Ordinary Business:

1. To confirm the minutes of the last Annual General Meeting of the Company held on January 28, 2023.

2. To receive, consider and adopt the Audited Un-Consolidated and Consolidated Financial Statements of the Company for the financial year ended on September 30, 2023 together with Chairman's Review, Directors' and Auditors' Reports thereon.

3. To approve payment of Final Cash Dividend @ Rs. 15/- (150%) per share, as recommended by the Board on January 03, 2024 in addition to interim cash dividends of Rs. 25/- (250%) per share already disbursed, totaling to Rs. 40/- (400%) per share for the financial year ended on September 30, 2023, i.e. Rs. 11.75/- (117.50%) per share from Sugar Division and Rs. 28.25/- (282.50%) per share from Power Division.

4. To appoint Statutory Auditors of the Company for the next financial year ending on September 30, 2024 and to fix their remuneration. The Board, based on the recommendation of the Audit Committee, has recommended the appointment of retiring Auditors M/s Riaz Ahmad, Saqib, Gohar & Company, Chartered Accountants, who being eligible, have offered themselves for re-appointment as Statutory Auditors of the Company.

Special Business:

5. To consider and, if deemed fit, pass, with or without modification(s), addition(s) or deletion(s), the following resolutions, as special resolutions, which would enable the Company to circulate the annual audited financial statements by way of QR enabled code and weblink to its shareholders as a part of the notice for AGM:

a) "Resolved that consent and approval of the members of JDW Sugar Mills Limited be and is hereby accorded and the Company be and is hereby authorized to circulate its Annual Audited Financial Statements to its members through QR enabled code and weblink as part of the notice of Annual General Meeting in line with Securities and Exchange Commission of Pakistan (the **"SECP"**) Notification No. S.R.O. 389(I)/2023 dated March 21, 2023 and as a consequence thereof, the practice of circulation of annual audited financial statements through CD/DVD/USB be discontinued.

b) Further Resolved that Mr. Maqsood Ahmad Malhi, Company Secretary/Legal Head be and is hereby authorized to prepare, finalize, execute, issue and file all necessary documents, notices, applications and any ancillary documents, take and do, and/or cause to be taken or done, any/all necessary actions, deeds and things for and on behalf of, and in the name of the Company, as may be necessary or required as deemed fit for giving effect to the aforementioned resolution as well as do all acts, matters, deeds, and things which are necessary, incidental and/or consequential to the principal or any ancillary matters thereto to fully achieve the objectives of aforesaid resolution."

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

Statements under section 134(3) of the Companies Act, 2017 concerning special business are annexed to the notice of meeting circulated to the members of the Company.

By Order of the Board

January 05, 2024 **(Maqsood Ahmad Malhi)**

Lahore **Company Secretary & Legal Head**

NOTES:

A. General

i) All members are entitled to attend and vote at AGM.

ii) The share transfer books of the Company will remain closed from **Friday, January 19, 2024** to **Saturday, January 27, 2024** (both days inclusive). Transfers received in order at the Company's Registered Office or Corplink (Private) Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore (the **"Shares' Registrar"**) by the close of business on Thursday, January 18, 2024, will be treated in time and may be considered for dividend entitlement, exercising voting rights etc.

iii) Members are requested to promptly submit to the Shares' Registrar / Company / their Participant (if applicable):

a) any change in their contact details/address;

b) IBAN under Section 242 of the Companies Act, 2017 (the **"Act"**) through Mandate Form available at www.jdw-group.com;

c) Valid Tax Exemption Certificate; and

d) Form CZ-50 (Non-deduction of Zakat).

iv) Members, who by any reason, could not claim their dividends/shares, if any, are advised to contact Company's Shares Registrar to collect/inquire about their unclaimed dividends/shares.

v) In terms of Section 132(2)/134(1)(b) of the Act and GoP/SECP guidelines issued from time to time, the Company has put in place necessary arrangements for virtual participation of members in the AGM. Interested members may contact at maqsoodmalhi@jdw-group.com with their identification/comments atleast two (02) days before the AGM.

B. For Attending the AGM and Identification

i) In case of individuals: Original Computerized National Identity Card or Passport be shown for Identification.

ii) In case of a Corporate Entity: The Board Resolution/ Power of Attorney with specimen signature of the representative be shown for identification.

C. For Appointing the Proxies

Members entitled to attend and vote at the AGM may appoint a proxy/nominee in writing to attend the AGM and vote on their behalf. Duly completed Proxy Form / Authorization must be deposited with the Company at its Registered office not later than 48 hours before the scheduled AGM time. Proxy Form / Authorization must be complete/valid and accompanied with following:

a) witnessed by two persons

b) attested copies of CNIC or passport of Member and proxy

D. Replacement of Physical Shares into CDC Account

Members, who hold physical shares, are advised to convert their shares into CDC in terms of Section 72 of the Act.

E. Proportionate shareholding of Joint Shareholders

Proportionate shareholding of joint shareholders shall be treated (50:50) unless they update their proportionate of shareholding otherwise.

