

annual report 2025

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 ethanol 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, cattle's 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

Mr. Abbas Sarfaraz Khan	- Chief Executive
Ms. Najda Sarfaraz	- Chairperson
Ms. Zarmine Sarfaraz	- Director
Mr. Iskander M. Khan	- Director
Mr. Nusrat Ali 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.
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- 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

PRODUCTION OF SUGAR

YEAR	CANE			BEET		
	CANE CRUSHED	RECOVERY	SUGAR PRODUCED	BEET SLICED	RECOVERY	SUGAR PRODUCED
	M. Tons	%	M. Tons	M. Tons	%	M. Tons
2016	178,273.000	9.94	17,677.00	NOT OPERATED		
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			
2025	12,429.00	8.08	935.25			

PRODUCTION OF ETHANOL

YEARS	MOLASSES TONS	RECOVERY GLNS PER MND	PRODUCTION IN GALLONS
2016	NOT OPERATED		
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			
2025	65,772.00	2.13	3,503,196.88

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

SIX YEAR'S PERFORMANCE AT A GLANCE

PARTICULARS	2025	2024	2023	2022	2021	2020
(RUPEES IN THOUSAND)						
Turnover	1,981,322	1,404,393	3,045,962	679,216	548,875	938,404
(Loss)/ profit from Operations	(265,893)	(196,399)	165,045	(64,164)	(179,672)	47,148
Loss before tax	(602,900)	(449,006)	14,741	(121,405)	(207,843)	(48,470)
(Loss)/ profit after tax	(589,935)	(173,111)	72,984	(98,412)	(202,250)	(48,749)
Share capital	37,500	37,500	37,500	37,500	37,500	37,500
Shareholders' equity	1,285,409	1,867,969	2,039,757	1,017,496	1,120,574	1,324,441
Non-current assets	3,570,620	3,596,809	2,601,412	1,352,295	1,470,500	1,600,476
Total assets	5,289,618	4,096,468	3,249,961	2,625,754	1,975,697	2,030,464
Non current liabilities	1,214,680	983,885	420,731	112,444	152,825	192,939
Current assets	1,718,998	499,659	648,549	1,273,459	500,555	429,988
Current liabilities	2,789,529	1,244,614	249,508	955,849	432,298	513,084
Dividend						
Cash dividend	-	-	-	-	-	-
Ratios:						
Profitability (%)						
Operating (loss) / profit	(13.42)	(13.98)	5.42	(9.45)	(32.73)	5.02
Loss before tax	(30.43)	(31.97)	0.48	(17.87)	(37.87)	(5.17)
Loss after tax	(29.77)	(12.33)	2.40	(14.49)	(36.85)	(5.19)
Return to Shareholders						
ROE - Before tax	(46.90)	(24.04)	0.72	(11.93)	(18.55)	(3.66)
ROE - After tax	(45.89)	(9.27)	3.58	(9.67)	(18.05)	(3.68)
Return on Capital Employed	0.11	0.07	0.08	(0.06)	(0.16)	(0.04)
(Loss)/ earning per share - after tax	(157.32)	(46.16)	19.46	(26.24)	(53.93)	(13.00)
Activity						
Total assets turnover	0.42	0.38	1.04	0.30	0.27	0.47
Non-current assets turnover	0.55	0.45	1.54	0.48	0.36	0.65
Liquidity/Leverage						
Current ratio	0.62	0.40	2.60	1.33	1.16	0.84
Break up value per share	342.8	498.1	543.9	271.3	298.8	353.2
Total Liabilities to equity (Times)	(3.12)	(1.19)	(0.26)	(0.69)	(0.42)	(0.53)

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT 80th Annual General Meeting of the shareholders of **The Premier Sugar Mills & Distillery Company Limited** will be held on January 28, 2026 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, 2025.
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, 2025.
3. To appoint the Auditors of the Company and to fix their remuneration for the financial year ending September 30, 2026. The present auditors' M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants, Lahore, 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 resolution, with or without amendment(s), as the Special Resolution, to approve Related Parties Transactions:

"RESOLVED THAT the transactions conducted in ordinary course of business with Related Parties during the financial year ended September 30, 2025 be and are hereby ratified, approved and confirmed."

FURTHER RESOLVED THAT the Chief Executive Officer/Board of Directors of the Company be and is hereby authorized to approve transactions conducted and to be conducted in the ordinary course of business with Related Parties along with transactions u/s 208 of the Companies Act, 2017 (the Act) during the financial year ending September 30, 2026.

FURTHER RESOLVED THAT the Company be and is hereby authorized to enter into related party transactions other than those conducted in the ordinary course of business including transactions carried or to be carried u/s 208 of the Act, including but not limited to sale and purchase of stores and spares, raw material, finished goods and assets, shared expenses, toll manufacturing, packaging material, payments against sales collections, lease rentals, subject to compliance with applicable laws.

FURTHER RESOLVED THAT all the above approvals shall be deemed to have been granted in accordance with Sections 207 and 208 of the Companies Act, 2017 and the Company's Related Party Transaction Policy, and that the Board of Directors and/or the Chief Executive Officer be and is hereby authorized to approve such transactions from time to time, notwithstanding any disclosed interest of Directors, to take all necessary actions, and to sign, execute and deliver all documents, and that details of transactions carried out up to the date of the next shareholders' meeting shall be placed before the shareholders for information and ratification, as required under applicable laws.

"The share transfer books of the Company will remain closed from January 18, 2026 to January 28, 2026 (both days inclusive).

By Order of the Board


(MUJAHID BASHIR)
Company Secretary

Mardan:
January 05, 2026

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, 2025 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, 2025 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 January 26, 2026.

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 in 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, January 28, 2026 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@premiergrouppk.com 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 January 23, 2026.
- 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 January 23, 2026, 9:00 a.m. to January 26, 2026. Voting shall close on January 26, 2026, 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.

10. Statutory Code of Conduct of Shareholders at AGM

Shareholders are requested to observe the Statutory Code of Conduct at the AGM in accordance with Section 215 of the Companies Act, 2017 and Regulation 55 of the Companies Regulations, 2024, whereby shareholders are not permitted to exert influence or approach the Management directly for decisions, which may lead to creation of hurdles in the smooth functioning of the Management. As mentioned in these provisions, shareholders shall not bring material that may cause threat to participants or premises where the AGM is being held, confine themselves to the agenda items covered in the notice of the AGM and shall not conduct themselves in a manner to disclose any political affiliation. Additionally, the Company is not permitted to distribute gifts in any form to its shareholders in its meetings as per Section 185 of Companies Act, 2017.

Agenda Item 5: 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:

The Transaction conducted with related parties during the financial year ended September 30, 2025 have been disclosed in the financial statements of the Company and were carried out in the ordinary course of business. All such transactions were recommended by the Audit Committee and executed on the arm's length basis.

For the financial year ending September 30, 2026, the Chief Executive Officer and/or the Board of Directors are authorized to approve transactions with related parties on an ongoing basis. These transactions may include both ordinary and non-ordinary course dealings, such as sale and purchase of goods, services, raw materials, mid-products, finished goods, shared expenses, toll manufacturing, packaging materials, lease rentals, license fees, service fees, receipt and payment of dividends, and investments (subject to applicable approvals).

The Company seeks broad shareholder approval to allow the Board of Directors to approve such recurring related party transactions at its discretion while ensuring compliance with Sections 207, and 208 of the Companies Act, 2017, as well as the Company's Related Party Transactions Policy. Details of all transactions conducted up to the date of the next shareholders' meeting shall be placed before the shareholders for information and ratification.

The Company confirms that relevant directors' interests in the associated companies and related parties have been disclosed to the shareholders as required under applicable laws, including in the financial statements. All transactions are intended to benefit the Company and its stakeholders and are conducted in a fair, transparent, and arm's length manner. The related parties with whom transactions may be carried out include:

- Chashma Sugar Mills Limited
- Syntron Limited
- Whole Foods (Private) Limited
- Arpak International Investments Limited
- The Frontier Sugar Mills & Distillery Limited
- Azlak Enterprises (Pvt.) Limited
- Philson & Co Pakistan (Pvt.) Limited
- Premier Construction Housing Limited
- Premier Board Mills Limited
- Syntronics Limited

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

CHAIRPERSON'S REVIEW REPORT

I am pleased to welcome you to the 80th 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, 2025, 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 proud 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 remain aligned with our objectives and responsive to the evolving market environment.

The annual evaluation of the Board of Directors, as required under the Code of Corporate Governance, was carried out to assess the performance and effectiveness of the Board against the objectives set at the beginning of the year. I am pleased to report that the overall performance of the Board has remained satisfactory based on the criteria set. The Board has performed its duties diligently and honestly in the best interest of the Company, particularly in relation to strategic objectives, risk management, and business growth. Special attention was given to monitoring sugarcane prices, optimizing borrowing, and improving operational facilities.

During the period, the Company faced significant challenges due to high sugarcane prices, limited availability, and competitive pressures from unregulated *gur* manufacturing, making sugar production unprofitable. Despite these challenges, the Ethanol Plant upgradation was successfully completed, improving efficiency, increasing sales, and enhancing overall profitability. Additionally, the Board approved initiatives to explore jaggery production to expand market reach and compete with illegal *gur* operations, although the project faced operational constraints during the period.

Detailed information on the financial results is provided in the attached Directors' Report and Financial Statements, offering a comprehensive overview of the Company's performance during the year ended September 30, 2025.

On behalf of the Board, I take this opportunity to acknowledge the dedicated and sincere services of all employees of the Company. I also extend my gratitude to our valued shareholders for their continued trust and support.



(Ms. Najda Sarfaraz)
Chairperson

Mardan: January 05, 2026

دی پریمیئر شوگر ملز اینڈ ڈسٹلری کمپنی لمیٹڈ

چئیرپرسن کی جائزہ رپورٹ

مجھے خوشی ہے کہ آپ کو آپ کی کمپنی کی 80 ویں سالانہ رپورٹ میں خوش آمدید کہہ رہی ہوں۔ مجھے یہ اعزاز حاصل ہے کہ میں بورڈ آف ڈائریکٹرز کی جانب سے آپ کی کمپنی کی کارکردگی پر جائزہ رپورٹ اور آڈٹڈ مالیاتی بیانات پیش کروں، جو 30 ستمبر 2025 کو ختم ہونے والے سال کے لیے ہیں، جیسا کہ کمپنیز ایکٹ 2017 کے سیکشن 192 کے تحت ضروری ہے۔

بطور چیئرپرسن، مجھے پورے سال بورڈ کے فعال کردار کو اجاگر کرنے پر فخر ہے۔ ہم نے کھلی بات چیت اور ٹیم ورک کو فروغ دینے پر توجہ دی، اس بات کو یقینی بنایا کہ ہمارے فیصلہ سازی کے عمل میں تمام نقطہ نظر کو مدنظر رکھا جائے۔ کمپنی کے مقاصد، حکمت عملیوں، اور مالی کارکردگی کے باقاعدہ جائزے نے ہمیں اپنے مقاصد کے ساتھ ہم آہنگ رہنے اور بدلتے ہوئے مارکیٹ ماحول کے مطابق رہنے میں مدد دی۔

بورڈ آف ڈائریکٹرز کا سالانہ جائزہ، جیسا کہ کوڈ آف کارپوریٹ گورننس کے تحت درکار ہے، بورڈ کی کارکردگی اور مؤثریت کو سال کے آغاز میں مقرر کردہ اہداف کے مطابق جانچنے کے لیے کیا گیا۔ مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ بورڈ کی مجموعی کارکردگی مقررہ معیار کی بنیاد پر تسلی بخش رہی ہے۔ بورڈ نے کمپنی کے بہترین مفاد میں، خاص طور پر اسٹریٹجک مقاصد، رسک مینجمنٹ، اور کاروباری ترقی کے حوالے سے اپنی ذمہ داریاں محنت اور ایمانداری سے انجام دی ہیں۔ گئے کی قیمتوں کی نگرانی، قرض لینے کو بہتر بنانے، اور آپریشنل سہولیات کو بہتر بنانے پر خصوصی توجہ دی گئی۔

اس دوران، کمپنی کو گئے کی بلند قیمتیں، محدود دستیابی، اور غیر منظم گور مینوفیکچرنگ کے مسابقتی دباؤ کی وجہ سے نمایاں چیلنجز کا سامنا کرنا پڑا، جس کی وجہ سے چینی کی پیداوار منافع بخش نہیں رہی۔ ان چیلنجز کے باوجود، ایتھانول پلانٹ کی اپ گریڈیشن کامیابی سے مکمل ہوئی، جس سے کارکردگی میں بہتری آئی، فروخت میں اضافہ ہوا، اور مجموعی منافع میں اضافہ ہوا۔ مزید برآں، بورڈ نے مارکیٹ تک رسائی بڑھانے اور غیر قانونی گور آپریشنز کے ساتھ مقابلہ کرنے کے لیے جگری کی پیداوار کی تلاش کے اقدامات کی منظوری دی، اگرچہ اس عرصے میں منصوبے کو عملی پابندیوں کا سامنا تھا۔

مالی نتائج کی تفصیلی معلومات منسلک ڈائریکٹرز رپورٹ اور مالیاتی بیانات میں فراہم کی گئی ہیں، جو 30 ستمبر 2025 کو ختم ہونے والے سال کے دوران کمپنی کی کارکردگی کا جامع جائزہ فراہم کرتی ہیں۔

بورڈ کی جانب سے، میں اس موقع پر کمپنی کے تمام ملازمین کی وقف اور مخلصانہ خدمات کا اعتراف کرتا ہوں۔ میں اپنے معزز شیئر ہولڈرز کا بھی شکریہ ادا کرتا ہوں جنہوں نے مسلسل اعتماد اور حمایت کی۔



(محترمہ نجمہ سرفراز)
چیئرپرسن

مردان: 05 جنوری، 2026

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, 2025.

1. SUMMARISED FINANCIAL RESULTS

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

	2025	2024
	<u>Rupees in thousand</u>	
Loss before revenue tax and income tax	(577,431)	(431,417)
- Minimum tax – levy	(25,469)	(17,589)
Loss before income tax	(602,900)	(449,006)
- Taxation	12,965	275,895
Loss after taxation	(589,935)	(173,111)
	-----Rupees -----	
Loss per share - basic and diluted (Rs)	<u>(157.32)</u>	<u>(46.16)</u>

The Premier Sugar Mills & Distillery Company Limited recorded a loss after taxation of **Rs. 589.935 million** for the year ended September 30, 2025, compared to **Rs. 173.111 million** in the previous year. **Net sales increased by 41%, from Rs. 1,404 million in 2024 to Rs. 1,981 million in 2025**, but profitability remained under pressure due to higher cost of sales, rising distribution and administrative expenses, and significant finance costs.

The Sugar Division faced operational challenges with complete seasonal closure, resulting in a gross loss of Rs. 329.871 million, while the Ethanol Division achieved a gross profit of Rs. 333.502 million, contributing substantially to total revenue of Rs. 1,781.706 million and partially offsetting losses from the Sugar Division.

Segment-wise, the Ethanol Division emerged as a key revenue driver, whereas the Sugar Division continued to experience cost pressures.

2. REVIEW OF OPERATIONS

SUGAR

The Company is facing intense competition from **tax-free Gur manufacturing**, which has driven sugarcane prices in the region to **30% higher** than in other sugar-producing areas. To address this challenge, the management initially decided to diversify production by establishing a **jaggery plant alongside sugar manufacturing**. However, the plant **did not meet the required targets** and the project was ultimately **abandoned**.

The limited crushing period and reduced sugarcane availability were primarily due to **higher local sugarcane prices, short supply in the area, and operational constraints**, which made extended sugar production uneconomical. The management continues to monitor market conditions and plans to **optimize operations in future seasons**, leveraging both sugar and potential jaggery production to improve sustainability and profitability.

ETHANOL FUEL PLANT

The Ethanol Fuel Plant produced 2803 Metric tons ethanol during the year ended September 30, 2025, after upgradation process been completed. The BMR (Balancing, Modernization, and Replacement) of the Ethanol **Plant has been completed in January 2025**. The plant's capacity has been upgraded to 65,000 liters per day of Extra Neutral Alcohol (ENA). This upgradation is expected to significantly benefit the Company by improving efficiency, increasing sales, and enhancing profitability.

SUGAR CRUSHING SEASON 2025 – 2026 (ONGOING)

Due to lower sugarcane availability in ongoing year, it was not feasible to operate the sugar plant for a full season. Consequently, the management decided to **close sugar operations at the start of the season**. Sugar crushing operations eventually **commenced on 6 November 2025 and concluded on 17 November 2025**, a very short period of just 12 days. During this time, a total of **12,429 metric tons of sugarcane** was crushed, achieving a **sugar recovery ratio of 8.08%**, resulting in the production of **935.250 metric tons of sugar** only.

3. SUGAR PRICE

The sugar sector in Pakistan continues to face pricing and policy challenges. Despite an agreed ex-mill price of Rs 165 per kg, retail sugar prices remained high at Rs 170–190 per kg due to weak enforcement, hoarding, and delayed regulatory actions, keeping the market volatile.

During FY 2024–25, phased sugar exports of around 765,000 metric tons generated over US\$400 million in foreign exchange. However, frequent shifts between export approvals, restrictions, and import decisions highlighted policy gaps and increased uncertainty for the industry. Rising sugarcane procurement costs have further squeezed mill margins.

Overall, the sector lacks a consistent and long-term regulatory framework. Sustainable growth will require stable policies, stronger market regulation, improved yields, and better alignment of export decisions with domestic supply conditions.

4. FUTURE OUTLOOK/INVESTMENT

The European Commission has suspended Pakistan's Generalized Scheme of Preferences Plus (GSP+) status for ethanol imports, effective June 20, 2025. The suspension follows a request submitted in May 2024 by six EU member states, citing concerns over Pakistan's ethanol exports disrupting the EU market since 2022. This development is expected to adversely affect the Company's ethanol sales to the European market and may lead to pressure on margins and a potential decline in profitability in the upcoming periods. However, the Company is currently targeting the Asian and African markets.

5. ECONOCMIC OVERVIEW

The financial year 2024–2025 began with tight monetary policy and high financing costs, and weak growth, but macroeconomic conditions began to stabilize as reforms advanced under an IMF-supported program. Operating costs and consumer demand were initially constrained, yet signs of recovery emerged with improving confidence, stronger remittances, and better external and fiscal indicators.

In October 2024, Pakistan entered an IMF reform program that stabilized the economy and boosted confidence. The State Bank of Pakistan cut policy rates from 22% in mid-2024 to 13% by late 2025, reducing business borrowing costs by about 40% and supporting recovery. Quarterly GDP growth also reached over 5% in late FY 2025, paving the way for stronger investment in FY2026.

6. STAFF

The Management and Labor relations remained cordial during the year. However, no bonus was paid to the employees during the year due to losses sustained by the Company.

7. PATTERN OF SHAREHOLDING

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

8. 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, 2025, except for those disclosed in the financial statements.
 - The value of investments of staff provident fund, based on accounts, was Rs. 73.352 million as at September 30, 2025.
 - Majority of the Directors of the Company are exempted from the requirement of Directors Training Program.
-

9. 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.

10. 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.

11. 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.

12. SUSTAINABILITY

Company views sustainability as integral to its business and growth strategy, with initiatives spanning the preservation of the environment, energy saving measures, and responsible water stewardship. The Company maintains a strong Environment, Health and Safety framework to safeguard its workforce and operations, while also fostering diversity, equity, and inclusion across all levels. In addition, sustainability related risks, including those arising from climate change, regulatory developments, and supply chain dynamics, are integrated into the overall risk management framework, ensuring that sustainability remains embedded in every aspect of our supply chain, packaging, and people development.

13. TRADING IN SHARES

During the year, no trade in the shares of the Company were carried-out by the Directors, Chief Financial Officer, Company Secretary and their spouses and minor children except the Chief Executive Officer who purchased 21,564 ordinary shares, in electronic form and physical from Pakistan Stock Exchange, during the year.

14. PRINCIPLES RISKS AND UNCERTAINTIES

The Company is exposed to the following risks and uncertainties:

- Limited sugarcane availability and higher procurement prices due to regional shortages and unregulated gur manufacturing.
- Frequent changes in government policies on sugar pricing, exports, and imports, creating market uncertainty.
- Suspension of GSP+ status, which may negatively impact ethanol exports and profit margins.

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 39 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. REMUNERATION POLICY

No fee is paid to Non-Executive and Independent Directors for attending meetings of the Board or its Committees. The remuneration package of the working director is disclosed in Note 40 to the financial statements.

17. 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. Following is the gender pay gap calculated:

- (i) Mean Gender Pay Gap: 19.7%
- (ii) Median Gender Pay Gap: 18.1%

18. 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.

19. COMPOSITION OF BOARD AND BOARD MEETINGS

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

- 1. Male Directors 4
- 2. Female Directors 3

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 (Resigned)	1	-	-
Ms. Zarmine Sarfaraz	4	4	-
Ms. Najda Sarfaraz	3	4	1
Mr. Nusrat Ali Khan	5	-	-
Executive Directors			
Mr. Abbas Sarfaraz Khan	5	-	-
Mr. Iskander M. Khan	5	-	1
Independent Director			
Mr. Shahbaz Haider Agha	4	4	1
Mrs. Shahida Ahmed	4	-	-

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

20. **DIVIDEND**

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

21. **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, 2026.

22. **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.

23. **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: January 05, 2026

دی پریمیئر شوگر ملز اینڈ ڈسٹیلری کمپنی لمیٹڈ

ڈائریکٹرز کی رپورٹ

دی پریمیئر شوگر ملز اینڈ ڈسٹیلری کمپنی لمیٹڈ کے ڈائریکٹرز نے 30 ستمبر 2025 کو ختم ہونے والے سال کے آڈٹ شدہ مالی گوشواروں کے ساتھ کمپنی کی ڈائریکٹرز رپورٹ پیش کرنے پر خوشی کا اظہار کیا ہے۔

مالی نتائج کا خلاصہ

1.

کمپنی کی مالیاتی کارکردگی کا ذیل میں خلاصہ پیش ہے -

2024	2025	
(ہزار روپے)		
(431,417)	(577,431)	(نقصان)/ریونیو ٹیکس اور انکم ٹیکس سے پہلے منافع
(17,589)	(25,469)	- کم سے کم ٹیکس - لیوی
(449,006)	(602,900)	(نقصان) / انکم ٹیکس سے پہلے منافع
275,895	12,965	- ٹیکس
(173,111)	(589,935)	(نقصان)/بعد از ٹیکس
-----روپے-----		

(نقصان) / فی حصص - بنیادی اور کمزور (روپے) (157.32) (46.16)

پریمیئر شوگر ملز اینڈ ڈسٹیلری کمپنی لمیٹڈ نے 30 ستمبر 2025 کو ختم ہونے والے سال کے لیے ٹیکس کے بعد 589.935 ملین روپے کا نقصان ریکارڈ کیا، جو پچھلے سال 173.111 ملین روپے تھا۔ خالص فروخت میں 41% اضافہ ہوا، جو 2024 میں 1,404 ملین روپے سے بڑھ کر 2025 میں 1,981 ملین روپے ہو گئی، لیکن منافع بخش کارکردگی پر دباؤ برقرار رہا، جس کی وجہ فروخت کی لاگت میں اضافہ، تقسیم اور انتظامی اخراجات میں اضافہ، اور نمایاں مالی اخراجات تھے۔

شوگر ڈویژن کو مکمل موسمی بندش کے ساتھ آپریشنل چیلنجز کا سامنا کرنا پڑا، جس کے نتیجے میں 329.871 ملین روپے کا مجموعی نقصان ہوا، جبکہ ایتھانول ڈویژن نے 333.502 ملین روپے کا مجموعی منافع حاصل کیا، جس سے مجموعی آمدنی 1,781.706 ملین روپے میں نمایاں اضافہ ہوا اور شوگر ڈویژن کے نقصانات کو جزوی طور پر پورا کیا۔

شعبے کے لحاظ سے، ایتھانول ڈویژن ایک اہم آمدنی کا محرک بن کر ابھرا، جبکہ شوگر ڈویژن کو لاگت کے دباؤ کا سامنا رہا۔

آپریشنز کا جائزہ

چینی

2.

