

annual report 2024

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

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THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

Company Profile

The Premier Sugar Mills & Distillery Company Limited (the Company) was incorporated on 24 July, 1944 as a Public Company and its shares are quoted on Pakistan Stock Exchange. The Company is principally engaged in manufacturing and sale of white sugar and spirit including the following:

- a) To purchase, manufacture, produce, refine, prepare, import, export, sell and generally to deal in sugar, sugarcane, sugar beets, gur, jaggery, molasses, syrups and melada and alcohol and all products or by-products thereof and food products generally and in connection therewith to acquire, erect, construct, establish, operate and maintain sugar or other refineries, buildings, mills, factories, distilleries and other works;
- b) To manufacture any other article or articles of food made from cereals, fruits, vegetables, seeds or oils, etc.;
- c) To manufacture chemicals of all description, to prepare drugs and medicines;
- d) To manufacture starch and yeast floor from maize, wheat or any other material;
- e) To manufacture straw-boards and paper;
- f) To plant, cultivate, produce and raise sugarcane, maize, sugar beets and/or any other agricultural crops;
- g) To acquire by purchase, mortgage, lease, exchange, or otherwise, any moveable or immovable property, patents, inventions licenses, secret formula or processes, rights or privileges which the Company may think necessary or convenient for the purpose of its business and to construct, erect, manage, improve, alter, extend, demolish or reconstruct any buildings, machineries or works necessary or convenient of the purposes of the Company;
- h) To sell and purchase from time to time and deal in all such stock in trade, goods, chattels and effects as may be necessary or convenient for any business, for the time being, carried on by the Company an especially sugar, sugarcane, raw sugar, gur, molasses cereals, fruits and vegetables, seeds, oil, mill stores, stocks, spare machinery and all other materials or things necessary for the same;
- i) To purchase or otherwise acquire, by cultivation or any other manner, seeds and agricultural product of any description which may be necessary or be required for the production of sugar and its by-products, or the manufacture of any material, or article which the Company is authorized under;
- j) To establish, in Pakistan or elsewhere, agencies or branches for the purchase and sale of goods of all description;
- k) To appoint agents to assist the working of the Company with such powers and on such terms as the Company may generally or in any special case determine;
- l) Any other business as mentioned in the Memorandum of Association.

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

Company Information

Board of Directors

Begum Laila Sarfaraz	- Chairperson
Mr. Abbas Sarfaraz Khan	- Chief Executive
Ms. Zarmine Sarfaraz	- Director
Ms. Najda Sarfaraz	- Director
Mr. Iskander M. Khan	- Director
Mr. Shahbaz Haider Agha	- Independent Director
Mrs. Shahida Ahmad	- Independent Director

Company Secretary

Mr. Mujahid Bashir

Chief Financial Officer

Mr. Rizwan Ullah Khan

Head of Internal Audit

Mr. Zaheer Mir

Auditors

M/s. ShineWing Hameed Chaudhri & Co.,
Chartered Accountants

Tax Consultants

M/s. ShineWing Hameed Chaudhri & Co.,
Chartered Accountants

Legal Advisor

Mr. Isaac Ali Qazi
Advocate

Bankers

Bank Al-Habib Limited	The Bank of Khyber
MCB Bank Limited	United Bank Limited
Allied Bank Limited	The Bank of Punjab
Bank Al-Falah Limited	National Bank of Pakistan
Habib Bank Limited	Soneri Bank Limited

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

Management Committees

Executive Committee

Mr. Abbas Sarfaraz Khan (Executive Director)	Chairman
Ms. Najda Sarfaraz (Non-Executive Director)	Member
Mr. Iskander M. Khan (Executive Director)	Member

Executive Committee is involved in day-to-day operations of the Company and is authorized to conduct every business except the businesses to be carried out by Board of Directors as required by section 183 of the Companies Act, 2017. Executive Committee meets periodically to review operating performance of the Company against pre-defined objectives, commercial business decisions, investments and funding requirements.

Audit Committee

Mr. Shahbaz Haider Agha (Independent Director)	Chairman
Ms. Najda Sarfaraz (Non-Executive Director)	Member
Ms. Zarmine Sarfaraz (Non-Executive Director)	Member
Mr. Mujahid Bashir	Secretary

The terms of reference of the Audit Committee have been derived from the Code of Corporate Governance applicable to listed companies. Thereby Audit Committee shall, among other things, be responsible for recommending to the Board of Directors the appointment of external auditors by the Company's shareholders and shall consider any questions of resignation or removal of external auditors, audit fees and provision by external auditors of any service to the Company in addition to audit of its financial statements. In the absence of strong grounds to proceed otherwise, the Board of Directors shall act in accordance with the recommendations of the Audit Committee in all these matters.

The terms of reference of the Audit Committee also include the following:

- a) determination of appropriate measures to safeguard the Company's assets;

- b) review of annual and interim financial statements of the Company, prior to their approval by the Board of Directors, focusing on:
- major judgmental areas;
 - significant adjustments resulting from the audit;
 - going-concern assumption;
 - any changes in accounting policies and practices;
 - compliance with applicable accounting standards;
 - compliance with these regulations and other statutory and regulatory requirements; and
 - all related party transactions.
- c) review of preliminary announcements of results prior to external communication and publication;
- d) facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- e) review of management letter issued by external auditors and management's response thereto;
- f) ensuring coordination between the internal and external auditors of the Company;
- g) review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
- h) consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- i) ascertaining that the internal control system including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- j) review of the Company's statement on internal control systems prior to endorsement by the board of directors and internal audit reports;
- k) instituting special projects, value for money studies or other investigations on any matter specified by the board of directors, in consultation with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body;
- l) determination of compliance with relevant statutory requirements;

- m) monitoring compliance with these regulations and identification of significant violations thereof;
- n) review of arrangement for staff and management to report to audit committee in confidence, concerns, if any about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- o) recommend to the board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements. The board of directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof.
- p) Consideration of any other issue or matter as may be assigned by the Board of Directors.

Human Resource and Remuneration Committee

Mr. Shahbaz Haider Agha (Independent Director)	Chairman
Ms. Najda Sarfaraz (Non-Executive Director)	Member
Mr. Iskander M. Khan (Executive Director)	Member
Mr. Mujahid Bashir	Secretary

The Committee is responsible for:

- i) recommend to the board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the board which shall normally include the first layer of management below the chief executive officer level;
- ii) undertaking annually a formal process of evaluation of performance of the board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing name, qualification and major terms of appointment;
- iii) recommending human resource management policies to the board;
- iv) recommending to the board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;
- v) consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and
- vi) where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company.

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

Vision Statement

- Efficient organization with professional competence of top order is engaged to remain a market leader in the sugar industry in manufacturing and marketing of white sugar.
- To ensure attractive returns to business associates and optimizing the shareholders' value as per their expectations.

Mission Statement

- Quality objectives are designed with a view to enhance customer satisfaction and operational efficiencies.
- To be a good corporate citizen to fulfil the social responsibilities.
- Commitment to building, Safe, Healthy and Environment friendly atmosphere.
- We with professional and dedicated team, ensure continual improvement in quality and productivity through effective implementation of Quality Management System. Be a responsible employer and reward employees according to their ability and performance.
- The quality policy encompasses our long-term **Strategic Goals** and **Core Values**, which are integral part of our business.

STRATEGIC GOALS

- Providing customer satisfaction by serving with superior quality production of white sugar and industrial alcohol at lowest cost.
- Ensuring security and accountability by creating an environment of security and accountability for employees, production facilities and products.
- Expanding customer base by exploring new national and international markets and undertaking product research and development in sugar industry.
- Ensuring Efficient Resource Management by managing human, financial, technical and infrastructural resources so as to support all strategic goals and to ensure highest possible value addition to stakeholders.

CORE VALUES

- Striving for continuous improvement and innovation with commitment and responsibility;
- Treating stakeholders with respect, courtesy and competence;
- Practicing highest personal and professional integrity;
- Maintaining teamwork, trust and support with open and candid communication; and
- Ensuring cost consciousness in all decision and operations.

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

Code of Conduct

The Premier Sugar Mills & Distillery Company Limited has built a reputation for conducting its business with integrity in accordance with high standards of ethical behavior and in compliance with the laws and regulations that govern our business. This reputation is among our most valuable assets and ultimately depends upon the individual actions of each of our employees all over the country.

The Company Code of Conduct has been prepared to assist each of us in our efforts to not only maintain but enhance this reputation. It provides guidance for business conduct in a number of areas and references to more detailed corporate policies for further direction. The adherence of all employees to high standards of integrity and ethical behavior is mandatory and benefits all stakeholders including our customers, our communities, our shareholders and ourselves.

The Company carefully checks for compliance with the Code by providing suitable information, prevention and control tools and ensuring transparency in all transactions and behaviors by taking corrective measures if and as required.

The Code of Conduct applies to all affiliates, employees and others who act for us countrywide, within all sectors, regions, areas and functions.

The Code of Conduct of the Company includes the policies in respect of followings:

- Standard of Conduct;
- Obeying the law;
- Human Capital;
- Consumers;
- Shareholders;
- Business Partners;
- Community involvement;
- Public activities;
- The environment;
- Innovation;
- Competition;
- Business integrity;
- Conflicts of interests; and
- Compliance, monitoring and reporting.

General Principles

Compliance with the law, regulations, statutory provisions, ethical integrity and fairness is a constant commitment and duty of all the employees and characterizes the Conduct of the organization.

The Company's business and activities have to be carried out in a transparent, honest and fair way, in good faith and in full compliance. Any form of discrimination, corruption, forced or child labor is rejected. Particular attention is paid to the acknowledgment and safeguarding of the dignity, freedom and equality of human beings.

All employees, without any distinction or exception whatsoever, respect the principles and contents of the Code in their actions and behaviors while performing their functions according to their responsibilities, because compliance with the Code is fundamental for the quality of their working and professional performance. Relationships among employees, at all levels, must be characterized by honesty, fairness, cooperation, loyalty and mutual respect.

The belief that one is acting in favor or to the advantage of the Company can never, in any way, justify-not even in part – any behavior that conflict with the principles and content of the Code.

Every employee is expected to adhere to, and firmly inculcate in his/her everyday conduct; this mandatory framework; any contravention or deviation will be regarded as misconduct and may attract disciplinary action in accordance with the Company service rules and relevant laws.

Statement of Ethical Practices

It is the basic principle of The Premier Sugar Mills & Distillery Company Limited to obey the law of the land and comply with its legal system. Accordingly, every director and employee of the Company shall obey the law. Any director and employee guilty of violation will be liable to disciplinary consequences because of the violation of his / her duties.

Employees must avoid conflicts of interest between their private financial activities and conduct of Company business.

All business transactions on behalf of the Company must be reflected accordingly in the accounts of the Company. The image and reputation of the Company is determined by the way each and every of us acts and conducts him / her at all times.

We are an equal opportunity employer. Our employees are entitled to a safe and healthy workplace.

Every manager and supervisor shall be responsible to see that there is no violation of laws within his / her area of responsibility which proper supervision could have prevented. The manager and supervisor shall still be responsible if he / she delegates particular tasks.

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

TEN YEAR'S REVIEW

YEAR	CANE			BEET		
	CANE CRUSHED	RECOVERY	SUGAR PRODUCED	BEET SLICED	RECOVERY	SUGAR PRODUCED
	M. Tons	%	M. Tons	M. Tons	%	M. Tons
2015	95,526.000	9.11	9,019.00	NOT OPERATED		
2016	178,273.000	9.94	17,677.00			
2017	268,864.455	9.32	25,003.00			
2018	204,775.000	11.12	22,708.00			
2019	154,414.000	10.90	16,768.00			
2020	36,528.000	8.77	3,149.00			
2021	22,590.385	8.32	1,817.50			
2022	32,104.000	6.40	1,980.00			
2023	102,302.250	10.35	10,536.40			
2024	130,269.075	9.61	12,477.30			

PRODUCTION OF INDUSTRIAL ALCOHOL

YEARS	MOLASSES TONS	RECOVERY GLNS PER MND	PRODUCTION IN GALLONS
2015	NOT OPERATED		
2016			
2017			
2018			
2019			
2020	15,034.99	2.00	751,755.00
2021	16,144.42	1.92	776,585.00
2022	32,075.63	2.05	1,641,103.61
2023	18,515.81	1.99	920,400.00
2024	NOT OPERATED		

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

SIX YEAR'S PERFORMANCE AT A GLANCE

PARTICULARS	2024	2023	2022	2021	2020	2019
	(RUPEES IN THOUSAND)					
Turnover	1,404,393	3,045,962	679,216	548,875	938,404	1,072,460
(Loss)/ profit from Operations	(196,399)	165,045	(64,164)	(179,672)	47,148	150,059
(Loss)/ profit before tax	(449,006)	14,741	(121,405)	(207,843)	(48,470)	30,870
(Loss)/ profit after tax	(173,111)	72,984	(98,412)	(202,250)	(48,749)	184
Share capital	37,500	37,500	37,500	37,500	37,500	37,500
Shareholders' equity	1,867,969	2,039,757	1,017,496	1,120,574	1,324,441	993,464
Non-current assets	3,596,809	2,601,412	1,352,295	1,470,500	1,600,476	1,265,092
Total assets	4,096,468	3,249,961	2,625,754	1,975,697	2,030,464	1,924,249
Non current liabilities	983,885	420,731	112,444	152,825	192,939	31,774
Current assets	499,659	648,549	1,273,459	500,555	429,988	659,157
Current liabilities	1,244,614	249,508	955,849	432,298	513,084	899,011
Dividend						
Cash dividend	-	-	-	-	-	-
Ratios:						
Profitability (%)						
Operating (loss) / profit	(13.98)	5.42	(9.45)	(32.73)	5.02	13.99
Loss before tax	(31.97)	0.48	(17.87)	(37.87)	(5.17)	2.88
Loss after tax	(12.33)	2.40	(14.49)	(36.85)	(5.19)	0.02
Return to Shareholders						
ROE - Before tax	(24.04)	0.72	(11.93)	(18.55)	(3.66)	3.11
ROE - After tax	(4.81)	3.58	(9.67)	(18.05)	(3.68)	0.02
Return on Capital Employed	0.92	2.97	(8.71)	(15.88)	(3.21)	0.02
(Loss)/ earning per share - after tax	(46.16)	19.46	(26.24)	(53.93)	(13.00)	0.05
Activity						
Total assets turnover	0.38	1.04	0.30	0.27	0.47	0.60
Non-current assets turnover	0.45	1.54	0.48	0.36	0.65	0.88
Liquidity/Leverage						
Current ratio	0.40	2.60	1.33	1.16	0.84	0.73
Break up value per share	498.1	543.9	271.3	298.8	353.2	264.9
Total Liabilities to equity (Times)	(1.19)	(0.26)	(0.69)	(0.42)	(0.53)	(0.94)

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT 79th Annual General Meeting of the shareholders of The Premier Sugar Mills & Distillery Company Limited will be held on February 26, 2025 at 11:30 AM at the Registered Office of the Company at Nowshera Road, Mardan, for transacting the following business : -

ORDINARY BUSINESS:

1. To confirm the minutes of the Annual General Meeting held on February 26, 2024.
2. To receive, consider and adopt the Audited Financial Statements of the Company together with the Directors' and Auditors' reports for the year ended September 30, 2024.
3. To appoint the Auditors of the Company and to fix their remuneration for the financial year ending September 30, 2025. The present auditors' M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants retire and being eligible offer themselves for re-appointment.
4. To transact any other business of the Company as may be permitted by the Chair.

SPECIAL BUSINESS:

5. To consider and if thought fit to pass the following resolutions, with or without amendment(s) as the Special Resolution:

TO APPROVE RELATED PARTIES TRANSACTIONS

- a. To ratify and approve the transactions carried out by the Company with related parties for the year ended September 30, 2024, and to pass the following Special Resolution(s) with or without modification(s):

“RESOLVED THAT the transactions conducted in ordinary course of business with Related Parties during the year ended September 30, 2024 be and are hereby ratified, approved and confirmed”

- b. To approve transactions with related parties and to authorize the Board of Directors of the Company to carry out such related party transactions from time to time which require approval of shareholders u/s 207 and/or 208 of the Companies Act, 2017 and to pass the following Special Resolution(s) with or without modification(s):

“RESOLVED THAT the Company may carry out transactions including but not limited to sale and purchase of stores and spares, shared expenses, toll manufacturing, sale and purchase of products/mid-products/raw material/assets and purchase of packaging material, payment against sales collections, lease rentals and license fee, fee for services, with related parties from time to time with related parties during the year ending September 30, 2025.

FURTHER RESOLVED THAT details of transactions incurred up to date of the next meeting of shareholders shall be presented in the next meeting of shareholders for ratification.

FURTHER RESOLVED THAT within the parameters approved above by the shareholders of the Company, the Board of Directors of the Company may approve specifically related party transactions from time to time in compliance with the Company's policy pertaining to related party transactions and notwithstanding any interest of the directors of the Company in any related party transaction(s) which has been noted by the shareholders and the transactions approved by the Board shall be deemed to have been approved by the shareholders u/s 207 and/or 208 of the Companies Act, 2017."

The share transfer books of the Company will remain closed from February 16, 2025 to February 26, 2025 (both days inclusive).

By Order of the Board



(MUJAHID BASHIR)
Company Secretary

Mardan
February 03, 2025

Notes:

1. A member, eligible to attend and vote at this meeting, may appoint another member as his/her proxy to attend, speak and vote instead of himself/herself. Proxies in order to be effective must be valid and received by the Company not less than 48 hours before the time for holding of the Meeting and must be duly stamped, signed and witnessed. A member shall not be entitled to appoint more than one proxy.
2. Members are requested to notify the Shares Registrar of the Company of any change in their addresses immediately.
3. CDC shareholders are requested to bring their original Computerized National Identity Card (CNIC) or Original Passport, account, sub account number and participant's number in the Central Depository System for identification purpose for attending the Meeting. In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.
4. Members who desire to receive annual financial statement and notice of meeting for the financial year ended on September 30, 2024 or onward through email, instead of registered post/ courier, may submit their consent on the form available for the purpose on Company's website.
5. The Financial Statements of the Company for the year ended September 30, 2024 along with reports have been placed at website of the Company www.premiersugarmills.com
6. **Video-Link Facility**
The SECP vide circular no 4 of 2021 has advised to provide participation of the members through electronic means. Members interested to participate in the AGM are requested to email their Name, Folio Numbers, Number of Shares held in their name. Cell Number, CNIC Number (along with valid copy of both sides of CNIC) with subject "Registration for Participation in AGM" at mujahid@premiergrouppk.com.



Video link and login credentials shall be shared with only those members whose emails, containing all the required particulars, are received by the close of business hours (till 5:00 pm) on Monday February 24, 2025.

7. Conversion of Physical Shares into Book Entry Form

The SECP through its letter No. CSD/ED/Misc/2016-639-640 dated March 26, 2021 has advised the listed companies to adhere to the provision of Section-72 of the Companies Act, 2017 (the "Act") requiring all the existing companies to replace shares issued by them in physical form with shares into Book-Entry form in a manner as may be specified and from the date notified by the SECP but not exceeding four (04) years from the date of promulgation of the Act.

8. Unclaimed dividend / shares

Shareholders who have not collected their dividend / physical shares are advised to contact our shares registrar to collect / enquire about their unclaimed dividend or shares, if any.

9. Postal Balloting / E-Voting

For voting through post for the special business at the ANNUAL General Meeting of "The Premier Sugar Mills & Distillery Company Limited" to be held on Wednesday, February 26, 2025 at 11:30 AM (PST) at Nowshera Road, Mardan. Designated email address of the Company Secretary at which the duly filled in ballot paper may be sent: mujahid@premiergroup.pk Annexure of postal balloting available in website and attached with notice as well.

Procedure for E-Voting

- a) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on February 24, 2025.
- b) The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS by the Share Registrar (being the e-voting service provider).
- c) Identity of the Members intending to cast vote through e Voting shall be authenticated through electronic signature or authentication for login.
- d) Members shall cast vote online at any time from February 24, 2025, 9:00 a.m. to February 25, 2025. Voting shall close on February 25, 2025, at 5:00 p.m. Once the vote on the resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

Procedure for voting through postal ballot paper

The members shall ensure that duly filled and signed ballot paper along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post on the Company's address at The Company Secretary, Chashma Sugar Mills Limited, Kings Arcade, 20-A Markaz F-7, Islamabad.or email

mujahid@premiergrouppk.com one day before the day of poll, during working hours. The signature on the ballot paper shall match with the signature on CNIC.

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

This statement sets out the material facts pertaining to special business.

Material Facts:

This statement sets out the material facts pertaining to the special business, being Items on the notice, intended to be transacted at the Annual General Meeting of the Company to be held on February 26, 2025.

- a. Transactions carried out by the Company with its related parties constitute a small fraction of the Company's entire business. The Company carries out transactions with its Associated Companies and related parties in the normal course of business. It is also emphasized that the Company carries out such transactions in a fair and transparent manner and on an arm's length basis. All transactions entered into with Associated Companies and related parties require the approval of the Audit Committee of the Company, which is chaired by the Independent Director of the Company. The Audit Committee reviews the transactions and ensures that the pricing method is transparent and at par with running market practice and that the terms are as per the Company's practices. Only upon the recommendation of the Audit Committee, such transactions are placed before the board of directors for approval.

The transactions with related parties carried out during the fiscal year 2023-2024 to be ratified have been disclosed in the financial statements for the year ended September 30, 2024. All such transactions were recommended by the Audit Committee and were carried out at arm length basis.

Due to the composition of the Board of Directors of the Company, many Directors may be deemed to be treated as interested in transactions with certain related parties due to their common directorships and/or shareholding. Therefore, the shareholders are being approached to grant a broad and prior approval for such transactions to be entered into by the Company, from time to time, at the discretion of the Board and irrespective of its composition and interest of directors due to their common directorship and holding of shares in the associated companies/related parties, triggering approval of shareholders under section 207 and/or 208 of the Companies Act, 2017, for the year ending September 30, 2025, which transactions shall be deemed to be approved by the shareholders. The Company shall ensure that such transactions with related parties, if needed, continue to be carried out in a fair and transparent manner and at Arm's Length Basis.

Transactions intended to be carried out by the Company include, but are not limited to, the sale/purchase of molasses and other necessary goods, as well as the purchase of PP bags and other necessary goods and commodities including receipts/ payments of dividends with the following related parties including, but are not limited to:

- | | |
|--|--|
| a) Chashma Sugar Mills Limited | b) Premier Board Mills Limited |
| c) Syntron Limited | d) Syntronics Limited |
| e) Whole Foods (Private) Limited | f) Arpak International Investments Limited |
| g) The Frontier Sugar Mills & Distillery Limited | h) Azlak Enterprises (Pvt.) Limited |
| i) Phipson & Co Pakistan (Pvt.) Limited | i) Ultimate Whole Foods (Pvt.) Limited |

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

CHAIRPERSON'S REVIEW REPORT

I am pleased to welcome you to the 79th Annual Report of your Company, it gives me great pleasure to present the Review Report along with the Audited Financial Statements for the year ended September 30, 2024, on behalf of the Board of Directors, on the performance of your Company, as required by Section 192 of the Companies Act, 2017.

As Chairperson, I am pleased to highlight the active role played by the Board throughout the year. We focused on fostering open communication and teamwork, ensuring that all perspectives were considered in our decision-making process. Regular reviews of the Company's goals, strategies, and financial performance helped us stay aligned with our objectives and remain adaptable to any changes in the market environment


The annual evaluation of the Board of Directors as required under the Code of Corporate Governance has been carried out to measure the performance and effectiveness of the Board against the objectives of the Company set at the beginning of the year. I am pleased to report that the overall performance of the Board has remained satisfactory on the basis of the criteria set for its purpose. The Board has performed their duty diligently and honestly in the best interest of the Company particularly in relation to the strategic objectives of the company, and the Board remained focused on business growth, risk Management and future options especially relating to the procurement/monitoring of sugarcane price, extent of borrowing utilization and expansion/improvement in operational facilities.

For the 2024-25 season, the Company is facing high sugarcane prices and a low market price for sugar, which make production unprofitable. The upgradation of the Ethanol Plant is now complete, with its capacity increased to 65,000 liters of Extra Neutral Alcohol per day. This improvement is expected to enhance efficiency, boost sales, and increase profitability. Additionally, The Board approved the establishment of a jaggery plant in Mardan to meet the growing demand in the KPK region and compete with illegal gur production. This initiative is expected to expand the Company's market reach and operational scope.

As the Chairperson of the Board, I maintained a commitment to ensuring regular provision of comprehensive reports to Board members on financial matters, budgets, production updates, and other crucial aspects. This practice empowered the Board with essential information, enabling informed and effective decision-making processes.

The information about the financial results explained in detail in the attached Directors' Report and Financial Statements which give a comprehensive overview of the performance of Company during the year ended September 30, 2024.

On behalf of the Board of your Company, I take this opportunity to acknowledge the devoted and sincere services of employees of the Company. I am also thankful to the valuable shareholders for their patronage and confidence in the Company.



Chairperson/Director

Mardan: February 03, 2025

دی پریمئیر شوگر ملز اینڈ ڈسٹیلری کمپنی لمیٹڈ

چئیرپرسن کی جائزہ رپورٹ

مجھے آپ کی کمپنی کی 79 ویں سالانہ رپورٹ میں خوش آمدید کہتے ہوئے خوشی ہو رہی ہے، مجھے 30 ستمبر 2024 کو ختم ہونے والے سال کے لئے آڈٹ شدہ مالی بیانات کے ساتھ جائزہ رپورٹ پیش کرتے ہوئے بہت خوشی ہو رہی ہے، بورڈ آف ڈائریکٹرز کی جانب سے، جو کہ 2017 کے کمپنیز ایکٹ کی دفعہ 192 کے مطابق ہے۔

چئیرپرسن کی حیثیت سے مجھے سال بھر بورڈ کی جانب سے ادا کیے جانے والے فعال کردار پر روشنی ڈالتے ہوئے خوشی ہو رہی ہے۔ ہم نے کھلی مواصلات اور ٹیم ورک کو فروغ دینے پر توجہ مرکوز کی، اس بات کو یقینی بنایا کہ ہمارے فیصلہ سازی کے عمل میں تمام نقطہ نظر پر غور کیا جائے۔ کمپنی کے اہداف، حکمت عملی، اور مالی کارکردگی کے باقاعدگی سے جائزے نے ہمیں اپنے مقاصد کے ساتھ منسلک رہنے اور مارکیٹ کے ماحول میں کسی بھی تبدیلی کے مطابق رہنے میں مدد کی ہے۔

کوڈ آف کارپوریٹ گورننس کے تحت بورڈ آف ڈائریکٹرز کا سالانہ جائزہ لیا گیا ہے تاکہ سال کے آغاز میں طے شدہ کمپنی کے مقاصد کے مقابلے میں بورڈ کی کارکردگی اور تاثیر کی پیمائش کی جاسکے۔ مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ بورڈ کی مجموعی کارکردگی اس مقصد کے لئے مقرر کردہ معیار کی بنیاد پر تسلی بخش رہی ہے۔ بورڈ نے کمپنی کے بہترین مفاد میں خاص طور پر کمپنی کے اسٹریٹجک مقاصد کے سلسلے میں اپنی ذمہ داریاں تذبذب اور ایمانداری سے انجام دی ہیں، اور بورڈ نے کاروباری نمو، رسک مینجمنٹ اور مستقبل کے آئینے خاص طور پر گنے کی قیمت کی خریداری / نگرانی، قرض کے استعمال کی حد اور آپریشنل سہولیات میں توسیع / بہتری سے متعلق توجہ مرکوز کی ہے۔

سیزن 2024-25 کے لیے کمپنی کو گنے کی اونچی قیمتوں اور چینی کی کم مارکیٹ قیمت کا سامنا ہے جس کی وجہ سے پیداوار غیر منافع بخش ہو گئی ہے۔ ایتھنول پلانٹ کی اپ گریڈیشن اب مکمل ہو چکی ہے، اس کی صلاحیت میں 65،000 لیٹر اضافی نیوٹرل الکوحل یومیہ تک اضافہ ہوا ہے۔ اس بہتری سے کارکردگی میں اضافہ، فروخت میں اضافہ اور منافع میں اضافہ متوقع ہے۔ مزید برآں، بورڈ نے مردان میں گڑ کا پلانٹ لگانے کی منظوری دی تاکہ کے پی کے ریجن میں بڑھتی ہوئی طلب کو پورا کیا جاسکے اور غیر قانونی گڑ کی پیداوار سے مقابلہ کیا جاسکے۔ توقع ہے کہ اس اقدام سے کمپنی کی مارکیٹ تک رسائی اور آپریشنل دائرہ کار میں اضافہ ہوگا۔

بورڈ کی چئیرپرسن کی حیثیت سے میں نے مالی معاملات، بجٹ، پروڈکشن اپ ڈیٹس اور دیگر اہم پہلوؤں پر بورڈ ممبران کو باقاعدگی سے جامع رپورٹس کی فراہمی کو یقینی بنانے کے عزم کو برقرار رکھا۔ اس عمل نے بورڈ کو ضروری معلومات کے ساتھ بااختیار بنایا، جس سے باخبر اور موثر فیصلہ سازی کے عمل کو ممکن بنایا گیا۔

مالی نتائج کے بارے میں معلومات منسلک ڈائریکٹرز کی رپورٹ اور مالیاتی بیانات میں تفصیل سے بیان کی گئی ہیں جو 30 ستمبر 2024 کو ختم ہونے والے سال کے دوران کمپنی کی کارکردگی کا جامع جائزہ پیش کرتی ہیں۔

آپ کی کمپنی کے بورڈ کی طرف سے، میں اس موقع پر کمپنی کے ملازمین کی مخلص اور مخلص خدمات کا اعتراف کرتا ہوں۔ میں کمپنی پر ان کی سرپرستی اور اعتماد کے لئے قیمتی حصص داروں کا بھی شکر گزار ہوں۔

چئیرپرسن / ڈائریکٹر

مردان: 03 فروری 2025

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

DIRECTORS' REPORT

The Directors of The Premier Sugar Mills & Distillery Company Limited, are pleased to present Directors' Report of the Company together with the audited financial statements for the year ended September 30, 2024.

1. SUMMARISED FINANCIAL RESULTS

The financial results of the Company for the year under review are as under: -

	2024	2023
	<u>Rupees in thousand</u>	
(Loss)/Profit before revenue tax and income tax	(431,417)	14,741
- Minimum tax – levy	(17,589)	(12,804)
(Loss) / profit before income tax	(449,006)	1,937
- Taxation	275,895	71,047
(Loss)/Profit after taxation	(173,111)	72,984
	-----Rupees -----	
(Loss) / earnings per share - basic and diluted (Rs)	<u>(46.16)</u>	<u>19.46</u>

2. REVIEW OF OPERATIONS

2.1 - CRUSHING SEASON 2023-24

The Sugar Cane crushing season 2023-24 commenced on October 25, 2023. The mills have crushed 130, 269 tons of sugarcane and have produced 12,477 M. Tons of sugar till December 15 2023. Unfortunately, the operations had to be closed for the season due to diversion of sugarcane towards tax free commencement of Gur Manufacturing.

2.2- CRUSHING SEASON 2024-25

The Company is facing severe competition with tax free gur manufacturing, due to this the sugarcane prices in the area are 30% higher as compared to rest of the sugar producing areas. The management in order to address the above situation decided to made jaggery alongside sugar manufacturing. The installation of Jaggery plant is in progress.

This year the sugarcane availability was less than the prior years, and it was not feasible to sugar plant, so the management decided to close sugar operations in the start of season.

3. SUGAR PRICE

3.1- SUGAR - SEASON 2023-24

For ongoing crushing season 2023-24, notified support prices of sugarcane have again been increased to Rs. 400 from Rs. 300 per 40 kgs by the Provincial Government of Khyber Pakhtunkhwa (KPK) and

Punjab (net increase of 33%). This increased the cost of production manifolds and due to excessive availability of sugar and regular influence by the provincial government in the open market. The cost of production is higher than the sugar prices.

3.2- SUGAR - SEASON 2024-25

Unlike previous years, the Provincial Governments have not regulated sugarcane prices this season. According to government forecasts, sugar production for the 2024-25 season is expected to increase by 3%, reaching 6.1 million tons, due to improved cane area and yields.

While domestic sugar consumption is anticipated to grow, driven by population increase and rising demand from the food processing industry, export opportunities remain limited due to government measures aimed at stabilizing domestic prices and maintaining supply.

4. DISTILLERY

The Ethanol Fuel Plant did not produce ethanol during the year ended September 30, 2024, due to the upgradation process initiated last year. The BMR (Balancing, Modernization, and Replacement) of the Ethanol Plant has been completed in Jan 2025. The plant's capacity has been upgraded to 65,000 liters per day of Extra Neutral Alcohol (ENA). The trial run has been successfully completed, and production is started. This upgradation is expected to significantly benefit the company by improving efficiency, increasing sales, and enhancing profitability.

5. FUTURE OUTLOOK/INVESTMENT

During the year, the Board approved the establishment of a jaggery plant within the mill premises in Mardan, recognizing the growing demand for jaggery in the KPK region and the opportunity to compete with illegal gur production. The installation of the plant, with a capacity of 750 TCD (Tons Crushing Per Day), is currently in progress. This initiative is expected to benefit the mill by capitalizing on market demand and enhancing its operational scope.

6. ECONOCMIC OVERVIEW

The financial year 2024 started with high inflation, strict financial policies, and economic pressures. These factors increased business costs and reduced consumer spending, which led to slower demand and manufacturing. However, some improvements were seen toward the end of the year.

In September 2024, the IMF approved a loan of about US\$7 billion for Pakistan. Between June and December 2024, the State Bank of Pakistan reduced interest rates from 22% to 13%, which will help lower business costs and improve profits in the future, with more rate cuts expected.

7. STAFF

The Management and Labor relations remained cordial during the year. However, due to application of fund in expansion of Distillery Plant, no bonus was paid to the employees during the year.

8. PATTERN OF SHAREHOLDING

The Pattern of Shareholding, as required under section 227(2)(f) of the Companies Act, 2017 is annexed.

9. CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- The financial statements, prepared by the management of The Premier Sugar Mills & Distillery Company Limited present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account have been maintained.

- All appropriate accounting policies have been consistently applied while preparing financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements.
- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon Company's ability to continue as a 'going concern'.
- The Company has followed code of corporate governance as detailed in the listing regulations.
- Key operating and financial data for the last six years available in summarized form is annexed.
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as at September 30, 2024, except for those disclosed in the financial statements.
- The value of investments of staff provident fund, based on audited accounts, was Rs. 65.454 million as at September 30, 2024.
- Majority of the Directors of the Company are exempted from the requirement of Directors Training Program.

10. IMPACT OF THE COMPANY'S BUSINESS ON ENVIRONMENT

The Company is cognizant of its responsibility towards environment. All efforts are being made to ensure sustainability of healthy environment. In this connection the Company has implemented various procedures for energy management, water preservation and resource efficiency. All these steps reflect the Company's strong commitment to achieve the ultimate goal to control and minimize the impact on environment on sustainable basis. Use of effluent treatment plant, waste water recycling / reuse demonstrates our continuous commitment for environment, safety and quality.

11. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board has set-up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company. The scope of internal auditing within the Company is clearly defined which broadly involves review and evaluation of its' internal control systems.

12. CORPORATE AND SOCIAL RESPONSIBILITY

The Company is committed to accomplish its Corporate and Social Responsibility (CSR) goals and continued to take initiatives by supporting education, healthcare, environments and other social causes around the Mills area in order to bring improvement in the lives of lesser privileged communities of the area.

The Company undertook continuously numbers of welfare activities in its Mills Area i.e. provision of free secondary school to worker's children, provision of subsidized meals to workers, supply of free ration/medical assistance to needy persons. The Company also runs a free Dispensary in Mills area and provides free medicines to the poor patients.

13. TRADING IN SHARES

During the year, no trade in the shares of the Company were carried-out by the Directors, CFO, Company Secretary and their spouses and minor children except the CEO who purchased 9,200 ordinary shares in electronic form (PSX), during the year.

14. PRINCIPLES RISKS AND UNCERTAINTITES

The company is exposed to the following risks and uncertainties:

- Sugarcane Availability on competitive prices
- Unregulated Gur Manufacturing in the region

- Higher Inflation
- Inconsistent Government policies specially for export

These risks may have a significant impact on the company's performance and require careful management to mitigate potential negative effects.

15. **RELATED PARTY TRANSACTIONS**

The Related Parties transactions mentioned in Note 38 to the financial statements were placed before the Board Audit Committee and were approved by the Board. These transactions were in-line with the requirements of International Financial Reporting Standards (IFRS) and the Companies Act, 2017. The Company maintains a complete record of all such transactions. All transactions entered into with the related parties will also be placed before shareholders in their AGM for approval purposes. The Directors have no interest in any of the transaction, and all transactions are conducted on an arm's length basis.

16. **GENDER PAY GAP ANALYSIS**

The company is committed to promoting equal pay and follows a strict gender pay gap policy to ensure fairness and transparency in compensation. We do not tolerate any form of bias in our pay practices and ensure that all employees, regardless of gender, receive equal pay for equal work. The company regularly reviews its compensation structure to eliminate any discrepancies and ensure that both men and women are compensated fairly for their skills, experience, and performance. By fostering an inclusive and equitable work environment, we aim to support the growth and development of all employees, regardless of gender.

17. **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. The Board of Directors encourages the shareholder's participation at the annual general meeting to ensure high level of accountability.

18. **COMPOSITION OF BOARD AND BOARD MEETINGS**

The total number of Directors on the Board is 7 and its composition is as follows:

Male Directors	3
Female Directors	4

During the year, ten (10) meetings were held and attendance by each director is a following;

Name of Directors	Board Meetings	Board Audit Committee Meetings	Human Resource and Remuneration Committee
	Attended	Attended	Attended
Non- Executive Directors			
Begum Laila Sarfaraz	4	-	-
Ms. Zarmine Sarfaraz	4	4	-
Najda Sarfaraz	3	-	1
Executive Directors			
Mr. Abbas Sarfaraz Khan	4	-	-
Mr. Iskander M. Khan	5	-	1
Independent Directors			
Mr. Shahbaz Haider Agha	4	4	1
Mrs. Shahida Ahmed	2	-	-

- Leave of absence was granted to directors who could not attend some of the Board Meetings.

19. **DIVIDEND**

The Directors do not recommend any dividend due to application of funds in expansion of Distillery Plant.

