



# TIMELESS RELATIONSHIP OF GROWTH & PROSPERITY



**NOON** ANNUAL REPORT | 2023  
SUGAR MILLS LTD.

# Corporate Information

## Board of Directors

Mr. K. Iqbal Talib	Chairman
Lt Col Abdul Khaliq Khan (Retd)	Chief Executive / Director (Executive Director)
Mr. Saif Ullah Khan Noon	(Non- Executive Director)
Syed Ali Raza	(Non- Executive Director)
Mr. Irfan Ahmed	(Non- Executive / Independent Director)
Mr. Atta Ali Malik	(Non- Executive / Independent Director)
Ms. Maryam Mamdot	(Non- Executive / Independent Director)

## Audit Committee

Mr. Atta Ali Malik	Chairman
Syed Ali Raza	Member
Ms. Maryam Mamdot	Member

## Technical Committee

Mr. Irfan Ahmed	Chairman
Mr. Saif Ullah Khan Noon	Member
Lt Col Abdul Khaliq Khan (Retd)	Member

## HR & R Committee

Syed Ali Raza	Chairman
Mr. Saif Ullah Khan Noon	Member
Lt Col Abdul Khaliq Khan (Retd)	Member

## Management

Lt Col Abdul Khaliq Khan (Retd)	Chief Executive
Mr. Saif Ullah Khan Noon	Executive Director
Syed Adeel Ahmed	Chief Operating Officer
Mr. Rizwan Sohail (FCA)	Chief Financial Officer

## Company Secretary Head Internal Audit Auditors

Mr. Nasir Iqbal Ansari  
Muhammad Ashfaq (FCMA)  
Shinewing Hameed Chaudhri & Co. Chartered Accountants

## Legal Advisers

Hassan & Hassan (Advocates)

## Bankers

Askari Bank Limited	Meezan Bank Limited
National Bank of Pakistan	MCB Bank Limited
United Bank Limited	Samba Bank Limited
Bank Islami Pakistan Limited	Dubai Islamic Bank Pakistan Limited
Bank Alfalah Limited – Islamic Banking	Habib Bank Limited – Islamic Banking

## Registered Office

66-67-A, Garden Block, New Garden Town, Lahore.  
Tel. (042) 35831462-3,  
E-mail: noonshr@brain.net.pk, noonshr66@gmail.com

## Shares Registrar

Corplink (Pvt.) Limited  
Wings Arcade, 1-K Commercial, Model Town, Lahore.  
Tel. # (042) 35839182, 35916714, 35916719  
Fax # (042) 35869037, E-mail: shares@corplink.com.pk  
Website: www.corplink.com.pk

## Mills

Bhalwal, District Sargodha.

## Website

www.noonsugar.com

# Mission Statement

“Noon Sugar Mills Limited is committed to continue its sustained efforts towards optimizing its resources through updated technology, staff motivation and good corporate governance so as to Insha Allah maintain its tradition of high yield and handsome returns to its shareholders on their investment in the Company.”

# Notice Of Annual General Meeting

## Noon Sugar Mills Limited

Registered Office: 66-67-A, Garden Block, New Garden Town, Lahore.

Notice is hereby given that the 61<sup>st</sup> Annual General Meeting of Noon Sugar Mills Limited will be held on **Saturday, January 27, 2024 at 11:00 a.m.** at 66-67-A, Garden Block, New Garden Town, Lahore to transact the following business:

### ORDINARY BUSINESS

1. To confirm the minutes of the Extraordinary General Meeting held on March 30, 2023.
2. To receive, consider and adopt the audited accounts for the year ended on September 30, 2023 and the reports of the directors and auditors thereon.
3. To approve payment of Dividend. The Board has recommended dividend @ Rs. 4/- per share (40%).
4. To appoint auditors for the year ending on September 30, 2024 and to fix their remuneration.
5. To transact any other business as may be placed before the meeting with the permission of the Chairman.

### SPECIAL BUSINESS

6. The Securities and Exchange Commission of Pakistan (SECP) vide S.R.O. 389(1)/2023 dated March 21, 2023 has allowed the listed companies to circulate their annual balance sheet and profit and loss account, auditor's report and directors' report etc. ("annual audited financial statements") to its members through QR enabled code and weblink instead of circulating the same through CD/DVD/USB, subject to approval of shareholders. Therefore, the shareholders are requested to consider, and if deemed fit, approve the following resolution as Special Resolution:  
"RESOLVED that in accordance with SRO 389(1)/2023 dated 21 March 2023 issued by the SECP, the Company be and is hereby authorized to circulate its annual audited financial statements to the members of the Company through QR enabled code and weblink, instead of circulating the same through CD/DVD/USB."

### Closure of share transfer books

The Share Transfer Books of the Company will remain closed from January 20, 2024 to January 27, 2024 (both days inclusive) for holding the Annual General Meeting and to determine entitlement of dividend. The share(s) transfer requests received up to close of business on January 19, 2024 shall entitle the transferees to receive the aforesaid dividend.

### Statement under section 134(3) of the Companies Act, 2017 in respect to the special business

#### Agenda Item No. 6.

Approval of circulation of Annual Audited Accounts of the Company to its members/shareholders through Quick Response (QR) enabled code and weblink

The Securities and Exchange Commission of Pakistan (SECP) vide S.R.O. 389(1)/2023 dated March 21, 2023 has allowed the listed companies to circulate their annual balance sheet and profit and loss account, auditor's report and directors' report etc. ("annual audited financial statements") to its members through QR enabled code and weblink instead of circulating the same through CD/DVD/USB, subject to approval of shareholders.

Considering the optimum use of advancements in technology and in order to fulfil the Company's corporate social responsibility to the environmental sustainability, members' approval is being sought for the circulation of the Annual Report (including annual audited financial statements and other reports contained therein) to the members of the Company through QR enabled code and weblink. This arrangement will help all members wherever they are located to access the financial statements of the Company. Additionally, it will also reduce unnecessary expenditure for making CDs for all shareholders. It is pertinent to mention that if any member seeks to obtain a hard copy of the Annual Report, such member(s) will be provided a printed version of the same free of cost in accordance with the aforementioned SRO.

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

## NOTES:

### 1. Participation in the AGM Proceedings:

A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend, speak and vote on his/her behalf. Proxies in order to be effective must be received by the Company at the registered office duly stamped and signed not later than forty eight (48) hours before the time for holding the meeting. A member cannot appoint more than one proxy. Attested copy of CNIC must be attached with the proxy form.

### 2. CDC account holders are required to follow under mentioned guidelines laid down by Securities and Exchange Commission of Pakistan:

#### (a) For attending the meeting:

- i. In case of individuals, the account holder or sub-account holder shall authenticate his/her identity by showing his / her original national identity card or original passport at the time of attending the meeting.
- ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of meeting.

#### (b) For appointing proxies:

- i. In case of individuals, the account holder or sub-account holder shall submit the proxy form as per the above requirement.
- ii. The proxy form shall be witnessed by the two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- v. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted to the Company along with proxy form.

### 3. The members having physical shares are advised to intimate any change in their registered address and the shareholders who have not yet submitted photocopies of their CNIC are requested to send the same at the earliest to Company's Share Registrar i.e. M/s Corplink (Pvt.) Ltd, Wings Arcade, 1-K Commercial, Model Town, Lahore.

### 4. In compliance with directive of SECP, shareholders are advised to send their respective International Bank Account Number (IBAN) details as per form attached enabling the Company to credit their cash dividend directly into their respective bank accounts.

### 5. Pursuant to the provision of Section 132(2) of Companies Act 2017 the shareholders residing in other cities and holding at least ten percent of the total paid up capital may demand the company to provide the facility of video link for participation in meeting. The demand for video link facility shall be received at share registrar address given herein above at least ten days prior to the date of meeting. Prescribed form for consent is enclosed in the Annual Report.

### 6. The audited financial statements of the Company for the year ended September 30, 2023 are being made available on the Company's website.

### 7. Members can exercise their right to demand a poll subject to meeting requirements of Section 143 to Section 145 of the Companies Act, 2017 and applicable clauses of the Companies (Postal Ballot) Regulations, 2018.

By order of the Board



NASIR IQBAL ANSARI  
Company Secretary  
Lahore: December 30, 2023



# Chairman's Review

Dear Members,

On behalf of the Board of Directors, I am pleased to present the annual review of the performance of Noon Sugar Mills Limited, for the year ended September 30, 2023.

Despite a serious limitation of cane development potential in the area, the region is now entering into a new competitive phase through major expansions at several sugar units. However, yet a very challenging business environment of increasing costs. Your Company has further strengthened its business foundation by implementing the key initiatives for supporting the sugarcane growers by advancing them loans, seeds, fertilizers, pesticides and imparting their training to apply latest agricultural techniques to exploit the maximum potentials of both sugarcane yield & sucrose recovery for maintaining the loyalty of cane growers through improved returns.

The board is quite diversified and balanced to contribute towards further overall improvement in the management of the Company. The Board has been industriously engaged with the management for efficient and effective decision making and has continued to provide an oversight to preserve their trust in enhancing the shareholder's value that has resulted in a noteworthy performance of the Company during the year 2022-23.

As required by the Listed Companies (Code of Corporate Governance) Regulations, 2019, the annual performance evaluation of the Board, its Committees and individual directors for the year 2022-23 was conducted. The overall performance of the Board, its Committees and individual directors has been found to be satisfactory.

We are confident that your management's constant efforts will derive optimal results for the Company in the year 2023-24, in the increased competitive environment of the region. During the year under review the ethanol unit has added significant value to the business and reduced dependence on sugar earnings. The Board has motivated the management to focus on maximizing the utilization of production capacities in both sugar and ethanol units by strategically managing resources and production processes to improve overall performance of the Company, and pave the way for long-term success.

I sincerely hope that in the rapidly changing and competitive landscape, NSML will continue to follow the path of success by optimizing resource utilization through strategic production scheduling for higher efficiency, InshaAllah.



K. IQBAL TALIB  
Chairman

# Directors' Report to the Members

Dear members,

The Directors of Noon Sugar Mills Limited are pleased to present the 61<sup>st</sup> annual report and Audited Financial Statements of the Company and the Auditors' Report thereon, for the year ended September 30, 2023.

## FINANCIAL PERFORMANCE:

Your company have posted after tax profit of Rs.419 million in the reporting year, as compared to Rs.463 million in the corresponding period of the last year. Net sales were Rs.9,280 million in the current year against the net sales of Rs.11,966 million in the last year. EPS is Rs.25.39 during the current financial year as against Rs.28.09 in the same period last year.

In the current fiscal year, the Company has encountered a challenging business environment, due to mainly substantial increase in markup rates, higher inflationary impact, resulting in a slightly reduced profit as compared to the previous year, despite a comparatively higher gross profit rate achieved during the year. Nevertheless, the company has demonstrated positive growth in terms of shareholder value, reflecting a resilient performance amidst a challenging environment. The judicious implementation of strategic planning and vigilant oversight by your management has proven to be instrumental in attaining the undermentioned outcomes:

		2023	2022
Net Sales	Rupees in million	9,280	11,966
Gross Profit	Rupees in million	1,897	1,559
Operating Profit	Rupees in million	1,244	1,046
Total Comprehensive Income	Rupees in million	419	463
Earnings Per Share	Rupees	25.39	28.09

## OPERATIONAL PERFORMANCE:

### SUGAR:

Your mills crushed 807,367 M. Tons of the sugarcane and produced 75,717 M. Tons sugar, with an average sucrose recovery of 9.37% in 101 days operation, as compared to 1,120,350 M. Tons of the sugarcane crushing and 104,720 M. Tons of the sugar production with 9.36% sucrose recovery, in 144 days operation in the corresponding period of last year.

The operational performance of Sugar segment for the year under review along with comparative statistics of last year are tabulated below:

		2023	2022
Operating Period	Days	101	144
Cane Crushed	M. Tons	807,367	1,120,350
Sugar Produced	M. Tons	75,717	104,720
Average Sucrose Recovery	% age	9.37	9.36
Molasses Recovery	% age	4.49	4.68
Molasses Produced	M. Tons	36,281	52,378

In the 2022-23 crushing season, the sugar industry in Pakistan grappled with a series of challenges that significantly impacted overall production. A decline in sugarcane cultivation and a shortened season duration resulted in a 28% reduction in sugar output compared to the previous year. The limited duration of the crushing season was primarily attributed to poor sugarcane yield, stemming from erratic weather conditions during the crop's crucial growth phase. The affordability constraints on fertilizers and pesticides for majority of the growers also adversely affected the sugarcane yields.

During the reporting period, a substantial 33% increase in the minimum sugarcane support price from Rs 225 to Rs 300 per 40 Kg, was announced. This significant hike was further compounded by historically higher inflation, markup rates,



and increased sales tax, which directly impacted the overall production costs. The lower production levels, coupled with heightened raw material and conversion costs, eroded the profitability of the sugar sector during the reporting period. The government, however, permitted the export of small quantities of sugar during the reporting period, providing some relief to sugar mills in meeting their working capital requirements.

#### **DISTILLERY:**

During the reporting year, 91,704 M.Tons of molasses with a yield of 250 Ltrs/M.Ton, was processed, resulting in the production of 18,334 M.Tons of the industrial grade ethanol, as compared to 151,780 M.Tons of the molasses with a yield of 224 Ltrs/M.Ton processed, which resulted in the production of 27,256 M.Tons of the industrial grade ethanol in the previous year.

The operational performance of the Distillery segment for the year under review with comparative statistics of last year are tabulated below:

		2023	2022
Operating Period	Days	184	294
Molasses Processed	M. Tons	91,704	151,780
Ethanol Produced	M. Tons	18,334	27,256
Average Yield	Ltrs./M. Ton	250	224

Due to the constrained availability of the molasses, a persistent upward trajectory marked the price of molasses throughout the reporting period. Undeterred by this formidable obstacle, your management exhibited exceptional acumen in securing a substantial quantity of molasses to fortify in-house production, thereby ensuring a consistent operation of its three production units, through a relatively reduced production period.

The State Bank of Pakistan's revised policy to substantially increased markup rates on the export refinance schemes, will have a long term eroding impact on the internationally competitive margins of all export oriented organizations. Consequently, this formidable challenge impedes the share in the burgeoning international demand for ethanol, thereby casting a shadow on the genuine growth potential of this once highly promising foreign exchange earner for the country.

#### **FUTURE OUTLOOK:**

##### **SUGAR:**

Commencing the current crushing season on November 25, 2022, our company is actively addressing challenges posed by a further 33% increase in the minimum support price of sugarcane, from Rs 300 to Rs 400 per 40 kg, by the Punjab government. Increased sugarcane price, higher fuel costs, elevated inflation rates, increased markup and heightened tax rates, including super tax rate will result in a substantial increase in the cost of production. These multiple factors contributing to general inflationary trend may impact the consumption pattern of all food items, including sugar. Your management remains vigilant in monitoring the rising cost of production and is actively implementing strategic cane procurement plans to mitigate any adverse effects on the company. In response to these challenges, your management is actively engaged in strengthening the boning with grower through increased financial support by extending loans for crucial agricultural inputs, including new and improved sugarcane varieties, fertilizers, pesticides, and more. The Cane Development Department of your Company is offering training programs to growers, focusing on improved agricultural techniques, plantation methods, and effective input applications to enhance sugarcane yields.

While recognizing the paramount importance of cane development to the industry, it is crucial to ensure stability in sugar prices to maintain profitability from core operations. We believe that government should minimize their administrative intervention in controlling the market forces and make a positive approach towards addressing the persistent issue of linking sugarcane pricing with sugar prices, which has been a bottleneck in the sector's development in recent years.

##### **ETHANOL:**

Addition of the new distilleries has increased the industry's overall production capacity and has intensified the molasses procurement competition. This leads the ethanol industry in grappling with mounting challenges with significant rises in cost of raw materials, coupled with increased markup rates and higher inflation. These factors have placed a substantial pressure on the profitability. The Ethanol demand and Price is currently experiencing downward pressure in the international

markets. The global inflationary trend further compounds operational costs, presenting additional hurdles for distilleries striving to sustain competitiveness. In anticipation of these challenges, our management is proactive and has formulated strategies to optimize shareholder returns in the current scenario and beyond.

#### **RELATED PARTIES TRANSACTIONS:**

Related parties transactions are being carried out on arm's length basis. A complete list of all related party transactions is compiled and submitted to the Audit Committee at every quarter. The internal audit function ensures that all Related Party transactions are done on an arm's length basis. After review by the audit committee the transactions are placed before the Board for their consideration and approval.

During the year, the Company has carried out transactions with its related parties. Details of these transactions are disclosed in Note 39 to the attached financial statements.

#### **CORPORATE SOCIAL RESPONSIBILITY:**

Noon Sugar Mills Limited (NSML) is committed to playing an active role in supporting and working for sustainable community and social development. Corporate Social Responsibility (CSR) is integrated in its core values and is an integral part of the Company's overall mission.

Followings are few ongoing initiatives taken by NSML to fulfill its corporate social responsibilities:

- a. Your company is providing quality education by establishing and running a college and a modern English medium Model High School in the Employees Housing Colony of NSML, for the benefit of its employee's children and also families living in factory vicinity. The employees' children are also encouraged to pursue higher education by grant of scholarships starting from Matriculation upwards every year.
- b. NSML is running a fair price shop in the housing colony for provision of household items at subsidized rates.
- c. It also runs a free Dispensary in Bhalwal for the past 30 years and provides free medicines to the poor patients of adjoining housing colonies.

#### **COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE:**

The requirement of the Listing Companies (Code of Corporate Governance) Regulations, 2019 relevant for the year ended September 30, 2023 have been duly complied with. A statement to this effect is annexed to the Report.

#### **CORPORATE AND FINANCIAL REPORTING FRAMEWORK:**

The financial statements together with the notes thereon have been drawn up by the management of the Company in conformity with the Companies Act, 2017 and applicable International Financial Reporting Standards (IFRS). These statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity.

The Board of Directors hereby declares that:

- IFRSs as applicable in Pakistan, have been adequately followed in preparation of Financial Statements and any departure there from has been adequately disclosed in "Notes to the Financial Statements" and explained the reason thereof;
- proper books of accounts of the Company have been maintained by the Company;
- appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- the system of internal controls is sound in design and has been effectively implemented and monitored;
- there are no doubts upon the Company's ability to continue as a going concern;
- there has been no material departure from the Best Practices of Corporate Governance, as provided in the Listed Companies (Code of Corporate Governance) Regulations, 2019;
- The key operating and financial data of last six years is annexed to this Report.

- there are no statutory payments on account of taxes, duties, levies and charges which are outstanding as at September 30, 2023 except for those disclosed in the financial statements;
- During the financial year, Mr. Salman Hayat Noon gifted out 3,384,695 shares and acquired 11 shares in January, 2023. Other Directors, CEO, CFO, Company Secretary and their spouses and minor children have not made any transactions in the Company's shares during the year ended September 2023.
- Cost of the investments of employees retirement funds are as follows:

#### STAFF RETIREMENT BENEFITS:

The Company has maintained a recognized provident fund, and based on financial statements of funds, value of its investment is as follows:

As at September 30, 2023	Rs. 56.040 million
As at September 30, 2022	Rs. 51.860 million

Gratuity scheme is currently un-funded and annual provision is made on the basis of actuarial valuation to cover obligation under the scheme for all eligible employees and the details are contained in Note 9 to the audited financial statements for the year ended September 30, 2023.