کمپنی کو ٹیکس فری گر مینوفیکچرنگ سے شدید مقابلے کا سامنا ہے، جس کی وجہ سے اس خطے میں گنے کی قیمتیں دیگر چینی پیدا کرنے والے علاقوں کے مقابلے میں 30% زیادہ ہو گئی ہیں۔ اس چیلنج سے نمٹنے کے لیے، انتظامیہ نے ابتدا میں پیداوار کو متنوع بنانے کے لیے چینی کی تیاری کے ساتھ ساتھ ایک جیگری پلانٹ قائم کرنے کا فیصلہ کیا۔ تاہم، پلانٹ مطلوبہ اہداف حاصل نہ کر سکا اور بالآخر منصوبہ ترک کر دیا گیا۔

محدود کچلنے کا دورانیہ اور گنے کی دستیابی میں کمی بنیادی طور پر مقامی بڑھتی ہوئی قیمتوں، علاقے میں کمی اور آپریشنل پابندیوں کی وجہ سے تھی، جس کی وجہ سے طویل چینی کی پیداوار غیر اقتصادی ہو گئی۔ انتظامیہ مارکیٹ کی صورتحال کی نگرانی جاری رکھے ہوئے ہے اور مستقبل کے موسموں میں آپریشنز کو بہتر بنانے کے منصوبے بناتی ہے، چینی اور ممکنہ گڑیا کی پیداوار کو استعمال کرتے ہوئے پائیداری اور منافع کو بہتر بناتی ہے۔

ایتھانول فیول پلانٹ

ایتھانول فیول پلانٹ نے 30 ستمبر 2025 کو ختم ہونے والے سال کے دوران 2803 میٹرک ٹن ایتھانول تیار کیا، جب اپ گریڈیشن کا عمل مکمل ہو گیا۔ ایتھانول پلانٹ کا BMR (بیلنسنگ، ماڈرنائزیشن، اور ریپلیسمنٹ) جنوری 2025 میں مکمل ہو چکا ہے۔ پلانٹ کی صلاحیت کو 65,000 لیٹر روزانہ ایکسٹرا نیوٹرل الکحل (ENA) تک بڑھا دیا گیا ہے۔ اس اپ گریڈیشن سے کمپنی کو کارکردگی میں بہتری، فروخت میں اضافہ اور منافع میں اضافہ کر کے نمایاں فائدہ ہوگا۔

شوگر کرشنگ سیزن 2025 – 2026 (جاری)

جاری سال میں گنے کی کم دستیابی کی وجہ سے، شوگر پلانٹ کو پورے سیزن تک چلانا ممکن نہیں تھا۔ نتیجتاً، انتظامیہ نے سیزن کے آغاز پر شوگر آپریشنز بند کرنے کا فیصلہ کیا۔ شوگر کرشنگ کی کارروائیاں بالآخر 6 نومبر 2025 کو شروع ہوئیں اور 17 نومبر 2025 کو مکمل ہوئیں، جو کہ صرف 12 دن کا مختصر عرصہ تھا۔ اس دوران، کل 12,429 میٹرک ٹن گنا کچلا گیا، جس سے 8.08% کی شوگر ریکوری ریٹو حاصل ہوئی، جس کے نتیجے میں صرف 935,250 میٹرک ٹن چینی کی پیداوار ہوئی۔

شوگر کی قیمت

3.

پاکستان کا شوگر سیکٹر قیمتوں اور پالیسی کے چیلنجز کا سامنا کر رہا ہے۔ اگرچہ ایکس مل کی قیمت 165 روپے فی کلوگرام طے شدہ تھی، ریٹیل شوگر کی قیمتیں کمزور نفاذ، ذخیرہ اندوزی اور تاخیر کی وجہ سے 170-190 روپے فی کلوگرام پر بلند رہیں، جس کی وجہ سے مارکیٹ غیر مستحکم رہی۔

مالی سال 2024-25 کے دوران، تقریباً 765,000 میٹرک ٹن کی مرحلہ وار چینی برآمدات نے 400 ملین امریکی ڈالر سے زائد غیر ملکی زرمبادلہ پیدا کیا۔ تاہم، برآمدی منظوریوں، پابندیوں، اور درآمدی فیصلوں کے درمیان بار بار تبدیلیوں نے پالیسی خلا اور صنعت کے لیے غیر یقینی صورتحال کو اجاگر کیا۔ گنے کی خریداری کے بڑھتے ہوئے اخراجات نے مل کے منافع کو مزید کم کر دیا ہے۔

مجموعی طور پر، اس شعبے میں ایک مستقل اور طویل مدتی ریگولیٹری فریم ورک کی کمی ہے۔ پائیدار ترقی کے لیے مستحکم پالیسیاں، مضبوط مارکیٹ ریگولیشن، بہتر پیداوار، اور برآمدات کے فیصلوں کو ملکی فراہمی کی شرائط کے ساتھ بہتر ہم آہنگی درکار ہوگی۔

مستقبل کا منظرنامہ/سرمایہ کاری

4.

یورپی کمیشن نے پاکستان کی جنرلائزڈ اسکیم آف پریفرنس پلس (GSP+) اسٹیٹس کو ایتھانول کی درآمدات کے لیے معطل کر دیا ہے، جو 20 جون 2025 سے مؤثر ہے۔ یہ معطلی مئی 2024 میں یورپی یونین کے چھ رکن ممالک کی جانب سے جمع کرائی گئی درخواست کے بعد سامنے آئی ہے، جس میں پاکستان کی ایتھانول برآمدات کی وجہ سے 2022 سے یورپی یونین کی مارکیٹ میں خلل ڈالنے پر خدشات کا حوالہ دیا گیا ہے۔ یہ پیش رفت کمپنی کی یورپی مارکیٹ میں ایتھانول کی فروخت کو منفی طور پر متاثر کرنے کی توقع ہے اور آنے والے ادوار میں منافع میں کمی اور منافع پر دباؤ ڈال سکتی ہے۔ تاہم، کمپنی اس وقت ایشیائی اور افریقی مارکیٹس کو ہدف بنا رہی ہے۔

مالی سال 2024-2025 سخت مالیاتی پالیسی، زیادہ مالیاتی اخراجات اور کمزور ترقی کے ساتھ شروع ہوا، لیکن اصلاحات کے تحت آئی ایم ایف کی حمایت یافتہ پروگرام کے تحت اصلاحات کے ساتھ معاشی حالات مستحکم ہونے لگے۔ ابتدائی طور پر آپریٹنگ اخراجات اور صارفین کی طلب محدود تھی، لیکن بحالی کے آثار بہتر اعتماد، مضبوط ترسیلات زر اور بہتر بیرونی و مالیاتی اشاریے سامنے آئے۔

اکتوبر 2024 میں، پاکستان نے آئی ایم ایف اصلاحاتی پروگرام میں حصہ لیا جس نے معیشت کو مستحکم کیا اور اعتماد میں اضافہ کیا۔ اسٹیٹ بینک آف پاکستان نے پالیسی شرح سود 2024 کے وسط میں 22% سے کم کر کے 2025 کے آخر تک 13% کر دی، جس سے کاروباری قرض لینے کے اخراجات تقریباً 40% کم ہونے اور بحالی کی حمایت کی گئی۔ سہ ماہی GDP کی شرح نمو بھی مالی سال 2025 کے آخر میں 5% سے زیادہ رہی، جس سے مالی سال 2026 میں مضبوط سرمایہ کاری کی راہ ہموار ہوئی۔

ستاف

6.

انتظامیہ اور مزدور تعلقات سال بھر خوشگوار رہے۔ تاہم، سال کے دوران کمپنی کو ہونے والے نقصانات کی وجہ سے ملازمین کو کوئی بونس نہیں دیا گیا۔

شیئر ہولڈنگ کا نمونہ

7.

شیئر ہولڈنگ کا نمونہ، جیسا کہ کمپنیز ایکٹ، 2017 کے سیکشن 227(2)(f) کے تحت درکار ہے، منسلک کیا گیا ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

8.

دی پریمیئر شوگر ملز اینڈ ڈسٹلری کمپنی لمیٹڈ کی انتظامیہ کی جانب سے تیار کردہ مالیاتی بیانات اس کی حالت، آپریشنز، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کے نتائج کو منصفانہ طور پر پیش کرتے ہیں۔

مناسب حسابات کی کتابیں برقرار رکھی گئی ہیں۔

تمام مناسب اکاؤنٹنگ پالیسیاں مالی بیانات تیار کرنے وقت مستقل طور پر نافذ کی گئی ہیں اور اکاؤنٹنگ کے تخمینے معقول اور محتاط فیصلے پر مبنی ہوتے ہیں۔

پاکستان میں لاگو ہونے والے بین الاقوامی مالیاتی رپورٹنگ کے معیارات مالیاتی بیانات کی تیاری میں اپنائے گئے ہیں۔

اندرونی کنٹرولز کا نظام ڈیزائن میں مضبوط ہے اور مؤثر طریقے سے نافذ اور مانیٹر کیا گیا ہے۔

کمپنی کی 'چلتی ہوئی کمپنی' کے طور پر جاری رہنے کی صلاحیت پر کوئی خاص شک نہیں ہے۔

کمپنی نے لسٹنگ ریگولیشنز میں تفصیل کے مطابق کارپوریٹ گورننس کے ضابطے کی پیروی کی ہے۔

گزشتہ چھ سالوں کے کلیدی آپریٹنگ اور مالی اعداد و شمار جو خلاصہ شدہ شکل میں دستیاب ہیں، منسلک ہیں۔

30 ستمبر 2025 تک ٹیکس، ڈیوٹیز، لیویز اور چارجز کی کوئی قانونی ادائیگیاں باقی نہیں ہیں، سوائے ان کے جو مالیاتی بیانات میں ظاہر کی گئی ہیں۔

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 ان کے 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۔

9. ماحولیات پر کمپنی کے کاروبار کے اثرات

کمپنی ماحولیات کے تنہا 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۔

10. 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۔

11. کارپوریٹ اور سماجی ذمہ داری

کمپنی اپنے کارپوریٹ اور سماجی ذمہ داری (سی ایس آر) کے اہداف کو حاصل کرنے کے لئے ہر عزم 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 سبسڈی والے کھانے کی فراہمی، ضرورت مند افراد کو مفت راشن / طبی امداد کی فراہمی۔ کمپنی ملز کے علاقے میں ایک مفت ڈسپنسری بھی چلاتی ہے اور غریب مریضوں کو مفت ادویات فراہم کرتی ہے۔

12. پائیداری

کمپنی پائیداری کو اپنے کاروبار اور ترقی کی حکمت عملی کا لازمی حصہ سمجھتی ہے، جس میں ماحولیات کے تحفظ، توانائی کی بچت کے اقدامات، اور ذمہ دارانہ پانی کی دیکھ بھال کے اقدامات شامل ہیں۔ کمپنی اپنے ورک فورس اور آپریشنز کی حفاظت کے لیے ایک مضبوط ماحولیات، صحت اور حفاظت کا فریم ورک برقرار رکھتی ہے، جبکہ تمام سطحوں پر تنوع، مساوات، اور شمولیت کو فروغ دیتی ہے۔ اس کے علاوہ، پائیداری سے متعلق خطرات، جن میں موسمیاتی تبدیلی، ریگولیٹری ترقیات، اور سپلائی چین کی حرکیات سے پیدا ہونے والے خطرات شامل ہیں، مجموعی رسک مینجمنٹ فریم ورک میں شامل کیے گئے ہیں، تاکہ پائیداری ہماری سپلائی چین، پیکجنگ، اور لوگوں کی ترقی کے ہر پہلو میں شامل رہے۔

13. حصص کی تجارت

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 اور فیزیکل شئرز (پی ایس ایکس) میں 21,564 عام حصص خریدے۔

14. اصولوں کے خطرات اور غیر یقینی

- کمپنی کو مندرجہ ذیل خطرات اور غیر یقینی صورتحال کا سامنا ہے:
- مسابقتی قیمتوں پر گنے 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۔

15. متعلقہ پارٹی کے لین دین

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۔

16. معاوضے کی پالیسی

غیر ایگزیکٹو اور آزاد ڈائریکٹرز کو بورڈ یا اس کی کمیٹیوں کی میٹنگز میں شرکت کے لیے کوئی فیس ادا نہیں کی جاتی۔ ورکنگ ڈائریکٹر کے معاوضے کا پیکج مالیاتی بیانات کے نوٹ 40 میں ظاہر کیا جاتا ہے۔

17. صنفی اجرت کے فرق کا تجزیہ

کمپنی مساوی اجرت کو فروغ دینے کے لیے پرعزم ہے اور معاوضے میں انصاف اور شفافیت کو یقینی بنانے کے لیے سخت صنفی اجرت کے فرق کی پالیسی اپناتی ہے۔ ہم اپنی تنخواہ کے طریقوں میں کسی بھی قسم کے تعصب کو برداشت نہیں کرتے اور اس بات کو یقینی بناتے ہیں کہ تمام ملازمین، جنس سے قطع نظر، مساوی کام کے لیے برابر اجرت حاصل کریں۔ کمپنی باقاعدگی سے اپنے معاوضے کے ڈھانچے کا جائزہ لیتی ہے تاکہ کسی بھی تضاد کو دور کیا جاسکے اور یہ یقینی بنایا جاسکے کہ مردوں اور عورتوں دونوں کو ان کی مہارت، تجربے اور کارکردگی کے مطابق منصفانہ معاوضہ دیا جائے۔ ایک جامع اور منصفانہ کام کے ماحول کو فروغ دے کر، ہمارا مقصد تمام ملازمین کی نشوونما اور ترقی کی حمایت کرنا ہے، چاہے ان کی جنس کچھ بھی ہو۔ ذیل میں صنفی اجرت کے فرق کا حساب لگایا گیا ہے:

- (i) اوسط صنفی اجرت کا فرق: 19.7 %
(ii) درمیانی صنفی اجرت کا فرق: 18.1 %

18. شیئر ہولڈرز کا کردار

بورڈ کا مقصد یہ یقینی بنانا ہے کہ کمپنی کے شیئر ہولڈرز کو کمپنی کی صورتحال پر اثر انداز ہونے والی بڑی پیش رفت سے بروقت آگاہ کیا جائے۔ اس مقصد کے حصول کے لیے، معلومات شیئر ہولڈرز کو سہ ماہی، نصف سالانہ اور سالانہ رپورٹس کے ذریعے فراہم کی جاتی ہیں۔ بورڈ آف ڈائریکٹرز شیئر ہولڈرز کی سالانہ جنرل میٹنگ میں شرکت کی حوصلہ افزائی کرتا ہے تاکہ اعلیٰ سطح کی جوابدہی کو یقینی بنایا جاسکے۔

19. بورڈ اور بورڈ کے اجلاسوں کی تشکیل

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 لیلیٰ سرفراز (ریٹائرڈ)	1	-	-
محترمہ زرمین سرفراز	4	4	-
محترمہ نجدا سرفراز	3	4	1
جناب نصرت علی خان	5	-	-
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	4	-	-

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

ڈیوینڈ

20.

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

آڈیٹرز

21.

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 2026 کو ختم ہونے والے سال کے لئے کمپنی کے آڈیٹرز کے طور پر ان کی تقرری کی سفارش کی ہے۔

کارپوریٹ گورننس کے کوڈ کی تعمیل

22.

30 ستمبر، 2025 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۔

اعتراف

23.

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: 05 جنوری 2026

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

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 2025-26 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 18.01.2026 to 26.01.2026.

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 PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

THE COMPANIES ACT, 2017 FORM – 20

Section 227 (2)(f)

PATTERN OF SHAREHOLDING

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

9/30/2025

2.2 <u>No.of Shareholders</u>	<u>Shareholdings</u>	<u>Total Shares held</u>
479	shareholding from 1 to 100	15,911
248	shareholding from 101 to 500	59,457
79	shareholding from 501 to 1000	56,785
95	shareholding from 1001 to 5000	203,918
19	shareholding from 5001 to 10000	129,266
4	shareholding from 10001 to 20000	49,714
3	shareholding from 20001 to 50000	69,404
2	shareholding from 50001 to 100000	138,038
1	shareholding from 100001 to 400000	400,000
0	shareholding from 400001 to 1000000	-
1	shareholding from 1000001 to 3000000	2,627,507
931	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	2,771,379	73.90
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	12,946	0.35
2.3.5	Insurance Companies	-	-
2.3.6	Modaraba and Mutual Funds	-	-

2.3.7	Shareholder holdings 10%	3,089,795	82.39
2.3.8	General Public		
	Local	454,806	12.13
	Foreign	-	-
2.3.9	Others (to be Specified)		
	(Public Sector Companies & Corporations)	111,032	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		2,735,520	
Mr. Abbas Sarfaraz Khan		2,689,795		71.73
Ms. Zarmine Sarfaraz		22,925		0.61
Ms. Najda Sarfaraz		22,274		0.59
Mr. Iskander M. Khan		500		0.01
Mr. Shabaz Haider Agha		1		0.00
Mr. Salman Ahmad		16		0.00
Mr. Nusrat Ali Khan		9		0.00
<u>Shares held by Relatives</u>	4		35,689	
Baber Ali Khan		1,484		0.04
Mr. Abdul Qadar Khattak		33,705		0.90
Ms. Mahnaz Saigol		500		0.01
Begum Laila Sarfaraz		170		0.00
<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		12,946	
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		3,000		0.08
National Bank of Pakistan		41		0.00
United Bank Limited		37		0.00
Investment Corporation of Pakistan		116		0.00

Public Sector Companies and Corporation

17

111,032

The Society for the Rehabilitation of crippled children	174	0.00
Chief Administrator of Awqaf	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 Cotton 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	75,750	2.02

Shares held by General Public

Held by General Public	895	454,806	12.13
	931	3,750,000	100.0

Shareholders holding 10% or more voting Interest in the Company

Mr. Abbas Sarfaraz Khan	2,689,795	71.73
M/s. Arpak International Investments Limited	400,000	10.67
	3,089,795	82.39

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

<u>Name</u>	<u>Designation</u>	<u>No of Shares Purchased</u>	<u>No of Shares Sold</u>
Abbas Sarfaraz Khan	CEO	21,564	-

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

INDEPENDENT AUDITORS' 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, 2025 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, 2025.

Shinewing Hameed Chaudhri & Co.

LAHORE; JANUARY 06, 2026
UDIN: CR202510104RF6ZxbMVm

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

Name of Company: **The Premier Sugar Mills & Distillery Company Limited**

Year ended: **September 30, 2025**

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 4
- b. Female 3 (See list in paragraph 2 below)

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

Category	Names
Independent Director (excluding female director)	Mr. Shahbaz Haider Agha
Executive Director (excluding female director)	Mr. Abbas Sarfaraz Khan, Mr. Iskander M. Khan
Non- Executive Directors	(Mr. Nusrat Ali Khan) (Mr. Shahbaz Haider Agha)
Female Directors	Ms. Shahida Ahmed (Independent Director) Ms. Zarmine Sarfaraz (Non- executive Director) Ms. Najda Sarfaraz (Executive Director)

*Best practices of corporate governance entail having an optimal number and mix of board members with adequate skills and experience. The Current Board of Directors of the Company adequately meets this requirement. Further, existing independent directors play an effective part within the Board and make valuable contribution. Therefore, fraction (2.33) has not been rounded up.

- 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 not ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by 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 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 Director's 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:

Audit Committee	HR and Remuneration Committee
Mr. Shahbaz Haider Agha (Chairperson)	Mr. Shahbaz Haider Agha (Chairperson)
Ms. Najda Sarfaraz	Mr. Iskander M. Khan
Ms. Zarmine Sarfaraz	Ms. Najda Sarfaraz

13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committees for compliance.
14. The frequency of meetings (quarterly/half yearly/yearly) of the Committees were as per following.
 - a) Audit Committee - Quarterly - 4 meetings held during the year
 - b) HR and Remuneration Committee - On required basis - 1 meeting held during the year.
15. The Board has set-up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory Auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan 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 a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors 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 the 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.

Explanations for non-compliance with requirements, other than regulations, 3,6,8,27,32,33 and 36 are below.

Non-mandatory Requirement	Reg. No.	Explanation
Responsibilities of the Board and its members: A Board is responsible for the government of risk and for determining the company's level of risk tolerance by establishing risk management policies and for this purpose the Board is encouraged to undertake at least annually, an overall of business risks.	10 (2)	Risk Management policy is in place however annual evaluation is not carried out by Board of directors as encouraged by the code Management intends to comply in future.
Role of the Board and its members to address Sustainability Risks and Opportunities: The board is responsible for governance and oversight of sustainability risks and opportunities, ensuring that policies promoting diversity, equity are in place, establishment of a dedicated sustainability committee, providing adequate disclosures regarding the assessment of sustainability related risks	10A	Currently the Board has not constituted a dedicated sustainability committee and will constitute the same in future. The management has noted the requirement for future compliance.
Nomination Committee: The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29	Currently, the board has not constituted a separate Nomination Committee and the functions are being performed by the Human Resource & Remuneration Committee. The Board will consider to constitute nomination committee.
Risk Management Committee: The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30	Currently, the board has not constituted a risk Management committee and senior officers of the Company performs the requisite functions and apprises the Board accordingly. The Board will constitute risk Management committee when required
Disclosure of significant policies on website: The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.	35	Key elements of policies and directors' remuneration policy along with synopsis are not presently presented on website of the Company. Although these are circulated among the relevant employees and directors, the Board will consider posting such policies and synopsis on its website in near future.

Mardan:
January 05, 2026


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, 2025, 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, 2025 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.	Contingencies	
	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.	In response to this matter, we performed the following audit procedures:
		- discussed legal cases with the legal department of the Company to understand the management's view point, obtained and reviewed the litigation documents to assess the facts and circumstances;
	The management has engaged independent legal counsels on these matters.	- obtained opinions from respective legal counsels dealing with such cases in the form of confirmations;
	The accounting for and disclosure of contingencies is complex and is a matter of significance in our audit because of the judgements required to determine the level of certainty on these matters.	- evaluated the possible outcome of these legal cases in line with the requirements of IAS 37 (Provisions, contingent liabilities and contingent assets); and
	Due to the magnitude of amount involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgement and estimates to assess the same including related financial impacts we have considered above referred contingencies as one of the key audit matters.	- 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 amounting Rs.1,356 million incurred during the year ended Sep 30, 2025. 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, 2025 the carrying value of the Company's property, plant & equipment aggregates to Rs.3,379 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>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 fixed assets valuation; - obtained understanding of the valuation process and techniques adopted by the valuer to assess the reasonableness of the report; - obtained the valuation report of valuer 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.
3.	<p>Revenue recognition</p> <p>The Company is engaged in production and sale of sugar and ethanol. The Company recognized net revenue from the sale of its products amounting to Rs.1,981 million for the year ended September 30, 2025.</p> <p>We identified recognition of revenue as an area of higher risk as it includes large number of revenue transactions involving a large number of customers spread in various geographical locations. Further, revenue is one of the key performance indicator of the Company.</p> <p>Accordingly, it was considered as a key audit matter</p>	<p>In response to this matter, we performed the following audit procedures:</p> <ul style="list-style-type: none"> - obtained understanding of the process relating to recognition of revenue and checked the design, implementation and operating effectiveness of relevant internal controls over recording of revenue; - performed verification of sample of revenue transactions with underlying documentation including delivery documents and sales invoices; - performed cut-off procedures on sample basis to ensure revenue has been recorded in the correct period; - verified that sales prices are approved by appropriate authority; and - checked that revenue has been recognized in accordance with Company's accounting policy and the applicable accounting and financial reporting framework.