20. **EXTERNAL AUDITORS**

The present Auditors, M/s ShineWing Hameed Chaudhri & Co., Chartered Accountants, Lahore, retire at the conclusion of forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment. As suggested by the Audit Committee in terms of the Code of Corporate Governance, the Board of Directors has recommended their appointment as Auditors of the Company for the year ending September 30, 2025.

21. **COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE**

The requirements of the Code of Corporate Governance set out in the Listed Companies (Code of Corporate Governance) Regulations, 2019 relevant for the year ended September 30, 2024 have been duly complied with. A statement to this effect is annexed with the report.

22. **ACKNOWLEDGEMENT**

The Directors would like to express their gratitude for the hard work and dedication displayed by Staff and the Executives of the Organization and the valuable support of our Bankers.

Finally, the Board wishes to thank the valued shareholders for their patronage and confidence reposed in the Company and consistent support in the present challenging scenario.

FOR AND ON BEHALF OF THE BOARD



(ISKANDER M. KHAN)
DIRECTOR



(ABBAS SARFARAZ KHAN)
CHIEF EXECUTIVE

Mardan: February 03, 2025

دی پریمیئر شوگر ملز اینڈ ڈسٹیلری کمپنی لمیٹڈ

ڈائریکٹرز کی رپورٹ

دی پریمیئر شوگر ملز اینڈ ڈسٹیلری کمپنی لمیٹڈ کے ڈائریکٹرز نے 30 ستمبر 2024 کو ختم ہونے والے سال کے آڈٹ شدہ مالی گوشواروں کے ساتھ کمپنی کی ڈائریکٹرز رپورٹ پیش کرنے پر خوشی کا اظہار کیا ہے۔

1. مالی نتائج کا خلاصہ

کمپنی کی مالیاتی کارکردگی کا ذیل میں خلاصہ پیش ہے۔

2023	2024	
14,741	(431,417)	(نقصان)/ریونیو ٹیکس اور انکم ٹیکس سے پہلے منافع
(12,804)	(17,589)	- کم سے کم ٹیکس - لیوی
1,937	(449,006)	(نقصان) / انکم ٹیکس سے پہلے منافع
71,047	275,895	- ٹیکس
72,984	(173,111)	(نقصان)/بعد از ٹیکس منافع
-----روپے-----		
<u>19.46</u>	<u>(46.16)</u>	(نقصان) / فی حصص آمدنی - بنیادی اور کمزور (روپے)

2. آپریشنز کا جائزہ

2.1 - کرشنگ سیزن 2023-24

گنے کی کرشنگ سیزن 2023-24 کا آغاز 25 اکتوبر 2023 کو ہوا تھا۔ ملز نے 15 دسمبر 2023 تک 130,269 ٹن گنے کو کرش کیا اور 12,477 ملین ٹن چینی پیدا کی۔ بدقسمتی سے گنے کو گر مینوفیکچرنگ کے ٹیکس فری آغاز کی طرف موڑنے کی وجہ سے سیزن کے لئے آپریشن بند کرنا پڑا۔

2.2 - کرشنگ سیزن 2024-25

کمپنی کو ٹیکس فری گوڑ مینوفیکچرنگ سے شدید مسابقت کا سامنا ہے جس کی وجہ سے علاقہ میں گنے کی قیمتیں باقی چینی پیدا کرنے والے علاقوں کے مقابلے میں 30 فیصد زیادہ ہیں۔ انتظامیہ نے مذکورہ صورتحال سے نمٹنے کے لئے چینی مینوفیکچرنگ کے ساتھ گڑ بنانے کا فیصلہ کیا۔ گڑ کے پلانٹ کی تنصیب کا کام جاری ہے۔ اس سال گنے کی دستیابی پچھلے سالوں کے مقابلے میں کم تھی اور شوگر پلانٹ کے لئے یہ ممکن نہیں تھا، لہذا انتظامیہ نے سیزن کے آغاز میں چینی کا آپریشن بند کرنے کا فیصلہ کیا۔

3. چینی کی قیمت

3.1 - چینی - سیزن 2023-24

جاری کرشنگ سیزن 2023-24 کے لیے خیر پختونخوا (کے پی کے) اور پنجاب کی صوبائی حکومتوں کی جانب سے گنے کی امدادی قیمت 300 روپے فی 40 کلوگرام سے بڑھا کر 400 روپے کر دی گئی ہے۔ اس سے پیداواری لاگت میں کئی گنا اضافہ ہوا اور چینی کی زیادہ دستیابی اور اوپن مارکیٹ میں صوبائی حکومت کے باقاعدگی سے اثر و رسوخ کی وجہ سے۔ پیداواری لاگت چینی کی قیمتوں سے زیادہ ہے۔

3.2- شوگر - سیزن 2024-25

گزشتہ سالوں کے برعکس صوبائی حکومتوں نے اس سیزن میں گنے کی قیمتوں کو ریگولیت نہیں کیا۔ حکومتی پیش گوئیوں کے مطابق گنے کے رقبے اور پیداوار میں بہتری کی وجہ سے سیزن 2024-25 کے لیے چینی کی پیداوار میں 3 فیصد اضافے کا امکان ہے جو 6.1 لاکھ ٹن تک پہنچ جائے گی۔

آبادی میں اضافے اور فوڈ پروسیسنگ انڈسٹری کی جانب سے بڑھتی ہوئی طلب کی وجہ سے چینی کی گھریلو کھپت میں اضافے کی توقع ہے، لیکن گھریلو قیمتوں کو مستحکم کرنے اور رسد کو برقرار رکھنے کے حکومتی اقدامات کی وجہ سے برآمدات کے مواقع محدود ہیں۔

ڈسٹلری

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ایتھنول فیول پلانٹ نے 30 ستمبر، 2024 کو ختم ہونے والے سال کے دوران ایتھنول کی پیداوار نہیں کی، جس کی وجہ پچھلے سال شروع کی گئی آپ گریڈیشن کا عمل تھا۔ ایتھنول پلانٹ کا پی ایم آر (بیلنسنگ، ماڈرنائزیشن اور ریپلیسمنٹ) جنوری 2025 میں مکمل ہو چکا ہے۔ پلانٹ کی گنجائش کو 65,000 لیٹر یومیہ اضافی نیوٹرل الکوحل (ای این اے) تک آپ گریڈ کیا گیا ہے۔ آزمائشی دوڑ کامیابی سے مکمل ہو چکی ہے، اور پیداوار شروع کر دی گئی ہے۔ توقع ہے کہ اس آپ گریڈیشن سے کمپنی کو کارکردگی میں بہتری، فروخت میں اضافہ اور منافع میں اضافے سے نمایاں فائدہ ہوگا۔

مستقبل کا نقطہ نظر / سرمایہ کاری

.5

سال کے دوران، بورڈ نے مردان میں مل کے احاطے میں گڑ پلانٹ کے قیام کی منظوری دی، کے پی کے خطے میں گڑ کی بڑھتی ہوئی طلب اور غیر قانونی گڑ کی پیداوار سے مقابلہ کرنے کا موقع تسلیم کیا۔ 750 ٹی سی ڈی (ٹن کرشنگ فی دن) کی صلاحیت کے ساتھ پلانٹ کی تنصیب فی الحال جاری ہے۔ توقع ہے کہ اس اقدام سے مارکیٹ کی طلب پر سرمایہ کاری کر کے اور اس کے آپریشنل دائرہ کار کو بڑھا کر مل کو فائدہ ہوگا۔

معاشی جائزہ

.6

مالی سال 2024 کا آغاز افراط زر، سخت مالیاتی پالیسیوں اور معاشی دباؤ کے ساتھ ہوا۔ ان عوامل نے کاروباری اخراجات میں اضافہ کیا اور صارفین کے اخراجات کو کم کیا، جس کی وجہ سے طلب اور مینوفیکچرنگ سست ہو گئی۔ تاہم، سال کے آخر میں کچھ بہتری دیکھی گئی۔ ستمبر 2024 میں آئی ایم ایف نے پاکستان کے لیے تقریباً 7 ارب ڈالر کے قرضے کی منظوری دی تھی۔ بیچ جون اور دسمبر 2024 میں اسٹیٹ بینک آف پاکستان نے شرح سود کو 22 فیصد سے کم کر کے 13 فیصد کر دیا جس سے کاروباری اخراجات کو کم کرنے اور مستقبل میں منافع کو بہتر بنانے میں مدد ملے گی۔

ستاف

.7

سال کے دوران انتظامیہ اور مزدوروں کے تعلقات مثالی رہے۔ تاہم ڈسٹلری پلانٹ کی توسیع میں فنڈز کے اطلاق کی وجہ سے ملازمین کو سال کے دوران کوئی بونس ادا نہیں کیا گیا۔

شئر ہولڈنگ کی ترتیب

.8

کمپنیز ایکٹ 2017 کے سیکشن 227 سب سیکشن (2f) کے مطابق، حصص داران کی ترتیب منسلک ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک

.9

- دی پریمر شوگر ملز اینڈ ڈسٹلری کمپنی لمیٹڈ کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے، رقم کی آمد و رفت، کاروباری سرمایہ میں ہونے والی تبدیلیاں اور تمام معاملات کو واضح پیش کرتے ہیں۔
- کمپنی کے حسابداری کے کھاتے باقاعدگی سے مرتب کئے جاتے ہیں۔
- مناسب حسابداری کے اصول تسلسل سے مالیاتی حسابات بنانے میں استعمال ہوتے ہیں۔ یہ گوشوارے ہمیشہ انتہائی منطقی اور محتاط اندازوں پر مشتمل ہوتے ہیں۔

- انٹرنیشنل اکاؤنٹنگ فنانشل رپورٹنگ سٹینڈرز، جو پاکستان میں لاگج ہوتے ہیں ان پر عمل کرتے ہوئے مالیاتی گوشوارے تیار کئے جاتے ہیں۔

- اندرونی کنٹرول کا نظام ڈیزائن مضبوط ہے اور مؤثر طریقے سے نافذ اور نگران کیا گیا ہے۔

- کمپنی کے قائم نارہنے کے حوالے سے کسی قسم کا کوئی خدشہ نہیں پایا جاتا ہے۔

- کمپنی نے کارپوریٹ گورننس کے کوڈ پر عمل کیا ہے جیسا کہ لسٹنگ ریگولیشنز میں تفصیل سے بتایا گیا ہے۔

- خلاصہ کی شکل میں دستیاب پچھلے چھ سالوں کے کلیدی آپریٹنگ اور مالیاتی اعداد و شمار منسلک ہیں۔

- 30 ستمبر، 2024 تک کسی قسم کے کوئی ٹیکس، فرائض، ڈیوٹیوں، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگی واجب الادا نہیں ہے، سوائے انکے جو مالیاتی گوشواروں میں ظاہر کیے گئے ہیں۔

- آڈٹ شدہ کھاتوں پر مبنی اسٹاف پروویڈنٹ فنڈ کی سرمایہ کاری کی مالیت 30 ستمبر 2024 تک 65.454 ملین روپے تھی۔

- کمپنی کے زیادہ تر ڈائریکٹرز ڈائریکٹرز ٹریننگ پروگرام کی ضرورت سے مستثنیٰ ہیں۔

10. ماحولیات پر کمپنی کے کاروبار کے اثرات

کمپنی ماحولیات کے تئیں اپنی ذمہ داری سے آگاہ ہے۔ صحت مند ماحول کی پائیداری کو یقینی بنانے کے لئے تمام کوششیں کی جارہی ہیں۔ اس سلسلے میں کمپنی نے توانائی کے انتظام، پانی کے تحفظ اور وسائل کی کارکردگی کے لئے مختلف طریقہ کار نافذ کیا ہے۔ یہ تمام اقدامات پائیدار بنیادوں پر ماحولیات پر اثرات کو کنٹرول کرنے اور کم سے کم کرنے کے حتمی ہدف کو حاصل کرنے کے لئے کمپنی کے مضبوط عزم کی عکاسی کرتے ہیں۔ فضلہ ٹریٹمنٹ پلانٹ، فضلے کے پانی کی ری سائیکلنگ / دوبارہ استعمال کا استعمال ماحول، حفاظت اور معیار کے لئے ہماری مسلسل وابستگی کو ظاہر کرتا ہے۔

11. داخلی مالیاتی کنٹرول کی مناسبت

بورڈ نے ایک موثر انٹرنل آڈٹ فنکشن قائم کیا ہے جو اس مقصد کے لئے مناسب طور پر اہل اور تجربہ کار سمجھا جاتا ہے اور کمپنی کی پالیسیوں اور طریقہ کار سے واقف ہے۔ کمپنی کے اندر داخلی آڈٹنگ کا دائرہ کار واضح طور پر بیان کیا گیا ہے جس میں وسیع پیمانے پر اس کے اندرونی کنٹرول سسٹم کا جائزہ اور تشخیص شامل ہے۔

12. کارپوریٹ اور سماجی ذمہ داری

کمپنی اپنے کارپوریٹ اور سماجی ذمہ داری (سی ایس آر) کے اہداف کو حاصل کرنے کے لئے پرعزم ہے اور علاقے کی کم مراعات یافتہ برادریوں کی زندگیوں میں بہتری لانے کے لئے ملز کے علاقے کے آس پاس تعلیم، صحت کی دیکھ بھال، ماحولیات اور دیگر سماجی مقاصد کی حمایت کر کے اقدامات جاری رکھے ہوئے ہے۔

کمپنی نے اپنے ملز ایریا میں مسلسل متعدد فلاحی سرگرمیاں انجام دیں جیسے مزدوروں کے بچوں کو مفت ثانوی اسکول کی فراہمی، مزدوروں کو سپسڈی والے کھانے کی فراہمی، ضرورت مند افراد کو مفت راشن / طبی امداد کی فراہمی۔ کمپنی ملز کے علاقے میں ایک مفت ڈسپنری بھی چلاتی ہے اور غریب مریضوں کو مفت ادویات فراہم کرتی ہے۔

سال کے دوران ڈائریکٹرز، سی ایف او، کمپنی سیکریٹری اور ان کے شریک حیات اور نابالغ بچوں کی جانب سے کمپنی کے حصص میں کوئی تجارت نہیں کی گئی سوائے اس سی ای او کے جنہوں نے سال کے دوران الیکٹرانک فارم (پی ایس ایکس) میں 9,200 عام حصص خریدے۔

اصولوں کے خطرات اور غیر یقینی

14

کمپنی کو مندرجہ ذیل خطرات اور غیر یقینی صورتحال کا سامنا ہے:

- مسابقتی قیمتوں پر گئے کی دستیابی
- خطے میں غیر منظم گر مینوفیکچرنگ
- افراط زر میں اضافہ
- خاص طور پر برآمدات کے حوالے سے متضاد حکومتی پالیسیاں

ان خطرات کا کمپنی کی کارکردگی اور ضرورت پر نمایاں اثر پڑ سکتا ہے ممکنہ منفی اثرات کو کم کرنے کے لئے محتاط انتظام کی ضرورت ہے۔

متعلقہ پارٹی کے لین دین

15

مالی گوشواروں میں نمبر 38 میں ذکر کردہ متعلقہ فریقوں کے لین دین کو بورڈ آڈٹ کمیٹی کے سامنے رکھا گیا تھا اور بورڈ نے اس کی منظوری دی تھی۔ یہ لین دین انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (آئی ایف آر ایس) اور کمپنیز ایکٹ 2017 کے تقاضوں کے مطابق تھا۔ کمپنی اس طرح کے تمام لین دین کا مکمل ریکارڈ رکھتی ہے۔ متعلقہ فریقوں کے ساتھ کیے گئے تمام لین دین کو منظوری کے مقاصد کے لئے ان کی اے جی ایم میں شیئر ہولڈرز کے سامنے بھی رکھا جائے گا۔ ڈائریکٹرز کو کسی بھی لین دین میں کوئی دلچسپی نہیں ہے، اور تمام لین دین بازو کی لمبائی کی بنیاد پر کیے جاتے ہیں۔

صنعتی تنخواہ کے فرق کا تجزیہ

16

کمپنی مساوی تنخواہ کو فروغ دینے کے لئے پرعزم ہے اور معاوضے میں منصفانہ اور شفافیت کو یقینی بنا نے کے لئے ایک سخت صنعتی تنخواہ کے فرق کی پالیسی پر عمل پیرا ہے۔ ہم اپنی تنخواہ کے طریقوں میں کسی بھی قسم کے تعصب کو برداشت نہیں کرتے ہیں اور اس بات کو یقینی بنا نے ہیں کہ تمام ملازمین، صنف سے قطع نظر، مساوی کام کے لئے مساوی تنخواہ حاصل کریں۔ کمپنی باقاعدگی سے اپنے معاوضے کے ڈھانچے کا جائزہ لیتی ہے تاکہ کسی بھی تضاد کو ختم کیا جاسکے اور اس بات کو یقینی بنایا جاسکے کہ مرد اور خواتین دونوں کو ان کی مہارت، تجربے اور کارکردگی کے لئے منصفانہ معاوضہ دیا جائے۔ ایک جامع اور مساوی کام کے ماحول کو فروغ دے کر، ہمارا مقصد صنف سے قطع نظر تمام ملازمین کی ترقی اور ترقی کی حمایت کرنا ہے۔

شیئر ہولڈرز کا کردار

17

بورڈ کا مقصد اس بات کو یقینی بنانا ہے کہ کمپنی کے شیئر ہولڈرز کو کمپنی کے معاملات کو متاثر کرنے والی اہم پیشرفتوں کے بارے میں بروقت آگاہ کیا جائے۔ اس مقصد کے حصول کے لیے سہ ماہی، ششماہی اور سالانہ رپورٹس کے ذریعے شیئر ہولڈرز کو معلومات فراہم کی جاتی ہیں۔ بورڈ آف ڈائریکٹرز اعلیٰ سطح کے احتساب کو یقینی بنانے کے لئے سالانہ عام اجلاس میں شیئر ہولڈرز کی شرکت کی حوصلہ افزائی کرتا ہے۔

بورڈ اور بورڈ کے اجلاسوں کی تشکیل

18

بورڈ میں ڈائریکٹرز کی کل تعداد 7 ہے اور اس کی تشکیل درج ذیل ہے:

3	مرد ڈائریکٹرز
4	خواتین ڈائریکٹرز

سال کے دوران، دس (10) اجلاس منعقد ہوئے اور ہر ڈائریکٹر کی حاضری درج ذیل ہے۔

ڈائریکٹرز کے نام	بورڈ آف ڈائریکٹرز کے اجلاس میں حاضری	آڈٹ کمیٹی کے اجلاس شرکت کی	ہومن ریسورس اور معاوضہ کمیٹی میں حاضری
نان ایگزیکٹو ڈائریکٹرز			
بیگم لیلی سرفراز	4	-	-
محترمہ زرمین سرفراز	4	4	-
نجد سرفراز	3	-	1
ایگزیکٹو ڈائریکٹرز			
جناب عباس سرفراز خان	4	-	-
جناب اسکندر محمد خان	5	-	1
آزاد ڈائریکٹرز			
جناب شہباز حیدر آغا	4	4	1
محترمہ شاہدہ احمد	2	-	-

بورڈ کے کچھ اجلاسوں میں شرکت نہ کرنے والے ڈائریکٹرز کو غیر حاضری کی چھٹی دی گئی۔

19. ڈیویڈنڈ

ڈسٹیلری پلانٹ کی توسیع میں فنڈز کے اطلاق کی وجہ سے ڈائریکٹرز کسی منافع کی سفارش نہیں کرتے ہیں۔

20. آڈیٹرز

موجودہ آڈیٹرز، میسرز شائن ونگ حمید چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، لاہور، آئندہ سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو رہے ہیں اور اہل ہونے کی وجہ سے دوبارہ تقرری کے لیے خود کو پیش کر چکے ہیں۔ کوڈ آف کارپوریٹ گورننس کے حوالے سے آڈٹ کمیٹی کی تجویز کے مطابق بورڈ آف ڈائریکٹرز نے 30 ستمبر 2025 کو ختم ہونے والے سال کے لئے کمپنی کے آڈیٹرز کے طور پر ان کی تقرری کی سفارش کی ہے۔

21. کارپوریٹ گورننس کے کوڈ کی تعمیل

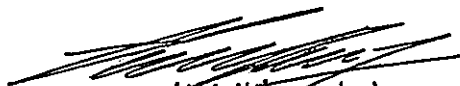
30 ستمبر، 2024 کو ختم ہونے والے سال کے لئے لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں طے شدہ کوڈ آف کارپوریٹ گورننس کی ضروریات کی مناسب طور پر تعمیل کی گئی ہے۔ اس سلسلے میں ایک بیان رپورٹ کے ساتھ منسلک کیا گیا ہے۔

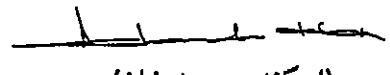
22. اعتراف

ڈائریکٹرز ادارے کے عملے اور ایگزیکٹوز کی محنت اور لگن اور ہمارے بینکرز کی قابل قدر حمایت پر اظہار تشکر کرنا چاہتے ہیں۔

آخر میں، بورڈ قابل قدر شیئر ہولڈرز کا شکریہ ادا کرنا چاہتا ہے جنہوں نے کمپنی پر ان کی سرپرستی اور اعتماد کا اظہار کیا اور موجودہ چیلنجنگ منظر نامے میں مستقل حمایت کا اظہار کیا۔

بورڈ کے لئے اور اس کی طرف سے


(عباس سرفراز خان)
چیف ایگزیکٹو


(اسکندر محمد خان)
ڈائریکٹر
مردان: 03 فروری 2025

Shareholders' Information

Registered Office

Nowshera Road Mardan,
Khyber Pakhtunkhwa.
Tel: 92 937 862051-52
Fax: 92 937 862989

Head Office

King's Arcade, 20-A, Markaz F-7, Islamabad.
Tel: 92 51 2650805-7
Fax: 92 51 2651285-6

Shares Registrar

Hameed Majeed Associates (Pvt.) Limited,
HM House, 7-Bank Square, Lahore.
Tel: 92 42 37235081-2
Fax: 92 42 37358817

M/s. Hameed Majeed Associates (Pvt.) Limited is managed by a well-experienced team of professionals and is equipped with the necessary infrastructure in terms of computer facilities and comprehensive set of systems and procedures for conducting the Registration function.

The Shares Registrar has online connectivity with Central Depository Company of Pakistan Limited. It undertakes activities pertaining to dematerialization of shares, share transfers, transmissions, issue of duplicate/re-validated dividend warrants, and issue of duplicate /replaced share certificates, change of address and other related matters.

Listing on Stock Exchange

The Premier Sugar Mills & Distillery Company's equity shares are listed on Pakistan Stock Exchange (PSX).

Listing Fees

The annual listing fee for the financial year 2024-25 has been paid to Pakistan Stock Exchange.

Statutory Compliance

During the year, the Company has complied with all applicable provisions, filed all returns/forms and furnished all the relevant particulars as required under the Companies Act, 2017 and allied rules, the Securities and Exchange Commission of Pakistan (SECP) Regulations and the listing requirements.

Stock Code

The stock code for dealing in equity shares of The Premier Sugar Mills & Distillery Company Limited at PSX is **Premier Sug.**

Book Closure Dates

The Register of Members and Share Transfer books of the Company will remain closed from 16.02.2025 to 26.02.2025.

Web Presence

Updated information regarding the Company can be accessed at website www.premiersugarmills.com. The website contains the latest financial results of the Company together with Company's profile.

THE COMPANIES ACT, 2017
COMPANIES REGULATIONS, 2024
[Section 227 (2)(f) and Regulation 30]
PATTERN OF SHAREHOLDING

FORM - 20

PART - I

1.1. Name of the Company

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

PART - II

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

30/09/2024

2.2 No. of Shareholders	Shareholdings	Total Shares held
447	shareholding from 1 to 100	15,154
249	shareholding from 101 to 500	60,324
85	shareholding from 501 to 1000	61,782
98	shareholding from 1001 to 5000	211,463
17	shareholding from 5001 to 10000	117,929
5	shareholding from 10001 to 20000	58,714
5	shareholding from 20001 to 50000	138,754
1	shareholding from 50001 to 100000	66,699
1	shareholding from 100001 to 400000	400,000
0	shareholding from 400001 to 1000000	-
1	shareholding from 1000001 to 3000000	2,619,181
909	Total	3,750,000

2.3	Categories of Shareholders	Shares Held	Percentage
2.3.1	Directors, Chief Executive Officers and their Spouses and their minor children	2,749,791	73.33
2.3.2	Associated Companies undertakings and related parties	400,000	10.67
2.3.3	NIT and ICP	-	-
2.3.4	Banks, Development Financial Institutions, Non Banking Financial Institutions	7,146	0.19
2.3.5	Insurance Companies	-	-
2.3.6	Modarba and Mutual Funds	-	-
2.3.7	Shareholder holdings 10%	3,068,231	81.82
2.3.8	General Public		
	Local	482,075	12.86
	Foreign	-	-
2.3.9	Others (to be Specified) (Public Sector Companies & Corporations)	110,981	2.96

Categories of shareholders	Numbers of Shareholders	No of shares held	Shares held	Percentage of paid up capital
<u>Directors and their Spouse and Minor Children</u>	7		2,714,102	
Begum Laila Sarfaraz		170		0.00
Mr. Abbas Sarfaraz Khan		2,668,231		71.15
Ms. Zamine Sarfaraz		22,925		0.61
Ms. Najda Sarfaraz		22,274		0.59
Mr. Iskander M. Khan		500		0.01
Mr. Shahbaz Haider Agha		1		0.00
Mrs. Shahida Ahmed		1		0.00
<u>Shares held by Relatives</u>	3		35,689	
Babar Ali Khan		1,484		0.04
Mr. Abdul Qadar Khattak		33,705		0.90
Mahnaz Saigol		500		
<u>Company Secretary</u>	1		7	
Mujahid Bashir		7		0.00
<u>Associated Companies</u>	1		400,000	
Arpak International Investments Ltd.		400,000		10.67
<u>Banks, Development Finance Institutions, Non Banking Financial Institutions, Insurance Companies, Modarabas and Mutual Funds</u>	6		16,146	
CDC Trustee National Bank of Pakistan Limited		6,952		0.19
CDC - TRUSTEE GOLDEN ARROW STOCK FUND		2,800		0.07
CDC - TRUSTEE AKD OPPORTUNITY FUND		6,200		0.17
National Bank of Pakistan		41		0.00
United Bank Limited		37		0.00
Investment Corporation of Pakistan		116		0.00
<u>Public Sector Companies and Corporation</u>	16		101,981	
The Society for the Rehabilitation of crippled children		174		0.00
Chief Administrator of Auqaf		3,798		0.10
The Ida Rieu Poor Welfare Association		349		0.01
BCGA (Punjab) Limited		5,268		0.14
Bibojee Services Limited		10,396		0.28
Robberts Colton Association Limited		4,444		0.12
Madrassa Haqania Akora Khattak		52		0.00
Pyramid Investments (Pvt.) Limited		500		0.01
Secretary Municipal Committee Mardan.		226		0.01
Frontier Co-operative Bank Limited		8,452		0.23
Maple Leaf Capital Limited		1		0.00
Freedom Enterprises (Pvt.) Limited		1,000		0.03
Y.S Securities Limited		2		0.00
Sarfaraz Mehmood Private Limited		100		0.00
Mohammad Ahmed Nadeem Securities (SMC-Pvt) Limited		520		0.01
AKIK CAPITAL (PRIVATE) LIMITED		66,699		1.78
<u>Shares held by General Public</u>			482,075	12.86
Held by General Public	875			
	909		3,750,000	100.0

Shareholders holding 10% or more voting interest in the Company

Mr. Abbas Sarfaraz Khan	2,668,231	71.15
M/s. Arpak International Investments Limited	400,000	10.67
	<u>3,068,231</u>	<u>81.82</u>

Trade in shares by Directors, CEO, CFO, Company Secretary, Executives and their Spouses and Minor Children

Name	Designation	No of Shares Purchased	No of Shares Sold
Abbas Sarfaraz Khan	CEO	9,200	-

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF THE PREMIER SUGAR MILLS &
DISTILLERY COMPANY 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 **THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED** (the Company) for the year ended September 30, 2024 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, 2024.

LAHORE; FEBRUARY 11, 2025
UDIN: CR202410104Z20oPxIzB

ShineWing Hameed Chaudhri & Co.

SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

Audit Engagement Partner: Osman Hameed Chaudhri

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

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

The Company has complied with the requirements of the regulations in the following manners:

1. The total numbers of Directors are seven as per the following;
 - a. Male 3
 - b. Female 4
2. The composition of the Board of Directors (the Board) is as follows:

Category	Names
Independent Director	Mr. Shahbaz Haider Agha, Mrs. Shahida Ahmad
Non-Executive Director	Laila Sarfaraz, Ms. Zarmine Sarfaraz, Ms. Najda Sarfaraz
Executive Directors	Mr. Abbas Sarfaraz Khan
	Mr. Iskander M. Khan
Female Directors	Begum Laila Sarfaraz Ms. Zarmine Sarfaraz Ms. Najda Sarfaraz

3. The Directors have confirmed that none of them is serving as a director in more than seven listed Companies including this, Company.
4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with the date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.
7. The meetings of the Board were presided over by the Chairman and in his absence, by a director elected by the Board for this purpose. The Board has complied with the

requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.

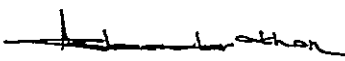
8. The Board of directors has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
9. Two of the Directors of our Company have completed the training Certification for the Directors Training Program, while all other remaining directors are exempt from this Program.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed Committees comprising of members given below:

Board Audit Committee		
i. Mr. Shahbaz Haider Agha		Chairman
ii. Ms. Najda Sarfaraz		Member
iii. Ms. Zarmine Sarfaraz		Member
Human Resource and Remuneration Committee		
i. Mr. Shabaz Haider Agha		Chairman
ii. Ms. Najda Sarfaraz		Member
iii. Mr. Iskander M. Khan		Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the Committee were as per following;

a) Board Audit Committee	Quarterly
b) Human Resource and Remuneration Committee	Yearly
15. The Board has set-up an effective internal audit function.
16. The statutory Auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.

17. The statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the Auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 have been complied with. However, fraction (0.33) contained in one-third number for independent directors has not been rounded up as one, on the existing independent directors have the requisite skills, knowledge and diversified work experience to take independent decision in the interest of the Company.

Mardan:
February 03, 2025


CHAIRPERSON / DIRECTOR

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED** (the Company), which comprise the statement of financial position as at September 30, 2024, 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 material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with 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, 2024 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the 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
1.	<p>Contingencies</p> <p>The Company is subject to material litigations involving different Courts pertaining to taxation and other matters, which require management to make assessments and judgements with respect to likelihood and impact of such litigations on the financial statements of the Company.</p> <p>The management has engaged independent legal counsels on these matters.</p> <p>The assessment of provisioning against such litigations is a complex exercise and requires significant judgements to determine the level of certainty on these matters.</p> <p>The details of contingencies along with management's assessments are disclosed in note 26 to the financial statements.</p>	<p>In response to this matter, we performed the following audit procedures:</p> <ul style="list-style-type: none"> - 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; - obtained opinions from legal counsels dealing with such cases in the form of confirmations; - evaluated the possible outcome of these legal cases in line with the requirements of IAS 37 (Provisions, contingent liabilities and contingent assets); and - disclosures of legal exposures and provisions were assessed for completeness and accuracy.

S.No.	Key audit matters	How the matter was addressed in our audit
2.	<p>Capital expenditures & revaluation of property, plant and equipment (note 5)</p> <p>The Company invested in capital projects with significant capital expenditure incurred during the year ended Sep 30, 2024. The significant level of capital expenditure requires consideration of the nature of the costs incurred to ensure that their capitalization in property, plant and equipment meets the specific recognition criteria as per the Company's accounting policy. Further, determining which costs meet the criteria for capitalisation, capitalisation of borrowing costs and related expenses are the areas where management judgement is involved.</p> <p>The management also carries its buildings on freehold land & buildings and roads on leasehold land, plant, machinery & equipment under revaluation model. Under the said model, an entity may carry all items of property, plant and equipment of a class at a revalued amount, which is the fair value of the items at the date of revaluation less any subsequent accumulated depreciation.</p> <p>As at September 30, 2024 the carrying value of the Company's property, plant & equipment aggregates to Rs.3,405 million. The fair value of the Company's assets was assessed by management based on independent valuation performed by an external property valuation Expert.</p> <p>The carrying values of these assets have been assessed based on present market value of buildings and civil works and assessed depreciated market value of plant, machinery and equipment.</p> <p>We identified property, plant and equipment as a key audit matter due to the significant carrying values and the significant management judgment and estimation involved in determining their values due to factors described above.</p>	<p>In response to this matter, we performed the following audit procedures:</p> <ul style="list-style-type: none"> - obtained an understanding of the design and implementation of management controls over capitalisation and performed tests of controls over authorization of capital expenditure and accuracy of its recording in the system; - assessed whether the costs incurred and borrowing cost capitalised met the relevant criteria for capitalization as per the applicable financial reporting framework; - evaluated the competence, capabilities and objectivity of the independent external property valuation Expert engaged by the management as management Expert for valuation; - obtained understanding of the valuation process and techniques adopted by the valuation Expert to assess the reasonableness of the report; - obtained the valuation report of external valuation Expert and tested mathematical accuracy of the report; and - assessed the adequacy of the disclosures presented in the financial statements regarding property, plant and equipment based on the applicable accounting standards and requirements of Companies Act, 2017.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our 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 upto 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:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Osman Hameed Chaudhri.

LAHORE; FEBRUARY 11, 2025
UDIN: AR2024101041ifhHRruV

Shinewing Hameed Chaudhri & Co.
SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

ASSETS	Note	2024 Rupees in thousand	2023
Non-current Assets			
Property, plant and equipment	5	3,405,361	2,409,696
Investment property	6	19,633	19,901
Long term investments	7	170,006	170,006
Security deposits		1,809	1,809
		<u>3,596,809</u>	<u>2,601,412</u>
Current Assets			
Stores and spares	8	131,585	114,587
Stock-in-trade	9	240,950	134,622
Trade debts - unsecured, considered good		29	37,319
Advances	10	33,669	198,534
Trade deposits and short term prepayments	11	5,119	5,085
Other receivables	12	6,924	10,125
Income tax refundable, advance tax and tax deducted at source	13	19,166	23,540
Bank balances	14	62,217	120,095
		499,659	643,907
Non-current assets classified as held-for-sale	15	-	4,642
		<u>499,659</u>	<u>648,549</u>
TOTAL ASSETS		<u><u>4,096,468</u></u>	<u><u>3,249,961</u></u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised capital			
5,750,000 (2023: 5,750,000) ordinary shares of Rs.10 each		57,500	57,500
Issued, subscribed and paid-up capital	16	37,500	37,500
Capital reserves			
- share redemption		1	1
- revaluation surplus on property, plant and equipment	17	1,500,552	1,634,949
General revenue reserve		900,000	900,000
Accumulated loss		(570,084)	(532,693)
Shareholders' Equity		<u>1,867,969</u>	<u>2,039,757</u>
LIABILITIES			
Non-current Liabilities			
Lease liabilities	18	5,835	3,402
Staff retirement benefits - gratuity	19	43,345	39,132
Long term finances	20	839,102	-
Deferred taxation	21	95,603	378,197
		983,885	420,731
Current Liabilities			
Trade and other payables	22	407,485	177,429
Contract liabilities		36,538	15,780
Unclaimed dividends		7,470	7,470
Accrued mark-up		93,881	12,672
Short term borrowings	23	524,323	35
Current portion of non-current liabilities	24	147,015	1,082
Levies and income taxation	25	27,902	35,040
		1,244,614	249,508
Liabilities directly associated with non-current assets classified as held-for-sale	15	-	539,965
Total Liabilities		<u>2,228,499</u>	<u>1,210,204</u>
Contingencies and commitments	26		
TOTAL EQUITY AND LIABILITIES		<u><u>4,096,468</u></u>	<u><u>3,249,961</u></u>

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


Chief Financial Officer


Chief Executive


Director

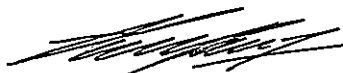
THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Note	2024 Rupees in thousand	2023 (Restated)
Sales - net	27	1,404,393	3,045,962
Cost of sales	28	2,141,415	2,688,096
Gross (loss) / profit		(737,022)	357,866
Distribution cost	29	4,718	67,826
Administrative expenses	30	136,537	94,180
Other expenses	31	4	50,772
		141,259	212,778
		(878,281)	145,088
Other income	32	681,882	19,957
(Loss) / profit from operations		(196,399)	165,045
Finance cost	33	235,018	150,304
(Loss) / profit before revenue tax and income tax		(431,417)	14,741
Final taxes - levy	34	17,589	12,804
(Loss) / profit before income tax		(449,006)	1,937
Income tax	34	(275,895)	(71,047)
Profit after taxation		(173,111)	72,984
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss:			
- loss on remeasurement of staff retirement benefit obligation - gratuity	19	1,863	(8,844)
- impact of tax		(540)	2,565
		1,323	(6,279)
- surplus arisen upon revaluation of property, plant and equipment	5.3	-	1,345,854
- deferred taxation	17.2	-	(390,298)
		-	955,556
Total comprehensive (loss) / income		(171,788)	1,022,261
		----- Rupees -----	
(Loss) / earnings per share	35	(46.16)	19.46

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



Chief Financial Officer



Chief Executive



Director

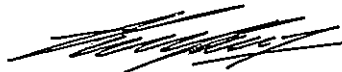
THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED SEPTEMBER 30, 2024

		2024	2023
	Note	Rupees in thousand	
Cash flows from operating activities			
(Loss) / profit for the year - before taxation		(431,417)	14,741
Adjustments for non-cash charges and other items:			
Depreciation	5.5	227,692	106,922
Depreciation on investment property	30	268	282
Staff retirement benefits-gratuity (net)		7,776	1,311
Unclaimed payable balances written-back	32	(529)	(160)
Gain on disposal of vehicles	32	-	(146)
Gain on disposal of investment property	32	(586,208)	-
Uncollectible receivable balances written-off	31	-	639
Dividends	32	(68,755)	-
Finance cost		227,173	149,161
(Loss) / profit before working capital changes		(624,000)	272,750
Effect on cash flows due to working capital changes			
(Increase) / decrease in current assets:			
Stores and spares		(16,998)	(7,877)
Stock-in-trade		(106,328)	625,881
Trade debts		37,290	7,752
Advances		164,865	51,710
Trade deposits and short term prepayments		(34)	(1,068)
Other receivables		3,201	(215)
Sales tax refundable		-	417
Increase / (decrease) in trade and other payables and contract liabilities		249,643	(26,696)
		331,639	649,904
Cash (used in) / generated from operations		(292,361)	922,654
Income tax paid		(27,592)	(21,093)
Net cash (used in) / generated from operating activities		(319,953)	901,561
Cash flows from investing activities			
Additions to property, plant and equipment		(1,223,357)	(11,711)
Sale proceeds of vehicles	5.6	-	780
Sale proceeds of investment property		50,885	-
Dividends received		68,755	-
Net cash used in investing activities		(1,103,717)	(10,931)
Cash flows from financing activities			
Long term finances obtained		983,558	-
Long term finances repaid		-	(6,228)
Lease finances - net		2,017	3,470
Finance cost paid		(144,071)	(138,477)
Short term borrowings - net		524,288	(700,965)
Net cash generated from / (used in) financing activities		1,365,792	(842,200)
Net (decrease) / increase in cash and cash equivalents		(57,878)	48,430
Cash and cash equivalents - at beginning of the year	5.6	120,095	71,665
Cash and cash equivalents - at end of the year		62,217	120,095

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



Chief Financial Officer



Chief Executive



Director

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Share capital	Reserves				Total
	Capital		Revenue		
	Share redemption	Revaluation surplus on property, plant and equipment	General	Accumulated loss	

----- Rupees in thousand -----

Balance as at September 30, 2022	37,500	1	732,941	900,000	(652,946)	1,017,496
Total comprehensive income for the year ended September 30, 2023						
- Profit for the year	-	-	-	-	72,984	72,984
- other comprehensive income	-	-	955,556	-	(6,279)	949,277
	-	-	955,556	-	66,705	1,022,261
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation for the year (net of deferred taxation)	-	-	(53,548)	-	53,548	-
Balance as at September 30, 2023	37,500	1	1,634,949	900,000	(532,693)	2,039,757
Total comprehensive loss for the year ended September 30, 2024						
- loss for the year	-	-	-	-	(173,111)	(173,111)
- other comprehensive income	-	-	-	-	1,323	1,323
	-	-	-	-	(171,788)	(171,788)
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation for the year (net of deferred taxation)	-	-	(134,397)	-	134,397	-
Balance as at September 30, 2024	37,500	1	1,500,552	900,000	(570,084)	1,867,969

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


Chief Financial Officer


Chief Executive


Director

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

The Premier Sugar Mills & Distillery Company Limited (the Company) was incorporated on July 24, 1944 as a Public Company and its shares are quoted on Pakistan Stock Exchange Ltd. The Company is principally engaged in manufacture and sale of white sugar and spirit. The Company's Mills and Registered Office are located at Mardan (Khyber Pakhtunkhwa) whereas the Head Office is situated at King's Arcade, 20-A, Markaz F-7, Islamabad. The Company has shifted its distillery from Mardan to Ramak, Dera Ismail Khan during the financial year ended September 30, 2020.