F. Placement of Financial Statements on Website

The financial statements of the Company for the financial year ended on September 30, 2023 will also be available on Company's website.

G. Polling of Special Business Resolutions

The members of the Company are informed that pursuant to the Companies (Postal Ballot) Regulations, 2018 as amended through Notification No. S.R.O 2192(I)/2022 dated December 05, 2022 and S.R.O 905(I)/2023 dated July 07, 2023 (the **"Regulations"**), issued by SECP, which directed all listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business. Accordingly, members of the Company will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in Company's AGM to be held on January 27, 2024 at 10:00 a.m., in accordance with aforesaid Regulations.

H. Procedure for E-Voting

a) Details of the e-voting facility will be shared through an e-mail to those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses (Registered email ID) available in the register of members of the Company on or before January 19, 2024 by M/s Corplink (Private) Limited (being the e-Voting service provider).

b) Identity of the Members intending to cast vote through e-Voting shall be authenticated through electronic signature or authentication for login.

c) E-Voting lines will start from Wednesday, January 24, 2024, 09:00 a.m. and shall close on Friday, January 26, 2024 at 05:00 p.m. (the **"E-Voting Period"**).

d) Members can cast their vote any time during E-Voting Period and once the vote on a resolution is casted by a Member, he / she shall not be allowed to change it subsequently.

I. Procedure for Voting through Postal Ballot

The members shall ensure that duly filled and signed ballot paper along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post on the Company's registered address 17-Abid Majeed Road, Lahore Cantt., Lahore or email at chairman@jdw-group.com one day before AGM i.e. January 26, 2024, during working hours. The signature on the ballot paper shall match with the signature on CNIC.

BALLOT PAPER FOR VOTING THROUGH POST

JDW Sugar Mills Limited

JDW Group

Ballot paper for voting through post for poll on Special Business at the Annual General Meeting to be held on Saturday, January 27, 2024 at 10:00 am at Summit Hall, Royal Palm Golf & Country Club, 52-Canal Bank Road, Lahore.

Designated email address of the Chairman at which the duly filled in ballot paper may be sent:

chairman@jdw-group.com

Name of Shareholder/Joint Shareholders	
Registered Address	
Number of shares held and folio number	
CNIC Number (copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government.)	

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

Sr. #	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
	Agenda Item No. 5 To consider and, if deemed fit, pass, with or without modification(s), addition(s) or deletion(s), the following resolutions, as special resolutions, which would enable the Company to circulate the annual audited financial statements by way of QR enabled code and weblink to its shareholders as a part of the notice for AGM: a) "Resolved that consent and approval of the members of JDW Sugar Mills Limited be and is hereby accorded and the Company be and is hereby authorized to circulate its annual audited financial statements to its members through QR enabled code and weblink as part of the notice of Annual General Meeting in line with Securities and Exchange Commission of Pakistan Notification No. S.R.O. 389(I)/2023 dated March 21, 2023 and as a consequence thereof, the practice of circulation of annual audited financial statements through CD/DVD/USB be discontinued. b) Further Resolved that Mr. Maqsood Ahmad Malhi, Company Secretary/Legal Head be and is hereby authorized to prepare, finalize, execute, issue and file all necessary documents, notices, applications and any ancillary documents, take and do, and/or cause to be taken or done, any/all necessary actions, deeds and things for and on behalf of, and in the name of the Company, as may be necessary or required as deemed fit for giving effect to the aforementioned resolution as well as do all acts, matters, deeds, and things which are necessary, incidental and/or consequential to the principal or any ancillary matters thereto to fully achieve the objectives of aforesaid resolution."			

Signature of Shareholder(s)

Place:

Date:

Notes

a) Duly filled postal ballot should be sent as follows:

Through Courier	Through E-mail
The Chairman JDW Sugar Mills Limited, 17-Abid Majeed Road, Lahore Cantt., Lahore	chairman@jdw-group.com

b) Copy of CNIC should be enclosed with the postal ballot form.

c) Postal ballot form should reach the Chairman of the meeting on or before close of business on January 26, 2024. Any postal ballot received after this date, will not be considered for voting.

d) Signature on postal ballot should match with signature on CNIC.

e) Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

f) For any further clarity, member may contact the Company or its Shares Registrar at given contacts.

STATEMENTS OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 IN RESPECT OF SPECIAL BUSINESS

Agenda No. 5:

Circulation of Company's Annual Audited Financial Statements through QR enabled code and Weblink as part of Notice of AGM.

The SECP vide S.R.O. 389(I)/2023 dated March 21, 2023 has allowed listed companies to circulate the Annual Audited Financial Statements to their members through QR enabled code and weblink (instead of CD/DVD/USB), subject to approval of the shareholders in the general meeting. Foregoing in view, it is under consideration to place the agenda before the members at the AGM for their approval as special resolutions with or without any modifications, additions or deletions.

Members are also informed that they will be provided complete financial statements with relevant documents in hard copy at their registered addresses, free of cost, within one week, if a request has been made by the member on the standard request form available on the website of the Company.

Disclosure of Directors' Interest:

The Directors of the Company are not interested in the aforementioned special business.