Pattern of Shareholding of the Company as on September 30, 2023 is annexed whereas other related information is as follows:

#### Shares held by:

I. Associated Companies, undertakings and related parties:	Number of shares held
Noon Industries (Pvt.) Limited:	765,403
II. Mutual Funds:	Nil
III. The Directors and their spouse and minor children:	

Names of Directors	Number of shares held		
	Own self	Spouse	Minor Children
Mr. Saif Ullah Khan Noon	355,017	Nil	Nil
Mr. K. Iqbal Talib	26,360	7,260	Nil
Lt Col Abdul Khaliq Khan (Retd)	1	Nil	Nil
Syed Ali Raza	1	Nil	Nil
Mr. Irfan Ahmed	1	Nil	Nil
Mr. Atta Ali Malik	1	Nil	Nil
Ms. Maryam Mamdot	1	Nil	Nil

IV. Executives:	Nil	Nil	Nil
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V. Public Sector Companies and Corporations, Joint Stock Companies and others:

Shares held	Percentage
2,145,834	12.99%

VI. Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:

Shares held	Percentage
7,219	0.04 %

VII. Shareholders holding five percent or more voting rights:

	Shares held	Percentage
Ms. Tahia Noon	6,000,000	36.33 %
Malik Adnan Hayat Noon	3,617,384	21.90 %
EFG Private Bank (Channel Islands) Ltd.	1,437,480	8.70 %
Bulk Management Pakistan (Pvt.) Limited	1,037,600	6.28%

Trading in Shares:	Gift Out	Purchase
Mr. Salman Hayat Noon	3,384,695	11

## MEETINGS OF BOARD OF DIRECTORS AND ATTENDANCE:

During the year under review, four meetings of the Board of Directors were held. Attendance by each director was as under:

Names Of Directors	Meetings Attended
Mr. K. Iqbal Talib	3
Mr. Salman Hayat Noon	1
Mr. Saif Ullah Khan Noon	3
Lt Col Abdul Khaliq Khan (Retd)	4
Mr. Irfan Ahmed	4
Syed Ali Raza	2
Mr. Atta Ali Malik	4
Ms. Maryam Mamdot	2

Leave of absence was granted to the directors who could not attend the Board meetings.

## MEETINGS OF AUDIT COMMITTEE AND ATTENDANCE:

During the year under review, four meetings of the Audit Committee were held. Attendance by each director was as under:

Names of Directors	Meetings Attended
Mr. Atta Ali Malik	2
Mr. Salman Hayat Noon	1
Mr. Irfan Ahmed	2
Syed Ali Raza	2
Ms. Maryam Mamdot	2

## MEETINGS OF HR & R COMMITTEE AND ATTENDANCE:

During the year under review, two meetings of the HR&R Committee were held. Attendance by each director was as under:

Names of Directors	Meetings Attended
Syed Ali Raza	1
Mr. Salman Hayat Noon	1
Mr. Saif Ullah Khan Noon	2
Lt Col Abdul Khaliq Khan (Retd)	1

## MEETINGS OF TECHNICAL COMMITTEE AND ATTENDANCE:

During the year under review, five meetings of the Technical Committee were held. Attendance by each director was as under:

Names of Directors	Meetings Attended
Mr. Irfan Ahmed	5
Mr. Salman Hayat Noon	1
Mr. Saif Ullah Khan Noon	4
Lt Col Abdul Khaliq Khan (Retd)	5

## NUMBER OF MEETINGS OF SHAREHOLDERS:

During the year under review, annual general meeting was held on January 28, 2023 and an extraordinary general meeting was held on March 30, 2023 for holding the election of directors.

## OUTSTANDING STATUTORY PAYMENTS:

All outstanding payments are of normal and routine nature.

## DIRECTOR'S REMUNERATION POLICY:

The Board of Directors has approved a formal policy for remuneration of executive directors depending upon their responsibility in the affairs of the Company. Remuneration of the executive directors shall be approved by the Board of Director, as recommended by the Human Resource and Remuneration Committee. The Company will not pay any remuneration to Independent Directors except fee for attending meetings of the Board and its committees.

## BOARD PERFORMANCE EVALUATION

In compliance of Regulation 10(3)(v) of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board of Directors has put in place a mechanism for annual evaluation of performance of the Board as a whole, Board committees and individual members of the Board.

## ROLE OF SHAREHOLDERS:

The Board aims to ensure that the Company's shareholders are timely informed about the major developments affecting the Company's state of affairs. To achieve this objective, information is communicated to the shareholders through quarterly, half-yearly and annual reports are being promptly placed on Company's website. The Board encourages the shareholders' participation at the general meetings to ensure the desired level of accountability.

## DIVIDEND:

The Board of Directors in their meeting held on December 30, 2023 has recommended payment of final cash dividend for the year ended September 30, 2023 @ Rs. 4 per share ( 40%) to all the shareholders of the Company. The approval of the members for the final dividend shall be obtained at the Annual General Meeting to be held on January 27, 2024.

## HEALTH, SAFETY & ENVIRONMENT:

The Company adheres and ensures strict compliance of internationally acceptable health, safety and environment standards and we continue refining our processes for safer, more sustainable operations for today and tomorrow.

## AUDITORS:

M/s Shinewing Hameed Chaudhri & Co., Chartered Accountants, the retiring auditors have offered their services for another term. The Board proposes their appointment as recommended by the Audit Committee.

## ACKNOWLEDGEMENT:

We acknowledge invaluable support from all of our stakeholders including financial institutions, vendors, customers and shareholders of our Company. We take this opportunity to appreciate our employees for their commitment, dedication and round the clock efforts for the growth of the Company.

For and on behalf of the Board



Chief Executive

Lahore: December 30, 2023



Director

# Noon Sugar Mills Limited

Six years' review at a glance

Year ended September 30,		2023	2022	2021	2020	2019	2018
<b>Sugar Production:</b>							
Cane crushed	(M.Tons)	807,367	1,120,350	863,552	543,477	630,929	1,008,945
Average sucrose recovery	(%)	9.37	9.36	9.60	9.71	10.01	9.77
Sugar produced	(M.Tons)	75,717	104,720	82,710	52,787	63,098	98,655
Operating period	(Days)	101	144	121	105	102	121
<b>Alcohol Production:</b>							
Molasses processed	(M.Tons)	91,704	151,780	123,567	85,969	69,229	85,724
Alcohol produced	(M.Tons)	18,334	27,256	24,582	17,104	14,311	17,794
Average alcohol yield	(Ltrs/Ton)	250	224	249	249	259	259
Operating period	(Days)	184	294	284	351	216	310
<b>Operating results:</b>							
Sales	(Rs. In 000')	9,280,031	11,965,974	9,189,680	6,138,166	5,671,219	6,273,476
Cost of sales	(Rs. In 000')	7,383,505	10,406,680	8,183,388	5,178,147	4,805,768	5,562,171
Gross profit	(Rs. In 000')	1,896,526	1,559,294	1,006,292	960,019	865,451	711,305
Gross Profit to Net Sales	(%)	20.44	13.03	10.95	15.64	15.26	11.34
Pre-tax profit	(Rs. In 000')	526,567	656,931	377,177	322,368	272,332	270,184
Total Comprehensive income	(Rs. In 000')	418,777	463,098	252,458	253,721	229,735	207,929
Net Profit to Net Sales	(%)	4.51	3.87	2.75	4.13	4.05	3.31
<b>Shareholders' Equity:</b>							
Paid up capital	(Rs. In 000')	165,175	165,175	165,175	165,175	165,175	165,175
Reserves & surplus	(Rs. In 000')	1,920,476	1,567,769	1,162,482	967,835	763,666	576,876
Shareholders' equity	(Rs. In 000')	2,085,651	1,732,944	1,327,657	1,133,010	928,841	742,051
Break-up value per share	(Rupees)	126.27	104.92	80.38	68.59	56.23	44.93
Earnings per share	(Rupees)	25.39	28.09	15.38	15.50	13.64	12.76
Return on equity	(%)	20.08	26.72	19.02	22.39	24.73	28.02
<b>Financial position:</b>							
Current assets	(Rs. In 000')	4,100,932	2,778,584	2,809,726	2,738,872	2,719,124	2,609,533
Fixed capital expenditure	(Rs. In 000')	2,050,390	1,799,082	1,611,027	1,529,009	1,486,466	1,358,323
Total assets	(Rs. In 000')	6,174,635	4,584,747	4,425,653	4,273,391	4,211,454	3,980,149
Current liabilities	(Rs. In 000')	4,006,598	2,778,293	2,961,307	2,931,541	3,076,890	2,964,329
Long term debts	(Rs. In 000')	-	-	75,000	150,000	150,000	225,000
Total liabilities	(Rs. In 000')	4,088,984	2,851,803	3,097,996	3,140,381	3,282,613	3,238,098
Current ratio	(%)	1.02	1.00	0.95	0.93	0.88	0.88
Debt equity ratio	Times	0.90	1.11	1.87	2.18	2.88	3.62
<b>Dividends:</b>							
Cash	(%)	40	40	35	35	30	26
Bonus Shares	(%)	0	0	0	0	0	0
Total pay out	(%)	40	40	35	35	30	26

# Statement of Compliance of Listed Companies

(Code of Corporate Governance) Regulations, 2019

Name of Company: Noon Sugar Mills Limited (the Company)  
Year Ended: September 30, 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. The total number of directors are seven as per the following;

a) Male:	06
b) Female:	01

2. The composition of the Board of Directors (the Board) is as follows:

Names	Category
Mr. K. Iqbal Talib	(Non-Executive Director / Chairman)
Syed Ali Raza	(Non-Executive Director)
Irfan Ahmed	(Non-Executive Director)
Lt Col Abdul Khaliq Khan (Retd)	(Executive Director / CEO)
Mr. Saif Ullah Khan Noon	(Executive Director)
Mr. Atta Ali Malik	(Non-Executive / Independent Director)
Ms. Maryam Mamdot	(Non-Executive / Independent Director)

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
- No casual vacancy occurred on the Board during the year.
- The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
- The Board has developed a vision/ mission statement, overall corporate strategy and significant policies of the Company. 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;
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations;
- The meetings of the Board are 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 the frequency, recording and circulating minutes of meetings of the Board;
- The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
- Total seven (07) directors of the Company were elected on March 30, 2023. Among all the directors, five directors have acquired Director Training Certification while one director meets the requirements of the exemption under the Regulations. A newly elected director may acquire the directors' training program certification within a period of one year from the date of his appointment as a director on the Board. The independent directors have affirmed their eligibility as laid down under Section 166(2) of the Companies Act, 2017 to act as independent directors of the Company;
- Syed Adeel Ahmed was appointed as Chief Operating Officer of the Company on July 14, 2023. During the year, there is no change in the CFO, Company Secretary and Head of Internal Audit;
- CFO and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

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

a) **Audit Committee**

i)	Mr. Atta Ali Malik	Chairman
ii)	Syed Ali Raza	Member
iii)	Ms. Maryam Mamdot	Member

b) **Human Resource and Remuneration Committee**

i)	Syed Ali Raza	Chairman
ii)	Mr. Saif Ullah Khan Noon	Member
iii)	Lt Col Abdul Khaliq Khan(Retd)	Member

c) **Technical Committee**

i)	Mr. Irfan Ahmed	Chairman
ii)	Mr. Saif Ullah Khan Noon	Member
iii)	Lt Col Abdul Khaliq Khan (Retd)	Member

14. The Terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;

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

1. Audit Committee	04
2. Human Resource & Remuneration Committee	02
3. Technical Committee	05

16. The Board has setup an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and the procedures of the Company;

17. 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 Accountant of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan and that they and the partner of the firm involved in the Audit are not a close relative (spouse, parents, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;

18. 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;

19. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

20. Regulation 6(1) of the Listed Companies (Code of Corporate Governance) Regulations, 2019 requires that "each listed company shall have at least two or one third members of Board, whichever is higher, as independent directors". At the time of election of Directors, the Company assessed its compliance with this Regulation. One third of the Company's total number of Directors results in a fractional number, i.e. 2.33. The fraction has not been rounded up to one and therefore, the Board of Directors currently has 2 independent directors.



K. IQBAL TALIB  
Chairman

Lahore.  
December 30, 2023



# Independent Auditor's Review Report

To the Members of Noon Sugar Mills Limited

Review Report on the Statement of Compliance Contained in the 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 NOON SUGAR MILLS LIMITED (the Company) for the year ended September 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. 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.

Lahore: January 01, 2024  
UDIN: CR202310104tXwzQF4Sp

*Shinewing Hameed Chaudhri & Co.*

Shinewing Hameed Chaudhri & Co.,  
Chartered Accountants

Audit Engagement Partner: Osman Hameed Chaudhri

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NOON SUGAR MILLS LIMITED

## Report on the Audit of the Financial Statements

### Opinion

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

In our opinion, and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2023 and of the profit and other comprehensive 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

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

Following are the key audit matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
Contingencies	<p>1. The Company is subject to litigations against various Government departments involving different Courts. These litigations require management to make assessment and judgement with respect to likelihood and impact of such litigations.</p> <p>Management has engaged independent lawyers and legal advisors on these matters.</p> <p>The accounting for and disclosure of contingencies is complex and a matter of significance in our audit because of the judgement required to determine the level of certainty on these matters.</p> <p>Due to high magnitude of the amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgement and estimates to assess the same including related financial impact, we have considered above referred contingencies as one of the key audit matters.</p> <p>Refer contents of notes 15.1 to 15.20 to the financial statements.</p>	<p>In response to this matter, our audit procedures included:</p> <ul style="list-style-type: none"> <li>- discussed legal cases with the internal legal department of the Company to understand the management's view point, obtained and reviewed the litigation documents to assess the facts and circumstances;</li> <li>- obtained independent opinion of lawyers and legal advisors dealing with such cases through confirmations;</li> <li>- evaluated the possible outcome of these legal cases in line with the requirements of IAS 37 (Provisions, contingent liabilities and contingent assets); and</li> <li>- checked the disclosures of legal exposures and assessed provisions for completeness and accuracy.</li> </ul>

2.

Refer note 16 to the financial statements.

The Company incurred significant capital expenditure mainly to enhance production capacity and technological upgrade of the plant as part of its expansion activity. The Company has capitalized operating fixed assets aggregating Rs.537.985 million during the year.

There are number of areas where management judgement is involved in connection with the above activities. These include:

- Determining which costs meet the criteria for capitalisation as per International Accounting Standard - IAS - 16;
- Determining the date on which assets under construction are transferred to operating fixed assets and the respective dates from which their depreciation should commence;
- Capitalisation of borrowing costs and related implications;
- The estimation of economic useful lives and residual values assigned to property, plant and equipment; and
- Impairment testing; assessing whether there are any indicators of impairment present.

We consider the above as a key audit matter being significant transactions and events for the Company during the year.

Our audit procedures included the following:

- obtained an understanding of the design and implementation of management controls over capitalization and performed tests of controls over authorization of capital expenditure and accuracy of its recording in the system;
- assessed, on a sample basis, costs capitalised during the year by comparing the costs capitalised with the relevant underlying documentation, which included purchase agreements and invoices;
- assessed whether the costs capitalized met the relevant criteria for capitalization as per the applicable financial reporting framework;
- checked the date of transferring capital work-in-progress to operating fixed assets by examining the completion certificates, on a sample basis;
- checked the disposal of operating fixed assets made during the year. Obtained and verified disposal considerations / insurance claims documents; and
- assessed whether the disclosures were made in accordance with the applicable financial reporting framework.

3.

Refer to note 19 to the financial statements. Stock-in-trade at the reporting date mainly included finished goods (sugar bags).

The value of stock-in-trade at the reporting date aggregated to Rs.2,535 million representing 61.82% 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 various overheads which are incurred in bringing the inventories to its present location and conditions. Judgement has also been exercised by the management in determining the net realisable value (NRV) of stocks and in determining the appropriate value of slow moving and obsolete stocks.

We identified this matter as key in our audit due to the judgement and assumption applied by the Company in determining the cost and NRV of stock in trade at the year-end.

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 applicable financial reporting standards;
- attended the inventory count at the year-end and reconciled the physical inventory with the inventory lists provided to ensure the completeness of the data;
- assessed the historical costs of raw material recorded in the inventory valuation by checking purchase invoices on sample basis;
- tested the reasonability of assumptions applied by the management in the allocation of overhead costs to the inventories; and
- tested the cost of inventories for finished goods and performed NRV test to assess whether the cost of inventories exceeds their NRV, calculated by detailed review of subsequent sales invoices.

We reviewed the Company's disclosure in the financial statement in respect of stock in trade.

S. No.	Key Audit Matters	How the matter was addressed in our audit
Revenue recognition	<p>4. The principal activity of the Company is to manufacture and sale of sugar and spirit. Revenue from sale of goods is recognised as or when performance obligations are satisfied by transferring control of promised goods to customer. Revenue is measured at fair value of the consideration received or receivable and the payment is typically due on the satisfaction of performance obligation.</p> <p>We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company and due to the reason that revenue increased significantly as compared to last year. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- assessed the design, implementation and operating effectiveness of the key internal controls involved in revenue recognition;</li> <li>- performed testing of revenue transactions on a sample basis with underlying documentation including dispatch documents and sales invoices;</li> <li>- tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue was recognised in the correct period;</li> <li>- performed audit procedures to analyse variation in the price and quantity sold during the year;</li> <li>- performed recalculations of discounts as per the Company's policy on test basis;</li> <li>- understood and evaluated the accounting policy with respect to revenue recognition; and</li> <li>- assessed the adequacy of disclosures made in the financial statements related to revenue.</li> </ul>

### Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information, which comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

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

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

### Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' 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:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- 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 auditors' report is Osman Hameed Chaudhri.

*Shinewing Hameed Chaudhri & Co.*

SHINEWING HAMEED CHAUDHRI & CO.,  
CHARTERED ACCOUNTANTS

LAHORE: January 01, 2024  
UDIN: AR202310104zEs1yvkBC

# Noon Sugar Mills Limited

## Statement of Financial Position

As at September 30, 2023

		2023	2022
	Note	----- Rupees in '000 -----	
<b>Equity and Liabilities</b>			
<b>Share Capital and Reserves</b>			
<b>Authorised capital</b>			
50,000,000 (2022: 20,000,000)			
ordinary shares of Rs.10 each		500,000	200,000
Issued, subscribed and paid-up capital	5	165,175	165,175
Reserves	6	249,217	249,217
Unappropriated profits		1,671,259	1,318,552
		<b>2,085,651</b>	<b>1,732,944</b>
<b>Non-Current Liabilities</b>			
Long term finance	7	-	-
Lease liabilities	8	-	635
Staff retirement benefits - gratuity	9	82,386	72,875
		<b>82,386</b>	<b>73,510</b>
<b>Current Liabilities</b>			
Trade and other payables	10	1,852,516	607,845
Contract liabilities	11	33,400	16,744
Accrued mark-up	12	70,857	15,786
Short term finances	13	1,871,842	1,848,338
Current portion of non-current liabilities	14	643	76,000
Unclaimed dividends		5,053	5,053
Unpaid dividends		5,686	4,801
Provision for taxation		166,601	203,726
		<b>4,006,598</b>	<b>2,778,293</b>
		<b>4,088,984</b>	<b>2,851,803</b>
<b>Contingencies and Commitments</b>	15		
		<b>6,174,635</b>	<b>4,584,747</b>

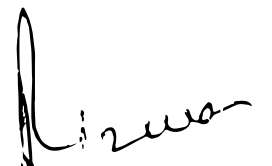
The annexed notes form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

# Noon Sugar Mills Limited

## Statement of Financial Position

As at September 30, 2023

		2023	2022
	Note	----- Rupees in '000 -----	
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	16	2,050,390	1,799,082
Loans and advances	17	8,992	1,633
Security deposits		14,321	5,448
		2,073,703	1,806,163
<b>Current Assets</b>			
Stores, spares and loose tools	18	130,382	143,723
Stock-in-trade	19	2,535,667	1,160,752
Trade debts	20	176,668	313,026
Loans and advances	21	775,275	689,706
Short term prepayments		4,067	4,315
Other receivables	22	164,847	134,389
Income tax refundable, advance income tax and tax deducted at source		204,149	222,139
Bank balances	23	109,877	110,534
		4,100,932	2,778,584
		6,174,635	4,584,747

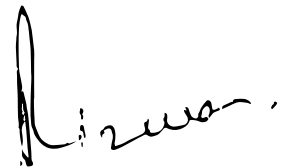
The annexed notes form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