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

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

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention, except where otherwise specifically stated.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. Amounts presented in the financial statements have been rounded off to the nearest thousand unless otherwise stated.

2.4 Critical accounting estimates, assumptions and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognised prospectively.

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

- Useful lives, residual values and depreciation method of property, plant and equipment and investment property. - notes 4.1, 4.2, 5 & 6.
- Provision for impairment of inventories - notes 4.4, 4.5, 8 & 9.
- Impairment loss of non-financial assets other than inventories - note 4.8.

- Allowance for expected credit loss - notes 4.6
- Staff retirement benefits - gratuity - notes 4.10 & 19.
- Estimation of provisions - note 4.12.
- Estimation of contingent liabilities - notes 4.13 & 26.
- Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses) - notes 4.14, 21 & 25.

2.5 No critical judgment has been used in applying the accounting policies.

3. CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Standards, interpretations and amendments to published approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting periods which began on October 01, 2023. However, these do not have any significant impact on the Company's financial reporting.

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

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after October 01, 2024. However, these will not have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

3.3 IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes (the Guidance) issued by ICAP

The Institute of Chartered Accountants of Pakistan (ICAP) issued the aforementioned Guidance through Circular No. 07 / 2024 dated May 15, 2024. In light of the said Guidance, as the minimum taxes and final taxes are not calculated on the 'taxable income' as defined in IAS 12 (Income Taxes) but calculated on turnover or other basis (as per relevant sections of the Income Tax Ordinance, 2001 (the Ordinance); accordingly, minimum taxes and final taxes should be accounted for under IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) / IFRIC 21 (Levies) as levies (though these are charged under tax law) and not under IAS 12 as income taxes. Based on the Guidance, the minimum taxes under the Ordinance are hybrid taxes, which comprise of a component within the scope of IAS 12 and a component within the scope of IFRIC 21.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) – 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the Statement of Financial Position, Earnings per share and Statement of Changes in Equity as a result of this change. The impact of the above change has been tabulated below:

	As at Sep 30, 2024			As at Sep 30, 2023		
	Had there been no change in accounting policy	Impact of change in accounting policy	After change in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After change in accounting policy
----- Rupees in thousand -----						
Effect on profit or loss and other comprehensive income						
Final taxes - levy	-	17,589	17,589		(12,804)	(12,804)
(Loss) / profit before income tax	(431,417)	17,589	(413,828)	14,741	(12,804)	1,937
Income tax expense	(293,484)	17,589	(275,895)	(58,243)	(12,804)	(71,047)

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended September 30, 2024.

4.1 Property, plant and equipment

(a) Owned

Measurement

Buildings on leasehold and freehold land and plant, machinery and equipment are shown at fair value, based on valuations carried-out with sufficient regularity by external independent Valuers, less subsequent amortisation / depreciation. Any accumulated amortisation / depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The remaining property, plant and equipment, except freehold land and capital work-in-progress, are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Freehold land and capital work-in-progress are stated at cost.

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

Revaluation

Increases in the carrying amounts arising on revaluation of property, plant and equipment are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in statement of profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the revaluation surplus on property, plant and equipment to retained earnings.

Depreciation

Depreciation on operating fixed assets, except leasehold land, is taken to statement of profit or loss using the 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 5.1. Leasehold land is amortised over the lease term using the straight-line method.

Depreciation on additions to property, plant and equipment is charged from the date the asset acquired or capitalised has become available for use. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held-for-sale and the date that the asset is derecognised.

Disposal

Gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in other income in the statement of profit or loss. In case of the sale or retirement of a revalued property, plant and equipment, the attributable revaluation surplus remaining in the revaluation surplus on property, plant and equipment is transferred directly to unappropriated profit / accumulated loss.

Judgment and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any change in estimates is accounted for on a prospective basis.

(b) Right of use assets and related liabilities

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company.

The lease liabilities are initially measured at the present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Lease liabilities have been discounted using the Company's incremental borrowing rate ranging from 20.72% to 23.35% (2023 : 23.92% to 24.77%) per annum. Lease payment includes fixed payments with annual increments. The lease liabilities are subsequently measured at amortised cost using the effective interest rate.

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. The right-of-use assets are depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The carrying amount of the right-of-use asset is reduced by impairment losses, if any.

4.2 Investment property

Property not held for own use or for sale in the ordinary course of business is classified as investment property. The Company uses cost model for valuation of its investment property; freehold land has been valued at cost whereas buildings on freehold land have been valued at cost less accumulated depreciation and any identified impairment loss.

Depreciation on investment property is taken to statement of profit or loss applying the reducing balance method at the rates stated in note 6. Depreciation on additions is charged from the date the asset acquired or capitalised has become available for use. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held-for-sale and the date that the asset is derecognised. Impairment loss or its reversal, if any, is taken to statement of profit or loss.

4.3 Investments

Investments in associates and subsidiaries are carried at cost less impairment loss, if any. Gain / loss on sale of investments is included in statement of profit or loss. Bonus shares are accounted for by increase in number of shares without any change in value.

The Company issues consolidated financial statements along with its separate financial statements in accordance with the requirements of IFRS 10 'Consolidated financial statements'. Investments in associates, in these unconsolidated financial statements, have been accounted for at cost method.

At each reporting date, the Company reviews the carrying amounts of the investments in subsidiaries and associates to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of impairment loss, if any. In making an estimate of recoverable amount of these investments, the management considers future dividend stream and the net assets value of these investments. Impairment losses are recognised as expense in the statement of profit or loss.

Investments in subsidiaries and associates, that suffered an impairment, are reviewed for possible reversal of impairment at each reporting date. Impairment losses recognised in the statement of profit or loss on investments in subsidiaries and associates are reversed through the statement of profit or loss.

4.4 Stores and spares

Stores and spares 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 upto the reporting date. The Company reviews the carrying amount of stores and spares on a regular basis and provision is made for identified obsolete and slow moving items.

4.5 Stock-in-trade

- a) Stock of manufactured products is valued at the lower of cost and net realisable value. Molasses inventory is valued at net realisable value.
- b) Cost in relation to finished goods and work-in-process represents the annual average manufacturing cost, which comprises of prime cost and appropriate production overheads.
- c) Net realisable value signifies the selling price in the ordinary course of business less cost of completion and cost necessary to be incurred to effect such sale.

Judgments and estimates

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines.

4.6 Trade debts and other receivables

Trade debts are initially recognised at original invoice amount, which is the fair value of consideration to be received in future and subsequently measured at cost less allowance for Expected Credit Loss (ECL). Carrying amounts of trade debts and other receivables are assessed at each reporting date and allowance is made for doubtful debts and receivables when collection of the amount is no longer probable. Debts and receivables considered irrecoverable are written-off.

4.7 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents consist of cash-in-hand and balances with banks.

4.8 Impairment of non-financial assets other than inventories

The assets that are subject to depreciation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised. The Company recognises the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

4.9 Borrowings and borrowing costs

Borrowings are recognised initially at fair value.

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.

4.10 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 9% of the basic salaries both by the employees and the Company.

(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, 2024 on the basis of projected unit credit method by an independent Actuary.

Actuarial gains and losses are recognised in other comprehensive income in the period in which these occur and past-service costs are recognised immediately in the statement of profit or loss.

4.11 Trade and other payables

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

4.12 Provisions

Provisions are recognised when the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, prices and conditions, and can take place many years in future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustment to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

4.13 Contingent liabilities

A contingent liability is disclosed when the Company

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

4.14 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized in statement of other comprehensive income or directly in equity. In this case, the tax is also recognized in statement of other comprehensive income or directly in equity, respectively.

The Company designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognise it as current income tax expense. The amount calculated not on the basis of taxable income, is then recognized as a levy falling under the scope of IFRIC 21/IAS 37.

(a) Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any. The charge for current year also includes adjustments where necessary, relating to prior years which arise from assessments framed / finalised during the year.

(b) Deferred

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

Deferred tax is charged or credited to the profit or loss except for deferred tax arising on surplus on revaluation of property, plant and equipment, which is charged to revaluation surplus.

Deferred tax asset and liability is measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

4.15 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.

4.16 Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognised at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of profit or loss.

a) **Financial assets**

Classification

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

- i) amortised cost where the effective interest rate method is applied;
- ii) fair value through profit or loss; and
- iii) fair value through other comprehensive income.

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

For assets measured at fair value, gains and losses are either recorded in statement of profit or loss or other comprehensive income (OCI).

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Further, financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

Impairment of financial assets

The Company assesses on a historical as well as forward-looking basis, the expected credit loss (ECL) as associated with its trade debts. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the ECL model:

- Trade debts
- Bank balances

Simplified approach for trade debts

The Company recognises life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Recognition of loss allowance

The Company recognises an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Write-off

The Company writes-off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written-off result in impairment gains.

b) Financial Liabilities

Classification, initial recognition and subsequent measurement

Financial liabilities are classified in the following categories:

- i) fair value through profit or loss; and
- ii) other financial liabilities.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in case of other financial liabilities also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

i) Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

ii) Other financial liabilities

After initial recognition, other financial liabilities which are interest bearing subsequently measured at amortised cost, using the effective interest rate method. Gains and losses are recognised in profit or loss for the year, when the liabilities are derecognised as well as through effective interest rate amortisation process.

Derecognition of financial liabilities

The Company derecognises financial liabilities when and only when the Company's obligations are discharged, cancelled or expired.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amount and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

4.17 Foreign currency translation

Foreign currency transactions are recorded in Pakistan Rupees using the exchange rates prevailing at the dates of transactions. Monetary assets and liabilities in foreign currencies are translated in Pakistan Rupees at the rates of exchange prevailing at the reporting date. Exchange gains and losses are taken to statement of profit or loss.

4.18 Revenue recognition

The Company sells its products in separately identifiable contracts. The contracts entered into with the customers generally include one performance obligation i.e. the provision of goods to the customer.

Revenue from local sale of goods is recognised when the Company satisfies a performance obligation under a contract by transferring promised goods to the customer. Goods are considered to be transferred at the point in time when the customer obtains control over the goods (i.e. on dispatch of goods from the mills to the customer). Revenue from export sale of goods is recognised 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.

Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due.

Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs its performance obligations under the contract.

Others

Return on deposits is accounted for on 'accrual basis'.

Dividend income and entitlement of bonus shares are recognised when right to receive such dividend and bonus shares is established.

4.19 Development expenditure

Expenditure incurred on development of sugar cane and beet is expensed in the year of incurrence.

4.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes strategic decisions.

Segment assets and liabilities include items directly attributable to segment as well as those that can be allocated on a reasonable basis. Segment assets consist primarily of property, plant & equipment, stores, spares & loose tools and stock-in-trade. Segment liabilities comprise of long term finances, lease liabilities, short term borrowings and trade & other payables.

On the basis of its internal reporting structure, the Company has two reportable segments i.e. sugar and ethanol.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	2024 Rupees in thousand	2023 Rupees in thousand
Operating fixed assets	5.1	2,191,100	2,409,696
Advance against lease vehicle		455	-
Capital work-in-progress	5.9	1,213,806	-
		3,405,361	2,409,696

5.1 PROPERTY, PLANT AND EQUIPMENT (Operating fixed assets - tangible)

Particulars	Land		Buildings on freehold land	Buildings and roads on leasehold land	Plant, machinery and equipment	Furniture, fittings & office equipment	Railway rolling stock and vehicles	Sub-total	Leased vehicles (right of use assets)	Total
	Leasehold	Freehold								
Rupees in thousand										
As at September 30, 2022										
Cost / revaluation	2,725	12,065	224,992	211,813	925,673	90,641	19,687	1,487,596	1,559	1,489,155
Accumulated depreciation	692	-	37,502	35,522	179,467	58,027	17,417	328,627	841	329,468
Book value	2,033	12,065	187,490	176,291	746,206	32,614	2,270	1,158,969	718	1,159,687
Year ended September 30, 2023:										
Additions	-	-	-	-	-	3,213	1,926	5,139	6,572	11,711
Transfer from leased to owned										
- cost	-	-	-	-	-	-	1,559	1,559	(1,559)	-
- depreciation	-	-	-	-	-	-	(841)	(841)	841	-
Revaluation adjustments										
- cost / revaluation	-	-	47,620	47,052	925,339	-	-	1,020,011	-	1,020,011
- depreciation	-	-	36,046	35,616	254,181	-	-	325,843	-	325,843
Disposals										
- cost	-	-	-	-	-	-	(1,559)	(1,559)	-	(1,559)
- depreciation	-	-	-	-	-	-	925	925	-	925
Depreciation charge for the year	28	-	13,555	11,863	74,714	5,057	663	105,880	1,042	106,922
Book value as at September 30, 2023	2,005	12,065	257,601	247,096	1,851,012	30,770	3,617	2,404,166	5,530	2,409,696
Year ended September 30, 2024:										
Additions	-	-	-	-	-	2,608	-	2,608	6,488	9,096
Depreciation charge for the year	28	-	17,260	17,054	185,859	4,672	723	225,596	2,096	227,692
Book value as at September 30, 2024	1,976	12,065	240,342	230,042	1,665,152	28,707	2,894	2,181,178	9,922	2,191,100
As at September 30, 2023										
Cost / revaluation	2,725	12,065	272,612	258,865	1,851,012	93,854	21,613	2,512,746	6,572	2,519,318
Accumulated depreciation	720	-	15,011	11,769	-	63,084	17,996	108,580	1,042	109,622
Book value	2,005	12,065	257,601	247,096	1,851,012	30,770	3,617	2,404,166	5,530	2,409,696
As at September 30, 2024										
Cost / revaluation	2,725	12,065	272,612	258,865	1,851,012	96,462	21,613	2,515,354	13,060	2,528,414
Accumulated depreciation	748	-	32,271	28,823	185,859	67,756	18,719	334,176	3,138	337,314
Book value	1,976	12,065	240,342	230,042	1,665,152	28,707	2,894	2,181,178	9,922	2,191,100
Depreciation rate (%)	1.01	-	5-10	5-10	10-12	10-15	10-20		20	

5.2 Particulars of immovable property

Location	Usage of immovable property	Total Area (square feet)	Covered Area (In square feet) approx.
Land - freehold			
Saro Shah, Takht Bahi	Agricultural	5,378,299	-
Nowshera Road, Mardan	Industrial	999,158	
Land - leasehold			
Nowshera Road, Mardan	Industrial	5,268,037	
		6,267,195	807,188
		11,645,494	807,188

5.3 Had the revalued fixed assets of the Company been recognised under the cost model, the carrying values of these assets would have been as follows:

	2024	2023
	Rupees in thousand	
- buildings on freehold land	11,316	12,244
- buildings on leasehold land	742	802
- plant, machinery and equipment	127,483	141,672
	139,541	154,718

5.4 Based on the revaluation report of K.G. Traders (Pvt.) Ltd. dated September 30, 2023, the forced sale values of the revalued fixed assets have been assessed as follows:

	Rupees in thousand
Buildings and civil works	401,778
Plant, machinery and equipment	1,295,707
	1,697,485

5.5 Depreciation for the year has been allocated as follows:

	2024	2023
	Rupees in thousand	
Cost of sales	224,046	103,178
Administrative expenses	3,646	3,744
	227,692	106,922

5.6 Disposal of vehicle

During the preceding year, a vehicle was disposed off to an employee having cost of Rs.1.559 million and written down value of Rs.634 thousand,

- 5.7 The Board of Directors, during the financial year ended September 30, 2018, had decided to shift the Company's distillery operations from Mardan to Ramak, Dera Ismail Khan due to easy approach to power and raw materials. Dismantling, shifting and erection work of distillery was completed during the financial year ended September 30, 2020.
- 5.8 The Company had availed its option of renewal of leasehold land agreement expired during the financial year ended September 30, 2008. Buildings on leasehold land, however, were revalued during the financial years ended September 30, 2009, September 30, 2011, September 30, 2014, September 30, 2017, September 30, 2020 and September 30, 2023 and revaluation surplus on these assets aggregating Rs.116.886 million, Rs.17.376 million, Rs.76.240 million, Rs.5.328 million, Rs.99.021 million and Rs.1,345.854 million respectively was incorporated in the books of account.

Clause 6 of the lease agreement dated July 09, 1947, which was for a period of 60 years, empowers the Company to renew the lease. On August 10, 2007, the Company, in terms of the aforesaid clause 6, had exercised the option of renewal of the lease and indicated its desire to extend the lease for a further period of 60 years (commencing from January 01, 2008) on such terms as may be agreed between the parties and invited the legal heirs of the lessor to negotiate the terms of the extended lease agreement. The legal heirs of the lessor had failed to agree on the terms of the extended lease; hence, the matter was referred to arbitration.

Two of the legal heirs of the lessor have filed civil suits impugning the validity of arbitration. These suits are frivolous, barred by law and liable to be dismissed in due course under relevant provisions of the Arbitration Act, 1940.

The arbitration proceedings were finalised during the financial year ended September 30, 2016 and the Arbitrator (a Senior Advocate of the Supreme Court of Pakistan) announced the award by extending the lease term for a further period of 60 years. The same was filed before the Senior Civil Judge, Mardan to make it 'Rule of the Court'.

5.9 Capital work-in-progress - cost	Notes	2024 Rupees in thousand	2023
Balance as at July 01,		-	-
Additions during the year		1,213,806	-
Transfers during the year		-	-
Balance as at July 30,		<u>1,213,806</u>	<u>-</u>
Breakup of capital work-in-progress:			
Building		48,266	-
Plant and machinery {(Including in transit aggregating Rs. 321.245 million)}		833,777	-
Furniture and fixtures		344	-
Store held for capital expenditure		56,461	-
Electric fittings and installations		48,016	-
Un-allocated capital expenditure	5.9.1	154,916	-
Office equipment		46	-
Advances to suppliers - unsecured,	5.9.2	71,980	-
	5.9.3	<u>1,213,806</u>	<u>-</u>

5.9.1 This amount mainly include to fabrication material issues to third party contractor for further processing

5.9.2 These mainly includes advances against plant and machinery and are in the normal course of business.

5.9.3 This includes borrowing cost capitalized amounting to Rs. 91.497 million incurred on bank borrowings at an effective rate of 20.58% to 24.41%.

6. INVESTMENT PROPERTY

Particulars	Freehold land	Buildings on freehold land	Total
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----- Rupees in thousand -----

As at September 30, 2022:

Cost	14,544	18,256	32,800
Accumulated depreciation	-	12,617	12,617
Book value	14,544	5,639	20,183

Year ended September 30, 2023:

Depreciation charge	-	282	282
Book value	14,544	5,357	19,901

Year ended September 30, 2024:

Depreciation charge	-	268	268
Book value	14,544	5,089	19,633

Depreciation rate (%)	-	5-10
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6.1 These represent free-hold land situated at PIDC Karachi having an area of 8,229 square yards. This also include free-hold land and building having an area of 3,200 square yards situated at F-6 Islamabad and 15,556 square yards situated at Risalpur Cantt.

6.2 Fair value of the investment property, based on the management's estimation, as at September 30, 2024 was Rs.320 million (2023: Rs.320 million).

7. LONG TERM INVESTMENTS - in Related Parties

SUBSIDIARY COMPANIES	2024	2023	2024	2023
	Share-holding %		Rupees in thousand	

QUOTED:

Chashma Sugar Mills Ltd.

13,751,000 (2023: 13,751,000) ordinary shares of Rs.10 each (note 7.1)	47.93	47.93	137,584	137,584
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- Market value Rs.825.060 million
(2023: Rs.782.569 million)

- Value of investments based on net assets shown in the audited financial statements for the year ended September 30, 2024
Rs.6,298.582 million (2023: Rs.6,967.632 million)

Balance c/f			137,584	137,584
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	2024	2023	2024	2023
	Share-holding %		Rupees in thousand	
Balance b/f:			137,584	137,584
UN-QUOTED				
The Frontier Sugar Mills & Distillery Ltd.				
1,113,637 (2023: 1,113,637) ordinary shares of Rs.10 each	82.49	82.49	26,509	26,509
42,984 (2023: 42,984) 7% irredeemable preference shares of Rs.10 each	85.97	85.97	597	597
- Value of investments based on net assets shown in the audited financial statements for the year ended September 30, 2024 Rs.822.67 million (2023: Rs.958.752 million)				
			27,106	27,106
ASSOCIATED COMPANIES				
QUOTED:				
Arpak International Investments Ltd. (AIIIL)				
229,900 (2023: 229,900) ordinary shares of Rs.10 each	5.75	5.75	2,846	2,846
Market value Rs.11.782 million (2023: Rs.14.829 million)				
UN-QUOTED:				
National Computers (Pvt.) Ltd. (NCPL)				
14,450 (2023: 14,450) ordinary shares of Rs.100 each	48.17	48.17	322	322
Less: impairment loss			322	322
- Value of investments based on net assets shown in the un-audited financial statements for the year ended June 30, 2013 - Rs.Nil (note 7.2)			-	-
Premier Board Mills Ltd.				
47,002 (2023: 47,002) ordinary shares of Rs.10 each	0.83	0.83	470	470
- Value of investments based on net assets shown in the audited financial statements for the year ended June 30, 2024 Rs.6.544 million (2023: Rs.6.477 million)				
Azlak Enterprises (Pvt.) Ltd.				
200,000 (2023: 200,000) ordinary shares of Rs.10 each	40.00	40.00	2,000	2,000
- Value of investments based on net assets shown in the un-audited financial statements for the year ended June 30, 2024 Rs.889.421 million (2023: Rs.768.409 million)				
			170,006	170,006

7.1 The Company directly and indirectly controls / beneficially owns more than fifty percent of Chashma Sugar Mills Ltd.'s (CSM) paid-up capital and also has the power to elect and appoint more than fifty percent of its directors; accordingly, CSM has been treated a Subsidiary of the Company with effect from the financial year ended September 30, 2010.

7.2 NCPL has no known assets and liabilities as at June 30, 2023 and June 30, 2022 and has also seized its operations. NCPL, on January 15, 2015, has filed an application with the Joint Registrar, Securities and Exchange Commission of Pakistan for striking-off its name from the Register of Companies under the Companies (Easy Exit) Regulations, 2014.

8. STORES AND SPARES

	2024	2023
	Rupees in thousand	
Stores	57,582	46,254
Spares	74,003	68,333
	<u>131,585</u>	<u>114,587</u>

8.1 Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

9. STOCK-IN-TRADE

In process:

- sugar	23,432	10,544
- molasses	3,948	-
	<u>27,380</u>	<u>10,544</u>

Finished goods:

- sugar	139,132	124,078
- molasses	74,438	-
	<u>213,570</u>	<u>124,078</u>
	<u>240,950</u>	<u>134,622</u>

9.1 Sugar inventory as at September 30, 2024 was stated at net realisable value; the amount charged to statement of profit or loss in respect of inventory write-down to net realisable value worked-out to Rs.88.838 million approximately.

10. ADVANCES - Considered good

Due from Chashma Sugar Mills Ltd.
(CSM - a Subsidiary Company)

10.1 - 150,161

Suppliers and contractors

27,500 42,939

Employees

10.2 6,169 5,434

33,669 198,534

10.1 Maximum amount due from CSM at any month-end during the year aggregated Rs.148.033 million (2023:Rs.221.096 million).

10.2 No amount was due from key management personnel of the Company during the current and preceding years.

11. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Excise duty deposit		136	136
Short term prepayments		2,121	2,087
Deposits against decretal amounts	11.1	2,862	2,862

5,119 5,085

11.1 These have been deposited with the Commissioner for Workers' Compensation and Authority under the Payment of Wages Act, 2013 for Mardan.

12. OTHER RECEIVABLES	Note	2024 Rupees in thousand	2023
Sugar export subsidy		2,991	2,991
Gas infrastructure development cess paid under protest - refundable	26.3	3,018	3,018
Lease rentals receivable from Premier Board Mills Ltd. (PBM) - a related party	12.1	-	2,140
Others		915	1,976
		<u>6,924</u>	<u>10,125</u>

12.1 Maximum amount due from PBM at any month-end during the year aggregated Rs.Nil (2023: Rs.2.140 million).

13. INCOME TAX REFUNDABLE, TAX DEDUCTED AT SOURCE AND ADVANCE TAX

The movement in this account during the year was as follows:

Opening balance	23,540	20,280
Add: taxes deducted at source during the year	19,134	21,092
Add: prior year adjustment	11,532	-
Less: adjusted against completed assessments	(35,040)	(17,832)
Balance as at September 30,	<u>19,166</u>	<u>23,540</u>

14. BANK BALANCES

Cash at banks on:

- PLS accounts	14.1	981	20,887
- current accounts		57,502	89,474
- deposit accounts	14.3	8,734	8,734
- deposits with a non-banking finance company - unsecured	14.4	-	6,000
		<u>67,217</u>	<u>125,095</u>
Less: provision for doubtful bank balance	14.5	5,000	5,000
		<u>62,217</u>	<u>120,095</u>

14.1 These include Rs.476 thousand (2023: Rs.402 thousand) in security deposit account.

14.2 PLS and deposit accounts during the year carried profit / mark-up at the rates ranging from 20.58% to 24.87% (2023:17.76% to 24.41%) per annum.

- 14.3** These include deposits amounting Rs.3.734 million (2023: Rs.3.734 million), which are under lien of a bank against guarantees issued by it in favour of Sui Northern Gas Pipelines Ltd. on behalf of the Company.
- 14.4** The Securities and Exchange Commission of Pakistan (SECP) winding-up petition filed against Innovative Investment Bank Limited was decided by the Lahore High Court, Lahore (LHC) and LHC appointed Joint Official Liquidators (JOLs). The Company, as per the LHC's orders upto November, 2020, has received three tranches aggregating Rs.33 million and the remaining balance of Rs.6 million has been received during the year.

The Company has not accrued profit on these deposits during the current and preceding financial years.

- 14.5** The Company had deposited Rs.5 million in Term Deposit with Mehran Bank Limited at Peshawar for a period of six months @ 12.5% per annum on September 25, 1993 vide TDR No.007902, which was to mature on March 25, 1994. The aforesaid TDR could not be encashed because of the crisis of Mehran Bank's affairs which were being administered by the State Bank of Pakistan (SBP). Mehran Bank Limited was eventually merged into National Bank of Pakistan (NBP).

The Company, through its lawyers, had issued legal notices to SBP, NBP and the defunct Mehran Bank Limited. In response, the Company had received a letter from NBP dated November 05, 1995 stating that the investment by the Company was shown in Fund Management Scheme, which was an unrecorded liability of Mehran Bank Limited. The Company had filed a suit with the Civil Court for recovery of the said amount along with profit @ 12.5% per annum with effect from September 25, 1993 till the date of payment. The Civil Judge, Peshawar, vide his judgment dated May 13, 2004, had decreed against SBP. SBP, against the said judgment, filed an appeal before the Peshawar High Court. The said appeal was remanded-back to Additional District Judge, Peshawar. The appeal has been disposed-off vide judgment dated November 29, 2019. The judgment states that the Company is entitled to recover Rs.5 million with profit at the rate of 12.5% per annum from NBP from the year 1999. The said execution petition is pending adjudication. Full provision for the said amount exists in these financial statements.

15. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

- 15.1** The Company's Board of Directors, vide resolution dated May 27, 2021, had authorised and approved the sale of a commercial property (2nd and 3rd floors) situated at 20-A King's Arcade, F-7 Markaz, Islamabad with total area of 11,700 square feet along with fittings, fixtures and installations thereon having book value of Rs.4.642 million to Chashma Sugar Mills Ltd.(CSM - a Subsidiary Company) at the present market value of Rs.590.850 million.
- 15.2** CSM paid a partial sale consideration of Rs.539.965 million as earnest money and the balance amount of Rs.50.885 million has been received during the year. Possession of the said property has been handed over to CSM whereas property is in process of transfer to CSM. As per the revaluation report conducted by M/s. K.G.Traders, 3rd Floor, Galaxy Arcade, Markaz, Islamabad dated February 26, 2021, the said property had market value of Rs.590.850 million.

16. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2024 (No. of shares)	2023		2024 Rupees in thousand	2023
1,476,340	1,476,340	ordinary shares of Rs.10 each fully paid in cash	14,763	14,763
2,273,660	2,273,660	ordinary shares of Rs.10 each issued as fully paid bonus shares	22,737	22,737
<u>3,750,000</u>	<u>3,750,000</u>		<u>37,500</u>	<u>37,500</u>

- 16.1** The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All the shares rank equally with regard to the Company's residual assets.
- 16.2** The Company has one class of ordinary shares, which carries no right to fixed income.
- 16.3** The Company has no reserved shares for issuance under options and sale contracts.
- 16.4** Voting rights, board selection, right of first refusal and block voting are in proportion to the shareholding of the shareholders.
- 16.5** Arpak International Investments Ltd. (an Associated Company) held 400,000 ordinary shares as at September 30, 2024 and September 30, 2023.

17. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - Net

17.1 The Company, during the financial years ended September 30, 2000, September 30, 2009, September 30, 2011, September 30, 2014, September 30, 2017 and September 30, 2020 had revalued its buildings on freehold & leasehold land and plant & machinery, which resulted in revaluation surplus aggregating Rs.229.409 million, Rs.544.516 million, Rs.110.992 million, Rs.438.066 million, Rs.166.651 million and Rs.534.211 million respectively. These fixed assets were revalued by independent Valuers on the basis of depreciated market values.

17.2 As at September 30, 2023, the Company, has again revalued its buildings, plant, machinery and equipment installed at Premier Sugar Mills, Nowshera Mardan Road, Mardan and Chashma Sugar Mills Unit-II at Ramak, Dera Ismail Khan. The latest revaluation exercise has been carried-out by independent Valuers [K.G. Traders (Pvt.) Ltd. Suit No. 5, 3rd Floor, Galaxy Arcade, G-11 Markaz, Islamabad] to replace the carrying amounts of these assets with the assessed present market value of buildings and civil works and assessed depreciated market value of plant, machinery and equipment. The appraisal surplus arisen on latest revaluation aggregating Rs.1,345.854 million has been credited to statement of other comprehensive income to comply with the requirements of IAS 16 (Property, plant and equipment). The year-end balance has been arrived at as follows:

	2024	2023
	Rupees in thousand	
Opening balance	2,302,745	1,032,311
Add: surplus arisen on revaluation carried-out during the year	-	1,345,854
Less: transferred to accumulated loss on account of incremental depreciation for the year	(189,292)	(75,420)
	<u>2,113,453</u>	<u>2,302,745</u>
Less: deferred tax on:		
- opening balance of surplus	667,796	299,370
- surplus arisen on revaluation carried-out during the year	-	390,298
- incremental depreciation for the year	(54,895)	(21,872)
	<u>612,901</u>	<u>667,796</u>
Closing balance	<u><u>1,500,552</u></u>	<u><u>1,634,949</u></u>

18. LEASE LIABILITIES

Particulars	2024			2023		
	Upto one year	From one to four years	Total	Upto one year	From one to four years	Total
	----- Rupees in thousand -----					
Minimum lease payments	4,201	8,511	12,712	2,058	5,032	7,090
Less: finance cost allocated to future periods	1,642	1,451	3,093	976	1,040	2,016
	2,559	7,060	9,619	1,082	3,992	5,074
Less: security deposits adjustable on expiry of lease terms	-	1,225	1,225	-	590	590
Present value of minimum lease payments	2,559	5,835	8,394	1,082	3,402	4,484

18.1 The Company has entered into lease agreements with Bank Al-Habib Ltd. for lease of vehicles. The liabilities under the lease agreements are payable in monthly instalments by May, 2027. The Company intends to exercise its option to purchase the leased vehicles upon completion of the respective lease terms. These facilities are secured against title of the leased vehicles in the name of lessor and during the year carried finance cost at the rates ranging from 20.72% to 23.35% (2023: 23.92% to 24.77%) per annum.

19. STAFF RETIREMENT BENEFITS - Gratuity

The future contribution rates of this scheme include allowance for deficit and surplus. Projected unit credit method, based on the following significant assumptions, is used for valuation:

Significant actuarial assumptions	2024	2023
- discount rate - per annum	12.00%	16.75%
- expected rate of growth per annum in future salaries	11.00%	15.75%
- mortality rates	SLIC 2001-2005	SLIC 2001-2005
	Setback 1 year	
- withdrawal rates	Age-based	Age-based
- retirement assumption	60 years	60 years
- average expected remaining working life time of employees	07 years	07 years

Amount recognised in the statement of financial position is the present value of defined benefit obligation at the reporting date:

The movement in the present value of defined benefit obligation is as follows:

	2024	2023
	Rupees in thousand	
Opening balance	39,132	28,697
Current service cost	2,808	2,063
Past service cost	728	1,413
Interest cost	6,245	3,449
Benefits payable to outgoing Members - grouped under current liabilities	(1,929)	-
Benefits paid	(1,776)	(5,334)
Remeasurements:		
- experience adjustments	(706)	8,037
- changes in financial assumptions	(1,157)	807
Closing balance	43,345	39,132

Expense recognised in statement of profit or loss	2024	2023
	Rupees in thousand	
Current service cost	2,808	2,063
Past service cost	728	1,413
Interest cost	6,245	3,449
Charge for the year	<u>9,781</u>	<u>6,925</u>
Remeasurement recognised in statement of other comprehensive income		
Experience adjustments	<u>(1,863)</u>	<u>8,844</u>

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

	2024	2023	2022	2021	2020
	----- Rupees in thousand -----				
Present value of defined benefit obligation	<u>43,345</u>	<u>39,132</u>	<u>28,697</u>	<u>20,096</u>	<u>18,479</u>
Experience adjustment on obligation	<u>(1,863)</u>	<u>8,844</u>	<u>6,572</u>	<u>2,277</u>	<u>(614)</u>

Year-end Sensitivity Analysis:	<u>Impact on defined benefit obligation</u>		
	Change in assumption	Rupees in thousand	
		Increase	Decrease
Discount rate	1%	<u>40,584</u>	<u>46,426</u>
Salary growth rate	1%	<u>46,678</u>	<u>40,297</u>

19.1 The expected contribution to defined benefit obligation for the year ending September 30, 2024 is Rs.8.058 million.

20. LONG TERM FINANCES - Secured	Note	2024	2023
		Rupees in thousand	
United Bank Ltd:			
LTFF 1	20.1	399,175	-
LTFF 2	20.2	176,940	-
Soneri Bank Ltd.	20.3	<u>407,443</u>	-
		<u>983,558</u>	-
Less: current portion grouped under current liabilities		<u>144,456</u>	-
		<u>839,102</u>	-

20.1 The Company during the year has arranged long term finance facility amounting Rs.400 million from United Bank Limited to finance BMR activities. The bank against said facility disbursed Rs.399.175 million in fourteen tranches of different amounts. Each tranche under this finance facility has different repayments terms. These finances carry markup at the rate 3 month Kibor plus 2.5 percent per annum and are secured against first pari passu charge on all fixed asset of the Company with 25% margin & cross corporate guarantee of M/s. Chashma Sugar Mills Limited.

20.2 The Company, during the year, has arranged long term finance facility amounting Rs.200 million from United Bank Limited to finance BMR activities. The bank against said facility disbursed Rs.176.940 million in two tranches of different amounts. Each tranche under this finance facility has different repayments terms. These finances carry mark-up at the rate 3 month Kibor plus 2.5 percent per annum and are secured against first pari passu charge on all fixed asset of the Company & cross corporate guarantee of M/s. Chashma Sugar Mills Limited.

20.3 The Company, during the year, has arranged long term finance facility amounting Rs.600 million from Soneri Bank Limited to finance BMR activities/CPEX /import plant and machinery of the Company. The bank against said facility disbursed Rs.407.442 million in twenty one tranches of different amounts. Each tranche under this finance facility has different repayments terms. These finances carry markup at the rate 3 month kibar plus 2 percent per annum and are secured against first pari passu charge of Rs.266.667 million over current asset of the Company & cross corporate guarantee of M/s. Chashma Sugar Mills Limited.

