



SHAHTAJ
SUGAR MILLS LIMITED
ANNUAL REPORT 2024

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Company Information

Board of Directors

Mr. Toqueer Nawaz
 Mr. Muneer Nawaz
 Mrs. Samia Shahnawaz Idris
 Mr. Rashed Amjad Khalid
 Mr. Abid Nawaz
 Mrs. Sadia Muhammad
 Ms. Ava Ardeshir Cowasjee
 Mr. Mushtaq Ahmad
 Mr. Asim Rafiq
 Mr. Zahid Ullah Khan

Chairman
 Chief Executive

S.L.I.C.
 N.I.T.

CREDIT RATINGy

Long Term: A-
 Short Term: A2
 Agency: VIS

Production Facility

Mandi Bahauddin - 50400.
 Phone : (0546) 501 147 - 49
 (0546) 508 047 - 48
 Fax : (0546) 501 768
 E-mail : mills@shahtajsugar.com

Company Secretary

Mr. Jamil Ahmad Butt, FCMA

Chief Financial Officer

Mr. Waqar Ahmad, FCA

Auditors

BDO Ebrahim & Company,
 Chartered Accountants,
 Office No. 4, 6th Floor,
 Askari Corporate Tower, 75/76 D-1,
 Main Boulevard Gulberg-III, Lahore – 54660

Audit Committee

Mr. Mushtaq Ahmad
 Mr. Toqueer Nawaz
 Mr. Zahid Ullah Khan
 Mr. Rashed Amjad Khalid
 Mr. Asim Rafiq

Chairman

Legal Advisor

Mr. Ras Tariq Chowdhary,
 52 - Ravi Block, Fort Green, Canal Bank, Lahore.

Share Registrar

JWAFFS Registrar Services (Private) Limited
 Suite No. 407 - 408, 4th Floor, Al-Ameera Centre,
 Shahrah-e-Iraq, Saddar, Karachi.

Human Resource & Remuneration Committee

Mr. Asim Rafiq
 Mr. Muneer Nawaz
 Mr. Toqueer Nawaz
 Mr. Abid Nawaz
 Mrs. Sadia Muhammad

Chairman

Bankers

United Bank Limited
 Habib Bank Limited
 MCB Bank Limited
 Bank Alfalah Limited
 Bank Al-Habib Limited
 JS Bank Limited
 Allied Bank Limited
 National Bank of Pakistan
 Soneri Bank Limited
 Habib Metropolitan Bank Limited

Head Office

72/C-1, M. M. Alam Road,
 Gulberg III, Lahore - 54660.
 Phone : (042) 3571 0482 - 84
 Fax : (042) 3571 1904
 Website: www.shahtajsugar.com
 E-mail : mail@shahtajsugar.com

Web Presence

www.shahtajsugar.com

Registered Office

19, Dockyard Road,
 West Wharf, Karachi - 74000
 Phone : (021) 3231 3934 - 38
 Fax : (021) 3231 0623
 E-mail : jamilbutt@shahtaj.com

PSX Symbol

SHJS

QR Code Report Download



VISION

“Shahtaj Sugar Mills Limited is committed to enhancing its core competencies and aims to be a leading entity through quality and innovation in White Crystalline sugar manufacturing and sustainable energy. We drive growth while ensuring the utmost satisfaction of our customers, employees, and shareholders. Our dedication to eco-friendly practices and diversification into renewable energy will pave the way for a prosperous and sustainable future.”

MISSION

At Shahtaj Sugar Mills Limited, we are dedicated to producing high-quality sugar while fostering sustainable practices that benefit both the environment and our community. Our mission is to innovate and lead in the sugar manufacturing industry by utilizing renewable energy from Bagasse, the by-product of sugarcane processing. Through this commitment, we aim to reduce our carbon footprint, promote energy independence, and support the growth of a greener economy. We strive to create value for our stakeholders by ensuring efficient, eco-friendly production processes and contributing to the sustainable development of our industry.



CORPORATE STRATEGY

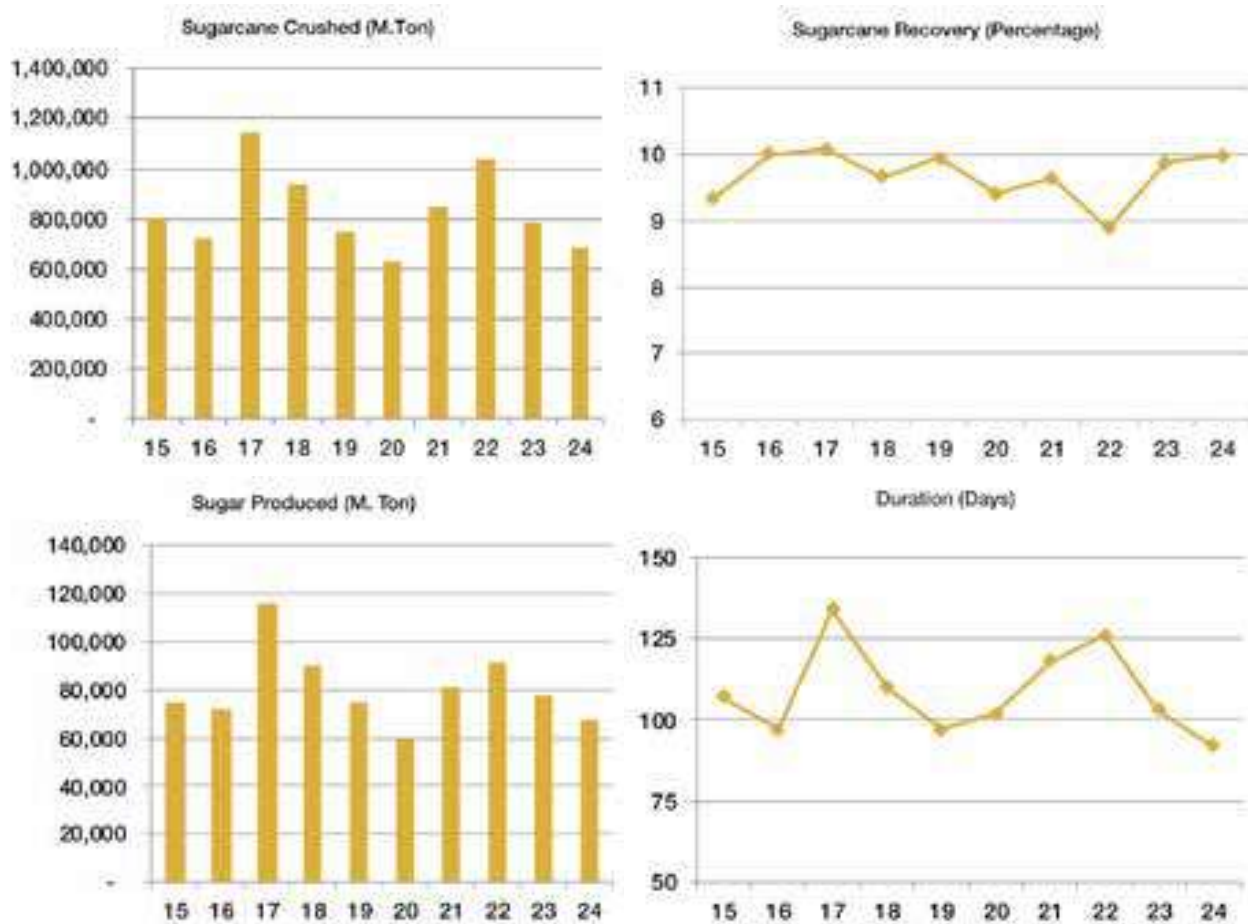
To maximize the effective utilization of Manpower, material, and machines by encouraging, supporting, and rewarding employees, eliminating waste, and reducing costs. Our aim is to establish Shahtaj Sugar Mills Limited as a trusted, efficient, and successful name among all stakeholders and customers. We will achieve this through:

1. **Employee Empowerment and Development:** Foster a culture of continuous learning, innovation, and collaboration by providing ample opportunities for growth and recognizing outstanding performance.
2. **Operational Efficiency:** Implement advanced technologies and best practices to streamline operations, minimize waste, and enhance productivity.
3. **Cost Reduction:** Continuously identify and eliminate inefficiencies to reduce operational costs without compromising on quality.
4. **Sustainability:** Embrace eco-friendly practices, including the utilization of renewable energy sources like Bagasse, to reduce our environmental impact and promote sustainable development.
5. **Stakeholder Engagement:** Build strong, transparent relationships with all stakeholders, ensuring their needs and expectations are met and exceeded.
6. **Customer Satisfaction:** Deliver high-quality products and exceptional service to our customers, ensuring their loyalty and trust.

Through these strategic initiatives, we aim to achieve long-term success, creating value for our stakeholders and contributing positively to the industry and community.



Ten Years Production Review



2015		2016		2017	
800,969	M. Ton Sugarcane Crushed	716,070	M. Ton Sugarcane Crushed	1,148,874	M. Ton Sugarcane Crushed
9.32%	Recovery	10.00%	Recovery	10.08%	Recovery
74,654	M. Ton Production	71,599	M. Ton Production	115,754	M. Ton Production
107	Duration (Days)	97	Duration (Days)	134	Duration (Days)

2018		2019		2020	
940,405	M. Ton Sugarcane Crushed	750,785	M. Ton Sugarcane Crushed	630,074	M. Ton Sugarcane Crushed
9.65%	Recovery	9.94%	Recovery	9.41%	Recovery
90,756	M. Ton Production	74,585	M. Ton Production	59,204	M. Ton Production
110	Duration (Days)	97	Duration (Days)	102	Duration (Days)

2021		2022		2023	
842,079	M. Ton Sugarcane Crushed	1,031,923	M. Ton Sugarcane Crushed	786,325	M. Ton Sugarcane Crushed
9.64%	Recovery	8.88%	Recovery	9.87%	Recovery
81,181	M. Ton Production	91,603	M. Ton Production	77,600	M. Ton Production
118	Duration (Days)	126	Duration (Days)	103	Duration (Days)

2024	
679,859	M. Ton Sugarcane Crushed
9.97%	Recovery
67,793	M. Ton Production
92	Duration (Days)

Notice of Meeting

All the Shareholders,

Notice is hereby given to all the shareholders of SHAHTAJ SUGAR MILLS LIMITED that the 59th Annual General Meeting of the Company will be held on Monday, the 27th January, 2025 at 11:00 AM at Beach Luxury Hotel, M.T. Khan Road, Karachi to transact the following business:

A. ORDINARY BUSINESS

1. To confirm the minutes of last Annual General Meeting held on 26th January, 2024.
2. To consider and adopt audited Financial Statements of the Company for the year ended 30th September, 2024 together with Auditors' and Directors' Reports thereon.
3. To appoint Auditors of the Company for the year 2024-2025 and to fix their remuneration. The present Auditors M/s. BDO Ebrahim & Company, Chartered Accountants, being eligible, have offered themselves for reappointment.

B. SPECIAL BUSINESS

4. Related Parties Transactions:

To consider, and if thought fit, to pass the following resolutions as Special Resolutions.

'RESOLVED that the transactions carried out by the Company in the normal course of business with related parties for the period October 1, 2023 to date be and are hereby ratified, approved and confirmed.'

'FURTHER RESOLVED that the Chief Executive Officer of the Company or his nominee be and is hereby authorized to approve all the transactions carried out and to be carried out in the normal course with related parties till the next Annual General Meeting of the Company and in this connection the Chief Executive Officer of the Company or his nominee be and is hereby authorized to take any and all necessary actions and sign / execute any and all such documents / indentures as may be required in this regard on behalf of the Company.'

5. To transact any other ordinary business with the permission of the Chair.

By Order of the Board



(JAMIL AHMAD BUTT)
Company Secretary

Karachi:
6th January, 2025

Notes:

(1) Book Closure:

The register of members of the Company will remain closed from 21st January, 2025 to 28th January, 2025 (both days inclusive). Transfers received in order by the Company's Share Registrar, M/s. Jwaff's Registrar Services (Pvt.) Limited, Suite # 407, 408, 4th Floor, Al-Ameera Centre, Shahrah-e-Iraq, Near Passport Office, Saddar, Karachi by the close of business on January 20, 2025 will be considered in time for registration in the name of the transferees, and be eligible to attend and vote at the meeting.

(2) PARTICIPATION IN THE GENERAL MEETING

- i) Members, holding shares physically or holding of Accounts and Sub-accounts for Company's shares in CDC, who wish to attend this AGM may do so by identifying themselves through their original CNIC/Passport and providing a copy thereof.
- ii) In case of individuals, the account holder or sub-account holder whose securities and their registration details are up-loaded as per the CDC Regulations, shall authenticate his / her identity by showing his / her original Computerized National Identity Card ("CNIC") or original passport at the time of attending AGM.
- iii) In case of a corporate entity, being a member, may appoint as its proxy through Board Resolution / Power of Attorney. A copy of resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

(3) APPOINTING PROXIES:

- a) A member entitled to attend and vote at the General Meeting is also entitled to appoint another member as a proxy to attend and vote on his /her behalf. In case of a corporate entity, being a member, may appoint as its proxy any of its officials or any other person, through Board Resolution / Power of Attorney. The instrument appointing proxy must be received at the Registered Office of the Company or at the office of our Share Registrar or through email at jwaffs@live.com not less than 48 hours before the time of the meeting. Copy of resolution/ power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.
- b) CDC Account Holders, while appointing proxies, will follow the prescribed guidelines as under:
 - i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

- ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iii) The proxy shall produce his / her original CNIC or original passport at the time of the AGM.
 - iv) In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature and an attested copy of valid CNIC of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted along with proxy form to the Company.
- c) A blank proxy form is enclosed with this notice.

(4) CHANGE OF ADDRESS

Members are requested to immediately inform the Company's Share Registrar of any change in their mailing address.

(5) PARTICIPATION THROUGH VIDEO CONFERENCING FACILITY

The shareholders can participate in the AGM proceedings via video link also. Those members who are willing to attend and participate in the AGM via link are requested to register themselves by sending an email along with following particulars and valid copy of both sides of Computerized National Identity Card (CNIC) at jamilbutt@shahtaj.com with subject of 'Registration for AGM' not less than 48 hours before the time of the meeting:

Name of Shareholder	CNIC No.	Folio / CDC Account No.	Cell No.	Email Address

Members who will be registered, after necessary verification as per the above requirement, will be provided a password protected video link by the Company via email. The said link will remain open from 10:45 a.m. on the date of AGM till the end of the meeting.

(6) UNPAID DIVIDEND

An update list of unclaimed dividend / Shares of the Company is available on the Company's website. These are unclaimed dividend / shares which have remained unclaimed or unpaid for a period of three (3) years from the date these have become due and payable. Claims can be lodged by shareholders on claim form as is available on the Company's website. Claims form must be submitted to the Company's Share Registrar, M/s. JWAFFS Registrar Services (PVT) Limited.

(7) CONVERSION OF PHYSICAL SECURITIES INTO BOOK ENTRY FORM

As per Section 72 of the Companies Act, 2017 every listed company is required to replace its physical

shares with book entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act i.e. May 30, 2017. Further, vide its letter dated March 26, 2021, SECP has directed all the listed companies to pursue their shareholders for conversion of their physical securities into book entry form. In the light of the aforementioned directives, the shareholders of the having physical shareholding are encouraged to open CDC account with CDS participant / CDS investor Account Service and convert their existing physical securities into book entry form.

(8) POSTAL BALLOT

Pursuant to Companies (Postal Ballot) Regulations 2018, members are allowed to exercise their right to vote by post for the businesses classified as Special Business.

Intending shareholders shall ensure that duly filled in and signed Ballot Papers along with copy of valid CNIC reach the Chairman of the meeting through post on the Company's registered address, Shahtaj Sugar Mills Limited or email at chairman@shahtaj.com, on or before 26th January, 2025 during working hours. The signature on Ballot Papers should match with signature on CNIC. For the convenience of shareholders, a specimen of Ballot Paper is attached. Ballot Paper is also available on the Company's website www.shahtajsugar.com for download.

(9) E-VOTING

Pursuant to Companies (Postal Ballot) Regulations 2018, members are allowed to exercise their right to vote through electronic voting facility for all businesses classified as Special Business.

Details of E-Voting facility will be shared through email with those members of the Company who have their valid CNIC numbers, Cell numbers and email address available with the Company by the close of business on 20th January, 2025.

The web address, log in details and password will be communicated to the members via email. The security code will be communicated through SMS from the web portal of JWAFFS REGISTRAR SERVICES (PVT) LIMITED (being the e-voting service provider).

Identity for the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for log in.

E-voting lines will open from 24th January, 2025 at 9.00 A.M. and shall close on 26th January, 2024 at 5.00 P.M. Members can cast their votes any time during this period. A vote once cast by a member will not be allowed to be changed.

(10) TRANSMISSION OF ANNUAL REPORT

In terms of approval of the shareholders of the Company in their Annual General Meeting held on 26th January, 2024 and pursuant to SECP's Notification No. SRO 389(1)/2023 dated 21st March, 2023. The Annual Report for the financial year ended on 30th September, 2024 of the Company containing inter alia the audited financial statements, auditors' report, directors, and chairman's reports thereon may be viewed and downloaded by following QR code and weblink:

Weblink: <https://www.shahtajsugar.com/financial-reports>

QR Code:



The Annual Report will be emailed to those shareholders whose valid email address will be available with the Company. The shareholders who wish to receive a hard copy of the Annual Report may send to the Company Secretary/Share Registrar, the Standard Request Form available on the website of the Company www.shahtaj.com. The Company then will provide a free of Cost hard copy of Annual Report to the shareholders within one week of the request.

STATEMENT OF MATERIAL FACTS**Under Section 134(3) of the Companies Act, 2017**

This statement sets out material facts concerning the Special Business to be transacted at the Annual General Meeting of Shahtaj Sugar Mills Limited to be held on 27th January 2025.

SPECIAL BUSINESS AT AGENDA ITEM NO. 4

The transactions carried out in the normal course of business with related parties are approved by the Board of Directors of the Company as recommended by the Audit Committee on quarterly basis pursuant to clause 5.19.6(b) of the Rule Book of Pakistan Stock Exchange Limited under Code of Corporate Governance. In the case of related parties, as mentioned below, a majority of the Directors were common and / or shareholder in related parties and in accordance with the provisions of Section 207 of the Companies Act, 2017, the quorum of the directors could not be formed for approval of these transactions, as viewed by Securities and Exchange Commission of Pakistan. Therefore, these transactions are being placed before the shareholders of the Company for their approval through a special resolution proposed to be passed in the Annual General Meeting.

In view of the above, the normal business transactions conducted for the period from 01 October 2023 to 30 September 2024 with related parties as per following details are being placed before the shareholders of the Company for their consideration and approval/ratification.

Name of Related Party	Nature of Transaction	Rs. in (thousand)
Association on basis of Common directorship		
Shahtaj Textile Limited	Dividend Received	7,475
Shahnawaz (Private) Limited	Purchases and Services Received	886
	Utilities paid	436
	Loan obtained & repaid	250,000
	Interest Charged	11,012
Shezan International Limited	Sale of Sugar	433,710
Shezan Services (Pvt.) Limited	Interest Charged	9,099
Staff Provident Fund Trust	Contributions Paid	5,910
State Life Insurance Corporation of Pakistan	Premium Paid	1,836
Loan from Relative of Director	Loan obtained & repaid	100,000

The name of Directors and nature of their interest in the proposed resolution is as under:

Name of Directors	Shahtaj Textile Ltd.	Shezan International Limited	Shahnawaz (Pvt.) Ltd.	Information System Associates Ltd.	Shezan Services (Private) Limited	State Life Insurance Corporation of Pakistan	KSB Pumps Company Limited
Mr. Muneer Nawaz	Chairman	Chairman	Director	Chairman	Chairman	-	-
Mrs. Sadia Muhammad	Director	Director	-	-	-	-	-
Mr. Abid Nawaz	Director	Director	Director	-	Director	-	-
Mrs. Samia Shahnawaz Idris	Shareholder	Shareholder	-	-	-	-	-
Mr. Rashed Amjad Khalid	Shareholder	Director	Shareholder	Shareholder	Director	-	-
Mr. Toqueer Nawaz	Director	Shareholder	Shareholder	-	-	-	-
Mr. Mushtaq Ahmad	-	-	-	-	-	Key Management Personnel	-
Mr. Asim Rafiq	-	-	-	-	-	-	Director

The Company would be conducting Transactions with related parties in the normal course of business. The majority of the Directors are common and/or shareholder in related parties as detailed herein above Agenda item No. 4 and in accordance with the provisions of Section 207 of the Companies Act, 2017, the quorum of the Directors would not be forming for approval of related party transactions, as viewed by Securities and Exchange Commission of Pakistan. Therefore, in order to comply with the provisions of clause 5.19.6(b) of the Rule Book of Pakistan Stock Exchange Limited under Code of Corporate Governance,

the shareholders of the Company may authorize the Chief Executive of the Company or his nominee to approve transactions already carried out from 01 October 2024 and to be carried out in the normal course of business with related parties till the next Annual General Meeting of the Company.

The names of Directors and nature and extent of their interest in the proposed resolution is the same as detailed in statement as above.

Review Report by the Chairman

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of Shahtaj Sugar Mills Limited was carried out. The purpose of this evaluation was to ensure that the Board's overall performance and effectiveness is measured and bench marked against expectations in the context of the objectives set forth by the Company.

For the financial year ended 30 September 2024, the Board's overall performance and effectiveness has been assessed as satisfactory. Improvement is an ongoing process leading to action plans. The overall assessment as satisfactory is based on an evaluation of integral components, monitoring the organization's business activities; monitoring financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's business.

The Board of Directors of your Company received agenda and supporting written material including follow-up material in adequate time prior to the Board meetings and its committee meetings. The Board meets frequently enough to discharge its responsibilities. All Directors including Non-Executive Directors and Independent Directors actively participate in all important decisions.

Karachi:
03 January 2025



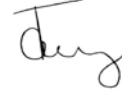
Toqueer Nawaz
Chairman

چیئر مین جا سیکرہ رپورٹ

کارپوریٹ گورننس کے کوڈ کے تحت بورڈ آف ڈائریکٹرز شاہ تاج شوگر ملز لمیٹڈ کی سالانہ کارکردگی کا جائزہ لیا گیا۔ اس جائزہ کا مقصد بورڈ کی مجموعی کارکردگی اور اقداریت کو چھیننا، بنانا اور کمپنی کے وضع کردہ مقاصد کے حصول کے مطابق ڈھالنا ہے۔

برائے سال اختتام ۳۰ ستمبر ۲۰۲۴ میں بورڈ کی مجموعی کارکردگی اطمینان بخش رہی۔ بہتری ایک جاری رہنے والا عمل ہے جو کہ عملی منصوبوں کے لیے نہایت ضروری ہے۔ بورڈ کی مجموعی اطمینان بخش کارکردگی کی بنیاد میں یکہ از می اجزاء کا جائزہ شامل ہے جن میں کاروبار کی تنظیمی کاروائیوں کی نگرانی اور کامیابیوں سے مساوی سلوک شامل ہے۔

کمپنی کے بورڈ ممبران کو کمپنی کے ہونے والے اجلاس سے قبل از مقررہ وقت تمام تحریری مواد موصول ہوا۔ اپنی ذمہ داریوں کے حصول کے لیے ہر ڈیٹے متعلقہ اجلاس منعقد کیے۔ غیر انتظامی اور غیر جانبدار ڈائریکٹرز بھی تمام اہم فیصلوں میں برابر کے شریک رہے۔



توقیر نواز
چیئر مین

کراچی

۳ جنوری ۲۰۲۵

Directors' Report to the Members

On behalf of the Board of Directors, we are pleased to present the Audited Financial Statements of the Company for the year ended 30 September 2024.

OPERATIONAL PERFORMANCE

Summarized operating performance of your mills for the year is as under:

Production Data		Season	
		2024	2023
Start of Season		25.11.2023	25.11.2022
End of Season		25.02.2024	08.03.2023
Duration	Days	92	103
Sugarcane Crushed	M.Tons	679,859	786,325
Production:			
Sugar	M.Tons	67,793	77,600
Molasses	M.Tons	28,152	32,644
Recovery:			
Sugar	%	9.97	9.87
Molasses	%	4.14	4.15

We have already informed our shareholders through half yearly as well as quarterly financial statements that despite of timely start of season and putting our best efforts the company could not succeed in achieving last year's total crushing volume, due to drastic reduction in sugarcane crop. However, sucrose recovery was better than previous crushing season. The government increased support price for the season from Rs. 300/- to Rs. 400/- per 40 kg. Procurement of sugarcane from outside areas was 11.84%, the overall cost of sugarcane procurement was more by about Rs. 3,301/- per M. Ton at Rs. 11,004/- per M. Ton as compared with Rs. 7,703/- per M. Ton in the last year.