# Noon Sugar Mills Limited

## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended September 30, 2023

		2023	2022
	Note	----- Rupees in '000 -----	
Sales - net	24	9,280,031	11,965,974
Cost of sales	25	(7,383,505)	(10,406,680)
<b>Gross profit</b>		<b>1,896,526</b>	<b>1,559,294</b>
Distribution and marketing expenses	26	(263,924)	(335,177)
Administrative expenses	27	(318,500)	(268,339)
Other income	28	160,391	216,031
Other expenses	29	(230,693)	(125,363)
<b>Profit from operations</b>		<b>1,243,800</b>	<b>1,046,446</b>
Finance cost	30	(717,233)	(389,515)
<b>Profit before taxation</b>		<b>526,567</b>	<b>656,931</b>
Taxation	31	(107,254)	(192,924)
<b>Profit after taxation</b>		<b>419,313</b>	<b>464,007</b>
<b>Other comprehensive loss</b>			
Items that will not be reclassified subsequent to statement of profit or loss:			
- loss on remeasurement of staff retirement benefit obligation		(536)	(909)
<b>Total comprehensive income</b>		<b>418,777</b>	<b>463,098</b>
		----- Rupees -----	
Earnings per share - basic and diluted	32	25.39	28.09

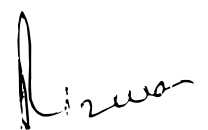
The annexed notes form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer



# Noon Sugar Mills Limited

## Statement of Cash Flows

For the Year Ended September 30, 2023

		2023	2022
	Note	----- Rupees in '000 -----	
<b>Cash flows from operating activities</b>			
Profit for the year before taxation		526,567	656,931
<b>Adjustments for non-cash charges and other items:</b>			
Depreciation on property, plant & equipment and right-of-use assets	16	183,557	159,158
Gain on disposal of operating fixed assets & capital work-in-progress	16.4	(1,954)	(3,840)
Unclaimed and other payable balances written-back		(2)	(7)
Receivable balances written-off		-	11,845
Provision for doubtful receivable balance		-	52,745
Provision for expected credit loss for trade debtors	20.1	345	1,333
Provision for staff retirement benefits - gratuity		21,530	16,536
Provision made for slow moving stores and spares inventory	18.1	123	884
Finance cost		708,676	375,776
<b>Profit before working capital changes</b>		<b>1,438,842</b>	<b>1,271,361</b>
<b>Effect on cash flow due to working capital changes</b>			
(Increase) / decrease in current assets:			
Stores, spares and loose tools		13,218	(56,201)
Stock-in-trade		(1,374,915)	245,220
Trade debts		136,013	23,509
Loans and advances		(83,155)	(320,087)
Short term prepayments		248	(1,362)
Other receivables		(30,458)	24,614
Increase / (decrease) in current liabilities:			
Trade and other payables and contract liabilities		1,261,329	245,426
		(77,720)	161,119
<b>Cash generated from operations</b>		<b>1,361,122</b>	<b>1,432,480</b>
Income tax paid		(126,389)	(178,038)
Staff retirement benefits (gratuity) - paid	9.2	(12,555)	(4,646)
<b>Net cash generated from operating activities</b>		<b>1,222,178</b>	<b>1,249,796</b>
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment		(442,039)	(385,259)
Sale proceeds / insurance claims of operating fixed assets & capital work-in-progress	16.4	9,128	41,886
Long term security deposits - net		(8,873)	(2,601)
Loans and advances - net		(9,773)	456
<b>Net cash used in investing activities</b>		<b>(451,557)</b>	<b>(345,518)</b>
<b>Cash flows from financing activities</b>			
Long term finances - net		(75,000)	(75,000)
Short term finances - net		23,504	(486,997)
Lease liabilities		(992)	(1,618)
Finance cost paid		(653,605)	(398,116)
Dividend paid		(65,185)	(56,936)
<b>Net cash used in financing activities</b>		<b>(771,278)</b>	<b>(1,018,667)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(657)</b>	<b>(114,389)</b>
Cash and cash equivalents - at beginning of the year		110,534	224,923
<b>Cash and cash equivalents - at end of the year</b>		<b>109,877</b>	<b>110,534</b>

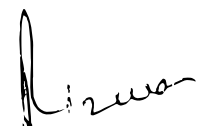
The annexed notes form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

# Noon Sugar Mills Limited

## Statement of Changes in Equity

For the Year Ended September 30, 2023

	Reserves					Total
	Capital		Revenue		Sub- total	
	Share capital	Share premium	General	Un-appropriated profits		
----- Rupees in '000 -----						
Balance as at October 01, 2021	165,175	119,217	130,000	913,265	1,162,482	1,327,657
<b>Transactions with owners - distributions</b>						
Cash dividend at the rate of Rs.3.50 per ordinary share for the year ended September 30, 2021	-	-	-	(57,811)	(57,811)	(57,811)
<b>Total comprehensive income for the year ended September 30, 2022</b>						
Profit for the year	-	-	-	464,007	464,007	464,007
Other comprehensive loss	-	-	-	(909)	(909)	(909)
	-	-	-	463,098	463,098	463,098
<b>Balance as at September 30, 2022</b>	<b>165,175</b>	<b>119,217</b>	<b>130,000</b>	<b>1,318,552</b>	<b>1,567,769</b>	<b>1,732,944</b>
<b>Transactions with owners - distributions</b>						
Cash dividend at the rate of Rs.4 per ordinary share for the year ended September 30, 2022	-	-	-	(66,070)	(66,070)	(66,070)
<b>Total comprehensive income for the year ended September 30, 2023</b>						
Profit for the year	-	-	-	419,313	419,313	419,313
Other comprehensive loss	-	-	-	(536)	(536)	(536)
	-	-	-	418,777	418,777	418,777
<b>Balance as at September 30, 2023</b>	<b>165,175</b>	<b>119,217</b>	<b>130,000</b>	<b>1,671,259</b>	<b>1,920,476</b>	<b>2,085,651</b>

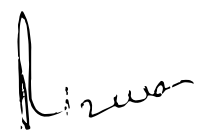
The annexed notes form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

# Noon Sugar Mills Limited

## Notes to the Financial Statements

For the Year Ended September 30, 2023

### 1. LEGAL STATUS AND NATURE OF BUSINESS

Noon Sugar Mills Limited (the Company) was incorporated in the year 1964 as a Public Company and its shares are quoted on the Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of white sugar and spirit.

1.1 Geographical location and addresses of major business units including mills / plant of the Company are as under:

Sargodha	Purpose
Bhalwal	Mills / Production plant
Lahore 66-Garden Block, New Garden Town, Lahore	Head office
Karachi 1st Floor, P.I.I.A Building, Mulana Deen Muhammad Wafai Road,	Marketing office

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

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

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

#### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for staff retirement benefits (gratuity) which is stated at their present value.

#### 2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional currency of the Company. All financial information presented in Pak Rupees has been rounded-off to the nearest thousand, unless otherwise stated.

#### 2.4 Initial application of standards, amendments or interpretations to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements:

##### 2.4.1 Standards, amendments and interpretations to accounting and reporting standards that became effective during the 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 financial statements, except for the following:

**(a) IAS 37 Provisions, Contingent Liabilities and Contingent Assets**

Under IAS 37, a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits. The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

**(b) IAS 16 Property, Plant and Equipment**

Amendment to IAS 16 (regarding proceeds before an asset's intended use) prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, a Company will recognise such sales proceeds and related cost in profit or loss. The amendments apply retrospectively, but only to items of PPE made available for use on or after the beginning of the earliest period presented in the financial statements in which the Company first applies the amendments.

The adoption of the above amendments to accounting standards did not have any material effect on the financial statement of the Company.

**2.4.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Company**

**(a) IAS 1 Presentation of Financial Statements**

**Effective: January 01, 2024**

The amendments clarify how to classify a debt and other liabilities as current or non-current. The IASB issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify the following:

- what is meant by a right to defer settlement
- that a right to defer must exist at the end of the reporting period;
- that classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

**(b) IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors**

**Effective: January 01, 2023**

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a Company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

**(c) IAS 1 Presentation of Financial Statements**

**Effective: January 01, 2023**

Amendments to IAS 1, 'Presentation of Financial Statements' includes requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions

are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a Company's financial statements.

The Company has assessed that the impact of above amendments is not expected to be significant.

There are number of other standards, amendments and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amount of assets, liabilities, income and expenses. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Judgments, estimates and assumptions made by the management that may have a significant risk of material adjustments to the financial statements in the subsequent years are as follows:

#### (a) Property, plant and equipment

The Company reviews appropriateness of the rates of depreciation, useful lives and residual values for calculation of depreciation on an on-going basis. Further, where applicable, an estimate of recoverable amount of asset is made if indicators of impairment are identified.

#### (b) Stores & spares and stock-in-trade

The Company estimates the net realizable value of stores & spares and stock-in-trade to assess any diminution in the respective carrying values. Net realizable value is determined with reference to estimated selling price less estimated expenditure to make sale.

#### (c) Provision for impairment of trade debts

Impairment losses related to trade and other receivables, are calculated using simplified approach of expected credit loss (ECL) model. Management used actual credit loss experience over past years for the calculation of ECL. Trade and other receivables are written off when there is no reasonable expectation of recovery.

#### (d) Staff retirement benefits - gratuity

The present value of this obligation depends on a number of factors that is determined on actuarial basis using a number of assumptions. Any change in these assumptions will impact carrying amount of this obligation. The present value of the obligation and underlying assumptions are stated in note 9.

#### (e) Income taxes

In making the estimates for income taxes, the Company takes into account the current income tax laws and decisions taken by appellate authorities on certain issues in the past. There may be various matters where the Company's view differs with the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of a material nature is in accordance with the law. The difference between the potential and actual tax charge, if any, is disclosed as a contingent liability.

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### 4.1 Borrowings and borrowing costs

These are recognized initially at fair value, net of transaction costs and are subsequently measured at amortized cost using the effective interest method. Difference between proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of the borrowings as interest expense.

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of that asset.

#### 4.2 Leases liabilities

The Company leases vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less.

#### 4.3 Staff retirement benefits

##### (a) Defined contribution plan

The Company is operating a provident fund scheme for all its permanent employees; equal monthly contribution to the fund is made at the rate of 10% of the basic salaries both by the employees and the Company. The assets of the Fund are held separately under the control of the Trustees.

##### (b) Defined benefit plan

The Company operates an un-funded retirement gratuity scheme for its eligible employees. Provision for gratuity is made annually to cover obligation under the scheme in accordance with the actuarial recommendations. Latest actuarial valuation was conducted on September 30, 2023 on the basis of the projected unit credit method by an independent Actuary.

The liability recognised in the statement of financial position in respect of retirement gratuity scheme is the present value of defined benefit obligation at the end of reporting period. The amount arising as a result of remeasurements are recognised in the statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which they occur.

#### 4.4 Trade and other payables

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

#### 4.5 Taxation

##### (a) Current and prior year

Provision for current year's taxation is determined in accordance with the prevailing law of taxation on income enacted or substantially enacted by the reporting date and is based on current rates of taxation being applied on the taxable income for the year, after taking into account, tax credits and rebates available, if any. The tax charge also includes adjustments, where necessary, relating to prior years which arise from assessments finalised during the year.

##### (b) Deferred

Deferred tax is recognised using the statement of financial position liability method on all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and

the amounts used for taxation purposes.

Deferred tax asset is recognised for all the deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax liabilities are recognised for all the taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is charged or credited in the statement of profit or loss, except in the case of items credited or charged to other comprehensive income / equity in which case it is included in other comprehensive income / equity.

## 4.6 Property, plant and equipment

### (a) Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and any identified impairment loss except freehold land, which is stated at cost. Cost of some items of plant & machinery consists of historical cost and exchange fluctuation effects on foreign currency loans capitalised during prior years.

Depreciation is taken to statement of profit or loss applying reducing balance method so as to write-off the depreciable amount of an asset over its remaining useful life at the rates stated in note 16.1. The assets' residual values and useful lives are reviewed at each financial year-end and adjusted if impact on depreciation is significant. Depreciation on additions to operating fixed assets is charged from the date on which an asset is acquired or capitalised while no depreciation is charged from the date on which the asset is disposed-off.

Normal repairs and replacements are taken to statement of profit or loss. Major improvements and modifications are capitalised and assets replaced, if any, other than those kept as stand-by, are retired.

Gain / loss on disposal of property, plant and equipment, if any, is taken to statement of profit or loss.

### (b) Right-of-use assets

Right-of-use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis (note 16.5). The carrying amount of the right-of-use asset is reduced by impairment losses, if any. At transition, the Company recognised right of use assets equal to the present value of lease payments.

### (c) Capital work-in-progress

This is stated at cost. All expenditure connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when assets are available for use.

## 4.7 Financial assets

### Initial measurement

The Company classifies its financial assets in the following three measurement categories:

- fair value through other comprehensive income (FVTOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortized cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly

attributable to its acquisition.

- **Subsequent Measurement**
- **Equity Instruments at FVTOCI**

These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss. Other net gains and losses are recognized in statement of other comprehensive income and are never reclassified to the statement of profit or loss.

- **Debt Instruments at FVTOCI**

These assets are subsequently measured at fair value. Interest / mark-up income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Other net gains and losses are recognized in statement of other comprehensive income. On derecognition, gains and losses accumulated in statement of other comprehensive income are reclassified to the statement of profit or loss.

- **Debt Instruments at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest / mark-up or dividend income, are recognized in the statement of profit or loss.

- **Financial Assets measured at amortised cost**

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / mark-up income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.

#### **Derecognition**

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

#### **4.8 Derivative, financial instruments and hedging activities**

Derivatives are recognized initially at fair value, attributable transaction costs are recognized in statement of profit or loss when incurred.

#### **4.9 Loans and advances**

These are stated at amortised cost.

#### **4.10 Stores, spares and loose tools**

Stores, spares and loose tools are stated at the lower of cost and net realisable value. The cost of inventory is based on moving average cost. Items in transit are stated at cost accumulated to the reporting date. Adequate provision is made against slow moving / obsolete items after taking into account a reasonable estimate of salvage value.

#### **4.11 Stock-in-trade**

Basis of valuation are as follows:

##### **Particulars**

##### **Mode of valuation**

Raw materials - molasses:

- purchased

- At lower of weighted average cost and net realisable value.

- own produced

- At net realisable value

Finished goods

- At lower of cost and net realisable value

Work-in-process

- At cost.



- Cost in relation to finished goods and work-in-process represents the annual average manufacturing cost, which consists of prime cost and appropriate production overheads.
- Net realisable value signifies the selling price in the ordinary course of business less cost necessary to be incurred to effect such sale.

#### 4.12 Trade debts and other receivables

These are classified at amortized cost and are initially recognised and measured at fair value of consideration receivable. The Company uses simplified approach for measuring the expected credit losses for all trade and other receivables including contract assets based on lifetime expected credit losses. The Company has estimated the credit losses using a provision matrix where trade receivables are grouped based on different customer attributes along with historical, current and forward looking assumptions. Debts considered irrecoverable are written off.

#### 4.13 Cash and cash equivalents

Cash at banks and short term deposits, which are held to maturity are carried at cost. For the purposes of statement of cash flows, cash equivalents are short term highly liquid instruments which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in values.

#### 4.14 Impairment

##### (a) Financial assets

The Company assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Further, the Company followed simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade and other receivables. Management used actual credit loss experience over past years for the calculation of ECL.

##### (b) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of provisions for impairment losses. If any indications exist, the recoverable amounts of such assets are estimated and impairment losses or reversals of impairment losses are recognized in the statement of profit or loss. Reversal of impairment loss is restricted to the original cost of the asset.

#### 4.15 Financial liabilities

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

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

##### Derecognition

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

#### 4.16 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable on the following basis:

#### **Sale of goods**

- revenue from sale of goods is recognized at the point of time when the customer obtains control of the goods, which is generally at the time of delivery / dispatch of goods to customers;
- revenue from the export sale of goods is recognized at the point in time when the customer obtains control over the goods dependent on the relevant incoterms of shipment. Generally it is on the date of bill of lading or at the time of delivery of goods to the destination port;

#### **Other sources of revenue**

- Dividend income is accounted for when the right of receipt is established; and
- return on bank deposits / interest income is recognized using applicable effective interest rate. Income is accrued as and when the right to receive the income establishes.

#### **4.17 Foreign currency transactions**

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the reporting date. Foreign exchange gains and losses on translations are recognized in the statements of profit or loss. Forward foreign exchange contracts if any are measured at fair value which is calculated by reference to current forward foreign exchange rates with similar maturity profiles. The unrealized gain if any is included in equity and realized gains /losses are included in the statement of profit or loss currently. All non-monetary items are translated into rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

#### **4.18 Provisions**

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

#### **4.19 Off-setting of financial assets and liabilities**

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

#### **4.20 Segment reporting**

A segment is a distinguishable component within the Company that is engaged in providing products which are subject to risks and returns that are different from those of other business segments.

#### **4.21 Dividend and appropriation to reserves**

Dividend distribution to the Company's shareholders and appropriation to reserves are recognised in the period in which these are approved.

#### **4.22 Ijarah Contracts**

The Company has entered in to Ijarah contracts under which it obtains assets for an agreed period for an agreed consideration. The Ijarah contracts are undertaken in compliance with the Shariah essentials for such contracts prescribed by the State Bank of Pakistan.

The Company recognises the Ijarah rental payments as an expense in the profit or loss on straight line basis over the Ijarah term.

## 5. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2023	2022		2023	2022
(No. of shares)			----- Rupees in '000 -----	
7,187,829	7,187,829	Ordinary shares of Rs.10 each fully paid in cash	71,879	71,879
500,000	500,000	Ordinary shares of Rs.10 each issued to a financial institution on conversion of loan	5000	5000
8,829,624	8,829,624	Ordinary shares of Rs.10 each issued as fully paid bonus shares	88,296	88,296
<b>16,517,453</b>	<b>16,517,453</b>		<b>165,175</b>	<b>165,175</b>

5.1 The voting rights, board selection, right of first refusal and block voting are in proportion to the shareholding of shareholders.

## 6. RESERVES

	Note	2023	2022
		----- Rupees in '000 -----	
Capital reserve - share premium	6.1	119,217	119,217
Revenue reserve - general	6.2	130,000	130,000
		<b>249,217</b>	<b>249,217</b>

6.1 This represents share premium received on 5,687,829 ordinary right shares issued during the financial year ended September 30, 2006 at the rate of Rs.30 per share adjusted by bonus shares issued.

6.2 This represents amount set aside from unappropriated profits to a separate reserve and is available for distribution.

## 7. LONG TERM FINANCE

	Note	2023	2022
		----- Rupees in '000 -----	
Balance as at september 30,	7.1	-	75,000
Less: Current portion grouped under current liabilities		-	75,000
		<b>-</b>	<b>249,217</b>

7.1 The Company had obtained a demand finance facility of Rs.300 million from MCB bank Limited to finance BMR of sugar and distillery units. This finance facility carried mark-up at the rate of 6 month KIBOR + 175 bps per annum and was repayable in 8 equal semi annual instalments of Rs.37.500 million each. Effective mark-up rate charged by the bank, during the current financial year, ranged from 17.87% to 22.93% (2022: 9.66% to 17.87%) per annum. This finance facility was secured against first pari passu charge of Rs.400 million on present and future plant and machinery of the Company with 25% margin.

## 8. LEASE LIABILITIES

	Note	2023	2022
		----- Rupees in '000 -----	
Lease Liabilities	8.1	643	1,635
Less: current portion		643	1000
		<b>-</b>	<b>635</b>

## 8.1 Movement in the account of lease liabilities

	2023	2022
	----- Rupees in '000 -----	
Opening balance as at October 01,	1,635	3,253
Add: Interest charge for the year	248	276
Less: Payment made during the year	1,240	1,894
Closing balance as at September 30,	<u>643</u>	<u>1,635</u>

### 8.1.1 Maturity analysis of undiscounted lease payments need to be made after the reporting period

	2023	2022
	----- Rupees in '000 -----	
Payable less than one year	697	1,223
Payable between: one to two years	-	674
	<u>697</u>	<u>1,897</u>

8.2 The Company has entered into lease arrangements with banks to acquire vehicles. The liabilities under these arrangements are repayable in 60 monthly instalments and carry profit / mark-up at different rates. Effective profit / mark-up rates charged by the banks, during the current financial year, ranged from 18.89% to 25.94% (2022: 15.05% to 19.12%) per annum. The Company intends to exercise its option to purchase the leases vehicles upon completion of lease term. The liabilities are secured against title of vehicles in the name of the respective bank.