21. DEFERRED TAXATION	Note	2024	2023
		Rupees in thousand	
This is comprised of the following:			
Taxable temporary differences arising in respect of:			
- surplus on revaluation of property, plant and equipment		612,901	667,796
Deductible temporary differences arising in respect of:			
- accelerated tax depreciation allowances		(5,713)	(297)
- available unused tax losses		(445,113)	(230,815)
- staff retirement benefits - gratuity		(12,570)	(11,348)
- provision for doubtful bank balance		(1,450)	(1,450)
- lease finances		(809)	(452)
- minimum tax recoverable against normal tax charge in future years		(51,643)	(45,237)
		(517,298)	(289,599)
		95,603	378,197

22. TRADE AND OTHER PAYABLES		2024	2023
Due to Chashma Sugar Mills Ltd. (Subsidiary Company)		98,126	-
Due to Frontier Sugar Mills and Distillery Ltd. (Subsidiary Company)		8	-
Due to Syntron Ltd. (Associated Company)		14,927	-
Due to Syntronics Ltd. (Associated Company)		157	157
Due to Azlak Enterprises (Pvt.) Ltd. (Associated Company)		21,529	21,529
Creditors		145,066	36,652
Accrued expenses		55,654	54,547
Due to employees		4,560	5,151
Deposits from contractors and others	22.1	1,031	958
Income tax deducted at source		22,704	2,892
Sales tax payable		29,448	45,682
Workers' (profit) participation fund - allocation for the year		-	792
Workers' welfare fund		-	301
Gratuity payable to ex-employees		5,816	4,116
Employees' provident fund payable		7,791	4,228
Others		668	424
		407,485	177,429

22.1 These include Rs.476 thousand (2023: Rs.402 thousand) representing mark-up bearing deposits. The Company will pay mark-up at the same rate at which it will receive from the bank as these deposits have been kept in a PLS bank account.

23. SHORT TERM BORROWINGS	Note	2024 Rupees in thousand	2023
Short term finances - secured	23.1	497,000	-
Temporary bank overdraft - unsecured		27,323	35
		<u>524,323</u>	<u>35</u>

23.1 Short term finance facilities available from various commercial banks under mark-up arrangements aggregate Rs.1,900 million (2023: Rs.1,300 million). These facilities are secured against charge over fixed assets, charge over present and future current assets of the Company, pledge of sugar stocks, cross corporate guarantee of Chashma Sugar Mills Ltd. (Subsidiary Company) amounting Rs.800 million and lien over export documents. These facilities, during the year, carried mark-up at the rates ranging from 19.43% to 24.87% (2023: 16.71% to 24.41%) per annum and are expiring on various dates by March 31, 2024. These facilities remained un-utilised as at September 30, 2023.

23.2 Facilities available for opening letters of guarantee and credit from commercial banks aggregate Rs.700 million (2023: Rs.680 million). Out of the available facilities, facilities aggregating Rs.536.18 million (2023: Rs.481.296 million) remained un-utilised at the year-end. These facilities are secured against lien over import and shipping documents and the securities detailed in the preceding paragraph.

**24. CURRENT PORTION OF
NON-CURRENT LIABILITIES**

Long term finances		144,456	-
Lease liabilities	18	2,559	1,082
		<u>147,015</u>	<u>1,082</u>

25. LEVIES AND INCOME TAXATION - Net

Opening balance		35,040	17,833
Provision made during the year		27,902	35,040
Payments / adjustments made against completed assessments		(35,040)	(17,833)
		<u>27,902</u>	<u>35,040</u>

25.1 The returns for the Tax Years 2010 to 2024 have been filed after complying with all the provisions of the Income Tax Ordinance, 2001 (the Ordinance). Accordingly, the declared returns are deemed to be assessment orders under the law subject to selection of audit or pointing of deficiency by the Commissioner.

25.2 No numeric tax rate reconciliation is presented in these financial statements as the Company during the current and preceding years is mainly liable to pay tax due under sections 5 (Tax on dividends) , 113 (Minimum tax on the income of certain persons) and 154 (Tax on exports) of the Ordinance.

25.3 The Company has filed a civil petition for leave to appeal (CPLA) before the Supreme Court of Pakistan against judgment dated November 10, 2021 passed by the Peshawar High Court. The said writ petition was filed by the Company challenging the impugned notices of income tax audit under section 177 of the Ordinance for tax years 2015, 2016, 2018 and 2019. The said CPLA is pending.

25.4 Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

	2024	2023
	Rupees in thousand	
Current tax liability for the year as per applicable tax laws	27,902	35,040
Portion of current tax liability as per tax laws, representing income tax under IAS 12	10,313	22,236
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21 / IAS 37	17,589	12,804
Difference	<u>-</u>	<u>-</u>

26. CONTINGENCIES AND COMMITMENTS

26.1 Commitments against irrevocable letters of credit outstanding as at September 30, 2023 amounted Rs.96.963 million (2023: Rs. 198.704).

26.2 The Company's appeal filed before the Peshawar High Court (PHC) against order of the Customs, Sales Tax & Central Excise Appellate Tribunal is still pending adjudication. The Department, during the financial year ended September 30, 2001, had raised sales tax demand aggregating Rs.4.336 million along with additional tax. The Company, however, during the financial year ended September 30, 2005, had paid sales tax amounting Rs.2.123 million along with additional tax amounting Rs.0.658 million as per the requirements of S.R.O. 247(I) / 2004 dated May 05, 2004.

26.3 Petitions filed before the Supreme Court of Pakistan (SCP) against imposition of Gas Infrastructure Development Cess (GIDC) have been dismissed vide judgment dated August 13, 2020 in 2-1 ratio. The SCP's judgment states that the cess under GIDC Act, 2015 was levied on those consumers of natural gas which on account of their industrial or commercial dealings had passed on GIDC burden to their customers. The SCP's judgment states that no late payment surcharge shall be collected while the GIDC amount that have become due upto July 31, 2020 will be recovered in 24 equal monthly instalments. Based on this judgment, the Company has filed a writ petition before the PHC challenging the demand of GIDC arrears on the ground that the Company has not passed on GIDC burden to its customers. The PHC, vide its order dated September 19, 2021, has granted interim relief.

PHC, vide its judgment dated June 15, 2022, has dismissed the petition filed by the Petitioners, observing that while exercising jurisdiction vested under article 199 of the Constitution, the Court can neither enter into factual controversies nor decide disputed questions of facts. The PHC, however, has allowed the Petitioners to approach a competent Court of law / forum having jurisdiction in the matter, if they so advised.

The Company, during the preceding years, has filed a civil suit before the Civil Judge, Peshawar challenging the demand of GIDC arrears through the impugned additional bills without determination of alleged passing on the burden to the end consumers. The said civil suit is pending adjudication.

26.4 The Company's petition filed before the PHC, against the Government of Khyber Pakhtunkhwa's notification dated August 12, 2015 in which minimum wages for unskilled workers has been fixed at Rs.12,000 per month with effect from July 01, 2014 has been dismissed by the PHC vide its judgment dated April 02, 2019. The Company has filed a review petition before the PHC against the said judgment, which was also dismissed. The additional wage liabilities aggregate Rs.2.359 million approximately. The Company has filed a civil petition for leave to appeal before the Supreme Court of Pakistan, which is pending adjudication.

- 26.5** The sales tax appeal filed before the Appellate Tribunal Inland Revenue (ATIR), Peshawar against ex-parte order passed by the Commissioner Inland Revenue (Appeals) [CIR(A)] has been succeeded vide order dated March 29, 2018. The assessment order dated June 23, 2016 was passed by the Deputy Commissioner Inland Revenue (DCIR), Peshawar in violation of SRO 488(I)/2004 dated June 12, 2014; the Company claimed input tax to the tune of Rs.41.672 million against the supplies to unregistered persons. A withdrawal application has been filed before the ATIR, Peshawar in pursuance of the aforesaid rectification order.
- 26.6** The DCIR for the tax year 2013 initially has held the Company as taxpayer-in-default for non-deduction of tax on certain supplies / services and tax demand was raised at Rs.77.750 million under section 161 (Failure to pay tax collected or deducted) along with default surcharge of Rs.4.730 million under section 205 (Default surcharge) of the Income Tax Ordinance, 2001 (the Ordinance). The Company filed rectification application under section 221 of the Ordinance and the demand was reduced to Rs.237,360. Against the said demand, the Company has filed an appeal before the CIR(A), who dismissed the Company's appeal. Presently, the Company's appeal against the CIR(A)'s order is pending before the ATIR, Peshawar.
- 26.7** The Company has filed a writ petition before the PHC challenging Federal Government Order No.1(1) 2020 ROP dated July 16, 2021 and Provincial Government Order No.13/12-Sugar /IND / Vol-V / 7862 dated July 16, 2021 issued under section 6 of the Price Control and Prevention of Profiteering and Hoarding Act, 1977 whereby the retail price of sugar at the rate of Rs.88.24 per kilo gram was fixed. The PHC, vide its order dated July 30, 2021, has allowed interim relief and ordered that in the meanwhile status que be maintained.
- 26.8** The Company has filed a writ petition before the PHC challenging Federal Government Order F.No.2-8 / 2022 / SAB / A - IV dated April 20, 2023 issued under section 6 of the Price Control and Prevention of Profiteering and Hoarding Act, 1977 read with Price Control and Prevention of Profiteering and Hoarding Order, 2021 dated August 24, 2021 whereby the retail price of sugar at the rate of Rs.98.82 per kilo gram and maximum ex-mill price was fixed at the rate of Rs.95.57 per kilo gram. The PHC, vide its order dated June 06, 2023, has granted interim relief while the main writ petition is pending.
- 26.9** Various cases have been filed against the Company by some former employees. Based on the legal advice, no provision has been made in the books of account.
- 26.10** Guarantees given to Sui Northern Gas Pipelines Ltd. by commercial banks on behalf of the Company outstanding as at September 30, 2024 were for Rs.37.340 million (2023: Rs.37.340 million). These guarantees are valid upto June 19, 2024.

27. SALES - Net	2024	2023
	Rupees in thousand	
Local	1,678,635	1,944,123
Export	-	1,280,392
	1,678,635	3,224,515
Less: sales tax	274,242	178,553
	1,404,393	3,045,962

- 27.1** Contract liabilities represents short term advances received from customers against delivery of goods in future. The contract liabilities outstanding at September 30, 2023 amounting to Rs.15.765 million have been recognized as revenue during the year.

28. COST OF SALES	Note	2024 Rupees in thousand	2023
Raw materials consumed		1,662,283	1,619,410
Chemicals and stores consumed		23,419	29,756
Salaries, wages and benefits	28.1	231,339	188,519
Power and fuel		61,741	78,060
Insurance		7,541	5,121
Repair and maintenance		37,374	38,171
Depreciation	5.5	224,046	103,178
		<u>2,247,743</u>	<u>2,062,215</u>
Adjustment of in process:			
Opening		10,544	10,482
Closing	9	(27,380)	(10,544)
		<u>(16,836)</u>	<u>(62)</u>
Cost of goods manufactured		2,230,907	2,062,153
Adjustment of finished goods:			
Opening stock		124,078	750,021
Closing stock	9	(213,570)	(124,078)
		<u>(89,492)</u>	<u>625,943</u>
		<u><u>2,141,415</u></u>	<u><u>2,688,096</u></u>

28.1 These include Rs.1.637 million (2023: Rs.1.152 million) and Rs.7.531 million (2023: Rs.5.332 million) in respect of provident fund contributions and staff retirement benefits - gratuity respectively.

29. DISTRIBUTION COST

Commission - local	836	623
Salaries, wages and amenities	3,404	1,044
Expenses on ethanol exports	-	66,120
Others	478	39
	<u>4,718</u>	<u>67,826</u>

30. ADMINISTRATIVE EXPENSES	Note	2024 Rupees in thousand	2023
Salaries and amenities	30.1	72,789	35,958
Travelling, vehicles' running and maintenance		3,641	4,087
Utilities		3,166	986
Rent, rates and taxes		7,626	16,366
Insurance		1,148	942
Repair and maintenance		19,838	14,997
Printing and stationery		3,458	3,225
Communication		1,289	1,183
Legal and professional charges (other than Auditors)		9,969	6,992
Subscription		1,183	587
Auditors' remuneration	30.2	2,599	2,471
Depreciation on:			
- operating fixed assets	5.5	3,646	3,744
- investment property	6	268	282
General office expenses		5,917	2,360
		<u>136,537</u>	<u>94,180</u>
30.1			
These include Rs.0.701 million (2023: Rs.0.444 million) and Rs.2.250 million (2023: Rs.1.593 million) in respect of provident fund contributions and staff retirement benefits- gratuity respectively.			
30.2			
Auditors' remuneration			
- statutory audit fee		1,414	1,122
- short provision for the preceding year		18	154
- half yearly review fee		419	195
- consultancy and certification charges		708	960
- out-of-pocket expenses		40	40
		<u>2,599</u>	<u>2,471</u>
31. OTHER EXPENSES			
Prior year's sales tax on account of inadmissible input tax adjustment claimed		4	1,096
Workers' (profit) participation fund	22	-	792
Workers' welfare fund	22	-	301
Uncollectible receivable balances written-off		-	639
Exchange fluctuation loss - net		-	47,944
		<u>4</u>	<u>50,772</u>

32. OTHER INCOME	Note	2024	2023
		Rupees in thousand	
Income from financial assets:			
Mark-up / interest / profit on bank deposits / saving accounts and certificates		5,035	2,414
Dividends		68,755	-
Income from other than financial assets:			
Gain on disposal of vehicles	5.6	-	146
Gain on disposal of investment property	15	586,208	-
Rent		13	12
Unclaimed payable balances written-back		529	160
Sale of agricultural produce - net of costs and expenses aggregating Rs.7.058 million (2023: Rs.9.797 million)		19,197	3,896
Sale of chemicals - net of cost of chemicals aggregating Rs.Nil million (2023:Rs.1.753 million)		-	405
Sale of press mud - net of sales tax amounting Rs.336 thousand (2023:Rs.319 thousand)		2,145	1,775
Sale of scrap - net of sales tax amounting Rs.Nil million(2023:Rs.2.007 million)		-	11,149
		<u>681,882</u>	<u>19,957</u>
33. FINANCE COST			
Mark-up on:			
- long term finances		-	43
- short term borrowings		225,280	148,315
Lease finance charges		1,893	803
Bank charges		7,845	1,143
		<u>235,018</u>	<u>150,304</u>
34. LEVIES AND INCOME TAXATION			
34.1 Final tax levy			
Levy:			
- for the year		<u>17,589</u>	<u>12,804</u>
34.2 Income tax			
Current tax			
- for the year	25	10,313	22,236
- prior year		(3,074)	-
Deferred tax		<u>(283,134)</u>	<u>(93,283)</u>
		<u>(275,895)</u>	<u>(71,047)</u>

35. EARNINGS / (LOSS) PER SHARE	2024	2023
	Rupees in thousand	
There is no dilutive effect on (loss) / earnings per share of the Company, which is based on:		
(Loss) / profit after taxation attributable to ordinary shareholders	<u>(173,111)</u>	<u>72,984</u>
Weighted average number of shares outstanding during the year	<u>-----Number-----</u> <u>3,750,000</u>	<u>3,750,000</u>
	<u>----- Rupees -----</u>	
(Loss) / earnings per share	<u>(46.16)</u>	<u>19.46</u>

36. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial instruments by category

Financial assets

At amortised cost

Security deposits	1,809	1,809
Trade debts	29	37,319
Trade deposits	136	136
Other receivables	3,906	7,107
Bank balances	<u>62,217</u>	<u>120,095</u>
	<u>68,097</u>	<u>166,466</u>

Financial liabilities

At amortised cost

Long term finances	983,558	-
Lease liabilities	8,394	4,484
Trade and other payables	355,333	127,762
Unclaimed dividends	7,470	7,470
Accrued mark-up	93,881	12,672
Short term borrowings	<u>524,323</u>	<u>35</u>
	<u>1,972,959</u>	<u>152,423</u>

36.1 Financial Risk Factors

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The Company's overall risk management 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 the Company's finance department under policies approved by the board of directors. The Company's finance department evaluates financial risks based on principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity, provided by the board of directors.

36.2 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: currency risk, interest rate risk and price risk.

(a) **Currency risk**

Foreign currency risk mainly arises where receivables and payables exist due to transactions entered into in foreign currencies. The Company is exposed to currency risk on import of stores & spare parts and plant & machinery. Exposure to credit risk has been disclosed in note 26.1 to these financial statements.

(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:

	2024	2023	2024	2023
	----- Effective rates -----		Carrying amount	
			Rupees in thousand	
Fixed rate instruments				
Deposits with a non-banking finance company	-	-	-	6,000
Cash at banks on deposit accounts	20.58% to 24.87%	17.76% to 24.41%	8,734	8,734
Long term finances	20.58% to 24.41%	-	983,558	-
Variable rate instruments				
Cash at banks on PLS accounts	20.58% to 24.87%	17.76% to 24.41%	981	20,887
Lease liabilities	20.72% to 23.35%	23.92% to 24.77%	8,394	4,484
Short term borrowings	19.43% to 24.87%	16.71% to 24.41%	497,000	-

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest 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, 2024, if interest rate on variable rate financial instruments had been 1% higher / lower with all other variables held constant, loss before taxation for the year would have been higher / lower by Rs.5.064 million mainly as a result of higher interest expense on variable rate financial liabilities; (2023: profit before taxation would have been lower / higher Rs.0.164 million mainly due to higher interest expense).

(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.

36.3 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 trade debts, deposits with a non-banking finance company 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. The management has set a maximum credit period of 30 days to reduce the credit risk. 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, 2024 along with comparative is tabulated below:

	2024	2023
	Rupees in thousand	
Security deposits	1,809	1,809
Trade debts	29	37,319
Trade deposits	136	136
Other receivables	3,906	7,107
Deposits with a non-banking finance company	-	6,000
Bank balances	62,217	114,095
	<u>68,097</u>	<u>166,466</u>

- The management does not expect any losses from non-performance by these counter parties.
- Trade debts at September 30, 2024 represented domestic parties.
- Based on past experience, the Company's management believes that no impairment loss allowance is necessary in respect of trade debts as approximately all the debts have been realised subsequent to the year-end.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach is to ensure, as far as possible, to always have sufficient liquidity to meet its liabilities when due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and ensuring the availability of adequate credit facilities. The Company's treasury department aims at maintaining flexibility in funding by keeping committed credit lines available.

Financial liabilities in accordance with their contractual maturities are presented below:

Particulars	Carrying amount	Contractual cash flows	Less than one year	Between one to three years	More than three years
----- Rupees in thousand -----					
2024					
Long term finances	983,558	1,036,508	144,456	892,052	107,598
Lease liabilities	8,394	11,487	4,201	7,286	-
Trade and other payables	355,333	355,333	355,333	-	-
Unclaimed dividends	7,470	7,470	7,470	-	-
Accrued mark-up	93,881	93,881	93,881	-	-
Short term borrowings	524,323	573,744	573,744	-	-
	1,972,959	2,078,423	1,179,085	899,338	107,598
2023					
Lease liabilities	4,484	6,500	2,058	4,442	-
Trade and other payables	127,762	127,762	127,762	-	-
Unclaimed dividends	7,470	7,470	7,470	-	-
Accrued mark-up	12,672	12,672	12,672	-	-
Short term borrowings	35	35	35	-	-
	152,423	154,439	149,997	4,442	-

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.

37. CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The Company also monitors capital using a gearing ratio, which is net debt comprising of mark-up bearing long term & short term finances and lease liabilities less bank balances. Capital signifies equity as shown in the statement of financial position plus net debt. The gearing ratio as at September 30, 2024 and September 30, 2023 is as follows:

	2024	2023
	Rupees in thousand	
Total debt	677,173	4,519
Bank balances	(62,217)	(120,095)
Net (assets) / debt	<u>614,956</u>	<u>(115,576)</u>
Share capital	37,500	37,500
Share redemption reserve	1	1
Revaluation surplus on property, plant and equipment	1,500,552	1,634,949
General revenue reserve	900,000	900,000
Accumulated loss	(570,084)	(532,693)
Equity	<u>1,867,969</u>	<u>2,039,757</u>
Capital	<u>2,482,925</u>	<u>1,924,181</u>
Gearing ratio (Net debt / (Net debt + Equity))	24.77%	N/A

38. TRANSACTIONS WITH RELATED PARTIES

The Company has related party relationship with its Subsidiary and Associated Companies, employee benefit plans, its directors and key management personnel. Transactions with related parties are carried-out on arm's length basis. There were no transactions with key management personnel other than under the terms of employment. Aggregate transactions with Subsidiary Companies and Associated Companies during the year were as follows:

i) Subsidiary Companies	2024	2023
	Rupees in thousand	
Chashma Sugar Mills Ltd.		
- purchase of store items, molasses and bagasse	9,208	29,212
- sale of store items	-	2,546
- sale of molasses	-	770,480
- amount received against sale of property	50,885	-
- dividend received	68,755	-
- expenses paid on behalf of the Company	60,287	78,242
- expenses paid by the Company	5,438	7,025
- rental expense	115	115
The Frontier Sugar Mills & Distillery Ltd.		
Sale of store items	8	981
ii) Associated Companies		
- purchase of store items	14,927	13,157
- expenses paid on account of storage service	-	12,484
iii) Key management personnel		
- salaries and other benefits	43,036	7,989

38.1 The Company's shareholdings in Subsidiary and Associated Companies have been detailed in note 7. In addition to the names of the Associated Companies detailed in note 7, the following are other Associated Companies and two sub-subsidiary Companies:

- Whole Foods (Pvt.) Ltd.(Sub-subsidiary)	- Premier Construction & Housing Ltd.
- Syntron Ltd.	- Phipson & Co. Pakistan (Pvt.) Ltd.
- Syntronics Ltd.	- Aurora (Pvt.) Ltd.
- Premier Ceramics Ltd.	- Ultimate Whole Foods (Pvt.) Ltd. (Sub-subsidiary)

38.2 Key management personnel

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

39. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Particulars	Chief Executive		Director		Executive	
	2024	2023	2024	2023	2024	2023
	----- Rupees in thousand -----					
Managerial remuneration	1,746	1,613	28,364	3,668	12,923	2,708
Contribution to provident fund	-	-	-	-	123	-
	1,746	1,613	28,364	3,668	13,046	2,708
Number of persons	1	1	1	1	7	1

39.1 The Chief Executive, one director and the executives residing in the factory are provided free housing (with the Company's generated electricity in the residential colony within the factory compound). The Chief Executive, one director and executives are also provided with the Company maintained cars.

39.2 Remuneration of directors does not include amounts paid or provided for, if any, by the Subsidiary and Associated Companies.

40. CAPACITY AND PRODUCTION		2024	2023
SUGAR CANE PLANT			
Rated crushing capacity per day	M.Tonnes	3,810	3,810
Cane crushed	M.Tonnes	130,269	102,302
Sugar produced	M.Tonnes	12,477	10,721
Days worked	Nos.	51	130
Sugar recovery	%	9.61	10.35
SUGAR BEET PLANT			
Rated slicing capacity per day	M.Tonnes	2,500	2,500
DISTILLERY			
Rated capacity per day	Gallons	14,300	14,300
Ethanol produced	Gallons	-	920,400
Days worked	Nos.	-	127

- The normal season days are 150 days for Sugar Cane crushing.

- Production was restricted to the availability of raw materials to the Company.

41. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Liabilities					Total
	Long term finances	Lease liabilities	Short term borrowings	Accrued mark-up	Dividend	
	----- Rupees in thousand -----					
Balance as at September 30, 2022	6,227	211	701,000	2,791	7,470	717,699
Changes from financing activities						
Finances (repaid) / obtained - net	(6,228)	3,470	(700,965)	-	-	(703,723)
Government grant	1	-	-	-	-	1
Mark-up accrued	-	803	-	148,358	-	149,161
Mark-up paid	-	-	-	(138,477)	-	(138,477)
	(6,227)	4,273	(700,965)	9,881	-	(693,038)
Balance as at September 30, 2023	-	4,484	35	12,672	7,470	24,661
Changes from financing activities						
Finances (repaid) / obtained - net	983,558	2,017	524,288	-	-	1,509,863
Government grant	-	-	-	-	-	-
Mark-up accrued	-	1,893	-	225,280	-	227,173
Mark-up paid	-	-	-	(144,071)	-	(144,071)
	983,558	3,910	524,288	81,209	-	1,592,965
Balance as at September 30, 2024	983,558	8,394	524,323	93,881	7,470	1,617,626

42. PROVIDENT FUND RELATING DISCLOSURES

The Company operates funded contributory provident fund scheme for all its permanent and eligible employees. The following information is based on the un-audited financial statements for the year ended September 30, 2024 and audited financial statements for the year ended September 30, 2023:

	2024	2023
	Rupees in thousand	
Size of the fund - total assets	<u>73,608</u>	<u>59,225</u>
Cost of investments made	<u>65,454</u>	<u>54,509</u>
Percentage of investments made	<u>88.92%</u>	<u>92.04%</u>
Fair value of investments made	<u>65,454</u>	<u>54,509</u>

42.1 The break-up of fair value of investments is as follows:

	2024	2023	2024	2023
	----- % -----	-----	Rupees in thousand	
Term deposit receipts (TDRs)	99.94%	98.46%	65,413	53,668
Saving account in a scheduled bank	0.06%	1.54%	41	841
	<u>100.00%</u>	<u>100.00%</u>	<u>65,454</u>	<u>54,509</u>

42.2 Investments out of the provident fund have been made in accordance with the requirements of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

43. OPERATING SEGMENT

On the basis of its internal reporting structure, the Company's reportable segments are as follows:

- Sugar
- Distillery

43.1 Segment operating results for the year ended September 30, 2024

	Sugar Division		Ethanol Division		Total	
	2024	2023	2024	2023	2024	2023
	----- Rupees in thousand -----					
Sales						
-External customers	1,678,635	1,222,050	-	2,000,175	1,678,635	3,222,225
Less : sales tax & commission	(274,242)	(162,066)	-	(14,197)	(274,242)	(176,263)
Sales - net	<u>1,404,393</u>	<u>1,059,984</u>	<u>-</u>	<u>1,985,978</u>	<u>1,404,393</u>	<u>3,045,962</u>
Segment expenses:						
Cost of sales	(2,048,702)	(1,075,120)	(92,713)	(1,612,976)	(2,141,415)	(2,688,096)
Gross (loss) / profit	(644,309)	(15,136)	(92,713)	373,002	(737,022)	357,866
Distribution cost	(4,718)	(3,768)	-	(64,058)	(4,718)	(67,826)
Administrative expenses	(136,537)	(94,180)	-	-	(136,537)	(94,180)
	(141,255)	(97,948)	-	(64,058)	(141,255)	(162,006)
(Loss) / profit from operations	(785,564)	(113,084)	(92,713)	308,944	(878,277)	195,860
Other income	681,882	19,957	-	-	681,882	19,957
Other expenses	(4)	(2,828)	-	(47,944)	(4)	(50,772)
	681,878	17,129	-	(47,944)	681,878	(30,815)
Segment results	(103,686)	(95,955)	(92,713)	261,000	(196,399)	165,045
Finance cost	(235,018)	(89,139)	-	(61,165)	(235,018)	(150,304)
(Loss) / profit before taxation	<u>(338,704)</u>	<u>(185,094)</u>	<u>(92,713)</u>	<u>199,835</u>	<u>(431,417)</u>	<u>14,741</u>
Final tax levies and income taxation					(258,306)	(58,243)
(Loss) / profit after taxation					<u>(173,111)</u>	<u>72,984</u>

43.2 Segment assets and liabilities

	Assets		Liabilities	
	2024	2023	2024	2023
	----- Rupees in thousand -----			
Sugar	2,484,940	3,031,516	2,093,917	1,188,651
Ethanol	1,611,528	218,445	134,582	21,553
Total for reportable segment	<u>4,096,468</u>	<u>3,249,961</u>	<u>2,228,499</u>	<u>1,210,204</u>

43.3 Sales to domestic customers in Pakistan are 100% (2023 : 60.29%) and to customers outside Pakistan are Nil (2023 : 39.71%) of the revenues during the current financial year.

43.4 All non-current assets of the Company as at September 30, 2024 and September 30, 2023 are located in Pakistan.

43.5 The Company does not have transactions with any customer which amount to 10% or more of its sales.

44. SHAHRIAH SCREENING DISCLOSURE

	----- 2024 -----		----- 2023 -----	
	Conventional	Shariah Compliant	Conventional	Shariah Compliant
	----- Rupees in thousand -----			
Long term finances	983,558	-	-	-
Short term borrowings	497,000	-	-	-
Accrued mark-up	93,881	-	12,672	-
Bank balances	67,217	-	125,094	-
Other income				
a) Profit on bank deposits	5,034	-	2,413	-
b) Dividend Income	68,755	-	-	-
Mark-up on short term finances	225,279	-	148,315	-
Mark-up on long term finances	-	-	43	-

45. NUMBER OF EMPLOYEES

	2024	2023
	----- Numbers -----	
Number of persons employed as at September 30,		
- permanent	152	158
- contractual	229	234
	<u>381</u>	<u>392</u>
Average number of employees during the year		
- permanent	161	165
- contractual	219	285
	<u>380</u>	<u>450</u>

46. DATE OF AUTHORISATION FOR ISSUE

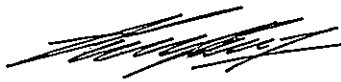
These financial statements were authorised for issue on February 03, 2025 by the board of directors of the Company.

47. FIGURES

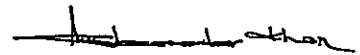
Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison; however, no material re-arrangements and re-classifications have been made in these financial statements.



Chief Financial Officer



Chief Executive



Director

annual report

2024

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED** and its Subsidiaries (the Group), which comprise the consolidated statement of financial position as at September 30, 2024, and the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at September 30, 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

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

Material Uncertainty Relating to Going Concern of a Subsidiary Company

We draw attention to note 1.2(b) in the consolidated financial statements, which indicates that The Frontier Sugar Mills & Distillery Limited (FSM) production facilities are closed since the year 2008 due to diversion of entire sugarcane crop to Gur making, the small size of the plant is not economical to run and FSM has been suffering losses over the years; accumulated loss as at September 30, 2024 aggregated Rs.139.115 million. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on FSM's ability to continue as a going concern. The financial statements of FSM, however, have been prepared on the going concern basis based on the facts as detailed in the aforementioned note. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Following are the key audit matters:

S.No.	Key audit matters	How the matter was addressed in our audit
1.	<p>Capital expenditures & revaluation of property, plant and equipment (note 6)</p> <p>The Group invested in capital projects with significant capital expenditure incurred during the year ended Sep 30, 2024. The significant level of capital expenditure requires consideration of the nature of the costs incurred to ensure that their capitalization in property, plant and equipment meets the specific recognition criteria as per the Group's accounting policy. Further, determining which costs meet the criteria for capitalisation, capitalisation of borrowing costs and related expenses are the areas where management judgement is involved.</p> <p>The Group's management also carries its buildings on freehold land & buildings and roads on leasehold land, plant, machinery & equipment under revaluation model. Under the said model, an entity may carry all items of property, plant and equipment of a class at a revalued amount, which is the fair value of the items at the date of revaluation less any subsequent accumulated depreciation.</p> <p>As at September 30, 2024 the carrying value of the Group's property, plant & equipment aggregates to Rs.29.649 billion. The fair value of the Group's assets was assessed by management based on independent valuation performed by an external property valuation Expert.</p> <p>The carrying values of these assets have been assessed based on present market value of buildings and civil works and assessed depreciated market value of plant, machinery and equipment.</p> <p>We identified property, plant and equipment as a key audit matter due to the significant carrying values and the significant management judgment and estimation involved in determining their values due to factors described above.</p>	<p>In response to this matter, we performed the following audit procedures:</p> <ul style="list-style-type: none"> - obtained an understanding of the design and implementation of management controls over capitalisation and performed tests of controls over authorization of capital expenditure and accuracy of its recording in the system; - assessed whether the costs incurred and borrowing cost capitalised met the relevant criteria for capitalization as per the applicable financial reporting framework; - evaluated the competence, capabilities and objectivity of the independent external property valuation Expert engaged by the management as management Expert for valuation; - obtained understanding of the valuation process and techniques adopted by the valuation Expert to assess the reasonableness of the report; - assessed the adequacy of the disclosures presented in the financial statements regarding property, plant and equipment based on the applicable accounting standards and requirements of Companies Act, 2017.

S.No.	Key audit matters	How the matter was addressed in our audit
2.	<p>Contingencies</p> <p>The Group is subject to material litigations involving different Courts pertaining to taxation and other matters, which require management to make assessments and judgements with respect to likelihood and impact of such litigations on the financial statements of the Group.</p> <p>The management has engaged independent legal counsels on these matters.</p> <p>The assessment of provisioning against such litigations is a complex exercise and requires significant judgements to determine the level of certainty on these matters.</p> <p>The details of contingencies along with management ' s assessments are disclosed in note 30 to the consolidated financial statements.</p>	<p>In response to this matter, we performed the following audit procedures:</p> <ul style="list-style-type: none"> - discussed legal cases with the internal legal department of the Group to understand the management ' s view point, obtained and reviewed the litigation documents to assess the facts and circumstances; - obtained opinions from legal counsels dealing with such cases in the form of confirmations; - evaluated the possible outcome of these legal cases in line with the requirements of IAS 37 (Provisions, contingent liabilities and contingent assets); and - disclosures of legal exposures and provisions were assessed for completeness and accuracy.

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

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated financial statements.

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

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

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

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current 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.

The engagement partner on the audit resulting in this independent auditors' report is Osman Hameed Chaudhri.

Shinewing Hameed Chaudhri & Co.

LAHORE; FEBRUARY 11, 2025
UDIN: AR202410104zsYTIBuGV

SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

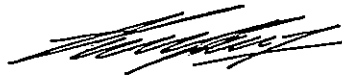
THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

Assets		2024	2023
Non-current Assets	Note	--- Rupees in thousand ---	
Property, plant and equipment	6	29,649,297	26,796,376
Right-of-use assets	7	326,003	328,202
Investment property	8	19,633	24,543
Long term investments	9	203,917	182,471
Security deposits		17,244	16,985
Deferred tax asset	24.2	192,100	10,100
		<u>30,408,194</u>	<u>27,358,677</u>
Current Assets			
Stores and spares	10	913,342	962,775
Stock-in-trade	11	4,986,667	5,513,065
Trade debts	12	440,448	1,251,423
Loans and advances	13	1,121,798	1,071,224
Trade deposits, short term prepayments and other receivables	14	126,370	242,022
Tax refunds due from the Government	15	466,899	87,296
Short term investments	16	78	10,305
Bank balances	17	1,114,598	950,611
		<u>9,170,200</u>	<u>10,088,721</u>
TOTAL ASSETS		<u>39,578,394</u>	<u>37,447,398</u>
Equity and Liabilities			
Share Capital and Reserves			
Authorised capital			
5,750,000 (2023: 5,750,000) ordinary shares of Rs.10 each		57,500	57,500
Issued, subscribed and paid-up capital	18	37,500	37,500
Capital reserves			
- share redemption		1	1
- revaluation surplus on property, plant and equipment	19	5,929,257	5,805,000
General revenue reserve		1,010,537	1,010,537
Unappropriated profit		285,358	2,342,927
Equity Attributable to Equity			
Holders of the Holding Company		7,262,653	9,195,965
Non-controlling Interest		8,017,411	8,608,832
		<u>15,280,064</u>	<u>17,804,797</u>
Non-current Liabilities			
Long term finances	20	6,265,941	4,673,542
Loans from related parties	21	153,547	156,854
Lease liabilities	22	165,814	161,396
Government grant	23	49,696	76,281
Deferred liabilities	24	3,306,111	4,062,491
		<u>9,941,109</u>	<u>9,130,564</u>
Current Liabilities			
Current Liabilities			
Trade and other payables	25	2,188,735	1,595,504
Contract liabilities		36,538	1,973,332
Unclaimed dividends		23,149	7,470
Accrued mark-up	26	461,443	746,754
Short term borrowings	27	9,671,811	4,615,620
Current portion of non-current liabilities	28	1,556,429	1,429,079
Dividends payable to non-controlling interest		572	15,144
Taxation	29	418,544	129,134
		<u>14,357,221</u>	<u>10,512,037</u>
TOTAL LIABILITIES		<u>24,298,330</u>	<u>19,642,601</u>
Contingencies and Commitments	30		
TOTAL EQUITY AND LIABILITIES		<u>39,578,394</u>	<u>37,447,398</u>

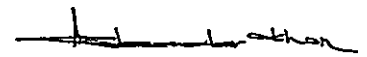
The annexed notes form an integral part of these consolidated financial statements.