نوٹس: (اندرجات)

A. عمومی امور

i) تمام اراکین سالانہ اجلاس عام ("AGM") میں شرکت اور رائے شماری کے اہل ہیں۔

ii) کمپنی کے شیئرز ٹرانسفر کھاتہ جات جمعہ 19 جنوری 2024ء ہفتہ 27 جنوری 2024ء (بشمول دونوں ایام) بند رہیں گی۔ جمعرات 18 جنوری 2024ء کو کاروبار بند ہونے تک کمپنی کے رجسٹرڈ آفس یا کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، K-1 کمرشل، ماڈل ٹاؤن لاہور (شیئرز رجسٹرار) کو موصول ٹرانسفرز کو بروقت وصولی شمار کیا جائے گا اور انہیں ڈیویڈنڈ وصول کرنے اور AGM میں رائے شماری کا حق حاصل ہوگا۔

iii) اراکین سے درخواست ہے کہ وہ شیئرز رجسٹرار/کمپنی/ متعلقہ بروکرز کو فوراً مندرجہ ذیل تفصیلات فراہم کریں:

a) اپنی رابطہ کی تفصیلات / پتہ میں تبدیلی

a) IBAN زیر دفعہ 242 کمپنیز ایکٹ 2017ء ("ایکٹ") بذریعہ مینڈیٹ فارم جو کہ کمپنی کی ویب سائٹ پر دستیاب ہے

c) CZ-50 فارم (زکوٰۃ سے استثنیٰ)

iv) ایسے اراکین جو کسی وجہ سے اپنے گذشتہ منافع منقسمہ/حصص (اگر کوئی ہے) حاصل نہیں کر سکے تو ان سے گذارش ہے کہ وہ کمپنی کے شیئرز رجسٹرار سے رابطہ کر کے ان کی وصولی سے متعلق معلومات حاصل کریں۔

v) ایکٹ کے سیکشن (1)134/(2)132 اور حکومت پاکستان/SECP کی ہمہ وقت جاری کردہ ہدایات کے مطابق کمپنی نے AGM میں فاصلاتی (virtual) شرکت کے لئے ضروری انتظامات کئے ہیں۔ دلچسپی رکھنے والے اراکین AGM کے انعقاد سے دو (02) یوم قبل اپنے شناخت/رائے کے ساتھ maqsoodmalhi@jdw-group.com سے رابطہ کر سکتے ہیں۔

B. AGM میں شرکت اور شناخت کے لئے

i) فرد واحد کی صورت میں: اصلی کمپیوٹرائزڈ قومی شناختی کارڈ نمبر یا پاسپورٹ نمبر شناخت کے لئے پیش کیا جائے۔

ii) ادارے کی صورت میں: بورڈ آف ڈائریکٹرز کی قرارداد/مختارنامہ بمعہ نمائندے کے نمونہ دستخط شناخت کے لئے پیش کئے جائیں۔

C. پراکسیز کی تقرری کے لئے

AGM میں شرکت اور رائے شماری کے اہل اراکین اپنی جگہ AGM میں شرکت اور رائے شماری کے لئے تحریری طور پر پراکسی/نمائندہ مقرر کر سکتے ہیں۔ باقاعدہ مکمل پراکسی فارم AGM کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس یا شیئرز رجسٹرار کو لازماً جمع کرایا جائے۔ پراکسی فارم مکمل پُر شدہ/کارآمد ہونا چاہئے اور مندرجہ ذیل ساتھ منسلک ہونے چاہئیں:

a) دو افراد سے گواہ شدہ

b) رکن اور پراکسی/نمائندے کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول

E. شیئر ہولڈنگ تناسب کی تجدید

اپنی شیئرز ہولڈنگ کی تناسب کی تجدید نہ کرانے والے مشترکہ شیئرز ہولڈرز کی متناسب شیئرز ہولڈنگ کو (50:50) کا تناسب شمار کیا جائے گا۔

F. ویب سائٹ پر آڈٹ شدہ مالیاتی گوشوارے کی اشاعت

30 ستمبر 2023ء کو اختتام پذیر مالی سال کے لئے کمپنی کی آڈٹ شدہ گوشوارے بمعہ رپورٹس کمپنی کی ویب سائٹ پر بھی شائع کر دی جائیں گی۔

G. خصوصی کاروباری قراردادوں کی پولنگ

ممبران کو بروئے کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 ترمیم شدہ بذریعہ نوٹیفکیشن نمبر S.R.O 2192(I)2022 مورخہ 05 دسمبر 2022 اور S.R.O 905(I)/2023 مورخہ 07 جولائی 2023ء ای ووٹنگ اور پوسٹل بیلٹ کی سہولت مہیا کی جا رہی ہے

H. ای ووٹنگ کا طریقہ کار

a) ای ووٹنگ سہولت کی تفصیلات کمپنی کے ان ممبران کو ای میل کے ذریعے شیئرز کی جائیں گی جن کے مؤثر CNIC نمبرز، سیل نمبرز، اور ای میل ایڈریس (رجسٹرڈ ای میل آئی ڈی) کمپنی کے ممبران کے رجسٹر میں میسرز کارپ لنک (پرائیویٹ) لمیٹڈ کے پاس 19 جنوری 2023ء تک یا پہلے موجود ہوں۔

b) ای ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے اراکین کی شناخت الیکٹرانک دستخط یا لاگ ان کے لیے تصدیق کے ذریعے کی جائے گی۔

c) ای ووٹنگ کی سہولت بروز بدھ، 24 جنوری، 2024، صبح 09:00 بجے سے بروز جمعہ 26 جنوری، 2024 کو شام 05:00 بجے تک مہیا کی جائے گی۔

d) ممبران اس مدت میں کسی بھی وقت اپنا ووٹ ڈال سکتے ہیں۔ ایک بار کسی رکن کی طرف سے قرارداد پر ووٹ ڈالنے کے بعد، اسے بعد میں اسے تبدیل کرنے کی اجازت نہیں ہوگی۔

I. پوسٹل بیلٹ کے ذریعے ووٹنگ کا طریقہ کار

اراکین اس بات کو یقینی بنائیں گے کہ کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی کاپی کے ساتھ صحیح طریقے سے پُر اور دستخط شدہ بیلٹ پیپر چیئرمین تک کمپنی کے رجسٹرڈ ایڈریس، 17- عابد مجید روڈ، لاہور کینٹ لاہور پر 26 جنوری 2024 تک ڈاک کے ذریعے یا chairman@jdw-group.com پر ای میل کے ذریعے پہنچیں۔ بیلٹ پیپر پر دستخط CNIC پر دستخط سے مماثل ہونے چاہئیں۔

نوٹس برائے 34واں سالانہ اجلاسِ عام

جے ڈی ڈبلیو شوگر ملز لمیٹڈ

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ جے ڈی ڈبلیو شوگر ملز لمیٹڈ ("کمپنی") کا 34واں سالانہ اجلاس عام سٹ ہال، رائل پام گولف اینڈ کنٹری کلب، 52- کینال بینک روڈ، لاہور میں بروز ہفتہ 27 جنوری 2024ء کو صبح 10:00 بجے درج ذیل امور کی انجام دہی کے لئے منعقد ہوگا۔

عمومی امور:

1. 28 جنوری 2023ء کو منعقدہ گذشتہ سالانہ اجلاسِ عام کی کارروائی کی توثیق کرنا۔
2. 30 ستمبر 2023ء کے مالی سال کے لئے کمپنی کے سالانہ آڈٹ شدہ انفرادی اور مشترکہ گوشوارے معہ ان پر چیئرمین، ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور وخوض اور منظور کرنا۔
3. سال مختتمہ بابت 30 ستمبر 2023ء کے لئے بورڈ آف ڈائریکٹرز کی جانب سے 03 جنوری 2024ء کو سفارش کردہ حتمی نقد منافع منقسمہ بابت مبلغ -/15 روپے (150%) فی حصص بمعہ عبوری نقد منافع منقسمہ مبلغ -/25 روپے (250%) فی حصص پہلے ہی ادا کیا جا چکا ہے جس سے کل منافع سال مختتمہ 30 ستمبر 2023ء کے لئے مبلغ -/40 روپے (400%) ہوگا کی منظوری۔
4. اگلے مالی سال 2023-2024 کیلئے کمپنی کے آڈیٹرز کا تقرر اور ان کے معاوضے طے کرنا۔ سبکدوش ہونے والے آڈیٹرز میسرز ریاض احمد، ثاقب، گوہر اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے کمپنی کے آڈیٹرز کے طور پر دوبارہ تقرری کے لئے خود کو پیش کیا ہے اور بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارشات کی بنیاد پر ان کی دوبارہ تقرری کی سفارش کی ہے۔

خصوصی امور:

5. مندرجہ ذیل قراردادوں کو ترمیم، اضافے یا حذف کے ساتھ یا اس کے بغیر، بطور خصوصی قراردادیں، غور وخوض اور اگر مناسب سمجھا جائے تو منظور کرنا، جس سے کمپنی اپنے سالانہ آڈٹ شدہ اکاؤنٹس بمعہ متعلقہ رپورٹس اپنے شیئر ہولڈرز کو AGM نوٹس میں بذریعہ QR کوڈ اور ویب لنک بھیج سکے گی:-

a) "قرار پایا جاتا کہ جے ڈی ڈبلیو شوگر ملز لمیٹڈ کے ممبران کی باہمی رضامندی اور منظوری سے کمپنی اختیار دیا جاتا ہے کہ بروئے SECP کے نوٹیفکیشن نمبر S.R.O.389(I)/2023 مورخہ 21 مارچ 2023 کمپنی اپنے ممبران کو سالانہ آڈٹ شدہ اکاؤنٹس بمعہ متعلقہ رپورٹس اپنے شیئر ہولڈرز کو AGM نوٹس میں بذریعہ QR کوڈ اور ویب لنک بھیج سکتی ہے، اور اس کے نتیجے میں سالانہ آڈٹ شدہ اکاؤنٹس بمعہ متعلقہ رپورٹس اب سی ڈی/ڈی وی ڈی/یو ایس بی میں بھیجنے کا سلسلہ منقطع کیا جاتا ہے۔

b) "مزید قرار پایا کہ جناب مقصود احمد ملہی، کمپنی سیکرٹری/لیگل ہیڈ درج بالا قرارداد کے مکمل نفاذ کیلئے درکار تمام امور اقدامات اور عوامل جو اس مقصد کو پورا کرنے اور قرارداد کو عملی جامعہ پہننے کیلئے ضروری ہیں، کو انجام دینے کے مجاز ہوں۔"