## 9. STAFF RETIREMENT BENEFITS - GRATUITY

9.1 Projected unit credit method, as allowed under IAS 19 (Employee Benefits), has been used for actuarial valuation based on the following significant assumptions:

	2023	2022
- discount rate	16.25%	13.25%
- expected rate of increase in salary	13.25%	10.25%

9.2 The amount recognised in the statement of financial position is present value of defined benefit obligation at reporting date.

The movement in the present value of defined benefit obligation is as follows:	2023	2022
	----- Rupees in '000 -----	
Balance at beginning of the year	72,875	60,076
Current service cost	12,706	10,472
Interest cost	8,824	6,064
Benefits paid	(12,555)	(4,646)
Remeasurement of obligation	536	909
Balance at end of the year	<u>82,386</u>	<u>72,875</u>

9.3 Charge to statement of profit or loss:

Current service cost	12,706	10,472
Interest cost	8,824	6,064
	<u>21,530</u>	<u>16,536</u>

#### 9.4 Remeasurements recognised in other comprehensive income

	2023	2022
	----- Rupees in '000 -----	
Actuarial loss	-	225
Experience adjustments	536	684
	<b>536</b>	<b>909</b>

#### 9.5 Comparison of present value of defined benefit obligation and experience adjustment on obligation for five years is as follows:

	2023	2022	2021	2020	2019
	----- Rupees in '000 -----				
Present value of defined benefit obligation	<b>82,386</b>	72,875	60,076	55,582	45,926
Experience adjustment on obligation	<b>536</b>	909	1,662	2,339	(4,418)

#### 9.6 Sensitivity analysis for actuarial assumptions:

The calculation of defined benefit obligation is sensitive to assumptions set-out above. The following table summarizes how defined benefit obligation would have increased / (decreased) as a result of change in respective assumption by 1 percent.

	Increase in assumptions	Decrease in assumptions
	----- Rupees in '000 -----	
Discount rate	(76,366)	88,884
Increase in salaries	88,882	(76,365)

Expected maturity analysis of undiscounted obligation is as follows:

Time in years	Rupees in '000
1	10,255
2	18,015
3	26,672
4	35,012
5 and onwards	96,142

9.7 The Company's contribution to scheme for the financial year 2024 is expected to be Rs.28.158 million.

9.8 Gratuity payable includes liability in respect of key management personnel aggregating Rs.2.621 million (2022: Rs.2.10 million).

## 10. TRADE AND OTHER PAYABLES

	2023	2022
	----- Rupees in '000 -----	
Creditors	1,645,127	364,410
Advance payments	2	7
Retention money	2,664	2,664
Sales tax payable	74,745	117,369
Accrued expenses	62,558	44,907
Income tax deducted at source	742	3,469
Workers' (profit) participation fund	28,534	38,342
Payable against Workers' welfare fund obligations	36,004	24,680
Others	2,140	11,997
	<b>1,852,516</b>	<b>607,845</b>

## 10.1 Workers' (profit) participation fund - the Fund

	2023	2022
	----- Rupees in '000 -----	
Balance at beginning of the year	38,342	20,343
Add: - profit earned on the Fund's balances maintained in a PLS bank account	116	57
- allocation for the year	28,310	38,233
- interest on funds utilised by the Company	6,065	3,021
Less: payment made during the year	(44,299)	(23,312)
Balance at end of the year	<u>28,534</u>	<u>38,342</u>

## 10.2 Payable against Workers' welfare fund obligations

Balance at beginning of the year	24,680	9,387
Add - allocation for the year	11,324	15,293
Balance at end of the year	<u>36,004</u>	<u>24,680</u>

## 11. CONTRACT LIABILITIES

11.1 These represent advance consideration received from customers in ordinary course of business and carry no mark-up.

## 12. ACCRUED MARK-UP

	Note	2023	2022
		----- Rupees in '000 -----	
Mark-up accrued on:			
- long term finances		-	367
- short term finances		70,857	15,419
		<u>70,857</u>	<u>15,786</u>

## 13. SHORT TERM FINANCES

Running / cash finances - secured	13.1	1,480,192	1,841,193
From a related party - unsecured	13.2	390,000	-
Temporary bank overdraft - unsecured	13.3	1,650	7,145
		<u>1,871,842</u>	<u>1,848,338</u>

13.1 Short term finance facilities available from various commercial banks under mark-up arrangements aggregate to Rs.6.200 billion (2022: Rs.4.600 billion). These finance facilities, during the current financial year, carried mark-up at the rates ranging from 10.00% to 26.11% (2022: 3.00% to 19.11%) per annum. Facilities available for opening letters of credit and guarantees aggregate to Rs.380.82 million (2022: Rs.130.82 million) of which facilities aggregating Rs.143.641 million (2022: Rs.111.742 million) remained unutilised at the reporting date. The aggregate finance facility are secured against charge over plant & machinery, pledge of refined sugar in bags, charge over current assets of the Company and lien over import & export documents. These facilities are expiring on various dates by May, 2024.

13.2 The Company, during the year, has obtained a short term loan amounting Rs.390 million from one of its related party Mr. Adnan Hayat Noon (sponsor) to meet its working capital requirements. This loan is interest free.

- 13.3 This represents book overdraft balance due to cheques issued in excess of an actual bank balance in respect of a bank account.

#### 14. CURRENT PORTION OF NON-CURRENT LIABILITIES

		2023	2022
	Note	----- Rupees in '000 -----	
Long term finance	7	-	75,000
Lease liabilities	8	643	1,000
		<b>643</b>	<b>76,000</b>

#### 15. CONTINGENCIES AND COMMITMENTS

##### Contingencies

- 15.1 On an interim order of the High Court of Sindh, Karachi, sale certificate has been issued to the Company in respect of factory / plant known as Northern Chemicals and the Company has paid stamp duty on land it purchased. It was held that in case the Court comes to a conclusion that the Company is liable to pay stamp duty on plant and machinery as well, the Company shall pay the same within fifteen days from decision of appeal. In this regard, the Company has provided a bank guarantee in favour of Nazir of High Court of Sindh for an amount of Rs.2.400 million.
- 15.2 An appeal was pending before the Lahore High Court (LHC) against the order of the Customs, Central Excise & Sales Tax Appellate Tribunal (the Tribunal) in the matter of permit fee amounting Rs.5.994 million. The said appeal filed was dismissed by the LHC on September 22, 2020. The Company has filed an appeal in the Supreme Court of Pakistan against the order of LHC. The said appeal was dismissed by SCP on March 24, 2022. The Company has filed review petition before SCP on May, 06, 2022. The case is pending adjudication.
- 15.3 A reference application under section 47(1) of the Sales Tax Act, 1990 (the Act) is pending before the LHC against confirmation of original order by the Tribunal whereby the Company was ordered to pay sales tax demands aggregating Rs.3.083 million.
- 15.4 An appeal under section 47 of the Act is also pending before the LHC against judgment of the Tribunal whereby the Company was ordered to pay dues aggregating Rs.4.991 million.
- 15.5 An appeal before the LHC, against judgment of the Tribunal, is pending; the Tribunal has upheld the judgment of the Additional Collector whereby the Company was ordered to pay demands aggregating Rs.1.400 million.
- 15.6 Provisions for cane quality premium payable to growers aggregating Rs.79.335 million, related to different yearly notifications issued by the Government of the Punjab (GoP) for fixation of cane support price and quality premium above 'bench mark average recovery', made during the financial years 1981-82 to 1994-95 were written-back during the financial year ended September 30, 2006. The management is of the view that no outflow of resources will be required as a result of judgment by the LHC for the cases pending adjudication, as LHC has judged this levy as unconstitutional in similar cases.

Presently, the intra-court appeals of the GoP are pending for a fresh decision by the LHC. Earlier, the Supreme Court of Pakistan had set aside the LHC's judgment of dismissal of review application filed by the GoP.

- 15.7 The Company, during the financial year 2002, had filed an appeal before the Tribunal against the order of the Additional Collector (Central Excise), Faisalabad rejecting the refund claim of the Company amounting Rs.15.117 million. The Company had paid this amount under protest as customs duty on the sale of sugar. On May 5, 2023, the LHC directed the remand of the case back to the Appellate Tribunal. The case is pending adjudication.
- 15.8 The GoP, during the financial year 2012, imposed a duty @ Rs.2 per litre on manufacturing of spirit. The Company has filed an appeal before the LHC against the imposition of duty which is pending adjudication. However, on an interim order of the LHC the Company provided a bank guarantee in favour of excise and taxation department for an amount of Rs.1.000 million.

During the financial year ended September 30, 2017, the LHC passed another interim order and directed the Company to deposit the amount of provincial excise duty in cash with deputy registrar of the court on monthly basis till the final order. In compliance with this interim order the Company has deposited Rs.120.771 million till September 30, 2019. Based on the advice of the Company's legal counsel this amount has been booked as receivable as there are meritorious grounds for the case to be decided in favour of the Company and the amount be refunded. Further, the GoP vide its notification no.SO(E&M)2-5/2018/ED has withdrawn this duty with effect from August 05, 2019 and the LHC has released the bank guarantee submitted by the Company. The case is pending adjudication.

- 15.9 The Irrigation Department of the GoP, during the financial year 2015, has raised demand aggregated Rs.6.810 million based on its notification dated June 12, 2014, for the revision of rates for supply of water to the Company. The Company, against the said demand, has filed an appeal in the Civil Court, which is pending adjudication.
- 15.10 The Company has filed a writ petition before the LHC challenging a notice received from the Excise & Taxation Office, Sargodha demanding excise duty amounted Rs.3.739 million on account of waste of rectified spirit during transit. The LHC vide its interim order dated December 14, 2020 has suspended the notice. The case is pending adjudication.
- 15.11 The Additional Commissioner IR (Audit) has passed an assessment order dated June 29, 2020 under section 122(5A) of the Income Tax Ordinance 2001 (the Ordinance) through which a tax credit of Rs.6.290 million under section 65B of the Ordinance has been disallowed for the tax year 2014. The Company has filed an appeal against the aforesaid assessment order before the Commissioner IR Appeals-V, dated July 13, 2020. The CIR(A) remanded back the case on June 14, 2021 to the ACIR. The ACIR disallowed the tax credit, through order dated June 09, 2022. The Company has filed an appeal against the aforesaid assessment order before the CIR(A) and the CIR(A) rejected the appeal. The Company, has filed an appeal before Appellate Tribunal (ATIR), which is pending adjudication.
- 15.12 The Company has filed a writ petition in the LHC on August 28, 2020 against the case for sales tax audit relating to the tax periods October, 2015 to September, 2018. The LHC granted stay order on November 16, 2020. The hearing of the petition filed came up before the LHC on September 07, 2022 and the judgement is still awaited. The management of the Company is confident that this case will be decided in its favor.
- 15.13 The Federal Government and GoP issued various notifications regarding fixation of minimum ex-mill price and retail price of sugar. Writ petitions were filed by the Company before the LHC against the said notifications. The LHC in its interim order asked the petitioner to submit the differential amount of actual sale price and the Govt. fixed price to the deputy registrar (Judicial) of LHC along with the direction of not taking any coercive action against the petitioner till the final order of the Court. The Company in compliance with the interim order has deposited Rs.2.880 million to deputy registrar till the reporting date and the fate of remaining differential amount will be dependent upon the decision of the Honorable Supreme Court of Pakistan in Appeal.
- 15.14 The Company has filed a writ petition before the LHC challenging the amendment inserted vide Finance Act, 2019 whereby tax credit under section 65B of the Ordinance has been reduced from 10% to 5% for the Tax Year 2019. The Company has claimed tax credit at the rate of 10% for the tax year 2019. The LHC issued a stay order against the writ petition. The case is pending adjudication.
- 15.15 The Competition Commission of Pakistan (CCP) issued a show cause notice dated November 04, 2020 to sugar mills with respect to artificial price hike and alleged cartelization. The Company submitted its reply dated December 25, 2020. However CCP passed an order dated August 13, 2021 and on the basis of revenues of financial year 2019 and 2020 imposed a penalty of Rs.680 million on the Company. Against the said order of CCP, the Company has filed an appeal before the CCP Appellate tribunal and also filed a writ petition in the LHC. The CCP Appellate tribunal has granted stay order against the CCP's order dated August 13, 2021. The case is pending adjudication.
- 15.16 An order under section 122(1) was passed by Learned Assistant Commissioner IR against the Company creating tax demand of Rs.83.839 million for the tax year 2015. The Company filed an appeal before Commissioner IR Appeals (CIRA), where proceedings are now pending. The case has been decided in favour of Company.
- 15.17 An order under section 122(5A) was passed by the Learned Additional Commissioner IR against the Company creating tax demand of Rs.91.065 million for the tax year 2015. The Company filed an appeal before CIRA, where proceedings are now pending. The case has been decided in favour of Company.



- 15.18 The Company has filed writ petition in the LHC against notices under section 177(1) of the Ordinance for the tax year 2016, 2017 and 2018. The Company has also received notices under section 122(9) of the Ordinance for the tax year 2017 and 2018. The Company has filed writ petition against the orders in the LHC. The LHC has granted stay against the said proceedings. The LHC passed the order dated April 24, 2022 for tax year 2016 in favour of the Company. The Department has filed appeal before the Honourable Supreme Court against the said order, which is pending adjudication.
- 15.19 For tax year 2019, DCIR issued notices under section 177(6) for non-submission of record. DCIR raised income tax demand of Rs.4.237 billion vide its order dated December 29, 2020. The Company filed an appeal before the CIR(A). The CIR(A) vide its order dated June 29, 2021 remanded the case back to the assessing officer. Further, the Company has filed an appeal in the Appellate tribunal inland revenue which is pending adjudication.
- 15.20 Certain cases have been filed against the Company by some former employees. Based on the advice of its legal advisors handling the subject cases, no provision has been made in these financial statements by the management of the Company.

### Commitments

- 15.21 Commitments in respect of capital expenditure other than letters of credit at the year-end aggregate to Rs.838.500 million (2022: Rs.12.889 million).
- 15.22 Guarantees given by commercial banks on behalf of the Company to Sui Northern Gas Pipelines Limited, Excise and taxation department and Faisalabad Electric Supply Company, outstanding as at September 30, 2023, aggregate to Rs.15.712 million (2022: Rs.19.077 million).
- 15.23 The Company had entered into Ijarah arrangements for one vehicles with MCB Islamic Bank Limited. During the year, upon completion of terms of the agreement, NOC has been obtained and vehicle is in process of transfer in name of Company. Aggregate commitments for rentals under Ijarah arrangements as at September 30, 2023 & 2022 was as follows:

	2023	2022
	----- Rupees in '000 -----	
Not later than one year	-	80
Later than one year but not later than five years	-	-
	-	80

## 16. PROPERTY, PLANT AND EQUIPMENT

		2023	2022
		----- Rupees in '000 -----	
Operating fixed assets	16.1	1,823,960	1,476,205
Right-of-use assets	16.5	1,504	2,005
Capital work-in-progress	16.6	224,926	320,872
		2,050,390	1,799,082

## 16.1 Operating fixed assets - tangible

	Owned										Total								
	Free hold land	Colony	Office	Factory	Plant and machinery	Workshop equipment	Scales & weighbridges	Laboratory equipment	Other equipment	Electric installations & fittings		Tube-well	Office equipment	Furniture and fixtures	Vehicles	Farm tractors	Farm equipment	Power project	
<b>COST</b>																			
Balance as at October 01, 2021	21,613	27,674	93,446	398,600	2,692,270	471	21,560	4,903	20,210	198,993	9,185	20,082	11,607	70,624	17,683	19,750	36,286	3,664,957	
Transfer from right-of-use assets - (note 16.5)	-	-	-	-	-	-	-	-	-	-	-	-	-	22,738	-	-	-	22,738	
Additions during the year	-	6,556	-	54,401	163,530	-	-	2,395	149	48,667	-	1,574	461	37,213	201	653	-	315,800	
Disposal during the year	-	-	-	-	(46,026)	-	-	-	-	-	-	-	-	(7,012)	-	-	-	(53,038)	
Balance as at September 30, 2022	21,613	34,230	93,446	453,001	2,809,774	471	21,560	7,298	20,359	247,660	9,185	21,656	12,068	123,563	17,884	20,403	36,286	3,950,457	
Balance as at October 01, 2022	21,613	34,230	93,446	453,001	2,809,774	471	21,560	7,298	20,359	247,660	9,185	21,656	12,068	123,563	17,884	20,403	36,286	3,950,457	
Additions during the year	14,089	16,013	25,559	31,957	370,135	-	-	992	1,665	33,116	-	1,918	1,617	40,924	-	-	-	537,985	
Disposal during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,697)	-	-	-	(8,697)	
<b>Balance as at September 30, 2023</b>	<b>35,702</b>	<b>50,243</b>	<b>119,005</b>	<b>484,958</b>	<b>3,179,909</b>	<b>471</b>	<b>21,560</b>	<b>8,290</b>	<b>22,024</b>	<b>280,776</b>	<b>9,185</b>	<b>23,574</b>	<b>13,685</b>	<b>155,790</b>	<b>17,884</b>	<b>20,403</b>	<b>36,286</b>	<b>4,479,745</b>	
<b>DEPRECIATION</b>																			
Balance as at October 01, 2021	-	14,970	4,628	245,881	1,783,242	456	16,501	1,322	12,212	133,548	7,150	11,500	7,881	45,726	9,699	3,666	16,237	2,314,619	
Transfer from right-of-use assets - (note 16.5)	-	-	-	-	-	-	-	-	-	-	-	-	-	15,417	-	-	-	15,417	
Charge for the year	-	881	4,441	19,352	99,647	2	607	545	809	13,282	203	1,445	393	10,815	2,026	1,654	3,007	159,109	
On disposals during the year	-	-	-	-	(8,371)	-	-	-	-	-	-	-	-	(6,522)	-	-	-	(14,893)	
Balance as at September 30, 2022	-	15,851	9,069	265,233	1,874,518	458	17,108	1,867	13,021	146,830	7,353	12,945	8,274	65,436	11,725	5,320	19,244	2,474,252	
Balance as at October 01, 2022	-	15,851	9,069	265,233	1,874,518	458	17,108	1,867	13,021	146,830	7,353	12,945	8,274	65,436	11,725	5,320	19,244	2,474,252	
Charge for the year	-	1,386	4,325	20,328	112,789	2	534	601	885	17,346	183	1,423	488	17,162	1,540	1,508	2,556	183,056	
On disposals During the year	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,523)	-	-	-	(1,523)	
<b>Balance as at September 30, 2023</b>	<b>-</b>	<b>17,237</b>	<b>13,394</b>	<b>285,561</b>	<b>1,987,307</b>	<b>460</b>	<b>17,642</b>	<b>2,468</b>	<b>13,906</b>	<b>164,176</b>	<b>7,536</b>	<b>14,368</b>	<b>8,762</b>	<b>81,075</b>	<b>13,265</b>	<b>6,828</b>	<b>21,800</b>	<b>2,655,785</b>	
Book value as at september 30, 2022	21,613	18,379	84,377	187,768	935,256	13	4,452	5,431	7,338	100,830	1,832	8,711	3,794	58,127	6,159	15,083	17,042	1,476,205	
<b>Book value as at September 30, 2023</b>	<b>35,702</b>	<b>33,006</b>	<b>105,611</b>	<b>199,397</b>	<b>1,192,602</b>	<b>11</b>	<b>3,918</b>	<b>5,822</b>	<b>8,118</b>	<b>116,600</b>	<b>1,649</b>	<b>9,206</b>	<b>4,923</b>	<b>74,715</b>	<b>4,619</b>	<b>13,575</b>	<b>14,486</b>	<b>1,823,960</b>	
Depreciation rate (%)		5	5	10	10	12	12	10	10	15	10	15	10	25	25	10	15	15	

16.2 Free-hold land of the Company is located at different areas in Bhalwal, district Sargodha comprising in total 1,001,426 square yards and Garden Town, Lahore comprising an area of 8,675 square yards.

16.3 Depreciation on property, plant and equipment for the year has been apportioned as under:

	2023	2022
	----- Rupees in '000 -----	
Cost of sales	157,601	140,397
Distribution and marketing expenses	335	369
Administrative expenses	25,120	18,343
	<b>183,056</b>	<b>159,109</b>

16.4 The details of operating fixed assets disposed-off is as follows:

Asset description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Mode of disposal	Sold to:
	----- Rupees in '000 -----						
<b>Particulars of assets having book value of Rs.500,000 or more are as follows:</b>							
<b>Vehicle</b>							
Honda City	2,154	1,449	705	1,000	295	Negotiation	Mr. Waseem Akhtar
Kia Sportage	6,418	-	6,418	8,003	1,585	Negotiation	M/s. Kia Motors Kingsgate
<b>Particulars of asset having Book value of less than Rs.500,000 are as follows:</b>							
Honda CG-125	125	74	51	125	74	Insurance claim	M/s. New Jubilee Insurance
<b>2023</b>	<b>8,697</b>	<b>1,523</b>	<b>7,174</b>	<b>9,128</b>	<b>1,954</b>		
2022	53,038	14,893	38,145	41,886	3,741		

## 16.5 Right-of-use assets

	2023	2022
	----- Rupees in '000 -----	
<b>Cost</b>		
As at October 01,	5,684	28,422
Transfer to operating fixed assets	-	(22,738)
As at September 30,	5,684	5,684
<b>Accumulated depreciation</b>		
As at October 01,	3,679	18,428
Depreciation for the year	501	668
As at September 30,	4,180	19,096
Transfer to operating fixed assets	-	(15,417)
<b>Net book value</b>	<b>1,504</b>	<b>2,005</b>
<b>Depreciation rate (%)</b>	<b>25%</b>	<b>25%</b>

16.5.1 Depreciation expense relating to right of use asset - vehicles has been charged to administrative expenses.

## 16.6 Capital work-in-progress

	2023	2022
	----- Rupees in '000 -----	
Land - advance	-	14,089
Buildings on freehold land:		
- colony	81	10,123
- factory	8,219	11,442
- office	26,464	22,119
Plant and machinery	187,204	255,975
Electric installations & fittings	2,958	4,528
Vehicles	-	2,596
	<b>224,926</b>	<b>320,872</b>

### 16.6.1 Movement in the account of capital work-in-progress

	Balance as at October 01, 2022	Additions during the year	Transferred to operating fixed assets	Balance as at September 30, 2023
	----- Rupees in '000 -----			
Land - advance	14,089	-	14,089	-
Buildings on freehold land:				
- colony	10,123	3,442	13,484	81
- factory	11,442	26,635	29,858	8,219
- office	22,119	29,904	25,559	26,464
Plant and machinery	255,975	292,914	361,685	187,204
Electric installations & fittings	4,528	18,465	20,035	2,958
Vehicles	2,596	17	2,613	-
	<b>320,872</b>	<b>371,377</b>	<b>453,234</b>	<b>224,926</b>

## 17. LOANS AND ADVANCES - SECURED, CONSIDERED GOOD

	2023	2022
	----- Rupees in '000 -----	
Loans / advances to employees	13,345	3,572
Less: current portion grouped under current assets	4,353	1,939
	<b>8,992</b>	<b>1,633</b>

17.1 The Company has provided a loan of Rs.12.5 million to Mr. Rizwan Sohail (Chief Finance Officer) for construction of house. The maximum aggregate balance outstanding against this loans at the end of any month during the year was Rs. 12.5 million. The loan is secured against gratuity balance of employee of Rs.2.521 million.

17.2 These interest free loans and advances are recoverable in instalments which vary from case to case.

17.3 These loans are secured against lien on provident fund / gratuity balances of employees.

## 18. STORES, SPARES AND LOOSE TOOLS

		2023	2022
		----- Rupees in '000 -----	
Stores	Note	55,249	91,847
Spares		88,655	65,256
Loose tools		547	566
		<b>144,451</b>	<b>157,669</b>
Less: provision for slow moving items	18.1	14,069	13,946
		<b>130,382</b>	<b>143,723</b>

18.1 The movement in balance of provision for obsolescence is as follows:

	2023	2022
	----- Rupees in '000 -----	
Balance at the beginning of the year	13,946	13,062
Add: Provision made during the year	123	884
Balance at the end of the year	<u>14,069</u>	<u>13,946</u>

18.1.1 Stores and spares inventory includes slow moving items valuing Rs.28.140 million (2022: Rs.27.894 million). The management estimates that slow moving items carry salvage value approximating to 50% of the book value. Provision against slow moving items to the extent of 50% of their carrying value has been made in the books of account.

19. STOCK-IN-TRADE

		2023	2022
		----- Rupees in '000 -----	
Raw materials - molasses	Note	-	62,228
Work-in-process:			
- sugar		21,422	20,930
- molasses		5,329	14,167
		<u>26,751</u>	<u>35,097</u>
Finished goods:			
- sugar		2,446,743	938,140
- spirit		60,634	123,886
	19.1	<u>2,507,377</u>	<u>1,062,026</u>
Other stocks - fair price shop and depot		1,539	1,401
		<u>2,535,667</u>	<u>1,160,752</u>

19.1 Certain short term borrowings of the Company are secured by way of collateral charge on finished goods amounting Rs.234.526 million (2022: Nil).

20. TRADE DEBTS

		2023	2022
		----- Rupees in '000 -----	
Local - unsecured	Notes	179,108	315,121
Less: Provision for expected credit loss	20.1	(2,440)	(2,095)
		<u>176,668</u>	<u>313,026</u>

20.1 Provision for expected credit loss

Balance at the beginning of the year	2,095	762
Charged during the year	345	1,333
Balance at the end of the year	<u>2,440</u>	<u>2,095</u>

## 21. LOANS AND ADVANCES - considered good

		2023	2022
	Note	----- Rupees in '000 -----	
Advances to:			
- employees		18,847	13,536
- suppliers	21.1	318,841	504,006
Recoverable from growers		189,868	163,307
Current portion of long term loans and advances	17	4,353	1,939
Letters of credit		243,366	6,918
		775,275	689,706

21.1 These mainly represents advances to suppliers in the normal course of business against goods and services to be received in future. These are unsecured and does not carry any interest or mark-up.

## 22. OTHER RECEIVABLES

		2023	2022
	Note	----- Rupees in '000 -----	
Claims receivable - considered good		5,564	5,415
Excise duty receivable	15.8	120,770	120,770
Others	22.1	91,258	60,949
		217,592	187,134
Less: provision for doubtful receivable balance	22.1	(52,745)	(52,745)
		164,847	134,389

22.1 This mainly includes Rs.52.745 million (2022: Rs.52.745 million) receivable from Faisalabad Electric Supply Company against sale of electricity in prior years. As the recoverability of this amount is doubtful; provision for expected loss has been made in these financial statements.

## 23. BANK BALANCES

		2023	2022
	Note	----- Rupees in '000 -----	
Cash at commercial banks on:			
- current accounts	23.1	92,200	78,681
- saving accounts	23.2	5,331	17,025
- margin accounts	23.3	2,400	5,766
- dividend accounts		9,946	9,062
		109,877	110,534
Cash at Cooperative Societies on current accounts		745	745
Less: provision for impairment	23.4	745	745
		-	-
		109,877	110,534

23.1 These include foreign currency deposits amounting to US.\$ 194 (2022: US.\$ 1,065).

23.2 Saving accounts, during the current financial year, carried profit / mark-up at the rate of 13.50% to 20.50% (2022: 5.57% to 13.50%) per annum.

23.3 These represent 100% cash margin deducted by banks against guarantees issued on behalf of the Company.

23.4 As the recoverability of balances with Cooperative Societies is doubtful due to their closure by the Government of Pakistan; therefore, provision has been made to meet the potential eventuality.

## 24. SALES - NET

	Sugar		Distillery		Total	
	2023	2022	2023	2022	2023	2022
----- Rupees in '000 -----						
Local	5,488,179	8,334,057	219,017	298,110	5,707,196	8,632,167
Inter-segment (note 25.1)	961,452	1,094,125	-	-	-	-
Export	387,289	-	4,049,070	4,633,017	4,436,359	4,633,017
	6,836,920	9,428,182	4,268,087	4,931,127	10,143,555	13,265,184
Less:						
- sales tax	829,015	1,253,544	34,509	45,666	863,524	1,299,210
	6,007,905	8,174,638	4,233,578	4,885,461	9,280,031	11,965,974

- 24.1 All the contracts were under one performance obligation and revenue has been recognized at the point of time when the goods have been transferred to the customers.
- 24.2 Revenue aggregating Rs.9.763 million (2022: Rs.15.576 million) has been recognised against the customer advances received as at September 30, 2022 and 2021 respectively.
- 24.3 Export sales include sale of sugar and ethanol made to Europe region amounting Rs.2.414 billion (2022: Rs.3.924 billion) and to Asia region amounting Rs.2.022 billion (2022: Rs.0.708 billion).

## 25. COST OF SALES

	Sugar		Distillery		Total	
	2023	2022	2023	2022	2023	2022
----- Rupees in '000 -----						
Raw materials consumed	6,265,665	6,873,439	1,578,450	2,187,967	7,844,115	9,061,406
Inter-segment transfers (note 25.1)	-	-	961,452	1,094,125	-	-
	6,265,665	6,873,439	2,539,902	3,282,092	7,844,115	9,061,406
Salaries, wages and benefits (note 25.2)	225,465	210,862	60,728	54,679	286,193	265,541
Fuel and power	38,846	27,067	1,364	21,885	40,210	48,952
Chemicals and stores consumed	143,980	172,670	36,893	68,012	180,873	240,682
Repair and maintenance	230,122	308,034	40,143	32,096	270,265	340,130
Depreciation	115,833	101,088	41,768	39,309	157,601	140,397
Insurance	7,351	6,968	6,003	4,125	13,354	11,093
Rates and taxes	857	996	19	19	876	1,015
Others	23,929	21,513	3,094	4,073	27,023	25,586
	7,052,048	7,722,637	2,729,914	3,506,290	8,820,510	10,134,802
Adjustment of work-in-process						
Opening	20,930	13,166	14,167	48,652	35,097	61,818
Closing	(21,422)	(20,930)	(5,329)	(14,167)	(26,751)	(35,097)
	(492)	(7,764)	8,838	34,485	8,346	26,721
Cost of goods manufactured	7,051,556	7,714,873	2,738,752	3,540,775	8,828,856	10,161,523
Adjustment of finished goods						
Opening stock	938,140	763,875	123,886	543,308	1,062,026	1,307,183
Closing stock	(2,446,743)	(938,140)	(60,634)	(123,886)	(2,507,377)	(1,062,026)
	(1,508,603)	(174,265)	63,252	419,422	(1,445,351)	245,157
	5,542,953	7,540,608	2,802,004	3,960,197	7,383,505	10,406,680

25.1 Inter-segment sales and purchases have been eliminated from the total figures.

25.2 These include Rs.1,091 thousand (2022:Rs.1,071 thousand) and Rs.13,355 thousand (2022:Rs.10,258 thousand) in respect of provident fund contributions and staff retirement benefits - gratuity respectively.

## 26. DISTRIBUTION AND MARKETING EXPENSES

	Sugar		Distillery		Total	
	2023	2022	2023	2022	2023	2022
	----- Rupees in '000 -----					
Salaries and benefits (note 26.1)	2,842	2,370	-	-	2,842	2,370
Loading, unloading, freight and export expenses	12,104	16,268	196,032	273,560	208,136	289,828
Rent of storage tanks	-	-	45,647	35,103	45,647	35,103
Depreciation	335	369	-	-	335	369
Commission	3,340	5,149	-	-	3,340	5,149
Others	3,610	2,311	14	47	3,624	2,358
	22,231	26,467	241,693	308,710	263,924	335,177

26.1 These include Rs.11 thousand (2022: Rs.10 thousand) and Rs.222 thousand (2022: Rs.170 thousand) in respect of provident fund contributions and staff retirement benefits - gratuity respectively.

## 27. ADMINISTRATIVE EXPENSES

	Sugar		Distillery		Total	
	2023	2022	2023	2022	2023	2022
	----- Rupees in '000 -----					
Salaries and benefits (note 27.1)	121,869	106,673	40,623	35,558	162,492	142,231
Travelling and conveyance including directors' travelling amounting Rs.564 thousand (2022: Rs.659 thousand)	4,310	2,611	1,436	870	5,746	3,481
Vehicles' running and maintenance	27,877	22,671	9,292	7,557	37,169	30,228
Communication	2,935	3,013	1,048	1,049	3,983	4,062
Printing and stationery	1,777	1,268	849	693	2,626	1,961
Rent, rates and taxes	3,234	1,081	2,425	1,235	5,659	2,316
Insurance	67	581	22	194	89	775
Repair and maintenance	3,325	3,316	1,170	1,169	4,495	4,485
Subscription	16,925	12,438	9,815	10,537	26,740	22,975
Advertisement	582	429	194	143	776	572
Ijarah rentals	80	483	-	-	80	483
Depreciation	18,555	18,750	7,066	261	25,621	19,011
Entertainment / guest house expenses	12,528	6,655	4,313	2,338	16,841	8,993
Auditors' remuneration (note 27.2)	1,715	1,389	572	463	2,287	1,852
Legal and professional charges (other than Auditors')	7,512	9,732	2,504	3,244	10,016	12,976
Utilities	8,142	7,505	2,714	2,502	10,856	10,007
Others	2,268	1,448	756	483	3,024	1,931
	233,701	200,043	84,799	68,296	318,500	268,339



27.1 These include Rs.301 thousand (2022: Rs.366 thousand) and Rs.7,953 thousand (2022: Rs.6,109 thousand) in respect of provident fund contributions and staff retirement benefits-gratuity respectively.

## 27.2 Auditors' remuneration

	2023	2022
Note	----- Rupees in '000 -----	
<b>ShineWing Hameed Chaudhri &amp; Co.</b>		
- statutory audit fee - current year	1,400	1,200
- short provision prior year	293	72
- half yearly review	200	200
- certification charges	50	50
- out-of-pocket expenses	35	35
	<b>1,978</b>	<b>1,557</b>
<b>Javaid Jalal Amjad &amp; Co.</b>		
	309	295
	<b>2,287</b>	<b>1,852</b>

27.3 Administrative expenses, which are not separately identifiable, have been allocated on the basis of management's estimation.

## 28. OTHER INCOME

### Income from financial assets

Unclaimed and other payable balances written-back	2	7
Interest / mark-up on saving accounts	2,134	2,783

### Income from other than financial assets

Scrap sales - net	10,969	4,755
Bagasse, molasses and press mud sales - net	48,464	108,048
Sale of fusil oil	267	157
Gain on disposal of operating fixed assets & assets under capital work-in-progress	1,954	3,840
Rental income	156	153
Realised exchange gain due to currency rate fluctuations - export sale	96,444	96,116
Others	1	172
	<b>160,391</b>	<b>216,031</b>

## 29. OTHER EXPENSES

Donations (without directors' interest)		589	831
Provision for doubtful receivable balance	22.1	-	52,745
Exchange fluctuation loss - net		-	10
Provision made for slow moving stores and spares inventory	18.1	123	884
Provision for expected credit loss for trade debtors	20.1	345	1,333
Provision for Workers' profit participation fund	10.1	28,310	38,233
Provision for Workers' welfare fund	10.2	11,324	15,293
Cane crushing capacity regularisation fee	29.1	190,000	-
Net loss on insurance claim		-	4,106
Export subsidy written-off		-	11,845
Miscellaneous		2	83
		<b>230,693</b>	<b>125,363</b>

29.1 This represent payment made to Government of Punjab as a fee for the regularisation of the sugar cane crushing capacity of sugar mill.

### 30. FINANCE COST

		2023	2022
	Note	----- Rupees in '000 -----	
Mark-up / profit on:			
- long term finances		10,567	14,972
- short term finances		691,796	357,507
- lease finances		248	276
- workers' profit participation fund	10.1	6,065	3,021
Bank and other charges		8,557	13,739
		<b>717,233</b>	<b>389,515</b>

### 30. TAXATION - NET

Provision for year			
- current	31.2	107,254	157,973
- prior	31.2	-	34,951
		<b>107,254</b>	<b>192,924</b>

31.1 Income tax assessments of the Company have been finalised upto Assessment Year 2002-03 under section 62 of the repealed Income Tax Ordinance, 1979 whereas Tax Years 2003 to 2022 have been assessed under the self assessment scheme envisaged in section 120 of the Income Tax Ordinance, 2001 (the Ordinance). Income tax return for tax year 2023 has been filed subsequent to the year-end.

31.2 No numeric tax rate reconciliation has been presented in these financial statements as provisions made during the current and preceding financial year mainly represent minimum tax payable under section 113 and final tax deducted at source on realisation of foreign exchange proceeds under section 154 the Ordinance. It also includes super tax provided under Section 4C of the Ordinance.

31.3 The Company has challenged the imposition of super tax under section 4C of the Ordinance introduced through Finance Act, 2022 and has filed a writ petition dated December 15, 2022 with The Lahore High Court (LHC). The Company also deposited 50% of the amount of super tax involved as per the interim order of the Supreme Court of Pakistan (SCP). The management has not accounted for the liability under section 4C while filing income tax return for tax year 2022 as allowed by the LHC. However, provision in this respect has been made in these financial statements. LHC on June 27, 2023 decided the case by holding levy of super tax as valid and also applicable for tax year 2022 while the rate of 10% for specific sector was reduced to 4%. The final order of the SCP is pending in this regards.

31.4 The Company has challenged the imposition of super tax under section 4C of the Ordinance introduced through Finance Act, 2023 and has filed a writ petition dated November 28, 2023 with LHC. However, provision in this respect has been made in these financial statements.

31.5 Deferred tax asset arising on unused tax losses has not been recognised in these financial statements due to uncertainty about the availability of taxable profits in the foreseeable future.

### 32. EARNINGS PER SHARE - Basic and Diluted

	2023	2022
	----- Rupees in '000 -----	
Profit after taxation attributable to ordinary shareholders	<b>419,313</b>	464,007
	--- No. of shares ---	
Weighted average number of ordinary shares outstanding during the year	<b>16,517,453</b>	16,517,453
	----- Rupees -----	
Earnings per share - basic	<b>25.39</b>	28.09

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

### 33. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Particulars	Chief Executive		Directors				Executives	
			Executive		Non-Executive			
	2023	2022	2023	2022	2023	2022	2023	2022
	----- Rupees in '000 -----							
Managerial remuneration	6,600	5,700	1,200	132	-	-	38,839	32,942
Perquisites and benefits:								
Utilities	-	-	673	-	-	579	-	-
House rent	-	-	2,477	400	-	-	-	-
Medical	22	57	-	-	-	340	-	78
Entertainment / club bills	-	-	452	-	-	119	-	-
	22	57	3,602	400	-	1,038	-	78
	6,622	5,757	4,802	532	-	1,038	38,839	33,020
No. of persons	1	1	1	1	-	1	10	8

33.1 The directors and executives have been provided with free use of the Company maintained cars and telephones at their residences. Furnished residences have also been provided to the executives in the Mills' Colony.

33.2 During the current financial year, meeting fees of Rs.530 thousand (2022: Rs.590 thousand) were paid to four (2022: four) Non-executive directors of the Company.

### 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

#### 34.1 Financial Risk Factors

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

- market risk
- credit risk; and
- liquidity risk

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

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out by a treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as currency risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investment of excess liquidity.

#### 34.2 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 optimising the return. Market risk comprises of three types of risks: currency risk, interest rate risk and price risk.

### (a) Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company is exposed to currency risk on import of stores & spares and export of goods mainly denominated in US Dollars and Euros. As at reporting date, the Company is not exposed to any significant currency risk except for commitments in foreign currency against imports of plant & machinery and stores, spares & loose tools.

### (b) 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 change in market interest rates. At the reporting date, the interest rate profile of the Company's interest bearing financial instruments is as follows:

	2023	2022	2023	2022
	Effective rate		Carrying amount	
	%	%	----- Rupees in '000 -----	
Financial assets				
Bank balances	13.50 - 20.50	5.57 - 13.50	5,331	17,025
Variable rate instruments				
Financial liabilities				
Long term finance	17.87 - 22.93	9.66 - 17.87	-	75,000
Short term borrowings	10.00 - 26.11	3.00 - 19.11	1,480,192	1,841,193
Lease liabilities	18.89 - 25.94	15.05 - 19.12	643	1,635

### 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 the statement of profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

### Cash flow sensitivity analysis for variable rate instruments

At September 30, 2023, if interest rate on variable rate financial liabilities had been 1% higher / lower with all other variables held constant, profit before taxation for the year would have been Rs. 14.808 million (2022: Rs. 19.178 million) lower / higher mainly as a result of higher / lower interest expense on variable rate financial liabilities.

### (c) Price risk

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

## 34.3 Credit risk exposure and concentration of credit risk

Credit risk represents the risk of a loss if the counter party fails to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the credit worthiness of counterparties.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk primarily arises from deposits, trade debts, loans & advances, other receivables and balances with banks. To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking

into account the customer's financial position, past experience and other relevant factors. Where considered necessary, advance payments are obtained from certain parties. Export sales made to major customers are secured through letters of credit. Credit risk on bank balances is limited as the counter parties are banks with reasonably high credit ratings.

In respect of other counter parties, due to the Company's long standing business relationship with them, management does not expect non-performance by these counter parties on their obligations to the Company.

#### Exposure to credit risk

The maximum exposure to credit risk as at September 30, 2023 along with comparative is tabulated below:

	2023	2022
	----- Rupees in '000 -----	
Security deposits	14,321	5,448
Trade debts	179,108	315,121
Loans and advances	275,558	24,026
Other receivables	44,077	13,619
Bank balances	109,877	110,534
	<b>622,941</b>	<b>468,748</b>

The maximum exposure to credit risk for trade debts at the reporting date by geographic region is as follows:

	2023	2022
	----- Rupees in '000 -----	
Domestic	179,108	315,121
The aging of trade debts at the date of statement of financial position was as follows:		
Not yet due	117,997	299,247
Past due - more than 30 days	61,111	15,874
	<b>179,108</b>	<b>315,121</b>

Based on the working, the management has created necessary provision for impairment loss allowance. Trade debts aggregating Rs.107.057 million have been realised subsequent to the year-end and for other trade debts there are reasonable grounds to believe that the amounts will be realised in short course of time.

#### 34.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach for managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years
----- Rupees in '000 -----				
<b>September 30, 2023</b>				
Long term finance	-	-	-	-
Lease liabilities	643	697	697	-
Trade and other payables	1,712,489	1,712,489	1,712,489	-
Accrued mark-up	70,857	70,857	70,857	-
Short term finances	1,870,192	2,019,003	2,019,003	-
Unclaimed and unpaid dividends	10,739	10,739	10,739	-
	<b>3,664,920</b>	<b>3,813,785</b>	<b>3,813,785</b>	<b>-</b>
<b>September 30, 2022</b>				
Long term finances	75,000	84,694	84,694	-
Lease liabilities	1,635	1,897	1,223	674
Trade and other payables	423,978	423,978	423,978	-
Accrued mark-up	15,786	15,786	15,786	-
Short term finances	1,841,193	1,914,047	1,914,047	-
Unclaimed and unpaid dividends	9,854	9,854	9,854	-
	<b>2,367,446</b>	<b>2,450,256</b>	<b>2,449,582</b>	<b>674</b>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest / mark-up rates effective at the respective year-ends. The rates of interest / mark-up have been disclosed in the respective notes to these financial statements.

### 34.5 Fair value of financial instruments

Fair value is the price that would be received upon sale of an asset or paid upon transfer of 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 and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

### 34.6 Valuation techniques used to determine fair values

**Level 1:** The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in Level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

At September 30, 2023, the carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

### 34.7 Financial instruments by category

Financial assets as per the statement of financial position	Amortised cost		Financial liabilities as per the statement of financial position	Financial liabilities measured at amortised cost	
	2023	2022		2023	2022
	--- Rupees in '000 ---			--- Rupees in '000 ---	
Loans and advances	8,992	1,633	Long term finance	-	75,000
Security deposits	14,321	5,448	Lease liabilities	643	1,635
Trade debts	179,108	315,121	Trade and other payables	1,712,489	423,978
Loans and advances	275,558	24,026	Accrued mark-up	70,857	15,786
Other receivables	164,847	134,389	Short term finances	1,871,842	1,848,338
Bank balances	109,877	110,534	Unclaimed and unpaid dividends	10,739	9,854
	<b>752,703</b>	<b>591,151</b>		<b>3,666,570</b>	<b>2,374,591</b>

### 35. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital are to ensure the Company's ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, maximize return of shareholders and optimize benefits for other stakeholders to maintain an optimal capital structure and to reduce the cost of capital.

In order to achieve the above objectives, the Company may adjust the amount of dividends paid to shareholders, issue new shares through bonus or right issue or sell assets to reduce debts or raise debts, if required.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. It is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (long term finances, lease liabilities and short term borrowings as shown in the statement of financial position) less bank balances. Total equity includes all capital and reserves of the Company that are managed as capital. Total capital is calculated as equity as shown in the statement of financial position plus net debt.

	2023	2022
	----- Rupees in '000 -----	
Total borrowings	1,872,485	1,924,973
Less: bank balances	109,877	110,534
Net debt	1,762,608	1,814,439
Total equity	2,085,651	1,732,944
Total capital	3,848,259	3,547,383
Gearing ratio	46%	51%

### 36. RECOILATION OF MOVEMENT OF LIABILITES TO CASH FLOWS ARISING FROM FINANCIAL ACTIVITIES

	Liabilities			
	Long term finances	Lease liabilities	Short term borrowings	Dividend
	----- Rupees in '000 -----			
Balance as at October 01, 2022	75,000	1,635	1,848,338	9,854
Changes from financing activities				
Finances repaid - net	(75,000)	-	23,504	-
Lease finances repaid	-	(992)	-	-
Dividends paid	-	-	-	(65,185)
Total changes from financing cash flows	(75,000)	(992)	23,504	(65,185)
Dividend declared	-	-	-	66,070
<b>Balance as at September 30, 2023</b>	<b>-</b>	<b>643</b>	<b>1,871,842</b>	<b>10,739</b>
Balance as at October 01, 2021	150,000	3,253	2,335,335	8,979
Changes from financing activities				
Finances repaid - net	(75,000)	-	(486,997)	-
Lease finances repaid	-	(1,618)	-	-
Dividends paid	-	-	-	(56,936)
Total changes from financing cash flows	(75,000)	(1,618)	(486,997)	(56,936)
Dividend declared	-	-	-	57,811
<b>Balance as at September 30, 2022</b>	<b>75,000</b>	<b>1,635</b>	<b>1,848,338</b>	<b>9,854</b>

### 37. CAPACITY AND PRODUCTION

		2023	2022
<b>Sugar Plant</b>			
Rated crushing capacity {based on 120 working days}	M. Tons	1,440,000	1,440,000
Cane crushed	M. Tons	807,367	1,120,350
Sugar produced	M. Tons	75,717	104,720
Days worked	Nos.	101	144
Sugar recovery	%	9.37	9.36
<b>Distillery Plant</b>			
Rated capacity per day	Litres	130,000	130,000
Actual production	Litres	22,917,301	34,070,544
Days worked	Nos.	184	294

### 38. SEGMENT INFORMATION

The Company's reportable segments are as follows:

- Sugar
- Distillery



### 38.1 Segment revenues and results

	Sugar	Distillery	Elimination of inter segment transactions	Total
----- Rupees in '000 -----				
<b>For the year ended September 30, 2023</b>				
Sales - net	6,007,905	4,233,578	(961,452)	9,280,031
Cost of sales	(5,542,953)	(2,802,004)	(961,452)	(7,383,505)
Gross profit	464,952	1,431,574	-	1,896,526
Selling and distribution expenses	(22,231)	(241,693)	-	(263,924)
Administrative expenses	(233,701)	(84,799)	-	(318,500)
	(255,932)	(326,492)	-	(582,424)
Profit before taxation and unallocated income and expenses	209,020	1,105,082	-	1,314,102
Unallocatable income and expenses				
Other income				160,391
Other expenses				(230,693)
Finance cost				(717,233)
Taxation				(107,254)
<b>Profit for the year</b>				<b>419,313</b>
<b>For the year ended September 30, 2022</b>				
Sales - net	8,174,638	4,885,461	(1,094,125)	11,965,974
Cost of sales	(7,540,608)	(3,960,197)	(1,094,125)	(10,406,680)
Gross profit	634,030	925,264	-	1,559,294
Selling and distribution expenses	(26,467)	(308,710)	-	(335,177)
Administrative expenses	(200,043)	(68,296)	-	(268,339)
	(226,510)	(377,006)	-	(603,516)
Profit before taxation and unallocated income and expenses	407,520	548,258	-	955,778
Unallocatable income and expenses				
Other income				216,031
Other expenses				(125,363)
Finance cost				(389,515)
Taxation				(192,924)
Profit for the year				464,007

### 38.2 Segment assets and liabilities

	Sugar	Distillery	Total
----- Rupees in '000 -----			
<b>As at September 30, 2023</b>			
Segment assets	4,507,889	930,996	5,438,885
Unallocatable assets			735,750
<b>Total assets as per the statement of financial position</b>			<b>6,174,635</b>
Segment liabilities	1,936,359	1,378,435	3,314,794
Unallocatable liabilities			774,190
<b>Total liabilities as per the statement of financial position</b>			<b>4,088,984</b>

	Sugar	Distillery	Total
	----- Rupees in '000 -----		
As at September 30, 2022			
Segment assets	2,965,210	1,118,566	4,083,776
Unallocatable assets			500,971
Total assets as per the statement of financial position			<u>4,584,747</u>
Segment liabilities	575,390	1,855,360	2,430,750
Unallocatable liabilities			421,053
Total liabilities as per the statement of financial position			<u>2,851,803</u>

Sales to domestic customers in Pakistan are 56.24% (2022: 65.07%) and to customers outside Pakistan are 43.78% (2022: 34.93%) of the revenues during the current financial year.

The Company sells its manufactured products to local and foreign companies, commission agents, organisations and institutions. During the current and preceding year, the Company has no customer having sale in excess of 10% of the local sales of the Company.

#### Geographical information

All segments of the Company are managed on nation-wide basis and operate manufacturing facilities and sale offices in Pakistan.

### 39. RELATED PARTY TRANSACTIONS

Related parties comprise of the Associated Companies, directors, relative of directors, major shareholders, key management personnel and entities over which the directors are able to exercise significant influence on financial and operating policy decisions and employees' retirement funds. The Company in the normal course of business carries out transactions with various related parties.

#### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the entity. The Company considers its Chief Executive, directors and all team members of its management team to be its key management personnel.

Detail of related parties (with whom the Company has transacted) along with the relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	2023	2022
	----- Rupees in '000 -----	
<b>i) Associated Company due to common directorship</b>		
Noon Industries (Pvt) Limited		
• Dividend paid	2,602	2,277
<b>ii) Relative of director</b>		
Mr. Adnan Hayat Noon		
• Loan obtained during the year	390,000	-
• Loan repaid during the year	-	433,500
• Consultancy paid	14,208	10,200
<b>iii) Key management personnel</b>		
• Salary and other employment benefits	18,459	39,309
• Advance against expenses	3,731	-
• Loan provided	12,500	37
• Loan recovered	2,250	1,112
<b>iv) Retirement Fund</b>		
• Contribution towards provident fund	1,461	1,447

#### 40. DISCLOSURE RELATING TO PROVIDENT FUND

	2023	2022
	--- Rupees in '000 ---	
(i) Size of the Fund	83,816	81,083
(ii) Cost of investments made	56,040	51,860
(iii) Percentage of investments made	66.86%	63.96%
(iv) Fair value of investments made	56,040	51,860

##### 40.1 Break-up of the investment is as follows:

	2023	2022	2023	2022
	--- Percentage ---		--- Rupees in '000 ---	
Special account in a scheduled bank	100.00	66.17	56,040	34,315
Mutual funds	-	33.83	-	17,545
	100.00	100.00	56,040	51,860

The figures are based on the un-audited financial statements of the Provident Fund (the Fund) as at September 30, 2023 and audited financial statements as at September 30, 2022. The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

The Fund's audit for the year ended September 30, 2022 has been carried-out by M/s. Javaid Jalal Amjad & Co., Chartered Accountants, 384-N, Samanabad, Lahore.

#### 41. NUMBER OF EMPLOYEES

	2023	2022
	----- Number -----	
Average number of employees during the year	602	598
Number of employees at the September 30,	516	536

#### 42. SUBSEQUENT EVENT

The Board of Directors, in its meeting held on December 30, 2023 has proposed a final cash dividend of Rs. 4 (2022: Rs.4) per share amounting to Rs. 66.070 million (2022: Rs.66.070 million) for the year ended September 30, 2023. This appropriation will be approved by the members in the forthcoming Annual General Meeting to be held on January 27, 2024.

The financial statements for the year ended September 30, 2023 do not include the effect of the proposed appropriation, which will be accounted for in the financial statements for year ending September 30, 2024.

#### 43. CORRESPONDING FIGURES

Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. However, no significant reclassification has been made in these financial statements.

#### 44. DATE OF AUTHORISATION FOR ISSUE

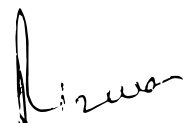
These financial statements were authorised for issue on December 30, 2023 by the board of directors of the Company.



Chief Executive



Director



Chief Financial Officer

**THE COMPANIES ACT, 2017  
(Section 227(2)(f))  
PATTERN OF SHAREHOLDING**

1.1 Name of the Company

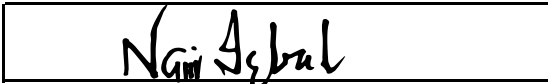
**NOON SUGAR MILLS LIMITED**

2.1. Pattern of holding of the shares held by the shareholders as at

**30-09-2023**

-----Shareholdings-----			
<b>2.2 No. of Shareholders</b>	<b>From</b>	<b>To</b>	<b>Total Shares Held</b>
844	1	100	22,879
448	101	500	119,833
175	501	1,000	131,539
219	1,001	5,000	489,254
29	5,001	10,000	214,225
9	10,001	15,000	107,296
13	15,001	20,000	231,127
8	20,001	25,000	183,451
4	25,001	30,000	113,210
1	35,001	40,000	39,100
1	40,001	45,000	43,309
1	45,001	50,000	47,916
1	55,001	60,000	58,117
1	90,001	95,000	94,710
1	105,001	110,000	105,400
1	120,001	125,000	123,275
1	215,001	220,000	217,700
1	270,001	275,000	273,520
1	290,001	295,000	290,500
1	350,001	355,000	355,000
1	545,001	550,000	549,000
1	765,001	770,000	765,403
1	1,035,001	1,040,000	1,037,600
1	1,435,001	1,440,000	1,437,480
1	3,465,001	3,470,000	3,466,609
1	5,995,001	6,000,000	6,000,000
<b>1,766</b>			<b>16,517,453</b>

2.3 Categories of shareholders	Share held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	388,642	2.3529%
2.3.2 Associated Companies, undertakings and related parties.	10,705,555	64.8136%
2.3.3 NIT and ICP	29,372	0.1778%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	1,448	0.0088%
2.3.5 Insurance Companies	3,732	0.0226%
2.3.6 Modarabas and Mutual Funds	-	0.0000%
2.3.7 General Public		
a. Local	1,803,239	10.9172%
b. Foreign	-	0.0000%
2.3.8 Others (to be specified)		
- Joint Stock Companies	2,113,721	12.7969%
- Pension Funds	2,039	0.0123%
- Foreign Companies	1,437,592	8.7035%
- Others	32,113	0.1944%
2.3.9 Shareholders holding 10% or more	9,617,384	58.2256%

Signautre of Company Secretary	
Name of Signatory	<b>NASIR IQBAL ANSARI</b>
Designation	<b>COMPANY SECRETARY</b>
CNIC Number	<b>35202-8896523-7</b>
Date	<b>30/09/2023</b>

# NOON SUGAR MILLS LIMITED

## FORM OF PROXY

Registered Folio No. /  
CDC Account No. \_\_\_\_\_

I/We \_\_\_\_\_  
(Name)

of \_\_\_\_\_  
(Address)

being a member of NOON SUGAR MILLS LIMITED hereby appoint

\_\_\_\_\_ (Name)

of \_\_\_\_\_ (Address)

or failing him/her \_\_\_\_\_ (Name)

of \_\_\_\_\_ (Address)

as my/ our proxy to attend, act and vote for me/ us and on my/ our behalf, at the 61<sup>st</sup> Annual General Meeting of the Company to be held at 66-67-A Garden Block, New Garden Town, Lahore on Saturday, January 27, 2024 at 11:00 a.m. and at any adjournment thereof.

As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

### WITNESSES

1. Signature \_\_\_\_\_ Signature of the Shareholder/ Appointer

Name \_\_\_\_\_

Address \_\_\_\_\_

CNIC # \_\_\_\_\_

2. Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

CNIC # \_\_\_\_\_

Revenue  
Stamp  
(Rs. 50/-)

**NOTE:** Proxies in order to be effective must reach the Company's Registered Office not less than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed. Proxies of the Members through CDC shall be accompanied with attested copies of their CNIC.

# نون شوگر ملز لیمیٹڈ پراکسی فارم

رجسٹرڈ فوئیو نمبر /

سی ڈی سی اکاؤنٹ نمبر

میں / ہم

(نام)

(پتہ)

بحیثیت ممبر / ممبران نون شوگر ملز لیمیٹڈ، یہاں پر تقرر کرتا ہوں / کرتے ہیں

(نام)

(پتہ)

یا اس کی غیر حاضری کی صورت میں

(نام)

(پتہ)

کو بمقام 66-67-A گارڈن بلاک، نیو گارڈن ٹاؤن، لاہور میں بروز ہفتہ مورخہ 27 جنوری، 2024 بوقت گیارہ بجے صبح یا اس کے کسی بھی التواء پر، منعقد ہونے والے کمپنی کے اکسٹھویں سالانہ اجلاس عام میں شرکت کرنے اور حق رائے دہی استعمال کرنے کے لیے اپنا / ہمارا بطور نمائندہ مقرر کرتا ہوں / کرتے ہیں۔

بطور گواہ آج بتاریخ \_\_\_\_\_ 2024

پچاس روپے کارسیدی ٹکٹ

یہاں چسپاں کریں

شیر ہولڈر تقرر کنندہ کے دستخط

گواہ 2

دستخط

نام

پتہ

قومی شناختی کارڈ نمبر

گواہ 1

دستخط

نام

پتہ

قومی شناختی کارڈ نمبر

نوٹ: پراکسی اسی صورت میں قابل قبول ہوگی کہ اس پر دستخط، رسیدی ٹکٹ، گواہان کے دستخط ہوئے ہوں اور اس کو اجلاس سے کم از کم 48 گھنٹے پہلے کمپنی کے رجسٹرڈ پتہ پر بھیج دیا جائے۔ سی ڈی سی کے ممبران کو اپنی پراکسی اپنے تصدیق شدہ قومی شناختی کارڈ کے ہمراہ بھیجنا ہوگی۔

**VIDEO LINK FACILITY FORM**

I / We \_\_\_\_\_ being the member of Noon Sugar Mills Limited, holder of \_\_\_\_\_ Ordinary share(s) as per registered folio No. / CDC AC No. \_\_\_\_\_ hereby opt for video link facility at \_\_\_\_\_.

Signature of Member \_\_\_\_\_

Date \_\_\_\_\_

**BANK ACCOUNT DETAIL FORM**

**Bank Account Details of Shareholder for payment of Cash Dividend through Electronic Mode:**

**I hereby wish to communicate my desire to receive my dividend directly in my bank account as detailed below:**

**Name of Shareholder:** \_\_\_\_\_

**Folio / CDC AC No.** \_\_\_\_\_

**Bank Account No:** \_\_\_\_\_

**IBAN:** \_\_\_\_\_

**Title of Account:** \_\_\_\_\_

**Name of Bank:** \_\_\_\_\_

**Branch/full mailing address:** \_\_\_\_\_

**Contact Number** \_\_\_\_\_

**It is stated that the above information is correct to the best of my knowledge and shall keep the Company informed in case of any changes in the above particulars in future.**

\_\_\_\_\_  
**Shareholder's Signature**

\_\_\_\_\_  
**Date:**

\_\_\_\_\_  
**CNIC #: (copy attached)**



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خصوصی کارروائی کے حوالے سے کمپنیز ایکٹ، 2017 کی دفعہ (3) 134 کے تحت بیان جو کہ 27 جنوری، 2024 کو منعقد ہونے والے سالانہ اجلاس عام کے نوٹس میں شامل ہے:

نوٹس کا ایجنڈا نمبر 6 -

کوئٹہ ریپانس (کیوآر) کوڈ اور ویب لنک کے ذریعے اراکین/حصص یافتگان کو کمپنی کے سالانہ پڑتال شدہ حسابات کی ترسیل کی منظوری۔

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) نے اپنے ایس آر او 2023/389 (1) تاریخ 21 مارچ، 2023 کے ذریعے لسٹڈ کمپنیوں کو اپنے سالانہ بیلنس شیٹ اور نفع و نقصان کے حسابات، آڈیٹرز اور ڈائریکٹرز رپورٹ وغیرہ ("سالانہ آڈٹ شدہ مالیاتی گوشوارے") اپنے اراکین کو سی ڈی/ڈی وی ڈی/یو ایس بی کے بجائے QR کوڈ اور ویب لنک کے ذریعے ارسال کرنے کی اجازت دی ہے، جو حصص یافتگان کی منظوری سے مشروط ہے۔

ٹیکنالوجی میں ہونے والی پیش رفتوں کے بہتر استعمال، ماحول کی برقراری اور کمپنی کی کارپوریٹ سماجی ذمہ داری کی تکمیل کی غرض سے کیوآر کوڈ اور ویب لنک کے ذریعے کمپنی کے اراکین کو سالانہ رپورٹ (بشمول سالانہ پڑتال شدہ مالی گوشوارے اور دیگر رپورٹس) ارسال کرنے کے لیے اراکین کی منظوری لی جا رہی ہے۔ اس بندوبست سے اراکین کو، جو کہیں بھی مقیم ہوں، کمپنی کے مالی گوشواروں تک رسائی میں مدد ملے گی۔ اس کے علاوہ اس اقدام سے تمام شیئر ہولڈرز کے لیے سی ڈی تیار کرنے میں ہونے والے غیر ضروری اخراجات میں بھی کمی ہوگی۔ یہ بات قابل ذکر ہے کہ سالانہ رپورٹ کی ہارڈ کاپی حاصل کرنے والے خواہش مند اراکین کو، مذکورہ بالا ایس آر او کے مطابق، مفت میں فراہم کی جائے گی۔

کوئی بھی ڈائریکٹر، ماسوائے کمپنی میں اراکین اور ڈائریکٹرز کی حیثیت سے، مذکورہ قرارداد میں بالواسطہ یا بلاواسطہ کوئی دلچسپی نہیں رکھتا۔

**1 - اجلاس کی کارروائی میں شرکت کے لیے:**

اجلاس میں شرکت کرنے اور ووٹ ڈالنے کا اہل ممبر کسی دوسرے ممبر کو اپنی طرف سے شرکت، بولنے اور ووٹ دینے کی غرض سے اپنی پراکسی کے طور پر مقرر کر سکتا ہے۔ پراکسیوں کے لیے ضروری ہے کہ وہ اجلاس کے انعقاد کے لیے مقرر کردہ وقت سے کم از کم اڑتالیس گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں موصول ہو جائیں۔ ایک ممبر ایک سے زیادہ پراکسی کی تقرری نہیں کر سکتا۔ پراکسی فارم کے ساتھ CNIC کی تصدیق شدہ کاپی ہونا ضروری ہے۔

2 - CDC کے اکاؤنٹ ہولڈروں کو ہدایت کی جاتی ہے کہ وہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے وضع کردہ مندرجہ ذیل ہدایات پر عمل کریں:

**a. اجلاس میں شرکت کے لیے:**

i - افراد کی صورت میں اجلاس میں شرکت کے وقت اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اپنی شناخت کی تصدیق اپنے اصلی کمپیوٹرائزڈ قومی شناختی کارڈ یا یا اصلی پاسپورٹ دکھا کر کرے گا۔

ii - کارپوریٹ باڈیز کے نمائندے اجلاس میں شرکت کے لیے بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ مع نامزد افراد کے نمونہ دستخط اپنے ہمراہ لائیں گے۔

**b. پراکسیوں کے تقرر کے لیے:**

i - افراد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر مندرجہ بالا ہدایات کے مطابق پراکسی فارم مہیا کریں۔

ii - پراکسی فارم دو گواہان سے تصدیق شدہ ہوگا جن کے نام، پتے اور CNIC نمبر فارم پر درج کیے جائیں گے۔

iii - پراکسی فارم دینے والے ممبر اور پراکسی ہولڈر کے CNIC یا پاسپورٹ کی مصدقہ نقول پراکسی فارم کے ساتھ مہیا کی جائیں گی۔

iv - میٹنگ میں شرکت کے وقت پراکسی ہولڈر اپنا اصل قومی شناختی کارڈ یا پاسپورٹ برائے شناخت پیش کرے گا۔

v - کارپوریٹ باڈیز اپنے بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ اور پراکسی کے نمونہ دستخط پراکسی فارم کے ہمراہ مہیا کریں۔

3 - فزیکل شیئرز رکھنے والے ممبران سے التماس ہے کہ وہ اپنے رجسٹرڈ پتوں میں کسی تبدیلی کی اطلاع دیں اور وہ حصص یافتگان جنہوں نے کمپنی کو اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی نقل ابھی تک مہیا نہیں کی ہے ان سے التماس ہے کہ وہ اس کی نقل جلد از جلد کمپنی رجسٹرار یعنی کارپ لنک (پرائیویٹ) لمیٹڈ کو ان کے پتے واقع Wings Arcade, 1-K, Commercial، ماڈل ٹاؤن لاہور پر مہیا کریں۔

4 - SECP کی ہدایات کی تعمیل میں ممبران کو ہدایت کی جاتی ہے کہ وہ منسلک فارم پر اپنے متعلقہ انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN) کی تفصیل مہیا کریں تاکہ کمپنی ان کا کیش ڈیویڈنڈ ان کے بینک اکاؤنٹ میں براہ راست بھجوا سکے۔

5 - کمپنیز ایکٹ، 2017 کی دفعہ (2) 132 کے تحت دوسرے شہروں میں مقیم ایسے حصص یافتگان جن کے حصص کی مجموعی تعداد مجموعی ادا شدہ سرمایہ کم از کم دس فیصد ہے کمپنی سے مطالبہ کر سکتے ہیں کہ انہیں اجلاس میں شرکت کے لیے ووٹوں کی سہولت مہیا کی جائے۔ ووٹوں کی سہولت کا مطالبہ اجلاس کی تاریخ سے کم از کم دس روز قبل شیئرز رجسٹرار کے مذکورہ بالا پتے پر موصول ہونا چاہیے۔ مجوزہ درخواست فارم سالانہ رپورٹ سے منسلک ہے۔

6 - 30 ستمبر 2023 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کو کمپنی کی ویب سائٹ پر مہیا کیا جا رہا ہے۔

7 - کمپنیز ایکٹ، 2017 کی دفعات 143 تا 145 اور کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 کی قابل اطلاق شقوق کے تقاضوں کو پورا کرنے کے بعد ممبران اپنا رائے شماری کا حق استعمال کر سکتے ہیں۔

# نون شوگر ملز لمیٹیڈ

رجسٹرڈ آفس : 66 گارڈن بلاک، نیو گارڈن ٹاؤن، لاہور۔

## اطلاع برائے سالانہ اجلاس عام

بذریعہ ہذا اطلاع دی جاتی ہے کہ نون شوگر ملز لمیٹیڈ (کمپنی) کے ممبران کا اسٹھواں سالانہ اجلاس عام بروز ہفتہ مورخہ 27 جنوری، 2024 صبح گیارہ بجے مندرجہ ذیل امور کی انجام دہی کے لیے بمقام 66-67-A گارڈن بلاک، نیو گارڈن ٹاؤن، لاہور منعقد ہوگا:

### عمومی کارروائی :

- 1 - ممبران کے غیر معمولی اجلاس عام منعقدہ 30 مارچ، 2023 کی کارروائی کی توثیق۔
- 2 - 30 ستمبر، 2023 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ حسابات اور ان پر آڈیٹران اور ڈائریکٹران کی رپورٹوں پر غور کرنا اور انہیں منظور کرنا۔
- 3 - منافع منقسمہ کی ادائیگی کو منظور کرنا۔ بورڈ نے -4 روپے فی حصہ (40%) منافع منقسمہ دینے کی سفارش کی ہے۔
- 4 - 30 ستمبر 2024 کو اختتام پزیر ہونے والے سال کے لیے کمپنی کے آڈیٹران کا تقرر اور ان کے مشاہرہ کا تعین کرنا۔
- 5 - صدر اجلاس کی اجازت سے اجلاس میں پیش کیے جانے والے دیگر امور انجام دینا۔

### خصوصی کارروائی :

- 6 - سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) نے اپنے ایس آر او 389(1)/2023 بتاریخ 21 مارچ، 2023 کے ذریعے لسٹڈ کمپنیوں کو اپنے سالانہ بیلنس شیٹ اور نفع و نقصان کے حسابات، آڈیٹرز اور ڈائریکٹرز رپورٹ وغیرہ ("سالانہ آڈٹ شدہ مالیاتی گوشوارے") اپنے اراکین کو سی ڈی/ڈی وی ڈی/یو ایس بی کے بجائے QR کوڈ اور ویب لنک کے ذریعے ارسال کرنے کی اجازت دی ہے، جو حصص یافتگان کی منظوری سے مشروط ہے۔ لہذا کمپنی کے اراکین سے درخواست ہے کہ وہ غور کریں اور اگر مناسب سمجھیں تو کسی ترمیم یا بلا ترمیم، درج ذیل قرارداد بطور عمومی قرارداد منظور کریں:
- " قرار پایا کہ ایس ای سی پی کے جاری کردہ ایس آر او 389(1)/2023 بتاریخ 21 مارچ، 2023 کے تقاضوں کی تعمیل میں کمپنی اپنے سالانہ آڈٹ شدہ مالیاتی گوشواروں کو سی ڈی/ڈی وی ڈی/یو ایس بی کے بجائے کیو آر کوڈ اور ویب لنک کے ذریعے کمپنی کے اراکین تک پہنچانے کی مجاز ہے۔"

### منتقلی حصص کی کتابوں کی بندش

کمپنی حصص کی منتقلی کی کتابیں 20 جنوری، 2024 تا 27 جنوری، 2024 (بشمول دونوں ایام) بغرض انعقاد سالانہ اجلاس عام اور منافع منقسمہ کے تعین کے لیے بند رہیں گی۔ 19 جنوری، 2024 کے دفتری اوقات کے خاتمہ تک موصول ہونے والی حصص کی منتقلی کی درخواستوں کے منتقلی الیہان مذکورہ منافع منقسمہ کے حصول کے حقدار ہوں گے۔

حسب الحکم بورڈ

Naim Aslam

ناصر اقبال انصاری

کمپنی سیکریٹری

بمقام لاہور۔

مورخہ 30 دسمبر، 2023

## ڈائریکٹران کے معاوضے کی پالیسی:

بورڈ آف ڈائریکٹران نے کمپنی معاملات میں ذمہ داریوں کی نوعیت پر منحصر ایگزیکٹو ڈائریکٹران کو معاوضے کی ادائیگی کے لیے باضابطہ پالیسی کی منظوری دے دی ہے۔ انسانی وسائل اور معاوضے کی کمیٹی کی سفارشات کے مطابق ایگزیکٹو ڈائریکٹران کے معاوضے کی منظوری بذریعہ بورڈ آف ڈائریکٹران دی جائے گی۔ کمپنی آزاد ڈائریکٹران کو بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لیے فیس کے علاوہ کوئی ادائیگی نہیں کرے گی۔

## بورڈ کی کارکردگی کا جائزہ:

سٹریٹجی (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے ضابطہ (v) 10(3) کی تعمیل میں بورڈ آف ڈائریکٹران نے مجموعی طور پر بورڈ، بورڈ کمیٹیوں اور انفرادی ارکان بورڈ کی کارکردگی کی سالانہ جانچ کے لیے ایک طریقہ کار وضع کیا ہے۔

## حصص یافتگان کا کردار:

بورڈ کا مقصد اس بات کو یقینی بنانا ہے کہ کمپنی کے حصہ داران کو کمپنی کی صورتحال کو متاثر کرنے والی اہم پیش رفتوں سے بروقت آگاہ کیا جائے۔ اس مقصد کے حصول کے لئے حصص یافتگان کو سہ ماہی، ششماہی اور سالانہ رپورٹوں کے ذریعے آگاہ کیا جاتا ہے اور انہیں فوری طور پر کمپنی کی ویب سائٹ پر رکھ دیا جاتا ہے۔ احتساب کی مطلوبہ سطح کو یقینی بنانے کے لیے بورڈ عام اجلاسوں میں حصص داران کی شرکت کی حوصلہ افزائی کرتا ہے۔

## منافع منقسمہ:

بورڈ آف ڈائریکٹران نے 30 دسمبر 2023 کو منعقدہ اجلاس میں کمپنی کے تمام حصص یافتگان کو 30 ستمبر 2023 کو ختم ہونے والے سال کے لیے 4.00 روپے فی حصہ (40%) کے حساب سے حتمی منافع منقسمہ کی ادائیگی کی سفارش کی ہے۔ حتمی منافع منقسمہ کی منظوری 27 جنوری 2024 کو منعقد ہونے والے سالانہ اجلاس عام میں ممبران سے لی جائے گی۔

## صحت، حفاظت اور ماحول:

کمپنی بین الاقوامی سطح پر قابل قبول صحت، حفاظت اور ماحولیات کے معیاروں پر سختی سے عمل پیرا ہے اور اس امر کو یقینی بناتی ہے کہ ہم آج اور کل کے لیے محفوظ اور زیادہ پائیدار کارروائیوں کے لیے اپنے عمل کو بہتر بناتے رہیں۔

## آڈیٹران:

ریٹائر ہونے والے آڈیٹرز شائن ونگ حمید چوہدری اینڈ کمپنی (Shinewing Hameed Chaudhri & Company)، چارٹرڈ اکاؤنٹنٹس نے اپنی خدمات کو ایک اور مدت کے لیے پیش کیا ہے۔ آڈٹ کمیٹی کی سفارش کے مطابق بورڈ ان کی تقرری کی تجویز پیش کرتا ہے۔

## اعتراف:

ہم کمپنی سے انمول تعاون کے لیے اپنی کمپنی کے تمام متعلقین، بشمول مالیاتی ادارے، سپلائرز، گاہک اور حصص یافتگان کے شکر گزار ہیں۔ اس موقع پر ہم کمپنی کے تمام ملازمین کی جانب سے کمپنی کی بہبود کی خاطر لگن، توجہ اور محنت سے جو بیس گھنٹے کی جانے والی ان کی تمام کاوشوں کو سراہتے ہیں۔



ڈائریکٹر



چیف ایگزیکٹو آفیسر

بمقام لاہور۔ 30 دسمبر، 2023

بورڈ نے ان ڈائریکٹران کی چھٹی منظور کر لی جو بورڈ کے اجلاسوں میں شریک نہ ہو سکے۔

### آڈٹ کمیٹی کی میٹنگ اور حاضری:

زیر جائزہ سال کے دوران اس کمیٹی کے چار اجلاس ہوئے جن میں حاضری کی تفصیل حسب ذیل ہے:

میٹنگ کی حاضری	ڈائریکٹر کا نام
2	جناب عطا علی ملک
1	جناب سلمان حیات نون
2	جناب عرفان احمد
2	سید علی رضا
2	محترمہ مریم ممدوٹ

### انسانی وسائل اور معاوضہ کمیٹی:

زیر جائزہ سال میں کمیٹی کے دو اجلاس ہوئے جن میں حاضری کی تفصیل حسب ذیل ہے:

اجلاس میں حاضری	ڈائریکٹر کا نام
1	سید علی رضا
1	جناب سلمان حیات نون
2	جناب سیف اللہ خان نون
1	لیفٹیننٹ کرنل (ر) عبدالخالق خان

### ٹیکنیکل کمیٹی:

زیر جائزہ سال میں کمیٹی کے پانچ اجلاس ہوئے جن میں حاضری کی تفصیل حسب ذیل ہے:

اجلاس میں حاضری	ڈائریکٹر کا نام
5	جناب عرفان احمد
1	جناب سلمان حیات نون
4	جناب سیف اللہ خان نون
5	لیفٹیننٹ کرنل (ر) عبدالخالق خان

### حصص یافتگان کے اجلاس:

زیر جائزہ سال کے دوران سالانہ اجلاس عام 28 جنوری 2023 کو منعقد ہوا اور ایک غیر معمولی اجلاس عام برائے انعقاد الیکشن آف ڈائریکٹرز 30 مارچ، 2023 کو منعقد ہوا۔

### واجب الادا قانونی ادائیگیاں:

تمام واجب الادا ادائیگیاں معمول کی نوعیت کی ہیں۔

V- پبلک سیکیورٹیز کمپنیز، کارپوریشنز، جوائنٹ سٹاک کمپنیز

حصص	فیصد
2,145,834	12.99%

VI- بینک، مالیاتی ادارے، نان بنکنگ مالیاتی کمپنیاں، انشورنس کمپنیاں، ٹیکافل، مضاربہ اور پنشن فنڈ:

حصص	فیصد
7,219	0.04%

VII- پانچ فیصد اور اس سے زائد کے حصص یافتگان:

حصص ملکیت	فیصد	
6,000,000	36.33%	محترمہ طحیہ نون
3,617,384	21.90%	ملک عدنان حیات نون
1,437,480	8.70%	ای ایف جی پرائیویٹ بینک (پبلیک لیٹیڈ) لمیٹڈ
1,037,600	6.28%	بلک مینجمنٹ پاکستان (پرائیویٹ) لمیٹڈ

حصص میں لین دین:

ڈائریکٹر کا نام	گفٹ کیے	خرید
جناب سلمان حیات نون	3,384,695	11

بورڈ کی مینٹنگز اور ڈائریکٹران کی حاضری:

زیر جائزہ سال کے دوران بورڈ کے چار اجلاس منعقد ہوئے جن میں حاضری کی تفصیل درج ذیل ہے:

ڈائریکٹر کے نام	اجلاس میں حاضری
جناب کنوراقبال طالب	3
جناب سلمان حیات نون	1
جناب سیف اللہ خان نون	3
لیفٹیننٹ کرنل (ر) عبدالخالق خان	4
جناب عرفان احمد	4
سید علی رضا	2
جناب عطا علی ملک	4
محترمہ مریم ممدوٹ	2

- مالی سال کے دوران جنوری 2023 میں کمپنی کے ڈائریکٹر جناب سلمان حیات نون نے 3,384,695 حصص گفٹ کیے اور 11 حصص کا حصول کیا جبکہ کمپنی کے دیگر ڈائریکٹران، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکریٹری اور ان کے شریک حیات اور نابالغ بچوں نے اس سال کے دوران کمپنی کے حصص میں کوئی لین دین نہیں کیا؛
- ملازمین کے ریٹائرمنٹ فنڈ کی سرمایہ کاری کی لاگت مندرجہ ذیل ہے:

### ملازمین کی ریٹائرمنٹ کے فوائد:

کمپنی نے ایک تسلیم شدہ پراؤڈنٹ فنڈ قائم کر رکھا ہے اور فنڈ کے مالی بیانات کے مطابق اس کی سرمایہ کاری کی مالیت حسب ذیل ہے:

30 ستمبر 2023 کی مالیت	56,040 ملین روپے
30 ستمبر 2022 کی مالیت	51.860 ملین روپے

گریجویٹی سکیم فی الوقت un-funded ہے اور تمام اہل ملازمین کے لیے اسکیم کے تحت ذمہ داری کو پورا کرنے کے لیے ایکچوریل ویلیو ایشن کی بنیاد پر سالانہ رقم فراہم کی گئی ہے جن کی تفصیلات 30 ستمبر 2023 کو ختم ہونے والے مالی سال کے آڈٹ شدہ مالیاتی بیانات کے نوٹ نمبر 9 میں موجود ہیں۔

30 ستمبر 2023 کو کمپنی کی حصص داری کی ساخت کا نمونہ (شیر ہولڈنگ پیٹرن) منسلک ہے جبکہ دیگر متعلقہ معلومات حسب ذیل ہیں:

### حصص یافتگان:

حصص کی تعداد	ایسوسی ایٹڈ کمپنیاں، وابستگان اور متعلقہ فریقین	I-
765,403	نون انڈسٹریز (پرائیوٹ) لمیٹڈ	
NIL	میوچل فنڈز	II-
	ڈائریکٹران اور ان کے شریک حیات اور نابالغ بچے	III-

ڈائریکٹران کے نام	ذاتی ملکیت	شریک حیات	نابالغ بچے
جناب سیف اللہ خان نون	355,017	NIL	NIL
جناب کنورا قبال طالب	26,360	7,260	NIL
لیفٹیننٹ کرنل (ر) عبدالخالق خان	1	NIL	NIL
سید علی رضا	1	NIL	NIL
جناب عرفان احمد	1	NIL	NIL
جناب عطا علی ملک	1	NIL	NIL
محترمہ مریم ممدوٹ	1	NIL	NIL
IV- ایگزیکٹوز	NIL	NIL	NIL



سال کے دوران کمپنی نے متعلقہ فریقین کے ساتھ جو لین دین کیا ہے اس کی تفصیلات مالیاتی بیانات کے نوٹ 39 میں بیان کی گئی ہیں۔

کارپوریٹ سماجی ذمہ داری:

نون شوگر ملز لیمیٹڈ معاشرتی ترقی اور پائیدار برادری کے لیے معاونت اور کام کرنے میں فعال کردار ادا کرنے کے لیے پرعزم ہے۔ کارپوریٹ سوشل ریسپانسیبلٹی (CSR) اپنی بنیادی اقدار میں مربوط ہے اور یہ کمپنی کے مجموعی مشن کا لازمی جزو ہے۔

مندرجہ ذیل اقدامات جو نون شوگر ملز لیمیٹڈ اپنی سماجی ذمہ داریوں کو پورا کرنے کی غرض سے نبھا رہی ہے:

a - نون شوگر ملز لیمیٹڈ اپنے ملازمین کے بچوں اور فیکٹری کے آس پاس رہنے والے کنویں کے فائدے کے لیے ملازمین کی رہائشی کالونی کے اندر ایک کالج اور ایک انگلش میڈیم ماڈل ہائی اسکول کے قیام کے ذریعے معیاری تعلیم مہیا کر رہی ہے۔ ملازمین کے بچوں کی حوصلہ افزائی بھی کی جاتی ہے کہ وہ ہر سال میٹرک سے شروع ہونے والے وظائف کے ذریعے اعلیٰ تعلیم حاصل کریں۔

b - گھریلو اشیاء کی رعایتی نرخوں پر فراہمی کے لیے نون شوگر ملز لیمیٹڈ رہائشی کالونی میں ایک فیر پرائیکس شاپ چلا رہی ہے۔

c - کمپنی بھلوال میں گزشتہ 30 سالوں سے ایک مفت ڈسپنری بھی چلا رہی ہے اور ملحقہ رہائشی بستوں کے غریب مریضوں کو مفت ادویات بھی مہیا کر رہی ہے۔

**کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل:**

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے ضوابط کو 30 ستمبر 2023 کو ختم ہونے والے سال کے لیے کمپنی نے اختیار کیا ہے اور ان پر مکمل طور پر عمل کیا ہے۔ اس ضمن میں ایک بیان رپورٹ سے منسلک ہے۔

**کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک:**

انتظامیہ نے مالیاتی رپورٹوں اور ان کے نوٹس کو کمپنیز ایکٹ 2017 اور انٹرنیشنل مالیاتی رپورٹنگ سٹینڈرڈز (IFRS) کے اصولوں کے مطابق تیار کیا ہے۔ یہ رپورٹیں کمپنی کے کاروباری نتائج، رقم کے بہاؤ اور ایکویٹی کی تبدیلی کے بیانات کو صریح طور پر بیان کرتی ہیں۔

**بورڈ آف ڈائریکٹران یہاں یہ بیان کرتے ہیں:**

- مالیاتی گوشواروں کی تیاری کے دوران عالمی مالیاتی رپورٹنگ معیارات کو، جو کہ پاکستان میں لاگو ہیں، مناسب طریقے سے عمل میں لایا گیا ہے اور اس سے کسی بھی طرح کے انحراف کا مناسب طور پر ”مالیاتی بیانات کے نوٹس“ میں بیان کیا گیا ہے اور اس کی وجہ بیان کی گئی ہے؛
- کمپنی کی تمام مالیاتی کتب کو مناسب طور پر مرتب کیا گیا ہے؛
- مالیاتی گوشوارے تیار کرنے کیلئے مناسب حساباتی پالیسیوں کا مستقل طور پر اطلاق کیا گیا ہے اور حسابات کے تخمینے مناسب اور محتاط فیصلوں پر مبنی ہیں؛
- اندرونی گرفت کا نظام مضبوط ہے اور موثر انداز میں نافذ العمل اور زیر نگرانی ہے؛
- کمپنی کی کاروبار جاری رکھنے کی صلاحیت میں کوئی شک و شبہ نہیں ہے؛
- لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں بیان کردہ کارپوریٹ گورننس کے بہترین طریقوں سے انحراف نہیں کیا گیا ہے؛
- سابقہ چھ سال کے اہم مالیاتی اور کاروباری کوائف اس رپورٹ سے منسلک ہیں؛
- مالی سال 30 ستمبر 2023 تک ٹیکسوں، ڈیوٹیوں اور محصولات کی مد میں کوئی قانونی ادائیگی واجب الادا نہیں ماسوا ان کے جن کا انکشاف مالی بیانات میں کیا گیا ہے؛

شیرے کی محدود دستیابی کی وجہ سے، رپورٹنگ کی پوری مدت کے دوران ایک مسلسل اضافے نے شیرے کی قیمت کو ممتاز رکھا۔ اس زبردست رکاوٹ میں ثابت قدم، آپ کی انتظامیہ نے اپنی پیداوار کو محفوظ بنانے کے لیے کافی مقدار میں شیرہ حاصل کرنے کے لیے غیر معمولی فراست کا مظاہرہ کیا۔ اس طرح کم پیداواری مدت کے دوران اس کے تین پیداواری یونٹوں کے مسلسل کام کو یقینی بنایا۔

ایکسپورٹ ری فنانس اسکیموں پر مارک اپ کی شرح میں خاطر خواہ اضافہ کرنے کے لیے اسٹیٹ بینک آف پاکستان کی نظر ثانی شدہ پالیسی، برآمدات پر مبنی تمام اداروں کے بین الاقوامی سطح پر مسابقتی مارجن پر طویل مدتی اثرات مرتب کرے گی۔ نتیجتاً، یہ زبردست چیلنج آتھنول کی بڑھتی ہوئی عالمی طلب میں حصہ ڈالنے میں رکاوٹ پیدا کرتا ہے، اور اس طرح ملک کے لیے زرمبادلہ کمانے والی اس انتہائی امید افزا حقیقی ترقی کی صلاحیت کو ماند کرتا ہے۔

## مستقبل کی پیش گوئی:

### چینی:

25 نومبر 2022 کو موجودہ کرشننگ سیزن کا آغاز کرتے ہوئے، ہماری کمپنی پنجاب حکومت کی جانب سے گنے کی کم از کم امدادی قیمت میں 300 روپے سے لے کر 400 روپے فی چالیس کلوگرام میں مزید 33 فیصد اضافے سے پیدا شدہ مزید چیلنجوں سے نمٹ رہی ہے۔ گنے کی قیمت میں اضافہ، ایندھن کی بلند قیمت، مہنگائی کی بلند شرح، مارک اپ میں اضافہ اور ٹیکس کی شرح میں اضافہ بشمول سپر ٹیکس کی شرح، پیداوار کی لاگت میں خاطر خواہ اضافے کا سبب بنے گی۔ افراط زر میں عمومی اضافہ کرنے والے یہ متعدد عوامل چینی سمیت تمام غذائی اشیاء کے استعمال کے انداز کو متاثر کر سکتے ہیں۔ آپ کی انتظامیہ پیداوار کی بڑھتی ہوئی لاگت پر نظر رکھنے میں چوکس رہتی ہے اور کمپنی پر کسی بھی نوعیت کے منفی اثرات کو کم کرنے کے لیے گنے کی خریداری کی اہم حکمت عملیوں کو موثر طور پر نافذ کر رہی ہے۔ ان چیلنجوں سے نمٹنے کے لیے، آپ کی انتظامیہ گنے کی نئی اور بہتر اقسام، کھادوں، کیڑے مار دویات، اہم پیداواری اخراجات کے لیے قرضوں میں توسیع کے ذریعے اضافی مالی معاونت کی فراہمی سے کاشتکاروں کے ساتھ تعلقات کو مضبوط بنانے میں سرگرم عمل ہے۔ آپ کی کمپنی کا کین ڈولپمنٹ ڈپارٹمنٹ کاشتکاروں کو تربیتی پروگرام پیش کر رہا ہے، جس میں بہتر زرعی تکنیکوں، پودے لگانے کے طریقوں اور گنے کی پیداوار کو بڑھانے کے لیے موثر افزائشی طور طریقوں پر توجہ دی جا رہی ہے۔

صنعت کے لیے گنے کی ترقی کی بنیادی اہمیت کو تسلیم کرتے ہوئے، بنیادی سرگرمیوں سے منافع کو برقرار رکھنے کے لیے چینی کی قیمتوں میں استحکام کو یقینی بنانا بہت ضروری ہے۔ ہمارا ماننا ہے کہ حکومت کو بازاری قوتوں کو کنٹرول کرنے میں اپنی انتظامی مداخلت کو کم کرنا چاہیے اور گنے کی قیمتوں کو چینی کی قیمتوں سے جوڑنے کے مسلسل مسئلے کو حل کرنے کے لیے مثبت انداز اپنانا چاہیے، جو کہ حالیہ برسوں میں اس شعبے کی ترقی میں رکاوٹ بنا ہوا ہے۔

### آتھنول:

نئی ڈسٹریوں کے اضافے سے صنعت کی مجموعی پیداواری صلاحیت میں اضافہ ہوا ہے اور شیرے کی خریداری کا مقابلہ تیز ہوا ہے۔ یہ خام مال کی قیمت میں نمایاں اضافے کے ساتھ، مارک اپ کی بڑھتی ہوئی شرحوں اور بڑھے ہوئے افراط زر کے ساتھ مل کر آتھنول کی صنعت کو بڑھتے ہوئے چیلنجوں سے نبرد آزما ہونے کی طرف لے جا رہا ہے۔ ان عوامل نے منافع پر کافی اثر ڈالا ہے۔ اس وقت آتھنول کی طلب اور قیمت بین الاقوامی منڈیوں میں نیچے کی طرف دباؤ کا سامنا کر رہی ہے۔

افراط زر کا عالمی رجحان آپریشنل اخراجات میں مزید اضافہ کرتا ہے، جس سے مسابقت کو برقرار رکھنے کی کوشش کرنے والی ڈسٹریوں کے لیے اضافی رکاوٹیں پیش آتی ہیں۔ ان چیلنجوں کے پیش نظر، ہماری انتظامیہ متحرک ہے اور اس نے موجودہ منظر نامے اور مستقبل میں حصص یافتگان کے منافع کو بہتر بنانے کے لیے حکمت عملی تیار کی ہے۔

### متعلقہ پارٹیوں سے لین دین:

متعلقہ فریقین سے لین دین on arm's length کی بنیاد پر کیا جا رہا ہے۔ متعلقہ فریقین سے کیے گئے تمام لین دین کی جامع فہرست مرتب کر کے ہر سہ ماہی میں آڈٹ کمیٹی کو پیش کی جاتی ہے۔ داخلی جانچ کا عمل اس بات کو یقینی بناتا ہے کہ متعلقہ فریقین سے لین دین arm's length کی بنیاد پر ہے۔ آڈٹ کمیٹی کے جائزے کے بعد معاملات بورڈ کے سامنے غور و فکر اور منظوری کے لیے رکھے جاتے ہیں۔

گزشتہ سال کے تقابلی اعداد و شمار کے ساتھ زیر جائزہ عرصہ کے دوران چینی کے شعبے کے آپریشنل کارکردگی کا گوشوارہ حسب ذیل ہے:

2022	2023		
144	101	دن	پیداواری عرصہ
1,120,350	807,367	میٹرک ٹن	گنا پیلے جانے کی مقدار
104,720	75,717	میٹرک ٹن	چینی کی پیداوار
9.36	9.37	شرح فیصد	رس سے چینی کی پیداواری اوسط
4.68	4.49	شرح فیصد	شیرے کا پیداواری تناسب
52,378	36,281	میٹرک ٹن	شیرے کی پیداوار

2022-23 کے کرشنگ سیزن میں، پاکستان میں چینی کی صنعت کو چیلنجوں کے ایک سلسلے کا سامنا کرنا پڑا جس نے مجموعی پیداوار کو نمایاں طور پر متاثر کیا۔ گنے کی کاشت میں کمی اور سیزن کی مدت میں کمی کے نتیجے میں چینی کی پیداوار میں سابقہ سال کے مقابلے میں 28 فیصد کمی واقع ہوئی۔ کرشنگ سیزن کا محدود دورانیہ بنیادی طور پر گنے کی ناقص پیداوار کے سبب تھا جو کہ فصل کی افزائش کے اہم مرحلے کے دوران موسم کی خرابی سے پیدا ہوتا ہے۔ زیادہ تر کاشتکاروں کے لیے کھادوں اور کیڑے مار ادویات خریدنے کی استطاعت میں کمی نے بھی گنے کی پیداوار کو بری طرح متاثر کیا۔

رپورٹنگ کی مدت کے دوران گنے کی کم از کم امدادی قیمت میں 225 روپے سے 300 روپے فی چالیس کلوگرام تک 33 فیصد اضافے کا اعلان کیا گیا۔ یہ اہم اضافہ افراط زر میں تاریخی اضافے، مارک اپ کی شرحوں اور سیلز ٹیکس میں اضافے سے مل کر مزید بڑھ گیا جس کا براہ راست اثر مجموعی پیداواری لاگت پر پڑا۔ کم تر پیداواری سطح، خام مال اور تبادلوں کے بڑھتے ہوئے اخراجات کے ساتھ رپورٹنگ کی مدت کے دوران چینی کے شعبے کے منافع میں کمی واقع ہوئی۔ تاہم، حکومت نے رپورٹنگ کی مدت کے دوران چینی کی کم مقدار کی برآمد کی اجازت دی، جس سے شوگر ملوں کو ان کے ورکنگ کیمپٹل کی ضروریات کو پورا کرنے کے لیے کچھ راحت ملی۔

### ڈٹلری:

زیر جائزہ عرصہ کے دوران 250 لیٹرنی میٹرک ٹن کی شرح سے 91,704 میٹرک ٹن شیرہ پراسس کر کے 18,334 میٹرک ٹن انڈسٹریل گریڈ اتھنول پیدا کی گئی جبکہ سابقہ سال کے دوران 224 لیٹرا اتھنول فی میٹرک ٹن کی پیداواری شرح سے 151,780 میٹرک ٹن شیرہ پراسس کر کے 27,256 میٹرک ٹن انڈسٹریل گریڈ اتھنول پیدا کی گئی تھی۔

زیر جائزہ سال اور سابقہ سال کے عرصہ میں ڈٹلری کے شعبے میں پیداواری کارکردگی کے اعداد و شمار کا تقابلی گوشوارہ حسب ذیل ہے:

2022	2023		
294	184	دن	پیداواری عرصہ
151,780	91,704	میٹرک ٹن	شیرے کی کھپت
27,256	18,334	میٹرک ٹن	اتھنول کی پیداوار
224	250	لیٹرنی میٹرک ٹن	پیداواری اوسط

## ڈائریکٹران رپورٹ برائے ممبران

معزز ممبران،

نون شوگر ملز لیمیٹڈ کے ڈائریکٹران 30 ستمبر 2023 کو اختتام پزیر ہونے والے مالی سال کی اکسٹھویں سالانہ رپورٹ، آڈٹ شدہ مالیاتی حسابات اور ان پر آڈٹ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

### مالیاتی کارکردگی:

آپ کی کمپنی نے سابقہ تقابلی سالانہ عرصہ میں حاصل کردہ 463 ملین روپے کے مقابلے میں رواں سال کے دوران 419 ملین روپے کا بعد از ٹیکس منافع حاصل کیا ہے۔ سابقہ سالانہ عرصہ میں مصنوعات کی فروخت سے حاصل شدہ کل رقم 11,966 ملین روپے کے مقابلے میں حالیہ زیر جائزہ مالیاتی سال کے دوران کمپنی نے 9,280 ملین روپے کا حصول کیا۔ سابقہ سالانہ عرصہ کے دوران 28.09 روپے فی حصہ منافع کے مقابلے میں رواں مالی سال کے دوران فی حصہ منافع 25.39 روپے رہا۔

موجودہ مالی سال کے دوران، کمپنی کو ایک چیلنجنگ کاروباری ماحول کا سامنا کرنا پڑا ہے، جس کی وجہ مارک اپ کی شرحوں میں نمایاں اضافہ اور افراط زر کے زیادہ اثرات ہیں، جس کے نتیجے میں گزشتہ سال کے مقابلے میں منافع میں قدرے کمی آئی ہے، حالانکہ اس سال حاصل ہونے والے مجموعی منافع کی شرح نسبتاً زیادہ ہے۔ اس کے باوجود کمپنی نے حصص یافتگان کی قدر کے لحاظ سے مثبت ترقی کا مظاہرہ کیا ہے، جو ایک چیلنجنگ ماحول کے درمیان لچکدار کارکردگی کی عکاسی کرتا ہے۔ آپ کی انتظامیہ کی طرف سے حکمت عملی اور چوکس نگرانی کا دوراندیشانہ نفاذ ذیل میں مذکور نتائج کو حاصل کرنے میں مددگار ثابت ہوا ہے:

2022 (ملین روپے)	2023 (ملین روپے)	
11,966	9,280	پیداوار کی فروخت سے حاصل شدہ کل رقم
1,559	1,897	خام منافع
1,046	1,244	پیداواری منافع
463	419	خالص آمدن
28.09 روپے	25.39 روپے	فی حصہ آمدن (روپے)

### پیداواری کارکردگی:

چینی:

آپ کی ملز نے سابقہ سال کے تقابلی عرصہ کے دوران بیلے جانے والے 1,120,350 میٹرک ٹن گنے سے 144 دنوں میں 9.36 فیصد شرح کشید سے پیدا کردہ 104,720 میٹرک ٹن چینی کی پیداوار کے مقابلے میں 807,367 میٹرک ٹن گنا بیلا اور 101 دنوں کے عرصہ میں 9.37 فیصد شرح کشید سے 75,717 میٹرک ٹن چینی پیدا کی۔

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