Chief Financial Officer



Chief Executive



Director

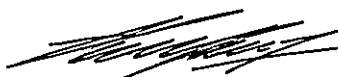
THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED STATEMENT OF PROFIT OF LOSS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Note	2024 Rupees in thousand	2023
Gross sales	31	44,230,134	31,822,243
Sales tax, other government levies and discounts	32	(4,834,984)	(3,174,453)
Sales - net		39,395,150	28,647,790
Cost of sales	33	38,253,534	22,088,434
Gross profit		1,141,616	6,559,356
Selling and distribution expenses	34	942,966	933,842
Administrative and general expenses	35	1,832,020	1,317,207
Other income	36	(229,005)	(242,943)
Other expenses	37	16,366	111,887
		2,562,347	2,119,993
Operating (loss) / profit		(1,420,731)	4,439,363
Finance cost	38	4,831,421	2,981,277
		(6,252,152)	1,458,086
Share of profit from Associated Companies - net	9.2	16,021	11,897
(Loss) / profit before revenue tax and income tax		(6,236,131)	1,469,983
Final taxes - levy		422,190	314,112
(Loss) / profit before income tax		(6,658,321)	1,155,871
Income tax		2,211,124	477,770
Associated companies		6,474	7,626
(Loss) / profit after income tax		(4,453,671)	1,626,015
Attributable to:			
- Equity holders of the Holding Company		(2,482,663)	812,433
- Non-controlling interest		(1,971,008)	813,582
		(4,453,671)	1,626,015
		----- Rupees-----	
Combined (loss) / earnings per share	40	(662.04)	216.65

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



Chief Financial Officer



Chief Executive



Director

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Note	2024 Rupees in thousand	2023
(Loss) / profit after taxation		(4,453,671)	1,626,015
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive income from Associated Companies	9.2	11,776	5,701
Gain / (loss) on remeasurement of staff retirement benefits-gratuity		4,108	(11,500)
Impact of tax		(1,416)	3,601
		2,692	(7,899)
Surplus arisen upon revaluations of property, plant and equipment	19.7	3,161,518	4,039,317
Impact of tax	19.7	(1,304,150)	(1,267,515)
		1,857,368	2,771,802
		1,871,836	2,769,604
Total comprehensive (loss) / income		<u>(2,581,835)</u>	<u>4,395,619</u>
Attributable to:			
- Equity holders of the Holding Company		(1,577,959)	2,637,162
- Non-controlling interest		(1,003,876)	1,758,457
		<u>(2,581,835)</u>	<u>4,395,619</u>

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


Chief Financial Officer


Chief Executive


Director

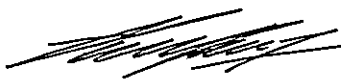
THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	----- Attributable to equity holders of the Holding Company -----						Non-controlling interest	Total equity
	Share capital	Reserves			Total			
		Share redemption	Revaluation surplus on property, plant and equipment	General revenue				
Rupees in thousand								
Balance as at September 30, 2022	37,500	1	4,563,539	1,010,537	1,223,171	6,834,748	6,588,892	13,423,640
Total comprehensive income for the year ended September 30, 2023:								
- Profit after taxation	-	-	-	-	812,433	812,433	813,582	1,626,015
- Other comprehensive income	-	-	1,826,927	-	(2,198)	1,824,729	944,875	2,769,604
	-	-	1,826,927	-	810,235	2,637,162	1,758,457	4,395,619
Effect of items directly credited in equity by Associated Companies	-	-	-	-	497	497	-	497
Non-controlling interest of CSM	-	-	-	-	-	-	(14,959)	(14,959)
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation for the year (net of deferred taxation)	-	-	(585,466)	-	309,024	(276,442)	276,442	-
Balance as at September 30, 2023	37,500	1	5,805,000	1,010,537	2,342,927	9,195,965	8,608,832	17,804,797
Total comprehensive income for the year ended September 30, 2024:								
- Loss after taxation	-	-	-	-	(2,482,663)	(2,482,663)	(1,971,008)	(4,453,671)
- Other comprehensive income	-	-	858,254	-	14,468	872,722	999,114	1,871,836
	-	-	858,254	-	(2,468,195)	(1,609,941)	(971,894)	(2,581,835)
Effect of items directly credited in equity by Associated Companies	-	-	-	-	189	189	-	189
Non-controlling interest of CSM	-	-	-	-	(11,849)	(11,849)	143,462	131,613
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation for the year (net of deferred taxation)	-	-	(733,997)	-	422,286	(311,711)	311,711	-
Dividend paid by the subsidiary company	-	-	-	-	-	-	(74,700)	(74,700)
Balance as at September 30, 2024	37,500	1	5,929,257	1,010,537	285,358	7,262,653	8,017,411	15,280,064

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



Chief Financial Officer



Chief Executive



Director

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Note	2024 Rupees in thousand	2023
Cash flows from operating activities		(6,236,131)	1,469,983
(Loss) / profit for the year - before taxation			
Adjustments for non-cash charges and other items:			
Depreciation on property, plant and equipment and right of use assets	6.10 & 7	2,161,371	1,576,775
Depreciation on investment property		4,910	282
Profit from Associated Companies - net		(16,021)	(11,897)
Return on bank deposits		(103,393)	(44,093)
Staff retirement benefits - gratuity (net)		11,580	6,050
Un-claimed payable balances written-back		(7,279)	(160)
(Gain) / loss on disposal of operating fixed assets		(15,729)	(8,592)
Gain on redemption of short term investments		-	(3,223)
Gain on re-measurement of short term investments to fair value		(3)	(73)
Uncollectible receivable balances written-off		-	639
Finance cost		4,792,040	2,807,543
Loss allowance for doubtful advances		130,472	-
Loss allowance for doubtful debts		30,091	1,551
Impairment loss for export subsidy		149,737	65,413
Profit before working capital changes		901,645	5,860,198
Effect on cash flows due to working capital changes			
(Increase) / decrease in current assets			
Stores and spares	10	49,433	(339,487)
Stock-in-trade	11	526,398	(1,372,693)
Trade debts	12	780,884	(1,163,746)
Loans and advances	13	(79,898)	388,792
Trade deposits, short term prepayments and other receivables		115,652	50,785
Sales tax refundable - net		(800)	376
Advances in trade receivables and contract liabilities		(1,435,917)	2,397,846
		(44,248)	(38,127)
Cash generated from operations		857,397	5,822,071
Income tax paid		(92,203)	(278,120)
Security deposits		(259)	(500)
Net cash generated from operating activities		764,935	5,543,451
Cash flows from investing activities			
Additions to property, plant and equipment		(1,887,301)	(3,056,703)
Sale proceeds of operating fixed assets		15,729	29,800
Short term investments - made		571	(477)
- redeemed	16	10,801	17,751
Return on bank deposits received		103,393	44,093
Net cash used in investing activities		(1,756,807)	(2,965,536)
Cash flows from financing activities			
Long term finances - net	20	1,373,664	1,020,567
Loans from related parties	21	(10,168)	(31,235)
Government grant	23	(26,585)	75,863
Lease finances - net	22	(160,999)	(153,128)
Short term borrowings - net		5,056,191	(387,275)
Finance cost paid		(5,077,351)	(2,489,914)
Dividends paid		1,107	(35)
Net cash generated from / (used in) financing activities		1,155,859	(1,965,157)
Net increase in cash and cash equivalents		163,987	612,758
Cash and cash equivalents - at beginning of the year		950,611	337,853
Cash and cash equivalents - at end of the year	17	1,114,598	950,611

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


Chief Financial Officer


Chief Executive


Director

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

1. THE GROUP AND ITS OPERATIONS

1.1 The Premier Sugar Mills & Distillery Company Ltd. (the Holding Company)

The Holding Company was incorporated on July 24, 1944 as a Public Company and its shares are quoted on Pakistan Stock Exchange Ltd. The Holding Company is principally engaged in manufacture and sale of white sugar and spirit. The Holding Company's Mills and Registered Office are located at Mardan (Khyber Pakhtunkhwa) whereas the Head Office is situated at King's Arcade, 20-A, Markaz F-7, Islamabad. The Holding Company has shifted its distillery from Mardan to Ramak, Dera Ismail Khan during the financial year ended September 30, 2020.

1.2 Subsidiary Companies

(a) Chashma Sugar Mills Ltd. (CSM)

CSM was incorporated in Pakistan on May 05, 1988 as a public limited company, under the Companies Ordinance, 1984 (repealed upon enactment of the Companies Act, 2017 on May 30, 2017) and commenced its commercial production from October 01, 1992. CSM has its shares quoted on the Pakistan Stock Exchange Ltd. CSM is principally engaged in manufacturing, production, processing, compounding, preparation and sale of sugar, other allied compound, intermediates and allied products. CSM is a Subsidiary of The Premier Sugar Mills and Distillery Company Ltd. The head office of CSM is situated at King's Arcade, 20-A, Markaz F-7, Islamabad and its manufacturing facilities are located at Dera Ismail Khan, Khyber Pakhtunkhwa.

Sub-subsidiary Companies

Whole Foods (Private) Ltd. (WFPL)

WFPL (100% owned Subsidiary of CSM) was incorporated in Pakistan as a Private Limited Company under the Companies Act, 2017 on October 26, 2017. The principal activity of WFPL is to set-up, manage, supervise and control the storage facilities for agricultural produce. WFPL is yet to commence its operations.

Ultimate Whole Foods (Private) Ltd. (UWFPL)

UWFPL (Subsidiary Company of CSM) was incorporated in Pakistan as a Private Limited Company under the Companies Act, 2017 on May 17, 2021. The objective of UWFPL is to set up mills for milling wheat, gram, other grains and other allied products and by-products from flours. The operations of UWFPL were started on October 07, 2023.

The storage facilities of Business Units are located at Layyah and Bhakkar, Punjab.

The Holding Company directly and indirectly controls / beneficially owns more than fifty percent of CSM's paid-up capital and also has the power to elect and appoint more than fifty percent of its directors; accordingly, CSM has been treated a Subsidiary with effect from the financial year ended September 30, 2010.

These consolidated financial statements include the financial statements of the Holding Company and its Subsidiaries The Frontier Sugar Mills and Distillery Ltd., Chashma Sugar Mills Ltd., Sub-subsidiaries Whole Foods (Pvt.) Ltd. and Ultimate Whole Foods (Pvt.) Ltd. (the Group) for the year ended September 30, 2024. The corresponding figures presented in these consolidated financial statements are the same as presented in the preceding consolidated financial statements for the year ended September 30, 2023.

These consolidated financial statements have been prepared from the information available in the audited separate financial statements of the Holding Company, CSM and FSM for the year ended September 30, 2024 and the un-audited financial statements of the Sub-subsidiaries for the year ended September 30, 2024.

(b) The Frontier Sugar Mills and Distillery Ltd. (FSM)

FSM was incorporated on March 31, 1938 as a Public Company and its shares were quoted on all the Stock Exchanges of Pakistan; FSM was delisted from the Stock Exchanges as detailed in paragraph (c) below. The principal activity of FSM was manufacturing and sale of white sugar and its Mills and Registered Office are located at Takht-i-Bhai, Mardan (Khyber Pakhtunkhwa). FSM is a Subsidiary of The Premier Sugar Mills & Distillery Company Ltd. (the Holding Company).

Going concern basis

The financial statements of FSM have been prepared on going concern basis despite the uncertainties detailed below that may cast doubt about FSM's ability to continue as a going concern:

- FSM's production facilities are closed since the year 2008 due to diversion of entire sugarcane crop to Gur making;

- the small size of the plant is not economical to run; and

- FSM has been suffering losses over the years; accumulated loss as at September 30, 2024 aggregated Rs.139.115 million.

The financial statements of FSM have been prepared on going concern basis as the management is exploring different avenues / options for future purposes, which include but are not limited to flour mills and other industrial / commercial projects. The management is of the view that with the start of these projects, FSM will be able to cover losses and continue as a going concern. FSM is in possession of property, plant and equipment having carrying values of Rs.1.147 billion at the reporting date, which may be utilised for proposed future projects. Further, being part of Premier Group of Companies, FSM also enjoys financial backing from the Group.

(c) Delisting of FSM

The Holding Company, the majority shareholder of FSM, had decided to purchase all the ordinary and preference shares of FSM held by Others. The shareholders of FSM had passed a special resolution for de-listing of FSM from the Stock Exchanges at the annual general meeting held on January 30, 2010. The shareholders also passed a special resolution for purchase of 263,134 ordinary shares at a price of Rs.190.20 per share and 26,970 preference shares at a price of Rs.18.60 per share by the Holding Company in the extra ordinary general meeting held on June 10, 2010.

The purchase agent of the Holding Company (Invest Capital Investment Bank Ltd.) had completed the buying of 36,209 ordinary shares and 150 preference shares within the initial period of 60 days and after the submission of an undertaking to the Stock Exchanges to purchase the remaining shares upto August 26, 2011, FSM was de-listed from all the Stock Exchanges with effect from October 25, 2010. The purchase agent, during the financial year ended September 30, 2011, had further purchased 19,884 ordinary shares and 20,014 preference shares.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These consolidated financial statements are presented in Pakistan Rupee, which is the Group's functional and presentation currency. Amounts presented in the financial statements have been rounded off to the nearest thousand unless otherwise stated.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting and reporting standards requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are as follows:

i) Estimated useful life of operating assets - note 5.1 and 6

The Group annually reviews appropriateness of the method of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of asset is made for possible impairment on an annual basis. Any change in these estimates in the future, might affect the carrying amount of the respective item of property, plant and equipment, with a corresponding effect on the depreciation and impairment.

ii) Surplus on revaluation of property, plant and equipment - note 5.1 and 6

The Group carries out revaluations, considering the change in circumstances and assumptions from latest revaluation. The fair value of the Group's freehold land, buildings & roads and plant & machinery is assessed by management based on independent valuation performed by an external property valuation expert as at year end. For valuation of freehold land, buildings & roads and plant & machinery, the current market price or depreciated replacement cost method is used, whereby, current cost of construction of similar freehold land, buildings, roads and plant & machinery in similar locations has been adjusted using suitable depreciation rates to arrive at present market value. This technique requires significant judgment as to

ix) Provisions and contingencies - notes 5.15 and 30

The management exercises judgment in measuring and recognising provisions and exposures to contingent liabilities related to pending litigations or other outstanding claims. Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement.

x) Estimation of lease term and incremental borrowing rate for lease liabilities and right of use assets - notes 5.2, 5.10, 5.12, 7 and 22

IFRS 16 requires the Group to assess the lease term as the non-cancellable lease term in line with the lease contract together with the period for which the Group has extension options which the Group is reasonably certain to exercise and the periods for which the Group has termination options for which the Group is not reasonably certain to exercise those termination options.

A significant portion of the lease contracts included within Group's lease portfolio includes lease contracts which are extendable through mutual agreement between the Group and the lessor or lease contracts which are cancellable by the Group on immediately or on short notice. In assessing the lease term for the adoption of IFRS 16, the Group concluded that these cancellable future lease periods should be included within the lease term in determining the lease liability upon initial recognition. The reasonably certain period used to determine the lease term is based on facts and circumstances related to the underlying leased asset and lease contracts and after consideration of business plan of the Group which incorporates economic, potential demand of customers and technological changes.

3. PRINCIPLES OF CONSOLIDATION

These consolidated financial statements have been prepared under the historical cost convention except as otherwise stated in respective accounting policies notes.

These consolidated financial statements include the financial statements of the Holding Company, consolidated financial statements of CSM and the financial statements of FSM as at and for the year ended September 30, 2024. The Holding Company's direct interest, as at September 30, 2024, in CSM was 47.93% (2023: 47.93%) and in FSM was 82.49% (2023: 82.49%).

Investments in Associated Companies, as defined in the Companies Act, 2017, are accounted for by the equity method.

Non-controlling interest is calculated on the basis of their proportionate share in the net assets of the Subsidiary Companies.

Subsidiary is an entity over which the Holding Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Holding Company controls another entity. The Holding Company also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Holding Company's voting rights relative to the size and dispersion of holdings of other shareholders give the Holding Company the power to govern the financial and operating policies, etc.

Subsidiary is fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

iii) Impairment of non-financial assets

Assets that have an indefinite useful life, for example land, are not subject to amortisation or depreciation and are tested annually for impairment. Assets that are subject to depreciation/ amortisation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Reversals of the impairment losses are restricted to the extent that assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. An impairment loss or reversal of impairment loss is recognised in the statement of profit or loss.

iv) Provision for stores and spares - note 5.5 and 10

For items which are slow-moving and/or identified as obsolete, adequate provision is made for any excess book value over estimated realisable value on a regular basis. The Group reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence.

v) Write down of stock in trade to net realisable value - note 5.6 and 11

Net realisable value is determined on the basis of estimated selling price of the product in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

If the expected net realisable value is lower than the carrying amount, a write-down is recognised for the amount by which the carrying amount exceeds its net realisable value. Provision is made in the unconsolidated financial statements for obsolete and slow moving stock-in-trade based on management estimate.

vi) Estimation of impairment loss allowance - note 5.18 and 12

The Group reviews the Expected Credit Loss (ECL) model, which is based on the historical credit loss experience over the life of the trade receivables and adjusted if required. The ECL model is reviewed on a quarterly basis.

vii) Provision for employees' defined benefit plans - note 5.11 and 24

Defined benefit plans are provided for all employees of the Group. These calculations require assumptions to be made of future outcomes, the principal ones being in respect of increases in remuneration and the discount rate used to convert future cash flows to current values. The assumptions used vary for the different plans as they are determined by independent actuaries annually.

Cost primarily represents the increase in actuarial present value of the obligation for benefits earned on employees service during the year and the interest on the net liability/(asset) in respect of employee's service in previous years. Calculations are sensitive to changes in the underlying assumptions.

viii) Provision for current and deferred tax - note 5.16 and 39

In making the estimate for tax payable, the Group takes into account applicable tax laws, the decisions taken by the appellate authorities on certain issues in the past and professional advice of tax consultant of the Group.

Deferred tax assets are recognised for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against which such losses and credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

All significant inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The reporting period end of Sub-subsidiaries is June 30, 2024. The Sub-subsidiaries financial statements used for preparation of consolidated financial statements corresponds with period of the Group.

4. CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

4.1 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group:

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Group's annual accounting periods which began on October 01, 2023. However, these do not have any significant impact on the Group's financial reporting.

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

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Group's annual accounting periods beginning on or after October 01, 2024. However, these will not have any material impact on the Group's financial reporting and, therefore, have not been disclosed in these consolidated financial statements.

4.3 IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes (the Guidance) issued by ICAP

The Institute of Chartered Accountants of Pakistan (ICAP) issued the aforementioned Guidance through Circular No. 07 / 2024 dated May 15, 2024. In light of the said Guidance, as the minimum taxes and final taxes are not calculated on the 'taxable income' as defined in IAS 12 (Income Taxes) but calculated on turnover or other basis (as per relevant sections of the Income Tax Ordinance, 2001 (the Ordinance); accordingly, minimum taxes and final taxes should be accounted for under IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) / IFRIC 21 (Levies) as levies (though these are charged under tax law) and not under IAS 12 as income taxes. Based on the Guidance, the minimum taxes under the Ordinance are hybrid taxes, which comprise of a component within the scope of IAS 12 and a component within the scope of IFRIC 21.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) – 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the Statement of Financial Position, Earnings per share and Statement of Changes in Equity as a result of this change. The impact of the above change has been tabulated below:

	As at Sep 30, 2024			As at Sep 30, 2023		
	Had there been no change in accounting policy	Impact of change in accounting policy	After change in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After change in accounting policy
----- Rupees in thousand -----						
Effect on profit or loss and other comprehensive income						
Final taxes - levy	-	422,190	422,190	-	314,112	314,112
(Loss) / profit before income tax	(6,236,131)	422,190	(6,658,321)	1,469,983	314,112	1,155,871
Income tax expense	2,217,598	422,190	2,639,788	485,396	314,112	799,508

5. 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.

5.1 Property, plant and equipment

(a) The Holding Company and FSM

Measurement

Buildings on leasehold and freehold land and plant, machinery and equipment are shown at fair value, based on valuations carried-out with sufficient regularity by external independent Valuers, less subsequent amortisation / depreciation.

Any accumulated amortisation / depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The remaining property, plant and equipment, except freehold land and capital work-in-progress, are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Freehold land and capital work-in-progress are stated at cost.

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

Revaluation

Increases in the carrying amounts arising on revaluation of property, plant and equipment are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in statement of profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the revaluation surplus on property, plant and equipment to retained earnings.

Depreciation

Depreciation on operating fixed assets, except leasehold land, is taken to statement of profit or loss using the 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 6.1. Leasehold land is amortised over the lease term using the straight-line method.

Depreciation on additions to property, plant and equipment is charged from the date the asset acquired or capitalised has become available for use. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held-for-sale and the date that the asset is derecognized.

Disposal

Gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in other income in the statement of profit or loss. In case of the sale or retirement of a revalued property, plant and equipment, the attributable revaluation surplus remaining in the revaluation surplus on property, plant and equipment is transferred directly to unappropriated profit / accumulated loss.

Judgment and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any change in estimates is accounted for on a prospective basis.

(b) CSM and its Subsidiaries

Owned assets

Operating fixed assets except freehold land, leasehold land, buildings and roads, plant & machinery and electric installations are stated at cost less accumulated depreciation and impairment losses. Freehold land is stated at revalued amount, whereas leasehold land buildings & roads, plant & machinery and electric installations are stated at revalued amount less accumulated depreciation and impairment losses. Revaluation is carried out by independent expert. CSM and its Subsidiaries carry out revaluations periodically, considering the change in circumstances and assumptions from latest revaluation. Capital work-in-progress and major spare parts and standby equipment are stated at cost. Cost in relation to certain plant and machinery items include borrowing cost related to the financing of major projects during construction phase.

Subsequent cost, if reliably measurable, are included in the asset's carrying amount or recognised as separate asset as appropriate, only when it is probable that future economic benefits associated with the cost will flow to CSM and its Subsidiaries. The carrying amount of any replaced parts as well as other repair and maintenance costs are charged to statement of profit or loss during the period in which these are incurred.

Increase in the carrying amount arising on revaluation of freehold land, leasehold land, buildings & roads, plant & machinery and electric installations are recognised in other comprehensive income and accumulated in shareholders' equity under the heading revaluation surplus on property, plant and equipment. To the extent that the increase reverses a decrease previously recognised in statement of profit or loss, the increase is first recognised in statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to statement of profit or loss.

Depreciation on operating assets is calculated using the reducing balance method to allocate their cost over their estimated useful life at the rates specified in note 6.1. Depreciation for factory assets is charged to cost of sales while depreciation for other property, plant and equipment is charged to administrative and general expenses and selling and distribution expenses on actual usage basis.

Depreciation on additions to property, plant and equipment is charged from the date asset is available for intended use till date of disposal.

The gain or loss on disposal of an asset, calculated as difference between the sale proceeds and carrying amount of the asset, is recognised as other income in statement of profit or loss for the year.

Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. It consists of expenditure incurred and advances made in respect of operating fixed assets, capital stores and intangible assets in the course of their acquisition, construction and installation.

5.2 Right-of-use assets

CSM and its Subsidiaries recognise right-of-use assets at the commencement date of the lease i.e. the date the underlying assets are available for use. Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities except plant and machinery for which CSM and its Subsidiaries have elected to use the revaluation model.

The cost comprises the following:

- the amount of the initial measurement of lease liabilities;
- any lease payments made at or before the commencement date less any lease incentives received and any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If CSM and its Subsidiaries are reasonably certain to exercise a purchase option, the right-of-use assets are depreciated over the underlying assets' useful life.

5.3 Investment property

Property not held for own use or for sale in the ordinary course of business is classified as investment property. The Group uses cost model for valuation of its investment property; freehold land has been valued at cost whereas buildings on freehold land have been valued at cost less accumulated depreciation and any identified impairment loss.

Depreciation on investment property is taken to statement of profit or loss applying the reducing balance method at the rates stated in note 8. Depreciation on additions is charged from the date the asset acquired or capitalised has become available for use. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held-for-sale and the date that the asset is derecognised. Impairment loss or its reversal, if any, is taken to statement of profit or loss.

5.4 Investments

Investments in equity instruments of Associated Companies are stated at the Group's share of their underlying net assets using the equity method.

Investments available-for-sale represent investments, which are not held for trading. All investments are initially recognised at cost, being fair value of the consideration given. Subsequent to initial recognition, these investments are re-measured at fair value (quoted market price). Any gain or loss from a change in the fair value of investments available-for-sale is recognised in other comprehensive income / (loss) as unrealised, unless sold, collected or otherwise disposed-off, or until the investment is determined to be impaired, at which time cumulative gain or loss previously recognised in the equity is included in the statement of profit or loss for the year.

5.5 Stores and spares

(a) The Holding Company and FSM

Stores and spares 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 upto the reporting date. Carrying amounts of stores and spares are reviewed on a regular basis and provision is made for identified obsolete and slow moving items.

(b) CSM

Stores and spares are stated at cost less allowance for obsolete and slow moving items. Cost is determined using weighted average method. Items in transit are valued at cost comprising invoice value and other related charges incurred up to the date of the statement of financial position date.

5.6 Stock-in-trade

(a) The Holding Company

- i)** Stock of manufactured products is valued at the lower of cost and net realisable value. Molasses inventory is valued at net realisable value.
- ii)** Cost in relation to finished goods and work-in-process represents the annual average manufacturing cost, which comprises of prime cost and appropriate production overheads.
- iii)** Net realisable value signifies the selling price in the ordinary course of business less cost of completion and cost necessary to be incurred to effect such sale.

Judgments and estimates

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines.

(b) CSM

Sugar and ethanol are stated at the lower of cost and net realisable value. Cost is determined using the average manufacturing cost method. The cost of finished goods and work in process comprises raw materials, direct labour, other direct costs and related production overheads.

Purchased molasses is stated at lower of cost and net realisable value whereas cost of own produced molasses, a by product, is determined on the basis of average cost of molasses purchased from third parties.

The specific costs of bagasse, a by-product cannot be determined. Accordingly, it is stated at net realizable value (NRV).

Net realisable value is the estimated selling price in the ordinary course of business, less cost of completion and costs necessary to be incurred to make the sale.

5.7 Trade debts and other receivables

(a) The Holding Company

Trade debts are initially recognised at original invoice amount, which is the fair value of consideration to be received in future and subsequently measured at cost less allowance for Expected Credit Loss (ECL). Carrying amounts of trade debts and other receivables are assessed at each reporting date and allowance is made for doubtful debts and receivables when collection of the amount is no longer probable. Debts and receivables considered irrecoverable are written-off.

(b) CSM

Trade debts are recognised and carried at the original invoice amounts, being the fair value, less an allowance for uncollectible amounts, if any. For measurement of loss allowance for trade debts, CSM applies IFRS 9 simplified approach to measure the expected credit losses.

5.8 Short term investments (at fair value through profit or loss)

Investments at fair value through profit or loss are those which are acquired for generating a profit from short-term fluctuation in prices. All investments are initially recognised at cost, being fair value of the consideration given. Subsequent to initial recognition, these investments are re-measured at fair value (quoted market price). Any gain or loss from a change in the fair value is recognised in income.

5.9 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise balances with banks in current, deposit and saving accounts, bank overdrafts and cash / running finance. Bank overdrafts are shown in current liabilities on the statement of financial position.

5.10 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest rate method.

Borrowing costs, which are directly attributable to the acquisition, construction or production of a qualifying asset, are capitalised as part of the cost of that asset. All other borrowing costs are charged to statement of profit or loss.

5.11 Staff retirement benefits

(a) The Holding Company

Defined contribution plan

The Holding Company is operating a provident fund scheme for all its permanent employees; equal monthly contribution to the fund is made at the rate of 9% of the basic salaries both by the employees and the Holding Company.

Defined benefit plan

The Holding 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, 2024 on the basis of projected unit credit method by an independent Actuary.

Actuarial gains and losses are recognised in other comprehensive income in the period in which these occur and past-service costs are recognised immediately in the statement of profit or loss.

(b) CSM and its Subsidiaries

CSM and its Subsidiaries operate provident funds and an un-funded gratuity schemes for their employees as detailed below:

Defined contribution plan

CSM and its Subsidiaries operate recognised contributory provident funds for their permanent employees. Equal monthly contributions are made by CSM and its Subsidiaries and the employees to the fund at the specified rate of basic salary and charged to the statement of profit or loss. Investments out of provident fund have been made in accordance with the provisions of section 218 of Companies Act, 2017 and applicable rules.

Defined benefit plan

CSM and its Subsidiaries operate unfunded gratuity schemes covering eligible employees under their employment contract. The liability for gratuity is recognised on the basis of actuarial valuation using Projected Unit Credit Method. The latest actuarial valuations were conducted on September 30, 2024.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the year in which they arise. Past service costs are recognised immediately in profit or loss.

5.12 Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, incremental borrowing rate of CSM and its Subsidiaries. Generally, CSM and its Subsidiaries use its incremental borrowing rate as the discount rate.

Lease payments in the measurement of the lease liability comprise the following:

- a) fixed payments, including in-substance fixed payments;
- b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- c) amounts expected to be payable under a residual value guarantee; and
- d) the exercise price under a purchase option that CSM and its Subsidiaries are reasonably certain to exercise, lease payments in an optional renewal period if CSM and its Subsidiaries are reasonably certain to exercise an extension option, and penalties for early termination of a lease unless CSM and its Subsidiaries are reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in CSM and its Subsidiaries estimate of the amount expected to be payable under a residual value guarantee, or if CSM and its Subsidiaries change their assessment of whether it will exercise a purchase, extension or termination option.

5.13 Trade and other payables

Liabilities for trade and other payables including payable to related parties are carried at cost, which is the fair value of consideration to be paid in the future for goods and/or services received, whether or not billed to the Group.

5.14 Provisions

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

5.15 Contingent liabilities

A contingent liability is disclosed when the Group

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

5.16 Taxation

Taxation comprises of current tax and deferred tax.

The tax expense for the period comprises current and deferred tax. Tax is recognized in the consolidated statement of profit or loss, except to the extent that it relates to items recognized in consolidated statement of other comprehensive income or directly in equity. In this case, the tax is also recognized in consolidated statement of other comprehensive income or directly in equity, respectively.

The Group designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognise it as current income tax expense. The amount calculated not on the basis of taxable income, is then recognized as a levy falling under the scope of IFRIC 21/IAS 37.

Current

Provision for current taxation is based on taxable income for the year determined in accordance with prevailing law for taxation on income at the applicable rates of taxation after taking into account tax credits and tax rebates, if any. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

CSM and its Subsidiaries recognise provision for income tax based on best current estimates. However, where the final tax outcome is different from the amounts that were initially recorded, such differences impact the income tax provision in the period in which such determination is made.

CSM and its Subsidiaries take into account the current income tax law and decisions taken by the taxation authorities. Instances where the views of CSM and its Subsidiaries differ from the income tax department at the assessment stage and where CSM and its Subsidiaries consider that their view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Deferred

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

Deferred tax asset and liability is measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted. Deferred tax is charged or credited to income except in the case of items credited or charged to equity in which case it is included in equity.

5.17 Dividend and revenue reserve appropriation

Dividend and movement in revenue reserves are recognised in the financial statements in the period in which these are approved.

5.18 Impairment of non-financial assets

Assets that have an indefinite useful life, for example land, are not subject to amortisation or depreciation and are tested annually for impairment. Assets that are subject to depreciation/ amortisation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Reversals of the impairment losses are restricted to the extent that assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. An impairment loss or reversal of impairment loss is recognised in the consolidated statement of profit or loss.

5.19 Revenue recognition

The Group recognizes revenue at point of time when control of product is transferred to customer. Control is considered to be transferred in case of local sales when the finished goods are directly uplifted by customer from the warehouse or when it is delivered by the Group at customer premises. In case of export sales, control is considered to be transferred when the finished goods are shipped to the customer.

Revenue is measured based on the consideration agreed with the customer and excludes sales tax / government levies and amounts collected on behalf of third parties. Revenue is presented net of discounts, rebates and returns.

No element of financing is deemed present as the sales are made either at advance or with a credit term of upto 30 days, which is consistent with the market price.

Contract assets

Contract assets arise when the Group performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due.

Contract liabilities

Contract liability is the obligation of the Group to transfer goods to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs its performance obligations under the contract.

Other income

The Group recognises following in other income:

- (i) Income on deposit / saving accounts using the effective yield method.
- (ii) Dividend income when the right to receive dividend is established.
- (iii) Income from other non-recurring goods and services is recognised when the control is transferred and performance obligations are fulfilled.

5.20 Development expenditure

Expenditure incurred on development of sugar cane and beet is expensed in the year of incurrence.

5.21 Deferred government grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grant includes any benefit earned on account of a government loan obtained at below-market rate of interest. The loan is recognised and measured in accordance with IFRS 9 "Financial Instruments". The benefit of the below-market rate of interest is measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received.

Government grant that has been awarded for the purpose of giving immediate financial support to the Group is recognised in profit or loss of the period in which the entity qualifies to receive it.

5.22 Foreign currency transactions and translation

Foreign currency transactions are translated in Pakistan Rupees using the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated in functional currency using the exchange rate prevailing at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognised in the consolidated statement of profit or loss.

5.23 Financial instruments

Financial instruments are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument. All the financial assets are derecognised at the time when the Group loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the consolidated statement of profit or loss .

a) Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- i) amortised cost where the effective interest rate method is applied;
- ii) fair value through profit or loss; and
- iii) fair value through other comprehensive income.

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

For assets measured at fair value, gains and losses are either recorded in statement of profit or loss or other comprehensive income (OCI). For investment in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Further, financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group can classify its debt instruments:

i) Amortised cost

Assets that are held for collection of contractual cash flows where the contractual terms of the financial assets give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in statement of profit or loss and presented in other income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or

ii) Fair value through other comprehensive income (FVTOCI)

Debt securities, where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other income. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income and impairment expenses are presented as separate line item in the statement of profit or loss.

iii) Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the statement of profit or loss and presented in finance income / cost in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to statement of profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in statement of profit or loss as other income when the Group's right to receive payments is established.

Impairment of financial assets

The Group assess on a historical as well as forward-looking basis, the expected credit loss (ECL) as associated with its debt instruments, trade debts, short term investments, deposits and other receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the ECL model:

- Trade debts
- Loans and advances
- Trade deposits and other receivables
- Bank balances

General approach for loans and advances, trade deposits, other receivables and bank balances

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 months expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognised when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognised without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 months to lifetime expectations.

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor;
- significant increase in credit risk on other financial instruments of the same debtor; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, in case of trade debts, the Group considers that default has occurred when a debt is more than 365 days past due, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit - impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Simplified approach for trade debts

The Group recognises life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; and
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade debts with individually significant balance are separately assessed for ECL measurement. All other trade debts are grouped and assessed collectively based on shared credit risk characteristics and the days past due. The expected credit losses on these financial assets are estimated using a provision matrix approach based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- nature of financial instruments;
- past-due status;
- nature, size and industry of debtors; and
- external credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Recognition of loss allowance

The Group recognises an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Write-off

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Group may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off result in impairment gains.

b) Financial Liabilities**Classification, initial recognition and subsequent measurement**

Financial liabilities are classified in the following categories:

- i) fair value through profit or loss; and
- ii) other financial liabilities.

The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in case of other financial liabilities also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

i) Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Group has not designated any financial liability upon recognition as being at fair value through profit or loss.

ii) Other financial liabilities

After initial recognition, other financial liabilities which are interest bearing subsequently measured at amortised cost, using the effective interest rate method and are measured at present value. Gains and losses are recognised in profit or loss for the year, when the liabilities are derecognised as well as through effective interest rate amortisation process.

Derecognition of financial liabilities

The Group derecognises financial liabilities when and only when the Group's obligations are discharged, cancelled or expired.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amount and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market is accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Board determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement. External valuers may be involved for valuation of significant assets and significant liabilities. For the purpose of fair value disclosures, the Group determines classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

5.24 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Group has two reportable segments, i.e. sugar and ethanol.

5.25 Earnings per share

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

6. PROPERTY, PLANT AND EQUIPMENT	Note	2024	2023
		Rupees in thousand	
Operating fixed assets - tangible	6.1	27,594,903	23,253,239
Capital work-in-progress	6.13	2,053,939	3,543,137
Advance against lease vehicle		455	-
		<u>29,649,297</u>	<u>26,796,376</u>

6.1 Operating fixed assets - tangible

Particulars	Owned											Total			
	Lease-hold land	Freehold land	Buildings on freehold land	Buildings and roads on leasehold land	Plant, machinery and equipment	Tools	Beet water line	Electric and gas equipment	Laboratory equipment	Furniture, fittings & office equipment	Farm equipment		Railway rolling stock and vehicles	Tube well	Arms
Rupees in thousand															
As at September 30, 2022															
Cost / revaluation	2,835	3,183,601	2,854,211	211,813	11,025,693	914	206	783,035	120	285,803	2,793	123,171	59	54	18,474,308
Accumulated depreciation	691	-	43,880	35,916	300,476	913	205	317,892	118	143,192	896	90,905	58	51	935,193
Book value	2,144	3,183,601	2,810,331	175,897	10,725,217	1	1	465,143	2	142,611	1,897	32,266	1	3	17,539,115
Year ended September 30, 2023:															
Additions	2,722,248	-	-	81,674	271,725	-	-	23,989	-	61,464	168	13,326	-	-	3,174,594
Revaluation adjustments															
- cost	477,752	7,300	47,620	55,044	1,884,426	-	-	-	-	-	-	-	-	-	2,472,142
- depreciation	41,246	-	36,046	184,557	1,268,061	-	-	37,265	-	-	-	-	-	-	1,567,175
Disposals:															
- cost	-	-	-	-	-	-	-	(373)	-	(134)	-	(51,469)	-	-	(51,976)
- depreciation	-	-	-	-	-	-	-	278	-	64	-	30,426	-	-	30,768
Transfers from leased to owned:															
- cost	-	-	-	-	-	-	-	-	-	-	-	52,645	-	-	52,645
- depreciation	-	-	-	-	-	-	-	-	-	-	-	(31,374)	-	-	(31,374)
Depreciation charge	41,274	-	14,860	276,322	1,090,612	-	-	47,988	-	19,309	161	9,324	-	-	1,499,850
Book value as at															
September 30, 2023	3,202,116	3,190,901	2,879,137	220,850	13,058,817	1	1	478,314	2	184,696	1,904	36,496	1	3	23,253,239
Year ended September 30, 2024:															
Additions	-	-	-	1,519,480	1,491,115	-	-	138,018	26,490	26,072	73	65,138	-	-	3,266,386
Revaluation adjustments															
- cost	550,000	6,539	-	277,828	501,352	-	-	29,965	-	-	-	-	-	-	1,365,684
- depreciation	98,461	-	-	503,545	1,169,063	-	-	24,765	-	-	-	-	-	-	1,795,834
Disposals:															
- cost	-	-	-	-	-	-	-	(1,039)	-	(104)	-	(88,795)	-	-	(89,938)
- depreciation	-	-	-	-	-	-	-	472	-	76	-	52,664	-	-	53,212
Transfers from leased to owned:															
- cost	-	-	-	-	-	-	-	-	-	-	-	78,784	-	-	78,784
- depreciation	-	-	-	-	-	-	-	-	-	-	-	(48,896)	-	-	(48,896)
Depreciation charge	98,461	-	425,082	-	1,237,744	-	-	70,077	2478	6,257	165	239,138	-	-	2,079,402
Book value as at															
September 30, 2024	3,752,116	3,197,440	2,454,055	2,521,703	14,982,603	1	1	600,418	24,014	204,483	1,812	(143,747)	1	3	27,594,903
As at September 30, 2023															
Cost / revaluation	3,202,835	3,190,901	2,901,831	348,531	13,181,844	914	206	806,651	120	347,133	2,961	137,673	59	54	24,121,713
Accumulated depreciation	719	-	22,694	127,681	123,027	913	205	328,337	118	162,437	1,057	101,177	58	51	866,474
Book value	3,202,116	3,190,901	2,879,137	220,850	13,058,817	1	1	478,314	2	184,696	1,904	36,496	1	3	23,253,239
As at September 30, 2024															
Cost / revaluation	3,752,835	3,197,440	2,901,831	2,145,839	15,174,311	914	206	973,595	26,610	373,101	3,034	192,800	59	54	28,742,629
Accumulated depreciation	719	-	447,776	(375,864)	191,708	913	205	373,177	2,596	168,618	1,222	336,547	58	51	1,147,726
Book value	3,752,116	3,197,440	2,454,055	2,521,703	14,982,603	1	1	600,418	24,014	204,483	1,812	(143,747)	1	3	27,594,903
Depreciation rate (%)	1.01	-	5-10	5-10	10-12	15	15	10	10	10-15	10	10-20	10	10	10

6.2 During the year ended September 30, 2024, management assessed the Property, Plant and Equipment of WFPL for impairment in respect of triggering events as specified by IAS 36 applicable to the non-current assets. Based on the below indicators, an impairment test has been carried out by the management to determine the recoverable amount of non-current assets of WFPL:

- Lack of start of operations as per plan envisaged in the agreement between Punjab Foods Department, Government of Punjab and Whole Foods (Private) Limited;
- Notice of intent to terminate agreement between Punjab Foods Department, Government of Punjab to Whole Foods (Private) Limited (WFPL) during 2023 which has been contested by the management of WFPL and they are confident that the above said notice will be withdrawn.
- Management plans to consider other options

6.3 CSM and its subsidiaries has performed an assessment of recoverable value based on assessment of fair value less cost to sell and value in use of non-current assets of WFPL. The fair value less cost to sell has been determined by an independent expert. Management's approach and key assumptions used to determine fair value less cost to sell to the consolidated financial statements. Based on the same the management has concluded that there is no need to record an impairment loss in the consolidated financial statements.