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 up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- 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; JANUARY 05, 2026
UDIN: AR2025101042zSRwuIYV

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

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Note	2025 Rupees in thousand	2024
Sales - net	27	1,981,322	1,404,393
Cost of sales	28	1,977,691	2,141,415
Gross profit / (loss)		3,631	(737,022)
Distribution cost	29	184,458	4,718
Administrative expenses	30	141,874	136,537
Other expenses	31	24,579	4
		350,911	141,259
		(347,280)	(878,281)
Other income	32	81,387	681,882
Loss from operations		(265,893)	(196,399)
Finance cost	33	311,538	235,018
Loss before revenue tax and income tax		(577,431)	(431,417)
Final taxes - levy	34	25,469	17,589
Loss before income tax		(602,900)	(449,006)
Income tax	34	(12,965)	(275,895)
Loss after taxation		(589,935)	(173,111)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
- gain on remeasurement of staff retirement benefit obligation - gratuity	19	10,388	1,863
- impact of tax		(3,013)	(540)
		7,375	1,323
Total comprehensive loss		(582,560)	(171,788)
----- Rupees -----			
Loss per share	35	(157.32)	(46.16)

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



Chief Executive



Director



Chief Financial Officer

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2025

		2025	2024
		Rupees in thousand	
ASSETS	Note		
Non-current Assets			
Property, plant and equipment	5	3,379,176	3,405,361
Investment property	6	19,379	19,633
Long term investments	7	170,006	170,006
Security deposits		2,059	1,809
		3,570,620	3,596,809
Current Assets			
Stores and spares	8	182,132	131,585
Stock-in-trade	9	890,709	240,950
Trade debts	10	110,061	29
Advances	11	18,915	33,669
Trade deposits and short term prepayments	12	5,012	5,119
Other receivables	13	12,331	6,924
Sales tax refundable		373,459	-
Income tax refundable, advance tax and tax deducted at source	14	42,459	19,166
Bank balances	15	83,920	62,217
		1,718,998	499,659
TOTAL ASSETS		5,289,618	4,096,468
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised capital			
5,750,000 (2024: 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	1,379,094	1,500,552
General revenue reserve		900,000	900,000
Accumulated loss		(1,031,186)	(570,084)
Shareholders' Equity		1,285,409	1,867,969
LIABILITIES			
Non-current Liabilities			
Lease liabilities	18	7,602	5,835
Staff retirement benefits - gratuity	19	29,663	43,345
Long term finances	20	1,091,012	839,102
Deferred taxation	21	86,403	95,603
		1,214,680	983,885
Current Liabilities			
Trade and other payables	22	1,043,143	407,485
Contract liabilities		388,746	36,538
Unclaimed dividends		7,466	7,470
Accrued mark-up		55,529	93,881
Short term borrowings	23	1,013,731	524,323
Current portion of non-current liabilities	24	255,438	147,015
Levies and income taxation	25	25,476	27,902
		2,789,529	1,244,614
Contingencies and commitments	26		
TOTAL EQUITY AND LIABILITIES		5,289,618	4,096,468

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



Chief Executive



Director



Chief Financial Officer

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED SEPTEMBER 30, 2025

		2025	2024
		Rupees in thousand	
Cash flows from operating activities	Note		
Loss for the year - before taxation		(577,431)	(431,417)
Adjustments for non-cash charges and other items:			
Depreciation	5.5	315,204	227,692
Depreciation on investment property	30	254	268
Staff retirement benefits-gratuity (net)		(1,206)	7,776
Unclaimed payable balances written-back	32	-	(529)
Gain on disposal of vehicles	32	(35)	-
Gain on disposal of investment property	32	-	(586,208)
Dividends	32	-	(68,755)
Finance cost		311,538	227,173
Profit / (loss) before working capital changes		48,324	(624,000)
Effect on cash flows due to working capital changes			
(Increase) / decrease in current assets:			
Stores and spares		(50,547)	(16,998)
Stock-in-trade		(649,759)	(106,328)
Trade debts		(110,032)	37,290
Advances		14,754	164,865
Trade deposits and short term prepayments		107	(34)
Other receivables		(5,407)	3,201
Sales tax refundable		(373,459)	-
Increase in trade and other payables and contract liabilities		985,778	249,643
		(188,565)	331,639
Cash used in from operations		(140,241)	(292,361)
Income tax paid		(50,436)	(27,592)
Security deposits		(250)	-
Net cash used in from operating activities		(190,927)	(319,953)
Cash flows from investing activities			
Additions to property, plant and equipment		(289,020)	(1,223,357)
Sale proceeds of vehicles		36	-
Sale proceeds of investment property		-	50,885
Dividends received		-	68,755
Net cash used in investing activities		(288,984)	(1,103,717)
Cash flows from financing activities			
Long term finances obtained		359,413	983,558
Lease finances - net		589	2,017
Finance cost paid		(347,792)	(144,071)
Short term borrowings - net		489,408	524,288
Unclaimed dividend paid		(4)	-
Net cash generated from financing activities		501,614	1,365,792
Net increase / (decrease) in cash and cash equivalents		21,703	(57,878)
Cash and cash equivalents - at beginning of the year		62,217	120,095
Cash and cash equivalents - at end of the year		83,920	62,217

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


Chief Executive


Director


Chief Financial Officer

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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, 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
Total comprehensive loss for the year ended September 30, 2025						
- loss for the year	-	-	-	-	(589,935)	(589,935)
- other comprehensive income	-	-	-	-	7,375	7,375
	-	-	-	-	(582,560)	(582,560)
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation for the year (net of deferred taxation)	-	-	(121,458)	-	121,458	-
Balance as at September 30, 2025	37,500	1	1,379,094	900,000	(1,031,186)	1,285,409

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



Chief Executive



Director



Chief Financial Officer

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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.

- Allowance for expected credit loss - notes 4.6 & 13.
- 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, amendments to approved accounting standards and interpretations that are effective and have been adopted by the Company

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year, except for following amendments to accounting standards which are effective for annual periods beginning on or after October 01, 2024 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective:

a) IAS 7 Statement of Cashflows and IFRS 7 Financial Instruments; Disclosures Effective: January 01,

Amendments in IAS 7 Statement of Cashflows and IFRS 7 Financial Instruments; Disclosures; Supplier Finance Arrangements, disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk.

The amendments are supplement requirements already in IFRS Accounting Standards and require a company to disclose:

- the terms and conditions;
- the amount of the liabilities that are part of the arrangements, breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities sit on the balance sheet;
- ranges of payment due dates; and
- liquidity risk information.

b) IFRS 16 Leases Effective: January 01, 2024

Leases - Lease Liability in a Sale and Leaseback - Amendments requires a seller lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to sale and leaseback transactions entered into after the date of initial application.

c) IAS 1 Presentation of Financial Statements**Effective: January 01, 2024**

Presentation of Financial Statements to clarify how to classify debt and other liabilities as current or non-current. In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification; and
- Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

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

3.1.1 Standards, amendments to approved accounting standards and interpretations that are not effective and have not been adopted by the Company

The following amendments with respect to the approved accounting standards, as applicable in Pakistan, would be effective from the dates mentioned below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

a) Amendments to IFRS 9 and IFRS 7 - Classification and measurement of financial instruments**Effective: January 01, 2026**

The amendments clarify the timing for recognizing and derecognizing certain financial assets and liabilities, introduce an exception for some financial liabilities settled via electronic cash transfers, provide additional guidance for assessing if a financial asset meets the Solely Payment of Principal and Interest ('SPPI') criterion, require new disclosures for instruments with cash flow changes linked to Environmental, Social and Governance ('ESG') targets, and update disclosures for equity instruments designated at FVOCI.

b) IFRS 18 Presentation and Disclosure in Financial Statements**Effective: January 01, 2027**

The new standard on presentation and disclosure in financial statements, IFRS 18, focuses on updates to the statement of profit or loss. It introduces key concepts such as the structure of the statement of profit or loss, required disclosures for certain profit or loss performance measures reported outside the financial statements (management-defined performance measures), and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.

**c) IFRS S1 General Requirement for Disclosure of Sustainability-Related Financial Information
IFRS S2 Climate Related Disclosures****Effective: July 01, 2025**

These standards include the core framework for the disclosure of material information about sustainability-related risk, opportunities across an entities' value chain and set out the requirements for entities to disclose information about climate related risks and opportunities.

IFRS S1 requires entities to disclose information about its sustainability related risks and opportunities that is useful to primary user of general purpose financial reporting in making decisions relating to providing resources to the entity. The standard provide guidance on identifying sustainability related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability related risks and opportunities.

IFRS S2 is a thematic standard that builds on the requirements of IFRS S1 and is focused on climate related disclosures. IFRS S2 requires an entity to identify and disclose climate related risks and opportunities that could affect the entities prospects over the short, medium and long term. In addition, IFRS S2 requires and entities to consider other industries based metrics and seven cross-industry metrics when disclosing qualitative and quantitative components on how the entity uses metrics and targets to measure, monitor and manage identified material climate related risks and opportunities. The cross-industry metrics include disclosure on green house gas ('GHG') emissions, transition risks, physical risks, climate related opportunities, capital development, internal carbon prices and remuneration.

The management anticipate that adoption of the above standards, amendments and interpretations in the future period will not have any material effect on the financial statement of the Company other than the presentations and disclosures.

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 12.53% to 13.94% (2024: 20.72% to 23.35%) 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, 2025 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:

- fair value through profit or loss; and
- 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	2025 Rupees in thousand	2024
Operating fixed assets	5.1	3,232,187	2,191,100
Advance against lease vehicle		-	455
Capital work-in-progress	5.8	146,989	1,213,806
		3,379,176	3,405,361

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 building (right of use assets)	Leased vehicles (right of use assets)	Total
	Leasehold	Freehold									
	Rupees in thousand										
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
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	1,977	12,065	240,341	230,042	1,665,153	28,706	2,894	2,181,178	-	9,922	2,191,100
Year ended September 30, 2025:											
Additions	-	-	-	52,998	1,078,875	212,786	330	1,344,989	753	10,549	1,356,291
Transfer from leased to owned											
- cost	-	-	-	-	-	-	6,488	6,488	-	(6,488)	-
- depreciation	-	-	-	-	-	-	(1,984)	(1,984)	-	1,984	-
Disposals											
- cost	-	-	-	-	-	-	(116)	(116)	-	-	(116)
- depreciation	-	-	-	-	-	-	116	116	-	-	116
Depreciation charge for the year	28	-	19,790	15,750	248,098	27,848	697	312,211	40	2,953	315,204
Book value as at September 30, 2025	1,949	12,065	220,551	267,290	2,495,930	213,644	7,031	3,218,460	713	13,014	3,232,187
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	1,977	12,065	240,341	230,042	1,665,153	28,706	2,894	2,181,178	-	9,922	2,191,100
As at September 30, 2025											
Cost / revaluation	2,725	12,065	272,612	311,863	2,929,887	309,248	28,315	3,866,715	753	17,121	3,884,589
Accumulated depreciation	776	-	52,061	44,573	433,957	95,604	21,284	648,255	40	4,107	652,402
Book value	1,949	12,065	220,551	267,290	2,495,930	213,644	7,031	3,218,460	713	13,014	3,232,187
Depreciation rate (%)	1.01	-	5-10	5-10	10-12	10-15	10-20		5	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:

	2025 Rupees in thousand	2024
- buildings on freehold land	10,467	11,316
- buildings on leasehold land	686	742
- plant, machinery and equipment	114,715	127,483
	125,868	139,541

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:

	2025 Rupees in thousand	2024
Cost of sales	310,060	224,046
Administrative expenses	5,144	3,646
	315,204	227,692

5.6 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.

- 5.7** 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'.

5.8 Capital work-in-progress - cost	2025	2024
	Rupees in thousand	
Buildings	-	48,266
Plant and machinery {(Including in transit aggregating Rs. Nil (2024: Rs.321.245 million))}	146,989	833,777
Furniture and fixtures	-	344
Stores held for capitalization	-	56,461
Electric installations	-	48,016
Un-allocated capital expenditure	-	154,916
Office equipment	-	46
Advances to suppliers - unsecured	-	71,980
	146,989	1,213,806

5.9 Movement of capital work-in-progress during the year:

	September 30, 2024	Reclassification	Additions during the year	Transferred to operating fixed assets	September 30, 2025
-----Rupees in thousand-----					
Buildings	48,266	-	1,727	49,993	-
Plant and machinery	833,777	(106,197)	209,239	789,831	146,988
Furniture and fixtures	344	-	-	344	-
Stores held for capitalization	56,461	-	-	56,461	-
Electric installations	48,016	106,197	53,643	207,856	-
Un-Allocated capital expenditure 5.9.1	154,916	-	5,687	160,603	-
Office equipment	46	-	-	46	-
Advances to suppliers - unsecured 5.9.2	71,980	-	-	71,980	-
	1,213,806	-	270,296	1,337,114	146,988

- 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** The Company has capitalized borrowing cost amounting to Rs.55.717 million (2024: Rs.91.497 million) incurred on bank borrowings at an effective rate of 14.14% to 22.69% (2024: 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, 2023:

Cost	14,544	18,256	32,800
Accumulated depreciation	-	12,899	12,899

Book value	14,544	5,357	19,901
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Year ended September 30, 2024:

Depreciation charge	-	268	268
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Book value	14,544	5,089	19,633
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Year ended September 30, 2025:

Depreciation charge	-	254	254
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Book value	14,544	4,835	19,379
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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 2,100 square yards situated at F-6 Islamabad and 15,555 square yards situated at Risalpur Cantt.

- 6.2** Fair value of the investment property, based on the management's estimation, as at September 30, 2025 was Rs.320 million (2024: Rs.320 million).

7. LONG TERM INVESTMENTS - in Related Parties

SUBSIDIARY COMPANIES	2025 Share-holding %	2024	2025 Rupees in thousand	2024
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QUOTED:

Chashma Sugar Mills Ltd.

13,751,000 (2024: 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.927,505 million
(2024: Rs.825.060 million)

- Value of investments based on net assets shown in the audited financial statements for the year ended September 30, 2025
Rs. 4,894.197 million (2024: Rs.6,298.582 million)

Balance c/f			137,584	137,584
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	2025 Share-holding %	2024	2025 Rupees in thousand	2024
Balance b/f			137,584	137,584
UN-QUOTED				
The Frontier Sugar Mills & Distillery Ltd.				
1,113,637 (2024: 1,113,637) ordinary shares of Rs.10 each	82.49	82.49	26,509	26,509
42,984 (2024: 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, 2025 Rs.919.841 million (2024: Rs.822.67 million)				
			27,106	27,106
ASSOCIATED COMPANIES				
QUOTED:				
Arpak International Investments Ltd. (AIIIL)				
229,900 (2024: 229,900) ordinary shares of Rs.10 each	5.75	5.75	2,846	2,846
Market value Rs.15.,401 million (2024: Rs.11.782 million)				
UN-QUOTED:				
National Computers (Pvt.) Ltd. (NCPL)				
14,450 (2024: 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 (2024: 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, 2025 Rs.6.951 million (2024: Rs.6.544 million)				
Aztlak Enterprises (Pvt.) Ltd.				
200,000 (2024: 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, 2025 Rs.186.688 million (2024: Rs.177.884 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 as 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, 2025 and June 30, 2024 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

	2025	2024
	Rupees in thousand	
Stores	128,065	57,582
Spares	54,067	74,003
	<u>182,132</u>	<u>131,585</u>

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

9. STOCK-IN-TRADE

	2025	2024
	Rupees in thousand	
Raw material - molasses	216,880	-
In process:		
- sugar	23,432	23,432
- molasses	3,722	3,948
	<u>27,154</u>	<u>27,380</u>
Finished goods:		
- sugar	-	139,132
- molasses	51,493	74,438
- ethanol	595,182	-
	<u>646,675</u>	<u>213,570</u>
	<u>890,709</u>	<u>240,950</u>

9.1 Ethanol B - Grade inventory as at September 30, 2025 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.2.223 million approximately.

10. TRADE DEBTS - Considered good

	2025	2024
	Rupees in thousand	
Unsecured - local	7,026	29
Secured - export	103,035	-
	<u>110,061</u>	<u>29</u>

11. ADVANCES - Considered good

	2025	2024
	Rupees in thousand	
Suppliers and contractors	13,042	27,500
Employees	5,873	6,169
	<u>18,915</u>	<u>33,669</u>

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

12. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	Note	2025 Rupees in thousand	2024
Excise duty deposit		136	136
Short term prepayments		2,014	2,121
Deposits against decretal amounts	12.1	2,862	2,862
		<u>5,012</u>	<u>5,119</u>

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

13. OTHER RECEIVABLES

	Note	2025 Rupees in thousand	2024
Sugar export subsidy		2,991	2,991
Gas infrastructure development cess paid under protest - refundable	26.3	3,018	3,018
Others		6,322	915
		<u>12,331</u>	<u>6,924</u>

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

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

Opening balance		19,166	23,540
Add: taxes deducted at source during the year		42,427	19,134
Add: prior year adjustment		745	11,532
Less: adjusted against completed assessments		(19,879)	(35,040)
Balance as at September 30,		<u>42,459</u>	<u>19,166</u>

15. BANK BALANCES

Cash at banks on:

- PLS accounts	15.1	36,382	981
- current accounts		43,804	57,502
- deposit accounts	15.3	8,734	8,734
		<u>88,920</u>	<u>67,217</u>
Less: provision for doubtful bank balance	15.4	5,000	5,000
		<u>83,920</u>	<u>62,217</u>

- 15.1** These include Rs.536 thousand (2024: Rs.476 thousand) in security deposit account.
- 15.2** PLS and deposit accounts during the year carried profit / mark-up at the rates ranging from 8.00% to 17.09% (2024:20.58% to 24.87%) per annum.
- 15.3** These include deposits amounting Rs.3.734 million (2024: 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.
- 15.4** 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.

16. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2025 2024 (No. of shares)			2025 2024 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
3,750,000	3,750,000		37,500	37,500

- 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) holds 400,000 ordinary shares as at September 30, 2025 and September 30, 2024.
- 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 Nowshera Mardan Road, Mardan and at lease hold land at Ramak, Dera Ismail Khan. The latest revaluation exercise was 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:

	2025 Rupees in thousand	2024
Opening balance	2,113,453	2,302,745
Less: transferred to accumulated loss on account of incremental depreciation for the year	(171,067)	(189,292)
	1,942,386	2,113,453
Less: deferred tax on:		
- opening balance of surplus	612,901	667,796
- incremental depreciation for the year	(49,609)	(54,895)
	563,292	612,901
Closing balance	1,379,094	1,500,552

18. LEASE LIABILITIES

Particulars	2025				2024		
	Upto one year	From one to four years	From five to onwards	Total	Upto one year	From one to four years	Total
	----- Rupees in thousand -----						
Minimum lease payments	5,138	9,864	1,495	16,497	4,201	8,511	12,712
Less: finance cost allocated to future periods	1,330	1,638	823	3,791	1,642	1,451	3,093
	3,808	8,226	672	12,706	2,559	7,060	9,619
Less: security deposits adjustable on expiry of lease terms	329	1,296	-	1,625	-	1,225	1,225
Present value of minimum lease payments	3,479	6,930	672	11,081	2,559	5,835	8,394

- 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 July, 2029. 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 12.53% to 13.94% (2024: 20.72% to 23.35%) per annum.
- 18.2** The Company has entered into lease agreements Chasma Sugar Mills Limited (the Subsidiary company) to obtain land in Ramak, D.I Khan on lease. The liabilities under the lease agreements are payable in annual instalments by September, 2043. Effective mark-up rate charged, during the current financial year, is 14% 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	2025	2024
- discount rate - per annum	11.75%	12.00%
- expected rate of growth per annum in future salaries	10.75%	11.00%
- mortality rates	SLIC	SLIC
	2001-2005	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:

	2025	2024
	Rupees in thousand	
Opening balance	43,345	39,132
Current service cost	3,011	2,808
Past service cost	3,372	728
Interest cost	4,520	6,245
Benefits payable to outgoing members - grouped under current liabilities	(3,839)	(1,929)
Benefits paid	(9,033)	(1,776)
Liability transferred to another group company	(1,325)	-
Remeasurements:		
- experience adjustments	(10,377)	(706)
- changes in financial assumptions	(11)	(1,157)
Closing balance	29,663	43,345

Expense recognised in statement of profit or loss

Current service cost	3,011	2,808
Past service cost	3,372	728
Interest cost	4,520	6,245
Charge for the year	10,903	9,781

Remeasurement recognised in statement of other comprehensive income

Experience adjustments	(10,377)	(706)
Gain due to change in financial assumptions	(11)	(1,157)
	(10,388)	(1,863)

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

	2025	2024	2023	2022	2021
	----- Rupees in thousand -----				
Present value of defined benefit obligation	29,663	43,345	39,132	28,697	20,096
Experience adjustment on obligation	(10,388)	(1,863)	8,844	6,572	2,277

Year-end Sensitivity Analysis:**Impact on defined benefit obligation**

	Change in assumption	Rupees in thousand Increase	Decrease
Discount rate	1%	<u>27,645</u>	<u>31,936</u>
Salary growth rate	1%	<u>31,962</u>	<u>27,587</u>
19.1	The expected contribution to defined benefit obligation for the year ending September 30, 2026 is Rs.5.159 million.		

20. LONG TERM FINANCES - Secured

	Note	2025 Rupees in thousand	2024
From Banking Companies:			
United Bank Ltd:			
LTFF 1	20.1	349,028	399,175
LTFF 2	20.2	200,000	176,940
Soneri Bank Ltd.	20.3	433,443	407,443
		<u>982,471</u>	<u>983,558</u>
From Subsidiary Company:			
Chashma Sugar Mills Ltd.	20.4	360,500	-
		<u>1,342,971</u>	<u>983,558</u>
Less: current portion grouped under current liabilities		251,959	144,456
		<u>1,091,012</u>	<u>839,102</u>

- 20.1** The Company has arranged long term finance facility amounting Rs.400 million from United Bank Limited to finance BMR activities. During the year the bank, against said facility, further disbursed Rs.0.820 million (2024: Rs.399.175 million) in one tranche (2024: fifteen 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 (the subsidiary company).
- 20.2** The Company has arranged long term finance facility amounting Rs.200 million from United Bank Limited to finance BMR activities. During the year the bank, against said facility, further disbursed Rs. 23.060 million (2024: Rs.176.940 million) in three tranches (2024: 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 (the subsidiary company).
- 20.3** The Company 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. During the year the bank, against said facility, further disbursed Rs.102.490 million (2024:Rs.407.442 million) in five tranches (2024: twenty 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 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 (the subsidiary company).

- 20.4** The Company and Chashma Sugar Mills Ltd. (the subsidiary company) has entered into a loan agreement on October 01, 2024 whereby the Company has arranged a loan facility of Rs.500 million from the Subsidiary Company. As at reporting date the Company obtained loan amounting Rs.360.500 million. The loan carries mark-up at the rate of three month KIBOR+1% per annum or lender's borrowing cost, whichever is higher. The effective markup rate charged by the subsidiary company during the year ranged from 12.93% to 15.35% per annum. The loan is secured against demand promissory note. The loan is payable at the discretion of the Company any time with in three years.

21. DEFERRED TAXATION

	Note	2025 Rupees in thousand	2024
This is comprised of the following:			
Taxable temporary differences arising in respect of:			
- surplus on revaluation of property, plant and equipment		563,292	612,901
- accelerated tax depreciation allowances		93,406	-
		656,698	612,901
Deductible temporary differences arising in respect of:			
- accelerated tax depreciation allowances		-	(5,713)
- available unused tax losses		(495,723)	(445,113)
- staff retirement benefits - gratuity		(8,602)	(12,570)
- provision for doubtful bank balance		(1,450)	(1,450)
- lease finances		767	(809)
- minimum tax recoverable against normal tax charge in future years		(65,287)	(51,643)
		(570,295)	(517,298)
		86,403	95,603

22. TRADE AND OTHER PAYABLES

Due to related parties:

- Chashma Sugar Mills Ltd. (Subsidiary Company)		648,330	98,126
- Frontier Sugar Mills and Distillery Ltd. (Subsidiary Company)		3,205	8
- Syntron Ltd. (Associated Company)		14,927	14,927
- Syntronics Ltd. (Associated Company)		157	157
- Azlak Enterprises (Pvt.) Ltd. (Associated Company)		35,830	21,529
Creditors		214,687	145,066
Accrued expenses		59,121	55,654
Due to employees		6,805	4,560
Deposits from contractors and others	22.1	10,961	1,031
Income tax deducted at source		29,241	22,704
Sales tax payable		-	29,448
Gratuity payable to ex-employees		7,904	5,816
Employees' provident fund payable		11,472	7,791
Others		503	668
		1,043,143	407,485

- 22.1** These include Rs.536 thousand (2024: Rs.476 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	2025 Rupees in thousand	2024
Short term finances - secured	23.1	1,000,000	497,000
Temporary bank overdraft - unsecured		13,731	27,323
		<u>1,013,731</u>	<u>524,323</u>

- 23.1** Short term finance facilities available from various commercial banks under mark-up arrangements aggregate Rs.3,900 million (2024: Rs.1,900 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 12.32% to 23.73% (2024: 19.43% to 24.87%) per annum and are expiring on various dates by May 31, 2026.

- 23.2** Facilities available for opening letters of guarantee and credit from commercial banks aggregate Rs.80 million (2024: Rs.700 million). Out of the available facilities, facilities aggregating Rs.42.76 million (2024: Rs.536.18 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**

	Note	2025 Rupees in thousand	2024
Long term finances		251,959	144,456
Lease liabilities	18	3,479	2,559
		<u>255,438</u>	<u>147,015</u>

25. LEVIES AND INCOME TAXATION - Net

Opening balance		27,902	35,040
Provision made during the year		25,469	27,902
Payments / adjustments made against completed assessments		(27,895)	(35,040)
		<u>25,476</u>	<u>27,902</u>

- 25.1** The returns for the Tax Years 2010 to 2025 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 section 113 (Minimum tax on the income of certain persons) 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.

26. CONTINGENCIES AND COMMITMENTS

26.1 Commitments against irrevocable letters of credit outstanding as at September 30, 2025 amounted Rs. Nil (2024: Rs. 96.704 million).

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 quo 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, 2025 were for Rs.37.340 million (2024: Rs.37.340 million). These guarantees are valid upto May 31, 2026.

27. SALES - Net	2025	2024
	Rupees in thousand	
Local		
- sugar	167,934	1,543,139
- ethanol	264,016	-
- molasses	23,357	135,496
	455,307	1,678,635
Export		
- sugar	38,747	-
- ethanol	1,557,963	-
	1,596,710	-
	2,052,017	1,678,635
Less: sales tax	70,695	274,242
	1,981,322	1,404,393

- 27.1** Contract liabilities represents short term advances received from customers against delivery of goods in future. The contract liabilities outstanding at September 30, 2024 amounting to Rs.36.523 million have been recognized as revenue during the year.

27.2 Export sale comprise of sugar and ethanol sales to the following regions:

	2025 Rupees in thousand
Asia	608,116
Europe	916,445
Middle east	72,149
	<u>1,596,710</u>

28. COST OF SALES	Note	2025 Rupees in thousand	2024
Raw materials consumed	28.1	1,787,926	1,662,283
Chemicals and stores consumed		30,317	23,419
Salaries, wages and benefits	28.2	184,353	231,339
Power and fuel		57,736	61,741
Insurance		11,904	7,541
Repair and maintenance		28,274	37,374
Depreciation	5.5	310,060	224,046
		<u>2,410,570</u>	<u>2,247,743</u>
Adjustment of in process:			
Opening		27,380	10,544
Closing	9	(27,154)	(27,380)
		<u>226</u>	<u>(16,836)</u>
Cost of goods manufactured		<u>2,410,796</u>	<u>2,230,907</u>
Adjustment of finished goods:			
Opening stock		213,570	124,078
Closing stock	9	(646,675)	(213,570)
		<u>(433,105)</u>	<u>(89,492)</u>
		<u>1,977,691</u>	<u>2,141,415</u>
28.1 Raw materials consumed			
Stocks at beginning of the year		-	-
Purchases		<u>2,004,806</u>	<u>1,662,283</u>
		<u>2,004,806</u>	<u>1,662,283</u>
Stocks at end of the year	9	<u>(216,880)</u>	<u>-</u>
		<u>1,787,926</u>	<u>1,662,283</u>

28.2 These include Rs.2.640 million (2024: Rs.1.637 million) and Rs.2.190 million (2024: Rs.7.531 million) in respect of provident fund contributions and staff retirement benefits - gratuity respectively.

29. DISTRIBUTION COST	2025 Rupees in thousand	2024
Commission - local	81	836
Salaries, wages and amenities	2,615	3,404
Expenses on export of		
-ethanol	181,663	-
-sugar	99	-
Others	-	478
	<u>184,458</u>	<u>4,718</u>

30. ADMINISTRATIVE EXPENSES	Note	2025	2024
		Rupees in thousand	
Salaries and amenities	30.1	94,422	72,789
Travelling, vehicles' running and maintenance		3,083	3,641
Utilities		2,341	3,166
Rent, rates and taxes		7,498	7,626
Insurance		1,518	1,148
Repair and maintenance		8,925	19,838
Printing and stationery		1,844	3,458
Communication		1,674	1,289
Legal and professional charges (other than Auditors)		8,629	9,969
Subscription		1,737	1,183
Auditors' remuneration	30.2	2,735	2,599
Depreciation on:			
- operating fixed assets	5.5	5,144	3,646
- investment property	6	254	268
General office expenses		2,070	5,917
		<u>141,874</u>	<u>136,537</u>
30.1 These include Rs.0.963 million (2024: Rs.0.701 million) and Rs.2.508 million (2024: Rs.2.250 million) in respect of provident fund contributions and staff retirement benefits- gratuity respectively.			
30.2 Auditors' remuneration		2025	2024
		Rupees in thousand	
- statutory audit fee		1,424	1,414
- short provision for the preceding year		-	18
- half yearly review fee		476	419
- consultancy and certification charges		795	708
- out-of-pocket expenses		40	40
		<u>2,735</u>	<u>2,599</u>
31. OTHER EXPENSES			
Prior year's sales tax on account of inadmissible input tax adjustment claimed		-	4
Exchange fluctuation loss - net		2,772	-
Others		21,807	
		<u>24,579</u>	<u>4</u>

32. OTHER INCOME	Note	2025 Rupees in thousand	2024
Income from financial assets:			
Mark-up / interest / profit on bank deposits / saving accounts and certificates		5,842	5,035
Dividends		-	68,755
Income from other than financial assets:			
Gain on disposal of vehicles		35	-
Gain on disposal of investment property		-	586,208
Rent		13	13
Unclaimed payable balances written-back		-	529
Sale of agricultural produce - net of costs and expenses aggregating Rs.6.768 million (2024: Rs.7.058 million)		19,317	19,197
Sale of press mud - net of sales tax amounting Rs.95 thousand (2024:Rs.336 thousand)		430	2,145
Sale of scrap - net of sales tax amounting Rs.2 million		55,750	-
		<u>81,387</u>	<u>681,882</u>
33. FINANCE COST			
Mark-up on:			
- long term finances		147,429	-
- short term borrowings		158,120	225,280
Lease finance charges		2,098	1,893
Bank charges		3,891	7,845
		<u>311,538</u>	<u>235,018</u>
34. LEVIES AND INCOME TAXATION			
34.1 Final tax levy			
Levy:			
- for the year	25	<u>25,469</u>	<u>17,589</u>
34.2 Income tax			
Current tax			
- for the year	25	-	10,313
- prior year		(752)	(3,074)
Deferred tax		<u>(12,213)</u>	<u>(283,134)</u>
		<u>(12,965)</u>	<u>(275,895)</u>

34.3 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:

	2025	2024
	Rupees in thousand	
Current tax liability for the year as per applicable tax laws	25,469	27,902
Portion of current tax liability as per tax laws, representing income tax under IAS 12	-	10,313
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21 / IAS 37	25,469	17,589
	-	-

35. LOSS PER SHARE

There is no dilutive effect on loss per share of the Company, which is based on:

Loss after taxation attributable to ordinary shareholders	(589,935)	(173,111)
Weighted average number of shares outstanding during the year	-----Number----- 3,750,000	3,750,000
Loss per share	----- Rupees ----- (157.32)	(46.16)

36. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

	2025	2024
	Rupees in thousand	
Financial instruments by category		
Financial assets		
At amortised cost		
Security deposits	2,059	1,809
Trade debts	110,061	29
Trade deposits	136	136
Other receivables	9,313	3,906
Bank balances	83,920	62,217
	205,489	68,097
Financial liabilities		
At amortised cost		
Long term finances	1,342,971	983,558
Lease liabilities	11,081	8,394
Trade and other payables	1,013,902	355,333
Unclaimed dividends	7,466	7,470
Accrued mark-up	55,529	93,881
Short term borrowings	1,013,731	524,323
	3,444,680	1,972,959

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

Currency risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The Company is exposed to currency risk on import of raw materials, stores & spare parts, plant & machinery and export of goods mainly denominated in U.S. Dollar (U.S.\$). The Company's exposure to foreign currency risk for U.S. Dollars follows:

September 30, 2025	Rupees in thousand	U.S.\$
Trade debts	<u>103,035</u>	<u>366,346</u>

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	2025	2024	2025	2024
US Dollar to Rupee	281.50	-	281.75 / 281.25	278.80 / 278.30

Sensitivity analysis

At September 30, 2025, if Rupee had strengthened / weakened by 10% against US Dollars, loss for the year would have been increased / (decreased) by Rs.10.304 million mainly as a result of net foreign exchange loss on translation of financial assets and liabilities.

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

(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:

	2025	2024	2025	2024
	----- Effective rates -----		Carrying amount	
Fixed rate instruments			Rupees in thousand	
Cash at banks on deposit accounts	8.00% to 17.09%	20.58% to 24.87%	<u>8,734</u>	<u>8,734</u>
Long term finances	13.15% to 22.69%	20.58% to 24.41%	<u>1,342,971</u>	<u>144,456</u>
Variable rate instruments				
Cash at banks on PLS accounts	8.00% to 17.09%	20.58% to 24.87%	<u>36,382</u>	<u>981</u>
Lease liabilities	12.53% to 13.94%	20.72% to 23.35%	<u>11,081</u>	<u>8,394</u>
Short term borrowings	13.09% to 17.09%	19.43% to 24.87%	<u>1,000,000</u>	<u>497,000</u>

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, 2025, 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.10.475 million mainly as a result of higher interest expense on variable rate financial liabilities; (2024: Rs.5.064 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. 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, 2025 along with comparative is tabulated below:

	2025 Rupees in thousand	2024
Security deposits	2,059	1,809
Trade debts	110,061	29
Trade deposits	136	136
Other receivables	9,313	3,906
Bank balances	83,920	62,217
	205,489	68,097

- The management does not expect any losses from non-performance by these counter parties.
- Trade debts at September 30, 2025 represented domestic and foreign 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 -----

2025

Long term finances	1,342,971	1,791,404	362,048	1,306,593	122,763
Lease liabilities	11,081	13,377	4,809	8,568	-
Trade and other payables	1,013,902	1,013,902	1,013,902	-	-
Unclaimed dividends	7,466	7,466	7,466	-	-
Accrued mark-up	55,529	55,529	55,529	-	-
Short term borrowings	1,013,731	1,026,043	1,026,043	-	-
	3,444,680	3,907,721	2,469,797	1,315,161	122,763

Particulars	Carrying amount	Contractual cash flows	Less than one year	Between one to three years	More than three years
2024	----- Rupees in thousand -----				
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

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. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

37.1 Accounting classifications and fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted price is readily and regularly available from an exchange dealer, broker, industry Company, pricing service, or regulatory agency, and that price represents actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

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).

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

37.2 Fair value measurement of Property, Plant and equipment

Certain property, plant and equipment of the Company have been carried at revalued amounts determined by professional valuers (Level 3) based on their assessment of market value. The valuations are conducted by the valuation experts appointed by the company. The valuation experts used a market based approach to arrive at the fair value of the Company's properties. The most significant input into this valuation approach is price per acre for land, price per square foot for buildings and present operational condition and age of plant and machinery and other assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a disclosure of sensitivity has not been presented in these financial statements.

38. FAIR 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, 2025 and September 30, 2024 is as follows:

	2025 Rupees in thousand	2024
Total debt	1,276,771	677,173
Bank balances	(83,920)	(62,217)
Net debt	1,192,851	614,956
Share capital	37,500	37,500
Share redemption reserve	1	1
Revaluation surplus on property, plant and equipment	1,379,094	1,500,552
General revenue reserve	900,000	900,000
Accumulated loss	(1,031,186)	(570,084)
Equity	1,285,409	1,867,969
Capital	2,478,260	2,482,925
Gearing ratio (Net debt / (Net debt + Equity))	48.13%	24.77%

39. 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	2025		2024	
	Rupees in thousand			
Chashma Sugar Mills Ltd.				
- purchase of store items, molasses and bagasse	655,334		9,208	
- amount received against sale of property	-		50,885	
- dividend received	-		68,755	
- expenses paid on behalf of the Company	222,769		60,287	
- expenses paid by the Company	13,199		5,438	
- rental expense	115		115	
- loan obtained	360,500		-	
- mark-up charged	44,708		-	
The Frontier Sugar Mills & Distillery Ltd.				
- sale of store items	433		8	
- purchase of store items	3,723		-	
- expenses paid by the Company	92		-	
ii) Associated Companies				
- purchase of store items	-		14,927	
- expenses paid on behalf of the Company	14,301		-	
iii) Key management personnel				
- salaries and other benefits	47,340		43,036	

39.1 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 a sub-subsidiary Company:

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

39.2 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.

40. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Particulars	Chief Executive		Director		Executive	
	2025	2024	2025	2024	2025	2024
	----- Rupees in thousand -----					
Managerial remuneration	1,906	1,746	33,672	28,364	11,550	12,923
Contribution to provident fund	-	-	-	-	212	123
	1,906	1,746	33,672	28,364	11,762	13,046
Number of persons	1	1	1	1	5	7

- 40.1** 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.
- 40.2** Remuneration of directors does not include amounts paid or provided for, if any, by the Subsidiary and Associated Companies.

41. CAPACITY AND PRODUCTION		2025	2024
SUGAR CANE PLANT			
Rated crushing capacity per day	M.Tonnes	3,810	3,810
Cane crushed	M.Tonnes	-	130,269
Sugar produced	M.Tonnes	-	12,477
Days worked	Nos.	-	51
Sugar recovery	%	-	10
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	3,503,197	-
Days worked	Nos.	252	-

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

- Production of sugar was restricted due to non availability of better quality of raw material at reasonable price.

- Production of ethanol depends on the availability of raw material.

**42. 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, 2023	-	4,484	35	12,672	7,470	24,661
Changes from financing activities						
Finances obtained - net	983,558	2,017	524,288	-	-	1,509,863
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
Changes from financing activities						
Finances obtained / (repaid) - net	359,413	589	489,408	-	-	849,410
Mark-up accrued	-	2,098	-	309,440	-	311,538
Mark-up paid	-	-	-	(347,792)	-	(347,792)
Unclaimed dividend paid	-	-	-	-	(4)	(4)
	359,413	2,687	489,408	(38,352)	(4)	813,152
Balance as at September 30, 2025	1,342,971	11,081	1,013,731	55,529	7,466	2,430,778

43. PROVIDENT FUND RELATING DISCLOSURES

The Premier Sugar Mills and Distillery Company Limited Employees' Provident Fund Trust holds the investments which are in accordance with the provisions of section 218 of the Companies Act 2017 and the Rules formulated for this purpose.

44. OPERATING SEGMENT

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

- Sugar
- Distillery

44.1 Segment operating results for the year ended September 30, 2025

	Sugar Division		Ethanol Division		Total	
	2025	2024	2025	2024	2025	2024
	----- Rupees in thousand -----					
Sales -external customers						
- Local	191,290	1,678,635	264,016	-	455,306	1,678,635
- Export	38,747	-	1,557,963	-	1,596,710	-
Less : sales tax & commission	(30,421)	(274,242)	(40,273)	-	(70,694)	(274,242)
Sales - net	199,616	1,404,393	1,781,706	-	1,981,322	1,404,393
Segment expenses:						
Cost of sales	(529,487)	(2,048,702)	(1,448,204)	(92,713)	(1,977,691)	(2,141,415)
Gross (loss) / profit	(329,871)	(644,309)	333,502	(92,713)	3,631	(737,022)
Distribution cost	(2,794)	(4,718)	(181,664)	-	(184,458)	(4,718)
Administrative expenses	(138,818)	(136,537)	(3,056)	-	(141,874)	(136,537)
	(141,612)	(141,255)	(184,720)	-	(326,332)	(141,255)
(Loss) / profit from operations	(471,483)	(785,564)	148,782	(92,713)	(322,701)	(878,277)
Other income	75,680	681,882	5,707	-	81,387	681,882
Other expenses	-	(4)	(24,579)	-	(24,579)	(4)
	75,680	681,878	(18,872)	-	56,808	681,878
Segment results	(395,803)	(103,686)	129,910	(92,713)	(265,893)	(196,399)
Finance cost	(65,379)	(235,018)	(246,159)	-	(311,538)	(235,018)
Loss before taxation	(461,182)	(338,704)	(116,249)	(92,713)	(577,431)	(431,417)
Final tax levies and income taxation					12,504	(258,306)
Loss after taxation					(589,935)	(173,111)

44.2 Segment assets and liabilities

	Assets		Liabilities	
	2025	2024	2025	2024
	----- Rupees in thousand -----			
Sugar	3,625,624	2,484,940	3,321,447	2,093,917
Ethanol	1,663,994	1,611,528	682,762	134,582
Total for reportable segment	5,289,618	4,096,468	4,004,209	2,228,499

44.3 Sales to domestic customers in Pakistan are 22.19% (2024 : 100%) and to customers outside Pakistan are 77.81% (2024 : Nil) of the revenues during the current financial year.

44.4 All non-current assets of the Company as at September 30, 2025 and September 30, 2024 are located in Pakistan.

44.5 Three of the Company's customers having sales aggregating Rs.1,297,403 thousand contributed towards 65% of the Company's gross sales.

45. SHAHRIAH SCREENING DISCLOSURE

----- 2025 -----		----- 2024 -----	
Conventional	Shariah Compliant	Conventional	Shariah Compliant
----- Rupees in thousand -----			

Statement of Financial Position – Assets

Long term investments	170,006	-	170,006	-
Bank balances	83,920	-	62,217	-

Statement of Financial Position – Liability

Long term finances	1,342,971	-	983,558	-
Short term borrowings	600,000	400,000	497,000	-
Accrued mark-up	54,470	1,059	93,881	-

Statement of Profit and Loss and other Comprehensive Income

Revenue earned from shariah compliant business segments	1,981,322	-	1,404,393	-
Other income				
a) Profit on bank deposits	5,842	-	5,035	-
b) Dividend income	-	-	68,755	-
Mark-up on short term finances	157,061	1,059	225,280	-
Mark-up on long term finances	147,429	-	-	-

The Company have banking relation with the following shariah-compliant financial institutions:

a) United Bank Limited

46. NUMBER OF EMPLOYEES

2025 2024
----- Numbers -----

Number of persons employed as at September 30,

- permanent
- contractual

145	152
212	229
357	381

Average number of employees during the year

- permanent
- contractual

158	161
226	219
384	380

47. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on January 05, 2026 by the board of directors of the Company.

48. 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 Executive****Director****Chief Financial Officer**

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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, 2025, 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, 2025 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, 2025 aggregated Rs.133.247 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.	Description	How the matter was addressed in our audit
1.	<p>Capital expenditures</p> <p>Refer note 6 to the consolidated financial statements.</p> <p>The Group continued to invest in capital projects with significant capital expenditure incurred during the year ended September 30, 2025. 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.</p> <p>Under IAS-16, the Group follows revaluation model for freehold land, leasehold land, buildings & roads, plant & machinery and electric installations. The fair value of the Group's above assets were assessed by management based on independent valuation performed by an external property valuation expert. The determining of revalued amount of assets require significant judgement as to estimating the revalued amount in terms of their quality, structure, condition and locations.</p> <p>Further, determining which costs meet the criteria for capitalisation, capitalisation of borrowing costs and related expenses and the estimation of economic useful lives and residual values assigned to property, plant and equipment are the areas where management judgement is involved.</p> <p>For these reasons we considered this area to be a key audit matter.</p>	<p>Our procedures in relation to this matter included, amongst others</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, on a sample basis, costs capitalized during the year by comparing the costs capitalised with the relevant underlying documentation, which included purchase agreements and invoices; - Assessed whether the costs capitalized met the relevant criteria for capitalization as per the applicable financial reporting framework.; - Visited the mills where significant capital projects are ongoing to understand the nature of the projects; - Checked the date of transferring capital work-in-progress to operating fixed assets by examining the completion certificates, on a sample basis; - Obtained a copy of latest valuation report of independent property valuation expert and checked the mathematical accuracy and reasonableness of significant estimates; <p>Evaluated the competence, capabilities and objectivity of expert engaged by the management;</p> <ul style="list-style-type: none"> - Reviewed the minutes of the Board of Directors and Audit Committee to evaluate the completeness of management's consideration of any events that warranted changes to the useful economic lives; and - The adequacy of the disclosures presented in the financial statements regarding property, plant and equipment was also assessed, based on the applicable accounting standards and requirements of Companies Act, 2017.

S. No.	Description	How the matter was addressed in our audit
2.	<p>Valuation of stock-in-trade</p> <p>The total value of stock in trade as at the reporting date amounted to Rs.7,994 million. Stock in trade as at reporting date included raw material and finished goods. Refer note 11 to the financial statements.</p> <p>The valuation of finished goods at cost has different components, which includes judgment and assumptions in relation to the allocation of labour and other various overheads which are incurred in bringing the inventories to its present location and conditions. Judgement has also been exercised by the management in determining the net realisable value (NRV) of raw material and finished goods and in determining the appropriate value of slow moving and obsolete stocks.</p> <p>We identified this matter as key in our audit due to the judgement and assumption applied by the Group in determining the cost and NRV of stock in trade at the year-end.</p>	<p>We assessed the appropriateness of management assumptions applied in calculating the value of stock in trade and validated the valuation by taking following steps:</p> <ul style="list-style-type: none"> - Assessed whether the Group's accounting policy for inventory valuation is in line with the applicable financial reporting standards; and - Attended the inventory count at the year-end and reconciled the physical inventory with the inventory lists provided to ensure the completeness of the data; - Assessed the historical costs recorded in the inventory valuation by checking purchase invoices on sample basis; - Tested the reasonability of assumptions applied by the management in the allocation of labour and other various overhead costs to the inventories; - Assessed the management determination of NRV of raw material thereon by performing tests on the subsequent purchase price; and - Tested the cost of inventories for finished goods and performed NRV test to assess whether the cost of inventories exceeds their NRV, calculated by detailed review of subsequent sales invoices. <p>We reviewed the Group's disclosure in the consolidated financial statement in respect of stock in trade.</p>
3.	<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.

S. No.	Description	How the matter was addressed in our audit
4.	<p>Revenue recognition</p> <p>Refer notes 31 to the consolidated financial statements</p> <p>The Group is engaged in production and sale of sugar, flour and other allied compound. The Group recognized net revenue from the sale of its products amounting to Rs. 29,861 million for the year ended September 30, 2025.</p> <p>We identified recognition of revenue as an area of higher risk as it includes large number of revenue transactions involving a large number of customers spread in various geographical locations. Further, revenue is one of the key performance indicator of the Group. Accordingly, it was considered as a key audit matter.</p>	<p>Our procedures in relation to this matter included, amongst others</p> <ul style="list-style-type: none"> - Assessed the design, implementation and operating effectiveness of the key internal controls involved in revenue recognition; - Performed testing of revenue transactions on a sample basis with underlying documentation including dispatch documents and sales invoices; - Tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue was recognised in the correct period; - Performed audit procedures to analyse variation in the price and quantity sold during the year; - Performed recalculations of discounts as per the Group's policy on test basis; - Understood and evaluated the accounting policy with respect to revenue recognition; and - Checked that revenue has been recognized in accordance with Group's accounting policy and the applicable accounting and financial reporting framework.

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.



LAHORE; JANUARY 05, 2026
UDIN: AR202510104gYuDZzh7V

SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2025

Assets		2025	2024
Non-current Assets	Note	--- Rupees in thousand ---	
Property, plant and equipment	6	24,199,540	29,649,297
Right-of-use assets	7	255,694	326,003
Investment property	8	19,379	19,633
Long term investments	9	208,936	203,917
Security deposits		17,494	17,244
Deferred tax asset		-	192,100
		24,701,043	30,408,194
Current Assets			
Stores and spares	10	1,488,045	913,342
Stock-in-trade	11	7,994,396	4,986,667
Trade debts	12	1,394,948	440,448
Loans and advances	13	1,150,582	1,121,798
Trade deposits, short term prepayments and other receivables	14	84,414	126,370
Tax refunds due from the Government	15	1,000,635	466,899
Short term investments	16	84	78
Bank balances	17	898,916	1,114,598
		14,012,020	9,170,200
TOTAL ASSETS		38,713,063	39,578,394
Equity and Liabilities			
Share Capital and Reserves			
Authorised capital 5,750,000 (2024: 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	4,377,456	5,929,257
General revenue reserve		1,010,537	1,010,537
(Accumulated loss) / unappropriated profit		(1,050,659)	285,358
Equity Attributable to Equity			
Holders of the Holding Company		4,374,835	7,262,653
Non-controlling Interest		7,405,268	8,017,411
		11,780,103	15,280,064
Non-current Liabilities			
Long term finances	20	4,680,992	6,265,941
Loans from related parties	21	144,603	153,547
Lease liabilities	22	149,455	165,814
Government grant	23	27,797	49,696
Deferred liabilities	24	1,183,802	3,306,111
		6,186,649	9,941,109
Current Liabilities			
Trade and other payables	25	4,671,312	2,188,735
Contract liabilities		388,746	36,538
Unclaimed dividends		22,638	23,149
Accrued mark-up	26	608,356	461,443
Short term borrowings	27	13,323,304	9,671,811
Current portion of non-current liabilities	28	1,389,845	1,556,429
Dividends payable to non-controlling interest		572	572
Taxation	29	341,538	418,544
		20,746,311	14,357,221
TOTAL LIABILITIES		26,932,960	24,298,330
Contingencies and Commitments	30		
TOTAL EQUITY AND LIABILITIES		38,713,063	39,578,394

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


Chief Executive


Director


Chief Financial Officer

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Note	2025 Rupees in thousand	2024
Gross sales	31	33,226,541	44,230,134
Sales tax, other government levies and discounts	32	(3,365,117)	(4,834,984)
Sales - net		29,861,424	39,395,150
Cost of sales	33	28,231,380	38,253,534
Gross profit		1,630,044	1,141,616
Selling and distribution expenses	34	1,463,971	942,966
Administrative and general expenses	35	1,875,560	1,832,020
Other income	36	(916,706)	(255,590)
Other expenses	37	197,658	16,366
		2,620,483	2,535,762
Operating loss		(990,439)	(1,394,146)
Finance cost	38	3,954,109	4,858,006
		(4,944,548)	(6,252,152)
Share of profit from Associated Companies - net	9.2	8,926	16,021
Loss before revenue tax and income tax		(4,935,622)	(6,236,131)
Final taxes - levy		253,125	422,190
Loss before income tax		(5,188,747)	(6,658,321)
Income tax		972,420	2,211,124
Associated companies		(6,696)	(6,474)
Loss after income tax		(4,223,023)	(4,453,671)
Attributable to:			
- Equity holders of the Holding Company		(2,292,905)	(2,482,663)
- Non-controlling interest		(1,930,118)	(1,971,008)
		(4,223,023)	(4,453,671)
		----- Rupees-----	
Combined loss per share	40	(611.44)	(662.04)

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



Chief Executive



Director



Chief Financial Officer

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Note	2025 Rupees in thousand	2024
Loss after taxation		(4,223,023)	(4,453,671)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Share of other comprehensive income from Associated Companies	9.2	1,209	11,776
Gain on remeasurement of staff retirement benefits-gratuity		9,516	4,108
Impact of deferred tax		(2,760)	(1,416)
		6,756	2,692
Surplus arisen upon revaluations of property, plant and equipment	19.7	-	3,161,518
Impact of deferred tax	19.7	-	(1,304,150)
		-	1,857,368
		7,965	1,871,836
Total comprehensive loss		(4,215,058)	(2,581,835)
Attributable to:			
- Equity holders of the Holding Company		(2,284,618)	(1,577,959)
- Non-controlling interest		(1,930,440)	(1,003,876)
		(4,215,058)	(2,581,835)

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



Chief Executive



Director



Chief Financial Officer

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	----- Attributable to equity holders of the Holding Company -----							
Share capital	Reserves				Total	Non-controlling interest	Total equity	
	Capital		General revenue	Unappropriated profit				
Share redemption	Revaluation surplus on property, plant and equipment							
----- Rupees in thousand -----								
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
Total comprehensive loss for the year ended September 30, 2025								
- Loss after taxation	-	-	-	-	(2,292,905)	(2,292,905)	(1,930,118)	(4,223,023)
- Other comprehensive income	-	-	-	-	7,643	7,643	322	7,965
	-	-	-	-	(2,285,262)	(2,285,262)	(1,929,796)	(4,215,058)
Effect of items directly credited in equity by Associated Companies	-	-	-	-	1,514	1,514	-	1,514
Surplus on revaluation of property, plant and equipment realised during the year (net of deferred taxation) on account of:								
- incremental depreciation	-	-	(890,593)	-	490,533	(400,060)	400,060	-
- upon sale of revalued assets	-	-	(1,174,358)	-	562,870	(611,488)	611,488	-
Acquisition of non controlling interest	-	-	-	-	(105,672)	(105,672)	(122,311)	(227,983)
Change in effective tax rate	-	-	481,167	-	-	481,167	522,729	1,003,896
Adjustment as a result of merger	-	-	31,983	-	-	31,983	(94,313)	(62,330)
Balance as at September 30, 2025	37,500	1	4,377,456	1,010,537	(1,050,659)	4,374,835	7,405,268	11,780,103

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



Chief Executive



Director



Chief Financial Officer

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

		2025	2024
		Rupees in thousand	
	Note	(4,935,622)	(6,236,131)
Cash flows from operating activities			
Loss 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	2,450,361	2,161,371
Depreciation on investment property		254	4,910
Profit from Associated Companies - net		(8,926)	(16,021)
Return on bank deposits		(486,599)	(103,393)
Staff retirement benefits - gratuity - net		24,550	11,580
Un-claimed payable balances written-back		-	(7,279)
Gain on disposal of operating fixed assets		(199,134)	(15,729)
Gain on re-measurement of short term investments to fair value		(3,854)	(3)
Impairment loss on financial assets		17,567	-
Finance cost		3,954,109	4,792,040
Loss allowance for doubtful advances		-	130,472
Reversal of Workers' welfare fund charge		(30,258)	-
Loss allowance for doubtful debts		-	30,091
Impairment loss for export subsidy		-	149,737
Profit before working capital changes		782,448	901,645
Effect on cash flows due to working capital changes (Increase) / decrease in current assets			
Stores and spares	10	(574,703)	49,433
Stock-in-trade	11	(3,007,729)	526,398
Trade debts	12	(972,067)	780,884
Loans and advances	13	(28,784)	(79,898)
Trade deposits, short term prepayments and other receivables		41,956	115,652
Sales tax refundable - net		(373,729)	(800)
Increase / (decrease) in trade and other payables and contract liabilities		2,645,493	(1,435,917)
		(2,269,563)	(44,248)
Cash (used in) / generated from operations		(1,487,115)	857,397
Income tax paid		(567,163)	(92,203)
Security deposits		(250)	(259)
Net cash (used in) / generated from operating activities		(2,054,528)	764,935
Cash flows from investing activities			
Additions to property, plant and equipment		(650,689)	(1,887,301)
Sale proceeds of operating fixed assets		3,913,888	15,729
Short term investments - made		-	571
- redeemed		-	10,801
Return on bank deposits received		486,599	103,393
Net cash generated from / (used in) investing activities		3,749,798	(1,756,807)
Cash flows from financing activities			
Long term finances - net	20	(1,548,288)	1,373,664
Loans from related parties	21	(1,444)	(10,168)
Government grant	23	(21,899)	(26,585)
Lease finances - net	22	(183,107)	(160,999)
Short term borrowings - net		3,651,493	5,056,191
Finance cost paid		(3,807,196)	(5,077,351)
Dividends paid		(511)	1,107
Net cash (used in) / generated from financing activities		(1,910,952)	1,155,859
Net (decrease) / increase in cash and cash equivalents		(215,682)	163,987
Cash and cash equivalents - at beginning of the year		1,114,598	950,611
Cash and cash equivalents - at end of the year	17	898,916	1,114,598

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



Chief Executive



Director



Chief Financial Officer

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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 Company

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 setup, manage, supervise and control the storage facilities for agricultural produce.

WFPL is yet to commence its commercial operations. Although WFPL had completed the construction of storage facilities yet the concurrence to proceed further is to be obtained from the Punjab Food Department (PFD) who has raised certain observations. The management has carefully assessed a number of factors involving the commencement of the business operations along the management's intent to address issues pending for redressal with PFD and has also evaluated other commercial options for possible utilization of storage facility in case the matters with PFD are not amicably resolved.

Although WFPL has posted loss for the year but the management is confident that as soon as the operations commence, the losses would be recouped and financial position would improve. In addition, the management of WFPL also believes that with the continued support of the Holding Company, it would be able to commence and sustain its business.

Ultimate Whole Foods (Private) Limited

Ultimate Whole Foods (Private) Limited ("the Subsidiary Company"/ UWFL) was incorporated in Pakistan as a Private Limited Company under Companies Act, 2017 on May 17, 2021. The UWFPL operates mills for milling wheat, gram, other grains and other allied products and by-products from flours. The operations of the UWFPL started from October 7, 2023. During the year, the percentage holding of the Holding Company has been increased from 84% to 100% of UWFL.

Effective from June 10, 2025, UWFL has merged with and into CSM (the Subsidiary Company).

The Board of Directors of the CSM (the Subsidiary Company) in their meeting held on May 27, 2025 approved the amalgamation of Ultimate Whole Foods (Private) Limited ("UWFPL"), a wholly owned subsidiary of Chashma Sugar Mills Limited ("the Subsidiary Company") with and into the CSM (the Subsidiary Company), in accordance with the terms of Scheme of Amalgamation prepared under the provisions of section 284 read with all other enabling provisions of the Companies Act, 2017. In pursuance of the scheme of amalgamation approved by the Board as above, the Securities and Exchange Commission of Pakistan approved the scheme on September 03, 2025 and sanctioned the effective date of the amalgamation i.e. June 10, 2025. Pursuant to the scheme, the entire undertaking and business of UWFPL with all the property, assets, rights, liabilities and obligations of every description stand amalgamated into the CSM (the Subsidiary Company) while the shares of UWFPL held by the CSM (the Subsidiary Company) stood cancelled.

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-subsidiary Whole Foods (Pvt.) Ltd. (the Group) for the year ended September 30, 2025. 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, 2024.

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, 2025 and the un-audited financial statements of the sub-subsidiary (WFPL) for the year ended September 30, 2025.

(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, 2025 aggregated Rs.133.247 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.1.145 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:

- IFRS accounting 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, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notification 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 consolidated 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 estimating the revalued amount in terms of their quality, structure, layout and locations.

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 consolidated 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.

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 consolidated 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, 2025. The Holding Company's direct interest, as at September 30, 2025, in CSM was 47.93% (2024: 47.93%) and in FSM was 82.49% (2024: 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.

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-subsidiary is June 30, 2025. The Sub-subsidiary financial statements used for preparation of consolidated financial statements corresponds with period of the Group.

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

4.1 Standards, amendments to approved accounting standards and interpretations that are effective and have been adopted by the Group

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year, except for following amendments to accounting standards which are effective for annual periods beginning on or after October 01, 2024 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

a) IAS 7 Statement of Cashflows and IFRS 7 Financial Instruments; Disclosures Effective: January 01,

Amendments in IAS 7 Statement of Cashflows and IFRS 7 Financial Instruments; Disclosures; Supplier Finance Arrangements, disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk.

The amendments are supplement requirements already in IFRS Accounting Standards and require a Group to disclose:

- the terms and conditions;
- the amount of the liabilities that are part of the arrangements, breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities sit on the balance sheet;
- ranges of payment due dates; and
- liquidity risk information.

b) IFRS 16 Leases Effective: January 01, 2024

Leases - Lease Liability in a Sale and Leaseback - Amendments requires a seller lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to sale and leaseback transactions entered into after the date of initial application.

c) IAS 1 Presentation of Financial Statements Effective: January 01, 2024

Presentation of Financial Statements to clarify how to classify debt and other liabilities as current or non-current. In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;

- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification; and
- Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of consolidated financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

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

4.1.1 Standards, amendments to approved accounting standards and interpretations that are not effective and have not been adopted by the Group

The following amendments with respect to the approved accounting standards, as applicable in Pakistan, would be effective from the dates mentioned below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

a) Amendments to IFRS 9 and IFRS 7 - Classification and measurement of **Effective: January 01, 2026**

The amendments clarify the timing for recognizing and derecognizing certain financial assets and liabilities, introduce an exception for some financial liabilities settled via electronic cash transfers, provide additional guidance for assessing if a financial asset meets the Solely Payment of Principal and Interest ('SPPI') criterion, require new disclosures for instruments with cash flow changes linked to Environmental, Social and Governance ('ESG') targets, and update disclosures for equity instruments designated at FVOCI.

b) IFRS 18 Presentation and Disclosure in Financial Statements **Effective: January 01, 2027**

The new standard on presentation and disclosure in financial statements, IFRS 18, focuses on updates to the statement of profit or loss. It introduces key concepts such as the structure of the statement of profit or loss, required disclosures for certain profit or loss performance measures reported outside the financial statements (management-defined performance measures), and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.

c) IFRS S1 General Requirement for Disclosure of Sustainability-Related IFRS S2 Climate Related Disclosures **Effective: July 01, 2025**

These standards include the core framework for the disclosure of material information about sustainability-related risk, opportunities across an entities' value chain and set out the requirements for entities to disclose information about climate related risks and

IFRS S1 requires entities to disclose information about its sustainability related risks and opportunities that is useful to primary user of general purpose financial reporting in making decisions relating to providing resources to the entity. The standard provide guidance on identifying sustainability related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability related risks and opportunities.

IFRS S2 is a thematic standard that builds on the requirements of IFRS S1 and is focused on climate related disclosures. IFRS S2 requires an entity to identify and disclose climate related risks and opportunities that could affect the entities prospects over the short, medium and long term. In addition, IFRS S2 requires and entities to consider other industries based metrics and seven cross-industry metrics when disclosing qualitative and quantitative components on how the entity uses metrics and targets to measure, monitor and manage identified material climate related risks and opportunities. The cross-industry metrics include disclosure on green house gas ('GHG') emissions, transition risks, physical risks, climate related opportunities, capital development, internal carbon prices and remuneration.

The management anticipate that adoption of the above standards, amendments and interpretations in the future period will not have any material effect on the consolidated financial statement of the Group other than the presentations and disclosures.

5. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these consolidated financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended September 30, 2025.

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 consolidated statement of profit or loss during the financial year in which these are

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 Subsidiary

Owned assets

Operating fixed assets except freehold land, leasehold land, building and roads, plant & machinery and electric installations are stated at cost less accumulated depreciation and impairment losses. Freehold land is stated at revalued amount, where as leasehold land, building & roads, plant & machinery and electric installations are stated at revalued amount less accumulated depreciation and impairment losses. Revaluation is carried out by an independent expert. CSM carries 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. The surplus on revaluation to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profits. 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 recognized as separate amount as appropriate, only when it is probable that future economic benefits associated with the cost will flow to the CSM. 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 they are incurred.

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

The Group 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 the Group 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 Group 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 consolidated 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 division

Basis of valuation are as follows:

<u>Particulars</u>	<u>Mode of valuation</u>
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Raw materials - molasses:

- purchased - at lower of cost and net realisable value
- own produced - on the basis of average cost of molasses purchased from third parties.

Work-in-process: - at cost

Finished goods -

- sugar and ethanol - at the lower of cost and net realisable value

Waste - bagasse - net realizable 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.

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.

Flour division

These are valued at lower of cost and net realizable value less impairment loss, if any. Cost of raw material is measured on the basis of average cost of wheat purchased from third parties. Cost of finished goods is determined using the weighted average cost method. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads.

The Group reviews the carrying amount of stock-in-trade on periodic basis and as appropriate, inventory is written down to its net realizable value or provision is made for obsolescence if there is any change in usage pattern and physical form of related inventory.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to

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 consolidated 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, 2025 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 Subsidiary

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

Defined contribution plan

CSM and its subsidiaries operates a recognized contributory provident fund for its permanent employees. Equal monthly contributions are made, both by the Holding Company and the employees to the fund at the specified rate of basic salary and charged to 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

Defined benefit plan

CSM and its subsidiaries operates an unfunded gratuity scheme covering eligible employees under their employment contract. The liability for gratuity is recognized on the basis of actuarial valuation using Projected Unit Credit Method. The latest actuarial valuation was conducted on September 30, 2025.

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 the Group. Generally, the Group and its Subsidiary 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 the Group are reasonably certain to exercise, lease payments in an optional renewal period if the Group are reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group 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 the Group estimate of the amount expected to be payable under a residual value guarantee, or if the Group 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.

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.

The Group recognises 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.

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

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 recognize it as current income tax expense. The amount calculated not on the basis of taxable income, is recognized as a levy falling under the scope of IFRIC 21/IAS 37.

Deferred

Deferred tax is accounted for on all temporary differences using the liability method 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 credit can be utilised.

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. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. The calculation of deferred tax involves an estimate of future ratio of export and local sales considering the current trends and future expectations.

5.17 Dividend and revenue reserve appropriation

Dividend and movement in revenue reserves are recognised in the consolidated 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

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 consolidated statement of profit or loss.

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

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	2025	2024
		Rupees in thousand	
Operating fixed assets - tangible	6.1	23,948,396	27,594,903
Capital work-in-progress	6.12	251,144	2,053,939
Advance against lease vehicle		-	455
		<u>24,199,540</u>	<u>29,649,297</u>

6.1 Operating fixed assets - tangible

Particulars	Lease-hold land	Owned												Total		
		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, 2023		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
Cost / revaluation		719	-	22,694	127,681	123,027	913	205	328,337	118	162,437	1,057	101,177	58	51	868,474
Accumulated depreciation																
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
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	2,478	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
Year ended September 30, 2025:																
Additions		-	1,560	52,998	119,131	1,695,808	-	-	117,938	3,185	247,600	73	127,255	-	-	2,365,548
Disposals:																
- cost		(3,750,000)	-	-	-	(11,485)	-	-	(3,946)	-	(3,772)	(527)	(81,122)	-	-	(3,850,852)
- depreciation		79,365	-	-	-	1,745	-	-	3,575	-	2,282	352	43,139	-	-	130,458
Transfers from leased to owned:																
- cost		-	-	-	-	60,580	-	-	-	-	-	-	77,983	-	-	138,563
- depreciation		-	-	-	-	(24,400)	-	-	-	-	-	-	(38,474)	-	-	(62,874)
Depreciation charge		79,393	-	20,847	525,749	1,594,003	-	-	66,074	1,763	49,221	142	30,158	-	-	2,367,350
Book value as at September 30, 2025		2,088	3,199,000	2,486,206	2,115,085	15,110,848	1	1	651,911	25,436	401,372	1,568	(45,124)	1	3	23,948,396
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
As at September 30, 2025																
Cost / revaluation		2,835	3,199,000	2,954,829	2,264,970	16,919,214	914	206	1,087,587	29,795	616,929	2,580	316,916	59	54	27,395,888
Accumulated depreciation		747	-	468,623	149,885	1,808,366	913	205	435,676	4,359	215,557	1,012	362,040	58	51	3,447,492
Book value		2,088	3,199,000	2,486,206	2,115,085	15,110,848	1	1	651,911	25,436	401,372	1,568	(45,124)	1	3	23,948,396
Depreciation rate (%)		1.01	-	5-10	5-10	10-12	15	15	10	10	10-15	10	10-20	10	10	

- 6.2** The Government of Punjab issued a notice of intent to terminate the service concession agreement which has been contested by the management of the subsidiary company (WFPL). The management of the Subsidiary Company is confident that the above said notice will be withdrawn. Further, it has alternative options available for usage of storage facilities / silos.

During the year ended September 30, 2025, 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. An impairment test has been carried out by the management to determine the recoverable amount of non-current assets of the Subsidiary Company, based on the below indicators:

- Lack of start of operations as per plan envisaged in the agreement between Punjab Food Department (PFD), Government of Punjab and Whole Foods (Private) Limited;
- Management plans to consider other options for storage operations in case of default by PFD.
- Notice of intent to terminate agreement between Punjab Foods Department, Government of Punjab to the Subsidiary Company which has been contested by the management of the Subsidiary Company.

Considering the requirements of aforesaid agreement, the management has assessed the recoverable amount based on fair value less cost to sell. An external valuation expert has determined the valuation of freehold land, buildings and plant & machinery. In view of foregoing and response from legal advisors, management has concluded that there is no need to recognize an impairment loss in the consolidated financial

6.3 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

- 6.4** Particulars of immovable property (i.e. land and buildings) in the name of CSM and its Subsidiary 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	1,621.15	174.66
Kings Arcade, Plot # 20-A, F-7 Markaz, Islamabad	Office Premises 2nd & 3rd Floor	2.49	2.49
Ramak D.I.Khan KPK	Factory Building	128.00	20.67
Bhakkar	Storage facility *	16.00	2.40
Layyah	Storage facility *	16.00	2.40

* Storage facility includes two grain storage silos imported from Turkey with the brand name Mysilo and storage capacity of 10,000 MT each.

- 6.5** 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:

	2025	2024
	Rupees in thousand	
Leasehold land	-	2,559,760
Freehold land	358,747	346,721
Buildings & roads	2,667,776	2,835,122
Buildings on leasehold land	708	742
Plant, machinery and equipment	4,772,974	4,602,026
Electric installations	542,225	480,457
	8,342,430	10,824,828

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

	2025	2024
	Rupees in thousand	
Leasehold land	-	3,000,000
Freehold land	2,640,288	1,754,172
Buildings & roads	3,307,280	5,945,754
Plant, machinery and equipment	9,863,563	9,901,561
Electric installations	334,725	423,358
	16,145,856	21,024,845

- 6.7** 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.

- 6.8** 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'.

6.9	Depreciation for the year has been allocated as follows:	2025	2024
		Rupees in thousand	
	Cost of sales	2,124,161	1,870,794
	Administrative expenses	243,189	208,608
		2,367,350	2,079,402

6.10 Disposal of vehicle of the CSM (the Subsidiary Company)

Particulars of assets	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Mode of disposal	Sold to:
----- Rupees in '000 -----							
Assets having net book value exceeding Rs.500,000 each							
Land							
Lease hold land	3,750,000	79,365	3,670,635	3,850,000	179,365	Negotiation	M/s. Bestway Cement Limited
Plant & Machinery							
Perkins Diesel Engine	4,847	121	4,726	861	(3,865)	Negotiation	M/s. Asian Company Lahore
Shinko Turbine power	4,330	289	4,041	2,781	(1,260)	Negotiation	M/s. Hussaini S.S. Mart
Diesel Generator Dyno	963	24	939	17	(922)	Negotiation	M/s. Asian Company Lahore
	10,140	434	9,706	3,659	(6,047)		
Vehicles							
Toyota Camry	5,154	3,709	1,445	6,700	5,255	Negotiation	Mr. Sajjad Haider Abassi
Toyota Corolla	2,970	1,895	1,075	1,485	410	Company Policy	Mr.Naseem Hussain Hashmi
Toyota Corolla	2,970	1,896	1,074	1,578	504	Company Policy	Mr. Khaleel Ahmad
Toyota Corolla	3,365	1,499	1,866	2,280	414	Company Policy	Mr.Saeed Akbar Sajjad Khan
Suzuki Cultus	2,025	1,176	849	1,013	164	Company Policy	Mr.Sharafat Ali
Toyota Yaris	2,831	1,623	1,208	1,416	208	Company Policy	Mr. Zia Ullah
Kia Sportage	4,537	2,760	1,777	2,416	639	Company Policy	Mr. Mirza Nadeem Ahmad
Honda Civic	4,233	2,575	1,658	2,117	459	Company Policy	Muhammad Zaheer Ud Din Babur
Toyota Corolla	7,006	2,143	4,863	6,000	1,137	Insurance Claim	M/s. IGI General Insurance Limited
Toyota Yaris	2,831	1,804	1,027	1,416	389	Company Policy	Muhammad Yasin Qureshi
Toyota Yaris	2,749	1,752	997	1,375	378	Company Policy	Mr. Zaka Ullah Khan Niazi
Kia Picanto	3,507	1,400	2,107	3,507	1,400	Company Policy	Mr. Mughees Bin Maroof
Toyota Corolla	4,032	1,985	2,047	2,688	641	Company Policy	Mr. Ammar Khurshid Khan
Suzuki Cultus	2,071	1,215	856	1,036	180	Company Policy	Muhammad Salaar Janjua
Suzuki Cultus	2,072	1,200	872	1,036	164	Company Policy	Mr. Mumtaz Ali Wazir
Honda City	2,786	1,674	1,112	1,393	281	Company Policy	Mr. Shahid Munir
Honda City	2,782	1,672	1,110	1,392	282	Company Policy	Mr. Zahir Shah
Kia Picanto	1,991	1,153	838	995	157	Company Policy	Mr. Ahmad Fiaz
Suzuki Cultus	2,016	1,138	878	1,008	130	Company Policy	Mr. Naveed Jafar
Toyota Corolla	4,791	1,968	2,823	3,244	421	Company Policy	Mr. Rizwan Ullah Khan
Suzuki Cultus	2,610	1,189	1,421	1,911	490	Company Policy	Mr. Aurangzeb
Changan Alsvin	4,245	1,406	2,839	4,245	1,406	Negotiation	Mr. Waheed Ali
Suzuki Cultus	3,075	1,367	1,708	3,223	1,515	Company Policy	Mr. Jam Ghulam Hazir
	76,649	40,199	36,450	53,474	17,024		
Various assets having net book value upto Rs.500,000 each	14,063	10,460	3,603	6,755	3,152	Negotiation	Various Parties
2025	3,850,852	130,458	3,720,394	3,913,888	193,494		
2024	89,938	53,212	36,726	52,455	15,729		

6.11 Security

In case of CSM and its Subsidiary, property plant and equipment with aggregate carrying value of Rs.12.019 billion (2024: Rs. 16.098 billion) are subject to first joint pari passu charge as defined in note 20. The Company is restricted to pledge these assets as security for other borrowings or sell them to another entity subject to approval.

6.12 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, 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)	-	-	-	(3,508,086)
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	2,053,939
As at October 01, 2024	159,060	1,404,717	151,630	234	34,165	56,461	81,868	10,498	344	154,916	46	2,053,939
Additions during the year	117,641	235,829	65,638	25,952	209,155	-	5,000	3,500	-	5,687	-	688,402
Capitalised during the year	(272,944)	(1,375,506)	(323,465)	(3,575)	(206,273)	(56,461)	(71,980)	-	(344)	(160,603)	(46)	(2,471,197)
Reclassification	-	(106,197)	106,197	-	-	-	-	-	-	-	-	-
Balance as at September 30, 2025	3,757	158,843	-	22,611	37,047	-	14,888	13,998	-	-	-	251,144

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

6.14 This include borrowings cost capitalised amounting to Rs.55.717 million (2024: Rs.160.02 million) incurred on bank borrowings at an effective rate of 14.14% to 22.69% (2024: 20.58% to 24.41%).

7. RIGHT OF USE ASSETS

	Vehicles	Plant, machinery and equipment	Building and tanks	Total
	-----Rupees in thousand-----			
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
Additions	102,956	-	753	103,709
Transferred to owned assets / derecognised during the year				
Cost	(86,171)	(60,580)	(23,217)	(169,968)
Accumulated depreciation	43,620	24,400	10,941	78,961
Book value	(42,551)	(36,180)	(12,276)	(91,007)
Depreciation charge	(61,973)	(1,247)	(19,791)	(83,011)
Closing book value	254,981	-	713	255,694
Annual rate of depreciation (%)	20	10	20-50	
As at September 30, 2025				
Cost or revalued amount	402,389	-	139,191	541,580
Accumulated depreciation	(147,408)	-	(138,478)	(285,886)
Book value	254,981	-	713	255,694

	2025	2024
	(Rupees in thousand)	
Depreciation for the year has been allocated as follows:		
Cost of sales	1,247	4,159
Selling and distribution expenses	16,511	17,453
Administrative and general expenses	65,253	60,357
	83,011	81,969

8. INVESTMENT PROPERTY

Particulars	Freehold land	Buildings on freehold land	Total
	----- Rupees in thousand -----		
As at September 30, 2023:			
Cost	14,544	63,708	78,252
Accumulated depreciation	-	53,709	53,709
Book value	14,544	9,999	24,543
Year ended September 30, 2024:			
Depreciation charge	-	4,910	4,910
Book value	14,544	5,089	19,633
Year ended September 30, 2025:			
Depreciation charge	-	254	254
Book value as at September 30, 2025	14,544	4,835	19,379
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, 2025 was Rs.320 million (2024: Rs.320 million).

9.	LONG TERM INVESTMENTS	2025	2024	2025	2024
		Share-holding (%)		Rupees in thousand	

ASSOCIATED COMPANIES

QUOTED:

Arpak International Investments Ltd. (AAIL)

229,900 (2024: 229,900) ordinary shares of Rs.10 each	5.75	5.75	15,333	19,511
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Market value Rs.15.401 million
(2024: Rs.11.782 million)

UN-QUOTED:

National Computers (Pvt.) Ltd. (NCPL)

14,450 (2024: 14,450) ordinary shares of Rs.100 each	48.17	48.17	-	-
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- 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 (2024: 47,002) ordinary shares of Rs.10 each	0.83	0.83	6,926	6,521
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- Value of investments based on net assets shown in the audited financial statements for the year ended June 30, 2025 Rs.6.951 million (2024: Rs.6.544 million)

Azlak Enterprises (Pvt.) Ltd. (AEPL)

200,000 (2024: 200,000) ordinary shares of Rs.10 each	40.00	40.00	186,677	177,885
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- Value of investments based on net assets shown in the un-audited financial statements for the year ended June 30, 2025 Rs.186.688 million (2024: Rs.177.884 million)

208,936	203,917
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- 9.1** NCPL has no known assets and liabilities as at June 30, 2025 and June 30, 2024 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

	2025	2024
	Rupees in thousand	
Opening balance - cost	5,638	5,638
Add: post acquisition profit brought forward	198,345	176,833
	203,983	182,471
Add: share for the year:		
- profit before tax - net	8,926	16,021
- other comprehensive income	1,209	11,776
- items directly credited in equity	1,514	189
Less: taxation - net	(6,696)	(6,474)
	4,953	21,512
Balance as at 30 September,	208,936	203,983

- 9.3** AILL 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 AILL based on its audited financial statements for the year ended June 30, 2025 is as follows:

Summarised statement of financial position

	2025	2024
	Rupees in thousand	
Non-current assets	264,428	282,655
Current assets	7,726	69,425
	272,154	352,080
Non-current liabilities	208	955
Current liabilities	5,286	11,808
	5,494	12,763
Net assets	266,660	339,317
Reconciliation to carrying amount		
Opening net assets	339,317	388,443
Loss for the year	(125,254)	(249,560)
Effects of items directly credited in equity by Associated Companies	26,323	2,148
Other comprehensive income for the year	26,274	198,286
Closing net assets	266,660	339,317
The Holding Company's share percentage 5.75% (2024: 5.75%)		
The Holding Company's share	15,333	19,511

	2025	2024
Summarised statement of profit or loss	Rupees in thousand	
Income	<u>11,781</u>	<u>21,866</u>
Loss before taxation	<u>(124,882)</u>	<u>(246,771)</u>
Loss after taxation	<u>(125,254)</u>	<u>(249,560)</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, 2025 is as follows:

	2025	2024
Summarised statement of financial position	Rupees in thousand	
Non-current assets	726,232	700,676
Current assets	<u>125,323</u>	<u>90,403</u>
	<u>851,555</u>	<u>791,079</u>
Current liabilities	<u>17,088</u>	<u>5,383</u>
Net assets	<u>834,467</u>	<u>785,696</u>
Reconciliation to carrying amount		
Opening net assets	785,696	777,594
Profit / (loss) for the year	80,074	(6,368)
Other comprehensive (loss) / income for the year	<u>(31,303)</u>	<u>14,470</u>
Closing net assets	<u>834,467</u>	<u>785,696</u>
The Holding Company's share percentage 0.83% (2024: 0.83%)		
The Holding Company's share	<u>6,926</u>	<u>6,521</u>
Summarised statement of profit or loss		
Income	<u>93,164</u>	<u>19,434</u>
(Loss) / profit before taxation	<u>80,652</u>	<u>(3,627)</u>
(Loss) / profit after taxation	<u>80,074</u>	<u>(6,368)</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, 2025 is as follows:

	2025	2024
Summarised statement of financial position	Rupees in thousand	
Non-current assets	253,436	256,996
Current assets	<u>295,980</u>	<u>256,389</u>
	<u>549,416</u>	<u>513,385</u>
Non-current liabilities	<u>17,413</u>	<u>13,294</u>
Current liabilities	<u>65,311</u>	<u>55,378</u>
	<u>82,724</u>	<u>68,672</u>
Net assets	<u>466,692</u>	<u>444,713</u>

Reconciliation to carrying amount		2025	2024	
		Rupees in thousand		
	Opening net assets	444,713	384,205	
	Profit for the year	22,085	59,871	
	Other comprehensive income for the year	(106)	637	
	Closing net assets	466,692	444,713	
	The Holding Company's share percentage 40% (2024: 40%)			
	The Holding Company's share	186,677	177,885	
Summarised statement of profit or loss				
	Storage and handling income	114,913	109,416	
	Profit before taxation	38,595	75,600	
	Profit after taxation	22,085	59,871	
10.	STORES AND SPARES			
	Stores and spares	1,540,195	977,655	
	Less:			
	- provision for obsolete items - CSM	26,222	38,385	
	- impairment loss - FSM	25,928	25,928	
		(52,150)	(64,313)	
		1,488,045	913,342	
10.1	FSM has not carried-out manufacturing operations during the current and prior years. The management, during the financial year ended September 30, 2025, 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.			
11.	STOCK-IN-TRADE	2025	2024	
	Note	Rupees in thousand		
	Finished goods			
	- sugar	11.4	3,834,384	1,917,574
	- molasses		944,571	1,117,556
	- ethanol		1,612,763	1,028,872
	- bagasse		74,418	107,203
	- wheat flour	11.5	29,206	37,865
			6,495,342	4,209,070
	Work-in-process		54,824	52,248
	Raw material			
	- wheat		1,227,350	725,349
	- molasses		216,880	-
			1,444,230	725,349
		11.3	7,994,396	4,986,667
11.1	In case of the Holding Company, ethanol B - Grade inventory as at September 30, 2025 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.2.223 million approximately.			

- 11.2** In case of CSM and its Subsidiary, molasses and bagasse are used both for internal consumption as well as for sales to external parties.
- 11.3** Certain short term and long term borrowings of the Group are secured by way of collateral charge on stock-in-trade.
- 11.4** The closing stock of sugar, net of 10% to 15% margin, having carrying value of Rs. 3,163,940 thousand (2024: Rs.220,000 thousand) has been pledged against cash finance obtained from commercial and Islamic banks.
- 11.5** The closing stock of wheat, net of 10% to 15% margin, having carrying value of Rs. 1,227,350 thousand (2024: Rs. Nil) has been pledged against cash finance obtained from commercial and Islamic banks.

12. TRADE DEBTS	Note	2025 Rupees in thousand	2024
Export debtors - considered good		1,040,048	148,265
Local debtors			
Considered good		354,900	292,183
Considered doubtful		38,579	21,012
		393,479	313,195
Less: loss allowance		38,579	21,012
		1,394,948	440,448

13. LOANS AND ADVANCES

Advances to (unsecured and considered good):

- employees	13.1	25,566	21,640
- suppliers and contractors		1,123,156	1,086,372
Letters of credit		31,603	43,529
		1,180,325	1,151,541
Less:			
- provision for doubtful advances		28,838	28,838
- loss allowance	13.2	905	905
		29,743	29,743
		1,150,582	1,121,798

- 13.1** In case of CSM, these include balances of Rs.19,678 thousand (2024: Rs.15,007 thousand) secured against retirement benefits of respective employees.

13.2 Movement in loss allowance	2025 Rupees in thousand	2024
Opening balance	905	905
ECL for the year	-	-
Closing balance	905	905

14.	TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES	Note	2025	2024
			Rupees in thousand	
	Sugar export subsidy receivable		308,510	308,510
	Prepayments		43,207	14,136
	Excise duty deposits		136	136
	Gas infrastructure development cess paid under protest - refundable		3,018	3,018
	Guarantees issued	14.3	15,000	15,000
	Trade deposits		1,619	17,515
	Deposits against decretal amounts	14.1	2,862	2,862
	Accrued mark-up on term deposit receipts		-	50,801
	Other receivables	14.4	15,581	19,911
			389,933	431,889
	Less: loss allowance	14.2	(305,519)	(305,519)
			84,414	126,370
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:			
			2025	2024
			Rupees in thousand	
	Opening		305,519	155,782
	Loss allowance for the year		-	149,737
	Closing balance		305,519	305,519
14.3	This represents Rs.15 million (an amount equivalent to five percent of the total initial project cost) deposited by the Subsidiary Company as security for performance of its obligations under the agreement with the government of Punjab in respect of two sites.			
14.4	This include Rs. 4.00 million deposited by the Subsidiary Company to the government of Punjab along with the bid in accordance with the concession agreement between government of Punjab and the Subsidiary Company in respect of two sites.			
15.	TAX REFUNDS DUE FROM THE GOVERNMENT		2025	2024
			Rupees in thousand	
	Income tax refundable, advance tax and tax deducted at source net of tax provisions		625,257	465,250
	Sales tax refundable		375,378	1,649
			1,000,635	466,899

16.	SHORT TERM INVESTMENTS - At fair value through profit or loss	Note	2025	2024
			Rupees in thousand	
	Al Habib Cash Fund (formerly First Habib Cash Fund)			
	Opening balance - 726 Units (2024: 100,402 Units)		78	10,305
	Gain on redemption / re-measurement to fair value		6	574
	Units redeemed during the year - Nil Units (2024: 105,520 Units)		-	(10,801)
	Closing balance - 807 Units (2024: 726 Units)		<u>84</u>	<u>78</u>
17.	BANK BALANCES			
	Cash at banks on:			
	- PLS accounts	17.1	36,382	981
	- saving accounts	17.2	39,631	121,135
	- deposit accounts	17.3 (a) and 17.7	8,734	458,734
	- current accounts	17.4	819,169	538,748
			<u>903,916</u>	<u>1,119,598</u>
	Less: provision for doubtful bank balance	17.5	5,000	5,000
			<u>898,916</u>	<u>1,114,598</u>
17.1	These include Rs.536 thousand (2024: Rs.476 thousand) in security deposit account.			
17.2	PLS and deposit accounts during the year carried profit / mark-up at the rates ranging from 8.00% to 17.09% (2024: 13.50% to 24.87%) per annum.			
17.3				
(a)	These include deposits amounting Rs.3.734 million (2024: 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 carry profit at the rates ranging from 9.50% to 16.00% (2024:20.50% to 20.60%) per annum.			
17.4	In case of CSM, these include dividend account balance of Rs 1,225 thousand (2024: Rs.1,225 thousand). These balances are maintained in separate non interest bearing current bank accounts.			
17.5	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.

- 17.6** In case of CSM, during the previous financial year, lien was marked on bank balances for an amount of Rs.454,000 thousand in respect of the various guarantees extended by the banks.

18. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2025		2024	2025		2024
(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, 2025 and September 30, 2024.

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 Subsidiary also 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 as at September 30, 2024 and for WFPL as at June 30, 2024. For valuation of these items, the current market price or depreciated replacement cost method was used, whereby, current purchase / construction cost of similar items in similar locations was 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. Movement during the year is as follows:

	2025	2024
	Rupees in thousand	
19.7 The year-end balance has been arrived at as follows:		
Opening balance	17,085,898	15,076,996
Add: surplus arisen on revaluations carried-out during the year	-	3,161,518
Less: transferred to unappropriated profit on account of incremental depreciation for the year	(1,265,614)	(1,152,616)
Less: effect of disposal of operating fixed assets during the year	(1,177,176)	-
	14,643,108	17,085,898
Less: deferred tax on:		
- opening balance of surplus	4,800,396	3,914,865
- surplus arisen on revaluations carried-out during the year	-	1,304,150
- incremental depreciation for the year	(372,021)	(418,619)
- disposal during the year	(2,818)	-
Effect of change in effective tax rate	(1,003,896)	-
	3,421,661	4,800,396
Closing balance	11,221,447	12,285,502
Surplus attributable to Parent	4,377,456	5,929,257

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

September 30, 2025					September 30, 2024		Collateral
Lending Institutions	Interest rate (per annum)	Total available facility	Long-term portion	Current portion	Total outstanding amount	Total outstanding amount	
----- Rupees in thousand -----							
<u>Loans from banking companies</u>							
The Holding Company							
United Bank Ltd. LTFF-1	3 month Kibor + 2.5%	400,000	249,028	99,999	349,027	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	150,027	49,973	200,000	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	331,457	101,987	433,444	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 Subsidiary							
Al Baraka Bank (Pakistan) Limited	6 month KIBOR + 1.50%	450,000	112,769	111,063	223,832	334,646	- Secured against first joint pari-passu charge on present and future fixed assets of the Group for Rs. 600,000 thousand. - Specific charge of Rs. 450,000 thousand on specific plant and machinery items.
Bank Al-Habib Limited	6 month KIBOR + 1% to 1.5%	678,287	211,355	123,421	334,776	458,198	- Secured against first joint pari-passu charge on present and future fixed assets of the Group for Rs 2,666,667 thousand.
	SBP rate 5% p.a (TERF)	210,399	109,006	91,201	200,207	269,510	
MCB Bank Limited	3 month KIBOR + 1.10%	559,546	309,738	103,754	413,492	519,299	- Secured against first joint pari-passu charge on present and future fixed assets of the Group for Rs. 801,000 thousand.
Soneri Bank Limited	3 month KIBOR + 1.85%	1,500,000	1,208,333	232,646	1,440,979	684,550	- Secured against first joint pari-passu charge on present and future fixed assets of the Group for Rs. 2,868,000 thousand.
United Bank Limited	3 month KIBOR + 1.75%	1,900,000	1,750,000	100,000	1,850,000	3,754,726	- Secured against first joint pari-passu charge on present and future fixed of the Company for Rs. 2,934,000 thousand with 25% margin.
	3 month KIBOR + 2.5%						- Exclusive / equitable mortgage of Rs. 1,500,000 thousand on agriculture property under the ownership of PBML & PSML (the Holding Company). - PSML (the Holding Company) & PBML Cross Corporate Guarantees of Rs. 1,500,000 thousand in favour of CSML (the Subsidiary Company).
National Bank of Pakistan	6 month KIBOR + 1.75%	100,000	65,491	19,577	85,068	-	- 10% Down Payment - HPA marked on the assets
MCB Islamic Bank Limited	3 month KIBOR + 1.65%	100,000	11,726	5,833	17,559	23,391	- 15% Down Payment - HPA marked on Assets
The Bank of Khyber	SBP rate + 1.5% 3 month KIBOR + 1.75%	400,000	172,062	84,301	256,363	325,157	- Secured against first joint pari-passu charge on present and future fixed of the Subsidiary Company for Rs. 533,334 thousand.
Total			4,680,992	1,123,755	5,804,747	7,353,035	
Less: amount payable within next 12 months							
The Holding Company							
- Principal					251,959	144,456	
CSM and its Subsidiaries							
- Principal (note 28)					871,796	942,638	
					1,123,755	1,087,094	
Amount due after September 30, 2025					4,680,992	6,265,941	

21. LOANS FROM RELATED PARTIES - Secured	Note	2025 Rupees in thousand	2024
Associated Companies:			
Premier Board Mills Limited	21.1 & 21.2	77,103	67,922
Arpak International Investments Limited	21.3	25,000	25,000
Azlak Enterprises (Private) Limited	21.4	74,375	85,000
		176,478	177,922
Less: amount payable within next twelve months		31,875	24,375
		144,603	153,547

21.1 These include long term finance facilities obtained by the Group:

This represents long term finance facility obtained from Premier Board Mills Limited (PBML), a related party for the purpose of acquisition of plant and machinery. The rate of mark-up is on this loan is one month KIBOR + 1.25% per annum, provided the mark-up charged by the associated company is not less than the borrowing cost of lender. The effective markup rates charged by the lender during the year ranged from 12.58% to 22.08% per annum. The Subsidiary Company and the PBML, during the year, have entered into a revised agreement and changed the repayment terms . As per the latest agreement, this loan is now repayable in eight half yearly instalments commencing July, 2027. This loan is secured against promissory note of Rs.44 million.

21.2 FSM has 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.9.181 million (2024: 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 in five equal annually installments commencing from November 2026 .

21.3 The long term finance facility had been renewed on November 22, 2024. The principal is repayable in 4 semi annual installments commencing from November 2028. The rate of mark-up is 1 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 CSM (the Subsidiary Company).

21.4 The long term finance facility had 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 1 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 CSM (the Subsidiary Company).

22. LEASE LIABILITIES - Secured	2025 Rupees in thousand	2024
Balance at beginning of the year	257,874	253,410
Additions during the year	104,492	116,820
Unwinding of interest on lease liabilities	36,892	54,717
Payments made during the year	(167,254)	(160,999)
Remeasurement gain	-	(6,074)
Early termination of lease liabilities	(15,853)	-
Balance at end of the year	216,151	257,874
Less: current portion of long term lease liabilities	(66,696)	(92,060)
	149,455	165,814

- 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 July, 2029. 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 12.53% to 13.94% (2024: 20.72% to 23.35%) per annum.
- 22.2** CSM and its Subsidiary has acquired vehicles under finance lease from commercial banks. The financing is repayable in equal monthly installments over a period ranging between four to five years and carries finance charge ranging from 12.01% to 23.08% (2024: 17.36% to 26.19%) per annum.

23. DEFERED GOVERNMENT GRANT	2025	2024
	Rupees in thousand	
Opening balance	49,696	76,281
Amortization during the year	(21,899)	(26,585)
Closing balance	27,797	49,696

- 23.1** CSM 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), up to a maximum of Rs.505 million. The principal amount of loan is repayable in 10 equal semi annual installments commenced from September 30, 2023. mark-up rate is 5% on this facility and is also repayable on semi annual basis. The availed facility at September 30, 2025 was Rs.200,207 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	2025	2024
		Rupees in thousand	
Deferred taxation			
- The Holding Company	24.1	86,403	95,603
- CSM	24.2	1,020,661	3,144,965
		1,107,064	3,240,568
Staff retirement benefits - gratuity			
- The Holding Company	24.3	29,663	43,345
- FSM		66	66
- CSM	24.4	47,009	22,132
		76,738	65,543
		1,183,802	3,306,111

24.1	This is comprised of the following:	2025	2024
		Rupees in thousand	
	Taxable temporary differences arising in respect of:		
	- surplus on revaluation of property, plant and equipment	563,292	612,901
	- accelerated tax depreciation allowances	93,406	-
		656,698	612,901
	Deductible temporary differences arising in respect of:		
	- accelerated tax depreciation allowances	-	(5,713)
	- available unused tax losses	(495,723)	(445,113)
	- staff retirement benefits - gratuity	(8,602)	(12,570)
	- provision for doubtful bank balance	(1,450)	(1,450)
	- lease finances	767	(809)
	- minimum tax recoverable against		
	normal tax charge in future years	(65,287)	(51,643)
		(570,295)	(517,298)
		86,403	95,603
24.2	Deferred tax comprises of the following:		
	Taxable temporary differences arising		
	in respect of:		
	- accelerated tax depreciation allowances	723,409	685,223
	- surplus on revaluation of property, plant		
	and equipment	2,853,599	4,004,223
	- lease finances	10,700	26,332
		3,587,708	4,715,778
	Deductible temporary differences arising		
	in respect of:		
	- provision for doubtful advances	(19,813)	(11,600)
	- expected credit loss on trade debts	-	(797)
	- impairment loss on export subsidiary	(88,601)	-
	- provision for gratuity	(13,633)	(8,631)
	- provision for inventory	(7,604)	(14,970)
	- minimum tax recoverable against normal		
	tax charge in future years	(2,437,396)	(1,534,815)
		(2,567,047)	(1,570,813)
		1,020,661	3,144,965
24.3	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	2025	2024
	- discount rate - per annum	11.75%	12.00%
	- expected rate of growth per annum in future salaries	10.75%	11.00%
	- mortality rates	SLIC	SLIC
		2001-2005	2001-2005
		Setback 1 year	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:	2025	2024
	Rupees in thousand	
Opening balance	43,345	39,132
Current service cost	3,011	2,808
Past service cost	3,372	728
Interest cost	4,520	6,245
Benefits payable to outgoing Members - grouped under current liabilities	(3,839)	(1,929)
Benefits paid	(9,033)	(1,776)
Liability transferred to other group company	(1,325)	-
Remeasurements:		
- experience adjustments	(10,377)	(706)
- changes in financial assumptions	(11)	(1,157)
Closing balance	29,663	43,345
Expense recognised in statement of profit or loss of the Holding Company		
Current service cost	3,011	2,808
Past service cost	3,372	728
Interest cost	4,520	6,245
Charge for the year	10,903	9,781
Remeasurement recognised in statement of other comprehensive income		
Experience adjustments	(10,377)	(706)
Gain due to change in financial assumptions	(11)	(1,157)
	(10,388)	(1,863)

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

	2025	2024	2023	2022	2021
	----- Rupees in thousand -----				
Present value of defined benefit obligation	29,663	43,345	39,132	28,697	20,096
Experience adjustment on obligation	(10,388)	(1,863)	8,844	6,572	2,277

Year-end Sensitivity Analysis:

		<u>Impact on defined benefit obligation</u>	
		Increase	Decrease
Change in assumption		Rupees in thousand	
Discount rate	1%	<u>27,645</u>	<u>31,936</u>
Salary growth rate	1%	<u>31,962</u>	<u>27,587</u>

In case of the Holding Company, the expected contribution to defined benefit obligation for the year ending September 30, 2025 is Rs.5.159 million.

- 24.4** In case of CSM, the latest actuarial valuation of the employees' defined benefit plan was conducted at September 30, 2025 using the Projected Unit Credit Method. Details of the defined benefit plan are as follows:

	2025	2024
	Rupees in thousand	
Present value of defined benefit obligation	<u>47,009</u>	22,132
Net liability	<u>47,009</u>	<u>22,132</u>
Movement in net liability recognised		
Opening net liability	22,132	19,965
Expense for the year recognised in statement of profit or loss	28,514	8,935
Remeasurement loss recognised in statement of other comprehensive income (OCI)	872	(2,245)
Benefits paid	(5,834)	(5,360)
Benefits payable to outgoing employees transferred to trade and other payables	-	837
Liability transferred from other group company	1,325	-
	<u>47,009</u>	<u>22,132</u>
Expense for the year		
Current service cost	26,256	6,040
Net interest expense	2,258	2,895
	<u>28,514</u>	<u>8,935</u>
Changes in the present value of defined benefit obligation		
Opening defined benefit obligation	22,132	19,965
Current service cost	26,256	6,040
Interest cost	2,258	2,895
Benefits paid	(5,834)	(5,360)
Benefits payable to outgoing employees transferred to trade and other payables	-	837
Remeasurement loss on defined benefit obligation	872	(2,245)
Liability transferred from other group company	1,325	-
Closing defined benefit obligation	<u>47,009</u>	<u>22,132</u>

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:

	2025	2024
Discount rate used for interest cost	11.75%	16.75%
Discount rate used for year end obligation	11.75%	11.75%

	2025	2024
Salary increase rate - long term	11.75%	11.75%
Salary increase rate - short term	11.75%	11.75%

Demographic assumptions

	SLIC	SLIC
	(2001-05)	(2001-05)
Mortality rates		
During the year 2026, CSM expects to contribute Rs.16,090 thousand to its gratuity scheme.		

	2025	2024
	Rupees in thousand	
Remeasurement recognised in OCI during the year:		
Actuarial loss / (gain) from	-	(170)
in financial		
Experience adjustments	872	(2,075)
	872	(2,245)

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

Plan duration	Years
September 30, 2025	9
September 30, 2024	10

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	Effect of 1% Decrease
	Rupees in thousand	
2025		
Discount rate	(42,957)	51,739
Future salary growth	51,758	(42,866)
2024		
Discount rate	(20,029)	24,615
Future salary growth	24,627	(19,979)

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 Subsidiary 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	2025 Rupees in thousand	2024
Creditors		812,812	765,631
Due to Associated Companies	25.1	460,303	186,760
Accrued expenses		204,171	206,716
Retention money		30,587	30,565
Security deposits - interest free repayable on demand		1,320	1,320
Deposits from contractors and others	25.3 & 25.4	2,074,904	1,031
Income tax deducted at source		529,691	238,454
Sales tax payable		393,041	373,564
Gratuity payable to ex-employees		9,707	7,619
Payable for WPPF & WWF obligation	25.2 (a) & (b)	369	30,258
Payable to provident fund		32,371	17,365
Payable to employees		116,723	93,677
Others		5,313	235,775
		4,671,312	2,188,735

25.1 This represents due to the following related parties and are interest free and payable on demand.

	Note	2025 Rupees in thousand	2024
- Azlak Enterprises (Pvt.) Ltd.		48,489	59,683
- Syntronics Ltd.		41,794	12,150
- Syntron Ltd.		74,030	14,927
- Directors	25.5	295,990	100,000
		460,303	186,760

25.2 Payable for Workers' Profit Participation & workers' welfare obligation

(a) Payable for Workers' Profit Participation fund	2025	2024
	Rupees in thousand	
Balance at the beginning of the year	-	83,166
Charge for the year	268	-
Prior year adjustment	-	(4,202)
	268	78,964
Interest on funds utilized in the business	-	7,418
Payments made during the year	-	(86,382)
Balance at the end of the year	268	-
(b) Payable for workers' welfare fund		
Balance at the beginning of the year	30,258	30,258
Charge for the year	101	-
Prior year adjustment	(30,258)	-
	101	30,258
Payments made during the year	-	-
Balance at the end of the year	101	30,258

25.3 This include Rs. 536 thousand (2024: Rs. 476 thousand) representing mark-up bearing deposits. The Holding 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.

25.4 These mainly include Rs.1.983 billion received as advance consideration for sale of sugar. Against the above amount revenue aggregating Rs.1.977 billion has been booked in October, 2025 (subsequent to the year-end) upon transfer of goods to the customers as per the terms of the agreements. Further, an amount of Rs.173.135 million (2024: Rs.1,957.55 million) included in contract liabilities at September 30, 2024 has been recognized as revenue during the year.

Advances from customers as at reporting date also include taxes payable to the Government Authorities in respect of sale of sugar and ethanol.

25.5 This includes an amount of Rs. 100 million representing a short-term, interest-free loan obtained from Mr. Abbas Sarfraz Khan (Director of CSM). During the year, on May 19, 2025, CSM (the Subsidiary Company) also entered into an agreement to purchase the shares of UWFPL from Mr. Abbas Sarfraz Khan against a consideration of Rs. 195,990 thousand, which is payable within one year and is interest-free.

26. ACCRUED MARK-UP	2025	2024
	Rupees in thousand	
Mark-up accrued on:		
- long term finances	13,901	93,881
- loans from related parties	1,758	100
- short term borrowings	592,697	367,462
	608,356	461,443

27.	SHORT TERM BORROWINGS	Note	2025	2024
			Rupees in thousand	
	The Holding Company			
	Secured	27.1	1,000,000	497,000
	Temporary bank overdraft - unsecured		13,731	27,323
	CSM			
	Cash / running finances and export re-finances - secured	27.3	12,309,573	9,147,488
			13,323,304	9,671,811
27.1	Short term finance facilities available from various commercial banks under mark-up arrangements aggregate Rs.3,900 million (2024: Rs.1,900 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 12.32% to 23.73% (2024: 19.43% to 24.87%) per annum and are expiring on various dates by May 31, 2026.			
27.2	In case of the Holding Company, facilities available for opening letters of guarantee and credit from commercial banks aggregate Rs.80 million (2024: Rs.700 million). Out of the available facilities, facilities aggregating Rs.42.76 million (2024: Rs.536.18 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.29.500 billion (2024: Rs.25.750 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	Note	2025	2024
			Rupees in thousand	
	Long term finances	20	1,215,998	1,357,929
	Loans from related parties	21	107,151	106,440
	Lease liabilities	22	66,696	92,060
			1,389,845	1,556,429
29.	LEVIES AND INCOME TAXATION - Net		2025	2024
			Rupees in thousand	
	Opening balance		418,544	129,134
	Add: provision made during the year			
	- current		330,150	418,379
	- prior year		(76,463)	(3,074)
			253,687	415,305
			672,231	544,439
	Less: adjustments made against completed assessments		330,693	125,895
	Closing balance		341,538	418,544

The Holding Company

- 29.1** The returns for the Tax Years 2010 to 2025 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** 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.

FSM

- 29.3** The Tax Department against the judgment of the Peshawar High Court, Peshawar (PHC) dated October 22, 2008 has filed an appeal before the Supreme Court of Pakistan. The PHC, vide its aforementioned judgment had rejected the departmental application and upheld the order of the Income Tax Appellate Tribunal (ITAT) dated April 28, 2007. Earlier, the ITAT had upheld the Commissioner of Income Tax - Appeals' action of annulment of amendment of assessment orders passed by the Additional Commissioner (Audit) under section 122(5A) of the Income Tax Ordinance, 2001 (the
- 29.4** The returns upto tax year 2025 have been filed after complying with all the provisions of the Ordinance. Accordingly, the declared returns are deemed to be assessment orders under the law subject to selection of audit or pointing-out of deficiency by the
- 29.5 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:**

	2025	2024
	Rupees in thousand	
Current tax liability for the year as per applicable tax laws	330,150	418,379
Portion of current tax liability as per tax laws, representing income tax under IAS 12	562	(3,811)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21 / IAS 37	329,588	422,190
Difference	-	-

- 29.6** Provision for the year mainly represents the minimum taxes and final taxes payable under section 5 of Income Tax Ordinance, 2001 (ITO), representing levy in terms of requirements of IFRIC 21/IAS 37.

30. CONTINGENCIES AND COMMITMENTS

The Holding Company

- 30.1** Commitments against irrevocable letters of credit outstanding as at September 30, 2025 amounted Rs. Nil (2024: Rs. 96.704 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(I) / 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.

- 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, 2025 were for Rs.37.340 million (2024: Rs.37.340 million). These guarantees are valid upto May 31, 2026.
- FSM**
- 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 Company under-valued the price of spirit during the financial years 1994-95 & 1995-96 and paid lesser sales tax. The 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 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, 2025 and September 30, 2024.
- CSM and its Subsidiary**
- 30.14** The Commissioner Inland Revenue (CIR), Peshawar vide order dated May 26, 2015 alleged that the CSM has not undertaken appropriate stock taking and raised a demand of Rs 10 million in respect of FED on the alleged differential stock. The CSM preferred an appeal before Appellate Tribunal Inland Revenue (ATIR) which was 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 had filed writ petition before Peshawar High Court, and an interim relief was granted, directing the Company to 50% of the tax demanded. However, during the year, The Federal Board of Revenue (FBR) sent a notice to the CSM 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 in respect of super tax @ 4% out of which Rs. 24.9 million was paid during the prior year. The CSM and its legal counsel are confident that based on Supreme Court's order maximum exposure of the CSM 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 has filed a writ petition in Peshawar High court against the above direction of Federal Government on April 20, 2023 Peshawar High Court granted stay on the case vide order dated 6 June, 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 4, 2020 to sugar mills with respect to artificial price hike and alleged cartelization. The CSM 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. Against the said order of CCP, the CSM 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. During the financial year, Tribunal assailed the previous stay order through the impugned judgement on May 21, 2025. The CSM preferred an appeal before the Supreme Court of Pakistan (SCP) against the said judgement. The SCP from its order dated September 18, 2025, set aside the judgement of Tribunal and remanded the case back to Tribunal to decide the same afresh, which is pending adjudication.
- 30.18** The CSM has letter of guarantee facilities aggregating Rs.50 million (2024: Rs 50 million) available from Bank Al Habib. The amount availed on these facilities as at September 30, 2025 is Rs.4 million (2024: Rs 4 million). These facilities are secured by master counter guarantee and 100% cash margin.
- 30.19** The CSM has obtained letter of credit facilities aggregating Rs.230 million (2024: Rs.415 million) from various banks. The amount availed on these facilities as at September 30, 2025 is Rs.121.953 million (2024: Rs.249 million). These facilities are secured by lien on shipping documents.
- 30.20** The CSM has cash finance facility available from various banks aggregating to Rs. 25,800 million (2024: Rs 17,550 million), out of which Rs 8,983 million (2024: Rs.2,573 million) has been availed by the CSM as at September 30, 2025. These facilities are secured against pledge charge over crystalline sugar inclusive of margin of 10 - 25%.
- 30.21** The CSM has Export Re Finance/Finance Against Packing Credit (ERF / FAPC) facility from various commercial banks for Rs.3,700 million (2024: Rs.5,900 million), out of which Rs.3,327 million (2024: Rs.5,449 million) has been availed by the Company as at September 30, 2025. These facilities are secured by the joint Pari passu hypothecation charge over current assets of the CSM and lien over export documents.
- 30.22** The CSM 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 is of the view that the ultimate outcome of these cases are expected to be favourable 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 year, the CSM has issued further corporate guarantees aggregating to Rs. 3,900 million in favour of various financial institution against financing arrangements with these financial institution entered into by the Holding Company. The financing facility is expected to be settled by December 31, 2027 and accordingly, the guarantee issued by the CSM will be released by December 31, 2027.

		2025	2024
		Rupees in thousand	
30.24	In case of CSM and its Subsidiary, commitments in respect of :		
	- foreign letters of credit for purchase of plant & machinery	<u>127,482</u>	285,663
	- capital expenditure other than for letters of credit	<u>4,000</u>	25,515
30.25	The CSM (the Subsidiary Company) has entered into Ijarah arrangements for lab equipments with OLP Modaraba. Aggregate commitments for rentals under Ijarah arrangements as at September 30, 2025 was as follows:		

	Note	2025	2024
		Rupees in '000	
		----	----
	Not later than one year	<u>16,535</u>	-
	Later than one year but not later than five years	<u>29,676</u>	-
31.	GROSS SALES		
	- local	24,711,568	37,382,670
	- export	31.1 8,514,973	6,847,464
	-	<u>33,226,541</u>	<u>44,230,134</u>

31.1 Export sales of the Group comprise of the sugar and ethanol sales made in the following regions:

	2025	2024
	Rupees in thousand	
Spain	1,953,137	2,427,827
Indonesia	236,876	396,691
Singapore	-	561,377
Hong Kong	513,305	373,715
Switzerland	2,263,427	2,675,212
Afghanistan	502,437	-
Tajikistan	157,796	-
United Arab Emirates	1,291,285	412,642
Asia	608,116	-
Europe	916,445	-
Middle East	72,149	-
	<u>8,514,973</u>	<u>6,847,464</u>

32.	SALES TAX, OTHER GOVERNMENT LEVIES AND DISCOUNTS	Note	2025 Rupees in thousand	2024
	Indirect taxes		3,365,117	4,810,170
	Discounts		-	24,814
			<u>3,365,117</u>	<u>4,834,984</u>
33.	COST OF SALES			
	Raw materials consumed		25,734,345	32,545,217
	Chemicals and stores consumed		567,188	631,677
	Salaries, wages and benefits	33.1	1,273,601	1,215,048
	Power and fuel		242,928	293,066
	Insurance		56,862	61,916
	Repair and maintenance		511,819	579,927
	Provision for obsolete items		-	750
	Depreciation			
	- property, plant and equipment	6.9	2,124,161	1,870,794
	- right of use assets	7	1,247	4,159
	Ijarah rentals		8,077	-
			<u>30,520,228</u>	<u>37,202,554</u>
	Adjustment of work-in-process:			
	Opening		52,248	26,837
	Closing	11	(54,824)	(52,248)
			<u>(2,576)</u>	<u>(25,411)</u>
	Cost of goods manufactured		<u>30,517,652</u>	<u>37,177,143</u>
	Adjustment of finished goods:			
	Opening stock		4,209,070	5,285,461
	Closing stock	11	(6,495,342)	(4,209,070)
			<u>(2,286,272)</u>	<u>1,076,391</u>
			<u>28,231,380</u>	<u>38,253,534</u>
33.1	Salaries, wages and benefits include Rs.30.675 million (2024: Rs.26.89million) in respect of retirement benefits.			
34.	SELLING AND DISTRIBUTION EXPENSES		2025	2024
		Note	Rupees in thousand	
	Salaries and benefits	34.1	53,510	34,228
	Loading and stacking		39,551	43,366
	Export development surcharge		14,634	19,106
	Freight, commission and other expenses on exports		1,328,884	496,288
	Depreciation - right of use assets	7	16,511	17,453
	Commission - local		81	332,047
	Others		10,800	478
			<u>1,463,971</u>	<u>942,966</u>

34.1 Salaries and benefits include Rs.791 thousand (2024: Rs.658 thousand) in respect of retirement benefits.

35. ADMINISTRATIVE AND GENERAL EXPENSES	Note	2025 Rupees in thousand	2024
Salaries and benefits	35.1	961,620	789,091
Travelling		122,860	97,080
Utilities		6,103	12,324
Vehicles' running and maintenance		54,615	59,660
Rent, rates and taxes		21,162	21,542
Insurance		18,102	14,785
Repair and maintenance		114,373	140,902
Printing and stationery		19,968	20,965
Communication		26,308	31,818
Fees and subscription		41,748	19,236
Auditors' remuneration	35.2	10,172	12,131
Legal and professional charges (other than Auditors)		33,128	25,339
Depreciation on:			
- operating fixed assets	6.9	243,189	208,713
- right of use assets	7	65,253	60,357
- investment property	8	254	4,910
Expected credit loss for doubtful debts		-	17,679
Impairment loss for export subsidy		-	149,737
Loss allowance on doubtful advances		-	12,412
General		43,785	130,472
Entertainment		92,920	2,867
		1,875,560	1,832,020

35.1 Salaries and benefits include Rs.44.868 million (2024: Rs.21.951 million) in respect of retirement benefits.

35.2 Auditors' remuneration	2025 Rupees in thousand	2024
Sinewing Hameed Chaudhri & Co.		
- statutory audits	7,195	1,626
- half-yearly reviews	762	419
- consultancy and certification charges	1,155	708
- short provision for the preceding year	910	27
- out-of-pocket expenses	150	76
	10,172	2,856

A.F.Ferguson & Co.

(statutory auditors of CSM and its Subsidiary)

- statutory audits
- half year review
- consolidation
- certifications and group reporting
- out-of-pocket expenses

-	6,130
-	691
-	338
-	1,361
-	755
-	9,275
10,172	12,131

36. OTHER INCOME

		2025 Rupees in thousand	2024
Income from financial assets:	Note		
Return on bank deposits		35,420	14,635
Mark-up earned on term depository receipts and T. bills		451,179	88,758
Fair value gain on re-measurement of short term investments		3,854	3
Dividend		11	696
Income from other than financial assets:			
Gain on disposal of operating fixed assets		193,494	15,729
Gain on derecognition of right of use assets		5,640	-
Rent		13	13
Reversal of Workers' welfare fund charge		30,258	-
Sale of scrap - net of expenses		131,557	54,963
Sale of press mud - net of sales tax		6,638	7,218
Unclaimed payable balances written-back		-	7,279
Sale of agricultural produce - net of costs and expenses		19,317	19,197
Sale of fusel oil - net of sales tax		5,264	3,101
Amortization of deferred government grant		21,898	26,585
Others		12,163	17,413
		916,706	255,590

37. OTHER EXPENSES

Donations (without directors' interest)	37.1	4,633	1,039
Impairment loss on financial assets		10,268	-
Workers' profit participation fund and workers' welfare obligations	25.2	369	-
Exchange fluctuation loss - net		2,772	-
Net loss allowance on trade debts and subsidy receivables from GoP		7,299	-
Others	37.2	172,317	15,327
		197,658	16,366

37.1 This includes donation made to Al-Siraj Welfare Foundation amounting to Rs.4,000 thousand (2024: Rs.1,000 thousand). None of the directors are interested in the donation made during the year.

37.2 These mainly includes an amount of Rs.150,509 thousand relating to different expenses incurred relating to leasehold land disposed of during the year. These expenses were incurred during the preceding years and did not meet the capitalization criteria.

38.	FINANCE COST	Note	2025	2024
			Rupees in thousand	
	Mark-up on:			
	- long term finances		995,608	1,223,112
	- loans from Associated Companies		25,568	40,295
	- short term borrowings		2,846,694	3,464,612
	Interest on workers' (profit) participation fund	25.2	-	7,418
	Unwinding of interest on lease liabilities		36,891	56,603
	Bank charges		49,348	28,782
	Exchange fluctuation loss - net		-	37,184
			3,954,109	4,858,006
39. LEVIES AND INCOME TAXATION				
	Final tax levy			
	- for the year		329,588	422,355
	- for prior year		(76,463)	(165)
	- for the year		253,125	422,190
	Current			
	- for the year		562	5,884
	- prior year		(752)	(3,074)
			(190)	2,810
	Deferred:			
	- on account of temporary differences		(972,230)	(2,213,934)
			(972,420)	(2,211,124)
40. COMBINED LOSS PER SHARE				
	There is no dilutive effect on earnings per share of the Holding Company, which is based on:			
	Loss attributable to equity holders of the Holding Company		(2,292,905)	(2,482,663)
			No. of shares	
	Weighted average number of shares outstanding during the year		3,750,000	3,750,000
			----- Rupees -----	
40.1	Combined loss per share		(611.44)	(662.04)

41. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**Financial instruments by category**

2025 2024
Rupees in thousand

Financial assets**At fair value through profit or loss**

Short term investments

84**78****At amortised cost**

Maturity upto one year

Trade debts

1,394,948

440,448

Trade deposits and other receivables

66,260

223,571

Bank balances

898,916

1,114,598

Maturity after one year

Long term security deposits

17,494

17,244

2,377,618**1,795,861****Financial liabilities****Other financial liabilities**

Maturity upto one year

Trade and other payables

3,748,211

1,083,139

Unclaimed dividends

22,638

23,149

Accrued mark-up

608,356

461,443

Short term borrowings

13,323,304

9,671,811

Current maturity of non-current liabilities

1,389,845

1,556,429

Maturity after one year

Long term finances

4,680,992

6,265,941

Loans from related parties

144,603

153,547

Lease liabilities

149,455

165,814

24,067,404**19,381,273****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.

The Holding Company is exposed to currency risk on import of raw materials, stores & spare parts, plant & machinery, export of goods and foreign currency bank accounts mainly denominated in U.S. Dollar (U.S.\$). The Holding Company's exposure to foreign currency risk for U.S. Dollars follows:

September 30, 2025	Rupees in thousand	U.S.\$
Trade debts	<u>103,035</u>	<u>366,346</u>

	Average rate		Reporting date rate	
	2025	2024	2025	2024
US Dollar to Rupee	281.50	-	281.75 / 281.25	278.80 / 278.30

Sensitivity analysis

At September 30, 2025, if Rupee had strengthened / weakened by 10% against US Dollars, loss for the year would have been increased / (decreased) by Rs.(10.304) million mainly as a result of net foreign exchange loss on translation of financial assets and liabilities.

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

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. 2,377,459 thousand (2024: Financial liabilities included Rs. 44,112 thousand) which were subject to currency risk.

Rupees per U.S.\$	2025	2024
Average rate	281.51	283.33
Reporting date rate	281.51	278.05

Sensitivity analysis

As at September 30, 2025, 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.237,746 thousand (2024: Rs.4,411 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:

	2025	2024	2025	2024
	Effective rate		Carrying amount	
Variable rate instruments			Rupees in thousand	
Financial assets				
Bank balances	8.00% to 17.09%	13.50% to 24.87%	<u>84,747</u>	<u>580,850</u>
Financial liabilities				
Long term finances	3 to 6 month KIBOR + spread rate		<u>5,804,747</u>	<u>7,353,035</u>
Loans from Associated Companies	1 month KIBOR + 1.25%		<u>176,478</u>	<u>177,922</u>
Lease liabilities	12.01% to 23.08%	17.36% to 26.19%	<u>216,151</u>	<u>257,874</u>
Short term borrowings	13.09% to 17.09%	19.43% to 24.87%	<u>13,309,573</u>	<u>9,644,488</u>

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, 2025, 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.195.069 million mainly as a result of higher interest expense on variable rate financial liabilities (2024: loss before taxation would have been lower / higher by Rs.178.008 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, 2025, 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 management actively monitors the key factors that affect price movement.

As at September 30, 2025, 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.8.4 thousand (2024: loss before taxation would have been higher / lower by Rs.7.8 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 Subsidiary

The management of CSM and its Subsidiary has set an allowed credit period to reduce the credit risk.

CSM and its Subsidiary 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, 2025				
Gross carrying value	1,290,950	18,067	14,449	1,323,466
Loss allowance	7,951	16,678	13,950	38,579
September 30, 2024				
Gross carrying value	448,457	2,481	10,493	461,431
Loss allowance	9,179	1,340	10,493	21,012

ECL on other receivables is calculated using general approach. At the reporting date, CSM and its Subsidiary 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 Subsidiary 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 allowance for other receivables is determined as follows:

	2025 (Rupees in thousand)	2024
September 30,		
Gross carrying value	19,693	130,472
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, 2025 along with comparative is tabulated below:

	2025	2024
	Rupees in thousand	
Security deposits	17,494	17,244
Trade debts	1,394,948	440,448
Short term investments	84	78
Trade deposit and other receivables	66,260	108,216
Bank balances	898,916	1,114,598
	2,377,702	1,680,584

- The management does not expect any losses from non-performance by these counter parties.
- Trade debts at September 30, 2025 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 Subsidiary:

The credit quality of CSM and its Subsidiary 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.

	2025	2024
Counterparties without external credit rating	Rupees in thousand	
Trade debts	1,394,948	440,448
Loans and advances	130,473	15,007
Trade deposits and other receivables	98,928	369,248
	1,624,349	824,703

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
2025	----- Rupees in thousand -----			
Long term finances	5,804,747	8,161,011	1,784,170	6,376,841
Loans from related parties	176,478	251,754	121,782	129,972
Lease liabilities	216,151	228,835	71,970	156,865
Trade and other payables	3,748,211	2,348,179	2,348,179	-
Unclaimed dividends	22,638	23,210	23,210	-
Accrued mark-up	608,356	55,529	55,529	-
Short term borrowings	13,323,304	13,889,248	13,889,248	-
	23,899,885	24,957,766	18,294,088	6,663,678
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

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, 2025, 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, 2025, 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

Certain property, plant and equipment of Group were valued by independent valuer to determine the fair value of property, plant and equipment as at September 30, 2025. 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:

	2025	2024
	Rupees in thousand	
Long term finances	5,804,747	7,353,035
Loans from related parties	176,478	177,922
Lease liabilities	216,151	257,874
Short term borrowings	13,323,304	9,671,811
Total debt	19,520,680	17,460,642
Less: bank balances	(898,916)	(1,114,598)
Net debt	18,621,764	16,346,044
Share capital	37,500	37,500
Share redemption reserve	1	1
Revaluation surplus on property, plant and equipment	4,377,456	5,929,257
General revenue reserve	1,010,537	1,010,537
Unappropriated profit	(1,050,659)	285,358
Equity	4,374,835	7,262,653
Capital	22,996,599	23,608,697
Gearing ratio (Net debt / (Net debt + Equity))	80.98%	69.24%

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:

	2025	2024
	Rupees in thousand	
The Holding Company		
Associated Companies		
- purchase of store items	-	14,927

Key management personnel

- salaries and other benefits	47,340	43,036
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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 &
- Syntronics Ltd.	Housing Ltd.
- Premier Ceramics Ltd.	- Phipson & Co. Pakistan (Pvt.) 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.

	2025	2024
	Rupees in thousand	
Premier Board Mills Limited		
- Mark-up charged on	1,658	100
- Loan obtained during the yea	9,181	5,450

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:

	2025	2024
	Rupees in thousand	
Arpak International Investments Ltd.		
Mark-up charged	3,572	5,979
Syntronics Ltd.		
Purchase of store items	24,899	11,993
Dividend paid	-	17,952
Syntron Ltd.		
Purchase of store items	303,040	220,513
Azlak Enterprises (Pvt.) Ltd.		
Services rendered	57,132	48,780
Mark-up charged	11,409	19,507
Expenses paid	8,287	3,385
Dividend paid	-	7,487
Phipson & Company Pakistan (Pvt.) Ltd.		
Expenses paid	-	32
Dividend paid	-	1,538
Premier Board Mills Ltd.		
Mark-up charged	8,929	14,860
Provident fund		
Contribution to provident fund	44,473	38,884
Directors		
Dividends paid	-	28,721

44.5 Following are the related parties with whom CSM and its Subsidiary 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	
	2025	2024	2025	2024	2025	2024
	----- Rupees in thousand -----					
Managerial remuneration	1,906	1,746	33,672	28,364	11,550	12,923
Contribution to provident fund	-	-	-	-	212	123
	1,906	1,746	33,672	28,364	11,762	13,046
Number of persons	1	1	1	1	5	7

- 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 Subsidiary, is as follows:

Particulars	Chief Executive		Directors		Executives	
	2025	2024	2025	2024	2025	2024
	----- Rupees in '000- -----					
Managerial remuneration	38,114	34,914	48,731	34,914	85,568	76,976
Bonus	3,200	-	4,436	-	11,544	1,815
Housing and utilities	2,311	6,624	18,567	6,136	57,046	46,446
Company's contribution to provident fund	-	-	1,149	-	4,901	3,545
Medical	9,068	4,781	620	-	859	2,386
Other expenses	51	3,073	52,977	38,027	-	8,097
	52,744	49,392	126,480	79,077	159,918	139,265
Number of persons	1	1	2	2	38	31

- 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** In case of CSM and its Subsidiary, the Chief Executive and Executives were provided with the Company 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** 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.
- 45.6** Remuneration of the Directors does not include amounts paid or provided for, if any, by the Associated Companies.

46.	CAPACITY AND PRODUCTION		2025	2024
46.1	The Holding Company			
	Sugar Cane Plant			
	Rated crushing capacity per day	M.Tonnes	3,810	3,810
	Cane crushed	M.Tonnes	-	130,269
	Sugar produced	M.Tonnes	-	12,477
	Days worked	Nos.	-	51
	Sugar recovery	%	-	9.61
	Sugar Beet Plant		2025	2024
	Rated slicing capacity per day	M.Tonnes	2,500	2,500
	Distillery			
	Rated capacity per day	Gallons	14,300	14,300
	Ethanol produced	Gallons	3,503,197	-
	Days worked	Nos.	252	-
	- The normal season days are 150 days for Sugar Cane crushing.			
	- Production of sugar was restricted due to non availability of better quality of raw material at reasonable price.			
	- Production of ethanol depends on the availability of raw material.			
46.2	CSM		2025	2024
	Sugar Cane Plants			
	Rated crushing capacity (Metric Tonnes / day)		18,000	18,000
	On the basis of average number of 98 days (2024:99 days)		1,764,000	1,782,000
	Actual cane crushed (Metric Tonnes)		1,484,965	1,726,610
	Sugar produced (Metric Tonnes)		144,654	171,591
	Ethanol Fuel Plant			
	Rated production capacity (Litres / day)		125,000	125,000
	On the basis of average number of 351 days (2024:347 days) (Litres)		43,875,000	43,375,000
	Actual production (Litres)		43,448,982	43,053,990
	Flour			
	Production capacity (tonnes)		102,600	102,600
	Actual production (tonnes)		70,927	58,481
	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		2025	2024
	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						
	Long term finances	Lease finances	Loans from related parties	Short term borrowings	Accrued mark-up	Dividend	Total
	----- Rupees in thousand -----						
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
	1,373,665	4,464	(10,168)	5,056,191	(285,311)	1,107	6,139,948
Balance as at September 30, 2024	7,353,035	257,874	177,922	9,671,811	461,443	23,721	17,945,806
Changes from financing activities							
Finances - net	(1,548,288)	-	-	3,651,493	-	-	2,103,205
Finances - obtained	-	141,384	-	-	-	-	141,384
- repaid	-	(183,107)	(1,444)	-	-	-	(184,551)
Mark-up accrued	-	-	-	-	3,954,109	-	3,954,109
Mark-up paid	-	-	-	-	(3,807,196)	-	(3,807,196)
Dividend paid	-	-	-	-	-	(511)	(511)
	(1,548,288)	(41,723)	(1,444)	3,651,493	146,913	(511)	2,206,440
Balance as at September 30, 2025	5,804,747	216,151	176,478	13,323,304	608,356	23,210	20,152,246

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
- Flour

Segment operating results of the Holding Company for the year ended September 30, 2025

	Sugar Division		Ethanol Division		Total	
	2025	2024	2025	2024	2025	2024
	----- Rupees in thousand -----					
Sales -external customers						
- Local	191,290	1,678,635	264,016	-	455,306	1,678,635
- Export	38,747	-	1,557,963	-	1,596,710	-
Less : sales tax & commission	(30,421)	(274,242)	(40,273)	-	(70,694)	(274,242)
Sales - net	199,616	1,404,393	1,781,706	-	1,981,322	1,404,393
Segment expenses:						
Cost of sales	(529,487)	(2,048,702)	(1,448,204)	(92,713)	(1,977,691)	(2,141,415)
Gross (loss) / profit	(329,871)	(644,309)	333,502	(92,713)	3,631	(737,022)
Distribution cost	(2,794)	(4,718)	(181,664)	-	(184,458)	(4,718)
Administrative expenses	(138,818)	(136,537)	(3,056)	-	(141,874)	(136,537)
	(141,612)	(141,255)	(184,720)	-	(326,332)	(141,255)
(Loss) / profit from operations	(471,483)	(785,564)	148,782	(92,713)	(322,701)	(878,277)
Other income	75,680	681,882	5,707	-	81,387	681,882
Other expenses	-	(4)	(24,579)	-	(24,579)	(4)
	75,680	681,878	(18,872)	-	56,808	681,878
Segment results	(395,803)	(103,686)	129,910	(92,713)	(265,893)	(196,399)
Finance cost	(65,379)	(235,018)	(246,159)	-	(311,538)	(235,018)
Loss before taxation	(461,182)	(338,704)	(116,249)	(92,713)	(577,431)	(431,417)
Final tax levies and income taxation					12,504	(258,306)
Loss after taxation					(589,935)	(173,111)

Segment assets and liabilities

	Assets		Liabilities	
	2025	2024	2025	2024
	----- Rupees in thousand -----			
Sugar	3,625,624	2,484,940	3,321,447	2,093,917
Ethanol	1,663,994	1,611,528	682,762	134,582
Total for reportable segment	5,289,618	4,096,468	4,004,209	2,228,499

49.2 Sales to domestic customers in Pakistan are 22.19% (2024 : 100%) and to customers outside Pakistan are 77.81% (2024 : Nil) of the revenues during the current financial

49.3 All non-current assets of the Holding Company as at September 30, 2025 and September 30, 2024 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, 2025

	Sugar Division		Ethanol Division		Flour Division		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
----- Rupees in '000 -----								
Sales:								
- External Customers	19,797,466	26,325,758	6,693,378	9,207,784	5,339,014	5,727,410	31,829,858	41,260,952
- Inter segment	1,016,192	1,290,555	-	-	-	-	1,016,192	1,290,555
	20,813,658	27,616,313	6,693,378	9,207,784	5,339,014	5,727,410	32,846,050	42,551,507
Less : sales tax & others	3,192,447	4,186,892	93,186	362,530	8,789	11,320	3,294,422	4,560,742
Sales - net	17,621,211	23,429,421	6,600,192	8,845,254	5,330,225	5,716,090	29,551,628	37,990,765
Segment expenses:								
Cost of Sales	(16,890,700)	(22,635,760)	(4,562,419)	(6,127,772)	(5,450,359)	(6,059,572)	(26,903,478)	(34,823,104)
Inter segment cost	-	-	(1,016,192)	(1,290,555)	-	-	(1,016,192)	(1,290,555)
	(16,890,700)	(22,635,760)	(5,578,611)	(7,418,327)	(5,450,359)	(6,059,572)	(27,919,670)	(36,113,659)
Gross profit	730,511	793,661	1,021,581	1,426,927	(120,134)	(343,482)	1,631,958	1,877,106
Selling and distribution expenses	(154,442)	(44,058)	(965,862)	(833,825)	(159,209)	(60,365)	(1,279,513)	(938,248)
Administrative and general expenses	(1,102,431)	(929,694)	(323,997)	(277,556)	(207,982)	(202,585)	(1,634,410)	(1,409,835)
Net impairment losses on financial assets	(7,299)	(160,860)	-	-	-	(18,968)	(17,567)	(179,828)
Others	-	-	-	-	-	-	(85,056)	(90,409)
	(1,264,172)	(1,134,612)	(1,289,859)	(1,111,381)	(367,191)	(281,918)	(3,016,546)	(2,618,320)
Profit from operations	(533,661)	(340,951)	(268,278)	315,546	(487,325)	(625,400)	(1,384,588)	(741,214)
Other income	800,010	188,405	7,123	5,035	45,832	943	852,965	194,383
Other expenses	(144,875)	(16,389)	-	-	(10,268)	-	(155,143)	(16,389)
	655,135	172,016	7,123	5,035	35,564	943	697,822	177,994
Segment results	121,474	(168,935)	(261,155)	320,581	(451,761)	(624,457)	(686,766)	(563,220)
Finance cost							(3,685,611)	(4,596,293)
Loss before levy and income tax							(4,372,377)	(5,159,513)
Minimum tax - levy							(227,588)	(404,661)
Loss before income tax							(4,599,965)	(5,564,174)
Taxation							960,017	1,930,800
Loss for the year							(3,639,948)	(3,633,374)

Segment assets and liabilities

	2025		2024	
	Assets	Liabilities	Assets	Liabilities
----- Rupees in '000 -----				
Sugar	20,741,214	13,640,471	21,102,961	14,647,056
Ethanol	6,967,326	3,857,889	7,367,338	1,942,447
Flour	5,374,777	3,844,202	4,768,169	4,040,982
Total for reportable segment	33,083,317	21,342,562	33,238,468	20,630,485
Others	736,334	2,605,681	1,747,203	1,556,794
Total assets / liabilities	33,819,651	23,948,243	34,985,671	22,187,279

50. NUMBER OF EMPLOYEES

2025 2024
----- Number -----

Number of persons employed as at September 30,

- permanent	1,259	1,401
- contractual	1,264	1,266
	<u>2,523</u>	<u>2,667</u>

Average number of employees during the year

- permanent	1,286	1,361
- contractual	1,601	1,616
	<u>2,887</u>	<u>2,977</u>

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 Group:

----- 2025 -----		----- 2024 -----	
Conventional	Shariah Compliant	Conventional	Shariah Compliant

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

Consolidated Statement of Financial Position – Assets

Long term investments	170,006	-	170,006	-
Bank balances	83,920	554,651	62,217	179,603

Consolidated Statement of Financial Position – Liability

Long term finances	1,342,971	1,826,381	983,558	358,037
Short term borrowings	600,000	4,614,055	497,000	2,583,081
Accrued mark-up	54,470	1,059	93,881	-
Lease	-	6,908	-	8,828
Interest or mark-up accrued on any conventional loan or advance	-	-	-	547,364

----- 2025 -----		----- 2024 -----	
Conventional	Shariah Compliant	Conventional	Shariah Compliant

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

**Consolidated Statement of Profit and Loss
and other Comprehensive Income**

Revenue earned from shariah compliant business segments	6,600,192	17,316,373	8,845,254	23,325,027
Other income				
Profit on bank deposits	5,842	264	5,035	2,057
Dividend income	-	-	68,755	-
Exchange gain / (loss) earned from actual currency	-	3,854	-	(37,184)
Profit paid on Islamic mode of financing	-	659,671	-	831,789
Total Interest earned on any conventional loan or advance	-	490,828	-	96,698
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs	-	264	-	2,057
Sale of press mud - net of sales tax	-	6,208	-	7,218
Sale of fusel oil - net of sales tax	-	5,264	-	3,101
Gain on disposal of operating fixed assets	-	189,986	-	15,729
Gain on derecognition of right of use assets	-	5,640	-	-
Scrap sales - net of expenses	-	52,622	-	52,818
Rental income	-	115	-	115
Mark-up on short term finances	157,061	1,059	225,280	-
Mark-up earned on bank deposits, bank balances, or TDRs	-	446,119	-	96,698
Mark-up on long term finances	147,429	-	-	-

The Group have banking relation with the following shariah-compliant financial institutions:

- Meezan Bank Limited
- Al Baraka Bank Limited
- MCB Islamic Limited
- Bank Islami Limited
- National Bank of Pakistan
- Dubai Islamic Bank Pakistan Limited
- United Bank Limited - Ameen Islamic Banking

52. CORRESPONDING FIGURES

Corresponding figures for the prior period have been rearranged and reclassified where necessary for more appropriate presentation of transactions and balances for the purpose of comparison. Except for the below mentioned, no significant reclassifications have been made in these consolidated financial statements.

- Amortization of deferred government grant amounting Rs.26.585 has been reclassified from finance cost to other income. The amount was netted-off against finance cost in prior year.

53. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements have been authorised for issue on January 05, 2025 by the board of directors of the Holding Company.



Chief Executive



Director



Chief Financial Officer

The Premier Sugar Mills & Distillery Company Limited

Annexure II

Regulation 10 and 11A

Results of Voting on Resolutions / Execution Report

Name of Company	The Premier Sugar Mills & Distillery Company Limited
Date of Annual General Meeting	January 28, 2026
Date of Poll	January 26, 2026
Date of Casting e-voting	January 23, 2026 to January 26, 2026
Last date of receiving post ballot	January 26, 2026
Any other related information	N/A

Resolutions (Agenda Item no. 1)	RESOLVED THAT the transactions conducted in the ordinary course of business with Related Parties during the financial year ended September 30, 2025 be and are hereby ratified, approved and confirmed.
--	--

Vote casted in person:

Particulars	Results of Resolution									
	Present in person	No of shares held or no of votes	No of vote Casted	No of Invalid Votes	Resolutions Agenda Item No. 1		Resolutions Agenda Item No. 2		Resolutions Agenda Item No. 3	
As per list					Favor	Against	Favor	Against	Favor	Against
Total										

Vote casted through proxy:

Particulars	Results of Resolution									
	Present through proxy	No of shares held or no of votes	No of vote Casted	No of Invalid Votes	Resolutions Agenda Item No. 1		Resolutions Agenda Item No. 2		Resolutions Agenda Item No. 3	
As per list					Favor	Against	Favor	Against	Favor	Against

Vote casted through e-voting:

Particulars	Results of Resolution									
	Present in person	No of shares held	No of vote Casted	No of Invalid Votes	Resolutions Agenda Item No. 1		Resolutions Agenda Item No. 2		Resolutions Agenda Item No. 3	

	or through proxy	or no of votes								
					Favor	Against	Favor	Against	Favor	Against
Total										

Vote casted through Post:

Particulars	Results of Resolution									
Name of members / Folio Nos	Present in person or through proxy	No of shares held or no of votes	No of vote Casted	No of Invalid Votes	Resolutions Agenda Item No. 1		Resolutions Agenda Item No. 2		Resolutions Agenda Item No. 3	
					Favor	Against	Favor	Against	Favor	Against
Total										

Consolidated Results of Voting:

S. No	Resolutions	Total No. of Shares / Votes Held	Total No. of Vote Casted	Total No of Invalid Votes	No of Votes Casted in Favor	No of Votes Casted Against	Percentage of Votes Casted in Favor	Percentage of Votes Casted Against	Remarks
1	Agenda 1								

Signature of Chaiman of the Meeting

Place: **Islamabad** Date: **January 28, 2026**

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

Nowshera Road, Mardan

PROXY FORM 80th Annual General Meeting

I/We.....of.....being a member of **The Premier Sugar Mills & Distillery Company Limited** and holding ordinary shares as per share register Folio/CDC Account No.....hereby appoint Mr./Mrs.....of..... another member of the Company having Folio/CDC Account No..... CNIC No..... or Passport No.....or failing him/her Mr./Mrs.....of..... Folio/CDC Accounts No..... CNIC No..... or Passport No..... who is also a member of the Company, as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on January 28, 2026 and at any adjournment thereof.

Revenue Stamp
Signature (Rs. 5.00)

Signature of Shareholder

(The signature should agree with the specimen registered with the Company)

Dated this day of 2026.

Signature of Proxy

1. Witness:

Name:

Signature:

Address:

CNIC No:

2. Witness:

Name:

Signature:

Address:

CNIC No:

Note: Proxies, in order to be effective, must reach the Company's Registered Office not less than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.

CDC Shareholders and their Proxies are each requested to attached an attested photocopy of their CNIC or Passport with the proxy form before submission to the Company.

دی پریمیئر شوگر ملز اینڈ ڈسٹری کمپنی لمیٹڈ

نوشہرہ روڈ، مردان

پراکسی فارم 80 ویں سالانہ اجلاس عام

میں/ہم..... نہیں..... دی پریمیئر شوگر
ملز اینڈ ڈسٹری کمپنی لمیٹڈ کے رکن اور ہولڈنگ..... عام شیئرز کے مطابق شیئر رجسٹر فولیو/سی ڈی سی
اکاؤنٹ نمبر..... مسٹر/مسز کا تقرر کریں.....
کبھی..... کمپنی کا ایک اور رکن جس کا فولیو/CDC اکاؤنٹ نمبر
ہے..... CNIC نمبر..... یا پاسپورٹ نمبر..... یا اگر وہ ناکام ہو
جائے تو مسٹر/مسز..... فولیو/سی ڈی سی
اکاؤنٹس نمبر..... CNIC نمبر..... یا پاسپورٹ نمبر..... جو
کمپنی کے رکن بھی ہیں، اور میرے/ہمارے نمائندے کے طور پر 28 جنوری 2026 کو ہونے والی سالانہ جنرل میٹنگ میں
شرکت اور ووٹ دینے کے لیے شرکت کریں اور میری طرف سے ووٹ دیں۔

Revenue Stamp
Signature (Rs. 5.00)

Revenue Stamp
Signature (Rs. 5.00)

شئرز ہولڈرز کے دستخط

(دستخط کمپنی کے رجسٹرڈ نمونے سے متفق ہونا چاہیے)

اس کی تاریخ..... دن..... 2026۔

پراکسی کے دستخط

گواہ:

گواہ:

نام:.....

نام:.....

دستخط:.....

دستخط:.....

پتہ:.....

پتہ:.....

CNIC نمبر:.....

CNIC نمبر:.....

نوٹ: پراکسی، مؤثر ہونے کے لیے، کمپنی کے رجسٹرڈ دفتر تک میٹنگ کے انعقاد کے وقت سے کم از کم 48 گھنٹے پہلے
پہنچنا ضروری ہے اور ان پر مناسب اسٹیپ، دستخط اور گواہی ہونی چاہیے۔

CDC کے شیئر ہولڈرز اور ان کے پراکسیز سے درخواست کی جاتی ہے کہ وہ کمپنی کو جمع کروانے سے پہلے
اپنے CNIC یا پاسپورٹ کی تصدیق شدہ فوٹو کاپی پراکسی فارم کے ساتھ منسلک کریں۔