6. صاحب صدر کی اجازت سے دیگر امر پر کارروائی کرنا۔

کمپنیز ایکٹ 2017 کے سیکشن (3)134 کے تحت خصوصی کاروبار کے حوالے سے بیانات مذکورہ بالا کے ساتھ منسلک ہیں

بحکم بورڈ

(مقصود احمد ملہی)
(کمپنی سیکریٹری/لیگل ہیڈ)

بمقام: لاہور
مورخہ: 05 جنوری 2024ء

a۔ صحیح طریقے سے پُر شدہ پوسٹل حسبِ ذیل کے مطابق بھیجنا چاہیے:۔

کوریئر کے ذریعے	ای میل کے ذریعے
چیئرمین JDW شوگر ملز لمیٹڈ 17۔عابد مجید روڈ، لاہور کینٹ، لاہور	chairman@jdw-group.com

b۔ CNIC کی کاپی پوسٹل بیلٹ فارم کے ساتھ منسلک ہونی چاہیے۔

c۔ پوسٹل بیلٹ فارمز 26 جنوری 2024 کو کاروبار کے اختتام تک یا قبل صدر اجلاس تک پہنچ جانے چاہئیں۔اس تاریخ کے بعد موصول ہونے والا کوئی بھی پوسٹل بیلٹ ووٹنگ کے لیے قبول نہیں کیا جائے گا۔

d۔ بیلٹ پیپر پر دستخط CNIC کے دستخط سے مماثل ہونا چاہئے۔

e۔ نامکمل، بغیر دستخط شدہ، غلط، کاٹ کر لکھا ہوا، پھٹا ہوا، مسخ شدہ، دوبارہ لکھا ہوا بیلٹ پیپر مسترد کر دیا جائے گا۔

f۔ کسی مزید وضاحت کے لئے، ارکان دیئے گئے روابط پر کمپنی یا اس کے شیئرز رجسٹرار سے رابطہ کر سکتے ہیں۔

خصوصی امور کے حوالے سے کمپنیز ایکٹ 2017 کے سیکشن (3)134 کے تحت مادی حقائق کے بیانات

ایجنڈا نمبر 5:

AGM نوٹس کے حصے کے طور پر کمپنی کے سالانہ نظرثانی شدہ مالیاتی گوشواروں کی QR فعال کوڈ اور ویب لنک کے ذریعے ترسیل۔

ایس ای سی پی نے S.R.O. 389(I)/2023 مورخہ 21 مارچ 2023 کی رُو سے لسٹڈ کمپنیوں کو اجازت دی ہے کہ وہ، سالانہ اجلاس عام میں شیئرز ہولڈرز کی منظوری سے اپنے ممبران کو سالانہ آڈٹ شدہ اکاؤنٹس بمعہ متعلقہ رپورٹس کو QR فعال کوڈ اور ویب لنک کے ذریعے بھیج سکتے ہیں۔اس کے پیشِ نظر، یہ زیرِ غور ہے کہ ایجنڈا کو AGM میں ممبران کے زیرِ وان کی منظوری کے لیے خصوصی قراردادوں کو ترمیم، اضافے یا حذف کے ساتھ یا اس کے بغیر بطور خصوصی قرارداد پیش کیا جائے۔

ممبران کو یہ بھی مطلع کیا جاتا ہے کہ اگر ممبر کی جانب سے کمپنی کی ویب سائٹ پر دستیاب معیاری درخواست فارم پر کوئی درخواست کی گئی ہے تو انہیں ایک ہفتے کے اندران کے رجسٹرڈ پتہ پر پرنٹ شدہ کاپی کے ساتھ مکمل آڈٹ شدہ اکاؤنٹس بمعہ رپورٹس مفت فراہم کئے جائیں گے۔

ڈاک کے ذریعے ووٹنگ کے لئے بیلٹ پیپر

جے ڈی ڈبلیو شوگر ملز لمیٹڈ

JDW Group

مورخہ 27 جنوری 2024 بروز ہفتہ کو صبح 10:00 بجے سمٹ ہال، رائل پام گولف اینڈ کنٹری کلب، 52 کینال بینک روڈ، لاہور میں منعقد ہونے والے سالانہ اجلاس عام میں خصوصی امور کے لئے ڈاک کے ذریعے ووٹنگ کے لئے بیلٹ پیپر۔

چیئرمین کا ای میل ایڈریس، جس پر صحیح طریقے سے پُر شدہ بیلٹ پیپر بھیجے جاسکتے ہیں:- chairman@jdw-group.com

شیئر ہولڈر/ جوائنٹ شیئر ہولڈر کا نام:

رجسٹرڈ ایڈریس:

ملکیتی حصص کی تعداد اور فولیو نمبر

CNIC نمبر (کاپی منسلک ہونی چاہیے)

اضافی معلومات اور وضاحتیں (بصورت باڈی کارپوریٹ، کارپوریشن اور وفاقی حکومت کے نمائندگان)

میں/ ہم مندرجہ ذیل قراردادوں کے سلسلے میں اس پوسٹل بیلٹ کے ذریعے اپنا/ اپنے ووٹ استعمال کر رہے ہیں اور ذیل میں مناسب باکس میں ٹک (√) کا نشان لگا کر مندرجہ ذیل قراردادوں پر اپنی رضامندی یا اختلاف رائے دے رہے ہیں:

نمبر شمار	قرارداد کی نوعیت اور تفصیل	عام حصص کی تعداد جن کے لئے ووٹ کاسٹ کئے جائیں گے	میں/ ہم قرارداد پر رضامند ہیں (FOR)	میں/ ہم قرارداد کے خلاف ہیں (AGAINST)
-1	**ایجنڈا آئٹم نمبر 5** مندرجہ ذیل قراردادوں کو ترمیم، اضافے یا حذف کے ساتھ یا اس کے بغیر، بطور خصوصی قراردادیں، غور وخوض اور اگر مناسب سمجھا جائے تو، جس سے کمپنی اپنے سالانہ آڈٹ شدہ اکاؤنٹس بمعہ متعلقہ رپورٹس اپنے شیئر ہولڈرز کو AGM نوٹس میں بذریعہ QR کوڈ اور ویب لنک بھیج سکے گی۔: a) "قرار پایا جاتا کہ جے ڈی ڈبلیو شوگر ملز لمیٹڈ کے ممبران کی باہمی رضامندی اور منظوری سے کمپنی اختیار دیا جاتا ہے کہ بروئے SECP کے نوٹیفکیشن نمبر S.R.O. 389(I)/2023 مورخہ 21 مارچ 2023، کمپنی اپنے ممبران کو سالانہ آڈٹ شدہ اکاؤنٹس بمعہ متعلقہ رپورٹس اپنے شیئر ہولڈرز کو AGM نوٹس میں بذریعہ QR کوڈ اور ویب لنک بھیج سکتی ہے، اور اس کے نتیجے میں سالانہ آڈٹ شدہ اکاؤنٹس بمعہ متعلقہ رپورٹس اب سی ڈی/ ڈی وی ڈی/ یو ایس بی میں بھیجنے کا سلسلہ منقطع کیا جاتا ہے۔ b) "مزید قرار پایا کہ جناب مقصود احمد ملہی، کمپنی سیکرٹری/ لیگل ہیڈ درج بالا قرارداد کے مکمل نفاذ کیلئے درکار تمام امور اقدامات اور عوامل جو اس مقصد کو پورا کرنے اور قرارداد کو عملی جامعہ پہنانے کیلئے ضروری ہیں، کو انجام دینے کے مجاز ہوں۔"			

شیئر ہولڈر کے دستخط

مقام

تاریخ

PATTERN OF SHAREHOLDING

The Companies Act, 2017 {Section 227(2)(f)}

1.1	Name of the Company	JDW Sugar Mills Limited
2.1	Pattern of holding of the shares held by the shareholders as at	30-Sep-2023

2.2 No. of Shareholders	Shareholding From	Shareholding To	Total Shares Held
419	1	100	10,559
390	101	500	122,521
80	501	1,000	61,792
257	1,001	5,000	409,145
14	5,001	10,000	90,079
9	10,001	15,000	113,104
2	15,001	20,000	40,000
8	20,001	25,000	180,150
3	25,001	30,000	84,842
2	30,001	35,000	61,396
2	35,001	40,000	75,014
2	50,001	55,000	109,311
1	60,001	65,000	62,700
1	105,001	110,000	105,600
1	345,001	350,000	348,494
1	595,001	600,000	597,723
1	650,001	655,000	651,864
1	700,001	705,000	705,000
1	1,030,001	1,035,000	1,032,000
1	2,120,001	2,125,000	2,123,648
1	2,140,001	2,145,000	2,143,648
1	2,215,001	2,220,000	2,216,145
1	4,385,001	4,390,000	4,387,342
1	4,435,001	4,440,000	4,437,381
1	8,645,001	8,650,000	8,649,012
1	9,705,001	9,710,000	9,706,988
1	19,250,001	19,255,000	19,251,203
1,203			**57,776,661**

2.3 Categories of shareholders		Shares held	Percentage
2.3.1	Directors, Chief Executive Officer, and their spouse and minor children	28,588,575	49.4812%
2.3.2	Associated Companies, undertakings and related parties	–	0.0000%
2.3.3	NIT and ICP	18,150	0.0314%
2.3.4	Banks Development Financial Institutions, Non Banking Financial Institutions	15,036	0.0260%
2.3.5	Insurance Companies	–	0.0000%
2.3.6	Modarabas and Mutual Funds	7,600	0.0132%
2.3.7	Shareholders holding 10% or more	41,994,545	72.6843%
2.3.8	General Public		
	a. Local	27,662,903	47.8790%
	b. Foreign	–	0.0000%
2.3.9	Others (to be specified)		
	- Joint Stock Companies	672,581	1.1641%
	- Investment Companies	2,085	0.0036%
	- Foreign Companies	37,803	0.0654%
	- Others	771,928	1.3361%

CATEGORIES OF SHAREHOLDING

As on September 30, 2023

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise):		–	–
Mutual Funds (Name Wise Detail)			
1	CDC - Trustee AKD Index Tracker Fund (CDC)	1,500	0.0026%
Directors, CEO and their Spouse and Minor Children (Name Wise):			
1	Mr. Jahangir Khan Tareen	8,649,012	14.9697%
2	Makhdoom Syed Ahmad Mahmud	19,251,203	33.3200%
3	Mr. Ijaz Ahmed	2,429	0.0042%
4	Mr. Asim Nisar Bajwa	1,421	0.0025%
5	Mr. Raheal Masud	500	0.0009%
6	Mrs. Samira Mahmud	651,864	1.1282%
7	Mr. Zafar Iqbal	500	0.0009%
8	Syed Mustafa Mehmud	500	0.0009%
9	Mrs. Amina Tareen W/o Mr. Jahangir Khan Tareen	31,146	0.0539%
Executives:		5,469,386	9.4664%
Public Sector Companies & Corporations:		–	–
Banks, Development Finance Institutions, Non Banking Finance Intitutions, Insurance Companies and Modarabas:		21,136	0.0366%
Shareholders holding five percent or more voting interest in the listed company (Name Wise)			
1	Mr. Jahangir Khan Tareen	8,649,012	14.9697%
2	Makhdoom Syed Ahmad Mahmud	19,251,203	33.3200%
3	Mr. Ali Khan Tareen	14,094,330	24.3945%
4	Rana Nasim Ahmed	4,437,381	7.6802%

All trades in the shares of the listed company, carried out by its Directors, CEO, CFO, Company Secretary and their spouses and minor children:

Sr. No.	Name	Deletion through Gift	Addition through Gift	Purchase / (Sale)
1	Mr. Jahangir Khan Tareen	(100,000)	–	(520,000)
2	Makhdoom Syed Ahmad Mahmud	(500)	1,184,490	520,000
3	Mrs. Amina Tareen	(1,184,490)	100,000	–
4	Syed Mustafa Mehmud	–	500	–

Proxy Form

JDW SUGAR MILLS LIMITED

34th Annual General Meeting

Folio No./CDC A/c No. ______________________

I/We ____ of ____

in the district of __________________________________ being a member/members of JDW Sugar Mills Limited

holding ______________________ shares of Rs.10 each, hereby appoint Mr./Ms. ______________________________

of ____ failing him / her, ______________________________

of ___________________________ as my/our proxy to vote for me/us and on my/our behalf at the 34th Annual General Meeting of the Company to be held on Saturday, January 27, 2024 at 10:00 a.m. at Summit Hall, Royal Palm Golf & Country Club, 52-Canal Bank Road, Lahore and at any adjournment thereof or of any ballot to be taken in consequence thereof.

Signed this _________________ day of January, 2024.

____

(Member's Signature)

Affix Revenue stamp of Rs. 50/-

Witnesses:

Signature:	1.	________________________________	2.	________________________________
Name:		________________________________		________________________________
CNIC:		________________________________		________________________________
Address:		________________________________		________________________________
		________________________________		________________________________

Note:

All Proxy Form, in order to be effective must be received at the Company's registered office not later than forty-eight (48) hours before the time fixed for holding the Annual General Meeting and must be duly stamped, signed and witnessed as required.

AFFIX
CORRECT
POSTAGE

The Company Secretary

JDW Sugar Mills Limited

Registered Office: 17– Abid Majeed Road,

Lahore Cantonment, Lahore Pakistan.

پراکسی فارم

جے ڈی ڈبلیو شوگر ملز لمیٹڈ کا 34واں (چونتیسواں) سالانہ اجلاسِ عام

فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر: ____________

میں / ہم ____________ ساکن ____________
ضلع ____________ بحیثیت رُکن جے ڈی ڈبلیو شوگر ملز لمیٹڈ حامل ____________ عام حصص مبلغ 10 روپے ہر ایک شیئر ،
مسمی / مسماۃ ____________ ساکن ____________
یا اُس کی عدم موجودگی میں ____________ کو بطور مختار (پراکسی) مقرر کرتا / کرتے ہیں تا کہ وہ میری / ہماری طرف سے کمپنی کے 34واں سالانہ اجلاسِ عام جو کہ بتاریخ 27 جنوری ,2024، بروز ہفتہ بوقت صبح 10:00 بجے بمقام سمٹ ہال، رائل پام گالف اینڈ کنٹری کلب، 52-کینال بینک روڈ، لاہور میں منعقد ہو رہا ہے یا اس کے کسی ملتوی شدہ اجلاس میں حق رائے دہی استعمال کرے۔

آج مورخہ ____________ جنوری 2024، کو میرے دستخط سے جاری ہوا۔

پچاس روپے کی ریوینیو ٹکٹ چسپاں کریں

ممبر کے دستخط ____________

گواہان:

دستخط: 1- ____________ 2- ____________

نام: ____________ ____________

شناختی کارڈ نمبر: ____________ ____________

پتہ: ____________ ____________

نوٹ:

ہر لحاظ سے مکمل پراکسی فارم کمپنی کے رجسٹرڈ دفتر پر اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل لازماً جمع ہو جانا چاہیے۔

AFFIX
CORRECT
POSTAGE

The Company Secretary

JDW Sugar Mills Limited

Registered Office: 17– Abid Majeed Road,

Lahore Cantonment, Lahore Pakistan.

NOTES

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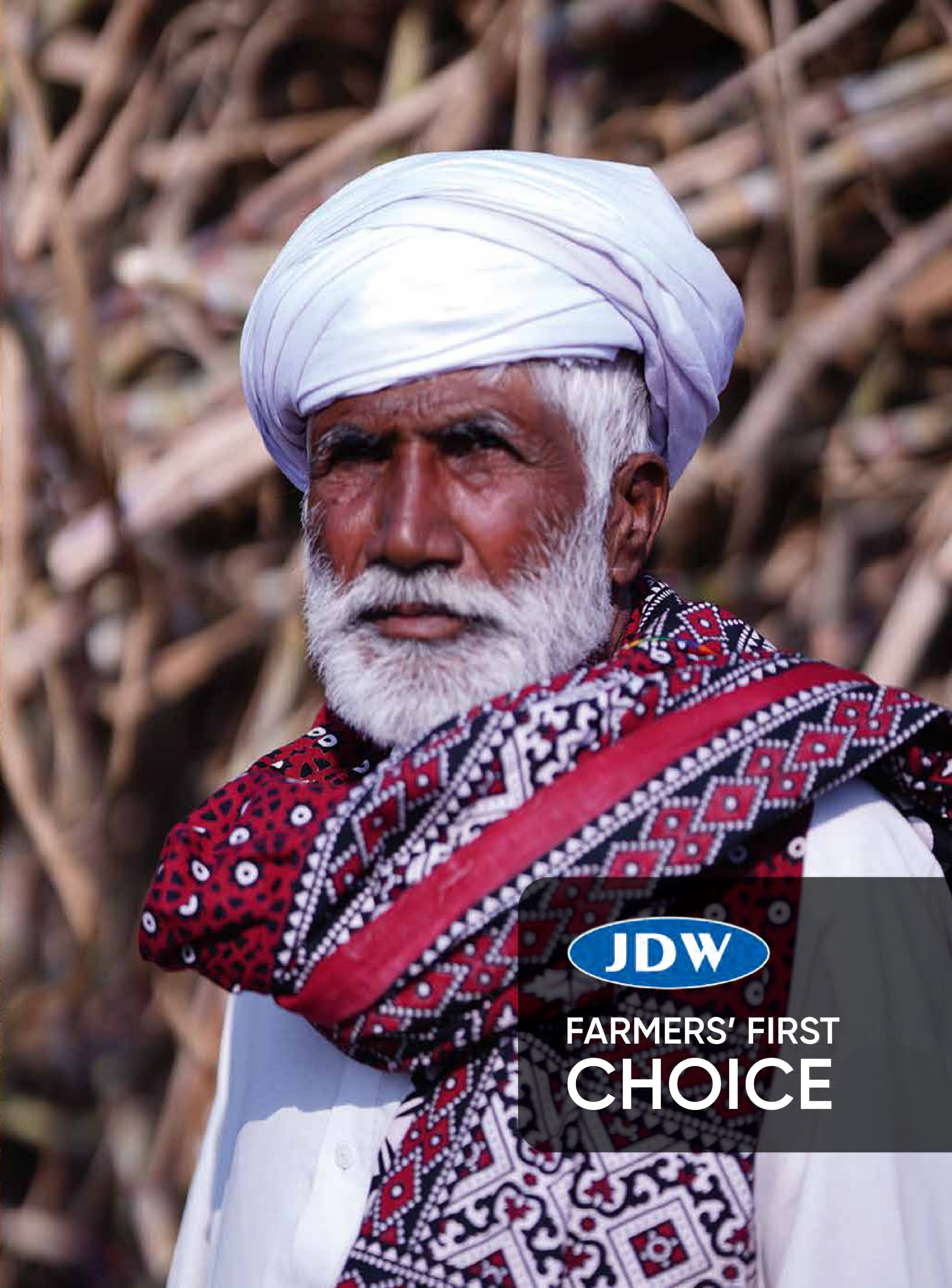
JDW
FARMERS' FIRST
CHOICE

www.jdw-group.com

JDW Sugar Mills Limited
Head Office: 17-Abid Majeed Road,
Lahore Cantonment, Lahore Pakistan.