During the year ended September 30, 2024, management assessed the property, plant and equipment of UWFPL for impairment in respect of triggering events as specified by IAS 36 applicable to the non-current assets. Based on the below indicators, an impairment test has been carried out by the management to determine the recoverable amount of non-current assets of UWFPL:

- Lack of margins, negative gross profits and net liability position;
- Management plans to market their premier brand "Golden crust" as this is the first year of operations.

Considering the requirements of IAS 36 the Group has assessed the recoverable amount of the property plant and equipment based on higher of Value In Use (VIU) and fair value less costs to sell. An external valuation expert has determined the valuation of freehold land, buildings, plant & machinery and electric installations. The VIU is also determined on the basis of projected cashflows based on a future business plan approved by the Board of Directors of the CSM and its subsidiaries for a period of six years from 2025 to 2030. VIU has been assessed on discounted cash flow based valuation methodology using weighted average cost of capital of 14.54% per annum. In view of foregoing, management has concluded that there is no need to recognize an impairment loss in the consolidated financial statements.

6.4 **Particulars of immovable property of the Holding Company**

Location	Usage of immovable property	Total Area (square feet)	Covered Area (In square feet) approx.
Land - freehold			
Saro Shah, Takht Bahi	Agricultural	5,378,299	-
Nowshera Road, Mardan	Industrial	999,158	
Land - leasehold			
Nowshera Road, Mardan	Industrial	5,268,037	
		6,267,195	807,188
		11,645,494	807,188

- 6.5 Particulars of immovable property (i.e. land and buildings) in the name of CSM and its Subsidiaries are as follows:

Location	Usage of immovable property	Total Area (Kanals)	Covered Area (Kanals)
CSM-1, D.I.Khan	Factory building	1,111.25	98.86
CSM-2, Ramak	Factory building	1,618.65	174.66
Layyah and Bhakka	Storage facility	32	4.8
Plot # A-4, Sector, F-9/G-9, Islamabad	Land for Head Office Building	2.7	-
Kings Arcade, 20-A, F-6 markaz, Islamabad		2.49	2.49
Ramak D.I.khan	Factory building	64.00	6.00
Ramak D.I.khan	Factory building	64.10	14.67
Bhakkar	Storage facility	16.00	2.40
Layyah	Storage facility	16.0	2.40

- 6.6 Had the revalued fixed assets of the Group been recognised under the cost model, the carrying values of these assets would have been as follows:

	2024	2023
	Rupees in thousand	
Leasehold land	2,559,760	2,681,002
Freehold land	346,721	339,247
Buildings & roads	2,835,122	992,098
Buildings on leasehold land	742	802
Plant, machinery and equipment	4,602,026	3,586,738
Electric installations	480,457	439,161
	10,824,828	8,039,048

- 6.7 The forced sale values of revalued fixed assets of the Group, based on valuations conducted during 2024 and prior years, are as follows.

	2024
	Rupees in thousand
Leasehold land	3,000,000
Freehold land	1,754,172
Buildings & roads	5,945,754
Plant, machinery and equipment	9,901,561
Electric installations	423,358
	21,024,845

- 6.8 The Board of Directors of the Holding Company, during the financial year ended September 30, 2018, had decided to shift the Holding Company's distillery operations from Mardan to Ramak, Dera Ismail Khan due to easy approach to power and raw materials. Dismantling, shifting and erection work of distillery was completed during the financial year ended September 30, 2020.

- 6.9 The Holding Company had availed its option of renewal of leasehold land agreement expired during the financial year ended September 30, 2008. Buildings on leasehold land, however, were revalued during the financial years ended September 30, 2009, September 30, 2011, September 30, 2014, September 30, 2017, September 30, 2020 and September 30, 2023 and revaluation surplus on these assets aggregating Rs.116.886 million, Rs.17.376 million, Rs.76.240 million, Rs.5.328 million, Rs.99.021 million and Rs.1,345.854 million respectively was incorporated in the books of account.

Clause 6 of the lease agreement dated July 09, 1947, which was for a period of 60 years, empowers the Holding Company to renew the lease. On August 10, 2007, the Holding Company, in terms of the aforesaid clause 6, had exercised the option of renewal of the lease and indicated its desire to extend the lease for a further period of 60 years (commencing from January 01, 2008) on such terms as may be agreed between the parties and invited the legal heirs of the lessor to negotiate the terms of the extended lease agreement. The legal heirs of the lessor had failed to agree on the terms of the extended lease; hence, the matter was referred to arbitration.

Two of the legal heirs of the lessor have filed civil suits impugning the validity of arbitration. These suits are frivolous, barred by law and liable to be dismissed in due course under relevant provisions of the Arbitration Act, 1940.

The arbitration proceedings were finalised during the financial year ended September 30, 2016 and the Arbitrator (a Senior Advocate of the Supreme Court of Pakistan) announced the award by extending the lease term for a further period of 60 years. The same was filed before the Senior Civil Judge, Mardan to make it 'Rule of the Court'.

6.10 Depreciation for the year has been allocated as follows:	2024	2023
	Rupees in thousand	
Cost of sales	1,870,794	1,406,281
Administrative expenses	208,608	93,569
	<u>2,079,402</u>	<u>1,499,850</u>

6.11 Disposal of vehicle of the Group

Particulars	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain	Mode of disposal	Particulars of buyer
-----Rupees in thousand-----							
2024							
Vehicles							
Toyota Land Cruiser	39,851 #	26,135	13,716	19,925	6,209	Company policy	Mr. Abbas Sarfaraz Khan (the director of the company)
Toyota Corolla	2,594 #	1,531	1,063	1,297	234	---do---	Mr. Ali Hamza (employee)
Toyota Corolla	2,594 #	1,566	1,028	1,297	269	---do---	Muhammad Arshad (employee)
Toyota Corolla	2,202 #	1,375	827	1,101	274	---do---	Muhammad Shahzad Anjum (employee)
Toyota Yaris	2,744 #	1,549	1,195	1,372	177	---do---	Mr. Akbar Ali (employee)
Toyota Hilux Revo	4,016 #	3,047	969	6,000	5,031	Insurance policy	IGI General Insurance Limited
KIA Sportage	4,734 #	2,811	1,923	2,367	444	Company policy	Mr. Hameed Ur Rehman (employee)
Honda Civic	3,177 #	1,984	1,193	1,589	396	---do---	Mr. Javed Anwar (employee)
Honda BR-V	3,342 #	2,057	1,285	1,671	386	---do---	Mr. Amir Ur Rehman (employee)
Honda BR-V	3,053 #	1,810	1,243	1,566	323	---do---	Mr. Khalid Mehmood (employee)
Honda BR-V	2,353 #	1,405	948	1,289	341	---do---	Muhammad Shahzad Anjum (employee)
Suzuki Swift	1,734 #	1,083	651	873	222	---do---	Muhammad Athar Hussain (employee)
Suzuki Cultus	2,014 #	1,241	773	1,067	294	---do---	Mr. Tariq Alam (employee)
Suzuki Cultus	1,894 #	1,038	856	1,102	246	---do---	Mr. Javed Akhtar (employee)
Suzuki Cultus	1,445 #	902	543	723	180	---do---	Mr. Adil Haroon Shah (employee)
Suzuki Cultus	1,624 #	970	654	812	158	---do---	Mr. Zeeshan Ahmed (employee)
Suzuki Cultus	2,017	473	1,544	1,976	432	Insurance policy	IGI General Insurance Limited
	81,388 #	50,977	30,411	46,027	15,616		
Various assets having net book value upto Rs.500,000 each	8,550	2,235	6,315	6,428	113	-	Various parties
	<u>89,938</u>	<u>53,212</u>	<u>36,726</u>	<u>52,455</u>	<u>15,729</u>		
2023	<u>51,976</u>	<u>30,768</u>	<u>21,208</u>	<u>29,800</u>	<u>8,592</u>		

6.12 In case of CSM and its Subsidiaries, property plant and equipment with aggregate carrying value of Rs.16,098,014 thousand (2023: Rs.14,649,347 thousand) are subject to first joint pari passu charge as defined in note 20. CSM and its Subsidiaries are not allowed to pledge these assets as security for other borrowings or sell them to another entity.

6.13 Capital work-in-progress of the Group

	Land and buildings	Plant, machinery and equipment	Electric installations	Owned vehicles	Vehicles - leased	Capital stores	Advance payments to contractors	Advance payments against land - freehold land and buildings	Furniture and fixtures	Un-allocated capital expenditure	Office equipment	Total
Rupees in thousand												
As at October 01, 2022	3,055,070	301,739	9,495	7,739	34,317	59,723	328,000	6,000	-	-	-	3,802,083
Additions during the year	940,176	1,814,720	291,166	1,597	108,609	262,244	812,424	2,000	-	-	-	4,232,936
Capitalised during the year	(2,801,370)	(270,026)	(23,989)	(9,336)	(113,552)	(262,263)	(1,025,238)	-	-	-	-	(4,505,774)
Other adjustments	31,843	(31,843)	-	-	-	-	13,892	-	-	-	-	13,892
Balance as at September 30, 2023	1,225,719	1,814,590	276,672	-	29,374	59,704	129,078	8,000	-	-	-	3,543,137
As at October 01, 2023	1,225,719	1,814,590	276,672	-	29,374	59,704	129,078	8,000	-	-	-	3,543,137
Additions during the year	314,043	1,081,242	92,335	6,914	101,930	222,727	125,146	12,500	344	154,916	46	2,112,143
Capitalised during the year	(1,380,702)	(1,491,115)	(198,596)	(6,680)	(97,139)	(225,970)	(97,892)	(10,002)	-	-	-	(3,508,096)
Other adjustments	-	-	(18,781)	-	-	-	(74,464)	-	-	-	-	(93,245)
Balance as at September 30, 2024	159,060	1,404,717	151,630	234	34,165	56,461	81,868	10,498	344	154,916	46	2,053,339

6.14 Additions in land and building of CSM and its Subsidiaries include Rs. 68,523,422 (2023: Rs. Nil) capitalised in respect of borrowing cost on long term loans obtained for the purpose of construction of building and civil works.

6.15 This amount mainly include to fabrication material issues to third party contractor for further processing.

6.16 These mainly includes advances against plant and machinery and are in the normal course of business.

6.17 This include borrowings cost capitalised amounting to Rs. 91.497 million incurred on bank borrowings at an effective rate of 20.58% to 24.41%.

7. RIGHT OF USE ASSETS

	Vehicles	Plant, machinery and equipment	Building and tanks	Total
	-----Rupees in thousand-----			
As at October 01, 2023				
Cost or revalued amount	360,811	60,580	155,574	576,965
Accumulated depreciation	(121,482)	(18,994)	(108,287)	(248,763)
Book value	239,329	41,586	47,287	328,202
Additions	103,577	-	-	103,577
Remeasurement during the year	-	-	6,081	6,081
Transferred to owned assets				
Cost	(78,784)	-	-	(78,784)
Accumulated depreciation	48,896	-	-	48,896
Book value	(29,888)	-	-	(29,888)
Depreciation charge	(56,469)	(4,159)	(21,341)	(81,969)
Closing book value	256,549	37,427	32,027	326,003
Annual rate of depreciation (%)	20	10	20-50	
As at September 30, 2024				
Cost or revalued amount	385,604	60,580	161,655	607,839
Accumulated depreciation	(129,055)	(23,153)	(129,628)	(281,836)
Book value	256,549	37,427	32,027	326,003

Depreciation for the year has been allocated as follows:	2024 (Rupees in thousand)	2023
Cost of sales	4,159	4,621
Selling and distribution expenses	17,453	19,446
Administrative and general expenses	60,357	52,858
	81,969	76,925

8. INVESTMENT PROPERTY

Particulars	Freehold land	Buildings on freehold land	Total
	----- Rupees in thousand -----		
As at September 30, 2022:			
Cost	14,544	63,708	78,252
Accumulated depreciation	-	53,427	53,427
Book value	14,544	10,281	24,825
Year ended September 30, 2023:			
Depreciation charge	-	282	282
Book value	14,544	9,999	24,543
Year ended September 30, 2024:			
Depreciation charge	-	4,910	4,910
Book value as at September 30, 2024	14,544	5,089	19,633
Depreciation rate (%)		5-10	

8.1 These represent free-hold land situated at PIDC Karachi having an area of 8,229 square yards. This also include free-hold land and building having an area of 2,100 square yards situated at F-6 Islamabad and 15,555 square yards situated at Risalpur Cantt.

8.2 Fair value of the investment property, based on the management's estimation, as at September 30, 2024 was Rs.320 million (2023: Rs.320 million).

9. LONG TERM INVESTMENTS	2024	2023	2024	2023
	Share-holding (%)		Rupees in thousand	
ASSOCIATED COMPANIES				
QUOTED:				
Arpak International Investments Ltd. (AAIL)				
229,900 (2023: 229,900) ordinary shares of Rs.10 each	5.75	5.75	19,511	22,335
Market value Rs.11.782 million (2023: Rs.14.829 million)				
UN-QUOTED:				
National Computers (Pvt.) Ltd. (NCPL)				
14,450 (2023: 14,450) ordinary shares of Rs.100 each	48.17	48.17	-	-
- Value of investments based on net assets shown in the un-audited financial statements for the year ended June 30, 2013 - Rs. Nil (note 9.2)				
Premier Board Mills Ltd. (PBML)				
47,002 (2023: 47,002) ordinary shares of Rs.10 each	0.83	0.83	6,521	6,454
- Value of investments based on net assets shown in the audited financial statements for the year ended June 30, 2024 Rs.6.544 million (2023: Rs.6.477 million)				
Azlak Enterprises (Pvt.) Ltd. (AEPL)				
200,000 (2023: 200,000) ordinary shares of Rs.10 each	40.00	40.00	177,885	153,682
- Value of investments based on net assets shown in the un-audited financial statements for the year ended June 30, 2024 Rs.889.421 million (2023: Rs.153.682 million)				
			203,917	182,471

9.1 NCPL has no known assets and liabilities as at June 30, 2023 and June 30, 2022 and has also seized its operations. NCPL, on January 15, 2015, has filed an application with the Joint Registrar, Securities and Exchange Commission of Pakistan for striking-off its name from the Register of Companies under the Companies (Easy Exit) Regulations, 2014.

9.2 Investments in equity instruments of Associated Companies

	2024	2023
	Rupees in thousand	
Opening balance - cost	5,638	5,638
Add: post acquisition profit brought forward	176,833	166,364
	<u>182,471</u>	<u>172,002</u>
Add: share for the year:		
- profit before tax - net	16,021	11,897
- other comprehensive income	11,776	5,701
- items directly credited in equity	189	497
Less: taxation - net	(6,474)	(7,626)
	<u>21,512</u>	<u>10,469</u>
Balance as at 30 September,	<u>203,983</u>	<u>182,471</u>

9.3 ALLL was incorporated in Pakistan on July 26, 1977 as a Public Company and its shares are quoted on Pakistan Stock Exchange. It is principally engaged in investment business of various forms.

The summary of financial information of ALLL based on its audited financial statements for the year ended June 30, 2024 is as follows:

Summarised statement of financial position

Non-current assets	282,655	348,510
Current assets	69,425	51,879
	<u>352,080</u>	<u>400,389</u>
Non-current liabilities	955	217
Current liabilities	11,808	11,729
	<u>12,763</u>	<u>11,946</u>
Net assets	<u>339,317</u>	<u>388,443</u>
Reconciliation to carrying amount		
Opening net assets	388,443	363,466
Loss for the year	(249,560)	(76,304)
Effects of items directly credited in equity by Associated Companies	2,148	8,645
Other comprehensive income for the year	198,286	92,636
Closing net assets	<u>339,317</u>	<u>388,443</u>
The Holding Company's share percentage 5.75% (2023: 5.75%)		
The Holding Company's share	<u>19,511</u>	<u>22,335</u>

	2024	2023
	Rupees in thousand	
Summarised statement of profit or loss		
Income	<u>21,866</u>	<u>15,781</u>
Loss before taxation	<u>(246,771)</u>	<u>(74,829)</u>
Loss after taxation	<u>(249,560)</u>	<u>(76,304)</u>

- 9.4 PBML was incorporated in Pakistan on May 12, 1980 as a Public Company and it is evaluating certain proposals for setting-up some Industrial Unit.

The summary of financial information of PBML based on its audited financial statements for the year ended June 30, 2024 is as follows:

Summarised statement of financial position

Non-current assets	700,676	723,042
Current assets	<u>90,403</u>	<u>61,222</u>
	<u>791,079</u>	<u>784,264</u>
Current liabilities	<u>5,383</u>	<u>6,670</u>
Net assets	<u>785,696</u>	<u>777,594</u>

Reconciliation to carrying amount

Opening net assets	777,594	683,479
(Loss) / profit for the year	(6,368)	65,283
Other comprehensive income for the year	14,470	28,832
Closing net assets	<u>785,696</u>	<u>777,594</u>

The Holding Company's share percentage
0.83% (2023: 0.83%)

The Holding Company's share	<u>6,521</u>	<u>6,454</u>
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Summarised statement of profit or loss

Income	<u>19,434</u>	<u>16,952</u>
(Loss) / profit before taxation	<u>(3,627)</u>	<u>66,646</u>
(Loss) / profit after taxation	<u>(6,368)</u>	<u>65,283</u>

- 9.5 AEPL was incorporated in Pakistan on May 16, 1968 as a Private Limited Company and it is engaged in providing bulk storage facilities for industrial alcohol and other liquid chemical products.

The summary of financial information of AEPL based on its audited financial statements for the year ended June 30, 2024 is as follows:

Summarised statement of financial position

Non-current assets	256,996	257,377
Current assets	<u>256,389</u>	<u>198,174</u>
	<u>513,385</u>	<u>455,551</u>
Non-current liabilities	<u>13,294</u>	<u>16,277</u>
Current liabilities	<u>55,378</u>	<u>55,069</u>
	<u>68,672</u>	<u>71,346</u>
Net assets	<u>444,713</u>	<u>384,205</u>

Reconciliation to carrying amount		2024	2023
	Note	Rupees in thousand.	
Opening net assets		384,205	363,574
Profit for the year		59,871	20,293
Other comprehensive income for the year		637	338
Closing net assets		<u>444,713</u>	<u>384,205</u>
The Holding Company's share percentage 40% (2023: 40%)			
The Holding Company's share		<u>177,885</u>	<u>153,682</u>
Summarised statement of profit or loss			
Storage and handling income		<u>109,416</u>	<u>108,550</u>
Profit before taxation		<u>75,600</u>	<u>39,117</u>
Profit after taxation		<u>59,871</u>	<u>20,293</u>
10. STORES AND SPARES			
Stores and spares		977,655	1,041,933
Less:			
- provision for obsolete items - CSM		38,385	53,980
- impairment loss - FSM		25,928	25,178
		<u>(64,313)</u>	<u>(79,158)</u>
		<u>913,342</u>	<u>962,775</u>
10.1	FSM has not carried-out manufacturing operations during the current and prior years. The management, during the financial year ended September 30, 2024, had carried out a detailed exercise to identify obsolete / damaged stores and spares inventory. Carrying values of the year-end stores and spares inventory were adjusted accordingly.		
10.2	Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.		
10.3	In case of CSM, a balance amounting Rs.15.595 million (2023:Rs. 6.713 million) has been written off against provision for obsolete items during the current year.		
11. STOCK-IN-TRADE			
Finished goods			
- sugar		1,917,574	3,376,656
- molasses		1,117,556	1,129,284
- ethanol		1,028,872	742,952
- bagasse		107,203	36,569
- wheat flour		37,865	-
		<u>4,209,070</u>	<u>5,285,461</u>
Work-in-process		52,248	26,837
Raw material - wheat (UWFPL)		725,349	200,767
	11.2	<u>4,986,667</u>	<u>5,513,065</u>
11.1	In case of the Holding Company, sugar inventory as at September 30, 2024 was stated at net realisable value; the amount charged to statement of profit or loss in respect of inventory write-down to net realisable value worked-out to Rs.88.838 million approximately.		

11.2 In case of CSM and its Subsidiaries, certain short term and long term borrowings are secured by way of collateral charge on stock-in-trade.

11.3 In case of CSM, the closing stock of sugar, net of 10% to 15% margin, having carrying value of Rs 5,045,411 thousand (2023 : Rs 3,439,411 thousand) has been pledged against cash finance obtained from commercial and Islamic banks (for details, refer to note 27).

11.4

In case of the CSM, raw material - wheat as at September 30, 2024 was stated at net realisable value; the amount charged to statement of profit or loss in respect of inventory write-down to net realisable value worked-out to Rs.284.742 million approximately.

12. TRADE DEBTS

	Note	2024 Rupees in thousand	2023
Considered good			
Due from related parties		-	450
Others		459,417	1,250,973
Considered doubtful		2,043	3,333
		<u>461,460</u>	<u>1,254,756</u>
Less: loss allowance	12.3	21,012	3,333
		<u>440,448</u>	<u>1,251,423</u>

12.1 In case of CSM, maximum aggregate amount receivable from related parties at the end of any month during the year was Rs. Nil (2023: Rs. 450 thousand).

12.2 The ageing analysis of trade debts due from related parties in CSM are as follows:

Upto 6 months	-	450
More than 6 months	-	-
	<u>-</u>	<u>450</u>

12.3 Movement in loss allowance

Opening balance	3,333	1,782
Provision for the year	17,679	1,551
Closing balance	<u>21,012</u>	<u>3,333</u>

13. LOANS AND ADVANCES

Advances to (unsecured and considered good):

- employees	13.1	21,640	20,730
- suppliers and contractors		1,086,372	1,069,081
Letters of credit		43,529	11,156
		<u>1,151,541</u>	<u>1,100,967</u>

Less:

- provision for doubtful advances		28,838	28,838
- loss allowance	13.2	905	905
		<u>29,743</u>	<u>29,743</u>
		<u>1,121,798</u>	<u>1,071,224</u>

13.1 In case of CSM, these include balances of Rs.15,007 thousand (2023: Rs.15,007 thousand) secured against retirement benefits of respective employees.

13.2 Movement in loss allowance	2024	2023
	Rupees in thousand	
Opening balance	905	905
ECL for the year	-	-
Closing balance	<u>905</u>	<u>905</u>

14. TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES

Sugar export subsidy receivable	308,510	308,510
Prepayments	14,136	15,433
Excise duty deposits	136	136
Gas infrastructure development cess paid under protest - refundable	3,018	3,018
Lease rentals receivable from an Associated Company (Premier Board Mills Ltd. - PBM)	-	2,140
Guarantees issued	15,000	15,000
Trade deposits	-	8,876
Deposits against decretal amounts	20,377	2,862
Accrued mark-up on term deposit receipts	50,801	1,520
Insurance claim receivable	-	33,746
Other receivables	19,911	6,563
	<u>431,889</u>	<u>397,804</u>
Less: loss allowance	(305,519)	(155,782)
	<u>126,370</u>	<u>242,022</u>

14.1 These have been deposited with the Commissioner for Workers' Compensation and Authority under the Payment of Wages Act, 2013 for Mardan.

14.2 Movement in loss allowance of export subsidy is as follows:

	Note	2024 Rupees in thousand	2023
Opening balance		155,782	90,369
Loss allowance for the year		149,737	65,413
Closing balance		<u>305,519</u>	<u>155,782</u>

15. TAX REFUNDS DUE FROM THE GOVERNMENT

Income tax refundable, advance tax and tax deducted at source net of tax provisions		465,250	86,447
Sales tax refundable		1,649	849
		<u>466,899</u>	<u>87,296</u>

16. SHORT TERM INVESTMENTS - At fair value through profit or loss

Al Habib Cash Fund (formerly First Habib Cash Fund)

Opening balance - 100,402 Units (2023: 247,315 Units)		10,305	25,237
Gain on redemption / re-measurement to fair value		574	2,819
Units redeemed during the year - 105,520 Units (2023: 173,665 Units)		(10,801)	(17,751)
Closing balance - 726 Units (2023: 100,402 Units)		<u>78</u>	<u>10,305</u>

17. BANK BALANCES

Cash at banks on:

- PLS accounts	17.1	981	20,887
- saving accounts	17.2	121,135	33,190
- deposit accounts	17.3 (a) and 17.7	458,734	458,734
- current accounts	17.4	538,748	430,800
- deposits with a non-banking finance company - unsecured	17.5	-	12,000
		<u>1,119,598</u>	<u>955,611</u>
Less: provision for doubtful bank balance	17.6	5,000	5,000
		<u>1,114,598</u>	<u>950,611</u>

17.1 These include Rs.476 thousand (2023: Rs.402 thousand) in security deposit account.

17.2 PLS and deposit accounts during the year carried profit / mark-up at the rates ranging from 13.50% to 24.87% (2023: 13.50% to 24.41%) per annum.

17.3

(a) These include deposits amounting Rs.3.734 million (2023: Rs.3.734 million), which are under lien of a bank against guarantees issued by it in favour of Sui Northern Gas Pipelines Ltd. on behalf of the Holding Company.

- (b) In case of CSM, these include term deposits carrying profit at the rates ranging from 20.50% to 20.60% (2023: 20.00% to 20.55%) per annum and having maturity of 30 days.
- 17.4 In case of CSM, these include dividend account balance of Rs.1,225 thousand (2023: Rs.460 thousand). These balances are maintained in separate non interest bearing current bank accounts.
- 17.5 The Securities and Exchange Commission of Pakistan (SECP) winding-up petition filed against Innovative Investment Bank Limited was decided by the Lahore High Court, Lahore (LHC) and LHC appointed Joint Official Liquidators (JOLs). The Holding Company and FSM, as per the LHC's orders upto November, 2020, have received three tranches aggregating Rs.33 million. The remaining amount of Rs.3 million has been received during the year.
The Holding Company and FSM have not accrued profit on these deposits during the current and preceding financial years.
- 17.6 The Holding Company had deposited Rs.5 million in Term Deposit with Mehran Bank Limited at Peshawar for a period of six months @ 12.5% per annum on September 25, 1993 vide TDR No.007902, which was to mature on March 25, 1994. The aforesaid TDR could not be encashed because of the crisis of Mehran Bank's affairs which were being administered by the State Bank of Pakistan (SBP). Mehran Bank Limited was eventually merged into National Bank of Pakistan (NBP).
The Holding Company, through its lawyers, had issued legal notices to SBP, NBP and the defunct Mehran Bank Limited. In response, the Holding Company had received a letter from NBP dated November 05, 1995 stating that the investment by the Holding Company was shown in Fund Management Scheme, which was an unrecorded liability of Mehran Bank Limited. The Holding Company had filed a suit with the Civil Court for recovery of the said amount along with profit @ 12.5% per annum with effect from September 25, 1993 till the date of payment. The Civil Judge, Peshawar, vide his judgment dated May 13, 2004, had decreed against SBP. SBP, against the said judgment, filed an appeal before the Peshawar High Court. The said appeal was remanded-back to Additional District Judge, Peshawar. The appeal has been disposed-off vide judgment dated November 29, 2019. The judgment states that the Holding Company is entitled to recover Rs.5 million with profit at the rate of 12.5% per annum from NBP from the year 1999. The said execution petition is pending adjudication. Full provision for the said amount exists in the financial statements of the Holding Company.
- 17.7 In case of CSM, lien is marked on bank balances for an amount of Rs.454,000 thousand (2023: Rs.454,000 thousand) in respect of the various guarantees extended by the banks.

18. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2024		2023		2024		2023	
(No. of shares)				Rupees in thousand			
1,476,340	1,476,340	ordinary shares of Rs.10 each fully paid in cash		14,763		14,763	
2,273,660	2,273,660	ordinary shares of Rs.10 each issued as fully paid bonus shares		22,737		22,737	
<u>3,750,000</u>	<u>3,750,000</u>			<u>37,500</u>		<u>37,500</u>	

- 18.1 The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Holding Company. All the shares rank equally with regard to the Holding Company's residual assets.

- 18.2 The Holding Company has one class of ordinary shares, which carries no right to fixed income.
- 18.3 The Holding Company has no reserved shares for issuance under options and sale contracts.
- 18.4 Voting rights, board selection, right of first refusal and block voting are in proportion to the shareholding of the shareholders.
- 18.5 Arpak International Investments Ltd. (an Associated Company) held 400,000 ordinary shares as at September 30, 2024 and September 30, 2023.

19. REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT - Net

- 19.1 The Holding Company, during the financial years ended September 30, 2000, September 30, 2009, September 30, 2011, September 30, 2014, September 30, 2017 and September 30, 2020 had revalued its buildings on freehold & leasehold land and plant & machinery, which resulted in revaluation surplus aggregating Rs.229.409 million, Rs.544.516 million, Rs.110.992 million, Rs.438.066 million, Rs.166.651 million and Rs.534.211 million respectively. These fixed assets were revalued by independent Valuers on the basis of depreciated market values.
- 19.2 The Holding Company, as at September 30, 2023, had again revalued its buildings, plant, machinery and equipment installed at Premier Sugar Mills, Nowshera Mardan Road, Mardan and Chashma Sugar Mills Unit-II at Ramak, Dera Ismail Khan. The latest revaluation exercise has been carried-out by independent Valuers [K.G. Traders (Pvt.) Ltd. Suit No. 5, 3rd Floor, Galaxy Arcade, G-11 Markaz, Islamabad] to replace the carrying amounts of these assets with the assessed present market value of buildings and civil works and assessed depreciated market value of plant, machinery and equipment. The appraisal surplus arisen on latest revaluation aggregating Rs.1,345.854 million has been credited to statement of other comprehensive income to comply with the requirements of Law.
- 19.3 FSM, during the financial year ended September 30, 2000, had revalued buildings on freehold land and plant & machinery. The revaluation exercise was carried-out on the basis of depreciated market values and it produced appraisal surplus aggregating Rs.55.414 million, which was credited to this account.
- 19.4 FSM, during the financial year ended September 30, 2009, had revalued its aforementioned fixed assets and freehold land. This revaluation exercise was carried-out by independent Valuers [Hamid Mukhtar & Co. (Pvt.) Ltd.], to replace the carrying amounts of these assets with their fair present market values. The appraisal surplus arisen on this revaluation aggregating Rs.87.718 million was credited to this account to comply with the requirements of law.
- 19.5 FSM, as at September 30, 2021, has again revalued its freehold land, buildings on freehold land and plant & machinery to replace the carrying amounts of these assets with their present market values. The revaluation exercise has been carried-out by independent Valuers [K.G. Traders (Pvt.) Ltd.]. Freehold land has been valued on the basis of present market value, buildings on freehold land have been valued on lump sum basis whereas plant & machinery has been valued on depreciated replacement value. The appraisal surplus arisen on latest revaluation aggregating Rs.1,066.079 million has been credited to this account.

19.6 CSM and its subsidiaries follows revaluation model for freehold land, leasehold land, buildings & roads, plant & machinery and electric installations. The fair value of the Group's free hold land, leasehold land, buildings & roads, plant & machinery and electric installations were assessed by management based on independent valuation performed by an external property valuation expert for CSML as at September 30, 2024 and for WFPL and UWFPL as at June 30, 2024. For valuation of freehold land, leasehold land, buildings & roads, plant & machinery and electric installations, the current market price or depreciated replacement cost method is used, whereby, current cost of construction/purchase cost of similar freehold land, leasehold land, buildings & roads, plant & machinery and electric installations in similar locations has been adjusted using suitable depreciation rates to arrive at present market value. This technique requires significant judgment as to estimating the revalued amount in terms of their quality, structure, layout and locations.

	2024	2023
	Rupees in thousand	
19.7 The year-end balance has been arrived at as follows:		
Opening balance	15,076,996	11,921,909
Add: surplus arisen on revaluations carried-out during the year	3,161,518	4,039,317
Less: transferred to unappropriated profit on account of incremental depreciation for the year	(1,152,616)	(884,230)
	<u>17,085,898</u>	<u>15,076,996</u>
Less: deferred tax on:		
- opening balance of surplus	3,914,865	2,946,114
- surplus arisen on revaluations carried-out during the year	1,304,150	1,267,515
- incremental depreciation for the year	(418,619)	(298,764)
	<u>4,800,396</u>	<u>3,914,865</u>
Closing balance	<u><u>12,285,502</u></u>	<u><u>11,162,131</u></u>

19.8 The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

20. LONG TERM FINANCES - Secured

Lending Institutions	Interest rate (per annum)	September 30, 2024			September 30, 2023		Collateral
		Total available facility	Long-term portion	Current portion	Total outstanding amount	Total outstanding amount	
Rupees in thousand							
Loans from banking companies							
The Holding Company							
United Bank Ltd. LTFF-1	3 month Kibor + 2.5%	400,000	399,175	-	399,175	-	Secured against first pari passu charge on all fixed asset of the Holding Company with 25% margin & cross corporate guarantee of M/s Chashma Sugar Mills Limited (a subsidiary company)
United Bank Ltd. LTFF-2	3 month Kibor + 2.5%	200,000	176,940	-	176,940	-	Secured against first pari passu charge on all fixed asset of the Holding Company & cross corporate guarantee of M/s Chashma Sugar Mills Limited (a subsidiary company)
Soneri Bank Ltd.	3 month Kibor + 2%	600,000	551,899	144,456	407,443	-	Secured against first pari passu charge of Rs. 266,667 million over current asset of the Holding Company & cross corporate guarantee of M/s Chashma Sugar Mills Limited (a subsidiary company)
CSM and its Subsidiaries							
Bank Al Habib Ltd.	- 6 month KIBOR + 1% to 1.5 %; and - SBP rate 3% and 5% p.a	905,254	334,777	123,421	458,198	2,484,573	Secured against first joint pari passu charge on present and future fixed assets of CSML for Rs 2,366,667 thousand
	- SBP rate 5% p.a (TERF)	210,399	178,309	91,201	269,510	334,127	Registration of 1st equitable charge over Rs. 2,834,000 thousand over fixed assets situated at F-9/G-9, blue area, plot # A-3 measuring Rs. 1,333.33 sq. yards
Soneri Bank Ltd.	- 3 month KIBOR + 1.75 %; - 6 month KIBOR + 1.75; and - 6%	1,640,000	458,625	225,925	684,550	933,702	Secured against first joint pari passu charge on present and future fixed assets of CSML for Rs 1,866,667 thousand
							First charge of Rs. 334,000 thousand over all the present and future fixed assets of WFL (by way of first mortgage charge over land and building located at Layyah and Bhakkar)
							First hypothecation charge over plant and machinery (installed or to be installed on the aforementioned locations)
							Equitable mortgage of Rs. 8,000 thousand on 16 kanal agricultural land in Bhakkar and of Rs. 5,600 thousand on 16 kanal agricultural land in Layyah.
							Secured against joint pari passu charge of Rs. 667,000 thousand on the entire present and future fixed assets of UWFPL
Dubai Islamic Bank Pakistan Ltd.	- 6 month KIBOR + 2.10%	500,000	-	-	-	250,000	Secured against first joint pari passu charge on present and future fixed assets of CSML inclusive of 25% margin for Rs 667,000 thousand
							1st exclusive charge of Rs.590,000 thousand over head office building of CSML
MCB Bank Ltd.	3 month KIBOR +1.10 %	927,546	463,781	55,518	519,299	693,265	Secured against first joint pari passu charge on present and future fixed assets of CSML and its Subsidiaries for Rs438,000 thousand.
							Secured against joint pari passu charge of Rs. 596,000 thousand on the entire fixed assets of UWFPL
							Secured against first charge of Rs. 215,000 thousand on the fixed assets of UWFPL
MCB Bank Ltd.	3 month KIBOR +1.65 %	100,000	17,558	5,833	23,391	-	- Secured against Hire purchase agreement mark in favor of MCB Islamic Bank Limited, and 15% Equity Participation.
Al Baraka Bank Ltd.	6 month KIBOR +1.50 %	450,000	223,593	111,063	334,646	445,493	Secured against first joint pari passu charge on present and future fixed assets of CSML and its Subsidiaries for Rs 600,000 thousand. Specific charge of Rs 450,000 thousand on specific plant and machinery items.
The Bank of Khyber	SBP refinance rate + 1.50 % and 3 month KIBOR + 1.50%	400,000	206,393	118,764	325,157	388,211	Secured against first joint pari passu charge over present and future fixed assets (including land, building and machinery) inclusive of 25% margin up to Rs 533,334 thousand.
United Bank Limited	3 month KIBOR + 1.75%; 3 Month Kibor +2.65% and 3 Month Kibor +2.50%	3,850,000	3,543,813	210,913	3,754,726	450,000	Secured against charge on TDR of CSML for Rs. 450,000 thousand with 25% margin
							Secured against exclusive mortgage charge of Rs. 3,000,000 thousand over fixed assets situated at F-9/G-9, blue area, plot # A-3
							Secured against ranking charge of Rs. 533,340 thousand on the entire present and future fixed assets of UWFPL
Total			6,554,853	1,087,094	7,353,035	5,979,371	
Less: amount payable within next 12 months							
The Holding Company							
- Principal					144,456	-	
CSM and its Subsidiaries							
- Principal (note 28)					942,638	1,305,829	
					1,087,094	1,305,829	
Amount due after September 30, 2023					6,265,941	4,673,542	

21. LOANS FROM RELATED PARTIES - Secured	Note	2024 Rupees in thousand	2023
Associated Companies:			
Premier Board Mills Limited	21.1	67,922	71,840
Arpak International Investments Limited	21.2	25,000	31,250
Aziak Enterprises (Private) Limited	21.3	85,000	85,000
		<u>177,922</u>	<u>188,090</u>
Less: amount payable within next twelve months		24,375	31,236
		<u>153,547</u>	<u>156,854</u>

21.1 These include long term finance facilities obtained by CSM and its Subsidiary.

The long term finance facility had been renewed on August 2, 2024. The principal is repayable in 8 semi annual installments commencing from November 2028. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Company.