INDUSTRY REVIEW

Pakistan is the 7th largest sugar producer globally, with sugarcane as its second most crucial cash crop. In 2021-22, the country achieved a record sugar production of 7.8 million tonnes due to better crop yields and increased acreage. Despite this, Pakistan's sugarcane yield remains below the global average. Sugar is a politically sensitive crop, with government policies heavily influencing production, pricing, and trade.

The sugar industry started the 2023-24 season with a surplus stock of 0.7 million tonnes, producing over 6.84 million tonnes during the year. With a domestic consumption estimate of 6.1 million tonnes, the country has a 1.5 million tonnes surplus. All sugar mills recommended to export this surplus, citing favorable international prices due to reduced Indian exports. However, the government allowed only 0.15 million tonnes for export, fearing domestic price hikes, which had occurred previously when exports led to retail price surges.

The restricted export policy has created challenges for the sugar industry. Sugar Mills face losses as selling prices fall below production costs. This could adversely affect farmers, delaying payments and reducing crop prices. Additionally, the government's taxation policies and focus on industrial rather than household consumption further disrupt the sugar value chain. The poor management of surplus stock could escalate financial and operational crises in the sector.

FINANCIAL RESULTS

During the financial year 2023-24, the company reported a turnover of Rs. 8,821.018 million, which reflects a decline compared to Rs. 9,476.053 million in 2022-23. Despite this reduced turnover, the cost of sales remained relatively stable at Rs. 7,893.589 million, only slightly higher than the previous year's Rs. 7,885.007 million. This resulted in a gross profit of Rs. 927.429 million, a significant decrease from Rs. 1,591.046 million in the prior year.

The company posted a net profit of Rs. 32.145 million, a sharp contrast to the net profit of Rs. 405.472 million recorded in the previous year. The main driver of this minor profit was the depressed local sugar prices caused by an oversupply in the domestic market. This production glut pushed down selling prices, severely affecting both gross margins and net margins.

Finance costs also contributed significantly to the poor financial performance. The company incurred Rs. 644.724 million in finance costs, a notable increase from Rs. 503.118 million in the previous year. This was due to higher reliance on banking facilities and the impact of elevated Policy Rates, which increased borrowing costs.

As a result of these factors, the company recorded earnings per share of Rs. 2.68, compared to earnings per share of Rs. 33.76 in 2022-23. The higher financing expenses, combined with lower sugar prices, substantially weakened the company's profitability for the year.

Appropriations	(Rupees in thousand)
Balance as at 30 September 2023	36,318
Dividend @ Rs. 14 per share for the year 2023	(168,155)
Land Revaluation adjustment in associate	24,801
Net Profit after tax	32,145
Other Comprehensive income	4,891
Un-appropriated loss carried forward	(70,000)
Earnings per share – basic (Rupees per share)	2.68

Due to challenging industry conditions, the Board of Directors has not recommended any dividend.

OUTSTANDING STATUTORY PAYMENTS

All outstanding payments are normal and of routine nature.

Directors' Report to the Members

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company were observed between the end of the financial year of the Company to which the financial statements relate and the date of the report.

RISK AND UNCERTAINTIES

The company is exposed to the following risks and uncertainties: -

- Increased competition in local market due to sugarcane price war among neighboring mills.
- Hike in the oil and electricity prices
- Increase in prices of raw and packing material
- Increased rate of taxes
- Market disruption due to changes in tax laws and regulations
- Financial impact of delay in achieving COD of Power Project due to delay of Transmission line by GEPCO

We take these risks as a challenge with the confidence that Company has the ability to mitigate the impact of these risks.

INTERNAL FINANCIAL CONTROLS

A system of sound internal control is established and prevailing in the Company. The system of internal control is designed in a manner to ensure achievement of Company's business objectives and operational efficiency, reliable financial reporting and compliance with various statutory laws.

FINANCIAL AND CORPORATE REPORTING FRAMEWORK

CODE OF CORPORATE GOVERNANCE

In compliance with the Provisions of the Code of Corporate Governance as required by Securities and Exchange Commission of Pakistan (SECP), the Board of Directors hereby declare that:

- The financial statements for the year ended 30 September 2024 present fairly its state of affairs, the results of its operations, cash flows and changes in equity;
- Proper books of accounts have been maintained;
- International Financial Reporting Standards (IFRS) as applicable in Pakistan, have been followed in preparation of financial statements. Appropriate accounting policies have been consistently applied in preparation of financial statements for the year ended 30 September 2024 and accounting estimates are based on reasonable and prudent judgment.
- The system of internal control is sound in design and has been effectively implemented and monitored.

- There is no doubt about the Company's ability to continue as a going concern;
- There has been no material departure from the best practices of the Corporate Governance as detailed in the listing regulations;
- Information about taxes and levies is given in the notes to and forming part of financial statements.
- Related party transactions are properly disclosed in the notes to and forming part of financial statements.
- The value of Provident Fund Investment as at 30 September 2024 was Rs. (thousand) 338,050-

CORPORATE INFORMATION

Composition of the Board

The total number of Directors are ten (10) as per the following:

- a. Male : Seven (07)
b. Female : Three (03)

The composition of Board is as follows:

Independent Directors Mr. Mushtaq Ahmad
Mr. Asim Rafiq
Ms. Ava Ardeshir Cowasjee
Mr. Zahid Ullah Khan

Non-Executive Directors Mr. Toqueer Nawaz
Mr. Rashed Amjad Khalid
Mr. Abid Nawaz
Mrs. Samia Shahnawaz Idris
Mrs. Sadia Muhammad

Executive Director Mr. Muneer Nawaz

Female Directors Ms. Ava Ardeshir Cowasjee
Mrs. Samia Shahnawaz Idris
Mrs. Sadia Muhammad

Composition of the Committees

The Board has formed committees comprising of members given below:

Audit Committee

Mr. Mushtaq Ahmad	Chairman
Mr. Toqueer Nawaz	Member
Mr. Rashed Amjad Khalid	Member
Mr. Zahid Ullah Khan	Member
Mr. Asim Rafiq	Member

Human Resource and Remuneration Committee

Mr. Asim Rafiq	Chairman
Mr. Muneer Nawaz	Member
Mr. Toqueer Nawaz	Member
Mr. Abid Nawaz	Member
Mrs. Sadia Muhammad	Member

Directors' Report to the Members

Terms of reference of Audit Committee and Human Resource and Remuneration Committee have been approved by the Board in line with the requirement of Code of Corporate Governance and advised to the committees for compliance.

FREQUENCY OF THE MEETINGS

During the year six (06) Board of Directors meeting were held. Attendance of these meeting was as follows:

Name of Directors	No. of Meetings Attended
Mr. Muneer Nawaz	Six
Mr. Toqueer Nawaz	Six
Mr. Mushtaq Ahmad	Six
Mrs. Samia Shahnawaz Idris	One
Mrs. Sadia Muhammad	Six
Mr. Rashed Amjad Khalid	Four
Mr. Abid Nawaz	Six
Ms. Ava Ardeshir Cowasjee	Three
Mr. Asim Rafiq	Six
Mr. Zahid Ullah Khan	Six

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

During the year, the Audit Committee met four (04) times. These meetings were held prior to the approval of interim results of the Company by the Board of Directors before and after completion of external audit. Attendance of each Director was as follows:

Name of Directors	No. of Meetings Attended
Mr. Mushtaq Ahmad	Four
Mr. Toqueer Nawaz	Four
Mr. Rashed Amjad Khalid	Three
Mr. Zahid Ullah Khan	Four
Mr. Asim Rafiq	Two

Leave of absence was granted to the Directors, who could not attend the Audit Committee meetings.

During the year, One (01) meeting of the Human Resource & Remuneration Committee was held. Attendance of each Director was as follows:

Name of Directors	No. of Meetings Attended
Mr. Asim Rafiq	One
Mr. Toqueer Nawaz	One
Mr. Muneer Nawaz	Nil
Mr. Abid Nawaz	One
Mrs. Sadia Muhammad	Nil

Leave of absence was granted to the Directors, who could not attend the Human Resource & Remuneration

Committee meeting.

SIX YEARS REVIEW AT A GLANCE

The six years review at a glance is annexed.

PATTERN OF SHAREHOLDINGS

The pattern of shareholdings as on 30 September 2024 is annexed.

TRADING OF SHARES

During the year under review, no shares were traded by Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, their spouses and minor children.

REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS

The Board from time to time reviews and determines the fee of non-executive and independent directors for attending the Board and different committees' meetings, which are subsequently presented before the shareholders in the annual general meeting for approval.

REMUNERATION OF EXECUTIVE DIRECTORS

The remuneration of Chief Executive & directors of the Company for the year ended 30 September 2024 is disclosed in Note 44 of the financial statements. Chief executive of the Company be paid the present monthly emoluments of Rs. 1,750,000/- plus benefits commensurate to his office from the date of appointment till its review. His new term started on 12 June 2023.

EVALUATION OF THE BOARD'S PERFORMANCE

The Board has developed a mechanism of annual performance evaluation. Every member of the Board ensures his active participation in the meetings of the Board. Detailed discussions are held on strategic matters and clear directions are provided to the management, which are regularly monitored by the Board and its committees. The Board ensures that the Company adopts the best practices of the Code of Corporate Governance. The Board also reviews performance of business segments at each quarter with an aim to improve the low performing segments and at the same time further opportunities of growth are emphasized in all profitable segments, Details of Directors' training programme have been disclosed in the Statement of Compliance with the Code of Corporate Governance.

FINANCIAL STATEMENTS

An independent Auditor's report to the members, issued by External Auditors Messrs. BDO Ebrahim & Company, Chartered Accountants after due audit of financial statements of the Company, is annexed.

EXTERNAL AUDITORS

Messrs. BDO Ebrahim & Co. Chartered Accountants, having completed their audit for the year ended 30

Directors' Report to the Members

September 2024, will retire at the conclusion of the upcoming 59th Annual General Meeting. Messrs. BDO Ebrahim & Co. Chartered Accountants, being eligible, have offered themselves for reappointment as auditors for the year ending 30 September 2025. The Audit Committee has recommended their reappointment, and the Board endorses this recommendation for approval by the shareholders at the AGM.

CORPORATE SOCIAL RESPONSIBILITIES

Disclosure as required by the Corporate Social Responsibility General Order, 2009 is annexed and form an integral part of this report.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

In compliance with the Securities and Exchange Commission of Pakistan's (SECP) regulations on Environmental, Social, and Governance (ESG) disclosures are annexed and form an integral part of this report.

HEALTH, SAFETY AND ENVIRONMENT

We try our utmost effort not to make any compromise on the health and safety of our employees. We have taken various measures to improve and enhance the working conditions of our workers to maintain the highest safety and health standards. We are committed to provide a hygienic environment to our employees, stakeholders and visitors. Another responsibility is to protect the environment. As a responsible corporate organization, we are concerned about the reduction of waste and efficient use of natural resources (electricity, water, gas, fuels etc.) and following global practices to protect the environment. We are also exploring new technologies and improve our processes. Further, we have launched a campaign within the mills premises to plant maximum trees in the Mills area and other factory premises as we intend to maintain cleanliness and green environment in and around the mills area to control pollution.

FUTURE OUTLOOK AND UPDATE ON POWER PROJECT

Sugarcane crop area for the next crushing season, as based on survey conducted by our sugarcane department is reported to be same as last season because of almost same cane acreage in our area. However, the weather conditions are favourable that will improve the yield per acre of sugarcane crop for the ongoing crushing season. Hopefully, favourable climatic conditions will lead to better sucrose content in the sugarcane planted in our area.

The Punjab Government has not notified the minimum support price of sugarcane for crushing season 2024-25. However, keeping in view the limited availability of sugarcane last season support price will be considered as benchmark price of sugarcane to be procured in next crushing season. We are putting our best efforts to procure maximum sugarcane from out zone as well

as in zone.

The selling price of sugar is expected to remain under pressure due to the high carryover stock from the previous season. Additionally, government intervention in regulating sugar prices continues to persist, creating uncertainties for the industry. The company's future financial results will heavily depend on the sugar production during the ongoing crushing season and government policies regarding sugar exports, which will determine the ability to offload surplus sugar in international markets.

The Company is in the process to setup a bagasse-based co-generation power project with an installed capacity of 32 MW (the Project). The project is being financed through a combination of debt and equity. The Company has received power generation license and upfront tariff (revised dated 24 January 2022) for thirty years from the National Electric Power Regulatory Authority (NEPRA). The Company has achieved all other milestones (NOCs/Licenses/Approvals) as per Letter of Intent (LOI) issued by Alternative Energy Development Board (AEDB) in respect of power project including revised Energy Purchase Agreement (EPA), which has been signed and vetted by NEPRA. Further, implementation agreement between the Company and Government of Pakistan has also been signed on 04 April 2023. The Company has finalized syndicated term finance agreement for the project with MCB Bank Limited. The Company has also achieved the "Financial Close" of the project with AEDB.

The project's Commercial Operation Date (COD) was initially scheduled for December 31, 2023, as outlined in the Energy Purchase Agreement (EPA). However, the COD could not be achieved due to delays in completing the interconnection facility between the project's switchyard and the Gujranwala Electric Power Company Limited (GEPCO) system.

The primary cause of the delay was right-of-way (ROW) issues, which hindered GEPCO's ability to complete the required transmission line. These ROW challenges significantly impacted the timeline for establishing the connection infrastructure necessary for the project's operations.

To address this situation, the company sought and successfully obtained an extension in the COD from the Central Power Purchasing Agency-Guarantee (CPPA-G). However, final approval from the National Electric Power Regulatory Authority (NEPRA) is still pending.

The company is optimistic about the timely completion of the transmission line by GEPCO, which will enable the declaration of the Commercial Operation Date (COD) for its power project. Once the COD is achieved, the project is expected to generate financial benefits starting in the fiscal year 2024-25. This development will contribute positively to the company's financial performance, offsetting some of the challenges posed by the sugar market dynamics

ACKNOWLEDGEMENT

Your Directors place on record their appreciations of the diligence and devotion of duty of the Officers, Members of Staff and Workers of all categories.

FOR AND ON BEHALF OF THE BOARD



TOQUEER NAWAZ
Chairman

Karachi: 03 January 2025



MUSHTAQ AHMAD
Director



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اس صورتحال کو حل کرنے کے لیے کمپنی نے سینٹرل پاور پراجیکٹ اینجینیئرنگ-پاور (سی پی پی اے-جی) سے کمرشل آپریشن کی تاریخ میں توسیع حاصل کی۔ تاہم، پینٹل اینجینئرنگ پاور ریکویزری اتھارٹی (پہرا) سے حتمی منظوری ابھی باقی ہے۔

کمپنی کو امید ہے کہ کچھ کھڑے کارڈرز انٹیمیشن لائن کی تکمیل ہو جائے گی، جو پاور پراجیکٹ کے لیے کمرشل آپریشن ڈیٹ (COD) کے اعلان کو ممکن بنائے گی۔ جب COD حاصل ہو جائے گا تو توقع ہے کہ پراجیکٹ مالی سال ۲۰۲۳-۲۵ سے مالی فوائد پیدا کرے گا۔ یہ ترقی کمپنی کی مالی کارکردگی میں مثبت کردار ادا کرے گی اور چینی مارکیٹ کی حرکات کے باعث آنے والے کچھ چیلنجز کا مقابلہ کرے گی۔


اعزاز

آپ کے ڈائریکٹرز افسروں، عملے کے اراکین اور تمام ذمہ داروں کے کارکنان کی محنت اور فرض شناسی پر ان کی قدر شناسی کا اظہار کرتے ہیں۔

برائے اور از طرف بورڈ آف ڈائریکٹرز



مختار احمد
ڈائریکٹر



توفیق پرواز
ڈائریکٹر

کراچی

۰۳ جنوری ۲۰۲۵

ڈائریکٹرز رپورٹ برائے ممبران

کے گئے سال میں بھر سکروز مول پیدا کریں گے۔

ماہیاب حکومت نے کرکھ سیزن ۲۵-۲۰۲۳ کے لیے گنے کی کم از کم امدادی قیمت کا اعلان نہیں کیا ہے۔ تاہم، گزشتہ سیزن میں گنے کی محدود دستیابی کو مد نظر رکھتے ہوئے امدادی قیمت کو آئندہ کرکھ سیزن میں خریداری کے لیے معیار کی قیمت کے طرز پر سمجھا جائے گا۔ ہم اپنے علاقے کے اتحاد اور باہر سے زیادہ سے زیادہ گنا خریدنے کی بھرپور کوشش کر رہے ہیں۔

چینی کی فروخت کی قیمت گزشتہ سیزن کے زیادہ ذخیرے کی وجہ سے زیادہ رہنے کی توقع ہے۔ خریدہ برائے حکومت کی طرف سے چینی کی قیمتوں کو ضابطے میں لانے کے اقدامات جاری ہیں، جو صنعت کے لیے غیر چینی صورتحال پیدا کر رہے ہیں۔ کمپنی کے مستقبل کے مالی نتائج کا اظہار ۲۰۲۵-۲۶ کرکھ سیزن کے دوران چینی کی پیداوار اور چینی کی درآمد کے متعلق متوقع پالیسیوں پر ہوگا، جو چین الاقوامی ریکٹوں میں درآمد چینی کو ٹانگنے کی صلاحیت کا تعین کریں گی۔

کمپنی 32 میگا واٹ (کمپلیکس) کی نصب صلاحیت کے ساتھ ریگس پر مبنی کو-جزیشن پاور پراجیکٹ قائم کرنے کے عمل میں ہے۔ اس منصوبے کی مالی اعانت قرض اور انکیوٹی کے احزاب سے کی جاتی ہے۔ کمپنی نے پینٹل اینجینئرنگ پاور ریکویزری اتھارٹی (پہرا) سے تیس سال کے لیے پاور جزییشن لائسنس اور اپ فرنٹ میرف (نظر ثانی شدہ مورچہ 24 جنوری 2022) حاصل کیا ہے۔ کمپنی نے پاور پراجیکٹ کے بحالے سے متبادل توانائی کے ترقیاتی بورڈ (AEDB) کے جاری کردہ لیر آف انٹینٹ (LOI) کے مطابق دیگر تمام سبب مل (NOCs) / لائسنس / منظوریات حاصل کر لیے ہیں، بشمول نظر ثانی شدہ انٹری پریچر اور مگرینٹ (EPA)، جس پر دستخط کیے گئے ہیں اور پہرا کی طرف سے جانچ پڑتال۔ مزید برآں، کمپنی اور حکومت پاکستان کے درمیان 04 اپریل 2023 کو مملو رآمد کے معاہدے پر دستخط کیے گئے ہیں۔ کمپنی نے ایم سی پی وی بی لیک لیکٹ کے ساتھ پاور پراجیکٹ کے لیے سٹرکچرل فرم ٹرانس اور مگرینٹ کو حتمی شکل دے دی ہے۔ کمپنی نے AEDB کے ساتھ پاور پراجیکٹ کا مالی اختتام بھی حاصل کر لیا ہے۔

EPA کے مطابق اس منصوبے کے لیے کمرشل آپریشن کی تاریخ (COD) عمل میں 31 دسمبر 2023 کو مقرر کی گئی تھی۔ تاہم، پراجیکٹ کے سوڈے پارڈ اور گورنور انوالو اینجینئرنگ پاور کمپنی لیکٹ (GEPSCO) کے سسٹم کے درمیان انٹرنکشن کی سہولت کی تکمیل سے متعلق مسائل کی وجہ سے، سی اے ڈی کو منصوبہ بندی کے مطابق حاصل نہیں کیا جا سکا۔

تاجر کی بنیادی وجہ فراہمیشن لائن کی گزرگاہ کے مسائل ہیں (Right of Way) جنہوں نے مطلوب فراہمیشن لائن تکمیل کرنے کی صلاحیت میں رکاوٹ پیدا کی۔ ان چیلنجز نے منصوبے کی تکمیل کو بے حد متاثر کیا۔

ڈائریکٹرز رپورٹ برائے ممبران

جوڈائریکٹرز ان میٹنگز میں شامل نہیں ہو سکتے ان کی رخصت کی درخواست کو منظور کیا گیا۔

چھ ماہ کی کارکردگی کا جائزہ

۱۱ ماہ کی چھ ماہ کی کارکردگی کا جائزہ اس رپورٹ کے ساتھ منسلک ہے۔

حصص داران کی تفصیل (مطابق آئی سی ڈی سی)

حصص داران کی تفصیل ۳۰ ستمبر ۲۰۲۳ء رپورٹ کے ساتھ منسلک ہے۔

حصص کی خرید و فروخت

پیش کردہ مالی سال کے دوران کسی ڈائریکٹر، چیف ایگزیکٹو آفیسر، چیف فنانس آفیسر، سینیئر مینیجر یا ان کے بیوی بچوں (بشمول بالغ بچوں) نے حصص کی کوئی خرید و فروخت نہیں کی۔

ایگزیکٹو ڈائریکٹرز کے معاوضے کی پالیسی

جوڈائریکٹرز ان ایگزیکٹو ڈائریکٹرز کی جوڈائریکٹرز کی پالیسی میں شمولیت کرنے پر ادا کی جانے والی فیس کا وقتا فوقتاً جائزہ لیتا ہے اور تعین کرتا ہے۔ جو کہ بعد میں منظوری کے لئے سالانہ اجلاس عام میں حصص داران کے سامنے پیش کیا جاتا ہے۔

ایگزیکٹو ڈائریکٹرز کے معاوضے

چیف ایگزیکٹو آفیسر کی ڈائریکٹرز کی مالی سال ۳۰ ستمبر ۲۰۲۳ء کو اختتام پذیر ہونے پر تنخواہ اور مراعات نوٹ نمبر ۳۰ میں ظاہر کی گئی ہے۔ چیف ایگزیکٹو آفیسر کی تقرری کی تاریخ سے اس کی تنخواہ پر نظر ثانی تک ماہانہ تنخواہ ۱,۵۰,۰۰۰ روپے کے ساتھ اس کے معاوضے کے مطابق قواعد ۱۱ میں بیان کیے گئے۔ اس کی فنانس ۱۲ جون ۲۰۲۳ء کو شروع ہوئی۔

جوڈائریکٹرز کی کارکردگی کا جائزہ

جوڈائریکٹرز اپنی سالانہ کارکردگی کا جائزہ لینے کے لئے ایک جامع نظام وضع کیا ہے۔ جوڈائریکٹرز اس بات کو یقینی بنانے کی کوشش کرتا ہے کہ وہ ادارے کی میٹنگز میں عملی طور پر موثر کردار ادا کرے۔ کارروائیوں کی عملی کے معاملات پر تفصیلی بحث کی جاتی ہے اور تنظیمیں کی کچھ سمت میں واضح طور پر رہنمائی کی جاتی ہے، جس کا وقتا فوقتاً جوڈائریکٹرز اور اس کی ذیلی کمیٹیاں بطور جائزہ لیتی ہیں۔ جوڈائریکٹرز کو یقینی بنانا ہے کہ ادارہ کارروائیوں کے معاملات کے لئے وضع کیے گئے اصول و ضوابط پر کاربند ہے۔ جوڈائریکٹرز ہر ماہی کے اختتام پر کارروائی کے تمام معاملات کا اس کاغذ میں جائزہ لیتا ہے کہ جہاں کی ہواں کو پورا کیا جائے اور اس کے ساتھ ساتھ بہتری کے نئے مواقع جو کہ آنے والے وقت کے لئے قلع بٹھائیں ہوں ان پر نظر رکھی جاسکے اور ان سے فائدہ اٹھایا جائے۔ ڈائریکٹرز کے لئے منصفانہ کارروائی ترقیاتی پروگرام کے متعلق ادارے کے کارروائی قواعد و ضوابط پر عملداری کے پیمانے میں تفصیلی ذکر موجود ہے۔

مالیاتی کارکردگی

کمپنی کے بیرونی آڈیٹر میسرز بی ڈی او ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس سے آڈٹ شدہ مالیاتی کارکردگی اور بیرونی فیڈ بیک ایوارڈ رپورٹ کے ساتھ منسلک ہے۔

بیرونی آڈیٹرز

میسرز بی ڈی او ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس، جنہوں نے سال ختم ۳۰ ستمبر ۲۰۲۳ء کا آڈٹ مکمل کر لیا ہے۔ آئندہ ۵۹ ماہوں میں سالانہ جنرل میٹنگ کے اختتام پر سبکدوش ہو جائیں گے۔ میسرز بی ڈی او ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس، جو اب ہیں، نے سال ختم ۳۰ ستمبر ۲۰۲۵ء کے لئے دوبارہ تقرری کی پیشکش کی ہے۔ آڈٹ کمیٹی نے ان کی دوبارہ تقرری کی سفارش کی ہے اور جوڈائریکٹرز کی سالانہ جنرل میٹنگ میں شیئر ہولڈرز سے منظوری کی تائید کرتا ہے۔

کارپوریٹ سماجی ذمہ داریاں

کارپوریٹ سماجی ذمہ داریوں کے متعلق بیان، جنرل آرڈر ۲۰۰۹ء کے تحت اس رپورٹ کا لازمی حصہ بنایا گیا ہے۔

مالیاتی رہنمائی اور اظہار (ESG)

سیکچرل اینڈ ایگزیکٹو کمیٹی آف پاکستان (SECP) کے ماحولیاتی، سماجی اور انتظامی (ESG) کے اظہار کے ضوابط کی تعمیل میں یہ حصے شامل کیے گئے ہیں اور اس رپورٹ کا لازمی حصہ ہیں۔

صحت و معیار کا معاملہ

ہماری پوری کوشش ہے کہ ہم اپنے ملازمین کی صحت اور حفاظت کے معاملات پر کسی قسم کا سمجھوتہ نہ کریں۔ ہم اپنے کارکنان کی صحت اور حفاظت کے بہترین معیار کے لیے سازگار حالات کو برقرار رکھنے کے لیے ہر وقت کوشاں ہیں۔ ہم پر عزم ہے کہ ہم اپنے ملازمین کو صحت مند اور محفوظ فرام کر دیں۔ ایک اور ذمہ داری عمومی ماحول کا تحفظ ہے۔ ایک ذمہ دار کارروائی ادارے کے طور پر ہم صحت مند ماحول کو کم کرنے، قدرتی وسائل (بجلی، پانی، گیس، ایندھن وغیرہ) اور ماحول کے تحفظ کے لیے عالمی طرز عمل اپنانے کا عزم رکھتے ہیں۔ ہم جدید طرز عمل کو اپنانے اور اپنے آپریٹنگ عمل کو بہتر کرنے کے لیے کوشش جاری رکھے ہوئے ہیں۔ مزید یہ کہ ہم نے اپنی طرز عمل کے باغات اور دیگر جگہوں پر زیادہ سے زیادہ درخت لگانے کے لئے ایک ہم کارکنان ڈیباہے تاکہ آلودگی پر قابو پایا جاسکے اور ماحول کو سبز و شاداب اور صاف رکھا جاسکے۔

مستقبل کے امکانات اور پیمانہ پایداری کی کارکردگی میں صحت مند حال

مستقبل کی فصل کے لئے اچھے کرہنک سیزن کا علاقہ، جو ہمارے گنا گھوڑے کے ذریعے کے گھر سے پر تھی ہے، پچھلے سیزن کی طرح ہی رپورٹ کیا جا رہا ہے کیونکہ ہمارے علاقے میں تقریباً وہی گنا کر رہا ہے۔ تاہم موسم کے حالات سازگار ہیں جو ہماری کرہنک سیزن کے لئے گنے کی فی ایکڑ پیداوار میں بہتری لائیں گے۔ امید ہے کہ سازگار موسمی حالات ہمارے علاقے میں کاشت کاری

ڈائریکٹرز رپورٹ برائے ممبران

حقوق کی تعداد

دوران سال بورڈ آف ڈائریکٹرز کی چھ میٹنگز منعقد ہوئیں۔ ان میٹنگز کی حاضری درج ذیل رہی۔

نام ڈائریکٹر	میٹنگز میں حاضری کی تعداد	نام ایگزیکٹو ڈائریکٹر	جناب توقیر نواز
جناب منیر نواز	چھ	جناب راشد احمد خالد	جناب ماہد نواز
جناب توقیر نواز	چھ	محترمہ سہیلہ شاہنواز اور سن	محترمہ سعیدہ بیگم
جناب مشتاق احمد	چھ	جناب منیر نواز	
محترمہ سہیلہ شاہنواز اور سن	ایک	جناب راشد احمد خالد	
محترمہ سعیدہ بیگم	چھ	جناب ماہد نواز	
جناب راشد احمد خالد	چار	محترمہ ساج آرزو بیگم کاس جی	
جناب ماہد نواز	چھ	جناب عامر رفیق	
محترمہ ساج آرزو بیگم کاس جی	تین	جناب زاہد اللہ خان	
جناب عامر رفیق	چھ		
جناب زاہد اللہ خان	چھ		

جو ڈائریکٹرز ان میٹنگز میں شامل نہیں ہو سکے ان کی رخصت کی درخواست کو منظور کیا گیا۔

کمیٹیوں کی تشکیل

بورڈ نے درج ذیل ممبران پر مشتمل کمیٹیوں تشکیل دی ہیں۔

دوران سال آڈٹ کمیٹی کی چار میٹنگز منعقد ہوئیں۔ یہ میٹنگز بورڈ کی تاریخ کے بیرونی آڈٹ سے پہلے اور بعد میں کمیٹی کے بورڈ آف ڈائریکٹرز کو پیش کرنے سے قبل منعقد کی گئیں۔ ہر ایک ڈائریکٹر کی ان میٹنگز میں حاضری درج ذیل ہے۔

نام ڈائریکٹر	میٹنگز میں حاضری کی تعداد	آڈٹ کمیٹی
جناب مشتاق احمد	چار	جناب مشتاق احمد
جناب توقیر نواز	چار	جناب توقیر نواز
جناب راشد احمد خالد	چار	جناب راشد احمد خالد
جناب زاہد اللہ خان	تین	جناب زاہد اللہ خان
جناب عامر رفیق	چار	جناب عامر رفیق
	دو	

جو ڈائریکٹرز ان میٹنگز میں شامل نہیں ہو سکے ان کی رخصت کی درخواست کو منظور کیا گیا۔

دوران سال ایومن ریفرنس اور معاوضہ کمیٹی کی ایک میٹنگ منعقد ہوئی۔ اس میٹنگ میں ڈائریکٹرز کی حاضری درج ذیل ہے۔

نام ڈائریکٹر	میٹنگز میں حاضری کی تعداد	ایجنڈا کی ریسورس اور ریفرنس کمیٹی کی شرائط کو پورے کارپوریٹ گورننس کے مطابق کی ضرورت کے مطابق منظور کیا ہے اور کمیٹیوں کو قبول کے لیے مشورہ دیا ہے۔
جناب عامر رفیق	ایک	جناب عامر رفیق
جناب توقیر نواز	ایک	جناب توقیر نواز
جناب منیر نواز	ایک	جناب منیر نواز
جناب ماہد نواز	ایک	جناب ماہد نواز
محترمہ سعیدہ بیگم	ستر	محترمہ سعیدہ بیگم

ہے۔ اندرونی کنٹرول کا یہ نظام ادارے کے مقاصد کے حصول، کام میں بہتری، قابل اعتماد مالیاتی رپورٹنگ اور مختلف قوانین کے ساتھ مطابقت کو یقینی بنانے کے لیے بنایا گیا ہے۔

مالیاتی اور کاروباری راجدگاہ کا نام اور کاروباری - معاملات کے قواعد وضوابط

یورڈ آف ڈائریکٹرز پاکستان سیکرٹریز اینڈ ایکنگ کے سروہ اصول وضوابط کی تعمیل کرتے ہوئے یہاں اعلان کرتے ہیں کہ:

- انکوائری کی طرف سے تیار شدہ مالیاتی گوشوارہ برائے سال ۳۰ ستمبر ۲۰۲۳ء سے تعلق اور نقصان کے نتائج، ذرا آمد و ترسیل کا گوشوارہ اور حصص شراکت داری میں تبدیلی مصطفیٰ طور پر پیش کی گئی ہیں۔

- کھنٹی کے تمام حسابات باضابطہ طور پر تیار کیے گئے ہیں۔

- بین الاقوامی حساباتی قواعد جو کہ پاکستان میں مانجے ہیں، ۳۰ ستمبر ۲۰۲۳ء کے مالیاتی حسابات کی تیاری ان قوانین کے مطابق کی گئی ہے۔ اس سلسلے میں متعلقہ حساب داری کی راجدگاہ روایت کے تسلسل کو برقرار رکھا گیا ہے۔ اور حساباتی تجربے معقول اور مناسب فیصلوں کی بنیاد پر کیے گئے ہیں۔

- اندرونی آڈٹ کا نظام مشروط بنیادوں پر قائم ہے اور اس کو مؤثر انداز میں مرحب کیا گیا ہے۔

- ادارے کے اپنے کاروباری امور کے مستقل قریب میں جاری رکھنے کے سلسلے میں کسی قسم کے شکوک و شبہات نہیں ہیں۔

- متعین کردہ اصول وضوابط میں تصفیے درجہ کو رپورٹ گورننس کے رہنما اصولوں سے اخراج نہیں کیا گیا۔

- ٹیکس اور مصوات کا ذکر نوٹس میں درج ہے اور یہ مالیاتی گوشوارہ کا حصہ ہیں۔

- متعلقہ پارٹنرز کے بارے میں معلومات نوٹس میں درج ہیں اور یہ مالیاتی گوشوارہ کا حصہ ہیں۔

- پرائیویٹ فنڈ کی انویسٹمنٹ کی مالیت کی مدد میں ذمہ داری ۳۰ ستمبر ۲۰۲۳ء کو ۳۳۸۰۰۵۰ (روپے ہزاروں میں) ہے۔

کاروبار کے ضوابط کاروبار کی حکمت عملی

ڈائریکٹرز کی کونسل میں ہے جو مندرجہ ذیل ہے۔

(۱)۔ مرد سات (۷) (ب)۔ خاتون تین (۳)

یورڈ کی تحصیل درج ذیل ہے۔

- جناب حنیف احمد
- جناب عامر رفیق
- محترمہ مدیحہ آرزو بیگم کلاں جی
- جناب زاہد اللہ خان

ڈائریکٹرز رپورٹ برائے ممبران

محصبات	(روپے ہزاروں میں)
۳۰ ستمبر ۲۰۲۳ء کو چلایا	۳۹,۳۱۸
تقسیم منافع ۱۳ روپے فی حصص برائے سال ۲۰۲۳	(۱۲۸,۱۵۵)
ایسی ایت میں زمین کی قیمت میں تبدیلی	۲۴,۸۰۱
بٹالیاں منافع بعد از مصوات	۳۴,۱۳۵
دیگر جائز آمدن	۲,۸۹۱
غیر منافع کردہ نقصان جو آئے سے منتقل کیا گیا	(۷۰,۰۰۰)
فی حصص منافع۔ بنیادی روپوں میں	۲-۶۸

نقصان کو مد نظر رکھتے ہوئے آپ کے ادارے کے ڈائریکٹرز نے تقسیم منافع کو چھوڑ دیا ہے۔

بھاری ذمہ داری

تمام عمل اور بھاری ذمہ داریوں کے مطابق ہیں۔

انہماں تہذیب اور کاروبار کی ذمہ داری

مالیاتی سال کے اختتام اور رپورٹ کی تاریخ کے دوران کوئی بڑی تبدیلی اور معاہدے نہیں ہوئے جو ادارے کی مالیاتی حیثیت پر اثر انداز ہوں۔

خطرات اور غیر یقینی حالات

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

- فصل کے حصول کے لیے پڑوسی شوگر ملوں میں قیمتوں میں مقابلہ بازی
- تیل اور گھلی کی قیمتوں میں اضافہ
- خام اور پینکٹ مواد کی قیمتوں میں اضافہ
- ٹیکس کی شرح میں اضافہ
- ٹیکس قوانین اور ضوابط میں تبدیلی کی وجہ سے منڈی میں منتقل
- گھنٹی کی جانب سے لائسنس ڈائن کی بحالی میں تاخیر کی وجہ سے پاور پروڈیکٹ کی COD کے حصول میں تاخیر کے، بنی اثرات۔

کھنٹی ان خطرات کو امتداد کے ساتھ پہنچنے کے طور پر لیتی ہے کہ اس میں ان خطرات کے اثرات کو کم کرنے اور ان سے بچو آزا ہونے کی اصلاحت ہے۔

اندرونی مالیاتی کنٹرول

ادارے میں ایک منظم اندرونی محاسبہ کا نظام قائم کیا گیا ہے جو کہ ادارے میں ہر شعبے میں راجدگاہ

ڈائریکٹرز رپورٹ برائے ممبران

یورڈ آف ڈائریکٹرز کی نمائندگی میں ہم انتہائی مسرت کے ساتھ اہتمام شدہ سال ۲۰۲۳-۲۴ کے لیے اہلکار کا حساب شدہ مالیاتی گوشوارہ آپ کی خدمت میں پیش کرتے ہیں۔

کارکردگی کا جائزہ

آپ کی ملکی پیداواری کارکردگی کی مختصر رپورٹ گزشتہ سال کے مقابلہ درج ذیل ہے۔

پیداواری اعداد و شمار	میزان	
	۲۰۲۳	۲۰۲۲
آغاز میزون	۲۵ نومبر ۲۰۲۳	۲۵ نومبر ۲۰۲۲
اتہام میزون	۲۵ فروری ۲۰۲۳	۰۸ مارچ ۲۰۲۳
دورانیہ میزون	۱۹۴ دن	۱۱۰۳ دن
گنے کی پیمانگی	۶۷۹,۸۵۹ میٹرک ٹن	۸۹۶,۳۴۵ میٹرک ٹن
پیداوار		
گنتی	۶۷۷,۷۹۳ میٹرک ٹن	۷۷۱,۶۰۰ میٹرک ٹن
راب	۲۸,۱۵۲ میٹرک ٹن	۳۲,۶۳۳ میٹرک ٹن
پیداواری تناسب		
گنتی	۹۷ فیصد	۸۷ فیصد
راب	۱۳ فیصد	۱۵ فیصد

ہم اپنے شیئر ہولڈرز کو شکریا ادا اور ہماری مالیاتی گوشواروں کے ذریعے پہلے ہی مطلع کر چکے ہیں کہ میزون کے بروقت آغاز اور ہماری پوری کوششوں کے باوجود گنے کی فصل میں زبردستی کی وجہ سے گنتی گزشتہ سال کی کرٹھک کے مجموعی حجم کو حاصل کرنے میں کامیاب نہیں ہو سکی۔ تاہم سکرور کی ریکوری کچھ کرٹھک میزون کے مقابلے میں بہتر تھی۔ حکومت پنجاب نے میزون کے لیے گنے کی کم از کم قیمت خرید ۳۰۰ روپے فی من سے بڑھا کر ۳۰۰ روپے فی من کر دی۔ بیرونی علاقوں سے گنے کی خریداری کا حجم ۸۳-۱۱ فیصد تھا، گنے کی خریداری کی مجموعی لاگت ۱۱۰,۰۰۳ روپے فی میٹرک ٹن ہے جو کہ گزشتہ سال ۷۰۳ روپے فی میٹرک ٹن تھی جو کہ تقریباً ۳۳.۰۱ روپے فی میٹرک ٹن زیادہ ہے۔

صنعت کا جائزہ

پاکستان دنیا بھر میں ساتواں سب سے بڑا گنتی پیدا کرنے والا ملک ہے، جہاں گنے کی فصل دوسری سب سے اہم نقدی فصل ہے۔ ۲۳-۲۰۲۱ میں ملک نے فصل کی بہتر پیداوار اور بڑے بڑے زیر کاشت رقبے کی وجہ سے ۸-۷ ملین ٹن گنتی کی ریکارڈ پیداوار حاصل کی۔ اس کے باوجود پاکستان میں گنے کی پیداوار عالمی اوسط سے کم رہی۔ گنتی سیاسی طور پر ایک حساس فصل ہے، جس میں حکومتی پالیسیاں پیداوار، قیمتوں اور تجارت کو بہت زیادہ

تذکرہ کرتی ہیں۔

شوگر انڈسٹری نے ۲۳-۲۰۲۳ کے میزون کا آغاز ۷-۱۰ ملین ٹن کے فاصلہ ذخیرہ کے ساتھ کیا اور سال کے دوران ۸۳-۶ ملین ٹن سے زیادہ پیداواری ۱-۶ ملین ٹن کی گھریلو کھپت کے تعینات کے ساتھ ملک میں ۱۰۵ ملین ٹن اضافی ذخائر ہیں۔ شوگر ملوں نے ہندوستانی برآمدات میں کمی کی وجہ سے سازگار بین الاقوامی قیمتوں کا حوالہ دیتے ہوئے اس مرحلے کو برآمد کرنے کے لیے اڑ ڈالنے کی کوشش کی۔ تاہم، حکومت نے مقامی قیمتوں میں اضافے کے خوف سے برآمد کے لیے صرف ۱۰۱۵ ملین ٹن کی اجازت دی، جو اس سے قبل اس وقت ہوا تھا جب برآمدات کی وجہ سے غور و قیمتوں میں اضافہ ہوا۔ صبر و بردباری پالیسی نے گنتی کی صنعت کے لیے مشکلات پیدا کی۔ فروخت کی قیمتیں پیداواری لاگت سے کم ہونے کی وجہ سے شوگر ملوں کو نقصان کا سامنا ہے۔ اس سے کسانوں پر سختی بڑھ سکتی ہے، اور انہیں میں تاخیر اور فصل کی قیمتوں میں کمی واقع ہو سکتی ہے۔ خرید برائے حکومت کی گنے کی پالیسیاں اور گھریلو استعمال کے سہانے صنعت پر توجہ مرکوز کرنے سے گنتی کی قیمت کا سلسلہ مزید متاثر ہوگا۔ فاضل ذخیرے کا ناقص انتظام اس شبہ میں مالی اور عملی اصلاحات کے بحران کو بڑھا سکتا ہے۔

میلنگ

مالی سال ۲۳-۲۰۲۳ کے دوران، گنتی نے ۱۸-۸۱,۸۴۱ ملین روپے کی فروخت کی، جو کہ ۲۳-۲۰۲۲ میں ۵۳-۹,۳۷۶ ملین روپے کے مقابلے میں کمی ظاہر کرتا ہے۔ اس کم فروخت کے باوجود، فروخت کی لاگت نسبتاً مستحکم رہی جو کہ ۵۸۹-۸۹۳ ملین روپے رہی، جو پچھلے سال کے ۷۷۱,۸۸۵ ملین روپے سے تھوڑی سی زیادہ ہے۔ اس کے نتیجے میں ۳۲۹-۹۲ ملین روپے کا مجموعی منافع ہوا، جو پچھلے سال کے ۳۶۶-۱,۵۹۱ ملین روپے سے نمایاں کم ہے۔

گنتی نے ۱۳۵-۳۲ ملین روپے کا خالص منافع اور کیا، جو کہ پچھلے سال کے ۴۷۲-۳۰۵ ملین روپے کے خالص منافع کے برعکس ہے۔ اس عملی منافع کی بڑی وجہ مقامی مارکیٹ میں شوگر کی قیمتوں میں شدید کمی تھی، جو مقامی مارکیٹ میں ضرورت سے زیادہ سپلائی کی وجہ سے تھی۔ اس اضافی پیداوار نے فروخت کی قیمتوں کو نیچے دیکھ لیا، جس سے مجموعی مارجن اور خالص مارجن دونوں پر گہرا اثر پڑا۔

مالیاتی اخراجات نے بھی ناقص مالی کارکردگی میں اہم کردار ادا کیا۔ گنتی نے مالیاتی اخراجات میں ۷۲۳-۶۳۳ ملین روپے کا سامنا کیا، جو کہ پچھلے سال کے ۱۱۸-۵۰۳ ملین روپے سے نمایاں اضافہ ہے۔ یہ جینکٹک سہولیات اعلیٰ اہلکاروں پر مبنی ہوئی پالیسی کی بلند شرح کے اثرات کے باعث ہوا، جس نے قرض لینے کے اخراجات کو بڑھا دیا۔

ان عوامل کے نتیجے میں، گنتی نے فی شیئر منافع ۶۸-۲ روپے درج کیا، جبکہ ۲۳-۲۰۲۲ میں فی شیئر آمدنی ۷۶-۳۳ روپے تھی۔ زیادہ مالیاتی اخراجات اور گنتی کی کم قیمتیں مل کر گنتی کے سالانہ منافع کو کافی حد تک کم کر چکی ہیں۔

Six Years Review at a Glance

YEAR	2024	2023	2022	2021	2020	2019
Production Data						
Season started	25.11.2023	25.11.2022	20.11.2021	15.11.2020	30.11.2019	12.12.2018
Season closed	25.02.2024	08.03.2023	25.03.2022	12.03.2021	10.03.2020	18.03.2019
Days worked	92	103	126	118	102	97
Cane crushed (M. Tons)	679,859	786,325	1,031,923	842,079	630,074	750,786
Sugar produced:						
Sugar (M. Tons)	67,793	77,600	91,603	81,181	59,204	74,585
Molasses (M. Tons)	28,152	32,644	45,786	36,593	27,354	31,486
Recovery:						
Sugar %	9.97	9.87	8.88	9.64	9.41	9.94
Molasses %	4.14	4.15	4.44	4.35	4.34	4.19
(Rupees in thousand)						
Income						
Sales	8,821,018	9,476,053	6,615,125	6,314,278	4,539,679	4,609,540
Others	52,530	44,478	35,391	27,019	6,172	15,121
	8,873,548	9,520,531	6,650,516	6,341,297	4,545,851	4,624,661
Expenditure						
Cost of revenue	7,893,589	7,885,007	5,841,353	5,503,573	4,151,015	4,189,472
Distribution cost and administrative expenses	403,669	389,671	317,281	265,803	247,454	234,770
Finance cost	644,724	503,118	431,282	264,412	138,785	129,610
Other operating expenses	875	97,799	10,449	24,210	7,056	8,055
	8,942,857	8,875,595	6,600,365	6,057,997	4,544,310	4,561,907
Share of profit of associate - net	5,482	16,861	35,265	30,957	10,958	25,235
Profit / (loss) before taxation	(63,827)	661,797	85,416	314,257	12,499	87,989
Taxation & levy	95,972	(256,325)	(84,339)	(109,429)	(70,950)	(54,746)
Profit / (loss) after taxation	32,145	405,472	1,077	204,828	(58,451)	33,243
Paid up capital	120,111	120,111	120,111	120,111	120,111	120,111
Capital reserve - Share premium	27,534	27,534	27,534	27,534	27,534	27,534
Revaluation Surplus on property, plant and equipment	1,928,484	1,928,484	1,928,484	1,506,111	1,506,111	1,506,111
General reserve and unappropriated profits	1,081,119	1,187,437	781,040	841,097	631,989	686,072
Loans from directors	150,000	126,000	146,000	150,000	150,000	120,000
Shareholders equity	3,307,248	3,389,566	3,003,169	2,644,853	2,435,745	2,459,828
Break up value per share in rupees	275.35	282.20	250.03	220.20	202.79	204.80
Earnings / (loss) per share - Basic (Rupees)	2.68	33.76	0.09	17.05	(4.87)	2.77
Dividend - Cash (%)	-	140	-	50	-	-

Pattern of Share Holding

As at 30 September 2024

NUMBER OF SHARE HOLDERS	Share Holdings		Total Shares Held
	From	To	
413	1	100	6,794
131	101	500	40,414
41	501	1,000	31,954
47	1,001	5,000	109,358
11	5,001	10,000	83,766
8	10,001	15,000	94,653
2	15,001	20,000	35,776
4	20,001	25,000	94,654
1	25,001	30,000	28,253
4	30,001	35,000	130,500
1	40,001	45,000	42,500
1	45,001	50,000	48,000
1	50,001	55,000	52,500
2	55,001	60,000	111,461
1	70,001	75,000	73,294
1	80,001	85,000	80,300
1	130,001	135,000	133,505
2	135,001	140,000	271,507
1	170,001	175,000	174,990
2	175,001	180,000	352,385
1	190,001	195,000	190,033
1	210,001	215,000	213,589
2	220,001	225,000	448,399
1	225,001	230,000	229,147
2	250,001	255,000	504,209
1	265,001	270,000	266,185
1	275,001	280,000	276,652
1	315,001	320,000	319,453
1	325,001	330,000	328,039
1	335,001	340,000	337,015
1	395,001	400,000	400,000
1	425,001	430,000	425,450
1	525,001	530,000	529,456
1	600,001	605,000	601,351
1	605,001	610,000	606,589
1	755,001	760,000	756,984
1	780,001	785,000	781,695
1	805,001	810,000	808,033
1	855,001	860,000	858,306
1	1,130,001	1,135,000	1,133,947
697			12,011,096

Pattern of Share Holding

As at 30 September 2024

SHARE HOLDER'S CATEGORY	Share Held	Percentage
(i) Associated Companies, undertaking & related parties (name wise details);		
Shezan Services (Pvt) Ltd. (CDC)	425,450	3.54%
(ii) Modaraba and Mutual Funds (name wise details);		
MC FSL - Trustee JS Growth Fund (CDC)	1,133,947	9.44%
(iii) Directors and Their spouse(s) and minor children (name wise details);		
Mr. Muneer Nawaz	1,459,657	
Mrs. Abida Muneer Nawaz (Wife)	529,456	
Mrs. Samia Shahnawaz Idris (CDC)	337,015	
Mr. Abid Nawaz	176,109	
Mr. Abid Nawaz (CDC)	35,000	
Mr. Rashed Amjad Khalid	223,399	
Mr. Rashed Amjad Khalid (CDC)	8,000	
Mr. Toqueer Nawaz	319,453	
Mr. Toqueer Nawaz (CDC)	80,300	
Ms. Ava Ardeshir Cowasjee (CDC)	135,754	
Mr. Zahid Ullah Khan (CDC)	500	
Mrs. Sadia Muhammad	762	
	3,305,405	27.52%
(iv) Executives		
Mr. Jamil Ahmad Butt	1,261	0.01%
(v) Public sector companies and corporations;		
State Life Insurance Corporation Of Pakistan (CDC)	756,984	6.30%

Pattern of Share Holding

As at 30 September 2024

SHARE HOLDER'S CATEGORY	Share Held	Percentage
(vi) Investment, Insurance Companies & NIT		
National Bank Of Pakistan	451	
National Bank Of Pakistan	328,039	
Amin Tai (Private) Ltd.	400,000	
Industrial Development Bank	100	
Pakistan Stock Exchange Limited	50	
RYK Mills Limited	2,000	
Deputy Administrator Abandoned Properties Organization	288	
Trustee- National Bank of Pakistan Empl. Benevolent Fund	2,572	
Trustee- National Bank of Pakistan Empl. Pension Fund	73,294	
Jahangir Siddiqui & Company Limited	225,000	
JS Infocom Limited	3,000	
CDC - Trustee Unit Trust Of Pakistan	1,600	
CDC - Trustee National Investment (Unit) Trust	781,695	
CDC - Trustee Golden Arrow Stock Fund	24,537	
	1,842,626	15.34%
(vii) General Public		
Local (Physical)	2,058,470	
Local (CDC)	2,486,953	
Forigen	-	
	4,545,423	37.84%
GRAND TOTAL	12,011,096	100.00%
Shareholder holding 10% or more voting rights in the listed company (name wise details);		
Mr. Muneer Nawaz	1,459,657	12.15%
	1,459,657	12.15%
	Number of Share Held	Percentage of Shareholding
Shareholder holding 5% or more voting rights in the listed company (name wise details);		
MCFSL- Trustee JS Growth Fund (CDC)	1,133,947	9.44%
Mr. Mahmood Nawaz	808,033	6.73%
CDC - Trustee National Investment (Unit) Trust (CDC)	781,695	6.51%
State Life Insurance Corporation Of Pakistan (CDC)	756,984	6.30%
Mrs. Amtul Bari Naeem	610,389	5.08%
	4,091,048	34.06%

Corporate Social Responsibilities

Corporate Social responsibility (CSR) refers to the Company's commitment to contribute positively to the society, environment and the economy.

This concept goes beyond profit making and involves business taking responsibility for the impact of their operations to the society.

Following key elements of CSR are in practice.

CORPORATE PHILANTHROPY

In recognition of its social responsibility towards mankind Company is regularly contributing reasonably to the various organizations and associations who have complete servicing infrastructure to serve the humanity and other living species.

ENERGY CONSERVATION

Operation of sugar Mills is based on self power generation. Main criteria of energy conservation is steam consumption in percentage of cane crushed which in case of our Mills is 51-53% at peak load days, this is termed as a very efficient energy conservation system.

In our continued quest to achieve optimum efficiency levels, all possible measures like intensive vapor bleeding, recycling of utilities, installation of various speed drives at centrifuges and cane carrier etc. are adopted, in order to conserve energy. Concerned technical personnel are regularly encouraged to participate in the seminars on energy conservation.

ENVIRONMENTAL PROTECTION MEASURES

Being conscious to this social responsibility your Mills have undertaken following measures:

- Used water is recycled for irrigation purposes within and outside the Mills lands.
- Tree plantation at Mills lands to better the surrounding environment.
- Imported state of art oil skimmer has been installed to skim oil from effluent water.
- In-house environment conservation committee to keep constant watch on the Mills operations has been formed.

COMMUNITY INVESTMENT & WELFARE SPENDING FOR UNDER PRIVILEGED CLASS

The Company is running a High School of excellent standards in the Mills residential colony for employees' children. Talented students of the adjoining areas of the Mills are also allowed admission in the said school. For growers of the area your Mills has provided a spacious place for "Kisan Hall" built by local market Committee. In addition to this entire up keep and maintenance cost of adjoining Mosque and Kisan Hall is borne by the Mills.

CONSUMER PROTECTION MEASURES

We produce good quality refined white sugar which qualifies multinational companies as well as "PSQCA" standards. Management is always very keen on implementation and execution of rules and regulation for quality maintenance. Alhamd-O-Lillah the sugar produced by our Mills is considered best quality product in the market.

EMPLOYMENT OF SPECIAL PERSONS

To ensure regular welfare and rehabilitation of special persons to support their families as per the requirement of "Employment & Rehabilitation Ordinance 1981" the Company has established policy of hiring the "Specially abled" individuals in Mills hierarchy.

INDUSTRIAL RELATIONS

We are maintaining very cordial and harmonious industrial relations at our Mills with the all categories of employees. CBA elections are held in time without any hurdle.

Some of the non-cash benefits available to the employees are described below:

- Five workers are sent to perform Hajj every year on Company's expense.
- Attractive retirement benefits are allowed at the age of superannuation.
- Talented children of employees are paid scholarships.
- Hygienic and clean drinking water plants has been installed at the residential colony as well as in the mills premises.
- Fair price shop is being maintained where various items are provided at subsidized rates.
- For healthy activities well maintained tennis, basket ball, badminton courts and football and cricket grounds have been arranged for the employees of the Mills.

OCCUPATIONAL SAFETY & HEALTH

To ensure hygienic and healthy environment at the Mills there is a permanent safety committee. God forbid, in case of an accident the circumstances leading to such situation are thoroughly investigated, responsibilities are fixed and necessary improvements in the system are incorporated. Safety material is provided to the employees who may be exposed to health and safety hazards in the course of performing their duties.

BUSINESS ETHICS & ANTI CORRUPTION MEASURES

Statement of Ethics and Business Practices is periodically circulated among all employees of the Company for compliance. There is zero tolerance towards corruption

Corporate Social Responsibilities

in the Mills. The Company has developed comprehensive system of check and balance. Sugarcane growers of the areas of our Mills are totally satisfied with the honesty of our employees, weighment of the sugarcane and payments thereof.

NATIONAL CAUSE DONATIONS

The Company as a policy to assist the distressed communities regularly donating to the welfare institutions like, Shaukat Khanum Cancer Hospital, Aziz Jehan Begum Trust for the Blinds, Sahara for Life Trust, Jinnah Hospital, Lahore, Sindh Institute of Urology & Transplantation (SIUT), Lahore General Hospital, Marie Adelaide Leprosy Centre, Fatimid Foundation, Edhi Foundation, SOS Children Village, The Layton Rahmatullah Benevolent Trust etc. etc.

CONTRIBUTION TO NATIONAL EXCHEQUER

The management has always showed its responsibility by paying all government taxes in time without any delay. For the year ended 30 September 2024 we made our humble contribution to the National Exchequer as follows:

Description	(Rupees in thousand)
Income Tax	181,447/-
Sales Tax	1,467,969/-

RURAL DEVELOPMENT PROGRAMME

Sugar Mills are located in the rural areas, therefore our all activities such as procurement of entire raw material i.e. sugarcane, spending of road cess contributions on communication networks, payments to transporters, wages to the employees etc. are directly related to the rural development.

The Company is playing pivotal role for this cause since its inception. We provide free of cost RCC pipes for culverts, anti-rodent chemicals and furrow making with ridders costing millions of rupees annually. Modern and scientific agricultural practices and machinery viz. Ridders, Deep Ploughs & Chisels are introduced free of cost to the sugarcane growers. Often reasonable expenses are incurred on roads to facilitate the growers to bring their product to the mills and purchasing centers.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

In compliance with the Securities and Exchange Commission of Pakistan's (SECP) regulations, the Company has integrated Environmental, Social, and Governance (ESG) principles into its Operations. This new disclosure requirement enhances transparency and accountability, building upon our long standing commitment to Corporate Social Responsibility.

Environmental, Social, and Governance (ESG) refers to a set of standards used to measure a company's impact on the society including how it handles environmental challenges, social responsibilities, and corporate governance. It's a framework that helps investors, companies, and other stakeholders evaluate the long-term sustainability and ethical footprint of an organization.

ENVIRONMENTAL (E)

As part of our ongoing efforts to reduce our environmental impact, the Company has implemented several initiatives aimed at conserving natural resources, optimizing energy use, and minimizing waste.

SUSTAINABLE PACKAGING:

In line with our commitment to reduce waste, the Company has adopted water and moisture proof, durable, reusable packaging materials for its products as per PS.3128-2008 (1st Revision) by PSQCA standard. By moving toward sustainable packaging, we aim to significantly decrease the environmental footprint of our products.

PLANTATION DRIVE:

The Company regularly participates in various environment uplift programmes including tree plantation.

SOCIAL (S)

Social Responsibility remains central to the Company's philosophy. We continue to engage in initiatives that support the welfare of our employees, communities, and consumers. As part of our integrated ESG framework, we strive to make a lasting positive impact on society. The Company remains committed to supporting national causes and charitable organizations. These donations reflect our ongoing commitment to improving healthcare, education, and social welfare in Pakistan. The Company continues its focus on employee well-being, offering benefits such as the Hajj Scheme, which sponsored five employees to perform Hajj in 2024 at the company's expense. We are also committed to employing differently-abled individuals, in compliance with the Employment and Rehabilitation Ordinance, 1981, ensuring a diverse and inclusive workforce. Employee safety is a top priority at the Company. We have implemented stringent Occupational Safety and Health (OSH) policies across all operations, providing regular safety training to employees and conducting frequent audits to ensure a safe working environment. Our OSH measures meet international safety standards and help minimize workplace hazards the Company prioritizes consumer health and safety. Our Research and Development (R&D) department regularly tests our product range to ensure compliance with international safety standards. The company adheres to ISO regulations to guarantee that our products meet the highest quality standards, protecting the health and wellbeing of our customers.

GOVERNANCE (G)

Governance is a critical pillar of our ESG framework. We are committed to maintaining high standards of corporate governance, ensuring that our operations remain transparent

BUSINESS ETHICS AND PRACTICES:

We uphold strict business ethics, ensuring that honesty and integrity are integral to all business dealings. The Company's Statement of Ethics and Business Practices is regularly communicated to employees, reinforcing our commitment to ethical behavior. The Company maintains a zero-tolerance policy toward corruption and bribery, with robust internal controls to mitigate any risks through strong Internal Audit.

BOARD GOVERNANCE AND OVERSIGHT:

The Board of Directors plays a central role in overseeing the Company's governance. Independent directors chair our Audit Committee and Human Resource and Remuneration Committee, ensuring transparent oversight of management's performance. In June 2023, the Board reconstituted these committees in compliance with SECP's Code of Corporate Governance.

• REGULATORY COMPLIANCE:

The Company adheres to the Code of Corporate Governance as mandated by SECP. The Company ensures compliance with all legal and regulatory requirements, including financial reporting standards and environmental laws. Regular audits are conducted to ensure continued compliance and the highest levels of transparency in all business activities.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the member of Shahtaj Sugar Mills Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Shahtaj Sugar Mills Limited for the year ended September 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended September 30, 2024.

Lahore

Date: 06 January 2025

UDIN: CR202410087giupaBd08



BDO EBRAHIM & CO.

Chartered Accountants

Engagement Partner: Sajjad Hussain Gill

Statement of Compliance

with Listed Companies (Code of Corporate Governance) Regulations 2019

For the Year ended 30 September 2024

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

1. The total number of Directors are ten (10) as per the following:

- a. Male : Seven (07)
- b. Female : Three (03)

2. The composition of Board is as follows:

Independent Directors Mr. Zahid Ullah Khan
Mr. Mushtaq Ahmad
Mr. Sheikh Asim Rafiq
Ms. Ava Ardeshir Cowasjee

Non-Executive Directors Mr. Toqueer Nawaz
(Chairman)
Mr. Rashed Amjad Khalid
Mr. Abid Nawaz
Mrs. Samia Shahnawaz Idris
Mrs. Sadia Muhammad

Executive Director Mr. Muneer Nawaz
(Chief Executive Officer)

Female Directors Ms. Ava Ardeshir Cowasjee
Mrs. Samia Shahnawaz Idris
Mrs. Sadia Muhammad

3. The Directors have confirmed that none of them is serving as a Director on more than seven (07) listed companies, including Shahtaj Sugar Mills Limited;

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

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the 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 Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

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

9. Two (02) Directors of the Company have minimum

fourteen (14) years of education and fifteen (15) years of experience on the Board of a listed Company and they are exempt from Director's Training Program. Seven (07) Directors have acquired certification under the Director's Training Program. The Company, however, intends to facilitate further training for the remaining Director in near future as defined in these Regulations;

10. There were no new appointments of the Chief Financial Officer, Company Secretary and Head of Internal Audit, however, all such appointments including their remuneration and terms and conditions of employment are 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

Mr. Mushtaq Ahmad	Chairman
Mr. Toqueer Nawaz	Member
Mr. Zahid Ullah Khan	Member
Mr. Rashed Amjad Khalid	Member
Mr. Asim Rafiq	Member

Human Resource and Remuneration Committee

Mr. Asim Rafiq	Chairman
Mr. Muneer Nawaz	Member
Mr. Toqueer Nawaz	Member
Mr. Abid Nawaz	Member
Mrs. Sadia Muhammad	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly/half yearly/yearly) of the committees were as per following:

- a) Audit Committee
Four meetings were held during the financial year ended September 30, 2024.
- b) Human Resource and Remuneration Committee
One meeting of HR and Remuneration Committee was held during the financial year ended September 30, 2024;

15. The Board has set up an effective internal audit function with suitably qualified and experienced staff 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 Director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the regulations have been complied with; and
19. Explanations for non-compliance with requirements, other than Regulations 3, 6, 7, 8, 27, 32, 33, and 36 are given below, which are non-mandatory.

Sr. No	Requirement	Explanation of Non-Compliance	Regulation Number
1	<p>Role of the Board and its Members to address Sustainability Risks and Opportunities:</p> <p>The Board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term corporate value. The Board may establish a dedicated sustainability committee.</p>	Currently, the Board has not constituted a separate Sustainability Committee and the functions will be performed by the Audit Committee. However, the Board will ensure that the Company has addressed sustainability related risk and opportunities. Also, it will ensure that Company's sustainability and DE&I related strategies are periodically reviewed and monitored in future.	10A
2	<p>Directors' Training</p> <p>It is encouraged that by June 30, 2022, all directors on the Board have acquired the prescribed certification under any director training program (DTP) offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.</p>	Currently, 9 out of 10 directors have attained the Directors' Training program certification or are exempt from Directors' Training program. The Company has planned to arrange Directors' Training program for remaining one director during the year ending on 30 September 2025.	19 (1)
3	<p>Requirement to attain certification</p> <p>Companies are encouraged to arrange training for:</p> <p>i) at least one female executive every year under the Directors' Training Program from year July 2020; and</p> <p>ii) at least one head of department every year under the Directors' Training Program from July 2022.</p>	Currently, there is no female executive employed by the Company. Further, the Company has planned to arrange DTP certification for head of department in the year ending on 30 September 2025.	19 (3)



TOQUEER NAWAZ
Chairman

Karachi:
03 January 2025

INDEPENDENT AUDITOR'S REPORT

To the members of Shahtaj Sugar Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **SHAHTAJ SUGAR MILLS LIMITED** (the Company), which comprise the statement of financial position as at September 30, 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2024 and of the profit 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Sr. No.	Key audit matters	How the matters were addressed in our audit
1	Contingencies As disclosed in note 31.1 to the financial statements, the Company is involved in certain legal and tax proceedings against the Company. The appeals were filed by the Company against these orders at respective forums. Management judgement is involved in assessing the accounting for claims, and in particular in considering the probability of a claim being successful and we have accordingly designated this as a focus area of the audit. The risk related to the claims is mainly associated with the completeness of the disclosure, and the completeness of the provisions in the financial statements. No provision has been made in the financial statements for the liability that may arise in the event of a decision against the Company as the management is of the opinion, based on advice of legal and tax advisor that the decision is likely to be in the favor of the Company. There are significant uncertainties attached to the future outcome of these pending matters and, therefore, are considered as key audit matters.	 We undertook number of procedures to verify the appropriateness of contingencies in the financial statements. Our audit procedures included the following: <ul style="list-style-type: none">• Obtained understanding of the Company's processes and controls over litigations through meetings with the management and review of the minutes of the Board of Directors and Board Audit Committee.• Reviewed the correspondence of the Company with the relevant authorities and the Company's legal advisors including the judgments or orders passed by the competent authorities.• Obtained and reviewed direct confirmations from the Company's external legal advisors for their views on the legal position of the Company in relation to the contingent matters.• Discussed open matters and developments with the in-house legal department personnel of the Company.• Evaluated the adequacy of disclosures made in respect of these contingencies in accordance with the applicable accounting and reporting standards.

Sr. No.	Key audit matters	How the matters were addressed in our audit
2	Revenue recognition	
	<p>The company principally generates revenue from sale of sugar and its by-products. Revenue has been recognized as per the accounting policy stated in note 6.15 to the financial statements.</p> <p>We have identified revenue recognition as a key audit matter as it is one of the key performance indicators of the Company and gives rise to an inherent risk of material misstatement to meet expectations or targets.</p>	<p>Our audit procedures in respect of revenue recognition, amongst others, included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the process relating to recording of revenue and testing the design, implementation and operating effectiveness of relevant key internal controls over recording of revenue. • Assessed the appropriateness of the Company's accounting policy for recording of revenue and compliance of the policy with International Financial Reporting Standard – Revenue from contracts with customers (IFRS 15). • Reviewed a sample of contractual arrangements entered into by the Company with its customers and checking the performance obligations involved, transaction price and recognition of revenue based on satisfaction of performance obligation. • Compared a sample of sale transactions recorded during the year with sales orders, sales invoices, delivery notes and other relevant underlying documents. • Compared a sample of sale transactions recorded before and after the year end with relevant underlying documentation to assess whether revenue has been recorded in the correct accounting period. • Assessed the adequacy of disclosures in the financial statements to be in accordance with the applicable accounting and reporting standard.

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

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Independent Auditor's Report

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other matter

The financial statements of Shahtaj Sugar Mills Limited for the year ended September 30, 2023 were audited by another firm of chartered accountants who had expressed an unmodified opinion thereon vide their report dated January 04, 2024.

The engagement partner on the audit resulting in this independent auditor's report is Sajjad Hussain Gill.

Lahore

Date: 06 January 2025

UDIN: AR202410087VFgQ1ETrG



BDO EBRAHIM & CO.

Chartered Accountants

Engagement Partner: Sajjad Hussain Gill

Statement of Financial Position

As at 30 September 2024

	Note	2024	2023
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	5,636,647	4,576,692
Long term investment	8	215,520	191,713
Long term loans	9	47,163	39,904
Long term deposits	10	40,256	40,256
		5,939,586	4,848,565
CURRENT ASSETS			
Stores, spares and loose tools	11	276,447	209,519
Stock-in-trade	12	1,590,037	1,081,609
Trade debts	13	39,367	65,924
Loans and advances	14	157,863	61,029
Short term prepayments	15	4,664	4,211
Levy / taxation - net	16	250,695	61,163
Bank balances	17	268,483	89,287
		2,587,556	1,572,742
TOTAL ASSETS		8,527,142	6,421,307
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 15,000,000 (2023: 15,000,000) ordinary shares of Rupees 10 each		150,000	150,000
Issued, subscribed and paid-up share capital	18	120,111	120,111
Reserves			
Capital reserve - share premium		27,534	27,534
Capital reserve - revaluation surplus on land	19	1,928,484	1,928,484
Revenue reserve - general reserve / un-appropriated profits		1,081,119	1,187,437
		3,037,137	3,143,455
Loans from directors	20	150,000	150,000
		3,307,248	3,413,566
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	21	2,419,772	1,217,177
Loan from associate	22	99,817	106,004
Lease liability	23	15,872	17,676
Retirement benefits obligations	24	33,474	33,127
Deferred taxation - net	25	-	86,218
		2,568,935	1,460,202
CURRENT LIABILITIES			
Trade and other payables	26	281,520	283,419
Contract liabilities	27	142,952	112,409
Short term borrowings	28	1,834,226	979,541
Accrued mark-up	29	363,953	162,832
Current portion of non-current liabilities	30	2,456	1,992
Unclaimed dividend		25,852	7,346
		2,650,959	1,547,539
TOTAL EQUITY AND LIABILITIES		8,527,142	6,421,307
CONTINGENCIES AND COMMITMENTS	31		

The annexed notes 1 to 57 form an integral part of these financial statements.

Director

Director

Chief Financial Officer

Statement of Profit or Loss

For the year ended 30 September 2024

	Note	2024 (Rupees in thousand)	2023
Revenue from contracts with customers – net	32	8,821,018	9,476,053
Cost of revenue	33	(7,893,589)	(7,885,007)
Gross profit		927,429	1,591,046
Distribution cost	34	(21,384)	(20,310)
Administrative expenses	35	(382,285)	(369,361)
Other operating expenses	36	(875)	(97,799)
		(404,544)	(487,470)
		522,885	1,103,576
Other income	37	52,530	44,478
Profit from operations		575,415	1,148,054
Finance cost	38	(644,724)	(503,118)
		(69,309)	644,936
Share of profit from associate - net of tax	8	5,482	16,861
(Loss) / profit before income tax and levy		(63,827)	661,797
Levy	39	(114,127)	(14,745)
(Loss) / profit before income taxation		(177,954)	647,052
Income tax	40	210,099	(241,580)
Profit for the year		32,145	405,472
Earnings per share -basic and diluted (Rupees)	41	2.68	33.76

The annexed notes 1 to 57 form an integral part of these financial statements.



Director



Director




Chief Financial Officer

Statement of Comprehensive Income

For the year ended 30 September 2024

	Note	2024 (Rupees in thousand)	2023
Profit for the year		32,145	405,472
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent years:			
Remeasurement of defined benefit obligation	24.1.6	5,482	2,567
Related deferred tax impact		(1,590)	(1,001)
		3,892	1,566
Share of associate's other comprehensive income / (loss)	8	999	(641)
		4,891	925
Total comprehensive income for the year		37,036	406,397

The annexed notes 1 to 57 form an integral part of these financial statements.



Director



Director



Chief Financial Officer

Statement of Changes in Equity

For the year ended 30 September 2024

	RESERVES							Total	Loan from Directors	Total Equity
	Capital reserve			Revenue reserve						
	Share capital	Share premium	Surplus on revaluation of property, plant and equipment	Subtotal	General reserve	Accumulated profit / (losses)	Subtotal			
	120,111	27,534	1,928,484	1,956,018	1,145,167	(364,127)	781,040	2,737,058	146,000	3,003,169
Balance as at 01 October 2022										
Transactions with owners:										
Loan from director reclassified									4,000	4,000
Loan from director received									80,000	80,000
Repayment of loan to director									(80,000)	(80,000)
Associate's changes in equity - adjustment					5,952	(5,952)				
Profit for the year						405,472	405,472	405,472		405,472
Other comprehensive income for the year						925	925	925		925
Total comprehensive income for the year						406,397	406,397	406,397		406,397
Balance as at 30 September 2023	120,111	27,534	1,928,484	1,956,018	1,151,119	36,318	1,187,437	3,143,455	150,000	3,413,566
Transactions with owners:										
Final cash dividend 2023: Rs.14										(168,155)
Land revaluation adjustment in associate (note: 8.1)									24,801	24,801
Profit for the year										32,145
Other comprehensive income for the year										4,891
Total comprehensive income for the year										37,036
Balance as at 30 September 2024	120,111	27,534	1,928,484	1,956,018	1,151,119	(70,000)	1,081,119	3,037,137	150,000	3,307,248



Director



Director



Chief Financial Officer

The annexed notes 1 to 57 form an integral part of these financial statements.

Statement of Cash Flows

For the year ended 30 September 2024

	Note	2024	2023
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	42	(29,814)	2,529,991
Finance cost paid		(443,603)	(548,157)
Profit on bank deposits received		18,609	10,312
Income taxes paid		(181,447)	(35,432)
Leave encashment paid		(777)	(478)
Gratuity and retirement benefit paid		(1,536)	(1,856)
		(608,754)	(575,611)
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES		(638,568)	1,954,380
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment acquired		(1,098,127)	(372,156)
Proceeds from disposal of property, plant and equipment		1,005	4,150
Long term loans - net		1,120	(3,231)
Long term loan to GEPCO		-	(80,000)
Long term deposits		-	(11,891)
Dividend received from associate		7,475	14,950
NET CASH USED IN INVESTING ACTIVITIES		(1,088,527)	(448,178)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing obtained		1,202,595	1,217,177
Long term financing repaid		-	(775,859)
Short term borrowings - net		854,685	(1,893,033)
Loan received from directors		-	80,000
Repayment of loans from directors		-	(80,000)
Dividend paid		(149,649)	(7)
Repayment of lease liability		(1,340)	(1,731)
Net cash generated from / (used in) financing activities		1,906,291	(1,453,453)
Net increase in cash and cash equivalents		179,196	52,749
Cash and cash equivalent at the beginning of the year		89,287	36,538
Cash and cash equivalent at the end of year		268,483	89,287

The annexed notes 1 to 57 form an integral part of these financial statements.



Director



Director



Chief Financial Officer

Notes to the Financial Statements

For the year ended 30 September 2024

1. THE COMPANY AND ITS OPERATIONS

1.1 Shahtaj Sugar Mills Limited (the Company) was incorporated in Pakistan on 27 March 1965 as a public limited Company under the Companies Act, 1913 (Now Companies Act, 2017). Its registered office is situated at 19, Dockyard Road, West Wharf, Karachi. The Company is listed on Pakistan Stock Exchange Limited and is engaged in the manufacture and sale of sugar whereas molasses and bagasse are its significant by-products.

1.2 The Company is in the process to setup a bagasse-based co-generation power project with an installed capacity of 32 MW (the Project). The project is being financed through a combination of debt and equity. The Company has received power generation license and upfront tariff (revised dated 24 January 2022) for thirty years from the National Electric Power Regulatory Authority (NEPRA). The Company has achieved all other milestones (NOCs/ Licenses/Approvals) as per Letter of Intent (LOI) issued by Alternative Energy Development Board (AEDB) in respect of power project including revised Energy Purchase Agreement (EPA), which has been signed and vetted by NEPRA. Further, implementation agreement between the Company and Government of Pakistan has also been signed on 04 April 2023. The Company has finalized syndicated term finance agreement for the project with MCB Bank Limited. The Company has also achieved the "Financial Close" of the project with AEDB.

The project's Commercial Operation Date (COD) was initially scheduled for December 31, 2023, as outlined in the Energy Purchase Agreement (EPA). However, the COD could not be met due to delays in completing the interconnection facility between the project's switchyard and the Gujranwala Electric Power Company Limited (GEPCO) system.

1.3 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The business units of the Company along with their locations are as follows;

Business Unit	Address
Registered Office	19, Dockyard Road, West Wharf, Karachi.
Head Office	72-C/1, M. M. Alam Road, Gulberg-III, Lahore.
Production Plant	Kuthiala Saidan, Mandi Bahauddin.

2. STATEMENT OF COMPLIANCE

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

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

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

3. BASIS OF PREPARATION

3.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except for recognition of certain staff retirement benefits at present value and as modified for fair value adjustment in certain fixed assets and exchange differences.

3.2 Functional and presentation currency

These financial statements are presented in Pakistani Rupee "Rs." which is the functional and presentation currency of the Company. The figures have been rounded off to the nearest of Rupees unless otherwise stated.

3.3 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with approved accounting standards requires management to

Notes to the Financial Statements

For the year ended 30 September 2024

make estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these financial statements, the significant estimates, assumptions and judgements made by the management in applying accounting policies include:

Impairment of non financial assets	6.1.4
Lease term	6.2.4
Allowance for expected credit loss	6.5
Taxation	6.19
Revenue from contract with customers	6.15

4. CHANGE IN ACCOUNTING POLICY

During the year, the Company changed its accounting policy of recognizing the portion of income tax paid or payable for the year under the Ordinance, not based on the taxable profits of the Company, as a Levy under IFRIC-21/IAS-37 instead of the current income tax for the year under IAS-12.

The change in accounting policy has been implemented, and last year's figures have been reclassified. However, the change has not been applied retrospectively because its impact on the prior year financial statements is immaterial.

5. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

5.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended September 30, 2024

The following standards, amendments and interpretations are effective for the year ended September 30, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies.	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates.	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction.	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after January 01, 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 6 Material accounting policy information (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

5.2 New accounting standards, amendments and interpretations that are not yet effective

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

Notes to the Financial Statements

For the year ended 30 September 2024

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements.	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments.	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments.	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions.	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current.	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants.	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements.	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability.	January 01, 2025
IFRS 17 Insurance Contracts.	January 01, 2026

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

6. MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented except otherwise stated.

6.1 Property, plant and equipment

6.1.1 Owned assets

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable costs of bringing the asset to working condition. Freehold land is stated at revalued amount less any identified impairment loss.

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

Increases in the carrying amounts arising on revaluation of operating fixed assets are recognized, net of tax, in other comprehensive income and accumulated in surplus on revaluation of property, plant and equipment in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the 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 the statement of profit or loss.

Notes to the Financial Statements

For the year ended 30 September 2024

Upon disposal, any revaluation surplus relating to the particular assets being sold is transferred to retained earnings.

Depreciation

Depreciation on operating fixed assets is charged to the statement of profit or loss applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in note 7.1. The Company charges the depreciation on additions from the month in which the asset is available for use and no depreciation is charged for the month in which the asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

De-recognition

An item of operating fixed assets is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of profit or loss in the year the asset is de-recognized.

6.1.2 Useful life and residual values of property, plant and equipment

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

6.1.3 Capital work in progress

Capital work-in-progress is stated at cost less identified impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

6.1.4 Impairment of non financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation 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 recognized for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss.

6.2 Leases

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets, if any. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

6.2.1 Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses (if any). Cost comprises of the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Company expects to obtain ownership of

Notes to the Financial Statements

For the year ended 30 September 2024

the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

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

6.2.2 Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

6.2.3 Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of retail shops, if any (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are of low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

6.2.4 Lease term

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

6.2.5 Incremental borrowing rate

The Company uses incremental borrowing rate at the lease commencement date to calculate the present value of lease payments if the interest rate implicit in the lease is not readily determinable. The rate used to discount future lease payments is practically unlikely to be the rate implicit in the lease, because this information is often commercially sensitive and the information is not provided by the lessor. Therefore, the Company has to determine an incremental borrowing rate. The Company applies judgement in evaluating the incremental borrowing rate because the determination of rate will ultimately have an impact on the lease liability and finance cost.

6.3 Investments and other financial assets

6.3.1 Classification

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

Notes to the Financial Statements

For the year ended 30 September 2024

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- b) those to be measured at amortized cost

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 will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

6.3.2 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, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

a) Debt instruments

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

-Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

-Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

-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 instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

b) Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted

Notes to the Financial Statements

For the year ended 30 September 2024

in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

-Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

-Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income / (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

6.4 Financial liabilities – classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

6.5 Impairment of financial assets

The Company recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVTOCI; and
- Contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Notes to the Financial Statements

For the year ended 30 September 2024

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

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

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

6.6 De-recognition of financial assets and financial liabilities

a) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

6.7 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

6.8 Investment in associates – (with significant influence)

Associate is an entity over which the Company has significant influence but not control or joint control. Investment in associate is accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investment is initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associate is recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

'Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investee have been changed

Notes to the Financial Statements

For the year ended 30 September 2024

where necessary to ensure consistency with the policies adopted by the Company.

Investment in equity method accounted for associate is tested for impairment in accordance with the provision of IAS 36 'Impairment of Assets'.

6.9 Inventories

Inventories, except for stock in transit, molasses, bagasse, press mud and stocks at fair price shop are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spares and loose tools

Useable stores, spare parts and loose tools are valued principally at moving average cost. Provision is made for slow moving or obsolete store items based on analysis of usage patterns and prevailing prices, if required. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

Stock-in-trade

Cost of work-in-process and finished goods comprise cost of direct material, labour and appropriate manufacturing overheads.

Molasses, bagasse and press mud are valued at their net realizable value. Stocks at fair price shop is valued at subsidized selling prices.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale.

6.10 Trade debts and other receivables

Trade debts are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

6.11 Share capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

6.12 Borrowings

Financing and borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

6.13 Borrowing cost

Interest, mark-up and other charges on long-term finances are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such long-term finances. All other interest, mark-up and other charges are recognized in statement of profit or loss.

6.14 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost and subsequently measured at amortised cost using effective interest method.

6.15 Revenue recognition

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective

Notes to the Financial Statements

For the year ended 30 September 2024

interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividend

Dividend on investments is recognized when right to receive the dividend is established.

Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

6.16 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 assets are treated as financial assets for impairment purposes.

6.17 Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

6.18 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 recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

6.19 Taxation

a) Current

The charge for current year is higher of the amount computed on taxable income at the current rates of taxation after taking into account tax credits and rebates, if any, and minimum tax computed at the prescribed rate on turnover or alternative corporate tax. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

b) Deferred

Deferred tax is provided using the balance sheet method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In this regard, the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirement of Technical Release - 27 of the Institute of Chartered Accountants of Pakistan.

Deferred tax asset is recognised for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised.

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

c) Levy

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in the statement of profit or loss. Any excess of expected income tax paid or payable for the year under the Ordinance over the amount designated as current income tax for the year, is then recognized as a levy.

Notes to the Financial Statements

For the year ended 30 September 2024

6.20 Provisions

'Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made. The expense relating to provision is presented in profit and loss net of any reimbursements. The management expects that time value of money is not material and no discounting of provision is made by the Company.

6.21 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

6.22 Contingent assets

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

6.23 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

6.24 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

6.25 Ijarah contracts

Under the Ijarah contracts the Company obtains usufruct of an asset for an agreed period for an agreed consideration. The Company accounts for its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. Accordingly, the Company as a Mustaj'ir (lessee) in the Ijarah contract recognises the Ujrah (lease) payments as an expense in the profit and loss on straight line basis over the Ijarah term.

6.26 Segment reporting

Based on the information provided to the chief operating decision maker (the CEO), the Company considers its operations as a single operating segment and disclosures are presented accordingly. The co-generation power project is in progress as disclosed in note 1.2.

6.27 Government grants

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

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets.

6.28 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

Notes to the Financial Statements
For the year ended 30 September 2024

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
7 OPERATING FIXED ASSETS			
Operating fixed assets	7.1	2,502,296	2,510,771
Capital work-in-progress	7.2	3,123,609	2,052,737
Right of use asset	7.3	10,742	13,184
		5,636,647	4,576,692

7.1 Operating fixed assets

Description	(Rupees in thousand)										Total
	Freehold land	Buildings and roads on freehold land	Plant and machinery	Tube wells	Electrical installation	Motor vehicles	Furniture and fittings	Office equipment	Arms and ammunition	Telephone exchange	
Net carrying value basis											
Year ended September 30, 2024											
Opening net book value	1,930,848	6,363	544,060	2,941	2,661	17,154	1,876	4,204	10	654	2,510,771
Additions	-	3,592	16,021	404	-	5,966	-	1,028	-	-	27,011
Disposals:											
Cost	-	-	(1,740)	-	-	(1,912)	(36)	-	-	-	(3,688)
Accumulated depreciation	-	-	1,619	-	-	1,427	32	-	-	-	3,078
Depreciation charged	-	(430)	(27,938)	(297)	(266)	(485)	(4)	(1,162)	(2)	(65)	(610)
Closing net book value	1,930,848	9,525	532,022	3,048	2,395	18,149	1,642	4,070	8	589	2,502,296
Gross carrying value basis											
Year ended September 30, 2024											
Cost / revalued amount	1,930,848	71,549	1,664,776	5,696	26,823	73,033	11,561	17,822	219	1,942	3,804,268
Accumulated depreciation	-	(62,024)	(1,132,754)	(2,648)	(24,428)	(54,884)	(9,919)	(13,751)	(211)	(1,353)	(1,301,972)
Net book value	1,930,848	9,525	532,022	3,048	2,395	18,149	1,642	4,070	8	589	2,502,296
Net carrying value basis											
Year ended September 30, 2023											
Opening net book value	1,930,848	6,826	548,016	920	2,956	14,238	2,117	4,372	12	727	2,511,032
Additions	-	-	23,741	2,305	-	7,393	23	965	-	-	34,427
Disposals:											
Cost	-	-	-	-	-	(8,384)	-	-	-	-	(8,384)
Accumulated depreciation	-	-	-	-	-	7,052	-	-	-	-	7,052
Depreciation charged	-	(463)	(27,697)	(284)	(295)	(1,332)	(264)	(1,133)	(2)	(73)	(1,332)
Closing net book value	1,930,848	6,363	544,060	2,941	2,661	17,154	1,876	4,204	10	654	2,510,771
Gross carrying value basis											
Year ended September 30, 2023											
Cost / revalued amount	1,930,848	67,957	1,650,495	5,292	26,823	68,979	11,597	16,793	219	1,942	3,780,945
Accumulated depreciation	-	(61,594)	(1,106,435)	(2,351)	(24,162)	(51,825)	(9,721)	(12,589)	(209)	(1,288)	(1,270,174)
Net book value	1,930,848	6,363	544,060	2,941	2,661	17,154	1,876	4,204	10	654	2,510,771

Notes to the Financial Statements

For the year ended 30 September 2024

7.1.1 There is no lien on the property, plant and equipment other than that disclosed in Note 21 to these financial statements.

		2024	2023
		(Rupees in thousand)	
7.1.2 Depreciation charge for the year has been allocated as follows:			
Cost of revenue	33	30,382	29,282
Administrative expenses	35	4,492	4,074
		34,874	33,356

7.1.3 As on the reporting date, the carrying value of the land would have been Rs. 2.364 million (2023: Rs. 2.364 million), had the freehold land been carried at cost. Forced sale value of land at the time of revaluation was Rs. 1,641.221 million (2023: Rs. 1,641.221 million).

7.1.4 Particulars of immovable properties (i.e. land and buildings) are as follows:

Manufacturing unit	Address	Area of land	Covered area of buildings
		Acres	Square feet
Manufacturing unit	Kothala Saidan, Mandi Bahauddin.	120.68	1,031,370

7.2 Capital-work-in-progress

	Note	Civil works and buildings	Plant and machinery	Tube wells	Other directly attributable overheads	Advances to suppliers	Total
(Rupees in thousand)							
As at October 01, 2023		53,640	1,087,003	-	753,601	158,493	2,052,737
Add: Additions during the year		45,816	571,066	404	401,870	93,867	1,113,023
Add / (less): Reclassification		-	106,160	-	-	(122,968)	(16,808)
Less: Transferred to operating fixed assets during the year		(3,592)	(16,021)	(404)	-	(5,326)	(25,343)
As at September 30, 2024	7.2.1	95,864	1,748,208	-	1,155,471	124,066	3,123,609
As at October 01, 2022		50,471	1,057,752	-	556,472	50,313	1,715,008
Add: Additions during the year		3,169	41,146	2,305	197,129	121,447	365,196
Add / (less): Reclassification		-	11,715	-	-	(11,715)	-
Less: Transferred to operating fixed assets during the year		-	(23,467)	(2,305)	-	-	(25,772)
Less: Charged to profit and loss during the year		-	(143)	-	-	(1,552)	(1,695)
As at September 30, 2023		53,640	1,087,003	-	753,601	158,493	2,052,737

7.2.1 This includes stores and spares held for capitalization amounting Rs. 9.457 million (2023: Rs. 262.198 million).

7.2.2 Borrowing cost amounting to Rs. 364.705 million (2023: Rs. 177.598 million) has been capitalized during the year. The effective rate of borrowing cost capitalized during the year ranges from 20.50% to 24.30% to (2023: 17.13% to 24.30%) per annum.

Notes to the Financial Statements

For the year ended 30 September 2024

	Note	2024	2023
		(Rupees in thousand)	
7.3 RIGHT-OF-USE ASSET			
Balance as at October 01,		13,184	15,821
Less: depreciation expense for the year	35	(2,685)	(2,637)
Add: prior year's adjustment		243	-
Balance as at September 30,		10,742	13,184
Annual rate of depreciation		11.11%	11.11%

8 LONG TERM INVESTMENT			
Investment in associate (with significant influence) - under equity method			
Shahtaj Textile Limited - quoted			
1,150,000 (2023: 1,150,000) ordinary shares of Rupees 10 each		11,500	11,500
Share of post acquisition changes in investee's net assets:			
As at October 01,		180,213	178,943
Add: share of profit for the year		5,482	16,861
Add/ Less: share of other comprehensive income/ (loss) for the year		999	(641)
Add: share of land revaluation surplus adjustment	8.6	24,801	-
Less: dividend received		(7,475)	(14,950)
		204,020	180,213
Balance as at September 30,		215,520	191,713

8.1 Shahtaj Textile Limited (STL), a public limited company, is engaged in the business of manufacturing and sales of textile goods. The registered office of Shahtaj Textile Limited is situated at 27-C, Abdalian Cooperative Housing Society Limited, Opposite Expo Center, Lahore. Shahtaj Textile Limited is listed on Pakistan Stock Exchange Limited. Although the Company holds only 11.9048% of the voting powers in STL, the Company holds significant influence by virtue of the common directors on the board of directors of the Shahtaj Textile Limited.

8.2 Investment made in associated company is in accordance with the requirements of the Companies Act, 2017.

8.3 The reporting date of STL is June 30, 2024 in line with industry practice. The share in net assets of STL has been determined on the basis of un-audited financial statements for the quarters ended September 30, 2024 and September 30, 2023 and the audited published financial statements for the year ended June 30, 2024. Following is the summary of financial information of associate for the year:

	2024	2023
	(Rupees in thousand)	
Current assets	2,803,173	3,356,216
Non-current assets	1,576,084	1,418,780
Total assets	4,379,257	4,774,996
Current liabilities	2,064,491	2,177,666
Non-current liabilities	712,748	986,952
Total liabilities	2,777,239	3,164,618
Net assets	1,602,018	1,610,378
8.4 Breakup value per share (Rupees)	165.84	166.71
8.5 Quoted fair value of shares (Rupees in thousand)	80,903	97,750

Notes to the Financial Statements

For the year ended 30 September 2024

	2024	2023
	(Rupees in thousand)	
8.6 Reconciliation to carrying amounts:		
Balance as at October 01,	1,610,378	1,599,715
Add: profit for the year	46,053	141,631
Add/ Less: share of other comprehensive income/ (loss) for the year	8,389	(5,388)
Add: share of land revaluation surplus adjustment	208,329	-
Less: dividend paid	(62,790)	(125,580)
Balance as at September 30,	1,810,359	1,610,378
Percentage of holding (Percentage)	11.9048%	11.9048%
Carrying value of investment in associate	215,520	191,713

Summarized statement of comprehensive income:

Revenue	7,979,140	7,710,171
Profit for the year	46,053	141,631
Other comprehensive income / (loss) for the year	8,392	(5,388)
Total comprehensive income for the year	54,445	136,243

8.7 This represent share of revaluation surplus on land of the associated company as at September 30, 2024, to ensure consistency with accounting standard IAS 28 "Investment in associate" of the Company. The adjustment has been accounted in the current year instead of retrospective adjustment since the impact has been considered insignificant by the management of the Company.

	Note	2024	2023
		(Rupees in thousand)	
9 LONG TERM LOANS			
Loan to employees	9.1	4,409	5,529
Loan to Gujranwala Electric Power Company Limited	9.2	42,754	34,375
		47,163	39,904
9.1 Loan to employees			
Car and motorcycle loans to staff - unsecured, considered good			
-Up to 3 years		7,286	7,741
-More than 3 years		413	1,209
		7,699	8,950
Less: Current portion shown under current assets	14	(3,290)	(3,421)
	9.1.1	4,409	5,529

9.1.1 These represent interest free loans provided to employees for purchase of vehicles as per the Company's policy. These loans are repayable in 50 to 60 equal monthly instalments. Fair value of long term loans represents the net present value of all future cash flows discounted at the rates ranging from 19.20% to 24.50% per annum (2023: 9% to 19.20% per annum). No loan has been granted to Chief Executive, Directors and Executives of the Company.

Notes to the Financial Statements

For the year ended 30 September 2024

	Note	2024	2023
(Rupees in thousand)			
9.2	Loan to Gujranwala Electric Power Company Limited		
	Unsecured - considered good		
	9.2.1	80,000	80,000
	Fair value adjustment on initial recognition	36	46,654
	Less: reversal of fair value adjustment	37	(1,029)
		37,246	45,625
		42,754	34,375

9.2.1 This represents interest free loan given to Gujranwala Electric Power Company Limited ("GEPCO") to meet cost of 132 KV transmission line for connectivity of the complex to GEPCO's electricity distribution system. The loan is recoverable in 36 equal monthly instalments starting from April 01, 2026 and ending on March 01, 2029. Fair value adjustment is recognized at discount rate of 24.30% per annum.

	Note	2024	2023
(Rupees in thousand)			
10	LONG TERM DEPOSITS		
	Security deposits against Ijarah	36,153	36,153
	Security deposits - others	4,103	4,103
		40,256	40,256
11	STORES, SPARES AND LOOSE TOOLS		
	Stores and Spares	283,031	469,071
	Loose tools	2,873	2,504
		285,904	471,575
	Less: Stores and spares held for capital expenditure	7.2.1	(9,457)
		276,447	209,519
12	STOCK-IN-TRADE		
	Finished goods	1,582,915	1,076,273
	Work-in-process	6,401	4,790
	Stock at fair price shop	721	546
		1,590,037	1,081,609

12.1 Stock-in-trade of Rs. 17.342 million (2023: Rs. 16.621 million) is carried at net realizable value.

12.2 There is no lien on the stock in trade other than that disclosed in note 28 to these financial statements.

Notes to the Financial Statements

For the year ended 30 September 2024

	Note	2024	2023	
		(Rupees in thousand)		
13	TRADE DEBTS			
	Unsecured - considered good			
	Related party	13.1	19,731	-
	Others		19,636	65,924
			39,367	65,924
	Considered doubtful:			
	Others - unsecured		1,320	1,320
	Less: allowance for expected credit losses	13.3	(1,320)	(1,320)
			-	-
		13.2	39,367	65,924

13.1 This amount was due from Shezan International Limited - associated company. As at the reporting date this amount has been fully received. The maximum aggregate amount receivable from associated company at the end of any month was Rs. 111.540 million (2023: Rs. 106.755 million).

13.2 These are neither past due nor impaired.

		2024	2023	
		(Rupees in thousand)		
	13.3 Allowance for expected credit losses			
	Opening balance	1,320	1,320	
	Add: Recognized during the year	-	-	
	Closing balance	1,320	1,320	
	13.4 Types of counterparties			
	Corporate	38,998	16,515	
	Others	369	49,409	
		39,367	65,924	
14	LOANS AND ADVANCES			
	Considered good:			
	Loans to employees - interest free			
	- Executives	14.1	16	-
	- Other employees		5,271	2,395
		14.1	5,287	2,395
	Advances to contractors	14.2	2,896	1,425
	Advances to cane growers		97,687	12,818
	Advances to suppliers	14.3	48,703	40,970
	Current portion of long term loans	9.1	3,290	3,421
			157,863	61,029

Notes to the Financial Statements
For the year ended 30 September 2024

	Note	2024	2023
(Rupees in thousand)			
14.1 Loans to employees			
Considered good		5,287	2,395
Considered doubtful		-	402
Less: Allowance for expected credit losses	14.1.1	-	(402)
		-	-
		5,287	2,395
14.1.1 Allowance for expected credit losses			
Balance as at October 01,		402	644
Less: reversed during the year	37	(402)	(236)
Less: written off against allowance for expected credit losses		-	(6)
Balance as at September 30,		-	402
14.2 Advances to contractors			
Considered good		2,896	1,425
Considered doubtful		360	360
Impairment allowance doubtful advances	14.2.1	(360)	(360)
		-	-
		2,896	1,425
14.2.1 Impairment allowance for doubtful advances to contractors			
Opening balance		360	360
Add: recognized during the year		-	-
Closing balance		360	360
14.3 Advances to suppliers			
Considered good	14.3.1	48,703	40,970
Considered doubtful		959	959
Less: Impairment allowance doubtful advances	14.3.2	(959)	(959)
		-	-
		48,703	40,970

14.3.1 These include amount of Rs Nil (2023: Rs. 9.615 million) advanced to KSB Pumps Company Limited - associated company. This is neither past due nor impaired. Maximum aggregate balance due from related party at the end of any month during the year was Rs. 15.597 million (2023: Rs. 12.574 million).

Notes to the Financial Statements

For the year ended 30 September 2024

	Note	2024 (Rupees in thousand)	2023
14.3.2 Provision for doubtful advances to suppliers			
Balance as at October 01,		959	-
Add: recognized during the year		-	1,275
Less: reversed during the year			(316)
Balance as September 30,		959	959
15 SHORT TERM PREPAYMENTS			
Considered good			
Short term prepayments	15.1	4,664	4,211
15.1 These include prepaid insurance premium to State Life Insurance Corporation of Pakistan - related party amounting to Rs. 1.600 million (2023: Rs. 1.559 million).			
	Note	2024 (Rupees in thousand)	2023
15.2 Other short term prepayments			
Considered doubtful		44	44
Less: Impairment allowance for doubtful prepayments	15.2.1	(44)	(44)
		-	-
15.2.1 Impairment allowance for doubtful prepayments			
Opening balance		44	40
Add: recognized during the year	36	-	4
Closing balance		44	44
16 LEVY / TAXATION - NET			
Advance income tax		360,418	255,299
Less: Provision for taxation		(109,725)	(194,136)
		250,695	61,163
17 BANK BALANCES			
Balances at bank			
-Current accounts		211,488	66,906
-Saving accounts	17.1	56,995	22,381
		268,483	89,287

17.1 Rates of profit on saving accounts ranged from 18.00% to 20.51% (2023: 13.51% to 20.51%) per annum.

Notes to the Financial Statements

For the year ended 30 September 2024

18. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2024 (Number of shares)	2023	Note	2024 (Rupees in thousand)	2023
4,560,156	4,560,156		45,602	45,602
150,000	150,000	18.1	1,500	1,500
7,300,940	7,300,940		73,009	73,009
12,011,096	12,011,096		120,111	120,111

18.1 Number of ordinary shares held by Shezan Services (Private) Limited, an associated company, are 425,450 (2023: 383,950).

18.2 During the year ended September 30, 1983, the Company issued 150,000 ordinary shares to Pakistan Industrial Credit and Investment Corporation (Now Samba Bank Limited), with a face value of Rs 10 each, as conversion of outstanding loan at the rate of Rs 15.34 per share. The conversion was made in accordance with loan agreement, whereby, option was granted to convert outstanding loan into ordinary shares of the Company. The premium of Rs 5.34 per share has been shown under share premium - capital reserve account.

		2024 (Rupees in thousand)	2023
19 RESERVES			
Composition of reserves is as follows:			
Capital reserves			
Share Premium	19.1	27,534	27,534
Surplus on revaluation property, plant and equipment	19.2	1,928,484	1,928,484
		1,956,018	1,956,018
Revenue reserves			
General reserves		1,151,119	1,151,119
Accumulated losses / unappropriated profit		(70,000)	36,318
		1,081,119	1,187,437
		3,037,137	3,143,455

19.1 This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

19.2 This represents surplus on revaluation of freehold land. Valuation of land has been carried out on September 30, 2022 by Hamid Mukhtar and Company (Private) Limited, approved valuer. Reconciliation of surplus on revaluation of property, plant and equipment is as under:

	2024 (Rupees in thousand)	2023
Balance as on 01 October	1,928,484	1,928,484
Add: Surplus on revaluation incorporated during the year	-	-
Closing balance	1,928,484	1,928,484

Notes to the Financial Statements

For the year ended 30 September 2024

		2024	2023
		(Rupees in thousand)	
20	LOANS FROM DIRECTORS		
	Mr. Muneer Nawaz (chief executive officer)	90,000	90,000
	Mr. Rashed Amjad Khalid (non-executive director)	20,000	20,000
	Mr. Toqueer Nawaz (non-executive director)	8,000	8,000
	Mr. Abid Nawaz (non-executive director)	8,000	8,000
	Loan payable to legal heir of deceased director	20.3	4,000
	Loan from Mr. Muhammad Naeem	20.2	20,000
		20.1	150,000

20.1 These represent unsecured, interest free loans given by directors to meet the liquidity requirements of the Company. These loans are repayable at the discretion of the Company. In line with Technical Release - 32 (TR-32 - Accounting Director's loan) issued by the Institute of Chartered Accountants of Pakistan (ICAP), these loans are classified as part of equity.

20.2 Mr. Muhammad Naeem was Non-Executive Director of the Company uptill May 29, 2023. However, He is also sponsor of the Company. Therefore, his loan amount has been reclassified from trade and other payables to as a part of equity.

20.3 Mr. Mahmood Nawaz passed away on March 07, 2020. There are three legal heirs of Mr. Mahmood Nawaz. Two out of three legal heirs Mr. Toqueer Nawaz and Mr. Abid Nawaz are also directors of the Company who have extended their loans to the Company on same terms (i.e. unsecured, interest free and repayable at the discretion of the Company).

		2024	2023
		(Rupees in thousand)	
21	LONG TERM FINANCING		
	From banking companies - secured	21.1	2,419,772
			1,217,177

21.1 This syndicated term finance facility is obtained to finance the installation of 32MW high pressure bagasse based co-generation power unit.

21.2 This amount is payable in fifty six equal quarterly installments commencing after grace period of one year from November 2024 and ending on August 2038. The markup rate is 3 months KIBOR plus 1.5% per annum First pari passu charge of Rupees 3,733.333 million over all present and future current and fixed assets of the Company with 25% margin, exclusive charge over present and future receivables from power purchaser due under the Energy Purchase Agreement (EPA) and personal guarantee of Chief Executive Officer of the Company.

21.3 Effective rate of interest charged during the year on these long term financing ranged from 16.57% to 24.30% (2023: 8.49% to 17.13%) per annum.

Notes to the Financial Statements

For the year ended 30 September 2024

	Note	2024	2023
(Rupees in thousand)			
22 LOAN FROM ASSOCIATE			
Shezan Services (Private) Limited		110,000	110,000
Less: Fair value adjustment on initial recognition		(9,053)	(9,053)
Less: Fair value adjustment on modification		(9,334)	-
Add: Adjustment due to impact of IFRS-9	22.1	8,204	5,057
		(10,183)	(3,996)
	22.2	99,817	106,004

22.1	Opening balance	5,057	1,784
	Recognized during the year	3,147	3,273
	Closing balance	8,204	5,057

22.2 This represents unsecured loan obtained from Shezan Services (Private) Limited - associated company. On March 30, 2024, the loan agreement was revised, and extended till October 31, 2027 at below market rate of interest (i.e. 8.25% per annum) . Fair value adjustment in accordance with IFRS 9 'Financial Instruments' is recognized at discount rate of 12.02% per annum.

	Note	2024	2023
(Rupees in thousand)			
23 LEASE LIABILITY			
Total lease liability		18,328	19,668
Less: Current portion shown under current liabilities	30	(2,456)	(1,992)
		15,872	17,676
23.1 Reconciliation of lease liability			
Opening balance		19,668	21,399
Add: Interest accrued on lease liabilities		2,729	2,581
Add: Prior year's adjustment		243	-
Less: Payments made during the year		(4,312)	(4,312)
Closing balance		18,328	19,668
23.2 Maturity analysis of lease liability is as follows:			
Up to 1 year		4,312	4,312
1-2 years		5,391	4,312
More than 2 years		16,172	21,563
		25,875	30,187
Less: Future finance cost		(6,207)	(8,788)
Present value of lease liability		19,668	21,399
23.3 Amount recognized in the statement of profit or loss:			
Interest expense on lease liability		2,729	2,809
Expenses relating to short term leases (included in cost of revenue)		644	765
		3,373	3,574

23.4 Implicit rate against lease liability is 15.11% (2023: 15.11%) per annum.

Notes to the Financial Statements

For the year ended 30 September 2024

	Note	2024 (Rupees in thousand)	2023
24 RETIREMENT BENEFITS OBLIGATIONS			
Staff retirement benefit	24.1	33,474	33,127
24.1 Staff retirement benefit			
The latest actuarial valuation of the defined benefit obligation as at September 30, 2024 was carried out using the projected unit credit method. Details of the obligation as per the actuarial valuation are as follows:			
	Note	2024 (Rupees in thousand)	2023
24.1.1 The amount recognized in the statement of financial position is as follows:			
Present value of defined benefit obligation	24.1.2	33,474	33,127
24.1.2 Movement in present value of the defined benefit obligation:			
Obligation as at October 01,		33,127	31,478
Current service cost		2,035	2,004
Interest cost		5,413	4,049
Benefits paid		(1,619)	(1,837)
Remeasurement	24.1.6	(5,482)	(2,567)
Obligation as at September 30,		33,474	33,127
24.1.3 Net movement in liability:			
Balance as at October 01,		33,127	31,478
Charge for the year recognized in statement of profit or loss	24.1.4	7,448	6,053
Remeasurement recognized in other comprehensive income	24.1.6	(5,482)	(2,567)
Benefits paid		(1,619)	(1,837)
Balance as at September 30,		33,474	33,127
24.1.4 Charge for the year recognized in statement of profit or loss:			
Current service cost		2,035	2,004
Interest cost		5,413	4,049
		7,448	6,053
24.1.5 Charge for the year has been allocated as follows:			
Cost of revenue		4,019	3,266
Administrative expenses		3,376	2,744
Distribution cost		53	43
		7,448	6,053
24.1.6 Remeasurement recognized in other comprehensive income:			
Experience adjustments		(5,482)	(2,567)

Notes to the Financial Statements

For the year ended 30 September 2024

		2024	2023	
24.1.7	Principal actuarial assumptions used:			
	Discount rate used for interest cost	% per annum	16.75	13.25
	Discount rate used for year end obligation	% per annum	12.00	16.75
	Future salary increase	% per annum	11.00	15.75

24.1.8 Sensitivity analysis for actuarial assumptions:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption at the reporting date:

	Defined benefit obligation		
	Changes in assumption	Increase in assumption	Decrease in assumption
	Bps	(Rupees in thousand)	
Discount rate	100	32,471	34,600
Future salary increase	100	34,600	32,454

The sensitivity analysis is based on a change in an assumption 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 the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

24.1.9 Mortality was assumed to be based on SLIC 2001-2005 ultimate mortality rates, set back one year.

24.1.10 The expected charge to statement of profit or loss for the year ending on September 30, 2025 will be Rs. 4.909 million.

24.1.11 The average duration of the defined benefit obligation is 3 years.

	2024	2023	2022	2021	2020
	(Rupees in thousand)				
24.1.12 Historical information					
Present value of defined benefit obligation	33,474	33,127	31,478	32,442	32,120
Remeasurement loss / (gain) on obligation	(5,482)	(2,567)	904	(3,058)	(3,487)

Notes to the Financial Statements

For the year ended 30 September 2024

24.1.13 Expected maturity profile of undiscounted defined benefit obligation:

Less than a year	Between 1- 2 years	Between 3 - 5 years	Between 6 - 10 years	Over 10 years	Total
(Rupees in thousand)					
17,205	2,495	8,286	16,277	95,402	139,665

	Note	2024	2023
(Rupees in thousand)			
25 DEFERRED TAXATION			
The net deferred income tax liability comprised of temporary differences relating to:			
Taxable temporary difference			
Accelerated tax depreciation		114,851	154,338
Right-of-use asset		3,115	5,142
Equity accounted investment		30,603	45,053
		148,569	204,533
Deductible temporary differences			
Retirement benefits obligations		(9,707)	(13,049)
Leave encashment		(3,599)	(4,394)
Business losses		(19,205)	-
Minimum tax carry forward		(109,965)	(91,997)
Lease liability		(5,315)	(7,671)
Impairment allowance for doubtful receivables		(395)	(532)
Allowances for expected credit loss		(383)	(672)
		(148,569)	(118,315)
Deferred income tax liability - net		-	86,218

Notes to the Financial Statements

For the year ended 30 September 2024

25.1 Movement in deferred tax balances during the year is as follows:

2024				
	Opening Balance	Recognised in statement of profit or loss	Recognised in other comprehensive income	Closing balance
(Rupees in thousand)				
Accelerated tax depreciation	154,338	(39,487)	-	114,851
Right-of-use asset	5,142	(2,027)	-	3,115
Equity accounted investment	45,053	(14,450)	-	30,603
Retirement benefits obligations	(13,049)	1,752	1,590	(9,707)
Business losses	-	(19,205)	-	(19,205)
Leave encashment	(4,394)	795	-	(3,599)
Minimum tax carry forward	(91,997)	(17,968)	-	(109,965)
Lease liability	(7,671)	2,356	-	(5,315)
Impairment allowance for doubtful receivables	(532)	137	-	(395)
Allowances for expected credit loss	(672)	289	-	(383)
	86,218	(87,808)	1,590	-

2023				
	Opening Balance	Recognised in statement of profit or loss	Recognised in other comprehensive income	Closing balance
(Rupees in thousand)				
Accelerated tax depreciation	112,947	41,391	-	154,338
Right-of-use asset	4,588	554	-	5,142
Equity accounted investment	26,841	18,212	-	45,053
Retirement benefits obligations	(9,223)	(4,827)	1,001	(13,049)
Leave encashment	(2,895)	(1,499)	-	(4,394)
Unabsorbed depreciation	(5,552)	5,552	-	-
Minimum tax carry forward	(91,997)	-	-	(91,997)
Lease liability	(6,206)	(1,465)	-	(7,671)
Impairment allowance for doubtful receivables	(486)	(46)	-	(532)
Allowances for expected credit loss	(570)	(102)	-	(672)
	27,447	57,770	1,001	86,218

25.2 As a matter of prudence, the deferred tax asset relating to minimum tax amounting to Rs. 209.320 million (2023: Rs. 291.936 million) has not recognized due to uncertainty regarding timing of future taxable profitability.

Notes to the Financial Statements

For the year ended 30 September 2024

	Note	2024	2023
(Rupees in thousand)			
26 TRADE AND OTHER PAYABLES			
Trade creditors	26.1	41,887	23,854
Accrued expenses		93,302	88,459
Payable to employee's provident fund trust		-	346
Provision for leave encashment	26.2	12,412	11,267
Workers' profit participation fund	26.3	-	34,679
Workers' welfare fund	26.4	13,842	14,857
Withholding tax payable		43	21
Sales tax payable		80,726	74,075
Other payables	26.5	39,308	35,861
		281,520	283,419

26.1 These include amount of Rs. Nil (2023: Rs. 0.008 million) due to Shahnawaz Private Limited - related party against services received.

	Note	2024	2023
(Rupees in thousand)			
26.2 Provision for leave encashment			
Balance as at October 01,		11,267	9,982
Add: Provision made for the year		1,922	1,763
Less: Leave encashment paid during the year		(777)	(478)
Balance as at September 30,		12,412	11,267
26.3 Workers' profit participation fund			
Balance as at October 01,		34,679	2,739
Add: Allocation for the year	35	-	34,679
Add: Interest accrued during the year	38	-	123
Less: Payments made during the year		(34,679)	(2,862)
Balance as at September 30		-	34,679

26.3.1 Interest is accrued at prescribed rate under the Companies Profits (Workers. Participation) Act, 1968 on funds retained by the Company.

	Note	2024	2023
(Rupees in thousand)			
26.4 Workers' welfare fund			
Balance as at October 01,		14,857	6,779
Add: Allocation for the year	35	-	13,836
Less: Payments made during the year		(1,015)	(5,758)
Balance as at September 30,		13,842	14,857

26.5 These include amount of Rs. 38.800 million (2023: Rs. 35.559 million) deducted from salaries of employees for the purchase of vehicles' which is adjustable as per Company's policy.

Notes to the Financial Statements

For the year ended 30 September 2024

27 CONTRACT LIABILITIES

- 27.1** These represent advance consideration received from customers. in ordinary course of business.
- 27.2** Revenue of Rs. 142.952 million (2023: Rs. 112.409 million) has been recognized in the reporting period that was included in the contract liabilities balance at the beginning of the year.
- 27.3** These include advance consideration received from Shezan International Limited - related party amounting to Rs. Nil (2023: Rs. 105.086 million).

	Note	2024	2023
(Rupees in thousand)			
28 SHORT TERM BORROWINGS			
From banking companies - secured			
Cash finances		937,239	142,349
Running finances		499,997	330,228
Islamic mode of finance		396,990	506,964
	28.1	1,834,226	979,541

- 28.1** These facilities are secured against pledge of refined sugar with 10% to 25% (2023: 10% to 25%) margin, first pari passu hypothecation charge on all present and future current assets of the Company and second ranking charge over land, buildings and plant and machinery of the Company. Markup is payable quarterly and at the end of tenure at the rates ranging from 1 month KIBOR plus 0.75% to 1 month KIBOR plus 2% (2023: 1 month KIBOR plus 0.75% to 1 month KIBOR plus 1.5%) and 9 months KIBOR + 0.75% to 9 months KIBOR + 1.50% (2023: 9 months KIBOR + 0.75% to 9 months KIBOR + 1.00%).

	Note	2024	2023
(Rupees in thousand)			
29 ACCRUED MARK-UP			
Long term financing		101,233	810
Short term borrowings		186,312	105,726
Loan from associate - Shezan Services (Private) Limited	14.1	49,178	40,079
Loan from associate - Shahnawaz (Private) Limited	29.2	27,230	16,217
		363,953	162,832

- 29.1** As at the reporting date, accrued mark-up of Rupees 49.178 million (2023: 40.079 million) and Rupees 27.230 million (2023: 16.217 million) payables to Shezan Services (Private) Limited - associated company and Shahnawaz (Private) Limited - associated company respectively.

- 29.2** This represents interest on loan obtained from Shahnawaz (Private) Limited - associated company. This loan was fully repaid during the year ended September 30, 2024. Interest was charged at the rate of 8.25% to 20.5% per annum.

		2024	2023
(Rupees in thousand)			
30 CURRENT PORTION OF NON-CURRENT LIABILITIES			
Lease liability	23	2,456	1,992
		2,456	1,992

Notes to the Financial Statements

For the year ended 30 September 2024

31 CONTINGENCIES AND COMMITMENTS

31.1 Contingencies

Non-tax contingencies

- 31.1.1** A penalty amounting to Rs. 19.471 million was imposed by the Cane Commissioner vide order dated 06 August 2007 for late payments of road cess for the crushing season 1997-98 and 1998-99. The Company filed an appeal before the Secretary Food against this demand, who has remanded the case back to the Cane Commissioner on July 17, 2008 for re-examination.
- 31.1.2** A provision for cane quality premium payable to growers, aggregating to Rs. 19.818 million, related to various yearly notifications issued by the Government of Punjab (GoP) for fixation of cane support prices and quality premiums above the benchmark average recovery, made during the financial years. 1981-82 to 1994-95, was written-back vide Honorable Lahore High Court, Lahore Order dated December 22, 1994. The Company has not received any demand in this respect since many years.
- 31.1.3** Market committee fee payable by the Company has been recorded at Rs. 5 per metric ton. However, a notification was issued by the Agriculture Department, Government of the Punjab dated August 02, 2017 for increase in rate to Rs. 10 per metric ton. Being aggrieved, the Company filed writ petition in Honorable Lahore High Court, Lahore which by order dated December 18, 2020 transmitted the petitions to the Agriculture Department, Government of the Punjab by directing to look into petitioners' grievance and redress it strictly in accordance with law after hearing the petitioners. and all concerned through a speaking order. The Agriculture Department, Government of the Punjab vide order dated July 07, 2021 decided the petitions against the Company and ordered to pay the market committee fee to concerned market committee as per notification dated August 02, 2017 from the date of issuance of the notification. Accordingly, a demand was raised by Chairman Market Committee, Mandi Bahauddin vide letter dated August 30, 2021 to pay market committee fee as per revised rates. Petitions have been filed by other sugar mills in Honorable Lahore High Court, Lahore in which above said notification has been challenged and the Honorable Lahore High Court, Lahore has granted stay order. Management is confident that the matter will be decided in favour of the sugar industry, hence, the additional market committee fee of Rs. 28.307 million (2023: Rs. 24.908 million) would not be payable.
- 31.1.4** During the year ended September 30, 2020, Punjab Anti-Corruption Establishment (ACE) issued notice to the Company in relation to an inquiry and required to furnish financial records for the years. 2017, 2018 and 2019. The Company has filed an appeal before Honorable Lahore High Court, Lahore and a stay order has been granted in favour of the Company stopping the ACE from further action vide order dated November 04, 2020. The management expects no material impact on these financial statements.
- 31.1.5** During the fiscal year ending on September 30, 2021, the Company contested government notifications on sugar price fixation in the Lahore High Court, challenging the ex-mill price and seeking relief for consumers. Despite the court's disposal of the petition, an intra-court appeal granted a stay order, preventing the forced removal of sugar stock until the next hearing. In a separate development on April 20, 2023, a notification fixed the retail price of locally produced sugar, prompting the Company to file a writ petition. The Lahore High Court suspended the order and the Appellate Committee's decision. Subsequently, on July 28, 2023, a new order empowered authority to fix ex-mill prices, leading to the Company filing another writ petition. As of November 13, 2023, the Lahore High Court has reserved judgment on this matter. Additionally, a judgment on October 02, 2023, declared actions by the Federal Government and the Punjab Government regarding sugar price controls as ultra vires, emphasizing the provincial legislative authority over food and price control of essential commodities.
- 31.1.6** During the year ended September 30, 2021, the Company filed writ petition in Honorable Lahore High Court, Lahore against the price notification dated October 15, 2020 issued by Food Department, Government of Punjab in which minimum purchase price of sugarcane at the factory gate as well as at the cane purchase centers. for the crushing season 2020-2021 was fixed at Rs. 200 per 40 KG. The petition is still pending adjudication. The Company is hopeful that provision of Rs. 1.573 million is not required to be made in these financial statements.

Enquiry by Competition Commission of Pakistan

- 31.1.7** The Competition Commission of Pakistan (CCP) has passed a consolidated order on August 06, 2021

Notes to the Financial Statements

For the year ended 30 September 2024

whereby penalties have been levied on 84 sugar mills (First Opinion) under the Competition Act, 2010 on account of alleged 'anti-competitive activities in the sugar industry'. The proceedings were heard by a four-member bench of CCP and the two members. differed with the First Opinion and gave a second / opposite opinion on August 12, 2021 however, the Chairperson vide order dated August 13, 2021 confirmed the first opinion (whereby the penalties were levied) as a view of the CCP by giving a casting vote.

Under the above-referred order dated August 06, 2021, penalty of Rs. 230.477 million and Rs. 322.668 million has been levied on the Company equivalent to 5% and 7% respectively of the total turnover of Rs. 4,609.540 million as per the audited financial statements for the year ended September 30, 2019. The penalty has been levied on account of alleged 'commercially sensitive information sharing and collective decision of export quantities' by fixing / controlling the supply of sugar and maintaining the desired price levels in the market during the period from the year 2012 to 2020.

The Company has filed appeals against the above-referred order through its legal council before the Competition Appellate Tribunal and also in Honorable Lahore High Court, Lahore, which are pending adjudications. Similar appeals have been filed by other sugar mills before the Sindh High Court who vide its order dated October 07, 2021 has suspended the operation of above impugned order dated August 06, 2021 and August 13, 2021.

However, the CCP in contravention of the above restraining order of the Sindh High Court issued a hearing notice under Section 30 of the Competition Act, 2010 on November 05, 2021 against show-cause notice dated December 31, 2009, wherein identical issues were involved. The Company applied for adjournment of hearing and was granted till further notice. Similar appeals have been filed by other sugar mills before the Sindh High Court who vide its order dated October 14, 2021 has suspended the operation of the above show-cause notice.

The legal counsel of the Company is of the view that penalty imposed on the Company along with other sugar mills is irrational and unlawful and the proceedings have been concluded by the Chairperson by giving a casting vote in an arbitrary and discriminatory manner without considering the merits of the case.

Tax contingencies

- 31.1.8** While finalizing the assessment for assessment year 2000-01 vide order dated February 28, 2001, various additions were made by the assessing officer creating a tax exposure of Rs. 56.542 million which were contested before Commissioner Income Tax (Appeals) and Income Tax Appellate Tribunal. The Company and the department have filed reference applications before the Honorable Lahore High Court, Lahore against the respective decisions where the cases are pending adjudication.
- 31.1.9** The company has filed a reference application in respect of tax year 2010 before the Honorable Lahore High Court, Lahore on March 04, 2011 against the confirmation of order dated February 07, 2011 levying WWF amounting to Rs. 1.101 million for tax year 2010 which is pending adjudication.
- 31.1.10** During the year ended September 30, 2013, the assessing officer created a demand of Rs. 12.625 million in respect of Special Excise Duty at market rate for the period from July 01, 2008 to May 31, 2010 against which the Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) on August 02, 2013 which was decided in Company's favor vide order dated January 09, 2020. Being aggrieved by the said order, the department has filed an appeal before the Honorable Lahore High Court which is pending adjudication.
- 31.1.11** The assessing officer issued order dated June 29, 2015 under Section 122(4)/122(5A) of the Income Tax Ordinance, 2001 for the tax year 2009. The assessing officer disallowed certain expenses and assessed taxable income and tax demand amounting to Rs. 216.871 million and Rs. 13.570 million respectively. The Company being aggrieved from the order passed by the assessing officer, filed an appeal before Commissioner Inland Revenue (Appeals) (CIR (A)) who vide order dated April 16, 2018 provided partial relief to the Company. Being aggrieved, the tax department has filed an appeal before ATIR which is pending adjudication.
- 31.1.12** The assessing officer issued order under Section 122(9)/122(5A) of the Income Tax Ordinance, 2001 on February 28, 2018 for the tax year 2012 and disallowed certain expenses claimed against income amounting to Rs. 5.970 million and created income tax demand of Rs. 2.270 million. The Company being aggrieved from the order passed by the assessing officer, filed an appeal before CIR(A) who decided the case in favor of the Company vide order dated February 26, 2021. In response, the Company is not aware if the tax department has filed an appeal before ATIR against the order passed by the CIR(A).

Notes to the Financial Statements

For the year ended 30 September 2024

31.1.13 The Deputy Commissioner Inland Revenue (DCIR) issued order under Section 122(1) of the Income Tax Ordinance, 2001 on October 30, 2017 for the tax year 2014. DCIR disallowed certain expenses of Rs. 10.759 million and refundable tax of the Company was reduced from Rs. 51.899 million to Rs. 36.937 million. The Company being aggrieved by the aforesaid passed order, filed an appeal before CIR(A) who passed an order by allowing partial relief of Rs. 0.621 million to the Company, remanded back the certain issues of Rs. 4.076 million to the DCIR and confirmed the disallowance of Rs. 6.063 million vide order dated October 26, 2020.

Subsequently the DCIR initiated the remanded back proceeding and decided the matter against the Company vide order dated January 30, 2023 under Section 124/129 of the Income Tax Ordinance, 2001. In response to the order of DCIR, the Company preferred an appeal before CIR(A) who vide appellate order dated August 16, 2023 decided the appeal on the issue of disallowance of Rs. 3.308 million in favour of the Company while rejected the Company's stance on disallowance of Rs. 0.767 million. Thereafter, the department has filed an appeal against the order of CIR(A) before Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication.

31.1.14 The assessing officer has passed an order on September 11, 2019 under Section 11 of the Sales Tax Act, 1990, due to non-chargeability of further tax in respect of sales to unregistered person for certain months from January 2017 to June 2018; whereby, the Company is required to pay outstanding sales tax demand of Rs. 1.096 million and penalty of Rs. 0.055 million. The Company has preferred an appeal before the learned CIR (A) who vide order dated January 23, 2020 confirmed the levy of further tax. Against the said order, the Company filed appeal before the ATIR which is pending for adjudication.

31.1.15 The assessing officer issued a recovery notice on June 18, 2021 to the Company under Section 4(9) of Workers Welfare Fund Ordinance, 1971 for tax year 2018 claiming the Company has failed to pay WWF amounting to Rs. 3.886 million and instead resorted to unlawful act of adjusting the payable WWF against excess payment of income tax in the return which resulted into the non-payment of WWF under the Worker Welfare Fund Ordinance, 1971. The Company filed an appeal before Honorable Lahore High Court, Lahore who remanded back the case to Commissioner Inland Revenue. The case is pending for adjudication.

31.1.16 The assessing officer issued order under Section 122(5A) of the Income Tax Ordinance, 2001 on June 30, 2021 for the tax year 2015. The assessing officer disallowed expenses on account of cash withdrawal as per the provisions of Section 21(l) of the Income Tax Ordinance, 2001 resulting in income tax demand of Rs. 153.790 million. The Company being aggrieved by the order passed by the aforesaid order, filed an appeal before CIR(A) who decided the matter in favour of the Company. Further, the Company is not aware if the tax department has filed an appeal before ATIR against the order passed by the CIR(A).

31.1.17 The assessing officer has passed an order on February 09, 2021 under Section 33 of the Sales Tax Act, 1990 creating sales tax demand of Rs. 1 million on the basis that the Company has not implemented Video Analytics' System (VAS Implementation) in its factory. Being aggrieved, the Company preferred an appeal before the learned CIR (A) who vide order dated November 26, 2021 has set aside the case with the direction that the assessing officer will decide the case after giving opportunity of being heard. However, till date, no proceedings have been initiated by the assessing officer.

31.1.18 The Deputy Commissioner Inland Revenue (DCIR) issued order dated February 04, 2020 under Section 161/205 of the Income Tax Ordinance, 2001 for tax year 2013 and raised income tax demand of Rs. 1.327 million. Being aggrieved, the Company filed an appeal before CIR(A) who vide order dated July 30, 2020 remanded back the case to the concerned officer. The remanded back proceedings have not been initiated so far by the tax department. Further, the Company is not aware if the tax department has filed an appeal before ATIR against the order passed by the CIR(A).

31.1.19 The Deputy Commissioner Inland Revenue (DCIR) issued order dated November 22, 2019 under Section 161/205 of the Income Tax Ordinance, 2001 for tax year 2015 and raised income tax demand of Rs. 1.423 million. Being aggrieved, the Company filed an appeal before CIR(A) who vide order dated May 17, 2021 remanded back the case to the concerned officer. In compliance to the remanded back proceedings notice, the Company filed the reply, however, order from the tax department is still awaited.

31.1.20 During the years ended September 30, 2020 and 2021, the case of the Company was selected by the Commissioner Inland Revenue for audit of income tax affairs. for tax years. 2016, 2017, 2018 and 2019 under Section 177 of the Income Tax Ordinance, 2001. Against the selection of audit, the Company filed

Notes to the Financial Statements

For the year ended 30 September 2024

writ petition before Honorable Lahore High Court, Lahore which was decided vide order dated November 30, 2020 with directions that the proceedings of audit may continue; however, no final order shall be passed before the disposal of writ petition. In light of judgement of the Honorable Lahore High Court, Lahore audit proceedings were concluded and subsequently show cause notices were issued under Sections 111 and 122(9) of the Income Tax Ordinance, 2001 by the DCIR for the tax years. 2016, 2017, 2018 and 2019. However, the Honorable Lahore High Court, Lahore vide its order dated April 27, 2022 vacated the aforesaid order notices by stating that the income tax audit proceedings were without lawful authority and had no legal effect. Further, the Honorable Lahore High Court, Lahore in its judgement has mentioned that the aforesaid judgement will not preclude the commissioners. concerned from exercising their independent authority under Section 177 of the Income Tax Ordinance, 2001 to proceed afresh in individual cases strictly in accordance with the law. The Company is not aware of any further proceedings initiated by the tax department for the above said tax years.

31.1.21 During the year ended September 30, 2023, the Company has applied for refund claims for the tax years. 2014, 2015, 2016, 2018, 2019, 2020 and 2022 aggregating to Rs. 501.475 million. However, the Deputy Commissioner Inland Revenue (DCIR) vide order under Section 170(4) of the Income Tax Ordinance, 2001 dated August 23, 2023 has rejected the refunds on the ground of non availability of documentary evidences to support such refunds. Being aggrieved, the Company has filed appeals before Commissioner Inland Revenue (Appeals) for the said years. on September 22, 2023, who vide appellate orders. dated November 28, 2024 remanded back the case to the concerned officer.

31.1.22 During the year ended September 30, 2020, the case of the Company was selected by the Commissioner Inland Revenue for audit of sales tax affairs. for tax periods from October 2015 to September 2018 under Section 25 of the Sales Tax Act, 1990. Against the selection of audit, the Company filed writ petition before Honorable Lahore High Court, Lahore which was decided vide order dated November 30, 2020 with directions that the proceedings of audit may continue; however, no final order shall be passed. In light of judgement of the Honorable Lahore High Court, Lahore audit proceedings were concluded and subsequently show cause notices were issued under Section 11 of the Sales Tax Act, 1990. However, the Honorable Lahore High Court, Lahore vide its order dated April 27, 2022 vacated the aforesaid notices by stating that the sales tax audit proceedings were without lawful authority and had no legal effect. Further, the Honorable Lahore High Court, Lahore in its judgement has mentioned that the aforesaid judgement will not preclude the commissioners concerned from exercising their independent authority under Section 25 of the Sales Tax Act, 1990 to proceed afresh in individual cases strictly in accordance with the law. The Company is not aware of any further proceedings initiated by the tax department for the above said tax years.

31.1.23 During the year ended September 30, 2023, the Company has filed its revised income tax return for the tax year 2020 by declaring income tax refund amounting to Rs. 88.570 million. However, the Deputy Commissioner Inland Revenue (DCIR) has rejected tax refund and tax credit amounting to Rupees 36.605 million vide order dated December 30, 2022 under Section 170(3) of the Income Tax Ordinance, 2001. Being aggrieved, the Company has filed appeal before Commissioner Inland Revenue (Appeals) who decided the matter in favour of the Company. Further, the Company is not aware if the tax department has filed appeal before the Appellate Tribunal Inland Revenue.

31.1.24 The Company's share in contingencies of associate accounted under equity method is Rs. 8.874 million (2023: Rs. 4.386 million).

31.1.25 The DCIR passed an order date June 30, 2024 under the section 161/205 of the Ordinance by creating income tax demand of Rs. 10.401 million for the tax year 2018. Being aggrieved, the Company have filed appeal before the CIR(A), which is a pending adjudication.

31.2 The Company is actively pursuing the above matters at respective forums. Based on the advice of the legal counsel, the Company is hopeful for the favorable outcome of the matters. Hence, no provision has been made in these financial statements.

	2024	2023
	(Rupees in thousand)	
31.3 Commitments		
31.3.1 - Contract for capital expenditure	108,679	389,703

31.3.2 The Company has obtained vehicles under ijarah arrangements from Soneri Bank Limited (Islamic Banking) for a period of five years. Ijarah rentals are payable on monthly basis. Future Ujarah payments under Ijarah are as follows:

Notes to the Financial Statements

For the year ended 30 September 2024

	Note	2024	2023
		(Rupees in thousand)	
Not later than one year		4,312	7,787
Later than one year and not later than five years		21,563	23,726
		25,875	31,513
32 REVENUE FROM CONTRACTS WITH CUSTOMERS			
Export sales		256,046	383,733
Local sales	32.1	8,564,972	9,092,320
		8,821,018	9,476,053
32.1 Local sales			
Sugar		8,929,602	9,260,655
By products:			
- Molasses		848,012	1,122,087
- Bagasse		256,957	173,804
- Press mud		14,787	13,058
		10,049,358	10,569,604
Less:			
Broker's commission on sugar / molasses		16,417	14,923
Sales tax / federal excise duty		1,446,486	1,450,541
Withholding tax on sales		21,483	11,820
		1,484,386	1,477,284
		8,564,972	9,092,320
Geographical region:			
Pakistan		8,564,972	9,092,320
Afghanistan		256,046	-
Canada		-	13,696
Saudi Arabia		-	370,037
		8,821,018	9,476,053
Timing of transfer of goods:			
Goods transferred to customers at a point in time		8,821,018	9,476,053

32.2 Revenue is recognised at point in time as per the terms and conditions of underlying contracts with customers.

Notes to the Financial Statements

For the year ended 30 September 2024

	Note	2024	2023
		(Rupees in thousand)	
33 COST OF REVENUE			
Raw materials consumed:			
Sugarcane purchased		7,435,846	6,004,711
Sugarcane development cess		42,492	49,147
Market committee fee		3,399	3,932
		7,481,737	6,057,790
Process materials		116,881	129,129
Fuel and power		74,277	59,554
Stores and spares consumed		143,324	114,454
Repairs and maintenance		35,300	30,114
Salaries, wages and other benefits	33.1	395,734	350,619
Company's contribution to provident fund		2,718	2,758
Rent, rates and taxes	33.2	1,061	1,026
Insurance		8,825	5,321
Depreciation on operating fixed assets		30,382	29,282
Conveyance and travelling		21,156	16,985
Ijarah rentals		4,765	4,962
Other expenses		15,548	12,722
		8,331,708	6,814,716
Work-in-process			
Add: Opening stock of sugar and molasses in process		4,790	4,232
Less: Closing stock of sugar and molasses in process		(6,401)	(4,790)
		(1,611)	(558)
Cost of sugar manufactured		8,330,097	6,814,158
Packing material consumed		70,134	77,777
Cost of sugar bagged		8,400,231	6,891,935
Finished goods			
Opening stock		1,076,273	2,069,345
Closing stock		(1,582,915)	(1,076,273)
		(506,642)	993,072
		7,893,589	7,885,007

33.1 Salaries, wages and other benefits include Rs. 1.073 million (2023: Rs. 0.393 million) in respect of leave encashment, Rs. 0.060 million (2023: Rs. 0.022 million) in respect of gratuity and Rs. 4.039 million (2023: Rs. 3.266 million) in respect of staff retirement benefit.

33.2 Rent, rates and taxes include Rs. 0.644 million (2023: Rs. 0.656 million) in respect of short term leases.

Notes to the Financial Statements

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	Note	2024	2023
		(Rupees in thousand)	
34	DISTRIBUTION COST		
Salaries and other benefits	34.1	7,923	7,282
Company's contribution to provident fund		33	38
Insurance		4,115	4,268
Sugar bag handling cost		8,227	8,221
Sugar export expenses		1,086	501
		21,384	20,310

34.1 Salaries and other benefits include Rs. 0.012 million (2023: Rs. 0.018 million) in respect of leave encashment and Rs. 0.054 million (2023: Rs. 0.043 million) in respect of staff retirement benefit.

	Note	2024	2023
		(Rupees in thousand)	
35	ADMINISTRATIVE EXPENSES		
Salaries and other benefits	35.1	303,333	272,842
Company's contribution to provident fund		2,986	3,023
Directors fee		2,520	1,960
Fuel and power		6,163	4,955
Repair and maintenance		7,855	7,549
Printing and stationery		5,655	6,076
Postage and telephone		2,615	2,584
Insurance		1,534	1,399
Utilities		458	558
Rates and taxes		1,067	24,064
Legal and professional charges		5,337	5,558
Auditor's remuneration	35.2	2,957	2,730
Depreciation on operating fixed assets		4,492	4,074
Depreciation on right-of-use asset	7.3	2,685	2,637
Conveyance and travelling		17,760	18,104
Other expenses		11,850	9,549
Ijarah rentals		3,018	1,699
		382,285	369,361

35.1 Salaries and other benefits include Rs. 0.943 million (2023: Rs. 1.352 million) in respect of leave encashment, Rs. 0.022 million (2023: Rs. 0.001 million) in respect of gratuity and Rs. 3.378 million (2023: Rs. 1.2744 million) in respect of staff retirement benefit.

Notes to the Financial Statements

For the year ended 30 September 2024

	Note	2024	2023
		(Rupees in thousand)	
35.2 Auditor's remuneration			
Audit fee		1,500	1,500
Certifications and review		1,262	1,035
Expenses reimbursed		195	195
		2,957	2,730
36 OTHER OPERATING EXPENSES			
Workers' profit participation fund	26.3	-	34,679
Workers' welfare fund	26.4	-	13,836
Loss on initial recognition on long term loans to employees		-	1,626
Impairment allowance for doubtful prepayments	15.2.1	-	4
Fair value adjustment on initial recognition of loan to GEPCO	9.2	-	46,654
Donations	36.1	875	1,000
		875	97,799
36.1	There is no interest of any director or his spouse in donees' fund.		
37 OTHER INCOME			
Income from financial assets			
Profit on bank deposits		18,609	10,312
Reversal of fair value adjustment on loan to GEPCO	9.2	8,379	1,029
Fair value adjustment on loan from associate - modification		9,334	-
Gain on initial recognition of financial assets		669	-
		36,991	11,341
Income from non-financial assets			
Sale of scrap		14,662	27,659
Gain on sale of operating fixed assets		396	2,818
Reversal of impairment allowance for doubtful loans to employees	14.1.1	402	236
Reversal of impairment allowance for doubtful advances to suppliers	14.3.2	-	316
Miscellaneous income		79	2,108
		15,539	33,137
		52,530	44,478

Notes to the Financial Statements

For the year ended 30 September 2024

	Note	2024 (Rupees in thousand)	2023
38 FINANCE COST			
Interest on long term financing		-	3,130
Interest on short term borrowings		605,281	480,213
Interest on loan from associates		20,112	9,075
Adjustment due to impact of IFRS-9 on loan from associate	22.1	3,147	3,273
Interest accrued on lease liability		2,729	2,581
Interest on workers' profit participation fund	26.3	9,078	123
Bank charges and commission		4,377	4,723
		644,724	503,118
39 LEVY			
Levy	39.1	1,121	14,745
Minimum tax differential	39.2	113,006	-
		114,127	14,745

39.1 This represents final tax paid under section 154 (1), 154 (3b), and 150 of Income tax ordinance, 2001 ("the Ordinance"), representing levy in terms of requirements of IFRIC 21/IAS 37.

39.2 This represents portion of minimum tax paid under section 154 (1) of Income tax ordinance, 2001 ("the Ordinance"), representing levy in terms of requirements of IFRIC 21/IAS 37.

		2024 (Rupees in thousand)	2023
40 TAXATION			
Current tax:			
-For the year		-	174,988
-Prior year		(122,291)	8,822
		(122,291)	183,810
Deferred tax		(87,808)	57,770
		(210,099)	241,580

40.1 Provision for current income tax represents normal tax on local sales and other source of income and final tax on export sales. Provision for super tax on income is calculated as per Section 4C of the Income Tax Ordinance, 2001. Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate is as follows:

Notes to the Financial Statements

For the year ended 30 September 2024

	Note	2024 (Rupees in thousand)	2023
40.2 Reconciliation between tax expense and accounting profit			
Profit before tax		(63,827)	661,797
Applicable tax rate		29%	29%
Tax on accounting profit		(18,510)	191,921
Tax effect of super tax		-	69,653
Tax effect of income taxed at lower rate		-	(3,241)
Tax effect arising as consequences of recognition of deferred tax		(87,808)	57,770
Tax effect of change in prior year's tax		(122,291)	8,822
Tax effect due to adjustment / recognition of losses and minimum tax		128,691	(79,820)
Tax effect of inadmissible / admissible adjustments - net		1,235	13,867
Tax effect of dividend income from associate		1,121	2,243
Tax effect of share of profit from associate		1,590	(4,890)
		(95,972)	256,325
41 EARNINGS PER SHARE - BASIC AND DILUTED			
There is no dilutive effect on the basic earnings per share.			
Profit after taxation attributable to ordinary shareholders	Rupees	32,145	405,472
Weighted average number of ordinary shares	Numbers	12,011,096	12,011,096
Earnings per share - Basic	Rupees	2.68	33.76
42 CASH (USED IN) / GENERATED FROM OPERATIONS			
(Loss) / Profit before taxation		(63,827)	661,797
Adjustments for non-cash charges and other items:			
Depreciation on property, plant and equipment	7.1.2	34,874	33,356
Depreciation on right-of-use asset	7.3	2,685	2,637
Finance cost	38	644,724	503,118
Provision for retirement benefit	24.1.4	7,448	6,076
Profit on bank deposits	37	(18,609)	(10,312)
Share of profit of associate	8	(5,482)	(16,861)
Adjustment due to impact of IFRS-9 on loan from associate	38	3,147	3,273
Fair value adjustment on modification of loan from associate	22	(9,334)	-
Provision for leave encashment	26.2	1,922	1,763
Provision for doubtful prepayments	36	-	4
Gain on disposal of operating fixed assets	37	(396)	(2,818)
Reversal of fair value adjustment on loan to GEPCO	37	(8,379)	(1,029)
Fair value adjustment on initial recognition of loan to GEPCO		-	46,654
Reversal of impairment allowance for doubtful loans to employees		(402)	(236)
Reversal of impairment allowance for doubtful advances to suppliers		-	(316)
Working capital changes	42.1	(618,185)	1,302,885
		(29,814)	2,529,991

Notes to the Financial Statements

For the year ended 30 September 2024

	2024	2023
	(Rupees in thousand)	
42.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(66,928)	(37,016)
Stock-in-trade	(508,428)	992,570
Trade debts	26,557	122,199
Loans and advances	(96,432)	2,172
Short term prepayments	(453)	12
Other receivable	-	16,000
	(645,684)	1,095,937
Increase / (decrease) in current liabilities:		
Trade and other payables	(3,044)	120,099
Contract liabilities	30,543	86,849
	(618,185)	1,302,885

43 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2024				
	Liabilities from financing activities				
	Short term borrowings	Long term financing	Loans from associate	Unclaimed dividend	Lease liability
	(Rupees in thousand)				
Balance as at October 01, 2023	979,541	1,217,117	106,004	7,346	19,668
Short term borrowings - net	854,685	-	-	-	-
Long term financing obtained	-	1,202,595	-	-	-
Long term financing repaid	-	-	-	-	-
Repayment of lease liability	-	-	-	-	(4,312)
Dividend - net	-	-	-	18,506	-
Non-cash movement:					
Fair value adjustment on loan	-	-	(6,187)	-	-
Balance as at September 30, 2024	1,834,226	2,419,712	99,817	25,852	15,356

	2023				
	Liabilities from financing activities				
	Short term borrowings	Long term financing	Loans from associate	Unclaimed dividend	Lease liability
	(Rupees in thousand)				
Balance as at October 01, 2022	2,872,574	775,859	102,731	7,353	21,399
Short term borrowings - net	(1,893,033)	-	-	-	-
Loan from associate obtained	-	1,217,117	-	-	-
Repayment of loan to associate	-	-	-	-	-
Long term financing repaid	-	(775,859)	-	-	-
Repayment of lease liability	-	-	-	-	(1,731)
Dividend paid	-	-	-	(7)	-
Non-cash movement:					
Fair value adjustment on loan	-	-	3,273	-	-
Balance as at September 30, 2023	979,541	1,217,117	106,004	7,346	19,668

Notes to the Financial Statements

For the year ended 30 September 2024

44 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration including all benefits to the chief executive officer, directors and executives of the Company is as follows:

	2024		2023	
	Chief executive officer	Executives	Chief executive officer	Executives
	(Rupees in thousand)			
Managerial remuneration	8,400	16,918	8,400	15,181
Allowances:				
House rent	4,200	2,940	4,200	2,975
Utilities	8,400	14,850	8,400	9,841
Medical and insurance	1,170	3,862	681	3,011
Production	13,559	24,529	13,776	24,596
Contribution to retirement benefits	840	1,504	840	1,523
	36,569	64,603	36,297	57,127
Number of persons	1	8	1	6

- 44.1** In addition to above, the chief executive officer, directors and certain executives are provided with the free use of the Company's maintained vehicles and telephone facility.
- 44.2** No remuneration was paid to directors of the Company.
- 44.3** Fee paid to nine (2023: eight) non-executive directors for attending board meetings was Rs. 1.760 million (2023: Rupees 1.280 million).
- 44.4** Fee paid to five (2023: four) non-executive directors for attending audit committee meetings was Rs. 0.680 million (2023: Rs. 0.520 million).
- 44.5** Fee paid to two (2023: four) non-executive directors for attending human resource and remuneration committee meetings was Rupees 0.080 million (2023: Rs. 0.160 million).

Notes to the Financial Statements

For the year ended 30 September 2024

45 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, other related parties, staff provident fund trust and key management personnel. The Company in the normal course of business carries out transactions with related parties. All transactions with the related parties are entered into at arm's length, determined in accordance with comparable uncontrolled price method except for transactions with Shahnawaz (Private) Limited, where an additional discount of 40% is received on service charges and 15% on spare parts, in accordance with the repairs of motor vehicles, as per group policy. The effect of this policy on the statement of financial position and statement of profit or loss is considered to be immaterial. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Name of Related Party	Nature of Relationship	Nature of transaction	2024	2023
(Rupees in thousand)				
Shahtaj Textile Limited	Associate	Dividend received	7,475	14,950
Shahnawaz (Private) Limited	Associate	Purchases and services	886	706
		Utilities paid	436	509
		Loan obtained	250,000	-
		Loan repaid	250,000	-
		Interest accrued on loan	11,012	-
Shezan International Limited	Associate	Sale of sugar	433,710	884,105
Information System Associates Limited	Associate	Services received	-	232
Shezan Services (Private) Limited	Associate	Interest charged	9,099	9,075
		Dividend paid	-	-
State Life Insurance Corporation of Pakistan	Key Management Personnel	Premium paid	1,836	1,745
KSB Pumps Company Limited	Common Directorship	Services received / purchases	18,603	12,574
Staff Provident Fund Trust	Fund	Company's contribution	5,910	5,819
Mr. Muneer Nawaz	Director	Loan obtained	-	80,000
	Director	Loan repaid	-	80,000
Mr. Usman Khalid	Relative of Director	Loan Obtained	100,000	-
		Loan Repaid	100,000	-

45.1 Detail of compensation to key management personnel comprising of chief executive officer, directors and executives is disclosed in note 44.

45.2 Outstanding balances of related parties have been disclosed in the relevant notes to the financial statements.

Notes to the Financial Statements

For the year ended 30 September 2024

45.3 Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place:

Name of the related party	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year		Percentage of share-holding
		2024	2023	
		Percentage		
Shahtaj Textile Limited	Common Directorship and share-holding	Yes	Yes	11.90%
Shahnawaz (Private) Limited	Common Directorship	Yes	Yes	-
Shezan International Limited	Common Directorship	Yes	Yes	-
Information Systems Associates Limited	Common Directorship	Yes	Yes	-
Shezan Services (Private) Limited	Common Directorship	Yes	Yes	-
State Life Insurance Corporation of Pakistan (S.L.I.C)	Director of the Company is key management personnel in S.L.I.C.	Yes	Yes	6.30%
Shahnawaz Engineering (Private) Limited	Common Directorship	No	No	-
HBL Asset Management Limited	Common Directorship	No	No	-
JS Petroleum Limited	Common Directorship	No	No	-
Shahmurad Sugar Mills Limited	Common Directorship	No	No	-
Buxly Paints Limited	Common Directorship	No	No	-
KSB Pumps Company Limited	Common Directorship	Yes	No	-
Jubilee General Insurance Company Limited	Common Directorship	No	No	-
General Shipping Agencies (Private) Limited	Common Directorship	No	No	-
Trigen Pharma International (Pvt.) Limited	Common Directorship	No	No	-
Employees' Provident Fund	Employees benefit plan	Yes	Yes	-
Mr. Toqueer Nawaz	Chairman	Yes	Yes	3.33%
Mr. Muneer Nawaz	Chief Executive Office	Yes	Yes	12.15%
Mrs. Samia Shahnawaz Idris	Director	Yes	Yes	-
Mr. Abid Nawaz	Director	Yes	Yes	-
Mrs. Ava Ardeshir Cowasjee	Director	Yes	Yes	-
Mr. Rashed Amjad Khalid	Director	Yes	Yes	-
Mr. Zahid Ullah Khan	Director	Yes	No	-
Mr. Asim Rafiq (N.I.T)	Director	Yes	No	-
Mrs. Sadia Muhammad	Director	Yes	No	-
Mr. Mushtaq Ahmed (S.L.I.C.)	Director	Yes	Yes	-
Mr. Usman Khalid	Relative of Director	Yes	No	-
Mr. Abdul Waheed Qureshi	Key Management Personnel	Yes	Yes	-
Mr. Mahmood Ahmad Khalid	Key Management Personnel	Yes	Yes	-
Mr. Muhammad Iqbal Javaid	Key Management Personnel	Yes	Yes	-
Mr. Waqar Ahmad	Key Management Personnel	Yes	Yes	-
Mr. Karim Ud Din	Key Management Personnel	Yes	Yes	-
Mr. Muhammad Inam	Key Management Personnel	Yes	Yes	-
Mr. Jameel Ahmed Butt	Key Management Personnel	Yes	Yes	-
Mr. Qazi Muhammad Waseem	Key Management Personnel	Yes	Yes	-

45.4 Remuneration paid to the directors and key management personnels have been disclosed in Note 44 to these financial statements.

Notes to the Financial Statements

For the year ended 30 September 2024

		2024	2023	
46	PLANT CAPACITY AND ACTUAL PRODUCTION			
	Sugar			
	Installed crushing capacity for 92 (2023: 103) working days	Metric tons	1,104,000	1,236,000
	Actual crushing	Metric tons	679,859	786,325
	Actual production	Metric tons	67,793	77,600
	Sugar recovery	Percentage	9.97	9.87

	Non-funded		Funded		
	2024	2023	2024	2023	
(Rupees in thousand)					
47	UNUTILIZED CREDIT FACILITIES				
	Total facilities	461,000	479,000	8,200,000	5,720,000
	Utilized at the end of the year	-	12,237	4,254,000	2,196,718
	Unutilized at the end of the year	461,000	466,763	3,946,000	3,523,282

	2024	2023	
48	NUMBER OF EMPLOYEES		
	Number of employees as at year end	627	638
	Average number of employees during the year	580	532

49 PROVIDENT FUND

Investments out of provident fund have been made in accordance with section 218 of the Companies Act, 2017 and the regulations formulated for this purpose by Securities and Exchange Commission of Pakistan.

50 FINANCIAL RISK MANAGEMENT**50.1 Financial risk factors**

The Company's activities may expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Financial risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk**(i) Currency risk**

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.

The Company is not exposed to currency risk as almost all of its transactions are in local currency except for import of plant and machinery parts. There are no foreign currency receivables and payables as at the reporting date.

Notes to the Financial Statements

For the year ended 30 September 2024

(ii) Other price risk

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

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from long term financing, short term borrowings, loan from associate and bank balances in saving accounts. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

	Note	2024	2023
(Rupees in thousand)			
Fixed rate instruments			
Financial liability			
Loan from associate	22	99,817	106,004
Floating rate instruments			
Financial asset			
Loan to GEPCO	9	80,000	80,000
Bank balances - saving accounts	17	56,995	22,381
		136,995	102,381
Financial liabilities			
Long term financing	21	2,419,772	1,217,177
Short term borrowings	28	1,834,226	979,541
		4,253,998	2,196,718

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

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rs. 23.835 million (2023: Rs. 12.348 million) lower / higher, mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting date were outstanding for the whole year.

Notes to the Financial Statements

For the year ended 30 September 2024

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Note	2024	2023
(Rupees in thousand)			
Long term deposits	10	40,256	40,256
Trade debts	13	39,367	65,924
Loans and advances	14	8,183	45,720
Bank balances	17	268,483	89,287
		356,289	241,187

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

	Rating			2024	2023
	Short Term	Long term	Agency		
(Rupees in thousand)					
Banks					
United Bank Limited	A1+	AAA	VIS	25,571	9,786
MCB Bank Limited	A1+	AAA	PACRA	152,507	4,365
Habib Bank Limited	A1+	AAA	VIS	59,818	26,163
National Bank of Pakistan	A-1+	AAA	PACRA	69	82
JS Bank Limited	A1+	AA	PACRA	321	901
Bank Al Habib Limited	A1+	AAA	PACRA	8,894	9,921
Bank Alfalah Limited	A1+	AA+	PACRA	18,357	2,538
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	2,515	450
Allied Bank Limited	A1+	AAA	PACRA	421	34,788
Soneri Bank Limited	A1+	AA-	PACRA	10	293
				268,483	89,287

The Company's exposure to credit risk and expected credit loss related to trade debts is disclosed in Note 13.

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

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 September 2024, the Company had Rupees 3,523.282 million (2023: Rupees 1,197.425 million) available credit limits from financial institutions and Rupees 89.287 million (2023: Rupees 36.538 million) cash and bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Notes to the Financial Statements

For the year ended 30 September 2024

Contractual maturities of financial liabilities as at September 30, 2024:

	Carrying amount	Contractual cash flows	6 month or less	6-12 month	1-2 year	More than 2 years
(Rupees in thousand)						
Non-derivative financial liabilities:						
Long term financing	2,419,772	-	-	-	-	-
Lease liability	15,872	25,875	4,312	-	5,391	16,172
Trade and other payables	186,909	186,909	186,909	-	-	-
Accrued mark-up	363,953	363,953	363,953	-	-	-
Short term borrowings	1,834,226	1,184,867	1,016,321	168,546	-	-
Unclaimed dividend	25,852	25,852	25,852	-	-	-
Loan from associate	99,817	99,817	-	-	-	99,817
	4,946,401	1,887,273	1,597,347	168,546	5,391	115,989

Contractual maturities of financial liabilities as at 30 September 2023:

	Carrying amount	Contractual cash flows	6 month or less	6-12 month	1-2 year	More than 2 years
(Rupees in thousand)						
Non-derivative financial liabilities:						
Long term financing	1,217,177	3,450,653	146,671	146,671	340,881	2,816,661
Lease liability	19,668	25,875	4,312	-	-	16,172
Trade and other payables	136,284	136,284	136,284	-	-	-
Accrued mark-up	162,832	162,832	162,832	-	-	-
Short term borrowings	979,541	1,184,867	1,016,321	168,546	-	-
Unclaimed dividend	7,346	7,346	7,346	-	-	-
Loan from associate	106,004	119,846	-	9,100	110,746	-
	2,628,852	5,087,703	1,473,766	324,317	451,627	2,832,833

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at September 30. The rates of interest / mark-up have been disclosed in Note 20, 22 and 28 to these financial statements.

50.2 Financial instruments by categories

	At amortized cost	
	2024	2023
(Rupees in thousand)		
Assets as per statement of financial position		
Long term deposits	40,256	40,256
Trade debts	39,367	65,924
Loans and advances	57,280	45,720
Cash and bank balances	268,483	89,287
	405,386	241,187

Notes to the Financial Statements

For the year ended 30 September 2024

	At amortized cost	
	2024	2023
	(Rupees in thousand)	
Liabilities as per statement of financial position		
Long term financing	2,419,772	1,217,177
Lease liability	15,872	19,668
Trade and other payables	186,909	136,284
Accrued mark-up	363,953	162,832
Short term borrowings	1,834,226	979,541
Unclaimed dividend	25,852	7,346
Loan from associate	99,817	106,004
	4,946,401	2,628,852

50.3 Reconciliation of financial assets and financial liabilities to the line items presented in the statement of financial position is as follows:

	2024			2023		
	Financial assets / liabilities	Non-financial assets / liabilities	Total as per statement of financial position	Financial assets / liabilities	Non-financial assets / liabilities	Total as per statement of financial position
	(Rupees in thousand)					
Assets						
Long term deposits	40,256	-	40,256	40,256	-	40,256
Trade debts	39,367	-	39,367	65,924	-	65,924
Loans and advances	57,280	100,583	157,863	45,720	55,213	100,933
Cash and bank balances	268,483	-	268,483	89,287	-	89,287
	405,386	100,583	505,969	241,187	55,213	296,400
Liabilities						
Long term financing	2,419,772	-	2,419,772	1,217,177	-	1,217,177
Lease liability	15,872	-	15,872	19,668	-	19,668
Trade and other payables	186,909	94,611	281,520	136,284	170,804	307,088
Accrued mark-up	363,953	-	363,953	162,832	-	162,832
Short term borrowings	1,834,226	-	1,834,226	979,541	-	979,541
Unclaimed dividend	25,852	-	25,852	7,346	-	7,346
Loan from associate	99,817	-	99,817	106,004	-	106,004
	4,946,401	94,611	5,041,012	2,628,852	170,804	2,799,656

Notes to the Financial Statements

For the year ended 30 September 2024

50.4 Offsetting financial assets and financial liabilities

As on reporting date, recognized financial instruments are not subject to offsetting as there are no enforceable master netting arrangements and similar agreements.

50.5 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing, loan from associate and short term borrowings obtained by the Company as referred to in Note 6,7 and 13 respectively. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'. The Company's strategy, remained unchanged from last year.

		2024	2023
		(Rupees in thousand)	
Borrowings	(Rupees in thousand)	1,834,226	2,302,722
Total equity	(Rupees in thousand)	3,307,248	3,389,566
Total capital employed	(Rupees in thousand)	5,141,474	5,692,288
Gearing ratio	(Percentage)	35.68	40.45

The decrease in gearing ratio resulted primarily due to decrease in borrowings of the Company.

51 RECOGNIZED FAIR VALUE MEASUREMENT- FINANCIAL INSTRUMENTS

Fair value hierarchy

Certain financial assets and financial liabilities are not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classify its financial instruments into the following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Notes to the Financial Statements

For the year ended 30 September 2024

52 FAIR VALUE MEASUREMENT- NON-FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made for non-financial assets that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

At 30 September 2024	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Freehold land	-	1,930,848	-	1,930,848
Total non-financial assets	-	1,930,848	-	1,930,848
At 30 September 2023				
Freehold land	-	1,930,848	-	1,930,848
Total non-financial assets	-	1,930,848	-	1,930,848

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

(ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuations for freehold land carried at revalued amount every three years. The management updates the assessment of the fair value of freehold land carried at revalued amount, taking into account the most recent independent valuations. The management determines the value of freehold land carried at revalued amount within a range of reasonable fair value estimates. The best evidence of fair value of freehold land is current prices in an active market for similar lands.

Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's freehold land carried at revalued amount at the end of every three years. As at September 30, 2022, the fair value of freehold land was determined by Hamid Mukhtar and Company (Private) Limited (approved valuer).

Changes in fair values are analyzed by the Chief Financial Officer and the valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

53. SHAHRIAH COMPLIANCE DISCLOSURE

Following information has been disclosed with the reference to disclosure requirements of fourth schedule of the Companies Act, 2017 relating to all shares Islamic Index.

	2024	2023
	(Rupees in thousand)	
Statement of financial position -Financing obtained as per Islamic mode:		
Short term financing	396,990	506,964
Markup accrued:		
Short term financing	72,148	-

Notes to the Financial Statements

For the year ended 30 September 2024

RELATIONSHIPS WITH BANKS HAVING ISLAMIC WINDOW

Bank Name	Region	Nature of transactions
Soneri Bank Limited	Pakistan	Short term borrowing

54. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company has proposed a cash dividend for the year ended September 30, 2024 of Rs. **NIL** per share (2023: Rs 14 per share) at their meeting held on **03 January 2025**. However, these events have been considered as non-adjusting events under IAS 10 'Events after the Reporting Period' and have not been recognized in these financial statements.

55. SEGMENT INFORMATION

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

Sales of sugar represents 87.62% (2023: 87.62%) of the total sales of the Company.

95.95% (2023: 95.95%) of the sales of the Company relates to customers in Pakistan.

All non-current assets of the Company as at September 30, 2024 were located in Pakistan.

56. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements have been made except for the following;

Reclassification from:	Reclassification to:	(Rupees in thousand)
Statement of financial Position		
Trade and other payables	Loan from directors	24,000
Statement of Profit or loss		
Taxation - current	Levy	14,745

57. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on **03 January 2025** by the Board of Directors of the Company.



Director



Director



Chief Financial Officer



Form of Proxy
59th Annual General Meeting of Shahtaj Sugar Mills Limited

Please Quote Folio Number: _____

Shares held: _____

I/ We _____ of _____
in the district of _____ being a member of SHAHTAJ SUGAR MILLS LIMITED
hereby appoint _____ of _____
as my / our proxy to vote for me / us and on my / our behalf at the 59th Annual General Meeting of the Company to be held on 27th January 2025 and at any adjournment thereof.

As witnessed given under my / our hand(s) this _____ day of _____ 2025.

Witness Signature _____

Name _____

CNIC No. _____

Applicable
Revenue Stamp

Member's Signature

Notes:

1. This form of Proxy must be deposited duly completed, at the Company's Registered Office not less than 48 hours before the meeting.
2. A Proxy of individual member must be a member of the Company.
3. In case of corporates the Board of Directors' resolution/power of attorney with the specimen signature shall be submitted along with proxy form to the Company.
4. Signature should agree with the specimen signature registered with the Company.
5. For CDC account holders / corporate in addition to the above following requirements have to be met.
 - i) Attested copy of CNIC or the passport of the beneficial owner shall be provided with proxy form.
 - ii) Proxy shall produce his / her original CNIC or original passport at the time of meeting.

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پراکسی فارم
شاہ تاج شوگر ملز لمیٹڈ کا ۵۹ واں سالانہ اجلاس عام

فولیو نمبر: _____

تعداد حصص: _____

میں مستی / مسماة _____ ساکن _____
ضلع _____ بحیثیت ممبر شاہ تاج شوگر ملز لمیٹڈ، مسماة / مسماة _____ ساکن _____ کو
بطور مختار (پراکسی) مقرر کرتا ہوں تاکہ وہ میری جگہ میری طرف سے کمپنی کے ۵۹ ویں اجلاس عام میں جو بتاریخ ۲۷ جنوری ۲۰۲۵ء کو منعقد ہو
رہا ہے اور اس کے کسی ملتوی شدہ اجلاس میں ووٹ ڈالے۔

مطلوبہ ریونیو ٹکٹ
چسپاں کریں

دستخط گواہ: _____
نام: _____
قومی شناختی کارڈ نمبر: _____

ممبر کے دستخط

تاریخ: _____

نوٹ:

- ۱- یہ پراکسی فارم مکمل پُر شدہ کمپنی کے رجسٹرڈ آفس میں مینٹنگ سے ۴۸ گھنٹے قبل جمع کرایا جانا لازمی ہے۔
- ۲- ضروری ہے کہ پراکسی جس کو دی جائے وہ بھی کمپنی کا ممبر ہو۔
- ۳- کارپوریٹس ممبران کے لئے پراکسی فارم کے ساتھ پراکسی کے حق میں بورڈ آف ڈائریکٹرز کی قرارداد یا پور آف اٹارنی بمع نمونہ کے دستخط کا جمع کروایا جانا ضروری ہے۔
- ۴- دستخط کمپنی کے پاس پہلے سے محفوظ دستخطی نمونہ کے مطابق ہونے ضروری ہیں۔
- ۵- سی ڈی سی میں اکاؤنٹ رکھنے والے کارپوریٹس ممبران کے لئے مندرجہ بالا کے علاوہ درج ذیل شرائط کو پورا کرنا بھی ضروری ہے:
 - ۱- پراکسی جس کے حق میں ہو اس کا شناختی کارڈ یا پاسپورٹ کی ایک تصدیق شدہ نقل پراکسی کے ساتھ لگائی جائے۔
 - ۲- پراکسی اجلاس میں شریک ہوتے وقت اصل شناختی کارڈ یا پاسپورٹ پیش کرے۔

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BALLOT PAPER FOR VOTING THROUGH POST

(Annual General Meeting to be held at 11:00 AM on Monday, January 27, 2025)

Name of shareholder/Joint shareholders	
Registered Address	
Number of Share held (on close of January 20, 2025) and folio/CDC Account number	
CNIC No. (Copy to be attached)	
Additional information and enclosures (In case of representative of body corporate, Corporation and Federal Government) as per Note 3.	

I/we hereby exercise my/our vote in respect of the following resolution through postal ballot by conveying my/our assent or dissent to the following resolution by picking tick (✓) mark in the appropriate box below:

S r. No.	Name and Description of Resolutions	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
4	<p>RESOLVED that the transactions carried out by the Company in the normal course of business with related parties for the period October 1, 2023 to date be and are hereby ratified, approved and confirmed.</p> <p>FURTHER RESOLVED that the Chief Executive Officer of the Company or his nominee be and is hereby authorized to approve all the transactions carried out and to be carried out in the normal course with related parties till the next Annual General Meeting of the Company and in this connection the Chief Executive Officer of the Company or his nominee be and is hereby authorized to take any and all necessary actions and sign / execute any and all such documents / indentures as may be required in this regard on behalf of the Company.</p>		

Signature of Shareholder(s)/Proxy /Authorized Signatories

Place: _____

Date: _____

NOTES:

- Duly filled and signed original postal ballot should be sent to the Chairman, Shahtaj Sugar Mills Ltd at Shahnawaz Building, 19-Dockyard Road, West Wharf, Karachi or a scanned copy of the original postal ballot to be emailed at chairman@shahtaj.com
- Copy of CNIC should be enclosed with the postal ballot form.
- Postal Ballot forms should reach chairman of the meeting on or before January 26, 2025 during working hours. Any Postal Ballot received after this date, will not be considered for voting.
- Signature on Postal Ballot should match with the signature on CNIC.
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot papers will be rejected.
- In case of representative of body corporate and corporation, Postal Ballot must be accompanied with copy of CNIC of authorized person along with duly attested copy of Board resolution, Power of Attorney, or Authorization letter in accordance with Section 138 of the Companies Act 2017, as applicable unless these have already been submitted along with Proxy Form.
- Ballot paper has also been placed on the website of the Company www.shahtaj.com Member may download it from there or use original / photocopy published in news papers.

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Shahtaj Sugar Mills Ltd.

پوسٹ کے ذریعے ووٹنگ کے لیے بیلٹ پیپر

(سالانہ اجلاس عام منعقدہ 27 جنوری 2025 بروز پیر 11:00 بجے صبح)

شیر ہولڈر / مشترکہ شیر ہولڈرز کا نام	
رجسٹرڈ پتہ	
حصص کی تعداد (20 جنوری 2025 کے اختتام پر) اور فولیو / سی ڈی سی اکاؤنٹ نمبر	
قومی شناختی کارڈ نمبر (کاپی منسلک کرنا ہے)	
اضافی معلومات اور ملفوظات ((باڈی کارپوریٹ، کارپوریشن اور وفاقی حکومت کے نمائندے کی صورت میں) نوٹ 6 کے مطابق۔	

میں / ہم مندرجہ ذیل قرارداد کے سلسلے میں پوسٹل بیلٹ کے ذریعے اپنا / اپنے ووٹ استعمال کرتا ہوں / کرتے ہیں اور ذیل میں مناسب باکس میں ٹک (✓) کا نشان لگا کر درج ذیل قرارداد پر اپنی رضامندی یا عدم اتفاق ظاہر کرتا ہوں / کرتے ہیں۔

نمبر شمار	قراردادوں کا نام اور تفصیل	میں / ہم قرارداد کی منظوری دیتے ہیں (رضامندی)	میں / ہم قرارداد سے اتفاق نہیں کرتے (عدم اتفاق)
4	'طے کیا کہ یکم اکتوبر 2023 سے لے کر موجودہ تاریخ تک متعلقہ فریقین کے ساتھ کاروبار امور کے لئے کمپنی کی جانب سے انجام دیئے جانے والے لین دین کی منظوری اور تصدیق کی جاتی ہے۔' 'مزید طے پایا کہ کمپنی کے آئندہ سالانہ اجلاس عام تک کمپنی کے چیف ایگزیکٹو آفیسر کو کمپنی کے عام کاروباری امور انجام دینے کے لئے متعلقہ فریقین کے ساتھ لین دین کی منظوری کا اختیار دیا جاتا ہے نیز چیف ایگزیکٹو آفیسر یا ان کے نمائندہ کو کمپنی کی ایما پر اس سلسلے میں تمام ضروری اقدامات کرنے اور درکار دستاویزات پر دستخط کرنے کی اجازت تفویض کی جاتی ہے۔'		

شیر ہولڈرز / پراسی / مجاز دستخط کنندگان کے دستخط

جگہ:

تاریخ:

نوٹس:

- صحیح طریقے سے بھرا ہوا اور دستخط شدہ اصل پوسٹل بیلٹ چیز میں، شاہ تاج شوگر ملز لمیٹڈ کو شاہ تاج بلڈنگ، 19-ڈاکٹریا ڈروڈ، ویسٹ وارف، کراچی میں بھیجا جائے یا اصل پوسٹل بیلٹ کی اسکین کاپی ای میل پر بھیجی جائے۔
chairman@shahtaj.com
- پوسٹل بیلٹ فارم کے ساتھ CNIC کی کاپی منسلک ہونی چاہیے۔
- پوسٹل بیلٹ فارم 26 جنوری 2025 کو کام کے اوقات میں یا اس سے پہلے میٹنگ کے چیز میں تک پہنچ جائیں۔ اس تاریخ کے بعد موصول ہونے والا کوئی بھی پوسٹل بیلٹ ووٹنگ کے لیے شمار نہیں کیا جائے گا۔
- پوسٹل بیلٹ پر دستخط CNIC پر دستخط سے مماثل ہونا چاہئے۔
- نامکمل، غیر دستخط شدہ، غلط، مستندہ، پھٹے ہوئے اور دہری تحریر والے بیلٹ پیپر دستخط دکر دیئے جائیں گے۔
- باڈی کارپوریٹ اور کارپوریشن کے نمائندے کی صورت میں، پوسٹل بیلٹ کے ساتھ مجاز شخص کے CNIC کی کاپی کے ساتھ بورڈ ریزولوشن، پاور آف اٹارنی، یا کمپنیز ایکٹ 2017 کے سیکشن 138 کے مطابق اتھارٹی لیٹر کی صحیح تصدیق شدہ کاپی کے ساتھ ہونا ضروری ہے۔ سوائے اس کے کہ یہ پہلے سے ہی پراسی فارم کے ساتھ جمع کر دیئے گئے ہوں۔
- بیلٹ پیپر کمپنی کی ویب سائٹ www.shahtajsugar.com پر بھی رکھا گیا ہے ممبرز سے وہاں سے ڈاؤن لوڈ کر سکتے ہیں یا اخبارات میں شائع ہونے والی اصل / فوٹو کاپی استعمال کر سکتے ہیں۔

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