WFPL obtained long term finance facility amounting to Rs 25 million. The principal is repayable in 8 semi annual instalments commenced from December, 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark-up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from WFPL.

21.1.1 FSM, during the year, entered into a loan agreement to obtain a loan upto and amount of Rs.25 million from Premier Board Mills Limited (a related party). Premier Board Mills Limited, during the year, has disbursed Rs.5.450 million to the FSM till the reporting date. This loan carries markup at the rate of one month KIBOR + 1.25% per annum and is repayable with in five years after a grace period of two year.

21.2 The long term finance facility had been renewed on August 2, 2024. The principal is repayable in 8 semi annual installments commencing from November 2028. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Group.

21.3 The long term finance facility has been renewed on January 3, 2022. The principal is repayable in 8 semi annual installments commencing from December 2024. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Group.

22. LEASE LIABILITIES - Secured	2024	2023
	Rupees in thousand	
Balance at beginning of the year	253,410	237,007
Additions during the year	116,820	131,968
Unwinding of interest on lease liabilities	54,717	46,928
Payments made during the year	(160,999)	(153,128)
Remeasurement gain	(6,074)	(9,365)
Balance at end of the year	<u>257,874</u>	<u>253,410</u>
Less: current portion of long term lease liabilities	<u>(92,060)</u>	<u>(92,014)</u>
	<u>165,814</u>	<u>161,396</u>

22.1 The Holding Company has entered into lease agreements with Bank Al-Habib Ltd. for lease of vehicles. The liabilities under the lease agreements are payable in monthly instalments by May, 2027. The Holding Company intends to exercise its option to purchase the leased vehicles upon completion of the respective lease terms. These facilities are secured against title of the leased vehicles in the name of lessor and during the year carried finance cost at the rates ranging from 20.72% to 23.35% (2023: 23.92% to 24.77%) per annum.

22.2 CSM and its Subsidiaries have acquired vehicles under finance lease from commercial banks. The financing is repayable in equal monthly instalments over a period of four to five years and carries finance charge ranging from 17.36% to 26.19% (2023: 16.83% to 24.72%) per annum.

23. DEFERED GOVERNMENT GRANT

Opening balance	76,281	418
Grant recognised during the year	-	99,809
Amortization during the year	(26,585)	(23,946)
Closing balance	<u>49,696</u>	<u>76,281</u>

23.1 CSML has recognised deferred government grant in respect of term finance facility obtained under SBP temporary economic refinance facility (TERF). The CSM had entered into an arrangement with Bank Al Habib Limited for obtaining term finance facility under State Bank of Pakistan (SBP) TERF scheme to facilitate retirement of import/shipping documents received against LCs (foreign and local/inland), upto a maximum of Rs 505 million. The repayment of loan (principal amount) will be made in 10 equal semi annual installments commenced from September 30, 2023. Mark up rate is 5% on this facility and shall also be paid on semi annual basis. The availed facility at September 30, 2024 was Rs 456,000 thousand. The facility will expire on September 30, 2027. There are no unfulfilled conditions or other contingencies attaching to this grant.

24. DEFERRED LIABILITIES	Note	2024 Rupees in thousand	2023
Deferred taxation			
- The Holding Company	24.1	95,603	378,197
- FSM		-	4,429
- CSM	24.3	3,144,965	3,620,702
		<u>3,240,568</u>	<u>4,003,328</u>
Staff retirement benefits - gratuity			
- The Holding Company	24.4	43,345	39,132
- FSM		66	66
- CSM	24.5	22,132	19,965
		<u>65,543</u>	<u>59,163</u>
		<u>3,306,111</u>	<u>4,062,491</u>

24.1 This is comprised of the following:

Taxable temporary differences arising in respect of:

- surplus on revaluation of property, plant and equipment	612,901	667,796
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Deductible temporary differences arising in respect of:

- accelerated tax depreciation allowances	(5,713)	(297)
- available unused tax losses	(445,113)	(230,815)
- staff retirement benefits - gratuity	(12,570)	(11,348)
- provision for doubtful bank balance	(1,450)	(1,450)
- lease finances	(809)	(452)
- minimum tax recoverable against normal tax charge in future years	(51,643)	(45,237)
	<u>(517,298)</u>	<u>(289,599)</u>
	<u>95,603</u>	<u>378,197</u>

24.2 This represent deferred tax asset booked by UWFL a subsidiary company of CSML.

24.3 Deferred tax comprises of the following:

Taxable temporary differences arising in respect of:

- accelerated tax depreciation allowances	685,223	613,510
- surplus on revaluation of property, plant and equipment	4,004,223	3,244,235
- lease finances	26,332	24,468
	<u>4,715,778</u>	<u>3,882,213</u>

Deductible temporary differences arising in respect of:

- provision for doubtful advances	(11,600)	(10,318)
- provision for obsolete items	-	(18,726)
- expected credit loss on trade debts	(797)	(1,156)
- provision for gratuity	(8,631)	(6,926)
- provision for inventory	(14,970)	-
- minimum tax recoverable against normal tax charge in future years	(1,534,815)	(224,385)
	<u>(1,570,813)</u>	<u>(261,511)</u>
	<u>3,144,965</u>	<u>3,620,702</u>

24.4 In case of the Holding Company, the future contribution rates of the scheme include allowance for deficit and surplus. Projected unit credit method, based on the following significant assumptions, is used for valuation:

Significant actuarial assumptions	2024	2023
- discount rate - per annum	12.00%	16.75%
- expected rate of growth per annum in future salaries	11.00%	15.75%
- mortality rates	SLIC	SLIC
	2001-2005	2001-2005
	Setback 1 year	
- withdrawal rates	Age-based	Age-based
- retirement assumption	Years 60	Years 60
- average expected remaining working life time of employees	07 years	06 years

Amount recognised in the statement of financial position of the Holding Company is the present value of defined benefit obligation at the reporting date:

The movement in the present value of defined benefit obligation is as follows:	2024	2023
	Rupees in thousand	
Opening balance	39,132	28,697
Current service cost	2,808	2,063
Past service cost	728	1,413
Interest cost	6,245	3,449
Benefits payable to outgoing Members - grouped under current liabilities	(1,929)	-
Benefits paid	(1,776)	(5,334)
Remeasurements:		
- experience adjustments	(706)	8,037
- changes in financial assumptions	(1,157)	807
Closing balance	<u>43,345</u>	<u>39,132</u>
Expense recognised in statement of profit or loss of the Holding Company		
Current service cost	2,808	2,063
Past service cost	728	1,413
Interest cost	6,245	3,449
Charge for the year	<u>9,781</u>	<u>6,925</u>
Remeasurement recognised in statement of other comprehensive income of the Holding Company		
Experience adjustments	<u>(1,863)</u>	<u>8,844</u>

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

	2024	2023	2022	2021	2020
	----- Rupees in thousand -----				
Present value of defined benefit obligation	<u>43,345</u>	<u>39,132</u>	<u>28,697</u>	<u>20,096</u>	<u>18,479</u>
Experience adjustment on obligation	<u>(1,863)</u>	<u>8,844</u>	<u>6,572</u>	<u>2,277</u>	<u>(614)</u>

Year-end Sensitivity Analysis:

	Change in assumption	Impact on defined benefit obligation	
		Increase Rupees in thousand	Decrease Rupees in thousand
Discount rate	1%	<u>40,584</u>	<u>46,426</u>
Salary growth rate	1%	<u>46,678</u>	<u>40,297</u>

In case of the Holding Company, the expected contribution to defined benefit obligation for the year ending September 30, 2025 is Rs.8.058million.

- 24.5 In case of CSM, the latest actuarial valuation of the employees' defined benefit plan was conducted at September 30, 2024 using the Projected Unit Credit Method. Details of the defined benefit plan are as follows:

	2024	2023
	Rupees in thousand	
Present value of defined benefit obligation	<u>22,132</u>	<u>19,965</u>
Fair value of plan assets	<u>-</u>	<u>-</u>
Net liability	<u>22,132</u>	<u>19,965</u>
Movement in net liability recognised		
Opening net liability	19,965	14,843
Expense for the year recognised in statement of profit or loss	8,935	5,639
Remeasurement loss recognised in statement of other comprehensive income (OCI)	(2,245)	2,656
Benefits paid	(5,360)	(1,180)
Benefits payable to outgoing employees transferred to trade and other payables	837	(1,993)
	<u>22,132</u>	<u>19,965</u>
Expense for the year		
Current service cost	6,040	3,882
Net interest expense	2,895	1,757
	<u>8,935</u>	<u>5,639</u>
Changes in the present value of defined benefit obligation		
Opening defined benefit obligation	19,965	14,843
Current service cost	6,040	3,882
Interest cost	2,895	1,757
Benefits paid	(5,360)	(1,180)
Benefits payable to outgoing employees transferred to trade and other payables	837	(1,993)
Remeasurement loss on defined benefit obligation	(2,245)	2,656
	<u>22,132</u>	<u>19,965</u>
Closing defined benefit obligation		

Principal actuarial assumptions used in the actuarial valuation

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

	2024	2023
Discount rate used for interest cost	16.75%	13.25%
Discount rate used for year end obligation	11.75%	16.75%
Salary increase rate - long term	11.75%	16.75%
Salary increase rate - short term	11.75%	16.75%

Demographic assumptions

	SLIC 2001-05	SLIC 2001-05
Mortality rates		
During the year 2025, CSM expects to contribute Rs.8,585 thousand (2024: Rs.8,278 thousand) to its gratuity scheme.		

	2024 Rupees in thousand	2023 Rupees in thousand
Remeasurement recognised in OCI during the year:		
Actuarial loss / (gain) from in financial assumptions	(170)	1,540
Experience adjustments	(2,075)	1,116
	<u>(2,245)</u>	<u>2,656</u>

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

Plan duration	Years
September 30, 2024	10
September 30, 2023	9

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

	Effect of 1% Increase Rupees in thousand	Effect of 1% Decrease
2024		
Discount rate	(20,029)	24,615
Future salary growth	24,627	(19,979)
2023		
Discount rate	(18,387)	21,797
Future salary growth	21,756	(18,396)

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

The defined benefit obligation exposes CSM and its Subsidiaries to the following risks:

Final salary risks:

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

Withdrawal risks:

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

Mortality risks:

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

Discount rate fluctuation

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plan's bond holdings.

25. TRADE AND OTHER PAYABLES	Note	2024	2023
		Rupees in thousand	
Creditors		765,631	559,732
Due to Associated Companies	25.1	186,760	166,809
Accrued expenses		206,716	200,778
Retention money		30,565	39,839
Security deposits - interest free repayable on demand		2,351	2,278
Income tax deducted at source		238,454	105,758
Sales tax payable		373,564	292,392
Gratuity payable to ex-employees		7,619	5,919
Advance received against sale of scrap		-	2,024
Payable for WPPF & WWF obligation	25.3 (a) & (b)	30,258	113,424
Workers' (profit) participation fund - allocation for the year (Holding Company)		-	792
Payable to provident fund		17,365	12,687
Payable to employees		93,677	63,382
Others		235,775	29,690
		2,188,735	1,595,504

25.1 This represents due to the following related parties and are interest free and payable on demand.

- Azlak Enterprises (Pvt.) Ltd.	59,683	46,672
- Syntronics Ltd.	12,150	157
- Syntron Ltd.	14,927	-
- Phipson & Company Pakistan (Pvt.) Ltd.	-	55
- Directors	100,000	119,925
	186,760	166,809

25.2 Payable for Workers' Profit Participation & workers' welfare obligation		2024	2023
(a) Payable for Workers' Profit Participation fund (CSM and its Subsidiaries)	Note	Rupees in thousand	
Balance at the beginning of the year		83,166	24,008
Charge for the year		-	83,166
Prior year adjustment		(4,202)	1,264
		78,964	108,438
Interest on funds utilized in the business		7,418	1,438
Payments made during the year		(86,382)	(26,710)
Balance at the end of the year		-	83,166
(b) Payable for workers' welfare fund (CSM and its Subsidiaries)			
Balance at the beginning of the year		30,258	29,957
Charge for the year		-	28,097
Prior year adjustment		-	(5,209)
		30,258	52,845
Payments made during the year		-	(22,587)
Balance at the end of the year		30,258	30,258
26. ACCRUED MARK-UP			
Mark-up accrued on:			
- long term finances		93,881	302,368
- loans from related parties		100	52,446
- short term borrowings		367,462	391,940
		461,443	746,754

27. SHORT TERM BORROWINGS	Note	2024 Rupees in thousand	2023
The Holding Company			
Secured	27.1	497,000	-
Temporary bank overdraft - unsecured		27,323	35
CSM			
Cash / running finances and export re-finances - secured	27.3	9,147,488	4,615,585
		<u>9,671,811</u>	<u>4,615,620</u>

27.1 Short term finance facilities available from various commercial banks under mark-up arrangements aggregate Rs.1,900 million (2023: Rs.1,300 million). These facilities are secured against charge over fixed assets, charge over present and future current assets of the Holding Company, registered first exclusive charge over the Holding Company's head office second and third floors (without land), pledge of sugar stocks, cross corporate guarantee of Chashma Sugar Mills Ltd. (a Subsidiary Company) amounting Rs.800 million and lien over export documents. These facilities, during the year, carried mark-up at the rates ranging from 19.43% to 24.87% (2023: 16.71% to 24.41%) per annum and are expiring on various dates by March 31, 2024.

27.2 In case of the Holding Company, facilities available for opening letters of guarantee and credit from commercial banks aggregate Rs.700 million (2023: Rs.680 million). Out of the available facilities, facilities aggregating Rs.536.18 million (2023: Rs.481.296 million) remained un-utilised at the year-end. These facilities are secured against lien over import and shipping documents and the securities detailed in the preceding paragraph.

27.3 Finance facilities available to CSM from various commercial banks under mark-up arrangements aggregate Rs.25.750 billion (2023: Rs.15.275 billion) and are secured against pledge of sugar stocks and charge on present and future current assets of CSM.

28. CURRENT PORTION OF NON-CURRENT LIABILITIES

Long term finances	20	1,357,929	1,305,829
Loans from related parties	21	106,440	31,236
Lease liabilities	22	92,060	92,014
		<u>1,556,429</u>	<u>1,429,079</u>

29. LEVIES AND INCOME TAXATION - Net

Opening balance		129,134	18,242
Add: provision made during the year			
- current		418,379	344,883
- prior year		(3,074)	41,974
		<u>415,305</u>	<u>386,857</u>
		<u>544,439</u>	<u>405,099</u>
Less: adjustments made against completed assessments		125,895	275,965
Closing balance		<u>418,544</u>	<u>129,134</u>

The Holding Company

- 29.1 The returns for the Tax Years 2010 to 2024 have been filed after complying with all the provisions of the Income Tax Ordinance, 2001 (the Ordinance). Accordingly, the declared returns are deemed to be assessment orders under the law subject to selection of audit or pointing of deficiency by the Commissioner.
- 29.2 No numeric tax rate reconciliation is presented in these consolidated financial statements as the Group during the current and preceding years is mainly liable to pay tax due under sections 5 (Tax on dividends) , 113 (Minimum tax on the income of certain persons) and 154 (Tax on exports) of the Ordinance.
- 29.3 The Holding Company has filed a civil petition for leave to appeal (CPLA) before the Supreme Court of Pakistan against judgment dated November 10, 2021 passed by the Peshawar High Court. The said writ petition was filed by the Company challenging the impugned notices of income tax audit under section 177 of the Ordinance for tax years 2015, 2016, 2018 and 2019. The said CPLA is pending.

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- 29.4 The Company falls under the ambit of final taxation under the Income Tax Ordinance, 2001 (the Ordinance) and current year's provision is made accordingly. As explained in note 4.3 the liability shall be the final tax fall under levy within the scope of IFRIC 21 / IAS 37.
- 29.5 No numeric tax rate reconciliation is presented in these financial statements as the Company during the current and preceding years is mainly liable to pay tax due under sections 5 (Tax on dividends) , 113 (Minimum tax on the income of certain persons) and 154 (Tax on exports) of the Ordinance.
- 29.6 The Subsidiary Company has filed a civil petition for leave to appeal (CPLA) before the Supreme Court of Pakistan against judgment dated November 10, 2021 passed by the Peshawar High Court. The said writ petition was filed by the Company challenging the impugned notices of income tax audit under section 177 of the Ordinance for tax years 2015, 2016, 2018 and 2019. The said CPLA is pending.
- 29.7 **Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the consolidated profit and loss account, is as follows:**

	2024	2023
	Rupees in thousand	
Current tax liability for the year as per applicable tax laws	418,379	344,883
Portion of current tax liability as per tax laws, representing income tax under IAS 12	3,811	30,771
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21 / IAS 37	422,190	314,112
Difference	-	-

30. CONTINGENCIES AND COMMITMENTS

The Holding Company

- 30.1 Commitments against irrevocable letters of credit outstanding as at September 30, 2024 amounted Rs.96.963 million (2023: Rs.198.704 million).

30.2 The Holding Company's appeal filed before the Peshawar High Court (PHC) against order of the Customs, Sales Tax & Central Excise Appellate Tribunal is still pending adjudication. The Department, during the financial year ended September 30, 2001, had raised sales tax demand aggregating Rs.4.336 million along with additional tax. The Holding Company, however, during the financial year ended September 30, 2005, had paid sales tax amounting Rs.2.123 million along with additional tax amounting Rs.0.658 million as per the requirements of S.R.O. 247(t) / 2004 dated May 05, 2004.

30.3 Petitions filed before the Supreme Court of Pakistan (SCP) against imposition of Gas Infrastructure Development Cess (GIDC) have been dismissed vide judgment dated August 13, 2020 in 2-1 ratio. The SCP's judgment states that the cess under GIDC Act, 2015 was levied on those consumers of natural gas which on account of their industrial or commercial dealings had passed on GIDC burden to their customers. The SCP's judgment states that no late payment surcharge shall be collected while the GIDC amount that have become due upto July 31, 2020 will be recovered in 24 equal monthly instalments. Based on this judgment, the Holding Company has filed a writ petition before the PHC challenging the demand of GIDC arrears on the ground that the Holding Company has not passed on GIDC burden to its customers. The PHC, vide its order dated September 19, 2021, has granted interim relief.

PHC, vide its judgment dated June 15, 2022, has dismissed the petition filed by the Petitioners, observing that while exercising jurisdiction vested under article 199 of the Constitution, the Court can neither enter into factual controversies nor decide disputed questions of facts. The PHC, however, has allowed the Petitioners to approach a competent Court of law / forum having jurisdiction in the matter, if they so advised.

The Holding Company, during the preceding years, has filed a civil suit before the Civil Judge, Peshawar challenging the demand of GIDC arrears through the impugned additional bills without determination of alleged passing on the burden to the end consumers. The said civil suit is pending adjudication.

30.4 The Holding Company's petition filed before the PHC, against the Government of Khyber Pakhtunkhwa's notification dated August 12, 2015 in which minimum wages for unskilled workers has been fixed at Rs.12,000 per month with effect from July 01, 2014 has been dismissed by the PHC vide its judgment dated April 02, 2019. The Holding Company has filed a review petition before the PHC against the said judgment, which was also dismissed. The additional wage liabilities aggregate Rs.2.359 million approximately. The Holding Company has filed a civil petition for leave to appeal before the Supreme Court of Pakistan, which is pending adjudication.

30.5 The sales tax appeal filed before the Appellate Tribunal Inland Revenue (ATIR), Peshawar against ex-parte order passed by the Commissioner Inland Revenue (Appeals) [CIR(A)] has been succeeded vide order dated March 29, 2018. The assessment order dated June 23, 2016 was passed by the Deputy Commissioner Inland Revenue (DCIR), Peshawar in violation of SRO 488(I)/2004 dated June 12, 2014; the Holding Company claimed input tax to the tune of Rs.41.672 million against the supplies to unregistered persons. A withdrawal application has been filed before the ATIR, Peshawar in pursuance of the aforesaid rectification order.

- 30.6 The DCIR for the tax year 2013 initially has held the Holding Company as taxpayer-in-default for non-deduction of tax on certain supplies / services and tax demand was raised at Rs.77.750 million under section 161 (Failure to pay tax collected or deducted) along with default surcharge of Rs.4.730 million under section 205 (Default surcharge) of the Income Tax Ordinance, 2001 (the Ordinance). The Holding Company filed rectification application under section 221 of the Ordinance and the demand was reduced to Rs.237,360. Against the said demand, the Holding Company has filed an appeal before the CIR(A), who dismissed the Holding Company's appeal. Presently, the Holding Company's appeal against the CIR(A)'s order is pending before the ATIR, Peshawar.
- 30.7 The Holding Company has filed a writ petition before the PHC challenging Federal Government Order No.1(1) 2020 ROP dated July 16, 2021 and Provincial Government Order No.13/12-Sugar /IND / Vol-V / 7862 dated July 16, 2021 issued under section 6 of the Price Control and Prevention of Profiteering and Hoarding Act, 1977 whereby the retail price of sugar at the rate of Rs.88.24 per kilo gram was fixed. The PHC, vide its order dated July 30, 2021, has allowed interim relief and ordered that in the meanwhile status quo be maintained.
- 30.8 The Holding Company has filed a writ petition before the PHC challenging Federal Government Order F.No.2-8 / 2022 / SAB / A - IV dated April 20, 2023 issued under section 6 of the Price Control and Prevention of Profiteering and Hoarding Act, 1977 read with Price Control and Prevention of Profiteering and Hoarding Order, 2021 dated August 24, 2021 whereby the retail price of sugar at the rate of Rs.98.82 per kilo gram and maximum ex-mill price was fixed at the rate of Rs.95.57 per kilo gram. The PHC, vide its order dated June 06, 2023, has granted interim relief while the main writ petition is pending.
- 30.9 Various cases have been filed against the Holding Company by some former employees. Based on the legal advice, no provision has been made in the books of account.
- 30.10 Guarantees given to Sui Northern Gas Pipelines Ltd. by commercial banks on behalf of the Holding Company outstanding as at September 30, 2024 were for Rs.37.340 million (2023: Rs.37.340 million). These guarantees are valid upto June 19, 2024.

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- 30.11 The Additional Collector of Sales Tax, Peshawar, had served a show cause notice raising sales tax demands aggregating Rs.1.528 million along with additional tax on the grounds that the Subsidiary Company under-valued the price of spirit during the financial years 1994-95 & 1995-96 and paid lesser sales tax. The Subsidiary Company paid Rs.0.248 million against the said demands and filed an appeal before the Customs, Central Excise and Sales Tax Appellate Tribunal, Peshawar Bench, which is pending adjudication.
- 30.12 The Appellate Tribunal Inland Revenue, Peshawar, vide its order dated October 09, 2012, had allowed the Subsidiary Company's appeal; the Company prayed that the order passed by the Department during July, 2007 be set-aside and refund claims pertaining to the period April to December, 2006 aggregating Rs. 421 thousand be sanctioned.
- 30.13 No commitments were outstanding as at September 30, 2024 and September 30, 2023.

CSM and its Subsidiaries

- 30.14 The Commissioner Inland Revenue (CIR), Peshawar vide order dated May 26, 2015 alleged that the CSM and its subsidiaries has not undertaken appropriate stock taking and raised a demand of Rs 10 million in respect of FED on the alleged differential stock. the CSML and its subsidiaries accepted vide order dated January 25, 2016. In this respect, the tax department filed reference before the Honorable Peshawar High Court which is yet to be decided.
- 30.15 In respect of super tax demand under section 4C of Income Tax Ordinance, 2001 for the tax year 2021 @ 10% of taxable income, the CSM and its subsidiaries had filed writ petition before Peshawar High Court, and an interim relief was granted, directing the CSM and its subsidiaries to 50% of the tax demanded. However, during the year, The Federal Board of Revenue (FBR) sent a notice to the CSM and its subsidiaries directing it to pay super tax @ 4%, based on Supreme Court's order in respect of other companies wherein the Supreme Court of Pakistan granted an interim relief against demand of super tax at the rate of 10% and directed FBR to recover the tax @ 4%. Management has recorded a current tax charge of Rs 41.9 million during the year in respect of super tax @ 4% out of which Rs. 24.9 million is paid during the prior year. The CSM and its subsidiaries and its legal counsel are confident that based on Supreme Court's order maximum exposure of the CSM and its subsidiaries in respect of super tax for tax year 2021 is 4% and no further provision needs to be recognized in these consolidated financial statements.
- 30.16 The Federal government through SRO No. 1062(I)/2021 dated April 28, 2021 fixed the Ex-Mill and Retail prices of Sugar u/s 6 of the Price Control and Prevention of Profiteering and Hoarding Act, 1997 at Rs.95.57/kg and Rs.98.82/kg. The CSM and its subsidiaries filed a writ petition in Peshawar High court against a decision of Federal Government on April 20, 2023. Peshawar High Court granted stay on the case vide order dated June 06, 2023 and the case is currently pending adjudication as at year end.
- 30.17 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 CSM and its subsidiaries 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 imposed a penalty of Rs.650,000 thousand on the CSM and its subsidiaries. Against the said order of CCP, the CSM and its subsidiaries has filed an appeal before the CCP Appellate tribunal. The CCP Appellate tribunal has granted stay order against the CCP's order dated August 13, 2021. The case is pending adjudication.
- 30.18 The CSM and its subsidiaries has letter of guarantee facilities aggregating Rs 50 million (2023: Rs 50 million) available from Bank Al Habib. The amount availed on these facilities as at September 30, 2024 is Rs 4 million (2023: Rs 4 million). These facilities are secured by master counter guarantee and 100% cash margin.
- 30.19 The CSM and its subsidiaries has obtained letter of credit facilities aggregating Rs 415 million (2023: Rs 365 million) from Bank Al Habib. The amount availed on these facilities as at September 30, 2024 is Rs 249 million (2023: Rs 221 million). These facilities are secured by lien on shipping documents.
- 30.20 The CSM and its subsidiaries has cash finance facility available from various banks aggregating to Rs 19,850 million (2023: Rs 10,825 million), out of which Rs 2,573 million (2023: Rs 2,968 million) has been availed by the CSM and its subsidiaries as at September 30, 2024. These facilities are secured against pledge charge over crystalline sugar inclusive of margin of 10 - 15%.

- 30.21 The CSM and its subsidiaries has Export Re Finance/Finance Against Packing Credit (ERF / FAPC) facility from various commercial banks for Rs 5,900 million (2023: Rs 3,950 million), out of which Rs 5,449 million (2023: Rs 1,524 million) has been availed by the CSM and its subsidiaries as at September 30, 2024. These facilities are secured by the joint parri passu hypothecation charge over current assets of the CSM and its subsidiaries and lien over export documents.
- 30.22 The CSM and its subsidiaries is defending its stance before the courts of law against various parties including individuals, corporate entities, federal and provincial revenue / regulatory authorities etc. The management of the CSM and its subsidiaries is of the view that the ultimate outcome of these cases are expected to be favorable and a liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made in the consolidated financial statements in this regard.
- 30.23 During the period, the CSM and its subsidiaries has issued further corporate guarantee amounting to Rs. 667 million in favour of UWFL in connection with financing arrangements with a financial institution. The financing facility is expected to be settled by December 31, 2027 and accordingly, the guarantee issued by the CSM and its subsidiaries will be released by December 31, 2027.

	Note	2024 Rupees in thousand	2023
30.24	In case of CSM and its Subsidiaries, commitments in respect of :		
	- foreign letters of credit for purchase of plant & machinery	<u>285,663</u>	-
	- local letters of credit for purchase of plant & machinery	-	<u>143,681</u>
	- capital expenditure other than for letters of credit	<u>25,515</u>	<u>14,386</u>
31.	GROSS SALES		
	- local	37,382,670	22,044,291
	- export	6,847,464	9,777,952
		<u>44,230,134</u>	<u>31,822,243</u>
31.1	Export sales of the Group comprise of the sugar and ethanol sales made in the following regions:		
	Spain	2,427,827	5,262,047
	Indonesia	396,691	-
	Singapore	561,377	555,291
	Hong Kong	373,715	97,765
	Switzerland	2,675,212	3,269,109
	China	-	540,773
	Afghanistan	-	52,967
	United Arab Emirates	412,642	-
		<u>6,847,464</u>	<u>9,777,952</u>

32. SALES TAX, OTHER GOVERNMENT LEVIES AND DISCOUNTS

	Note	2024 Rupees in thousand	2023
Indirect taxes		4,810,170	3,162,895
Discounts		24,814	11,558
		<u>4,834,984</u>	<u>3,174,453</u>

33. COST OF SALES

Raw materials consumed		32,545,217	19,244,388
Chemicals and stores consumed		631,677	578,118
Salaries, wages and benefits	33.1	1,215,048	1,077,285
Power and fuel		293,066	246,774
Insurance		61,916	38,118
Repair and maintenance		579,927	664,775
Provision for obsolete items		750	-
Depreciation			
- property, plant and equipment	6.10	1,870,794	1,406,281
- right of use assets	7	4,159	4,621
		<u>37,202,554</u>	<u>23,260,360</u>
Adjustment of work-in-process:			
Opening		26,837	22,628
Closing	11	(52,248)	(26,837)
		<u>(25,411)</u>	<u>(4,209)</u>
Cost of goods manufactured		<u>37,177,143</u>	<u>23,256,151</u>
Adjustment of finished goods:			
Opening stock		5,285,461	4,117,744
Closing stock	11	(4,209,070)	(5,285,461)
		<u>1,076,391</u>	<u>(1,167,717)</u>
		<u>38,253,534</u>	<u>22,088,434</u>

33.1 Salaries, wages and benefits include Rs.26.89 million (2023:Rs.27.274million) in respect of retirement benefits.

34. SELLING AND DISTRIBUTION EXPENSES

Salaries and benefits	34.1	34,228	21,035
Loading and stacking		43,366	33,691
Export development surcharge		19,106	18,466
Freight, commission and other expenses on exports		496,288	840,542
Depreciation - right of use assets	7	17,453	19,446
Commission - local		332,047	623
Others		478	39
		<u>942,966</u>	<u>933,842</u>

34.1 Salaries and benefits include Rs.658 thousand (2023: Rs.532 thousand) in respect of retirement benefits.

35. ADMINISTRATIVE AND GENERAL EXPENSES	Note	2024 Rupees in thousand	2023
Salaries and benefits	35.1	789,091	680,211
Travelling		97,080	81,434
Utilities		12,324	5,135
Vehicles' running and maintenance		59,660	48,885
Rent, rates and taxes		21,542	26,756
Insurance		14,785	11,039
Repair and maintenance		140,902	66,898
Printing and stationery		20,965	17,784
Communication		31,818	18,559
Fees and subscription		19,236	5,381
Auditors' remuneration	35.2	12,131	8,790
Legal and professional charges (other than Auditors)		25,339	22,572
Depreciation on:			
- operating fixed assets	6.10	208,713	93,569
- right of use assets	7	60,357	52,858
- investment property	8	4,910	282
Expected credit loss for doubtful debts		17,679	1,551
Impairment loss for export subsidy		149,737	65,413
Loss allowance on doubtful advances		12,412	-
General		130,472	-
Entertainment		2,867	110,090
		<u>1,832,020</u>	<u>1,317,207</u>

35.1 Salaries and benefits include Rs.21.951 million (2023: Rs.19.157 million) in respect of retirement benefits.

35.2 Auditors' remuneration

Sinewing Hameed Chaudhri & Co.

- statutory audits	1,626	1,297
- half-yearly reviews	419	195
- consultancy and certification charges	708	960
- short provision for the preceding year	27	172
- out-of-pocket expenses	76	73
	<u>2,856</u>	<u>2,697</u>

A.F.Ferguson & Co.

(statutory auditors of CSM and its Subsidiaries)

- statutory audits	6,130	4,224
- half year review	691	693
- consolidation	338	308
- certifications and group reporting	1,361	668
- out-of-pocket expenses	755	200
	<u>9,275</u>	<u>6,093</u>
	<u>12,131</u>	<u>8,790</u>

36. OTHER INCOME

		2024	2023
		Rupees in thousand	
Income from financial assets:	Note		
Return on bank deposits		14,635	12,780
Mark-up earned on term depository receipts		88,758	31,313
Gain on redemption of short term investments		-	3,223
Fair value gain on re-measurement of short term investments		3	73
Dividend		696	-
Income from other than financial assets:			
Gain on disposal of operating fixed assets		15,729	8,592
Rent		13	12
Sale of scrap - net of expenses		54,963	51,995
Sale of press mud - net of sales tax		7,218	7,654
Unclaimed payable balances written-back		7,279	160
Sale of agricultural produce - net of costs and expenses		19,197	3,896
Sale of fusel oil - net of sales tax		3,101	3,378
Sale of chemicals - net of costs		-	405
Income against insurance claim		-	119,462
Others		17,413	-
		<u>229,005</u>	<u>242,943</u>

37. OTHER EXPENSES

Donations (without directors' interest)	37.1	1,039	2,042
Uncollectible receivable balances written-off		-	639
Workers' profit participation fund and workers' welfare obligations	25.2	-	108,110
Prior year's sales tax on account of inadmissible input tax adjustment claimed		-	1,096
Others		15,327	-
		<u>16,366</u>	<u>111,887</u>

37.1 Expense for the year represents donation paid to AI - Siraj Welfare Foundation.

38. FINANCE COST

Mark-up on:			
- long term finances		1,223,112	922,799
- loans from Associated Companies		40,295	41,598
- short term borrowings		3,464,612	1,793,977
Interest on workers' (profit) participation fund	25.2	7,418	1,438
Unwinding of interest on lease liabilities		56,603	47,731
Bank charges		28,782	12,333
Amortisation of deferred Government grant		(26,585)	(23,946)
Exchange fluctuation loss - net		37,184	185,347
		<u>4,831,421</u>	<u>2,981,277</u>

39. LEVIES AND INCOME TAXATION	2024	2023
	Rupees in thousand	
Final tax levy		
- for the year	<u>422,190</u>	<u>314,112</u>
Current		
- for the year	5,884	30,771
- prior year	<u>(3,074)</u>	<u>41,974</u>
	2,810	72,745
Deferred:		
- on account of temporary differences	<u>(2,213,934)</u>	<u>(550,515)</u>
	<u>(2,211,124)</u>	<u>(477,770)</u>
40. COMBINED EARNINGS (LOSS) PER SHARE		
There is no dilutive effect on earnings per share of the Holding Company, which is based on:		
(Loss) / earnings attributable to equity holders of the Holding Company	<u>(2,482,663)</u>	<u>812,433</u>
	No. of shares	
Weighted average number of shares outstanding during the year	<u>3,750,000</u>	<u>3,750,000</u>
	----- Rupees -----	
40.1 Combined (loss) / earnings per share	<u>(662.04)</u>	<u>216.65</u>
41. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES		
Financial instruments by category	2024	2023
	Rupees in thousand	
Financial assets		
At fair value through profit or loss		
Short term investments	<u>78</u>	<u>10,305</u>
At amortised cost		
Maturity upto one year		
Trade debts	440,448	1,251,423
Trade deposits and other receivables	108,216	223,571
Bank balances	1,114,598	950,611
Maturity after one year		
Long term security deposits	<u>17,244</u>	<u>16,985</u>
	<u>1,680,506</u>	<u>2,442,590</u>
Financial liabilities		
Other financial liabilities		
Maturity upto one year		
Trade and other payables	1,546,459	1,083,139
Unclaimed dividends	23,149	7,470
Accrued mark-up	461,443	746,754
Short term borrowings	9,671,811	4,615,620
Current maturity of non-current liabilities	1,556,429	1,429,079
Maturity after one year		
Long term finances	6,265,941	4,673,542
Loans from related parties	153,547	156,854
Lease liabilities	<u>165,814</u>	<u>161,396</u>
	<u>19,844,593</u>	<u>12,873,854</u>

41.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried-out by the Group's finance departments under policies approved by the board of directors. The Group's finance departments evaluate financial risks based on principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity, provided by the boards of directors.

41.2 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: currency risk, interest rate risk and price risk.

(a) Currency risk

The Holding Company

Foreign currency risk mainly arises where receivables and payables exist due to transactions entered into in foreign currencies. The Holding Company is not exposed to foreign exchange risk as it does not have any foreign currency receivables or payables at the reporting date.

CSM

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. Financial liabilities include Rs. 44,112 thousand (2023: Financial liabilities included Rs. 972,202 thousand) which were subject to currency risk.

Rupees per U.S.\$	2024	2023
Average rate	283.33	259.03
Reporting date rate	278.05	288.60

Sensitivity analysis

As at September 30, 2024, if the currency had weakened/strengthened by 10% against US dollar with all other variables held constant, loss after tax for the year of CSM would have been Rs.4,411 thousand (2023: Rs.97,220 thousand) higher / lower.

(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 Group's interest bearing financial instruments is as follows:

	2024	2023	2024	2023
	Effective rate		Carrying amount	
			Rupees in thousand	
Variable rate instruments				
Financial assets				
Deposits with a non-banking finance Company			-	12,000
Bank balances	13.50% to 24.87%	13.50% to 24.41%	580,850	512,811
Financial liabilities				
Long term finances	3 to 6 month KIBOR + spread rate		7,353,035	5,979,371
Loans from Associated Companies	1 month KIBOR + 1.25%		177,922	188,090
Lease liabilities	17.36% to 26.19%	23.92% to 24.77%	257,874	253,410
Short term borrowings	19.43% to 24.87%	16.71% to 24.41%	9,644,488	4,615,585

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

At September 30, 2024, if interest rate on variable rate financial instruments had been 1% higher / lower with all other variables held constant, loss after taxation for the year would have been higher / lower by Rs.178.008 million mainly as a result of higher interest expense on variable rate financial liabilities (2023: profit before taxation would have been lower / higher by Rs.110.485 million)

(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. As at September 30, 2024, price risk arose from the Group's investments in Units of a Mutual Fund classified as short term investments at fair value through profit or loss. To manage its price risk, the Group diversifies its portfolio and continuously monitors developments in the market. In addition, the Group's

As at September 30, 2024, a 10% increase / decrease in redemption value of Units of the Mutual Fund would have decreased / increased loss after taxation for the current year by Rs.7.8 thousand (2023: profit before taxation would have been higher / lower by Rs.1,031 thousand).

The sensitivity analysis prepared is not necessarily indicative of the effects on statement of profit or loss and investments of the Group.

41.3 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 Group 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 Group's performance to developments affecting a particular industry.

Credit risk primarily arises from trade debts, deposits with a non-banking finance company 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. The management of the Holding Company has set a maximum credit period of 30 days to reduce the credit risk. 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 Holding Company long standing business relationship with them, management does not expect non-performance by these counter parties on their obligations to the Holding Company.

CSM and its Subsidiaries

The management of CSM and its Subsidiaries has set an allowed credit period to reduce the credit risk.

CSM and its Subsidiaries recognise ECL for trade debts using the simplified approach. As per the aforementioned approach, the loss allowance was determined as follows:

	1 - 180 days	181-365 days	More than 365 days	Total
----- Rupees in thousand -----				
September 30, 2024				
Gross carrying value	448,457	2,481	10,493	461,431
Loss allowance	9,179	1,340	10,493	21,012
September 30, 2023				
Gross carrying value	1,215,486	223	1,729	1,217,438
Loss allowance	1,381	223	1,729	3,333

ECL on other receivables is calculated using general approach. At the reporting date, CSM and its Subsidiaries envisage that default risk on account of non-realisation of other receivables is minimal and thus based on historical trends adjusted to reflect current and forward looking information loss allowance has been estimated by CSM and its Subsidiaries using a range of probable recovery pattern of related other receivables and assigning a time value of money to same. As per the aforementioned approach, the loss

	2024	2023
(Rupees in thousand)		
September 30, Gross carrying value	130,473	26,163
Loss allowance	905	905

Based on past experience, the management believes that no further impairment allowance is necessary in respect of trade debts, loans and advances and other financial assets.

Exposure to credit risk

The maximum exposure to credit risk as at September 30, 2024 along with comparative is tabulated below:

	2024	2023
	Rupees in thousand	
Security deposits	17,244	16,985
Trade debts	440,448	1,251,423
Short term investments	78	10,305
Trade deposit and other receivables	108,216	223,571
Deposits with a non-banking finance company	-	12,000
Bank balances	1,114,598	938,611
	<u>1,680,584</u>	<u>2,452,895</u>

- The management does not expect any losses from non-performance by these counter parties.
- Trade debts at September 30, 2024 represented domestic and foreign parties.
- Based on past experience, the Group's management believes that no impairment loss allowance is necessary in respect of trade debts as material amounts have been realised subsequent to the year-end.

Credit quality of financial assets of CSM and its Subsidiaries:

The credit quality of CSM and its Subsidiaries financial assets have been assessed below by reference to external credit ratings of counterparties determined by the Pakistan Credit Rating Agency Limited (PACRA) and VIS Credit Rating Company Limited (VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any defaults in meeting obligations.

Counterparties without external credit rating

Trade debts	440,448	1,251,423
Loans and advances	130,473	15,007
Trade deposits and other receivables	98,928	369,248
	<u>669,849</u>	<u>1,635,678</u>

Counter-parties with external credit rating

Bank balances	Rating		
	A 1+	942,535	235,287
	A 1	4,750	20,853
		<u>947,285</u>	<u>256,140</u>
Loans and advances	A-1+	-	11,156

41.4 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach is to ensure, as far as possible, to always have sufficient liquidity to meet its liabilities when due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and ensuring the availability of adequate credit facilities. The Group's treasury departments aim at maintaining flexibility in funding by keeping committed credit lines available.

Financial liabilities in accordance with their contractual maturities are presented below:

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years
----- Rupees in thousand -----				
2024				
Long term finances	7,353,035	7,353,035	1,087,094	6,265,941
Loans from related parties	177,922	177,922	24,375	153,547
Lease liabilities	257,874	257,874	92,060	165,814
Trade and other payables	1,546,459	1,546,459	1,546,459	-
Unclaimed dividends	23,149	23,149	23,149	-
Accrued mark-up	461,443	461,443	461,443	-
Short term borrowings	9,671,811	9,671,811	9,671,811	-
	19,491,693	19,491,693	12,906,391	6,585,302
2023				
Long term finances	5,979,370	5,979,370	1,305,829	4,673,541
Loans from related parties	188,090	188,090	31,236	156,854
Lease liabilities	253,410	253,410	92,014	161,396
Trade and other payables	1,083,139	1,083,139	1,083,139	-
Unclaimed dividends	7,470	7,470	7,470	-
Accrued mark-up	746,754	746,754	746,754	-
Short term borrowings	4,615,620	4,615,620	4,615,620	-
	12,873,853	12,873,853	7,882,062	4,991,791

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.

42. FAIR VALUES OF FINANCIAL INSTRUMENTS AND HIERARCHY

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

At September 30, 2024, the carrying values of all financial assets and liabilities reflected in the consolidated financial statements approximate to their fair values.

The following table shows the fair value measurements of the financial instruments carried at fair value by level of the following fair value measurement hierarchy:

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

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

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

As at September 30, 2024, the Group's investments in a Mutual Fund were measured at fair value using year-end Net Assets Value as computed by the Assets Management Company. Fair value of these investments fell within level 2 of fair value hierarchy as mentioned above.

42.2 Fair value hierarchy (CSM and its Subsidiaries)

Certain property, plant and equipment of CSM and its Subsidiaries were valued by independent valuer to determine the fair value of property, plant and equipment as at September 30, 2024. The revaluation surplus was credited to other comprehensive income and is shown as 'surplus on revaluation of property, plant and equipment'. The different levels have been defined as follows:

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

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

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

43. CAPITAL RISK MANAGEMENT

The Group is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Boards monitor the return on capital and the level of dividend to ordinary shareholders. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders and / or issue new shares. There was no change to the Group's approach to the capital management during the year.

The Group is not subject to externally imposed capital requirements except for the maintenance of debt to equity and current ratios under the financing agreements. Accordingly, the liabilities under these financing agreements have been classified as per the repayment schedules applicable in respect of the aforesaid financing agreements.

The Group monitors capital using a gearing ratio, which is calculated as net debt divided by total capital plus net debt. Net debt is calculated as amounts payable by the Group less bank balances. Capital signifies equity as shown in the statement of financial position plus net debt. The Group's gearing ratio is as follows:

	2024	2023
	Rupees in thousand	
Long term finances	7,353,035	5,979,371
Loans from related parties	177,922	188,090
Lease liabilities	257,874	253,410
Short term borrowings	9,671,811	4,615,620
Total debt	17,460,642	11,036,491
Less: bank balances	(1,114,598)	(950,611)
Net debt	16,346,044	10,085,880
Share capital	37,500	37,500
Share redemption reserve	1	1
Revaluation surplus on property, plant and equipment	5,929,257	5,805,000
General revenue reserve	1,010,537	1,010,537
Unappropriated profit	285,358	2,342,927
Equity	7,262,653	9,195,965
Capital	23,608,697	19,281,845
Gearing ratio (Net debt / (Net debt + Equity))	69.24%	52.31%

44. TRANSACTIONS WITH RELATED PARTIES

44.1 The Holding Company has related party relationship with its Associated Companies, employee benefit plans, its directors and key management personnel. Transactions with related parties are carried-out on arm's length basis. There were no transactions with key management personnel other than under the terms of employment. Aggregate transactions with related parties during the year were as follows:

	2024	2023
	Rupees in thousand	
The Holding Company		
Associated Companies		
- purchase of store items	14,927	13,157
- expenses paid on account of storage service	-	12,484
Key management personnel		
- salaries and other benefits	43,036	7,989

The Holding Company's shareholdings in Associated Companies have been detailed in note 9. In addition to the names of the Associated Companies detailed in note 9, the following are other Associated Companies:

- Syntron Ltd.	- Premier Construction & Housing Ltd.
- Syntronics Ltd.	- Phipson & Co. Pakistan (Pvt.) Ltd.
- Premier Ceramics Ltd.	- Aurora (Pvt.) Ltd.

44.2 Key management personnel

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

44.3 FSM

FSM has related party relationship with its Associated Companies, employee benefit plans, its directors and key management personnel. Transactions with related parties are carried-out on arm's length basis. FSM has carried-out no transaction with key management personnel during the current and preceding financial years.

44.4 CSM

The related parties comprise of Associated Companies, directors, major shareholders, key management personnel, entities over which the directors are able to exercise significant influence on financial and operating policy decisions and employees' funds. Amounts due from and due to these undertakings are shown under receivables and payables. The remuneration of Chief Executive, Directors and Executives is disclosed in remuneration note.

Significant transactions with related parties during the year were as follows:

	2024	2023
	Rupees in thousand	
Arpak International Investments Ltd.		
Mark-up charged	5,979	7,529
Syntronics Ltd.		
Purchase of store items	11,993	163,068
Dividend paid	17,952	-
Syntron Ltd.		
Purchase of store items	220,513	94,760
Azlak Enterprises (Pvt.) Ltd.		
Services rendered	48,780	38,018
Mark-up charged	19,507	17,605

	2024	2023
	Rupees in thousand	
Expenses paid	3,385	1,931
Dividend paid	7,487	-
Phipson & Company Pakistan (Pvt.) Ltd.		
Expenses paid	32	413
Dividend paid	1,538	-
Premier Board Mills Ltd.		
Mark-up charged	14,860	16,463
Provident fund		
Contribution to provident fund	38,884	32,810
Directors		
Dividends paid	28,721	-

44.5 Following are the related parties with whom CSM and its Subsidiaries had entered into transactions or have arrangement / agreement in place:

Company Name	Basis of Association	Share-holding %
Premier Board Mills Ltd.	Common directorship	-
Azlak Enterprises (Pvt.) Ltd.	----- do -----	5.15%
Arpak International Investments Ltd.	----- do -----	-
Phipson & Company Pakistan (Pvt.) Ltd.	----- do -----	1.07%
Syntronics Ltd.	----- do -----	12.51%
Syntron Ltd.	----- do -----	-
Premier Construction and Housing Ltd.	----- do -----	-
Earth Securities (Private) Ltd.	----- do -----	-

45. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

45.1 Aggregate amounts of remuneration, including certain benefits, to Chief Executive, Directors and Executives of the Holding Company, are as follows:

Particulars	Chief Executive		Director		Executive	
	2024	2023	2024	2023	2024	2023
	----- Rupees in thousand -----					
Managerial remuneration	1,746	1,613	28,364	3,668	12,923	2,708
Contribution to provident fund	-	-	-	-	123	-
	1,746	1,613	28,364	3,668	13,046	2,708
Number of persons	1	1	1	1	7	1

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

Particulars	Chief Executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
	----- (Rupees in thousand) -----					
Managerial remuneration	34,914	32,258	34,914	38,258	76,976	69,648
Bonus	-	7,590	-	7,590	1,815	44,882
Housing and utilities	6,624	4,044	6,136	1,851	46,446	46,432
CSM and its Subsidiaries contribution to provident fund	-	-	-	-	3,545	4,214
Medical	4,781	4,346	-	136	2,386	827
Other expenses	3,073	13,628	38,027	20,042	8,097	-
	<u>49,392</u>	<u>61,866</u>	<u>79,077</u>	<u>67,877</u>	<u>139,265</u>	<u>166,003</u>
Number of persons	1	1	1	2	31	29

- 45.3 In case of the Holding Company, the Chief Executive, one Director and the Executives residing in the factory are provided free housing (with the Holding Company's generated electricity in the residential colony within the factory compound). The Chief Executive, one Director and Executives are also provided with the Holding Company maintained cars.
- 45.4 The Chief Executive and Executives were provided with the CSM and its Subsidiaries maintained cars for official and personal use. All the Executives based at factory compounds are also provided with free housing with CSM's generated electricity, telephone and certain household items in the residential colony within the factory compound.
- 45.5 Mr Abbas Sarfraz Khan, director of CSM and its Subsidiaries, holds office of profit for performing extra services, for which approval was obtained vide extraordinary general meeting dated June 21, 2019 under section 171 of the Companies Act, 2017. His remuneration includes monthly salary, bonus as per CSM and its Subsidiaries policy, CSM maintained vehicle and reimbursement of all travelling and medical expenses. The Board of Directors of CSM are also entitled to reimbursement of all travelling, telephone and medical expenses, as approved vide 31st annual general meeting of CSM's members dated March 29, 2019. During the year, the remuneration of Directors were increased vide Extraordinary General Meeting (EOGM) dated August 25, 2023.
- 45.6 In case of FSM, no managerial remuneration was paid to Chief Executive and Directors during the current and preceding years; however, they are provided with free use of FSM's maintained cars.
- 45.7 Remuneration of the Directors does not include amounts paid or provided for, if any, by the Associated Companies.

46. CAPACITY AND PRODUCTION	2024	2023
46.1 The Holding Company		
Sugar Cane Plant		
Rated crushing capacity per day	M.Tonnes	3,810
Cane crushed	M.Tonnes	130,269
Sugar produced	M.Tonnes	12,477
Days worked	Nos.	51
Sugar recovery	%	9.61
		10.35

Sugar Beet Plant		2024	2023
Rated slicing capacity per day	M.Tonnes	2,500	2,500
Distillery			
Rated capacity per day	Gallons	14,300	14,300
Ethanol produced	Gallons	-	920,400
Days worked	Nos.	-	127

- The normal season days are 150 days for Sugar Cane crushing.

- Production was restricted to the availability of raw materials to the Holding Company.

46.2 CSM		2024	2023
Sugar Cane Plants			
Rated crushing capacity (Metric Tonnes / day)		18,000	18,000
On the basis of average number of 99 days (2023:105 days)		1,782,000	1,890,000
Actual cane crushed (Metric Tonnes)		1,726,610	1,963,169
Sugar produced (Metric Tonnes)		171,591	211,871
Ethanol Fuel Plant			
Rated production capacity (Litres / day)		125,000	125,000
On the basis of average number of 347 days (2023:343 days) (Litres)		43,375,000	42,875,000
Actual production (Litres)		43,053,990	42,374,200
Storage facility			
Storage capacity (metric tonnes)		20,000	20,000
Wheat			
Production capacity (tonnes)		102,600	-
Actual production (tonnes)		58,481	-
Days worked:			
Sugar Unit - I		99	106
Sugar Unit - II		98	103
Ethanol Fuel Plant		347	343
Wheat		270	-

Sugar Division performed at more than installed capacity to the extent of availability of sugar cane. Capacity of Ethanol Units were also over-utilized on certain days.

46.3 FSM		2024	2023
Sugar Cane Plant			
Rated crushing capacity per day	M.Tonnes	880	880
Sugar Beet Plant			
Rated slicing capacity per day	M.Tonnes	1,000	1,000

Due to non-availability of raw materials, sugar cane and beet plants of FSM had remained closed during the current and preceding years.

47. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Liabilities						Total
	Long term finances	Lease finances	Loans from related parties	Short term borrowings	Accrued mark-up	Dividend	
	----- Rupees in thousand -----						
Balance as at September 30, 2022	4,958,803	237,007	219,325	5,002,895	429,125	22,649	10,869,804
Changes from financing activities:							
Finances - net	1,020,567	-	-	(387,275)	-	-	633,292
Finances - obtained	-	178,896	-	-	-	-	178,896
- repaid	-	(162,493)	(31,235)	-	-	-	(193,728)
Mark-up accrued	-	-	-	-	2,807,543	-	2,807,543
Mark-up paid	-	-	-	-	(2,489,914)	-	(2,489,914)
Dividend paid	-	-	-	-	-	(35)	(35)
	<u>1,020,567</u>	<u>16,403</u>	<u>(31,235)</u>	<u>(387,275)</u>	<u>317,629</u>	<u>(35)</u>	<u>936,054</u>
Balance as at September 30, 2023	5,979,370	253,410	188,090	4,615,620	746,754	22,614	11,805,858
Changes from financing activities:							
Finances - net	1,373,665	-	-	5,056,191	-	-	6,429,856
Finances - obtained	-	171,537	-	-	-	-	171,537
- repaid	-	(167,073)	(10,168)	-	-	-	(177,241)
Mark-up accrued	-	-	-	-	4,792,040	-	4,792,040
Mark-up paid	-	-	-	-	(5,077,351)	-	(5,077,351)
Dividend paid	-	-	-	-	-	1,107	1,107
	<u>1,373,665</u>	<u>4,464</u>	<u>(10,168)</u>	<u>5,056,191</u>	<u>(285,311)</u>	<u>1,107</u>	<u>6,139,948</u>
Balance as at September 30, 2024	<u>7,353,035</u>	<u>257,874</u>	<u>177,922</u>	<u>9,671,811</u>	<u>461,443</u>	<u>23,721</u>	<u>17,945,806</u>

48. PROVIDENT FUNDS RELATING DISCLOSURES

- 48.1** The Group operates funded contributory provident fund schemes for all its permanent and eligible employees.
- 48.2** Investments made by the Group, out of the provident funds, have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

49. OPERATING SEGMENT

49.1 The Holding Company

The Holding Company's reportable segments are as follows:

- Sugar
- Distillery

Segment operating results of the Holding Company for the year ended September 30, 2024

	Sugar Division		Ethanol Division		Total	
	2024	2023	2024	2023	2024	2023
	----- Rupees in thousand -----					
Sales						
-External customers	1,678,635	1,222,050	-	2,000,175	1,678,635	3,222,225
Less : sales tax & commission	(274,242)	(162,066)	-	(14,197)	(274,242)	(176,263)
Sales - net	1,404,393	1,059,984	-	1,985,978	1,404,393	3,045,962
Segment expenses:						
Cost of sales	(2,048,702)	(1,075,120)	(92,713)	(1,612,976)	(2,141,415)	(2,688,096)
Gross (loss) / profit	(644,309)	(15,136)	(92,713)	373,002	(737,022)	357,866
Distribution cost	(4,718)	(3,768)	-	(64,058)	(4,718)	(67,826)
Administrative expenses	(136,537)	(94,180)	-	-	(136,537)	(94,180)
	(141,255)	(97,948)	-	(64,058)	(141,255)	(162,006)
(Loss) / profit from operations	(785,564)	(113,084)	(92,713)	308,944	(878,277)	195,860
Other income	681,882	19,957	-	-	681,882	19,957
Other expenses	(4)	(2,828)	-	(47,944)	(4)	(50,772)
	681,878	17,129	-	(47,944)	681,878	(30,815)
Segment results	(103,686)	(95,955)	(92,713)	261,000	(196,399)	165,045
Finance cost	(235,018)	(89,139)	-	(61,165)	(235,018)	(150,304)
(Loss) / profit before taxation	(338,704)	(185,094)	(92,713)	199,835	(431,417)	14,741
Final tax levies and income taxation					(258,306)	(58,243)
(Loss) / profit after taxation					(173,111)	72,984

Segment assets and liabilities

	Assets		Liabilities	
	2024	2023	2024	2023
	----- Rupees in thousand -----			
Sugar	2,484,940	3,031,516	2,093,917	1,188,651
Ethanol	1,611,528	218,445	134,582	21,553
Total for reportable segment	4,096,468	3,249,961	2,228,499	1,210,204

- 49.2 Sales to domestic customers in Pakistan are 100% (2023: 60.29%) and to customers outside Pakistan are nil (2023 : 39.71%) of the revenues during the current financial year.
- 49.3 All non-current assets of the Holding Company as at September 30, 2024 and September 30, 2023 are located in Pakistan.
- 49.4 The Holding Company does not have transactions with any customer which amount to 10% or more of its sales.
- 49.5 **Segment operating results of CSM for the year ended September 30, 2024**

	Sugar Division		Ethanol Division		Wheat Division		Total	
	2024	2023	2024	2023	2024	2024	2023	
-----Rupees in thousand-----								
Sales								
-External customers	26,325,758	19,721,903	9,207,784	8,114,885	5,727,410	-	41,260,952	27,836,788
-Inter segment	1,290,555	1,534,829	-	-	-	-	1,290,555	1,534,829
	27,616,313	21,256,732	9,207,784	8,114,885	5,727,410	-	42,551,507	29,371,617
Less : sales tax & others	(4,186,892)	(2,910,329)	(362,530)	(85,571)	(11,320)	-	(4,560,742)	(2,995,900)
Sales - net	23,429,421	18,346,403	8,845,254	8,029,314	5,716,090	-	37,990,765	26,375,717
Segment expenses:								
Cost of sales	(22,635,760)	(15,362,431)	(6,127,772)	(3,291,193)	(6,059,572)	-	(34,823,104)	(18,653,624)
less: Inter segment cost	-	-	(1,290,555)	(1,534,829)	-	-	(1,290,555)	(1,534,829)
	(22,635,760)	(15,362,431)	(7,418,327)	(4,826,022)	(6,059,572)	-	(36,113,659)	(20,188,453)
Gross profit	793,661	2,983,972	1,426,927	3,203,292	(343,482)	-	1,877,106	6,187,264
Selling and distribution expenses	(44,058)	(146,522)	(833,825)	(719,494)	(60,365)	-	(938,248)	(866,016)
Administrative and general expenses	(929,694)	(802,547)	(277,556)	(271,106)	(202,585)	(47,307)	(1,409,835)	(1,120,960)
Net impairment losses on financial assets	(160,860)	(66,964)	-	-	(18,968)	-	(179,828)	(66,964)
Others	-	-	-	-	-	-	(90,409)	(20,005)
	(1,134,612)	(1,016,033)	(1,111,381)	(990,600)	(281,918)	(47,307)	(2,618,320)	(2,073,945)
Profit from operations	(340,951)	1,967,939	315,546	2,212,692	(625,400)	(47,307)	(741,214)	4,113,319
Other income	188,405	207,236	5,035	34,966	943	-	194,383	242,202
Other expenses	(16,389)	(90,445)	-	(18,915)	-	-	(16,389)	(109,360)
	172,016	116,791	5,035	16,051	943	-	177,994	132,842
Segment results	(168,935)	2,084,730	320,581	2,228,743	(624,457)	(47,307)	(563,220)	4,246,161
Finance cost							(4,596,293)	(2,783,013)
(Loss) / profit before tax							(5,159,513)	1,463,148
Taxation							1,526,139	105,934
(loss) / profit for the year							(3,633,374)	1,569,082

Segment assets and liabilities

	2024		2023	
	-----Rupees in thousand-----			
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
Sugar	21,102,961	14,647,056	21,738,172	13,680,713
Ethanol	7,367,338	1,942,447	7,367,338	1,942,447
Wheat	4,768,169	4,040,982	2,967,159	2,319,315
Total for reportable segment	33,238,468	20,630,485	32,072,669	17,942,475
Others	1,747,203	1,271,924	1,747,203	1,271,924
Total assets / liabilities	34,985,671	21,902,409	33,819,872	19,214,399

50. NUMBER OF EMPLOYEES

2024 **2023**
----- **Number** -----

Number of persons employed as at September 30,

- permanent	1,401	1,229
- contractual	1,266	1,281
	2,667	2,510

Average number of employees during the year

- permanent	1,361	1,317
- contractual	1,616	1,803
	2,977	3,120

51. SHAHRIAH SCREENING DISCLOSURE

Below is the disclosure as required by the paragraph VII of the 4th Schedule to the Companies Act, 2017 determined by Shariah expert appointed by the Company:

The Holding Company

----- 2024 -----		----- 2023 -----	
Conventional	Shariah Compliant	Conventional	Shariah Compliant

----- Rupees in thousand -----

Long term finances	983,558	-	-	-
Short term borrowings	497,000	-	-	-
Accrued mark-up	93,881	-	12,672	-
Bank balances	67,217	-	125,094	-
Other income				
a) Profit on bank deposits	5,034	-	2,413	-
b) Dividend Income	68,755	-	-	-
Mark-up on short term finances	225,279	-	148,315	-
Mark-up on long term finances	-	-	43	-

CSM

	2024 (Rupees in thousand)	2023
Disclosures in relation to the Statement of Financial Position - Liability Side		
Financing obtained as per Islamic mode		
Long term	358,037	695,493
Short term	2,583,081	1,217,894
Lease financing	8,828	18,286
Interest or mark-up accrued on any conventional loan or advance	619,979	524,170
Disclosures relation to the Statement of Financial Position – Asset Side		
Bank Balances	14,786	6,461
Short-term Shariah compliant investments	-	-
Long-term Shariah compliant investments	-	-
Shariah-compliant bank deposits, bank balances, and TDRs	164,817	64,571
Disclosures in relation to the Statement of profit or loss and other comprehensive income		
Revenue earned from a Shariah-compliant business segment	25,049,780	18,346,403
Break-up of late payments or liquidated damages	-	-
Gain or loss or dividend earned on Shariah compliant investments	-	-
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs	3	1
Exchange (loss)/ gain earned from actual currency	(37,184)	(137,403)
Exchange gains earned using conventional derivative financial instruments	-	-
Profit paid on Islamic mode of financing	703,534	581,356
Total Interest earned on any conventional loan or advance	315,360	67,035
Source and detailed breakup of other income:		
Shariah compliant income:		
Profit earned from Shariah-compliant bank deposits bank balances, or TDRs	3	1
Sale of press mud - net of sales tax	7,218	5,879
Sale of fusel oil - net of sales tax	3,101	3,378
Gain on disposal of operating fixed assets	15,490	8,446
Gain on derecognition of right of use assets	-	-
Scrap sales - net of expenses	52,818	63,372
Rental income	115	115
Non-Shariah compliant income:		
Mark-up earned on bank deposits, bank balances, or TDRs	94,656	41,549
Income against Insurance claim	-	119,462
Other Disclosure		
Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows:		
- Meezan Bank Limited		
- Al Baraka Bank Limited		
- MCB Islamic Bank Limited		
- Dubai Islamic Bank Pakistan Limited		
- National Bank of Pakistan (NBP) Islamic		
- Bank Islami Pakistan Limited		

52. CORRESPONDING FIGURES

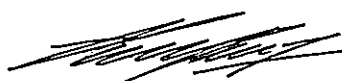
Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison; however, except for disclosing contract liabilities separately, which were previously grouped under trade and other payables, no material re-arrangements and re-classifications have been made in these consolidated financial statements.

53. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements have been authorised for issue on February 03, 2025 by the board of directors of the Holding Company.



Chief Financial Officer



Chief Executive



Director

The Premier Sugar Mills & Distillery Company Limited

BALLOT PAPER FOR VOTING THROUGH POST

For the Special Business at the Annual General Meeting to be held on Wednesday, 26th February 2025 at 11:30 a.m. at Company's Registered Office, Nowshera Road, Mardan as well as through electronic means.

Designated email address of the Chairman at which the duly filled in ballot paper may be sent:

mujahid@premiergroup.pk

Name of shareholder/joint shareholder(s)	
Registered Address:	
Folio /CDC Participant / Investor ID with sub-account No.	
Number of shares held	
CNIC / Passport No. (in case of foreigner) (copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government)	
Name of Authorized Signatory:	
CNIC / Passport No. (in case of foreigner) of Authorized Signatory – (copy to be attached)	

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

Agenda No.	Nature & Description of Resolution	No. of ordinary shares for which vote is cast	I/We assent to the Resolution(s) (FOR)	I/We assent to the Resolution(s) (AGAINST)
	<u>Special Business</u>			
1.	<p><u>TO APPROVE RELATED PARTIES TRANSACTIONS</u></p> <p>a. To ratify and approve the transactions carried out by the Company with related parties for the year ended September 30, 2024, and to pass the following Special Resolution(s) with or without modification(s):</p> <p>“RESOLVED THAT the transactions conducted in ordinary course of business with Related Parties during the year ended September 30, 2024 be and are hereby ratified, approved and confirmed”</p> <p>b. To approve transactions with</p>			

Agenda No.	Nature & Description of Resolution	No. of ordinary shares for which vote is cast	I/We assent to the Resolution(s) (FOR)	I/We assent to the Resolution(s) (AGAINST)
	<p>related parties and to authorize the Board of Directors of the Company to carry out such related party transactions from time to time which require approval of shareholders u/s 207 and/or 208 of the Companies Act, 2017 and to pass the following Special Resolution(s) with or without modification(s):</p> <p>“Resolved, that the Company may carry out transactions including but not limited to sale and purchase of stores and spares, shared expenses, toll manufacturing, sale and purchase of products/mid-products/raw material/assets and purchase of packaging material, payment against sales collections, lease rentals and license fee, fee for services, with related parties from time to time with related parties during the year ending September 30, 2025.</p> <p>Resolved further, that details of transactions incurred up to date of the next meeting of shareholders shall be presented in the next meeting of shareholders for ratification.</p> <p>Resolved further, that within the parameters approved above by the shareholders of the Company, the Board of Directors of the Company may approve specifically related party transactions from time to time in compliance with the Company’s policy pertaining to related party transactions and notwithstanding any interest of the directors of the Company in any related party transaction(s) which has been noted by the shareholders and the transactions approved by the Board shall be deemed to have been approved by the shareholders u/s 207 and/or 208 of the Companies Act, 2017.”</p>			

Agenda No.	Nature & Description of Resolution	No. of ordinary shares for which vote is cast	I/We assent to the Resolution(s) (FOR)	I/We assent to the Resolution(s) (AGAINST)

NOTES:

Dully filled postal ballot should be sent to the Chairman of The Premier Sugar Mills & Distillery Company Limited at Company's address at Kings Arcade, 20-A Markaz F-7, Islamabad. or (Email: mujahid@premiergroup.pk).

1. Copy of CNIC/ Passport No. (in case of foreigner) should be enclosed with the postal ballot form.
2. Postal ballot forms should reach the Chairman within business hours by or before February 24th, 2025. Any postal ballot received after this date, will not be considered for voting.
3. Signature on postal ballot should match with signature on CNIC/ Passport No. (in case of foreigner).
4. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.
5. This postal Poll paper is also available for download from the website of The Premier Sugar Mills & Distillery Company Limited at <https://premiergroup.pk>. Shareholders may download the ballot paper from website or use the same ballot paper published in newspapers.

Signature of shareholder(s)/ Proxy Holder(s)/Authorized Signatory
(In case of corporate entity, please affix company stamp)

Place: _____

Date: _____

دی پریمیئر شوگر ملز اینڈ ڈسٹری کمپنی لمیٹڈ

ڈاک کے ذریعے ووٹنگ کے لئے بیلٹ پیپر

26 فروری 2025ء بروز بدھ صبح 11:30 بجے کمپنی کے رجسٹرڈ آفس نوشہرہ روڈ مردان اور الیکٹرانک ذرائع سے منعقد ہونے والے سالانہ جنرل اجلاس میں خصوصی کاروبار کے لئے۔

چیئرمین کا نامزد ای میل ایڈریس جس پر مناسب طریقے سے بھرا ہوا بیلٹ پیپر بھیجا جاسکتا ہے:
mujahid@premiergrouppk.com

شیر ہولڈر / جوائنٹ شیر ہولڈر کا نام	
رجسٹرڈ ایڈریس:	
فولیو / سی ڈی سی شراکت دار / سرمایہ کار آئی ڈی کے ساتھ ذیلی اکاؤنٹ نمبر۔	
حصص کی تعداد	
شناختی کارڈ / پاسپورٹ نمبر (غیر ملکیوں کے معاملے میں) (کاپی منسلک کی جائے گی)	
اضافی معلومات اور انکلوزرز (یادی کارپوریٹ، کارپوریشن اور وفاقی حکومت کے نمائندے کی صورت میں)	
مجاز دستخط کنندہ کا نام:	
شناختی کارڈ / پاسپورٹ نمبر مجاز دستخط کنندہ کے (غیر ملکی کے معاملے میں) - (کاپی منسلک کی جائے گی)	

ہم مندرجہ ذیل قراردادوں کے سلسلے میں پوسٹل بیلٹ کے ذریعے اپنا ووٹ استعمال کرتے ہیں اور مندرجہ ذیل قرارداد پر اپنی رضامندی یا اختلاف کا اظہار کرتے ہیں اور مندرجہ ذیل مناسب باکس میں ٹک () کا نشان لگاتے ہیں:

قرارداد کی نوعیت اور تفصیل	ایجنڈا نمبر۔	نہیں۔ عام حصص جن کے لئے ووٹ ڈالے جاتے ہیں	میں/ ہم قرارداد سے اتفاق کرتے ہیں () خلاف	میں/ ہم قرارداد (ایف او آر) کی منظوری دیتے ہیں
خصوصی کاروبار				
متعلقہ پارٹیوں کے لین دین کی منظوری دینا	1.			
30 ستمبر، 2024 کو ختم ہونے والے سال کے لئے متعلقہ فریقوں کے ساتھ کمپنی کی طرف سے کیے گئے لین دین کی توثیق اور منظوری دینا، اور مندرجہ ذیل خصوصی قراردادوں کو ترمیم کے ساتھ یا اس کے بغیر منظور کرنا:				
" 30 ستمبر 2024 کو ختم ہونے والے سال کے دوران متعلقہ فریقوں کے ساتھ کاروبار کے عام کورس میں کیے گئے لین دین کی توثیق، منظوری اور تصدیق کی جائے گی"				
متعلقہ فریقوں کے ساتھ لین دین کی منظوری				

قرارداد کی نوعیت اور تفصیل	ایجنڈا نمبر۔	نہیں۔ عام حصص جن کے لئے ووٹ ڈالے جاتے ہیں	میں/ ہم قرارداد سے اتفاق کرتے ہیں ((ا د خلاف	میں/ ہم قرارداد (ایف او آر) کی منظوری دیتے ہیں
<p>دینا اور کمپنی کے بورڈ آف ڈائریکٹرز کو وقتاً فوقتاً ایسے متعلقہ پارٹی ٹرانزیکشنز کرنے کا اختیار دینا جس کے لئے کمپنیز ایکٹ 2017 کی دفعہ 207 اور / یا 208 کے تحت شیئر ہولڈرز کی منظوری درکار ہو اور مندرجہ ذیل خصوصی قراردادوں کو ترمیم کے ساتھ یا اس کے بغیر منظور کرنا:</p> <p>اعلامیے میں کہا گیا ہے کہ کمپنی 30 ستمبر کو ختم ہونے والے سال کے دوران متعلقہ فریقوں کے ساتھ وقتاً فوقتاً متعلقہ فریقین کے ساتھ اسٹورز اور اسپینرز کی خرید و فروخت، مشترکہ اخراجات، ٹول مینوفیکچرنگ، مصنوعات/ درمیانی مصنوعات/ خام مال/ اثاثوں کی خرید و فروخت اور پیکیجنگ مواد کی خریداری، سیلز کلیکشن کے عوض ادائیگی، لیز کرایہ اور لائسنس فیس، خدمات کے لیے فیس سمیت متعلقہ فریقین کے ساتھ لین دین کر سکتی ہے۔ 2025۔</p> <p>مزید کہا گیا کہ شیئر ہولڈرز کے اگلے اجلاس میں اب تک ہونے والی ٹرانزیکشنز کی تفصیلات توثیق کے لیے شیئر ہولڈرز کے اگلے اجلاس میں پیش کی جائیں گی۔</p> <p>مزید کہا گیا کہ کمپنی کے شیئر ہولڈرز کی جانب سے مذکورہ بالا پیرامیٹرز کے اندر، کمپنی کے بورڈ آف ڈائریکٹرز وقتاً فوقتاً متعلقہ پارٹی ٹرانزیکشنز سے متعلق کمپنی کی پالیسی کی تعمیل میں اور کسی بھی متعلقہ پارٹی ٹرانزیکشن میں کمپنی کے ڈائریکٹرز کی دلچسپی کے باوجود خصوصی طور پر متعلقہ پارٹی ٹرانزیکشنز کی منظوری دے سکتے ہیں جو شیئر ہولڈرز کی طرف سے نوٹ کیے گئے ہیں اور بورڈ کی جانب سے منظور شدہ ٹرانزیکشنز کو سمجھا جائے گا۔ کمپنیز ایکٹ 2017 کی دفعہ 207 اور/یا 208 کے تحت شیئر ہولڈرز کی جانب سے منظوری دی گئی ہے۔</p>				

نوٹ:

ٹلی بھری بونی ہوسٹل ہیلتھ پریمنر شوگر ملز اینڈ ڈسٹری کمپنی لمیٹڈ کے چیئرمین کو کنگز آرکیڈ، 20 اے مرکز ایف 7، اسلام آباد میں کمپنی کے پتے پر بھیجی جائے یا (ای میل: mujahid@premiergroup.pk)۔

1. شناختی کارڈ/ پاسپورٹ نمبر کی کاپی (غیر ملکی کی صورت میں) پوسٹل بیلٹ فارم کے ساتھ منسلک ہونا چاہئے۔
2. پوسٹل بیلٹ فارم 24 فروری 2025 تک یا اس سے پہلے کاروباری اوقات میں چیئرمین تک پہنچنا چاہئے۔ اس تاریخ کے بعد موصول ہونے والے کسی بھی پوسٹل بیلٹ کو ووٹنگ کے لئے غور نہیں کیا جائے گا۔
3. پوسٹل بیلٹ پر دستخط شناختی کارڈ / پاسپورٹ نمبر پر دستخط کے ساتھ میج ہونا چاہئے۔ (غیر ملکیوں کے معاملے میں) نامکمل، غیر دستخط شدہ، غلط، مسخ شدہ، ٹوٹے پھوٹے، مسخ شدہ، تحریری بیلٹ پیپر کو مسترد کر دیا جائے گا۔
4. یہ پوسٹل پول پیپر <https://premiergroup.pk.com> میں پریمیئر شوگر ملز اینڈ ڈسٹیلری کمپنی لمیٹڈ کی ویب سائٹ سے ڈاؤن لوڈ کے لئے بھی دستیاب ہے۔ شیئر ہولڈرز ویب سائٹ سے بیلٹ پیپر ڈاؤن لوڈ کر سکتے ہیں یا اخبارات میں شائع ہونے والے اسی بیلٹ پیپر کا استعمال کر سکتے ہیں۔

شیئر ہولڈر/پراکسی ہولڈر/مجاز دستخط کنندہ کے دستخط
(کارپوریٹ ادارے کی صورت میں، براہ کرم کمپنی کی مہر چسپاں کریں)

جگہ:

تاریخ:
