

Continued Excellence





OUR VISION

is to Create Opportunities for the Future.

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

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



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COMPANY REVIEW

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CORPORATE INFORMATION

Board of Directors

Mr. Jahangir Khan Tareen
Director

Makhdoom Syed Ahmad Mahmud
Director / Chairman

Mr. Raheel Masud
Chief Executive Officer

Mrs. Samira Mahmud
Syed Mustafa Mehmud

Mr. Ijaz Ahmed

Mr. Asim Nisar Bajwa

Mr. Zafar Iqbal

Group Director (Finance) & CFO

Mr. Muhammad Rafique

Company Secretary & Legal Head

Mr. Maqsood Ahmad Malhi

Audit Committee

Mr. Zafar Iqbal
Chairman / Member

Syed Mustafa Mehmud
Member

Mr. Ijaz Ahmed
Member

HR & R Committee

Mr. Asim Nisar Bajwa
Chairman / Member

Syed Mustafa Mehmud
Member

Mr. Ijaz Ahmed
Member

Nomination Committee

Mr. Jahangir Khan Tareen
Chairman / Member

Mr. Asim Nisar Bajwa
Member

Risk Management Committee

Mr. Jahangir Khan Tareen
Chairman / Member

Mr. Asim Nisar Bajwa
Member

Corporate Social Responsibility Committee

Mr. Ijaz Ahmed
Chairman / Member

Mr. Zafar Iqbal
Member

Share's Registrar

Corplink (Pvt.) Limited

Banks & Financial Institutions

Conventional

MCB Bank Limited

United Bank Limited

Pak Kuwait Investment Company
Limited

The Bank of Punjab

Askari Bank Limited

Allied Bank Limited

National Bank of Pakistan

Soneri Bank Limited

Pak Brunei Investment Company
Limited

Standard Chartered Bank (Pakistan)
Limited

Habib Bank Limited

Islamic

BankIslami (Pakistan) Limited

Meezan Bank Limited

MCB Islamic Bank Limited

The Bank of Punjab

Dubai Islamic Bank Pakistan Limited

Bank Alfalah Limited



Auditors

Riaz Ahmad, Saqib, Gohar & Co.
Chartered Accountants



Legal Advisor

Cornelius, Lane & Mufti



Web Presence

www.jdw-group.com



Registered Office

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



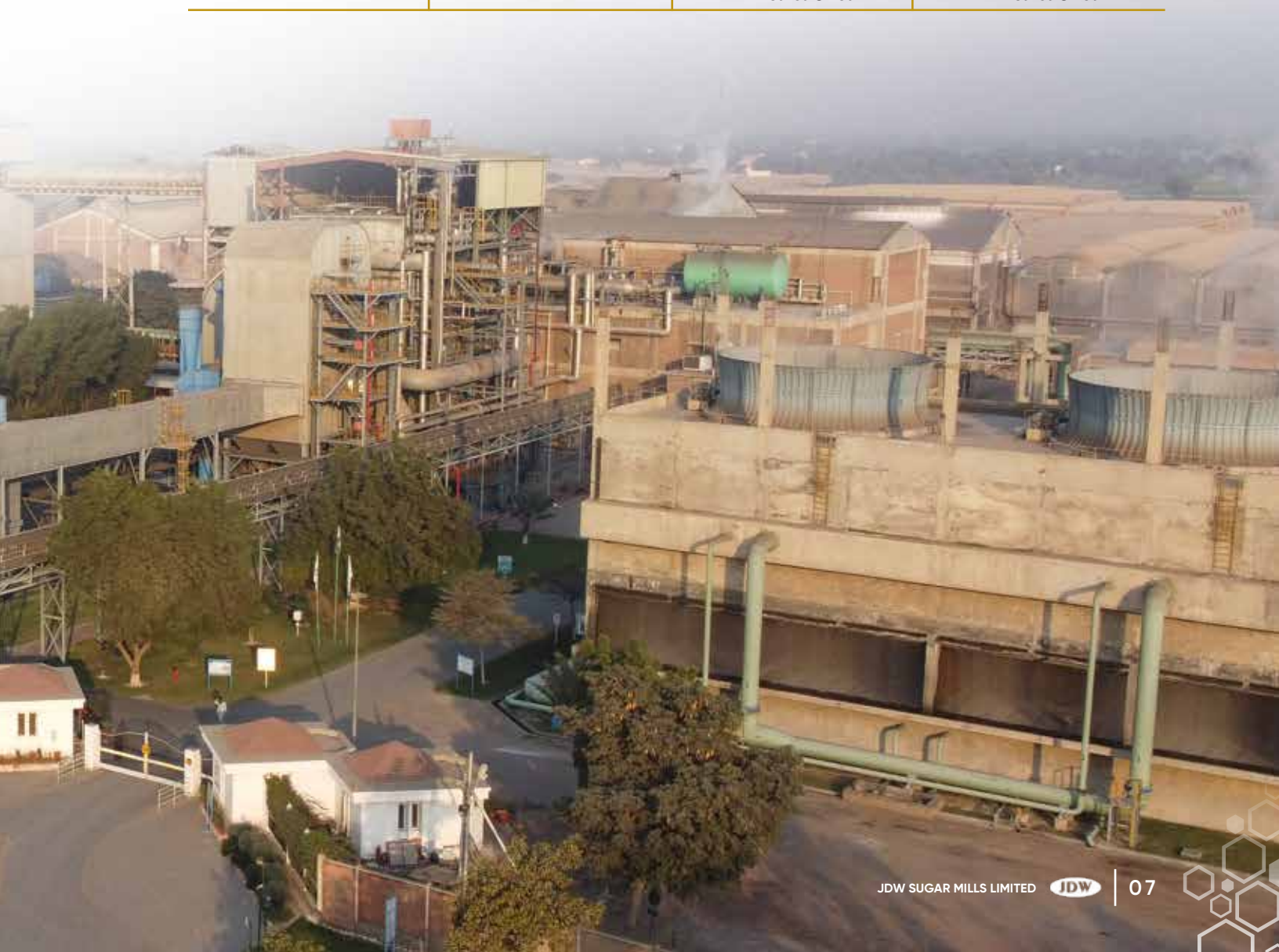
Mills

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

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

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

DSML: Mauza Kamoo
Shaheed,
Taluka Ubauro,
District Ghotki.



MISSION

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

STRATEGY

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

VALUES





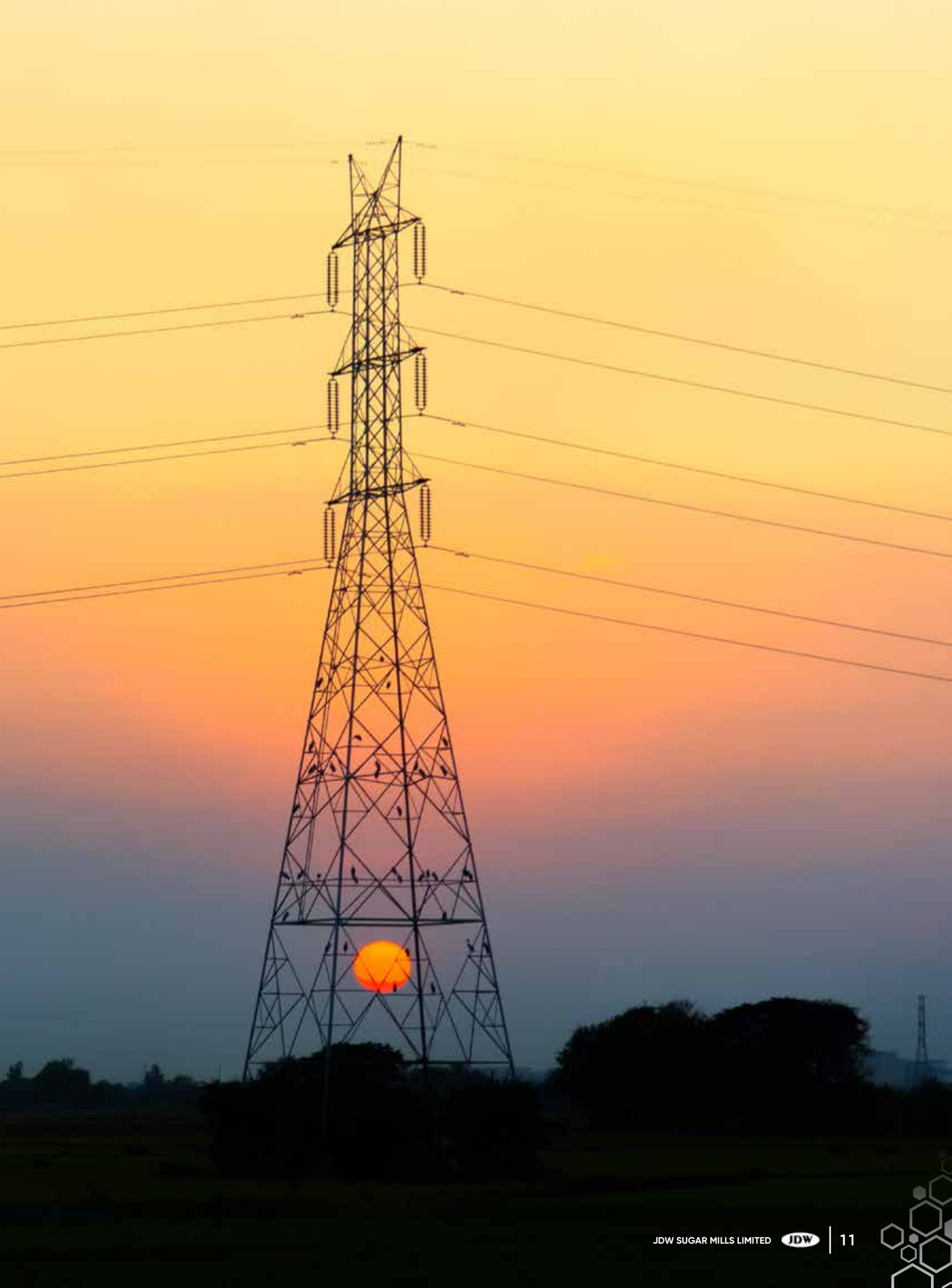
HIGH PRESSURE CO-GENERATION POWER PLANTS

2024, was another satisfactory year for the pioneering Co-Generation Power projects which effectively achieved its generation capacity levels, maintaining it throughout the year. The plants ran smoothly contributing its share to the National Grid.

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

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





CORPORATE FARMING

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

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

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

Automation and Mechanization

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

- Using semi-mechanized planting techniques.
- Fertilizing (2 and 3-row coulters applicators),
- Magnum 340 HP tractors with GPS Scrapers for leveling.
- Magnum 340 HP tractors with GPS enable cultivation.
- Puma 140 HP tractors with hydraulic tilting blades to make drains.
- CNH 140 HP tractors for Zonal Ripper.
- Gypsum spreaders.
- Inter-row herbicide sprayers.
- Drone sprayers

- High clearance tractor spraying.
- Granular pesticide applicator.
- Harvesting.
- Designing and manufacturing of stubble cultivator or bed de-generator to replace rotary hoe.
- Well-equipped workshop for high-tech maintenance.

Precision Agriculture

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

Sustaining Field Operations by Replacing Rotary HOE with Stubble Cultivator

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

Sugarcane Varieties and Crop Improvement Program

JDW is improving sugarcane crops by introducing promising cane varieties through plant breeding and variety selection programs. We are the only ones in Pakistan who are doing sugarcane breeding every year at Thatta. From there, we have developed a new variety J16-639 which is successfully planted at JDW corporate farms and grower's fields. This variety showed resistance against diseases

and gave good yield and recovery. This variety has been given to the Pakistan Agriculture Research Council for approval and registration from the government. They will include our variety in National Uniformity Yield Testing Trials for 2-3 years.

We are also progressing with some good sugarcane varietal lines at JDW Research farms. These lines were selected in 2023-24 from J19 nurseries which were produced from JDW sugarcane breeding station located at Thatta. These are early maturing and high-yielding varieties. These varieties have shown disease resistance in various research trials at JDW research farms.

At this stage, the above varieties are under the seed multiplication process at JDW corporate farms. These have been planted on different soil types for adoptive trials in 2023-24. More qualitative and quantitative data will be taken to see their adaptability in larger fields. Further sugarcane seedlings have been produced every year through the breeding of selected parents. We are utilizing

both local and foreign germplasm in breeding having good traits.

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

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



Weed Management

Creeping weeds like Morning Glory and twine vine are becoming serious problems among farms. These weeds were introduced around flood areas around the Indus River bank in 2010. Serious efforts of herbicide trials are underway to control and check the further spread of these weeds. JDW is making long- and short-term strategy is now at the final stage.

Field Spray Through Drone

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

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

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

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

Hot Water Treatment (HWT) Facility

Hot water treatment is primarily required to ensure disease-free seed for farms. A small portable HWT plant was set up in 2014 under crop improvement (R&D), a new portable setup was imported last year and HWT started in 2016-17. Fixed hot water treatment plants of bigger capacity are now constructed at Units I and IV. These plants are now in operation.

Irrigation

JDW has always emphasized improving irrigation efficiency in the region. Over the years, irrigation using poor-quality



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

As part of our sustainability initiatives, JDW is prioritizing the use of solar energy to power our irrigation turbines. In 2024, we successfully designed and installed 10 solar-powered irrigation turbines with a capacity of 32.7 KWH. These turbines are now fully operational.

Building on this momentum, we have planned to install an additional 20 solar-powered irrigation turbines. This expansion will further reduce our reliance on non-renewable energy sources and contribute to a more sustainable future.

By harnessing the power of solar energy, we aim to minimize our environmental footprint while ensuring the long-term viability of our agricultural operations.

Harvesting Operations

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

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



CORPORATE SOCIAL RESPONSIBILITY

Sugarcane Crop Improvement Program

Variety Development:

The selection of an optimal sugarcane variety is vital for the successful production of refined sugar, as each variety exhibits varying potential for sugar accumulation. A significant threat to these varieties is disease outbreaks, particularly affecting mature stalks, with "Red Rot" being a prime concern. Recently, our primary variety, SPF-234, faced a substantial decline due to this disease. We are currently witnessing similar damage in our alternative variety, CPF-246, also afflicted by Red Rot. Consequently, replacing affected varieties has become a critical task for our Group. To address this challenge, we have recently introduced two disease-resistant varieties CP77-400 and CPF-253 into our region to mitigate the impact. From the 2024 spring planting, we have also introduced two new sugarcane varieties J16-639 and J16-487. These varieties have been developed by the JDW's Thatta Breeding Station. Hopefully, these varieties will become part of our crushing InshaAllah during 2026. Keeping in view the sucrose accumulation potential of these varieties we will InshaAllah achieve new heights in sugar recovery shortly.

Disease Management

The prominent diseases adversely affecting sugarcane varieties include "Red Rot," "White Leaf," and "Smut," which have been prevalent within the crushing zones

of JDW Group Mills. To safeguard our crops from these diseases, we have implemented the following strategies:

1. Introduction of disease-resistant varieties.
2. Management of insect vectors that spread White Leaf Disease (WLD).
3. Application of fungicides to control disease outbreaks.

Insect Pest Management

In terms of insect pests, the main culprits in our crushing zone are the Pyrilla and Black bug, which are major sucking pests, alongside stem and top borers, which represent the primary chewing pests. We are allocating a significant budget towards providing pesticides to growers for effective pest management. Our field teams, comprising members from the development and cane departments, have diligently monitored the crops of every grower to control these pest populations. Thanks to the coordinated efforts of our field staff and the support of JDW Group's management, we have successfully managed the populations of the aforementioned pests using high-quality pesticide formulations.

In 2023-24, changing climatic conditions led to an increase in whitefly attacks across all zones within JDW Group's mills; however, our proactive measures effectively curbed their spread over extensive areas.



Moreover, from 2023, we have integrated drone technology for the management of Top Borer and Whitefly infestations. This innovative approach has proven to be both efficient and cost-effective, particularly during the critical months of July to September, when traditional spraying methods are less feasible.

Livestock Support Project

As a means to supplement their income, sugarcane growers often rear livestock for both milk and meat production. However, many growers lack the necessary awareness, skills, and resources to fully harness the potential of their animals, leading to suboptimal production levels.

To enhance the production of milk and meat, it is crucial to focus on balanced nutrition and proper veterinary care. Our project aims to provide essential services to the growers by implementing the following initiatives:

1. Artificial Insemination: Utilizing high-quality semen for breed improvement to enhance livestock genetics and productivity.
2. Deworming Services: Implementing regular deworming protocols to control endoparasites and ectoparasites, thereby improving animal health.
3. Vaccination Programs: Conducting vaccinations to prevent diseases such as Foot and Mouth Disease (FMD), Hemorrhagic Septicemia (HS), and Enterotoxaemia (ETV).

4. Emergency Veterinary Care: Offering all types of emergency medical treatments available via phone consultation for immediate assistance.
5. Specialized Care for Model Animals: Providing focused support on balanced nutrition for selected animals to enhance meat and milk production.

All medicines provided to the growers are offered at purchase cost, with no profit margin, while the operational costs are covered by JDW.

Through these initiatives, we aim to empower sugarcane growers and enhance their livestock production capabilities, promoting sustainable agricultural practices and improving their livelihoods.

Sugarcane Productivity Enhancement Project (SPEP)

SPEP was initiated with combined efforts of JDW Sugar Mills and NRSP in 2000 to enable 10,000 farmers with small landholdings to double their per acre yield of sugarcane, and thereby raise their incomes and standard of living, over three years. The project was launched in District Rahim Yar Khan in areas adjacent to the JDW Mills. We have intervened in one hundred eleven (111) union councils and 846 revenue villages within these union councils, 193,026 acres of land, and 109,311 households in four (04) tehsils namely 'Rahim Yar Khan', 'Khan Pur', 'Liaquat Pur' and 'Sadiqabad'. It is a comprehensive and intended intervention for agriculture production expansion and the



living standards of poor people. Its need was felt when the statistics of the region showed the declining trends in the acreage of sugarcane. The declining trend was attributed to poor seed quality, low yields, nonscientific agronomic practices, lack of access to credit, and delayed payment to small growers by the Mills which discouraged the small farmers and growers. Therefore, another objective of SPEP was to double the production of sugarcane by 10,000 small farmers living in the designated Union Council around the JDW Mills in RYK. SPEP has been designed to enhance small farm (<20 acres) profitability through agriculture & livestock extension services and the provision of credit without collateral. The community organizations (COs) receive SPEP support from a professional team consisting of a social organizer, an agricultural extension officer, and a veterinary officer. The SPEP program had a significant positive impact on total household income, farm income, sugarcane income, and household expenditures.

The following activities have been carried out in the SPEP area:

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

Extension services carried out by JDW Mills

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

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

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

With continued support from JDW Mills, NRSP expanded its operation to 111 union councils. The number of active COs grew in 2023-24 up to 14,554 with a membership of 152,206 farmers. The main features of the SPEP include:

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

NRSP has distributed loans of Rs. 868.81 million in the year 2023-24 to raise the productivity & income of the farming communities, which is helping to increase the social and economic life of the rural communities.

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



Tareen Institute of Computer Education and Resources (TICER)

JDW is being set up a new project under corporate social responsibility Project with the name of Tareen Institute of Computer Education and Resources (“TICER”) to address the growing demand for IT education and skills development in Lodhran, Punjab. This visionary project aims to empower underprivileged youth by providing high-quality IT education at subsidized rates, fostering both employment and entrepreneurship opportunities in the region.

Currently under development, the TICER campus will span 16 acres and feature state-of-the-art facilities designed to accommodate up to 2,500 students at full capacity. The institute will offer a diverse range of short-term certifications (3-6 months) and long-term programs, including diplomas and degree courses. These programs will cover fields such as software engineering, artificial intelligence, cloud computing, data analytics, digital marketing, e-commerce, and AgriTech. The curriculum is designed to bridge the gap between traditional education and the practical skills required in today’s job market.

Scheduled to commence operations by the mid of 2025, TICER is more than an educational initiative. It will actively collaborate with the local IT industry to create job opportunities, host co-working spaces for freelancers and entrepreneurs, and provide hostel facilities for faculty. By integrating Lodhran into the digital economy, TICER aims to become a regional hub for IT training and innovation.

TICER exemplifies JDW’s commitment to community development, sustainable growth, and fostering a skilled workforce equipped to drive innovation and contribute to Pakistan’s economic progress.





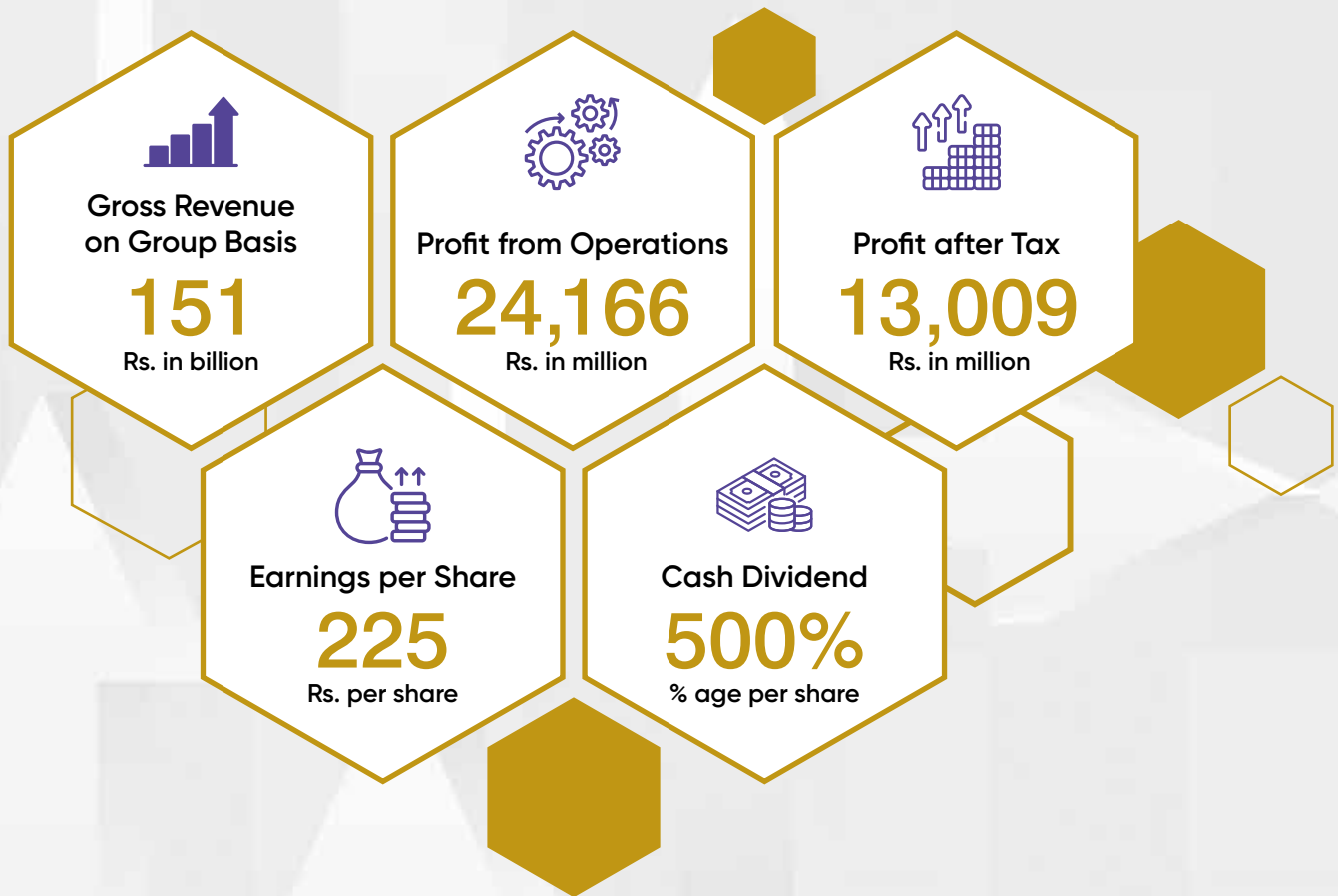
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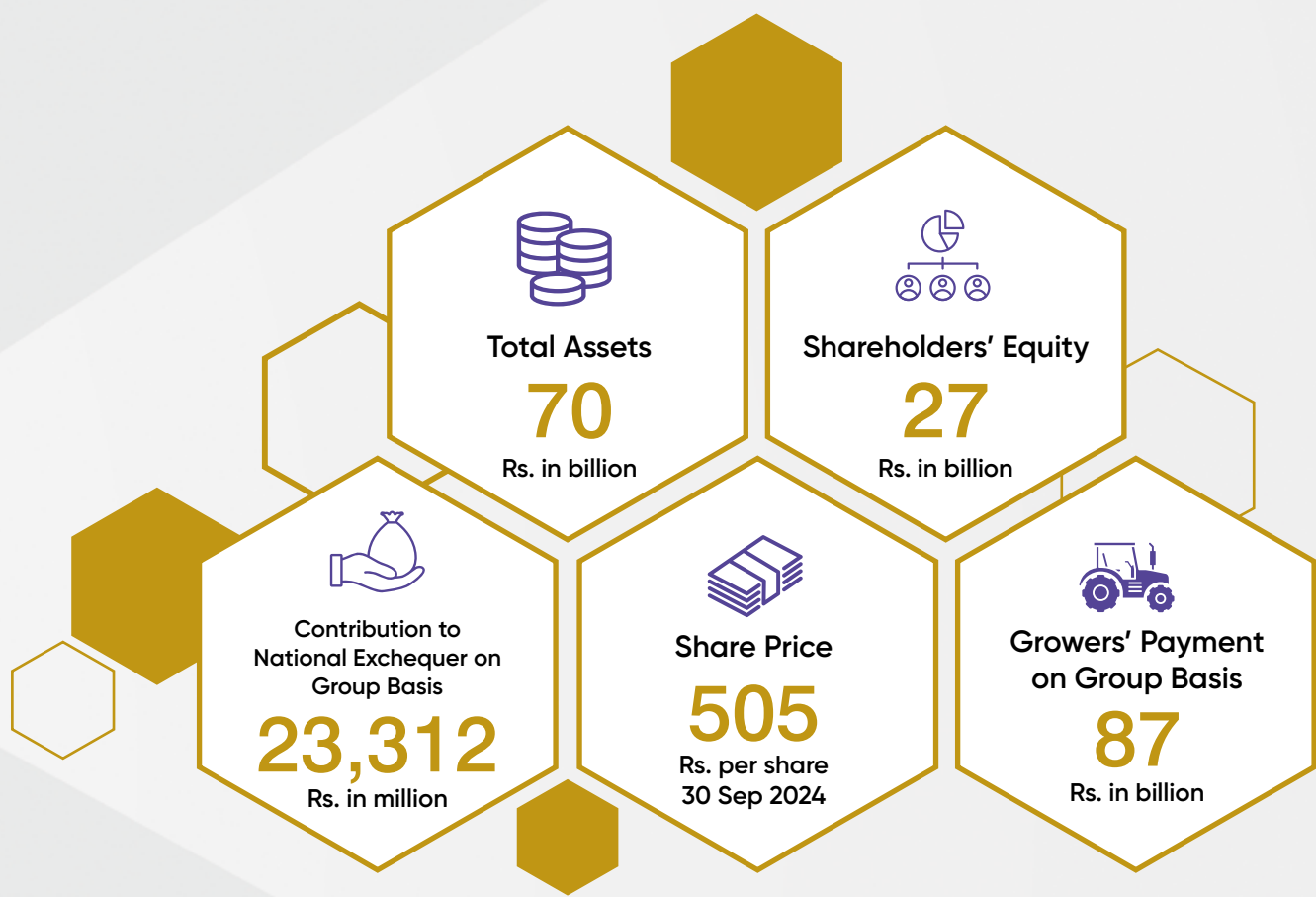
FINANCIAL PERFORMANCE

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WE DELIVERED AS COMMITTED

2023-2024





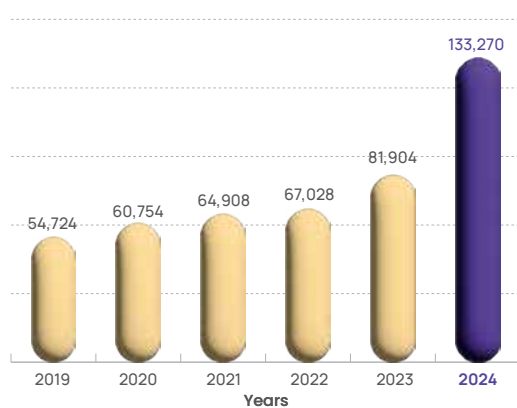
OPERATING HIGHLIGHTS

(Rupees in thousand)

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 |
|---------------------------------------|-------------|-------------|-------------|-------------|------------|------------|
| Gross revenue | 133,269,776 | 81,904,267 | 67,027,986 | 64,908,275 | 60,754,018 | 54,724,042 |
| Revenue from contracts with customers | 116,049,865 | 72,343,106 | 58,887,908 | 56,800,292 | 52,457,860 | 49,119,853 |
| Cost of revenue | 90,899,290 | 62,032,104 | 49,737,504 | 46,664,716 | 44,867,941 | 43,903,668 |
| Administrative and selling expenses | 3,000,888 | 2,606,822 | 2,207,964 | 1,954,335 | 1,706,550 | 1,303,568 |
| Finance cost | 7,507,200 | 5,453,329 | 3,404,137 | 2,251,743 | 3,550,397 | 3,511,601 |
| Other expenses | 1,100,815 | 218,957 | 393,288 | 3,692,881 | 584,371 | 754,316 |
| Other income | (3,116,843) | (1,032,854) | (1,967,634) | (2,210,705) | (672,739) | (593,359) |
| Profit from operations | 24,165,716 | 8,518,077 | 8,516,787 | 6,699,065 | 5,971,737 | 3,751,660 |
| Profit before taxation & levy | 16,658,516 | 3,064,748 | 5,112,649 | 4,447,322 | 2,421,340 | 240,060 |
| Profit after taxation | 13,009,309 | 2,166,094 | 3,950,558 | 4,878,296 | 1,398,517 | 553,296 |
| Basic earnings per share | Rs. 225.17 | 37.17 | 66.09 | 81.61 | 23.40 | 9.26 |
| Interim Dividend – cash | % 200 | 250 | 150 | – | – | – |
| Final Dividend – cash | % 300 | 150 | 125 | 100 | – | 100 |
| Total Dividend – cash | % 500 | 400 | 275 | 100 | – | 100 |

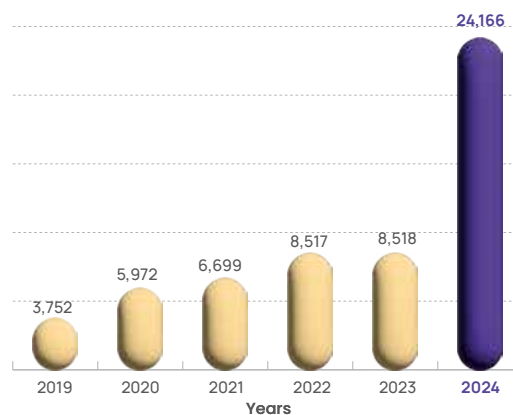
Gross Revenue

Rupees in Million



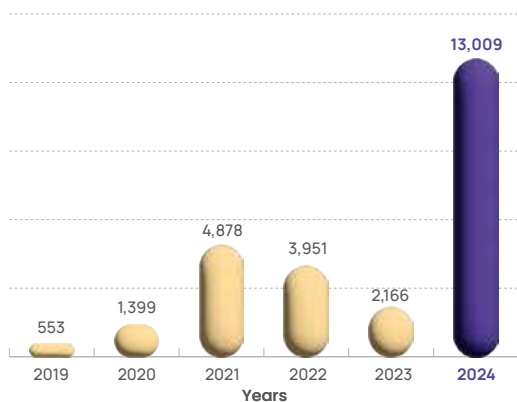
Profit from Operations

Rupees in Million



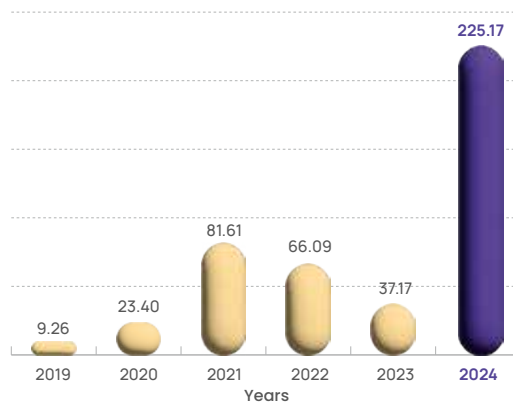
Profit for the Year

Rupees in Million



Earnings Per Share

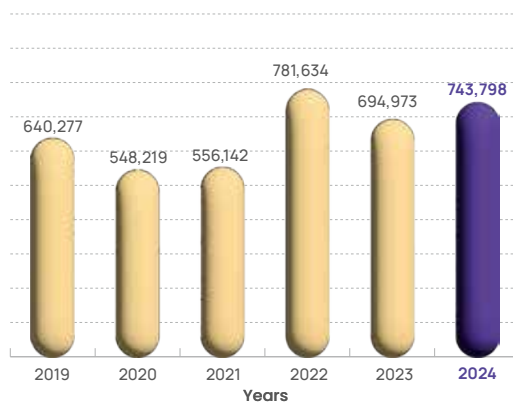
(Rupees)



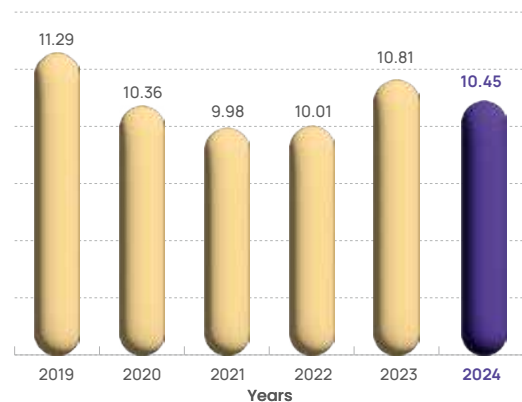
PRODUCTION DATA

| | | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 |
|--------------------------------|--------|---------|---------|---------|---------|---------|---------|
| Unit - I | | | | | | | |
| Sugar production | M.Tons | 292,721 | 303,372 | 336,630 | 255,396 | 260,845 | 287,394 |
| Sucrose recovery | % age | 10.49 | 11.24 | 10.16 | 10.06 | 10.58 | 11.61 |
| Molasses production | M.Tons | 120,637 | 118,684 | 156,887 | 112,167 | 102,835 | 96,101 |
| Molasses recovery | % age | 4.32 | 4.40 | 4.74 | 4.42 | 4.17 | 3.88 |
| Unit - II | | | | | | | |
| Sugar production | M.Tons | 225,211 | 212,016 | 235,506 | 159,800 | 153,173 | 190,304 |
| Sucrose recovery | % age | 10.28 | 10.58 | 9.78 | 9.85 | 10.23 | 11.40 |
| Molasses production | M.Tons | 98,130 | 93,780 | 124,116 | 78,991 | 68,003 | 72,354 |
| Molasses recovery | % age | 4.48 | 4.68 | 5.15 | 4.87 | 4.54 | 4.33 |
| Unit - III | | | | | | | |
| Sugar production | M.Tons | 225,866 | 179,585 | 209,498 | 140,946 | 134,202 | 162,580 |
| Sucrose recovery | % age | 10.57 | 10.41 | 10.02 | 9.99 | 10.09 | 10.65 |
| Molasses production | M.Tons | 93,731 | 77,347 | 102,488 | 65,104 | 58,749 | 62,882 |
| Molasses recovery | % age | 4.39 | 4.49 | 4.90 | 4.61 | 4.42 | 4.12 |
| JDW Sugar Mills Limited | | | | | | | |
| Sugar production | M.Tons | 743,798 | 694,973 | 781,634 | 556,142 | 548,219 | 640,277 |
| Sucrose recovery | % age | 10.45 | 10.81 | 10.01 | 9.98 | 10.36 | 11.29 |
| Molasses production | M.Tons | 312,498 | 289,811 | 383,491 | 256,262 | 229,587 | 231,337 |
| Molasses recovery | % age | 4.39 | 4.51 | 4.91 | 4.60 | 4.34 | 4.08 |

Sugar Production (M.Tons)



Sucrose Recovery (%age)





03

DIRECTORS' REVIEW

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CHAIRMAN'S REVIEW

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

JDW Sugar Mills Limited complies with all the requirements set out in the Companies Act, 2017 ("the Act") and the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("Regulations") with respect to the composition, procedures and meetings of the Board of Directors and its committees. As required under Regulations, an annual evaluation of the Board of the Directors ("the Board") of JDW Sugar Mills Limited ("the Company") is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company. Areas, where improvements are required, are duly considered and action plans are framed and implemented.

For the purpose of Board evaluation, a comprehensive criteria has been developed. The Board has recently completed its annual self-evaluation for the year ended September 30, 2024 and I report that:

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

03 January 2025
Lahore

Chairman

چیئر مین کا جائزہ

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

بورڈ کی کارکردگی کو جانچنے کیلئے ایک جامع معیار طے کیا گیا ہے۔ بورڈ نے 30 ستمبر 2024 کو اختتام پذیر ہونے والے سال کیلئے اپنی سالانہ کارکردگی کی جانچ مکمل کی ہے اور میں بلاشبہ یہ کہہ سکتا ہوں کہ:

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

DIRECTORS' REPORT

We, on behalf of the Board of Directors of JDW Sugar Mills Limited, are pleased to present the Company's 35th Annual Report together with the Audited Financial Statements for the year ended 30 September 2024.

Overview

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

Operating Results

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

| Description | | 2023-24 | | | | 2022-23 | | | |
|---------------------|---------|-----------|-----------|-----------|------------------|-----------|-----------|-----------|------------------|
| | | JDW-I | JDW-II | JDW-III | Combined | JDW-I | JDW-II | JDW-III | Combined |
| Sugarcane Crushed | M. Tons | 2,791,792 | 2,190,916 | 2,136,832 | 7,119,540 | 2,698,673 | 2,003,727 | 1,724,264 | 6,426,664 |
| Sugar Production | M. Tons | 292,721 | 225,211 | 225,866 | 743,798 | 303,372 | 212,016 | 179,585 | 694,973 |
| Sucrose Recovery | %age | 10.49 | 10.28 | 10.57 | 10.45 | 11.24 | 10.58 | 10.41 | 10.81 |
| Molasses Production | M. Tons | 120,637 | 98,130 | 93,731 | 312,498 | 118,684 | 93,780 | 77,347 | 289,811 |
| Molasses Recovery | %age | 4.32 | 4.48 | 4.39 | 4.39 | 4.40 | 4.68 | 4.49 | 4.51 |



The comments on above operating results are as under:

The Crushing season 2023-24 was started on 25 November 2023 in all our units located in the provinces of Punjab and Sindh. Sugarcane crushed this time by the Company was 11% higher than last crushing season whereas increase in sugar production was 7% caused by 36 bps decrease in the sucrose recovery this time. Area under sugarcane cultivation for crushing season 2023-24 was lessor but due to an exceptional increase in yield per acre, the country was able to produce 6.850 million tons of sugar which was approximately one million tons higher than the federal government's sugar production target. 6.7 million tons sugar was produced last year.

Deharki Sugar Mills (Pvt.) Limited ("DSML") being wholly owned subsidiary of the Company has achieved the following operating results in its 13th year of operations:

Operating Results – Subsidiary Company

| | | 2023-24 | 2022-23 |
|---------------------|---------|------------------|-----------|
| Sugarcane Crushed | M. Tons | 1,694,259 | 1,585,515 |
| Sugar Production | M. Tons | 177,720 | 165,410 |
| Sucrose Recovery | %age | 10.49 | 10.43 |
| Molasses Production | M. Tons | 74,605 | 72,025 |
| Molasses Recovery | %age | 4.40 | 4.54 |



DIRECTORS' REPORT

For DSML too, crushing season 2023-24 was started on 25 November 2023 and there has been 7% increase in the sugarcane crushing with similar increase %age in sugar production because of almost same recovery level as was last year.

Overview of Financial Results:

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

(Rs. in Million)

| | 30 Sep 2024 | 30 Sep 2023 |
|---------------------------------------|----------------|-------------|
| Gross Revenue | 133,270 | 81,904 |
| Revenue from Contracts with Customers | 116,050 | 72,343 |
| Profit from Operations | 24,166 | 8,518 |
| Finance cost | 7,507 | 5,453 |
| Profit before Tax | 16,535 | 2,287 |
| Profit after Tax | 13,009 | 2,166 |
| Earnings per Share | 225.17 | 37.17 |



- During the year under review, the Company has earned net profit after tax amounting to Rs. 13 billion as compared to Rs. 2.2 billion last year resultantly earnings per share of the Company have gone up from Rs. 37 to Rs. 225. This is the highest profit the company ever made since its inception. Gross profit ratio has also improved from 14% to 22%. The profitability achieved in period under review has come from Sugar and Co-Gen divisions whereas the 3rd segment i.e., Corporate Farms have shown slightly negative results. Main reasons for this record profitability are briefly summarized below:
 - i) 63% increase in the gross turnover over last year. Carryover sugar stocks which were sold at favorable prices were lifted during this year. Receipt of arrears of Co-Gen division from CPPA-G for last six years on settlement of disputed bagasse pricing also contributed in achieving this profitability. However, operating and financial results of year 2023-24 without carryover sugar stocks and arrears of electricity have contributed very negligibly.
 - ii) Increase in the sugarcane support prices by the Provincial Governments and record sugarcane yield per acre have significantly reduced the Sugarcane Corporate Farms losses this time. Previously sugarcane support prices never supported the corporate farming structure in Pakistan as in comparison to informal sector's cultivation of sugarcane by the growers its operations always remained more expensive and that is why was unable to show better financial results. Since beginning sugarcane corporate Farms have played vital role in the development of sugarcane in the areas and its value can not be measured. We are the only Group in Pakistan which has a backward integration over an area of approx. 26,000 acres of agricultural Land.
 - iii) Other income has also substantially increased from Rs. 1,033 million to Rs. 3,117 million mainly due to profits earned on placement of surplus funds and also due to net fair value gain of sugarcane crop at the point of harvest caused by significant increase in yield per acre and higher sugarcane support prices.
 - iv) Despite early settlement of long-term loans which otherwise were to be repaid in three and half years there has been substantial increase in the financial charges i.e., Rs. 2,054 million as compared to last year caused by highest ever markup rates charged by the banks. Because of approx. 1.5 million tons surplus sugar in the country which resulted in crash of sugar prices, the working capital requirement of the company increased substantially and loans so borrowed to ensure timely payments to growers remained outstanding for longer period. All these working capital loans were fully settled before start of crushing season 2024-25.
 - v) Besides increase in other factory overheads i.e., salaries & wages, packing material cost, oil & lubricants and chemicals there was also substantial increase in the procurement cost of sugarcane which resulted in substantial increase in the cost of sugar production.
 - vi) For crushing season 2023-24, notified support prices of sugarcane were again enhanced to Rs. 400 from Rs. 300 per 40 kgs in Punjab and to Rs. 425 from Rs. 302 per 40 kgs in the Province of Sindh. The Company purchased sugarcane in Punjab at Rs. 425 per 40 kgs from start of the crushing season which was Rs. 25 per 40 kgs above the support price whereas ultimate average sugarcane price of the Company was achieved at the end of the crushing season 2023-24 was Rs. 430 per 40 kgs. This increase in the prices of sugarcane ultimately resulted in increasing the production cost of sugar. Prices of sugarcane which is a major cost component were determined by the Provincial Governments every year whereas prices of sugar are left on the market forces and at the mercy of Government administration especially in the province of Punjab causing big challenge and risk for the sugar industry. During and after the crushing season 2023-24 entire industry sold sugar at below cost and incurred heavy losses. Production cost was too high compared to sugar prices in the country.
- There has been 14% increase in the administrative expenses of the company over last year which was mainly due to annual increments. Selling expenses have also increased from Rs. 65 million to Rs. 96 million owing to annual increments and rising inflation trend.
- In view of the consistent better performance of the Company, all financial covenants are improving every year. This year too, the Company is fully compliant with all financial covenants agreed upon with the financial institutions from time to time and fulfilling it's all financial obligations on time and enjoys good relationship with all the financial institutions it's dealing with.



DIRECTORS' REPORT

- During the year, the National Electric Power Regulatory Authority ("NEPRA") vide S.R.O. 845 (I) /2024 dated 10 June 2024 decided Fuel Cost Component ("FCC") from October 2018 till September 2022 pursuant to the FCC adjustment mechanism as per upfront Tariff Determination 2013, and with effect from October 2022 onward, the NEPRA allowed 5% annual indexation on the applicable bagasse price. Subsequently, the Prime Minister's Office (PMO) of Pakistan has constituted a Task Force on Implementing Structural Reforms in the Power Sector vide PMO's u.o No. 3(38)/DS(EA-III)/2024 dated 04 August 2024. Pursuant to this, A MOU was initialled on 18 October 2024 among Bagasse Based IPPs and Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) for reduction in Bagasse Price/Fuel Cost Component (FCC), other tariff components and also to amend Energy Purchase Agreement (EPA). The Federal Cabinet has approved revisions of the terms for Bagasse Based IPPs on 10 December 2024. Accordingly, revenue has been accounted for in the year ended 30 September 2024. Agreement will be signed with the Govt. in near future.
- The balance sheet size has increased to Rs. 70 billion from Rs. 52 billion last year and accumulated reserves are now 46 times of the paid-up capital of the Company.
- Daharki Sugar Mills (Pvt.) Limited (DSML), a 100% owned subsidiary of the Company has earned profit after tax amounting to Rs. 883 million as compared to Rs. 1,038 million in the last year, the profit slightly reduced mainly due to increase in finance cost by Rs. 589 million at prevailing higher markup rates and more working capital loans were needed to ensure timely payments to the growers and to meet other financial obligations.

Other points of your interest are summarized below:

- JDW Group has achieved milestones of Rs. 100 billion gross turnovers in last year 2022-23 and this year has crossed Rs.150 billion gross turnover. We are heading towards achieving gross turnover of Rs. 200 billion in near future. Also, the group has become long term debt free in year under discussion. Both these milestones were achieved in year under review so this year has special distinguish.
- Alhamdulillah, VIS Credit Rating Company Limited (VIS) has upgraded the entity ratings of JDW Sugar Mills Limited (JDWS) at 'AA-/A-1' (Double A Minus/A-One) on 13 May 2024. The medium to long-term rating of 'AA-' denotes good credit quality coupled with adequate protection factors. Moreover, risk factors may vary with

possible changes in the economy. The short-term rating of 'A-1' denotes high certainty of timely payment, excellent liquidity factors and supported by good fundamental protection factors. Outlook on the assigned ratings is 'Stable'. This is another milestone for JDW to achieve the highest credit ratings in the sugar Industry.

- As usual growers' payment has remained our top priority being one of the main keys of our success. This was the 7th consecutive crushing season in which all the growers of the Company were fully paid successfully through bank accounts throughout the season which was very well appreciated by the growers. Further Company also regularly provides financial assistance and technical support to its growers. Due to these policies and preferential treatment with growers, the Company enjoys excellent relationship with all of them.
- During the financial year 2023-24, the shareholders of FPML, in an extraordinary general meeting held on 24 September 2024, approved a resolution to buy back and cancel up to 404,338,809 issued ordinary shares, representing 75% of the issued and paid-up capital of FPML. The buyback was to be conducted at a rate of Rs. 4 per share, in a proportion of up to 3 shares for every 4 shares held by shareholders, within the purchased period from 24 September 2024, to 31 October 2024, or until the buyback was completed, whichever occurred earlier. Subsequent to the yearend, the company has opted the offer to buy back FPML shares and disposed of 75% shareholding in FPML for total value of Rs. 932.67 million.
- Financial year 2023-24 was the best ever in which company achieved highest ever profitability because of reasons explained above but despite this highest profitability there were certain major challenges faced by the Company due to economic conditions of the country and poor decision making by the Govt. for export of surplus sugar, highest ever mark up rates in the first three quarters of the year resulted in drastic increase in the finance cost of the Company, higher inflation and increase in sugarcane support prices by the provinces have substantially increased the production cost of sugar. Local sugar prices in Pakistan were crashed due to huge surplus of 1.5 million tons for which timely decisions for export were not taken by the Federal Government resulted in loss of huge foreign exchange to the country and profitability loss to the sugar industry. Export permission for 790,000 tons was given when prices in the international market dropped from 750 USD to 550 USD per ton. Sugar prices in Pakistan were the lowest in the world throughout the year 2023-24 and same trend is still continuing. The Federal Government is not letting the prices work based on market forces.

- Federal Board of Revenue “FBR” has issued Sales Tax General Order No. 05 of 2021-22 on 11 November 2021, with subject of Implementation of Track & Trace System. As per order, no sugar bags shall be allowed to be removed from production site or factory without affixation of Tax Stamps / Unique Identification Marking (UIMs) with effect from 11 November 2021, which are to be obtained / procured from FBR Licensed vendor only. However, Automatic Applicators provided by the vendor (Authentix, Inc.) neither work successfully last year nor this year and all sugar mills are affixing tax stamps manually. The implementation of TTS this year is very effective with installation of sensors on hoppers and involvement of more agencies to check menace of sales tax evasion. FBR needs to work continuously on it with same letter and spirit to increase its revenue and provide level playing field to fully compliant sugar mills. Now FBR should also find out practical ways out to document the sugar trade which is also another uphill task.

Relationship with Growers

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

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

Future Outlook

- Crushing season 2024-25 was started on 21 November 2024 in our all units of Punjab and Sindh and on Group basis up to 2 January 2025 sugar produced was 314,726 tons with average sucrose recovery of 9.89%. (Comparatively in 2023-24 as reported in the last

balance sheet: Crushing season 2023-24 was started on 25 November 2023 and up to 2 January 2024 sugar produced was 298,555 tons with average sucrose recovery of 9.93%).

- The Board of Directors of the Company has resolved to set-up a state-of-the-art distillery project with initial capacity of 230,000 liters per day (the “Distillery/Ethanol Project”). The Distillery/Ethanol Project will produce best quality exportable Ethanol from molasses, which is Sugar's by-product. This addition is in line with Company's aim to maximize the wealth of stakeholders by optimizing the long-term returns and growth of the business. As we move forward with this initiative, we will share key updates on progress of this project. The project is expected to start its commercial production anytime during 2nd quarter of this year.
- The Company is setting up a new project under corporate social responsibility Project i.e. a skill based educational institute with the name of “Tareen Institute of Computer Education and Resources” (“TICER”) in Lodhran with initial capacity of 2,500 students in two shifts. TICER would be a leading milestone to promote IT education in South Punjab's developing rural areas, and its primary goal is to provide quality education at a subsidized rate to youth in this area. TICER exemplifies JDW's commitment to community development, sustainable growth, and fostering a skilled workforce equipped to drive innovation and contribute to Pakistan's economic progress.
- The Government has placed a strong emphasis on economic stability and growth as a result from 10 June 2024 to 16 December 2024, State Bank of Pakistan (SBP) has reduced base rate in phases from 22% to 13%. For the first time in last few years interest rates show a declining trend which will result in decrease in the financial cost of the Company and will have positive impact on the profitability of the Company in future. Business community is expecting further reduction in the base rate this year to bring it down in single digit.
- There has been some increase in area under sugarcane cultivation for year 2024-25 but based on the crushing made so far it has been observed that there has been 10% to 15% decrease in yield per acre and sucrose recovery being achieved is also not better than last year. There has been declining trend both in yield per acre and sucrose recovery so target production of 6.6 million tons fixed by the Federal Government will be difficult to achieve this year. Country has carryover sugar stocks of approx. 350,000 tons available on 1st December, 2024.



DIRECTORS' REPORT

- As a first step towards de-regulation of sugar industry for ongoing crushing season 2024-25, the Provincial Governments have not notified support prices of sugarcane for the crushing season 2024-25 and left the sugarcane prices at market forces. Our Group is procuring sugarcane at the prevailing market prices at its all four sugar production units. Further Pakistan Sugar Mills Association has also requested to Federal Government to fully de-regulate the sugar sector in the Country so that this industry can operate freely under the market mechanism. There is a need to stabilize sugar prices by taking measures to reduce the gap between imported and local sugar prices so that growers can get better prices of their produce according to the international prices of the commodity and sugar industry can make reasonable profits to further improve its productivity.
- Further, there has been no improvement in the case of amount due from TDAP on account of Inland Freight Subsidy of Rs. 306 million for JDWSML and DSML which is still awaited. Company has completed all its formalities relating to documentation and in certain cases instructions to banks were also issued by TDAP to release payments but as of today not a single penny has been received. On overall industry basis an amount of Rs. 2.6 billion is stuck up since last more than eleven (11) years. The company has decided to file a writ petition in Lahore High Court for recovery of this amount.
- On Group basis an amount of Rs. 405 million is also due from the Government of Sindh on account of subsidy for sugar exports made in the year 2017-18. Sugar Mills in Sindh province has filed a petition in Sindh High Court for recovery of this amount from the Sindh Government. Approx. Rs. 3 billion of all sugar mills in Sindh is stuck up causing liquidity issues for the mills. Federal Government and Government of Punjab have already released their share of export subsidies almost six (06) years ago. Sugar mills in Sindh filed a writ petition in the Sindh High Court for recovery of this amount and Honourable Sindh High Court has ordered the Sindh Government for release of these funds during the first quarter of the financial year 2023-24. Based on Sindh High Court order Govt. of Sindh has placed funds with SBP and matter of disbursement of subsidy to sugar mills in Sindh is pending with SBP.
- Financial year 2024-25 seems to be a favourable year for the Company. Finance cost will be reduced due to reduction in discount rates, sucrose recovery may be slightly better than last year and sugar prices are expected to remain favourable. These few factors will have positive impact on profitability whereas, income from exports will be taxed under Normal Tax Regime instead of Final Tax Regime (FTR) which will have adverse impact on profitability of the Company.

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

Corporate and Financial Reporting Framework

- The Directors are pleased to state that the Company is compliant with the provisions of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (CCG) as required by Securities & Exchange Commission of Pakistan (SECP).
- Following are the statements on Corporate and Financial Reporting Framework;
- The financial statements present fairly the state of affairs of the Company, the results of its operations, cash flow and changes in equity;
- Proper books of accounts of the Company have been maintained;
- Accounting policies as stated in the notes to the financial statements have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan and the requirements of Companies Act, 2017 have been followed in preparation of the financial statements;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no doubts about the Company's ability to continue as going concern;
- There has been no material departure from the best practices of corporate governance as detailed in the listing regulations;
- A statement regarding key financial data for the last six years is annexed to this report;
- Information about taxes and levies is given in the notes to the financial statements.
- There is no likelihood of any delayed payments or default in respect of all loans availed by the Company; and
- During the year, 07 Board meetings were held. The minutes of the meetings were appropriately recorded and circulated. Attendance was as under:

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

Subsequent to the year end election of directors was held on 01 November 2024 and all above mentioned directors were re-elected for next term.

Audit Committee

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

Human Resource & Remuneration Committee

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

Nomination Committee

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

Risk Management Committee

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

Corporate Social Responsibility Committee

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

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

Directors' Remuneration

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

(Rs. in million)

| Name of Directors | Designations | Remuneration Package | |
|----------------------------|-------------------------|----------------------|---------|
| | | 2023-24 | 2022-23 |
| Mr. Jahangir Khan Tareen | Director | 340 | 280 |
| Makhdoom Syed Ahmad Mahmud | Director / Chairman | 510 | 430 |
| Mr. Ijaz Ahmed | Director | 20 | 17 |
| Mr. Raheal Masud | Chief Executive Officer | 14 | 12 |

Directors' Training Program

All the Directors are either exempted from training owing to their experience or have attended the training in prior years except one Director who will be obtaining the Director's training in coming year.

DIRECTORS' REPORT

Composition of Board

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

- a) Male: 07
b) Female: 01

The composition of the Board is as under:

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

Adequacy of Internal Financial Controls

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

Dividend

The Board of Directors of the Company has recommended a final cash dividend @ Rs. 30 (300%) per share for the year ended 30 September 2024. This is in addition to the already declared and paid interim cash dividend @ Rs. 20 (200%) per share, thus making a total cash dividend to Rs. 50 (500%) per share for the year ended 30 September 2024, which is the highest ever. Last highest was Rs. 40 (400%) per share related to last year subject to approval of the shareholders in the Annual General Meeting. If you look at the track record of dividend payouts of the Company, you will find that except for three years, the Company has been making regular payments of dividends since year 2000-01.

Pattern of Shareholding

There were 1,267 shareholders of the Company as of 30 September 2024 (2022-23: 1,203) A statement of pattern of shareholding is enclosed in this report.

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

Diversity, Equity & Inclusion (DE&I)

Diversity, Equity, & Inclusion (DE&I) with the diverse workforce and communities, the Company stands as an advocate for diversity, equity, and inclusion (DE&I). Promoting DE&I is a key priority for the Company and is integral to its sustainable and ethical business practices. A comprehensive DE&I strategy with clear and measurable goals, targeting increased gender and ethnic diversity and inclusion at all levels, is in process. The Company implements inclusive recruitment practices, such as using diverse job boards, recruitment processes, and diverse interview panels.

Health, Safety & Environment (HSE)

We are committed to fostering a strong safety culture across the Company, with a focus on proactively preventing hazards and maintaining a consistently safe workplace. This dedication enabled us to achieve zero lost time injuries during the year. We continuously evaluate our processes to identify areas for improvement and enhance operational safety.

Environmental Policy

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

Principal Risks

Following are the potential risks which the Company may face;

- Higher sugarcane prices & other input costs
- Foreign currency fluctuations
- Delay in payments of subsidies & Government dues
- Coercive measures by the Provincial Governments

Value of Provident Fund & Gratuity Fund Investments

The Company operates a Recognized Provident Fund Scheme covering its eligible permanent employees. Equal monthly contributions to the fund are made both by the Company and its employees in accordance with Fund's Rules. As per audited accounts of the Employees Provident Fund, the value of its investments as on 30 June 2024 is aggregating to Rs. 1,447 million (2023: Rs. 1,107 million).

The Company also operates an Approved Funded Gratuity Fund Scheme covering all its eligible permanent employees in accordance with Gratuity Fund Rules. The value of its investments as on 30 June 2024 is aggregating to Rs. 487 million (2023: Rs. 340 million).

National Exchequer

The Company has contributed on Group Basis a sum of Rs. 23,312 million approximately to the national exchequer in the form of taxes & duties during the year under review.

Corporate Social Responsibility Activities

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

Auditors

The present auditors M/s. Riaz Ahmad, Saqib, Gohar & Co., Chartered Accountants retire and being eligible, offer themselves for appointment for the Audit of the year ending 30 September 2025. The Board of Directors endorses the recommendation of the Board Audit Committee for their re-appointment as auditors of the Company at a fee to be mutually agreed.

Acknowledgement

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

Chief Executive Officer

Director

03 January 2025
Lahore



بنیادی خدشات

کمپنی کو درج ذیل بنیادی خدشات کا سامنا ہے:

- گنے کی بڑھتی قیمتیں اور دیگر لاگتی اخراجات
- غیر ملکی کرنسی کا اتار چڑھاؤ
- مراعات اور سرکاری واجبات کی ادائیگی میں تاخیر
- صوبائی حکومتوں کی جانب سے سخت اقدامات

پروایڈنٹ فنڈ اور گریجویٹ فنڈ کی سرمایہ کاری کی اہمیت

کمپنی اپنے اہل اور مستقل ملازمین کے لیے ایک تسلیم شدہ پروایڈنٹ فنڈ سکیم چلا رہی ہے۔ پروایڈنٹ فنڈ کے تحت آجرو اور اجیر برابری کی بنیاد پر ماہانہ سرمایہ کاری کرتے ہیں۔ پروایڈنٹ فنڈ کے قواعد اور آڈٹ رپورٹ کے مطابق سرمایہ کاری کی قدر 30 جون 2024 میں 1,447 ملین روپے ہے۔ جبکہ سال 2023 میں یہ رقم 1,107 ملین روپے تھی۔

اس کے علاوہ کمپنی ایک گریجویٹ فنڈ سکیم چلا رہی ہے جس میں اس کے اہل اور مستقل ملازمین شامل ہیں۔ اسکی سرمایہ کاری کا حجم رواں سال 30 جون 2024 تک 487 ملین روپے تھا، جبکہ 2023 میں یہ حجم 340 ملین روپے تھا۔

میشنل ایکس چیکر

کمپنی نے گروپ کی بنیاد پر رواں سال میں ٹیکسز اور ڈیوٹی کی مد میں 23,312 ملین روپے جمع کروائے۔

اداراتی سماجی ذمہ داری

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

آڈیٹرز

موجودہ آڈیٹرز میسرز ریاض احمد، ثاقب، گوہر اینڈ کمپنی چارٹرڈ اکاؤنٹینٹس ریٹائر ہو رہے ہیں اور انہوں نے اہل ہونے کے ناطے مورخہ 30 ستمبر 2025ء کے اختتام کیلئے اپنی خدمات کی دوبارہ پیشکش کی ہے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز کمپنی کیلئے موجودہ سال میں بہتر مالی نتائج یعنی بنانے پر اپنے تمام ورکر اور انتظامی سٹاف کی لگن اور انتھک محنت کا اعتراف کرتے ہیں اور شکر یہ ادا کرتے ہیں۔ کاشیکار ہماری انڈسٹری کا اہم عنصر ہیں ان کے لگاؤ اور تعاون پر شکر گزار ہیں اس کے علاوہ کمپنی کے بورڈ آف ڈائریکٹرز حکومتی محکموں کی جانب سے مختلف اکتاویوں کی وجہ سے درپیش آنے والی مشکلات کے دوران مالی تعاون اور سپورٹ پر تمام مالیاتی اداروں، بینک، لیزنگ کمپنیوں کے تہدول سے شکر گزار ہیں۔

ڈائریکٹر

چیف ایگزیکٹو آفیسر

۳ جنوری ۲۰۲۵

لاہور

تمام کمیٹیوں کی ساخت کیلئے براہ کرم شیمنٹ آف کپلائنس کا جائزہ لیں۔

ڈائریکٹرز کے معاوضہ جات

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

(ملین روپے)

| نام | عہدہ | 2023-24 | 2022-23 |
|---------------------------|---------------------|---------|---------|
| جناب جہانگیر خان ترین | ڈائریکٹر | 340 | 280 |
| جناب محمد وسید احمد محمود | چیئر مین / ڈائریکٹر | 510 | 430 |
| جناب اعجاز احمد | ڈائریکٹر | 20 | 17 |
| جناب راجیل مسعود | چیف ایگزیکٹو آفیسر | 14 | 12 |

ڈائریکٹرز کے ترقیاتی پروگرام

تمام ڈائریکٹرز یا تو ٹریڈنگ پروگرام سے مستثنیٰ ہیں یا وہ گزشتہ سالوں کے دوران ان پروگراموں میں شرکت کر چکے ہیں۔ سوائے ایک ڈائریکٹر کے جو اگلے سال دستیاب ٹریڈنگ سیشن میں حصہ لے گا۔

بورڈ آف ڈائریکٹرز کی تشکیل

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

| | | |
|-----|-------|---|
| (ا) | مرد | 7 |
| (ب) | خاتون | 1 |

بورڈ کی تشکیل مندرجہ ذیل ہے:

| کٹگری | نام |
|-------------------------------|---|
| خود مختار ڈائریکٹرز | جناب عاصم ثار باجوہ جناب ظفر اقبال |
| ایگزیکٹو ڈائریکٹرز | جناب جہانگیر خان ترین جناب راجیل مسعود (سی ای او) |
| نان ایگزیکٹو ڈائریکٹرز | جناب محمد وسید احمد محمود جناب سید مصطفیٰ محمود جناب اعجاز احمد |
| خاتون - نان ایگزیکٹو ڈائریکٹر | محترمہ سمیرا محمود |

داخل مالیاتی کنٹرول

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

منافع کی ادائیگی

کمپنی کے بورڈ آف ڈائریکٹرز نے سال تختہ 30 ستمبر 2024 کیلئے منافع میں 30 روپے فی شیئر (300%) کے حساب سے حتمی کیش ڈیویڈنڈ کی سفارش کی ہے۔ یہ پہلے سے اعلان اور ادا کردہ انٹیرم کیش ڈیویڈنڈ بحساب 20 روپے (200 فیصد) فی شیئر سے الگ ہے، اس طرح سال تختہ 30 ستمبر 2024 کیلئے فی شیئر آمدن 50 روپے (400 فیصد) بنتی ہے اور یہ سالانہ اجلاس عام میں منظوری سے مشروط ہے۔ اگر آپ کمپنی کے ڈیویڈنڈ ادائیگی کے ریکارڈ پر نظر دوڑائیں تو آپ کو اندازہ ہوگا کہ کمپنی 01-2000 سے ماسوائے تین سالوں کے باقاعدگی سے ڈیویڈنڈ کی ادائیگیاں یقینی بناتی رہی ہے۔

پٹرین آف شیئر ہولڈنگ

30 ستمبر 2024 میں 1,267,203 (2022-23: 1,203,203) حصہ داران موجود تھے۔ جن کی علیحدہ سے تفصیل اس رپورٹ کے ساتھ منسلک ہے۔ ڈائریکٹرز، CFO، CEO اور کمپنی میکلٹری اور ان کی بیویاں، نابالغ بچوں کے حصص کی تفصیل رپورٹ کے ساتھ منسلک ہے۔

تنوع، مساوات اور شمولیت (DE&I)

تنوع، مساوات اور شمولیت (DE&I) کے ذریعے، کمپنی اپنے متنوع ورک فورس اور کمیونٹی کے ساتھ، تنوع، مساوات اور شمولیت (DE&I) کی حامی کے طور پر کھڑی ہے۔ DE&I کو فروغ دینا کمپنی کے لیے ایک اہم ترجیح ہے اور اس کی بنیاد اور اخلاقی کاروباری مشقوں کا حصہ ہے۔ ایک جامع DE&I حکمت عملی جس میں واضح اور قابل پیمائش مقاصد ہیں، تمام سطحوں پر ضمنی اور نسلی تنوع اور شمولیت کو بڑھانے کے لیے عمل میں ہے۔ کمپنی متنوع جاب بورڈز، بھرتی کے عمل اور متنوع انٹرویو پینلر جیسے شامل بھرتی کے طریقے اپناتی ہے۔

صحت، حفاظت اور ماحول (HSE)

ہم کمپنی بھر میں ایک مضبوط حفاظتی ثقافت کو فروغ دینے کے لیے پرعزم ہیں، جس میں خطرات کو فعال طور پر روکنے اور مسلسل محفوظ ورک پلیس کو برقرار رکھنے پر زور دیا گیا ہے۔ اس عزم نے ہمیں سال کے دوران صفر گمشدہ وقت کے زخمیوں کا حصول ممکن بنایا۔ ہم اپنے عمل کو مسلسل جائزہ لیتے ہیں تاکہ بہتری کے لیے علاقوں کی نشاندہی کی جاسکے اور آپریشنل حفاظت کو بڑھایا جاسکے۔

ماحولیاتی پالیسی

ماحولیات کے حوالے سے کمپنی کی ایک جامع پالیسی ہے جو اس بات کو یقینی بناتی ہے کہ صنعت سے متعلقہ ماحولیاتی اصول وضوابط پر عمل کار بند رہا جائے۔

- چینی کی صنعت کو ڈی ریگولیت کرنے کے سہل قدمی کے طور پر، موجودہ کرٹنگ سیزن 2024-25 کے لیے صوبائی حکومتوں نے گئے کی امدادی قیمتوں کا اعلان نہیں کیا اور چینی کی قیمتوں کو مارکیٹ فورسز پر چھوڑ دیا ہے۔ ہمارا گروپ اپنی تمام چار پروڈکشن یونٹس میں گنا مارکیٹ قیمتوں پر خرید رہا ہے۔ مزید برآں، پاکستان شوگر ملز ایسوسی ایشن نے وفاقی حکومت سے درخواست کی ہے کہ ملک میں شوگر سیکٹر کو مکمل طور پر ڈی ریگولیت کیا جائے تاکہ یہ صنعت مارکیٹ میکانزم کے تحت آزادانہ طور پر کام کر سکے۔ شوگر کی قیمتوں کو مستحکم کرنے کے لیے اقدامات کی ضرورت ہے تاکہ مقامی اور درآمدی چینی کی قیمتوں کے درمیان فرق کم ہو، اور کاشتکاروں کو ان کی پیداوار کے لیے بین الاقوامی قیمتوں کے مطابق بہتر قیمتیں مل سکیں، اور شوگر انڈسٹری مقول منافع حاصل کر کے اپنی پیداوار کو مزید بہتر بنا سکے۔
- مزید برآں، JDW SML اور DSML کے لئے 306 ملین روپے کی ان لینڈ فریٹ سبسڈی کی بات TDAP سے واجب الوصول رقم کی بابت کوئی بہتری نہیں ہوئی ہے جس کا ابھی تک انتظار ہے۔ کینی دستاویزی شکل دینے کی بابت اپنے تمام تقاضوں کو پورا کر لیا ہے اور کچھ صورتوں میں TDAP نے بیٹوں کو ہدایات بھی جاری کی ہیں تاکہ رقم جاری کی جا سکیں لیکن اب تک ایک پیسہ بھی وصول نہ ہوا ہے۔ صنعتی بنیاد پر 2.6 ملین روپے کی رقم گزشتہ دس (10) برس سے پھنسی ہوئی ہے۔ کینی نے اس رقم کی وصولی کے لئے لاہور ہائی کورٹ میں رٹ پٹیشن دائر کرنے کا ارادہ رکھتی ہے۔
- گروپ کی سطح پر سال 2017-18 میں چینی کی برآمد پر سبسڈی کی بابت حکومت سندھ سے 405 ملین روپے کی رقم وصول کرنی ہے۔ صوبہ سندھ کی شوگر ملوں نے حکومت سندھ سے اس رقم کی وصولی کے لئے سندھ ہائی کورٹ میں پٹیشن دائر کی ہے۔ تمام شوگر ملوں کے تقریباً 3 بلین روپے پھنسنے ہوئے ہیں جس سے ملیں لیکوئیڈیٹی مسئلہ کا شکار ہیں۔ وفاقی حکومت اور حکومت پنجاب نے تقریباً پانچ (05) برس قبل درآمدی سبسڈی کے اپنے حصہ کو پہلے ہی جاری کر دیا ہے۔ صوبہ سندھ کی شوگر ملوں نے حکومت سندھ سے اس رقم کی وصولی کے لئے سندھ ہائی کورٹ میں پٹیشن دائر کی اور فاضل سندھ ہائی کورٹ نے حکومت سندھ کو مالیاتی سال 2023-24 کی بجلی سہ ماہی میں یہ رقم جاری کرنے کا حکم دیا ہے۔
- مالی سال 2024-25 کینی کے لیے ایک سائزگار سال دکھائی دیتا ہے۔ مالی لاگت بنیادی شرح سود میں کمی کی وجہ سے کم ہوگی، سکرور ریکوری پچھلے سال سے تھوڑی بہتر ہو سکتی ہے، اور چینی کی قیمتیں سائزگار رہنے کی توقع ہے۔ یہ چند عوامل منافع پر مثبت اثر ڈالیں گے، جبکہ برآمدات سے آمدنی کو فائل ٹیکس رجیم (FTR) کی بجائے نارل ٹیکس رجیم کے تحت کیا جائے گا، جو کینی کے منافع پر منفی اثر ڈالے گا۔
- اللہ کے فضل سے، ہم مسلسل اچھی کارکردگی کو برقرار رکھ رہے ہیں اور کینی کی مالی لاگت کو کم کرنے اور اپنی تمام ملز کے آس پاس گئے کی ترقی پر توجہ مرکوز کرنا چاہتے ہیں، نئی اقسام متعارف کرانے اور کیڑوں پر قابو پانے پر مزید کام کرنے کے ذریعے۔

ادارائی اور مالیاتی جائزے کا نظام

- کینی کا کارپوریٹ اور مالیاتی جائزے کا نظام مطلوبہ معیار کے مطابق ہے جیسا کہ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے کارپوریٹ گورننس 2019 کے کوڈ میں درج ہے اور ہم اس کی تصدیق کرتے ہیں کہ:
- کینی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے شفاف طریقے سے معاملات میں اس کی حیثیت اس کے طریقہ کار کے نتائج میں عوام اور حصص کی مایت میں تبدیلی کو ظاہر کرتے ہیں۔
- کینی کی جانب سے اکاؤنٹس کی باقاعدہ بکس تیار کی جاتی ہیں۔
- موزوں اکاؤنٹنگ پالیسیوں کو مالیاتی گوشواروں کی تیاری میں مستقل بنیادوں پر لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینے مناسب اور محتاط فیصلوں پر مبنی ہیں۔

- بین الاقوامی مالیاتی جائزوں کے معیار جیسا کہ پاکستان میں قابل اطلاق ہیں کو مالیاتی گوشواروں کی تیاری کے لیے لاگو کیا گیا ہے اور ان سے کسی قسم کے انحراف کو مناسب طور پر افشا اور اس کی وضاحت کی گئی ہے۔ کینی ایکٹ 2017 کی تمام شرائط و ضوابط کو مد نظر رکھا گیا ہے۔
- اندرونی کنٹرول کا نظام ڈیزائن کے لحاظ سے قابل بھروسہ ہے اور مزید طور پر نافذ العمل اور زیر نگرانی ہے۔
- کینی کے آگے بڑھتے رہنے کی اہلیت میں کوئی خاطر خواہ خشک و شبہ نہیں ہے۔
- کارپوریٹ گورننس کے طے کردہ ریگولیشنز سے کوئی انحراف نہیں کیا گیا۔
- گزشتہ چھ (06) سالوں کے لیے بنیادی آپرینٹنگ اور مالیاتی تفصیل لف ہیں۔
- ٹیکس اور ریویو کے بارے میں معلومات مالیاتی گوشواروں کے نوٹس میں دی گئی ہیں۔
- کینی کی طرف سے حاصل کردہ تمام قرضوں کے بارے میں کسی بھی تاخیر کی ادائیگی یا ادائیگی سے گریز کا کوئی امکان نہیں ہے۔
- سال رواں کے دوران 7 بورڈ میٹنگز ہوئیں۔ جن کی تفصیلات اور حاضری کو مناسب طریقے میں مشترک کیا جن کی حاضری کی تفصیل درج ذیل ہے۔

| نمبر شمار | نام | عہدہ | تعداد میٹنگز |
|-----------|---------------------------|---------------------------------|--------------|
| 1 | جناب جہانگیر خان ترین | ایگزیکٹو ڈائریکٹر | 7 |
| 2 | جناب مندوم سید احمد محمود | چیز مین / نان ایگزیکٹو ڈائریکٹر | 6 |
| 3 | جناب راجیل مسعود | چیف ایگزیکٹو آفیسر | 7 |
| 4 | محترمہ سیدہ امجد | خانوان / نان ایگزیکٹو ڈائریکٹر | 6 |
| 5 | جناب اعجاز احمد | نان ایگزیکٹو ڈائریکٹر | 6 |
| 6 | جناب سید مطفی محمود | نان ایگزیکٹو ڈائریکٹر | 7 |
| 7 | جناب عاصم ثار باجوہ | خود مختار ڈائریکٹر | 7 |
| 8 | جناب ظفر اقبال | خود مختار ڈائریکٹر | 7 |

اگلے مالی سال کے دوران 01 نومبر 2024 کو ڈائریکٹرز کے انتخاب کا انعقاد کیا گیا اور تمام مذکورہ بالا ڈائریکٹرز کو اگلے دور کے لیے دوبارہ منتخب کر لیا گیا۔

آڈٹ کمیٹی

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

انسانی وسائل اور معاوضہ کمیٹی

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

نامزدگی کمیٹی

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

رسک مینجمنٹ کمیٹی

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

کارپوریٹ سوشل ریسپونسیبلٹی کمیٹی

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

- جیسا کہ ہمیشہ، کاشتکاروں کی ادائیگی ہماری اولین ترجیح رہی ہے جو ہماری کامیابی کی اہم چابیوں میں سے ایک ہے۔ یہ سائٹوں مسلسل کاشتکاری میں جن میں کھیتی کے تمام کاشتکاروں کو پورے سیزن کے دوران بینک اکاؤنٹس کے ذریعے مکمل طور پر ادائیگی کی گئی، جسے کاشتکاروں نے بہت سراہا۔ مزید برآں، کھیتی باقاعدگی سے اپنے کاشتکاروں کو مالی مدد اور تکنیکی معاونت فراہم کرتی ہے۔ ان پالیسیوں اور کاشتکاروں کے ساتھ ترجیحی سلوک کی وجہ سے، کھیتی کا ان کے ساتھ بہترین تعلق ہے۔

- مالی سال 2023-24 کے دوران، ایف پی ایم ایل کے شیئر ہولڈرز نے 24 ستمبر 2024 کو ہونے والے ایک غیر معمولی عام اجلاس میں اس قرارداد کی منظوری دی کہ وہ 404,338,809 جاری کردہ عام شیئرز کو خرید کر منسوخ کریں گے۔ جو ایف پی ایم ایل کے جاری اور ادا شدہ سرمایہ کا 75% ہیں۔ خریداری کی قیمت 4 روپے فی شیئر رکھی گئی تھی، جس میں شیئر ہولڈرز کے ہر 4 شیئرز کے بدلے 3 شیئرز خریدے جائیں گے، اس خریداری کی مدت 24 ستمبر 2024 سے 31 اکتوبر 2024 تک تھی، یا جب تک خریداری مکمل نہ ہو جائے، جو بھی پہلے ہو۔ سال کے اختتام کے بعد، کھیتی نے ایف پی ایم ایل شیئرز خریدنے کی پیشکش کو قبول کیا اور ایف پی ایم ایل میں 75% شیئر ہولڈنگ 932.67 ملین روپے کی کل قیمت پر فروخت کی۔

- مالی سال 2023-24 بہترین رہا جس میں کھیتی نے اب تک کی سب سے زیادہ منافع حاصل کیا، جیسا کہ اوپر بیان کردہ وجوہات کی بنا پر، مگر اس سب سے زیادہ منافع کے باوجود کھیتی کو اقتصادی حالات اور حکومت کی جانب سے سرپلس چینی کی برآمد کے لئے کیے گئے ناقص فیصلوں کی وجہ سے کچھ اہم چیلنجز کا سامنا رہا۔ سال کے پہلے تین ماہوں میں سب سے زیادہ مارک اپ ریش کی وجہ سے کھیتی کے مالی اخراجات میں شدید اضافہ ہوا، جو کھیتی میں اضافے اور وصولیوں کی طرف سے گئے کے امدادی نرخوں میں اضافے نے چینی کی پیداوار کی لاگت کو بہت زیادہ بڑھا دیا۔ پاکستان میں مقامی چینی کی قیمتیں 1.5 ملین ٹن کے بڑے سرپلس کی وجہ سے گر گئیں جس کے لئے وفاقی حکومت نے برآمد کے لیے بروقت فیصلے نہیں کیے، جس سے ملک کو زبردست غیر ملکی زرمبادلہ کا نقصان اور چینی کی صنعت کو منافع میں کمی کا سامنا ہوا۔ 790,000 ٹن کی برآمد کی اجازت اس وقت دی گئی جب بین الاقوامی مارکیٹ میں قیمتیں 750 امریکی ڈالر سے کم ہو کر 1550 امریکی ڈالر ٹن ہو گئیں۔ پاکستان میں چینی کی قیمتیں 2023-24 کے دوران دنیا کی سب سے کم قیمتیں اور یہی رجحان ابھی جاری ہے۔ وفاقی حکومت قیمتوں کو مارکیٹ کے اصولوں پر کام کرنے کی اجازت نہیں دے رہی۔

- فیڈرل بورڈ آف ریفائننگ ایف پی آر نے 11 نومبر 2021 کو سیکورٹیکس جرنل آرڈر نمبر 05 آف 2021-22 جاری کیا جس کا موضوع "ٹریڈ اینڈ ٹریڈ سسٹم کا نفاذ" تھا۔ اس آرڈر کے مطابق 11 نومبر 2021 سے پیداوار سائٹ یا ٹریڈنگ سسٹم کی کوئی بھی چینی کا بیگ ٹیکس / سٹامپس / یونیک شناختی مارکنگ (UIMS) کے بغیر نہیں نکالا جاسکتا، جو صرف ایف پی آر کے لائسنس یافتہ ویڈرز سے حاصل کیے جائیں گے۔ تاہم، آٹھنک کے فراہم کردہ خود کار اینٹی کیپیڈ نہ تو پچھلے سال کامیابی سے کام کر سکے اور نہ ہی اس سال، اور تمام شوگر ملز ٹیکس سٹامپس وقتی طور پر لگا رہی ہیں۔ اس سال ٹریڈ اینڈ ٹریڈ سسٹم کا نفاذ بہت مؤثر رہا ہے کیونکہ پارپرز پر سیزنر کی تنصیب کی گئی ہے اور سیکورٹیکس کی چوری کو روکنے کے لئے مزید ایجنسیوں کو شامل کیا گیا ہے۔ ایف پی آر کو اس پر مسلسل کام کرتے رہنا چاہئے تاکہ اس کی آمدنی میں اضافہ ہو اور مکمل طور پر تعمیل کرنے والی شوگر ملز کو یکساں موقع فراہم کیے جاسکیں۔ اب ایف پی آر کو چینی کی تجارت کی دستاویزی شکل دینے کے لئے عملی طریقے تلاش کرنے چاہئیں جو ایک اور مشکل کام ہے۔

کاشتکاروں کے ساتھ تعلقات

- کھیتی کاشتکاروں کے ساتھ خوشگوار تعلقات قائم رکھتی ہے اور کسانوں کو اپنی ریڑھ کی ہڈی تصور کرتی ہے۔ ان تعلقات کو مزید مضبوط کرنے کے لیے مندرجہ ذیل ترجیحات اختیار کی گئیں:

- منوا تر طور پر گنے کی خرید کی بروقت ادائیگی کی پالیسی پر قائم رہنا۔
- ذاتی ذخائر سے کسانوں کی مالی ضروریات پوری کرنے کیلئے ان کی مالی معاونت اور ان کیلئے بینکوں سے قرضہ جات کا انتظام۔ زیر جواز مدت کے دوران، زرعی قرضوں کی ہماری رقم کاشتکاروں کو نقد، بیج، زرعی آلات، ٹرپائز اور ٹیوب ویلوں، کھادوں اور کیڑے مارا دویات کی شکل میں پیش کی گئیں۔
- آسان اقساط اور رعایتی قیمت پر کسانوں کو جدید زرعی آلات و مشینوں کی فراہمی
- تکنیکی مہارت میں بڑھوتری کے لیے مختلف مشاورتی پروگرام ہیں
- بہتر کوالٹی اور پیداواری صلاحیت کی حامل اقسام کی فراہمی سے فی ایکڑ پیداوار میں اضافہ شامل ہے۔

مستقبل کا منظر نامہ

- کاشتکاری سیزن 2024-25 کا آغاز 21 نومبر 2024 کو ہماری پنجاب اور سندھ کی تمام یونٹس میں ہوا، اور 2 جنوری 2025 تک گروپ کی بنیاد پر 31,472,6 پر چینی پیدا کی گئی، جس کی اوسط سکرور ریٹوری 9.89% رہی۔ (مواز نہ کے طور پر، 2023-24 میں جیسا کہ آخری تینلیٹ میں بتایا گیا: کاشتکاری سیزن 2023-24 کا آغاز 25 نومبر 2023 کو ہوا اور 2 جنوری 2024 تک 298,555 ٹن چینی پیدا کی گئی تھی، جس کی اوسط سکرور ریٹوری 9.93% تھی۔)

- کھیتی کے بورڈ آف ڈائریکٹرز نے ایک جدید ڈپلری پروڈیکٹ قائم کرنے کی منظوری دی ہے، جس کی ابتدائی صلاحیت 230,000 لیٹری دن ہوگی (ڈپلری/اتھا نول پروڈیکٹ)۔ یہ ڈپلری/اتھا نول پروڈیکٹ مولا سز، جو چینی کا بانی پروڈکٹ ہے، سے اعلیٰ معیار کا برآمدی اتھا نول تیار کرے گا۔ یہ اضافہ کھیتی کے طویل مدتی منافع اور کاروباری ترقی کو بہتر بنانے کے ذریعے اسٹیک ہولڈرز کی دولت کو زیادہ سے زیادہ کرنے کے مقصد کے عین مطابق ہے۔ ہم اس منصوبے کی پیش رفت پر کلیدی اپ ڈیٹس شیئر کر رہے ہیں گے۔ توقع ہے کہ یہ پروڈیکٹ سال کی دوسری سہ ماہی کے دوران کرشل پیداوار شروع کرے گا۔

- کھیتی ایک نیاروڈیکٹ کارپوریشن سماجی ذمہ داری کے تحت قائم کر رہی ہے، یعنی "ترین اسٹیٹیوٹ آف کمپیوٹرائزڈ ایجوکیشن اینڈ ریسورسز" (TICER) کے نام سے ایک ہنر پروری تعلیمی ادارہ۔ یہ ادارہ لوہراں میں ابتدائی طور پر 2,500 طلباء کو ڈپلری میں تعلیم فراہم کرے گا۔ TICER جنوری پنجاب کے ترقی پذیر دیہی علاقوں میں آئی ٹی کی تعلیم کو فروغ دینے میں اہم کردار ادا کرے گا، اور اس کا بنیادی مقصد نوجوانوں کو معیاری تعلیم سمیٹڈ انڈسٹری نروڈ زونوں پر فراہم کرنا ہے۔ TICER بے ڈی ڈبلیو کی کمیونٹی ڈویلپمنٹ، پائیدار ترقی، اور ایک ماہر انفرادی قوت کی تعمیر کے لیے عزم کی مثال ہے، جو پاکستان کی معیشت کی ترقی میں کردار ادا کرے۔

- حکومت نے معیشت میں استحکام اور ترقی پر زور دیا ہے۔ 10 جون 2024 سے 16 دسمبر 2024 تک، اسٹیٹ بینک آف پاکستان (SBP) نے بنیادی شرح کو مرحلہ وار 22% سے کم کر کے 13% کیا۔ کئی سالوں میں جبکہ بار، شرح سود میں کمی کا رجحان ظاہر ہوا، جس سے کھیتی کی مالی لاگت میں کمی اور منافع پر مثبت اثر پڑے گا۔ کاروباری برادری اس سال مزید کمی کی توقع رکھتی ہے تاکہ بنیادی شرح کو منگول ڈسٹینٹ میں لایا جاسکے۔

- سال 2024-25 کے لیے گنے کی کاشت کے علاقے میں کچھ اضافہ ہوا ہے، لیکن اب تک کاشتکاری کے نتائج کے مطابق، فی ایکڑ پیداوار میں 10 سے 15% کمی دیکھی گئی ہے، اور سکرور ریٹوری بھی پچھلے سال سے بہتر نہیں ہے۔ فی ایکڑ پیداوار اور سکرور ریٹوری دونوں میں کمی کا رجحان ہے، اس لیے وفاقی حکومت کے 6.6 ملین ٹن کی پیداوار کے ہدف کو حاصل کرنا اس سال مشکل ہوگا۔ ملک کے پاس 1 دسمبر 2024 کو تقریباً 350,000 ٹن چینی کے ذخائر موجود تھے۔

- کمپنی کی مسلسل بہتر کارکردگی کو مدنظر رکھتے ہوئے، تمام مالی معاہدات ہر سال بہتر ہو رہے ہیں۔ اس سال بھی کمپنی تمام مالی معاہدات کے مکمل طور پر پابند ہے جو کہ مالی اداروں کے ساتھ وقتاً فوقتاً طے کیے گئے تھے اور اپنے تمام مالی فرادیات کو وقت پر پورا کر رہی ہے اور مالی اداروں کے ساتھ اچھے تعلقات قائم رکھتی ہے جن کے ساتھ وہ کاروبار کر رہی ہے۔

- سال کے دوران بینشل الیکٹریک پاور ریگولیری اتھارٹی ("مپہر") نے 10 جون 2024 کو ایس آر او 845 (I)/2024 کے ذریعے اکتوبر 2018 سے ستمبر 2022 تک کے لیے ایندھن کی قیمت کی اجزاء ("ایف سی سی") کے فیصلے کیے، اور اکتوبر 2022 سے آگے کے لیے نپہر نے ایس آر او کی قیمت پر 5% سالانہ انڈیکس کی اجازت دی۔ اس کے بعد پاکستان کے وزیر اعظم کے دفتر نے 4 اگست 2024 کو توانائی کے شعبے میں اسٹریٹجک اصلاحات کو نافذ کرنے کے لیے ایک ناسک فورس تشکیل دی۔ اس کے نتیجے میں، 18 اکتوبر 2024 کو بیگاس بیسڈ آئی پی پیز اور سینٹرل پاور پراجیکٹس (گارنٹی) لمیٹڈ (سی پی پی اے۔ سی) کے درمیان بیگاس قیمت/ ایندھن کے اجزاء (ایف سی سی) میں کمی کی اور دوسرے ٹریف اجزاء کے لیے ایک مفاہمتی یادداشت پر دستخط کیے گئے۔ وفاقی کابینہ نے 10 دسمبر 2024 کو بیگاس بیسڈ آئی پی پیز کے معاہدوں کی شرائط میں ترمیم کی منظوری دی۔ اس کے مطابق، سال 30 ستمبر 2024 کے اختتام تک آمدنی کا حساب کیا گیا ہے۔ معاہدہ بہت جلد حکومت کے ساتھ دستخط کیا جائے گا۔

- بیلنس شیٹ کا ساؤنڈرز گذشتہ سال کے 52 ارب روپے سے بڑھ کر 70 ارب روپے ہو گیا ہے اور کمپنی کے مجمع شدہ ذخائر کمپنی کی ادائیگی شدہ سرمائے کا 46 گنا ہو چکے ہیں۔

- ڈہری شوگر ملز (پرائیوٹ) لمیٹڈ (ڈی ایس ایم ایل)، جو کمپنی کی 100% ملکیت ہے، نے 883 ملین روپے کے بعد منافع کمایا، جو پچھلے سال کے 1,038 ملین روپے سے کم ہے، منافع میں کمی بنیادی طور پر مالی اخراجات میں 589 ملین روپے کے اضافے کی وجہ سے ہے، جو کہ موجودہ بلند مارک اپ کی شرحوں کی وجہ سے ہے اور اس کے ساتھ ساتھ زیادہ ورکنگ کپٹل قرضے درکار تھے تاکہ کسانوں کو بروقت ادائیگیاں اور دیگر مالی فرادیات پوری کی جاسکیں۔

دیگر اہم نکات آپ کی دلچسپی کے لئے ذیل میں خلاصہ کی گئی ہیں:

- جے ڈی ڈبلیو گروپ نے گزشتہ سال 2022-23 میں 100 ارب روپے کی مجموعی فروخت کے اہداف حاصل کیے اور اس سال نے 150 ارب روپے کی مجموعی فروخت عبور کر لی ہے۔ ہم جلد ہی 200 ارب روپے کی مجموعی فروخت کے ہدف تک پہنچنے کی سمت میں گامزن ہیں۔ نیز، گروپ نے اس زیر بحث سال میں طویل مدتی قرض سے نجات حاصل کی ہے۔ یہ دونوں اہم سنگ میل زیر نظر سال میں حاصل ہوئے ہیں، اس لئے یہ سال خاص طور پر ممتاز ہے۔

- الحمد للہ، وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) نے 13 مئی 2024 کو جے ڈی ڈبلیو شوگر ملز لمیٹڈ (JDWS) کی ادارہ جاتی ریٹنگ کو 'AA' سے 'A' تک (ڈبل اے مائیس/ اے ون) پر اپ گریڈ کیا ہے۔ 'AA' کی درمیانی سے طویل مدتی ریٹنگ اچھی کریڈٹ کوالٹی کی نشاندہی کرتی ہے جس کے ساتھ مناسب تحفظ کے عوامل موجود ہیں۔ اس کے علاوہ، خطرات کی عوامل معیشت میں ممکنہ تبدیلیوں کے ساتھ مختلف ہو سکتے ہیں۔ 'A' کی قلیل مدتی ریٹنگ بروقت ادائیگی کی اعلیٰ یقین دہانی، بہترین لیکویڈیٹی عوامل اور اچھے بنیادی تحفظ کے عوامل سے حمایت یافتہ ہوتی ہے۔ مختص شدہ ریٹنگز کا آڈٹ لک 'مستحکم' ہے۔ یہ جے ڈی ڈبلیو کے لیے چینی صنعت میں سب سے اعلیٰ کریڈٹ ریٹنگ حاصل کرنے کا ایک اور سنگ میل ہے۔

ii - صوبائی حکومتوں کی طرف سے گئے کی قیمتوں میں اضافہ اور فی ایکڑ گنے کی ریکارڈ پیداوار نے اس بار گنے کے کارپوریٹ فارمز کے نقصانات کو نمایاں طور پر کم کیا۔ پہلے گنے کی حمایت کی قیمتیں پاکستان میں کارپوریٹ فارمنگ کے ڈھانچے کو کبھی بھی مدد نہیں فراہم کر سکیں کیونکہ غیر رسمی شعبہ میں کاشتکاروں کے ذریعے گنے کی کاشت کی قیمتوں کے مقابلے میں اس کے آپریشنز ہمیشہ زیادہ مہنگے رہتے تھے اور اسی وجہ سے بہتر مالی نتائج دکھانے میں ناکام رہے۔ شروع سے ہی گنے کے کارپوریٹ فارمز نے اس علاقے میں گنے کی پیداواری ترقی میں اہم کردار ادا کیا ہے جس کی قیمت کا اندازہ نہیں لگایا جاسکتا۔ ہم پاکستان میں واحد گروپ ہیں جس کا تقریباً 26,000 ایکڑ زرعی زمین پر پیچھے کی طرف انضمام ہے۔

iii - دیگر آمدنی میں بھی 1,033 ملین روپے سے بڑھ کر 3,117 ملین روپے تک نمایاں اضافہ ہوا، جو کہ سرپلس فنڈز کی سرمایہ کاری سے حاصل ہونے والے منافع اور گنے کی فصل کی خالص منصفانہ قیمت میں اضافے کی وجہ سے ہے جو پیداوار میں اضافے اور گنے کی قیمتوں کے بڑھنے کی وجہ سے ہوئی۔

(iv) طویل مدتی قرضوں کی جلد ادائیگی کے باوجود جنہیں تین سال اور چھ ماہ میں ادا کیا جانا تھا، مالی چارجز میں نمایاں اضافہ ہوا یعنی 2,054 ملین روپے، جو کہ بینکوں کی طرف سے وصول کیے گئے سب سے زیادہ مارک اپ کی شرحوں کی وجہ سے ہے۔ ملک میں چینی کے تقریباً 1.5 ملین ٹن سرپلس ہونے کی وجہ سے چینی کی قیمتوں میں کمی آئی، جس کے نتیجے میں کمپنی کی ورکنگ کپٹل کی ضرورت میں نمایاں اضافہ ہوا اور قرضے جو کسانوں کو بروقت ادائیگیاں یقینی بنانے کے لیے لیے گئے تھے، وہ طویل عرصے تک بٹایا جاتا ہے۔ ان تمام ورکنگ کپٹل قرضوں کو 2024-25 کے کرشنگ سیزن کے شروع ہونے سے پہلے مکمل طور پر ادا کر دیا گیا تھا۔

(v) دیگر ٹیکسز کی اور ورہیز میں اضافے کے علاوہ یعنی تنخواہیں، پیکنگ میٹریل کی قیمت، تیل اور کیبنز کی قیمتوں میں اور گنے کی خریداری کی قیمت میں بھی نمایاں اضافہ ہوا، جس کے نتیجے میں گنے کی پیداواری قیمت میں نمایاں اضافہ ہوا۔

(vi) کرشنگ سیزن 2023-24 کے لیے گنے کی حمایت کی قیمتیں ایک بار پھر پنجاب میں 300 روپے سے بڑھا کر 400 روپے یعنی 40 کلوگرام اور سندھ میں 302 روپے سے بڑھا کر 425 روپے یعنی 40 کلوگرام کردی گئی تھیں۔ کمپنی نے کرشنگ سیزن کے آغاز میں پنجاب میں 425 روپے یعنی 40 کلوگرام کی قیمت پر گنے خریدی، جو کہ 25 روپے یعنی 40 کلوگرام حمایت قیمت سے زیادہ تھی، جبکہ کرشنگ سیزن 2023-24 کے اختتام پر کمپنی کی اوسط گنے کی قیمت 430 روپے یعنی 40 کلوگرام رہی۔ گنے کی قیمتوں میں یہ اضافہ بلاآخر چینی کی پیداواری قیمت میں اضافے کا سبب بنا۔ گنے کی قیمتیں جو کہ ایک اہم لاگت جزو ہے، صوبائی حکومتوں کے ذریعے ہر سال مقرر کی جاتی ہیں، جبکہ چینی کی قیمتیں مارکیٹ کے اصولوں پر چھوڑ دی جاتی ہیں اور پنجاب میں حکومت کی انتظامیہ کے حکم و کرم پر ہوتی ہیں، جس سے چینی کی صنعت کے لیے بڑا چیلنج اور خطرہ پیدا ہوتا ہے۔ کرشنگ سیزن 2023-24 کے دوران اور اس کے بعد پوری صنعت نے چینی کی قیمت سے نیچے فروخت کیا اور ہماری نقصان اٹھایا۔ پیداواری قیمت ملک میں چینی کی قیمتوں کے مقابلے میں بہت زیادہ تھی۔

- کمپنی کے انتظامی اخراجات میں پچھلے سال کے مقابلے میں 14% کا اضافہ ہوا، جو کہ زیادہ تر سالانہ اضافوں کی وجہ سے تھا۔ سیٹنگ اخراجات بھی 65 ملین روپے سے بڑھ کر 96 ملین روپے ہو گئے، جو کہ سالانہ اضافوں اور بڑھتی ہوئی افراط زر کی شرح کی وجہ سے تھے۔

ڈائریکٹرز رپورٹ

ہم، جے ڈی ڈبلیو شوگر ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی طرف سے، کمپنی کی 35 ویں سالانہ رپورٹ پیش کرتے ہوئے، 30 ستمبر 2024 کو ختم ہونے والے سال کے لئے آڈٹ شدہ مالی بیانات کے ساتھ رپورٹ پیش کرنے پر خوش ہیں۔

جائزہ

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

آپریٹنگ نتائج

کمپنی کے آپریٹنگ نتائج جو سال کے دوران زیر نظر ہیں، مختصر آدرج ذیل ہیں:

| | 2022-23 | | | 2023-24 | | | |
|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|----------|
| | پونٹ-III | پونٹ-II | پونٹ-I | پونٹ-III | پونٹ-II | پونٹ-I | |
| گنے کی کرشنگ (پائی) | 6,426,664 | 2,003,727 | 2,698,673 | 7,119,540 | 2,136,832 | 2,791,792 | میٹرک ٹن |
| چینی کی پیداوار | 694,973 | 212,016 | 303,372 | 743,798 | 225,866 | 292,721 | میٹرک ٹن |
| چینی کا پیداواری تناسب | 10.81 | 10.58 | 11.24 | 10.45 | 10.57 | 10.49 | فیصد % |
| راب کی پیداوار | 289,811 | 93,780 | 118,684 | 312,498 | 93,731 | 120,637 | میٹرک ٹن |
| راب کا پیداواری تناسب | 4.51 | 4.68 | 4.40 | 4.39 | 4.39 | 4.32 | فیصد % |

(ملین روپے)

| 30 ستمبر 2023 | 30 ستمبر 2024 | |
|---------------|---------------|-------------------|
| 81,904 | 133,270 | مجموعی آمدن |
| 72,343 | 116,050 | خالص آمدن |
| 8,518 | 24,166 | آپریٹنگ سے منافع |
| 5,453 | 7,507 | مالی لاگت |
| 2,287 | 16,535 | قبل از ٹیکس منافع |
| 2,166 | 13,009 | بعد از ٹیکس منافع |
| 37.17 | 225.17 | آمدن فی شیئر |

اوپر دیے گئے آپریٹنگ نتائج پر تبصرے درج ذیل ہیں:

کرشنگ بیزنس 2023-24 25 نومبر 2023 کو ہمارے تمام پلانٹس میں شروع ہوا جو پنجاب اور سندھ کے صوبوں میں واقع ہیں۔ اس بار کمپنی کی جانب سے گنے کی کرشنگ بچھلے کرشنگ بیزنس کے مقابلے میں 11% زیادہ تھی، جبکہ چینی کی پیداوار میں 7% کا اضافہ ہوا، جو کہ سو کروڑ کی ریکوری میں 36 بی پی ایس کی وجہ سے تھا۔ کرشنگ بیزنس 2023-24 کے لئے گنے کی کاشت کا ترقیم تھا، لیکن فی ایکڑ پیداوار میں غیر معمولی اضافہ کی وجہ سے ملک 6,850 ملین ٹن چینی پیدا کرنے میں کامیاب رہا، جو وفاقی حکومت کے چینی پیداوار کے ہدف سے تقریباً ایک ملین ٹن زیادہ تھا۔ گزشتہ سال 6.7 ملین ٹن چینی پیدا ہوئی تھی۔

ڈی ایچ ایس ایم ایل کے لیے بھی کرشنگ بیزنس 2023-24 25 نومبر 2023 کو شروع ہوا اور گنے کی کرشنگ میں 7% کا اضافہ ہوا، جس کے نتیجے میں چینی کی پیداوار میں بھی اسی فیصد اضافہ ہوا کیونکہ ریکوری کی سطح گزشتہ سال کے برابر تھی۔

آپریٹنگ نتائج - ذیلی کمپنی

| | 2022-23 | 2023-24 | |
|------------------------|-----------|-----------|----------|
| گنے کی پائی | 1,585,515 | 1,694,259 | میٹرک ٹن |
| چینی کی پیداوار | 165,410 | 177,720 | میٹرک ٹن |
| چینی کا پیداواری تناسب | 10.43 | 10.49 | فیصد % |
| راب کی پیداوار | 72,025 | 74,605 | میٹرک ٹن |
| راب کا پیداواری تناسب | 4.54 | 4.40 | فیصد % |

ڈی ایچ ایس ایم ایل کے لیے بھی کرشنگ بیزنس 2023-24 25 نومبر 2023 کو شروع ہوا اور گنے کی کرشنگ میں 7% کا اضافہ ہوا، جس کے نتیجے میں چینی کی پیداوار میں بھی اسی فیصد اضافہ ہوا کیونکہ ریکوری کی سطح گزشتہ سال کے برابر تھی۔

مالیاتی نتائج کا جائزہ

کمپنی کے اہم آپریٹنگ نتائج کا تجزیہ ذیل میں دیا گیا ہے:

جائزہ لینے والے سال کے دوران کمپنی نے 13.0 ارب روپے کا ٹیکس کے بعد خالص منافع حاصل کیا، جب کہ پچھلے سال کا منافع 2.2 ارب روپے تھا، جس کے نتیجے میں کمپنی کے فی حصص آمدنی میں 37 روپے سے بڑھ کر 225 روپے تک اضافہ ہوا۔ یہ کمپنی کا سب سے زیادہ منافع ہے جو اس کی بنیاد کے بعد سے حاصل ہوا ہے۔ مجموعی منافع کا تناسب بھی 14% سے بڑھ کر 22% ہو گیا ہے۔ جائزہ لینے والے عرصے میں حاصل شدہ منافع چینی اور کوجن ڈویژن سے آیا ہے، جبکہ تیسرا شعبہ یعنی کارپوریٹ فارمز نے قدرے منفی نتائج دکھائے ہیں۔ اس ریکارڈ منافع کے اہم وجوہات ذیل میں مختصر اُمیان کی گئی ہیں:

ا۔ پچھلے سال کے مقابلے میں مجموعی ٹرن اوور میں 63% کا اضافہ۔ وہ چینی کے ذخائر جو فائدہ مند قیمتوں پر فروخت ہوئے تھے، اس سال اٹھائے گئے۔ کوجن ڈویژن سے سی پی پی اے۔ جی سے چھ سالوں کے دوران بٹایا جات کی وصولی نے بھی اس منافع کو حاصل کرنے میں مدد دی۔ تاہم، 2023-24 کے آپریٹنگ نتائج اور مالی نتائج میں چینی کے ذخائر اور بجلی کی بٹایا جات کے بغیر کمپنی کے خالص منافع میں بہت معمولی اضافہ ہوا یعنی تقریباً 85 ملین روپے۔



04

UNCONSOLIDATED FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REVIEW REPORT

To the Members of JDW Sugar Mills Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the 'Regulations'), prepared by the Board of Directors of JDW Sugar Mills Limited for the year ended September 30, 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.



Riaz Ahmad, Saqib, Gohar & Company
Chartered Accountants

03 January 2025
Lahore
UDIN: CR202410098lxkYihReW

RIAZ AHMAD, SAQIB, GOHAR & CO.

Chartered Accountants

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Corporate Office at Karachi & Regional Office at Islamabad.

STATEMENT OF COMPLIANCE

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

Name of Company: **JDW Sugar Mills Limited**

Year Ended: **30 September 2024**

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

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

- a) Male: 07
- b) Female: 01

2) The composition of the Board* is as follows:

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

*Subsequent to the financial year end 30 September, 2024, the election of directors was held on 01 November 2024 and all above mentioned directors were re-elected for next term.

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

- 3) The Directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
- 4) The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- 5) The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company.
- 6) All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the “**Act**”) and the Regulations.
- 7) The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
- 8) The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations.
- 9) All the directors are either exempted from training owing to their experience or have attended the training in prior years except one newly appointed Non-Executive Director who will be obtaining the Director’s training in available next session.

- 10) All appointments (including remuneration, terms and conditions of employment) of Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit have been duly approved by the Board as per the requirements of applicable provisions of the Act and the Regulations.
- 11) Chief Financial Officer and Chief Executive Officer have duly endorsed the financial statements before approval of the Board.
- 12) The Board has formed Committees comprising of following:

| Sr. # | Name of Committee | Composition | |
|-------|---|--------------------------|-----------------|
| | | Name | Designation |
| (i) | Audit Committee | Mr. Zafar Iqbal | Chairman/Member |
| | | Syed Mustafa Mehmud* | Member |
| | | Mr. Ijaz Ahmed | Member |
| (ii) | Human Resource and Remuneration Committee | Mr. Asim Nisar Bajwa | Chairman/Member |
| | | Syed Mustafa Mehmud* | Member |
| | | Mr. Ijaz Ahmed | Member |
| (iii) | Nomination Committee | Mr. Jahangir Khan Tareen | Chairman/Member |
| | | Mr. Asim Nisar Bajwa | Member |
| (iv) | Risk Management Committee | Mr. Jahangir Khan Tareen | Chairman/Member |
| | | Mr. Asim Nisar Bajwa | Member |
| (v) | Corporate Social Responsibility Committee | Mr. Ijaz Ahmed | Chairman/Member |
| | | Mr. Zafar Iqbal | Member |

*Subsequent to financial year end 30 September 2024, Board Committees were re-constituted.

- 13) The Terms of Reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
- 14) The frequency of meetings of the committees were as per following:

| Sr. # | Name of Committee | Frequency of Meeting(s) |
|-------|---|-------------------------|
| (i) | Audit Committee | 4 |
| (ii) | Human Resource and Remuneration Committee | 5 |

- 15) The Board has set up an effective internal audit function controlled by internal audit department, which is comprised of qualified and experienced professionals for the purpose and are conversant with the policies and procedures of the Company.
- 16) The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (the "IFAC") guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relatives (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or any Director of the Company.
- 17) The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.



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

19) Explanation for non-compliance with requirements other than regulations 3,6,7,8,27,32,33,36 are below:

| Non-Mandatory Requirement | Reg. No | Explanation |
|---|----------------|--|
| Responsibilities of the Board of Directors and its members: | 10 | |
| <ul style="list-style-type: none"> The Board is responsible for adoption of corporate governance practices by the Company. | 10(1) | Non-mandatory provisions of the Regulations are partially complied. The Company is deliberating on full compliance with all the provisions of the Regulations. |
| Directors' Training | 19 | |
| <ul style="list-style-type: none"> A newly appointed director on the Board may acquire the directors training program certification within a period of one year from the date of appointment as a director on the Board. | 19(2) | The Company has planned to arrange Directors' Training Program certification for the remaining director in the coming year. |
| <ul style="list-style-type: none"> Companies are encouraged to arrange training for at least one head of department every year under the Directors' Training Program from July 2022. | 19(3) | The Company has planned to arrange Directors' Training Program certification for the head of department in the next few years. |

03 January 2025
Lahore

(Makhdoom Syed Ahmad Mahmud)
Chairman

INDEPENDENT AUDITORS' REPORT

To the members of JDW Sugar Mills Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of JDW Sugar Mills Limited ("the Company"), which comprise the unconsolidated statement of financial position as at 30 September 2024, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policies information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

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

Key Audit Matters

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

RIAZ AHMAD, SAQIB, GOHAR & CO.

Chartered Accountants

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Email: rasg@hr@rasgco.com, Website: www.rasgco.com

Corporate Office at Karachi & Regional Office at Islamabad.

Following are the Key Audit Matters:

| Sr. No. | Key Audit Matters | How the matters were addressed in our audit |
|---------|--|--|
| 1 | <p>Revenue recognition</p> | |
| | <p>Refer to notes 4.13.1 and 34 to these unconsolidated financial statements.</p> <p>The Company primarily generates revenue from the sale of crystalline sugar, along with its by-products, agricultural produce, and energy.</p> <p>We identified revenue recognition as a key audit matter because it is one of the key performance indicator of the Company and gives rise to an inherent risk of misstatement to meet expectations or targets, consequently requiring significant time and audit efforts.</p> | <p>Our audit procedures, 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 15 (IFRS 15) 'Revenue from Contracts with Customers'; reviewed the management procedures carried out for evaluation of contractual arrangements with customers (oral and written) with respect to identification of each party's rights regarding the goods to be transferred and revenue has been recognized after meeting the conditions of IFRS 15; reviewed a sample of contractual arrangement entered into by the Company with its customers and checking the Company's obligation to transfer goods to a customer; for which the Company has received consideration, has been satisfied before recognition of revenue; compared a sample of sale transactions recorded during the year with sales orders, sales invoices, delivery orders and other relevant underlying documents; compared a sample of sale transactions recorded before and after reporting period and near the year end with relevant underlying documentation to assess whether revenue has been recorded in the appropriate accounting period; compared a sample of energy sales transactions with energy invoices duly verified by Central Power Purchasing Agency (Guarantee) Limited ("CPPA-G") and assess whether the revenue has been recorded in the appropriate accounting period; for a sample of invoices, recalculated the invoice amount based on fixed and variable component provided by National Electric Power Regulatory Authority (NEPRA); scanned for any manual journal entries relating to sales recorded during and near the year end which were considered to be material or met other specific risk based criteria for inspecting underlying documentation; and assessed the adequacy of disclosures in the unconsolidated financial statements to be in accordance with the applicable accounting and reporting standards. |

| Sr. No. | Key Audit Matters | How the matters were addressed in our audit |
|---------|---|--|
| 2 | <p>Valuation of biological assets (standing sugarcane)</p> | |
| | <p>Refer to notes 4.6 & 27 to these unconsolidated financial statements.</p> <p>Significant judgment and estimates are applied in assessing the fair value of biological assets. At 30 September 2024, the fair value of the standing sugarcane is Rs. 3,647 million which constitutes a material balance on the unconsolidated statement of financial position.</p> <p>The value of standing sugarcane is based on the current estimated cane price for the following season and sucrose content less the estimated cost of harvesting, transport and other related cost.</p> <p>Significant judgement is required in estimating the expected cane yield, the maturity of the cane and the estimated sucrose content for the various operating locations and is also considered subjective since it is based on executive management, its experience, expectations and relevant current external factors.</p> <p>Given the value of the biological assets, together with the significant judgement and estimates that are required in determining the fair value, the valuation of biological assets is considered a key audit matter.</p> | <p>Our procedures performed in considering the appropriateness of the valuation of standing sugarcane included the following:</p> <ul style="list-style-type: none"> • management’s representation with regards to the valuation techniques and fair presentation of the biological assets were obtained and evaluated; • critically evaluated the fair value methodology against criteria in IAS 41 ‘Agriculture’ and IFRS 13 ‘Fair Value Measurement’, measurements and key assumptions applied by management in determining the fair value of the standing sugarcane; • examined the professional qualification of professional’s expert and assessed the independence, competence and experience of the professional’s expert in the field; • performed sensitivities to assess the impact of changes in the significant inputs; • reviewed the principles used in the valuation of standing sugarcane and analysed the key assumptions used in the valuation model; • detailed testing on the key inputs into the standing sugarcane valuation model including estimated yields, estimated sucrose content and forecast price to confirm the validity, accuracy and completeness of the data by comparing the data to market and other external data where applicable; • compared the prior year’s estimated yields, estimated sucrose content and forecast price to the current year actuals attained to assess the reasonableness and accuracy of management’ estimates; • reviewed the formulae as per the model and recalculating for mathematical accuracy; and • evaluated the adequacy of the unconsolidated financial statements disclosures, including disclosures of key assumptions, judgments and sensitivities to ensure that they are in compliance with the IAS 41 and IFRS 13. |



| Sr. No. | Key Audit Matters | How the matters were addressed in our audit |
|-----------------|---|---|
| <p>3</p> | <p>Recognition of deferred tax assets relating to Minimum Turnover Tax and Alternative Corporate Tax (tax credits)</p> <p>Refer to notes 4.11.2 & 11 to these unconsolidated financial statements.</p> <p>Under International Accounting Standard 12 “Income Taxes”, the Company is required to review recoverability of the deferred tax assets recognized in the unconsolidated statement of financial position at each reporting period.</p> <p>Recognition of deferred tax assets is dependent on management’s estimate of availability of sufficient future taxable profits against which carried forward un-used tax credits can be utilized. The future taxable profits are based on approved projections.</p> <p>This estimation involves a degree of uncertainty and requires judgement in relation to the future cash flows and also involves assessment of timing of reversal of un-used tax credits.</p> <p>As at 30 September 2024, the Company has recognized deferred tax assets amounting to Rs. 1,028 million mainly on account of un-used tax credits.</p> <p>We considered this as a key audit matter due to the inherent uncertainty in forecasting the amount and timing of future taxable profits and the reversal of deductible temporary differences and management judgement regarding assumptions used in this area.</p> | <p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> obtained understanding of management process of preparation of taxable income and liability forecast and deferred tax calculation; tested management’s computation of un-used tax credits for which deferred tax assets has been recognized; analyzed the requirements of Income Tax Ordinance, 2001, in relation to above and considered the ageing analysis, expiry periods of relevant deferred tax assets and tax rates enacted in consultation with our internal tax professionals; assessed the reasonableness of assumptions such as growth rate, future revenue and costs and other relevant information for assessing the quality of Company’s forecasting process in determining the future taxable profits; tested mathematical accuracy of future projections and the use of appropriate tax rate applicable on temporary differences; and assessed the appropriateness of management’s accounting for deferred taxes and the accuracy of related disclosures in accordance with the applicable accounting and reporting standards. |
| <p>4</p> | <p>Valuation of stock-in-trade</p> <p>Refer to note 29 to these unconsolidated financial statements.</p> <p>Stock-in-trade at the reporting date mainly included bagasse and finished goods (sugar bags).</p> <p>The value of stock-in-trade at the reporting date aggregated to Rs. 21,578 million representing 53% of the Company’s total current assets.</p> <p>The valuation of finished goods at cost has different components, which includes judgment and assumptions in relation to the allocation of labour and other various overheads incurred in bringing the inventories to their present location and conditions.</p> <p>Judgment has also been exercised by the management in determining the net realisable value of finished goods and estimating the stock of bagasse.</p> <p>We identified this matter as key in our audit due to the judgment and assumptions applied by the Company in determining the cost and net realisable value of stock-in-trade at the reporting date.</p> | <p>We assessed the appropriateness of management assumptions applied in calculating the value of stock-in-trade and validated the valuation by taking following steps:</p> <ul style="list-style-type: none"> assessed whether the Company’s accounting policy for inventory valuation is in line with the International Accounting Standard 2 “Inventories”; attended inventory count at the year-end and reconciled physical inventory with inventory lists provided to ensure completeness of data; assessed historical cost recorded in inventory valuation by checking purchase invoices on sample basis; re-calculated the value of stock in trade by allocating the fixed and variable overheads and reviewed the adequacy of costing methodology; performed net realisable value test to assess whether cost of inventories exceeded its net realisable value by detailed review of subsequent sale invoices; and assessed the adequacy of disclosures in these unconsolidated financial statements to be in accordance with the applicable accounting and reporting standards. |

| Sr. No. | Key Audit Matters | How the matters were addressed in our audit |
|---------|--|---|
| 5 | <p>Contingencies</p> <p>Refer to note 20.1 to these unconsolidated financial statements.</p> <p>The Company is exposed to different laws, regulations and interpretations thereof and hence, there is a litigation risk.</p> <p>Given the nature and amounts involved in such cases and the appellate forums at which these are pending, the ultimate outcome and the resultant accounting in the unconsolidated financial statements is subject to significant judgement, which can change over time as new facts emerge and each legal case progresses. For such reasons, we have considered the contingencies as a key audit matter.</p> | <p>Our audit procedures in this area included, amongst others, the following:</p> <ul style="list-style-type: none"> obtained an understanding of the Company's processes and controls over litigations through meeting with the management, review of the minutes of the Board of Directors; reviewing the correspondence of the Company with the relevant authorities and legal advisors including judgments or orders passed by the competent authorities; obtained and reviewed direct confirmations from the Company's external advisors for their views on the legal position of the Company in relation to the contingent matters; involved our internal tax / legal professionals to assess management's conclusions on contingent tax / legal matters; and evaluated the adequacy of disclosures made in respect of these contingencies in accordance with the applicable accounting and reporting standards. |

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

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 September 2024, but does not include the consolidated and unconsolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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



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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

03 January 2025
Lahore
UDIN: AR2024100988pZ9GSEvQ



Riaz Ahmad, Saqib, Gohar & Company
Chartered Accountants



UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Note | 2024 Rupees | 2023 Rupees |
|--|------|-----------------------|-----------------------|
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Share capital | 7 | 577,766,610 | 577,766,610 |
| Share premium reserve | 8 | 678,316,928 | 678,316,928 |
| Accumulated profit | | 25,746,354,081 | 14,735,295,329 |
| | | 27,002,437,619 | 15,991,378,867 |
| NON-CURRENT LIABILITIES | | | |
| Long term finances - secured | 9 | 6,735,256,210 | – |
| Lease liabilities | 10 | 2,236,056,698 | 1,971,251,988 |
| Deferred taxation | 11 | 1,440,498,092 | 319,487,885 |
| | | 10,411,811,000 | 2,290,739,873 |
| CURRENT LIABILITIES | | | |
| Short term borrowings | 13 | 24,254,587,213 | 7,192,529,027 |
| Current portion of non-current liabilities | 14 | 1,151,763,356 | 7,339,156,750 |
| Trade and other payables | 15 | 3,867,258,373 | 3,023,944,806 |
| Advances from customers | 16 | 1,201,834,616 | 15,335,981,447 |
| Unclaimed dividend | 17 | 60,343,112 | 52,850,040 |
| Accrued profit / interest / mark-up | 18 | 1,667,153,061 | 674,037,003 |
| Provision for taxation and levy - net | 19 | 852,832,697 | – |
| | | 33,055,772,428 | 33,618,499,073 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 20 | 70,470,021,047 | 51,900,617,813 |

The annexed notes from 1 to 54 form an integral part of these unconsolidated financial statements.

Chief Financial Officer

| | Note | 2024 Rupees | 2023 Rupees |
|---|------|----------------|----------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 21 | 24,391,398,851 | 19,512,840,544 |
| Right-of-use assets | 22 | 2,919,672,387 | 2,540,480,809 |
| Investment property | 23 | 428,597,775 | 317,840,212 |
| Intangibles | 24 | 608,310,693 | 608,650,648 |
| Long term investments | 25 | 1,049,750,000 | 1,049,752,500 |
| Long term deposits | 26 | 139,226,769 | 149,264,734 |
| Retirement benefits | 12 | 59,933,749 | 44,469,926 |
| | | 29,596,890,224 | 24,223,299,373 |
| CURRENT ASSETS | | | |
| Short term investments | 25 | 1,234,451,521 | 1,067,680,059 |
| Biological assets | 27 | 3,649,324,613 | 3,605,862,039 |
| Stores, spare parts and loose tools | 28 | 2,369,982,038 | 2,428,431,679 |
| Stock-in-trade | 29 | 21,577,807,317 | 15,822,918,641 |
| Trade receivables | 30 | 9,628,389,306 | 3,177,651,602 |
| Advances, deposits, prepayments and other receivables | 31 | 1,727,589,204 | 1,237,415,156 |
| Advance income tax - net | | – | 178,768,184 |
| Other financial asset | 32 | 1,046,265 | – |
| Cash and bank balances | 33 | 684,540,559 | 158,591,080 |
| | | 40,873,130,823 | 27,677,318,440 |
| | | 70,470,021,047 | 51,900,617,813 |



UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 September 2024

| | Note | 2024 Rupees | (Restated) 2023 Rupees |
|---|------|------------------|------------------------------|
| Gross revenue | | 133,269,776,057 | 81,904,266,779 |
| Sales tax, other taxes and commission | | (17,219,910,744) | (9,561,160,883) |
| Revenue from contracts with customers | 34 | 116,049,865,313 | 72,343,105,896 |
| Cost of revenue | 35 | (90,899,289,582) | (62,032,103,826) |
| Gross profit | | 25,150,575,731 | 10,311,002,070 |
| Administrative expenses | 36 | (2,904,457,075) | (2,541,448,555) |
| Selling expenses | 37 | (96,430,699) | (65,373,857) |
| Other income | 38 | 3,116,843,489 | 1,032,854,277 |
| Other expenses | 39 | (1,100,815,402) | (218,957,432) |
| | | (984,859,687) | (1,792,925,567) |
| Profit from operations | | 24,165,716,044 | 8,518,076,503 |
| Finance cost | 40 | (7,507,199,632) | (5,453,328,864) |
| Profit before taxation and levy | | 16,658,516,412 | 3,064,747,639 |
| Levy | 41 | (123,991,365) | (777,534,983) |
| Profit before taxation | | 16,534,525,047 | 2,287,212,656 |
| Taxation | 42 | (3,525,216,316) | (121,118,578) |
| Profit for the year | | 13,009,308,731 | 2,166,094,078 |
| Earnings per share - basic and diluted | 43 | 225.17 | 37.17 |

The annexed notes from 1 to 54 form an integral part of these unconsolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Director

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2024

| | Note | 2024 Rupees | 2023 Rupees |
|--|------|-----------------------|----------------------|
| Profit for the year | | 13,009,308,731 | 2,166,094,078 |
| Other comprehensive income / (loss) - net of tax | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | |
| Remeasurements of retirement benefits | 12.4 | 39,234,682 | (31,731,476) |
| Related deferred tax | 11.3 | (15,301,526) | 10,790,054 |
| | | 23,933,156 | (20,941,422) |
| Total comprehensive income for the year | | 13,033,241,887 | 2,145,152,656 |

The annexed notes from 1 to 54 form an integral part of these unconsolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Director



UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 September 2024

| | Note | 2024 Rupees | 2023 Rupees |
|---|------|-----------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 44 | 414,166,627 | 19,428,931,651 |
| Taxes and levies paid | | (1,761,837,537) | (750,815,931) |
| Staff retirement benefits paid | | (354,678,466) | (425,975,352) |
| Interest income received | | 1,142,726,503 | 233,196,293 |
| Long term deposits | | 10,037,965 | (54,437,216) |
| Workers' Profit Participation Fund paid | 15.3 | (316,449,899) | (458,972,129) |
| Workers' Welfare Fund paid | 15.5 | (35,687,653) | – |
| | | (1,315,889,087) | (1,457,004,335) |
| Net cash (used in) / generated from operating activities | | (901,722,460) | 17,971,927,316 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Capital expenditure | | (6,328,012,458) | (1,839,026,990) |
| Right-of-use assets | | 1,737,636 | (11,629,962) |
| Payment for acquisition of investment property | | (110,757,563) | (93,282,100) |
| Dividend income received | | 262,559,338 | – |
| Investment made in term deposits receipts | | (6,250,000,000) | – |
| Proceeds from the maturity of term deposit receipts | | 6,250,000,000 | – |
| Investment made in mutual funds units | | (1,046,265) | – |
| Proceeds from disposal of investment in associate | | 2,500 | – |
| Proceeds from insurance claim | | 38,478,000 | – |
| Proceeds from disposal of operating fixed assets | | 97,940,460 | 80,397,412 |
| Net cash used in investing activities | | (6,039,098,352) | (1,863,541,640) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Long term finances – net | | 186,027,772 | (2,884,422,572) |
| Short term borrowings – net | | 16,008,355,002 | (4,187,872,613) |
| Financial charges paid as: | | | |
| – finance cost | | (6,020,068,817) | (5,192,235,932) |
| – interest on lease liabilities | | (602,069,192) | (371,831,060) |
| Principal portion of lease liabilities paid | | (1,033,487,595) | (902,568,552) |
| Payment for own shares purchased for cancellation | | – | (892,206,128) |
| Transaction cost paid | | (111,000,000) | – |
| Dividend paid | | (2,014,690,063) | (2,154,415,680) |
| Net cash generated from / (used in) financing activities | | 6,413,067,107 | (16,585,552,537) |
| Net decrease in cash and cash equivalents | | (527,753,705) | (477,166,861) |
| Cash and cash equivalents at beginning of the year | | (2,768,529,076) | (2,291,362,215) |
| Cash and cash equivalents at end of the year | | (3,296,282,781) | (2,768,529,076) |
| Cash and cash equivalents comprise of the following: | | | |
| – Cash and bank balances | 33 | 684,540,559 | 158,591,080 |
| – Running finances | 13.2 | (3,980,823,340) | (2,927,120,156) |
| | | (3,296,282,781) | (2,768,529,076) |

The annexed notes from 1 to 54 form an integral part of these unconsolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Director

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2024

| | Share capital | | Reserves | | Total reserves | Total equity |
|---|---------------|-------------|-----------------|--------------------|-----------------|--------------|
| | Capital | | Revenue | Accumulated profit | | |
| | Share premium | Rupees | Rupees | | | |
| Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| Balance as at 01 October 2022 | 597,766,610 | 678,316,928 | 15,628,973,589 | 16,307,290,517 | 16,905,057,127 | |
| Total comprehensive income for the year | | | | | | |
| Profit for the year | - | - | 2,166,094,078 | 2,166,094,078 | 2,166,094,078 | |
| Other comprehensive loss for the year | - | - | (20,941,422) | (20,941,422) | (20,941,422) | |
| | - | - | 2,145,152,656 | 2,145,152,656 | 2,145,152,656 | |
| Transactions with owners of the Company recorded directly in equity | | | | | | |
| Final cash dividend @ Rs. 12.5 per share for the year ended 30 September 2022 | - | - | (722,208,263) | (722,208,263) | (722,208,263) | |
| Interim cash dividend @ Rs. 10 per share for the half year ended 31 March 2023 | - | - | (577,766,610) | (577,766,610) | (577,766,610) | |
| Interim cash dividend @ Rs. 15 per share for the nine months ended 30 June 2023 | - | - | (866,649,915) | (866,649,915) | (866,649,915) | |
| Own shares purchased and cancelled during the year | (20,000,000) | - | (872,206,128) | (872,206,128) | (892,206,128) | |
| | (20,000,000) | - | (3,038,830,916) | (3,038,830,916) | (3,058,830,916) | |
| Balance as at 30 September 2023 | 577,766,610 | 678,316,928 | 14,735,295,329 | 15,413,612,257 | 15,991,378,867 | |
| Total comprehensive income for the year | | | | | | |
| Profit for the year | - | - | 13,009,308,731 | 13,009,308,731 | 13,009,308,731 | |
| Other comprehensive income for the year | - | - | 23,933,156 | 23,933,156 | 23,933,156 | |
| | - | - | 13,033,241,887 | 13,033,241,887 | 13,033,241,887 | |
| Transactions with owners of the Company recorded directly in equity | | | | | | |
| Final cash dividend @ Rs. 15 per share for the year ended 30 September 2023 | - | - | (866,649,915) | (866,649,915) | (866,649,915) | |
| Interim cash dividend @ Rs. 20 per share for the half year ended 31 March 2024 | - | - | (1,155,533,220) | (1,155,533,220) | (1,155,533,220) | |
| | - | - | (2,022,183,135) | (2,022,183,135) | (2,022,183,135) | |
| Balance as at 30 September 2024 | 577,766,610 | 678,316,928 | 25,746,354,081 | 26,424,671,009 | 27,002,437,619 | |

The annexed notes from 1 to 54 form an integral part of these unconsolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Director



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

1. CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

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

The Board of Directors has resolved to set-up a state-of-the-art distillery project with initial capacity of 230,000 liters per day (the “Distillery/Ethanol Project”). The Distillery/Ethanol Project will produce best quality exportable Ethanol from molasses, which is a sugar’s by-product. (for details, refer to note 9.3 & 21.1.9).

The geographical locations and addresses of the Company’s business units, including Mills / Plant are as under:

| Business Unit | Geographical location |
|--------------------------------------|--|
| Head Office & Registered Office: | 17 - Abid Majeed Road, Lahore Cantonment, Lahore, Pakistan |
| Sugar Mill (Unit-I): | Mauza Sharin, Jamal Din Wali, District Rahim Yar Khan, Punjab |
| Sugar Mill & Power Plant (Unit-II): | Machi Goth, Sadiqabad, District Rahim Yar Khan, Punjab |
| Sugar Mill & Power Plant (Unit-III): | Mauza Lалуwali, Near Village Islamabad, District Ghotki, Sindh |
| Distillery / Ethanol Project: | Mauza Pir Ahmedabad, Kot Subzal, National Highway Sadiqabad, District Rahim Yar Khan, Punjab |
| Corporate Farms: | Punjab Zone |
| Corporate Farms: | Sindh Zone |

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

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

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

2. BASIS OF PREPARATION

2.1 Separate financial statements

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

The Company has made investments in following companies (for details, refer to note 25):

| Name of Company | Country of incorporation | Shareholding | |
|--|--------------------------|--------------|--------|
| | | 2024 | 2023 |
| Subsidiaries | | | |
| - Deharki Sugar Mills (Private) Limited ("DSML") | Pakistan | 100% | 100% |
| - Ghotki Power (Private) Limited ("GPL") | Pakistan | 100% | 100% |
| - Sadiqabad Power (Private) Limited ("SPL") | Pakistan | 100% | 100% |
| - Faruki Pulp Mills Limited ("FPML") | Pakistan | 57.67% | 57.67% |
| Associate: | | | |
| - Kathai-II Hydro (Private) Limited ("KHL") | Pakistan | – | 20% |

2.2 Statement of compliance

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

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

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

2.3 Basis of measurement

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

2.4 Functional and presentation currency

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

3. KEY JUDGMENTS AND ESTIMATES

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

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

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

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

- Useful lives, residual values and depreciation method of operating fixed assets - note 4.1.1
- Estimation regarding determination of lease term, lease classification and incremental borrowing rate under IFRS 16 - note 4.2
- Useful lives, residual values and amortization method of intangible assets - note 5.1.2
- Fair value of biological assets - note 4.6 & 27
- Provision for impairment of inventories - note 4.7 & 28
- Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses and tax credits) - note 4.11
- Obligation under employee retirement benefits - note 4.12
- Revenue from contracts with customers – note 4.13
- Estimation of provisions - note 4.16
- Estimation of contingent liabilities and assets - note 4.17 & 4.18
- Expected credit losses of certain financial assets under IFRS 9 - note - 4.19.6
- Incurred impairment losses of certain financial assets under IAS 39 - note - 4.19.7
- Impairment loss of non-financial assets other than inventories and deferred tax assets - note 4.20

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Property, plant and equipment

4.1.1 Operating fixed assets

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

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

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

Depreciation is charged to the unconsolidated statement of profit or loss so as to write off the cost or carrying amount of assets (other than land, capital work-in-progress and identifiable major stores, spare parts and loose tools held for capital expenditure) over their estimated useful lives / rates, using reducing balance method and straight-line method at rates specified in note 21.1. The straight-line method is used for assets related to corporate farms segment of the Company. However, sometimes, the future economic benefits embodied in an asset are absorbed in producing other assets. In this case, the depreciation charge constitutes part of the cost of the other asset and is included in its carrying amount.

Sugarcane roots (bearer plants) are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Costs capitalized to sugarcane roots include preparing the land, maintaining a source of seed cane, planting the seed cane and costs related to establishing new area under cane. Depreciation of bearer plants commences when they are ready for their intended use. Costs incurred for infilling including block infilling are generally recognized in the unconsolidated statement of profit or loss unless there is a significant increase in the yield of the sections, in which case such costs are capitalized and depreciated over the remaining useful life of the respective fields. Depreciation on bearer plants is recognized so as to write off its cost less residual values over useful lives, using the straight-line method at rates as specified in note 21.1

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount as referred in note 4.20

Gains or losses arising on derecognition of an item of operating fixed assets is determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the unconsolidated statement of profit or loss within other income or other expenses. The useful lives, residual values and depreciation method are reviewed on as of reporting date. The effect of any changes in estimate is accounted for on a prospective basis.

4.1.2 Capital work-in-progress

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

4.1.3 Major stores and spare parts held for capex

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



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4.2 Lease liability and right-of-use asset

4.2.1 The Company is the lessee:

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

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

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

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as specified in note 22.

Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. The estimated useful lives of these right of use assets are determined on the same basis as those of operating fixed assets. The Company also assesses the right-of-use asset for impairment when such indicators exist.

Short term leases and low-value assets

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

Lease liabilities

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

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

4.2.2 The Company is the lessor:

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

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in these unconsolidated statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The Company also earns rental income from operating leases of its investment property (see note 4.4). Rental income is recognised on a straight-line basis over the term of the lease.

4.2.3 The Company is the intermediate lessor:

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption as described in note 4.2.2, then it classifies the sub-lease as an operating lease.

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

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

4.3 Ijarah contracts

The Company has entered into Ijarah contracts under which it obtains usufruct of an asset for an agreed period for an agreed consideration. The Ijarah contracts are undertaken in compliance with the Shariah essentials for such contracts prescribed by the State Bank of Pakistan. The Company unconsolidated financial statements for its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. As required under IFAS 2 "Ijarah" (notified through SRO 431 (I) / 2007 by Securities & Exchange Commission of Pakistan), the Company as a Mustaj'ir (lessee) in the Ijarah contract recognises the Ujrah (lease) payments as an expense in these unconsolidated statement of profit and loss on straight line basis over the Ijarah term.

4.4 Investment property

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

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



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

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

4.5 Investments

4.5.1 Investment in equity instruments of subsidiary companies

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

4.5.2 Investments in equity instruments of associated companies

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

4.6 Biological assets

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

Consumable biological assets, comprising of standing sugarcane and other crops (if any) are measured at their fair value determined by discounting future cash flows (income approach methodology) from operations over the estimated useful life of the biological assets using the discount rate mentioned in note 27.

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

The sugarcane roots are bearer plants and are therefore presented and accounted for as operating fixed assets under the head 'property, plant and equipment' as explained in note 4.1.1. However, the standing sugarcane and other crops are accounted for as biological assets until the point of harvest. Sugarcane and other crops are transferred to inventory at fair value less costs to sell when harvested.

A gain or loss arising on initial recognition of a biological asset / agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset are included in the unconsolidated statement of profit or loss for the period in which it arises. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income taxes.

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

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

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

4.7 Stores, spare parts and loose tools

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

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

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

4.8 Stock-in-trade

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

Cost is determined as follows:

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

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

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

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



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4.9 Advances, deposits and prepayments except financial assets

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

4.10 Cash and cash equivalents

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

4.11 Taxation

Taxation for the year is comprised of current and deferred tax.

4.11.1 Current tax

Income tax

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation. The charge for current tax is calculated using tax rates (and laws) that have been enacted or substantially enacted at the reporting date and after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

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

Agriculture tax

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

4.11.2 Deferred tax

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

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

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

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

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

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

4.11.3 Group taxation

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

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

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



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account of group taxation are credited or charged to unconsolidated statement of profit or loss in the year in which they arise.

4.11.4 Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the unconsolidated statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 12/IAS 37. However, taxes on dividends on the Company's investments in subsidiaries and associates which are specifically within the scope of IAS 12 and hence these continue to be categorised as current income tax.

4.12 Employee benefits

4.12.1 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plan is recognized as an employee benefit expense in the unconsolidated statement of profit or loss when they are due. The Company operates approved contributory provident fund for its eligible employees. Equal monthly contribution is made both by the Company and employee to the fund at the rate of 10% of basic salary.

4.12.2 Defined benefit plan

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

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

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

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

The calculation of defined benefit obligation is performed by qualified actuary by using the projected unit credit method and charge for the year, other than on account of experience adjustment, is included in the unconsolidated statement of profit or loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income.

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

4.13 Revenue from contracts with customers

4.13.1 Revenue recognition

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

a) Sale of goods

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

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

b) Sale of energy

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

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

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

c) Other income

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

- income on bank deposits is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return;
- foreign currency gains and losses are reported on a net basis;
- rental income arising from investment property and sub-lease (operating lease) is recognized in accordance with the terms of lease contracts over the lease term on straight-line basis;



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- interest income is recognized as and when accrued on effective interest method;
- delayed payment mark-up on amounts due under the EPA is accrued on a time proportion basis by reference to the amount outstanding and the applicable rate of return under the EPA.
- Mark-up on grower advance is accounted for in line with the recovery of the respective loan;
- Income from sale of scrap / store items is recorded when risks and rewards are transferred to the customers which coincides with the time of dispatch of items;
- Dividend income is recognized when the right to receive is established;
- Insurance claims are recognized when the loss event has occurred, and the claim has been successfully acknowledged by the insurance company;
- Other incomes, if any, are accounted when performance obligations are met.

4.13.2 Contract balances

a) Contract liabilities (advances from customers)

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

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

b) Trade receivables / contract assets

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

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

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

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. Refer note 4.19.6 for a description of the Company's impairment policies.

c) Contract cost

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

4.14 Borrowing cost

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

4.15 Trade and other payables

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

4.16 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The Company reviews the status of all pending litigations and claims against the Company. Based on its judgment and the advice of the legal advisors/consultants for the estimated financial outcome, an appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the unconsolidated statement of financial position date.

4.17 Contingent liabilities

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

4.18 Contingent assets

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

4.19 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.19.1 Recognition and initial measurement

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

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



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4.19.2 Classification and subsequent measurement

Financial assets

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

The classification is determined by both:

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

Financial assets – Business model assessment

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

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

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

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

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

4.19.3 Subsequent measurement of financial assets

i) Financial assets at amortized cost (debt instruments)

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

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

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

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

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

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

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

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

iv) Financial assets at fair value through profit or loss

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

Financial liabilities

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



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

4.19.4 Derecognition

Financial assets

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

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

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

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the unconsolidated statement of profit or loss.

4.19.5 Offsetting of financial instruments

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

4.19.6 Impairment of financial assets

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

receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

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

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

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

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

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

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.



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4.19.7 Financial assets due from the Government of Pakistan

Financial assets due from the Government of Pakistan include trade receivables due from CPPA-G under the EPA that also includes accrued amounts of markup. As stated in note 6.5, the SECP has granted an exemption from the application of IFRS 9 requirements related to Expected Credit Losses (ECL) method for companies holding financial assets due from the Government of Pakistan in respect of circular debt. Accordingly, the Company has applied the following policy during exemption period:

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

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

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

4.20 Non - Financial assets

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

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

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

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in unconsolidated statement of profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

A reversal of impairment loss for a cash generating unit is allocated to the assets of the unit, except for goodwill, pro rata with the carrying amounts of those assets. The increase in the carrying amounts shall be treated as reversals of impairment losses for individual assets and recognized in the unconsolidated statement of profit or loss unless the asset is measured at revalued amount. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase.

4.21 Dividend

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

4.22 Earnings per share (EPS)

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

5. SUMMARY OF OTHER ACCOUNTING POLICIES

Other than material accounting policies applied in the preparation of these unconsolidated –financial statements are set out below for ease of user's understanding of these –unconsolidated financial statements. These policies have been applied consistently for all periods presented, unless otherwise stated.

5.1 Intangibles

5.1.1 Goodwill

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

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

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at cost less accumulated impairment losses, if any. (for impairment testing, refer to note 4.20).

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

5.1.2 Computer software

Intangible assets acquired separately are initially recognized at cost. After initial recognition, these are measured at cost less accumulated amortization and accumulated impairment losses if any. Costs associated with routine maintenance of intangible assets are recognized as an expense when incurred.



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However, costs that are directly attributable to identifiable intangible assets and which enhance or extend the performance of intangible assets beyond the original specification and useful life is recognized as capital improvement and added to the original cost of the software.

The estimated useful life and amortization method is reviewed at the end of each annual reporting period, with effect of any changes in estimate being accounted for on a prospective basis. In addition, they are subject to impairment testing as described in note 4.20

Intangible assets with finite useful life are amortized using straight-line method over its useful life as specified in note 24.2 to these unconsolidated financial statements. Amortization on additions to intangible assets is charged from the date when an asset is put to use till the asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates.

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

5.2 Foreign currency transactions

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

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

5.3 Non – current assets classified as held for sale

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

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

5.4 Business combination

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

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the identifiable net assets acquired is recorded as goodwill (for details, refer to note 5.1.1). If this is less than the fair value of the net assets acquired in the case of a bargain purchase, the difference is charged directly in the unconsolidated statement of profit or loss.

5.5 Deferred Government grant

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

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

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

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

Certain standards, amendments and interpretations to IFRSs are effective for accounting periods beginning on October 01, 2023 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these unconsolidated financial statements except:

- The Company adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 01 October 2023. Although the amendments did not result in any change to the accounting policies themselves, they impacted the accounting policy information disclosed in these unconsolidated financial statements. The amendments require the disclosure of 'material', rather than 'significant' accounting policies (see note 4). The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand from the financial statements. Management reviewed the accounting policies and made updates to the information disclosed in material accounting policies which are stated in the sub-notes.
- The Company adopted an amendment to IAS - 12 'Income Taxes' related to initial recognition exemption clarifying that the available exemption does not apply to transactions that give rise to equal and offsetting temporary differences. This adoption has no impact on the carrying amount of assets and liabilities recognized in these unconsolidated financial statements.
- During the year the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and vide circular 07/2024 dated 15 May 2024, issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum and final tax regime to be shown separately as a levy instead of showing it in current tax in the unconsolidated statement of profit or loss except The Tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Company is charged as current tax in these unconsolidated statement of profit or loss.



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The charge for current tax and levy also includes adjustments, where considered necessary, to provision for taxation and levy made in previous years arising from assessments framed during the year for such years.

Accordingly, the Company has changed its accounting policy to recognize minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'Income tax' under IAS 12.

The Company has accounted for the effects of these changes in accounting policy retrospectively under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the corresponding figures have been restated in these consolidated financial statements. The effects of restatements are as follows:

| | Had there been no change in accounting policy | Impact of change in accounting policy | After incorporating effect of change in accounting policy |
|---|--|--|--|
| | Rupees | Rupees | Rupees |
| Effect on unconsolidated statement of profit or loss: | | | |
| For the year ended 30 September 2024 | | | |
| Levies – Minimum tax | – | (123,991,365) | (123,991,365) |
| Profit before tax | 16,658,516,412 | (123,991,365) | 16,534,525,047 |
| Taxation | (3,649,207,681) | 123,991,365 | (3,525,216,316) |
| Profit for the year | 13,009,308,731 | – | 13,009,308,731 |

| | Had there been no change in accounting policy | Impact of change in accounting policy | After incorporating effect of change in accounting policy |
|---|--|--|--|
| | Rupees | Rupees | Rupees |
| Effect on unconsolidated statement of profit or loss: | | | |
| For the year ended 30 September 2023 | | | |
| Levies – Minimum tax | – | (777,534,983) | (777,534,983) |
| Profit before tax | 3,064,747,639 | (777,534,983) | 2,287,212,656 |
| Taxation | (898,653,561) | 777,534,983 | (121,118,578) |
| Profit for the year | 2,166,094,078 | – | 2,166,094,078 |

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

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

| | | Effective for the period beginning on or after |
|----------------------------|---|---|
| IAS-1 | Presentation of Financial Statements – Amendments regarding the classification of liabilities as current or non-current and non-current liabilities with covenants. | January 01, 2024 |
| IAS-7 & IFRS 7 | Statement of Cash Flows & Financial Instrument – Amendments regarding to provide qualitative and quantitative information about supplier finance arrangements. | January 01, 2024 |
| IFRS-16 | Lease Liability in a Sale-and-Leaseback – Amendment regarding how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. | January 01, 2024 |
| IAS-21 | The Effects of changes in Foreign Exchange Rates – Amendments regarding lack of Exchangeability. | January 01, 2025 |
| IFRS-7 & IFRS-9 | Financial Instruments – Classification and Measurement of Financial Instruments and Disclosure – Amendment introduces new disclosure requirements and updates others. | January 01, 2026 |
| IFRS-10 | Consolidated Financial Statements and IAS 28 - Investment in Associates and Joint Ventures – Amendment regarding the sale or contribution of assets between an investor and its associate or Joint Venture. | The effective date for these changes has been deferred indefinitely until the completion of a broader review. |

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

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

Other than the aforesaid standards, interpretations, and amendments, the International Accounting Standards Board (IASB) has also issued the following standards and interpretations, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at 30 September 2024:

| | |
|----------|--|
| IFRS – 1 | First-time adoption of IFRS |
| IFRIC 12 | Service Concession Arrangement |
| IFRS 18 | Presentation and Disclosures in Financial Statements |
| IFRS 19 | Subsidiaries without Public Accountability Disclosures |

6.4 Waiver from application of IFRS 16 “Leases”

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

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For the year ended 30 September 2024

Consequently, if the Company were to follow IFRS 16 with respect to its EPA, the effect on the unconsolidated financial statements would be as given below:

| | 2024 Rupees | 2023 Rupees |
|---|-----------------|-----------------|
| De-recognition of property, plant and equipment | (3,614,065,385) | (3,780,524,394) |
| Recognition of lease receivables | 27,012,249,350 | 20,094,185,925 |
| Increase in un-appropriated profit at beginning of the year | 16,313,661,530 | 13,268,393,324 |
| Increase in profit for the year | 7,084,522,435 | 3,045,268,207 |
| Increase in un-appropriated profit at end of the year | 23,398,183,965 | 16,313,661,531 |

6.5 Waiver from application of IFRS - 9 “Financial instruments”

SECP vide S.R.O. 1784 (I)/2024 dated 04 November 2024 notified a partial exemption of its previous S.R.O. 67 (I)/2023, dated January 20, 2023, that in respect of companies holding financial assets due or ultimately due from the Government of Pakistan in respect of circular debt, the requirements contained in “IFRS 9 (Financial Instruments) with respect to application of Expected Credit Losses method” shall be not be applicable till 31 December 2025, provided that such companies shall follow relevant requirements of IAS 39 - Financial Instruments: Recognition and Measurement, in respect of above referred financial assets during the exemption period. Accordingly, the Company has not followed the requirement of IFRS 9 with respect to application of ECL in respect of trade debts due from CPPA-G in these unconsolidated financial statements.

| | Note | 2024 Rupees | 2023 Rupees |
|---|-------|----------------------|----------------------|
| 7. SHARE CAPITAL | | | |
| 7.1 Authorized share capital | | | |
| 75,000,000 (2023: 75,000,000) voting ordinary shares of Rs. 10 each | | 750,000,000 | 750,000,000 |
| 25,000,000 (2023: 25,000,000) preference shares of Rs. 10 each | | 250,000,000 | 250,000,000 |
| | | 1,000,000,000 | 1,000,000,000 |
| 7.2 Issued, subscribed and paid up share capital | | | |
| 30,145,725 (2023: 32,145,725) voting ordinary shares of Rs. 10 each fully paid in cash | | 301,457,250 | 321,457,250 |
| 27,630,936 (2023: 27,630,936) voting bonus shares of Rs. 10 each fully paid | | 276,309,360 | 276,309,360 |
| Buy back and cancellation of 2,000,000 ordinary shares having face value of Rs. 10 each | 7.2.2 | - | (20,000,000) |
| | | 577,766,610 | 577,766,610 |

7.2.1 Mr. Jahangir Khan Tareen, an Executive Director (2023: Executive Director) holds 11,524,932 (2023: 8,649,012) and Mr. Mukhdoom Syed Ahmad Mahmud, a Non-Executive Director (2023: Non- Executive Director) holds 19,375,283 (2023: 19,251,203) ordinary shares of Rs. 10 each representing 19.95% (2023: 14.97%) and 33.53% (2023: 33.32%) of the paid up capital of the Company respectively.

7.2.2 During the last financial year the special resolution passed by the shareholders of the Company at extraordinary general meeting held on November 03, 2022, authorized the Company to buy-back and cancel the shares under Section 88 of the Companies Act, 2017 read in conjunction with the Listing Companies (Buy Back of Shares) Regulations, 2019. The Company with the approval of the shareholders accorded to buy back for cancellation upto maximum of its 2,000,000 issued, subscribed and paid-up ordinary shares having face value Rs. 10 through the Pakistan Stock Exchange Limited at the spot/ current price prevailing during purchase period. The Company had bought back and cancelled its all 2,000,000 ordinary shares from its shareholders till dated 09 January 2023. Consequently, paid up capital of the Company had been reduced to Rs. 577,766,610 divided into 57,776,661 ordinary shares of face value of Rs. 10 each.

7.2.3 The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry one vote per share without any restriction.

8. SHARE PREMIUM RESERVE

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

| | Note | 2024 Rupees | 2023 Rupees |
|---|---------|----------------|-----------------|
| 9. LONG TERM FINANCES - SECURED | | | |
| Mark-up bearing finances from conventional banks / financial institutions | 9.1.1 | 2,744,105,428 | 6,430,180,003 |
| Islamic mode of financing | 9.1.2 | 4,145,512,213 | – |
| | 9.1 | 6,889,617,641 | 6,430,180,003 |
| Less: Transaction cost | | | |
| As at 01 October | | – | (28,192,726) |
| Recognized during the year | | (111,000,000) | – |
| Amortization of transaction cost | 40 & 44 | 4,244,756 | 28,192,726 |
| As at 30 September | | (106,755,244) | – |
| | | 6,782,862,397 | 6,430,180,003 |
| Current maturity presented under current liabilities: | | | |
| Mark-up bearing finances from conventional banks / financial institutions | | – | (6,430,180,003) |
| Islamic mode of financing | | (47,606,187) | – |
| | 14 | (47,606,187) | (6,430,180,003) |
| | | 6,735,256,210 | – |

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9.1 Long term finances - secured

| Note | Mark-up / profit basis | Limit Rupees | Loan duration Years | Grace period Years | Year of loan maturity | Principal outstanding 2024 Rupees | Principal outstanding 2023 Rupees | |
|---|--|-----------------|------------------------|-----------------------|-----------------------|--------------------------------------|--------------------------------------|---------------|
| 9.1.1 Mark-up bearing finances from conventional banks/ financial institutions | | | | | | | | |
| MCB – Led syndicate – Commercial facility | | | | | | | | |
| | MCB Bank Limited | *3mk + 1 | 3,000,000,000 | 10 Years | 02 Years | 2034 | 957,651,989 | – |
| | The Bank of Punjab | 3mk + 1 | 1,500,000,000 | 10 Years | 02 Years | 2034 | 551,238,390 | – |
| | National Bank of Pakistan | 3mk + 1 | 1,000,000,000 | 10 Years | 02 Years | 2034 | 367,486,281 | – |
| | | | 5,500,000,000 | | | | 1,876,376,660 | – |
| Askari Bank Limited – Led syndicate | | | | | | | | |
| | United Bank Limited | 3mk + 1 | 1,714,285,700 | 07 Years | 03 Years | 2031 | 247,922,503 | – |
| | MCB Bank Limited | 3mk + 1 | 1,500,000,000 | 07 Years | 03 Years | 2031 | 216,932,192 | – |
| | Askari Bank Limited | 3mk + 1 | 1,500,000,000 | 07 Years | 03 Years | 2031 | 216,932,192 | – |
| | Soneri Bank Limited | 3mk + 1 | 857,142,900 | 07 Years | 03 Years | 2031 | 123,961,259 | – |
| | Allied Bank Limited | 3mk + 1 | 428,571,400 | 07 Years | 03 Years | 2031 | 61,980,622 | – |
| | | | 6,000,000,000 | | | | 867,728,768 | – |
| The Bank of Punjab – Led syndicate | | | | | | | | |
| | The Bank of Punjab | 3mk + 1.10 | 2,036,641,666 | 06 Years | – | 2027 | – | 1,504,670,865 |
| | National Bank of Pakistan | 3mk + 1.10 | 1,225,000,000 | 06 Years | – | 2027 | – | 905,030,000 |
| | Askari Bank Limited | 3mk + 1.10 | 975,000,000 | 06 Years | – | 2027 | – | 720,330,000 |
| | MCB Bank Limited | 3mk + 1.10 | 816,666,667 | 06 Years | – | 2027 | – | 603,353,335 |
| | Dubai Islamic Bank Limited | 3mk + 1.10 | 816,666,667 | 06 Years | – | 2027 | – | 603,353,335 |
| | Pak Kuwait Investment Company (Pvt.) Limited | 3mk + 1.10 | 612,500,000 | 06 Years | – | 2027 | – | 452,515,000 |
| | MCB Islamic Bank Limited | 3mk + 1.10 | 612,525,000 | 06 Years | – | 2027 | – | 452,533,468 |
| | Askari Bank Limited (Islamic) | 3mk + 1.10 | 255,000,000 | 06 Years | – | 2027 | – | 188,394,000 |
| | | | 7,350,000,000 | | | | – | 5,430,180,003 |
| | Allied Bank Limited | 3mk + 0.50 | 1,000,000,000 | 1.5 Years | 01 Year | 2024 | – | 1,000,000,000 |
| | | | 19,850,000,000 | | | | 2,744,105,428 | 6,430,180,003 |
| 9.1.2 Islamic mode of financing | | | | | | | | |
| MCB – Led syndicate – Musharka facility | | | | | | | | |
| | Meezan Bank Limited | 3mk + 1 | 2,000,000,000 | 10 Years | 02 Years | 2034 | 344,041,006 | – |
| | MCB Islamic Bank Limited | 3mk + 1 | 1,000,000,000 | 10 Years | 02 Years | 2034 | 367,486,281 | – |
| | The Bank of Punjab | 3mk + 1 | 500,000,000 | 10 Years | 02 Years | 2034 | 183,734,168 | – |
| | | | 3,500,000,000 | | | | 895,261,455 | – |
| | Bank Islami Pakistan Limited | 3mk + 0.50 | 3,000,000,000 | 03 Years | 01 Years | 2027 | 3,000,000,000 | – |
| | | | 6,500,000,000 | | | | 3,895,261,455 | – |
| | First Habib Modaraba - For vehicles | 9.1.2.1 | 273,409,866 | 04 Years | – | 2028 | 250,250,758 | – |
| | | | 6,773,409,866 | | | | 4,145,512,213 | – |
| | | | 26,623,409,866 | | | | 6,889,617,641 | 6,430,180,003 |

* 3 mk i.e. 3 months KIBOR

9.1.2.1 This represents financing facility of Rs. 273.4 million obtained from an Islamic financial institution for the purchase of motor vehicles. The Company's obligations under this financing arrangement are secured by the lender's ownership of the assets (vehicles) and security deposits (refer to notes 21.1.7 and 26 for details). Additionally, the Company has issued a Demand Promissory Note in favor of First Habib Modaraba as security for the outstanding dues.

- 9.2** Long term finances are secured against ranking / joint parri passu charge over all present and future fixed assets including project land, factory buildings and plant & machinery related to Unit I, Unit II, & Unit III of the Company amounting to Rs. 40,866 million (2023: Rs. 14,975 million) and guarantees of Sponsor Directors of the Company.
- 9.3** The Company has availed MCB - Led Syndicate and Askari - Led Syndicate finance facilities for its Distillery / Ethanol Project and construction of JDW - Tower for corporate office, respectively.
- 9.4** The MCB-led syndicate facilities, comprising both commercial and Musharaka arrangements, include a sub-limit for letters of credit of up to Rs. 5 billion which will be converted into long term finance facility after four years.

10. LEASE LIABILITIES

| | | 2024 | | | |
|---|-------------|-----------------|--------------|---------------|-----------------|
| | Note | Land | Buildings | Vehicles | Total |
| | | Rupees | Rupees | Rupees | Rupees |
| Balance as at 01 October | | 2,088,136,103 | 108,680,696 | 683,411,936 | 2,880,228,735 |
| Additions / modification / remeasurement of lease | | 1,704,157,258 | 39,959,399 | 103,950,000 | 1,848,066,657 |
| Impact of early termination | | (354,221,130) | – | – | (354,221,130) |
| Finance cost regarding lease arrangement | 40 | 454,303,611 | 20,917,454 | 126,848,127 | 602,069,192 |
| Exchange difference | | – | (372,800) | – | (372,800) |
| Lease payments | | (1,218,576,348) | (76,695,729) | (340,284,710) | (1,635,556,787) |
| | 10.1 & 10.2 | 2,673,799,494 | 92,489,020 | 573,925,353 | 3,340,213,867 |
| Less: Current maturity presented | | | | | |
| under current liabilities | 14 | (862,807,761) | (43,644,486) | (197,704,922) | (1,104,157,169) |
| Balance as at 30 September | | 1,810,991,733 | 48,844,534 | 376,220,431 | 2,236,056,698 |

| | | 2023 | | | |
|---|-------------|---------------|--------------|---------------|-----------------|
| | Note | Land | Buildings | Vehicles | Total |
| | | Rupees | Rupees | Rupees | Rupees |
| Balance as at 01 October | | 2,126,843,322 | 61,404,595 | 412,239,314 | 2,600,487,231 |
| Additions / modification / remeasurement of lease | | 668,998,594 | 92,254,073 | 440,095,236 | 1,201,347,903 |
| Impact of early termination | | (24,784,127) | – | – | (24,784,127) |
| Finance cost regarding lease arrangement | 40 | 269,672,379 | 11,101,205 | 91,057,476 | 371,831,060 |
| Exchange difference | | – | 5,746,280 | – | 5,746,280 |
| Lease payments | | (952,594,065) | (61,825,457) | (259,980,090) | (1,274,399,612) |
| | 10.1 & 10.2 | 2,088,136,103 | 108,680,696 | 683,411,936 | 2,880,228,735 |
| Less: Current maturity presented | | | | | |
| under current liabilities | 14 | (684,855,317) | (47,825,538) | (176,295,892) | (908,976,747) |
| Balance as at 30 September | | 1,403,280,786 | 60,855,158 | 507,116,044 | 1,971,251,988 |

- 10.1** This includes lease obligation against lease of land for Rs. 19.76 million (2023: Rs. Nil) towards Deharki Sugar Mills (Private) Limited, a wholly owned subsidiary of the Company.
- 10.2** The Company has lease contracts for agricultural land (for cultivation of sugarcane), vehicles (for its employees and other business operations) and office buildings (for office operations).
- 10.3** Implicit borrowing rate used against lease liabilities towards Islamic mode of financing and conventional banks is ranging from three to twelve months KIBOR plus 100 bps to 110 bps per annum (2023: three to twelve months KIBOR plus 100 bps to 110 bps per annum). The Company's obligations under such leases are secured by the lessor's title to the leased assets (vehicles) and security deposits (for details, refer to note 22 & 26). Further, the Company has provided Demand Promissory Note in favour of the lessor as security of outstanding due.

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For the year ended 30 September 2024

- 10.4** The maturity analysis of lease liabilities is presented in note 46.1.2 to these unconsolidated financial statements.
- 10.5** The incremental borrowing rate applied at the lease commencement date for land and building is ranging from 8.65% to 23.97% (2023: 16.70% to 23.97%). There are no variable lease payments in lease contracts. There were no lease with residual value guarantee.

| | Note | 2024 Rupees | 2023 Rupees |
|--|--------|------------------------|------------------------|
| 11. DEFERRED TAXATION | | | |
| Deferred tax liability on taxable temporary differences arising in respect of: | | | |
| – accelerated tax depreciation on operating fixed assets | | 4,407,090,663 | 3,763,980,376 |
| – right-of-use assets | | 1,138,672,231 | 816,862,976 |
| – staff retirement benefits | | 23,374,162 | 3,553,338 |
| | | <u>5,569,137,056</u> | <u>4,584,396,690</u> |
| Deferred tax asset on deductible temporary differences arising in respect of: | | | |
| – lease liabilities against right-of-use assets | | (1,302,683,408) | (932,391,744) |
| – liabilities under Islamic mode of financing | | (97,597,796) | – |
| – provisions for doubtful debts and obsolescence | | (28,064,191) | (24,469,276) |
| – provision for Workers' Profit Participation Fund | | (345,999,220) | (54,925,872) |
| – provision for Workers' Welfare Fund | | (82,286,481) | (16,601,835) |
| – tax credits | | (1,027,839,468) | (2,132,846,852) |
| | | <u>(2,884,470,564)</u> | <u>(3,161,235,579)</u> |
| – Unrecognized deferred tax liability related to operating fixed assets of bagasse based Co-Generation | 4.11.2 | (1,244,168,400) | (1,103,673,226) |
| | | <u>1,440,498,092</u> | <u>319,487,885</u> |

- 11.1** Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. As per Finance Act, 2023, super tax for the tax year 2023 and onwards has been introduced at progressive rates on high earning persons ranging from 1% to 10%, in addition to the corporate tax rate of 29%. Accordingly, deferred tax assets and liabilities have been recognised using the expected applicable rate of 39% (2023: 39%).
- 11.2** Pursuant to the Finance Act, 2024, the final tax regime for goods exporters has been replaced with a minimum tax regime. As a result, the impact on deferred tax has been appropriately recognized in these consolidated financial statements.

| | Note | 2024 Rupees | 2023 Rupees |
|--|------|----------------|----------------|
| 11.3 Movement in deferred tax balances is as follows: | | | |
| As at 01 October | | 319,487,885 | 246,261,269 |
| Recognized in statement of profit or loss: | | | |
| – accelerated tax depreciation on operating fixed assets | | 502,615,113 | 379,914,850 |
| – right-of-use assets | | 321,809,255 | 152,686,201 |
| – lease liabilities against right-of-use assets | | (370,291,664) | (187,627,264) |
| – liabilities under Islamic mode of financing | | (97,597,796) | – |
| – provisions for doubtful debts and obsolescence | | (3,594,915) | 6,632,443 |
| – provision for Workers' Profit Participation Fund | | (291,073,348) | 25,548,231 |
| – provision for Workers' Welfare Fund | | (65,684,646) | (332,226) |
| – staff retirement benefits | | 4,519,298 | 28,643,249 |
| – origination and reversal of tax credits | | 1,105,007,384 | (321,448,814) |
| | 42 | 1,105,708,681 | 84,016,670 |
| Recognized in other comprehensive income: | | | |
| – staff retirement benefits | | 15,301,526 | (10,790,054) |
| | | 1,440,498,092 | 319,487,885 |

12. RETIREMENT BENEFITS

The latest actuarial valuation of the Company's defined benefit plan – gratuity was conducted on 30 September 2024 using projected unit credit method. Details of obligation for defined benefit plan are as follows:

| | Note | 2024 Rupees | 2023 Rupees |
|---|------|----------------|----------------|
| 12.1 Unconsolidated statement of financial position | | | |
| Present value of defined benefit obligation | 12.2 | 433,517,083 | 325,997,710 |
| Fair value of plan assets | 12.3 | (493,450,832) | (370,467,636) |
| Net asset at end of the year | | (59,933,749) | (44,469,926) |
| 12.2 Movement in liability for funded defined benefit obligation | | | |
| Present value of defined benefit obligation | | | |
| at beginning of the year | | 325,997,710 | 282,100,806 |
| Current service cost for the year | | 32,501,403 | 29,675,112 |
| Interest cost for the year | | 52,267,804 | 35,918,972 |
| Benefits paid during the year | | (19,100,340) | (15,245,958) |
| Remeasurement on obligation: | | | |
| – Financial assumptions | | 43,006,489 | (14,519,686) |
| – Demographic assumptions | | – | 645,297 |
| – Experience adjustments | | (1,155,983) | 7,423,167 |
| | | 41,850,506 | (6,451,222) |
| Present value of defined benefit obligation at end of the year | 12.1 | 433,517,083 | 325,997,710 |

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| | Note | 2024 Rupees | 2023 Rupees |
|-------------|---|--------------------|--------------------|
| 12.3 | Movement in fair value of plan assets | | |
| | Balance at beginning of the year | 370,467,636 | 258,450,610 |
| | Return on plan assets excluding interest income | 60,495,767 | 41,449,414 |
| | Contributions made during the year | – | 123,996,268 |
| | Benefits paid by the Company on behalf of the plan | 502,581 | – |
| | Benefits paid during the year | (19,100,340) | (15,245,958) |
| | Remeasurement on plan assets – experience adjustments | 81,085,188 | (38,182,698) |
| | Fair value of plan assets at end of the year | 493,450,832 | 370,467,636 |
| | 12.1 | | |
| 12.4 | Charge / (credit) for the year: | | |
| | Unconsolidated statement of profit or loss: | | |
| | Current service cost | 32,501,403 | 29,675,112 |
| | Interest cost for the year | 52,267,804 | 35,918,972 |
| | Return on plan assets excluding interest income | (60,495,767) | (41,449,414) |
| | | 24,273,440 | 24,144,670 |
| | Other comprehensive (income) / loss: | | |
| | Remeasurement on obligation | 41,850,506 | (6,451,222) |
| | Remeasurement on plan assets | (81,085,188) | 38,182,698 |
| | | (39,234,682) | 31,731,476 |
| | | (14,961,242) | 55,876,146 |
| 12.5 | Movement in experience (gain) / losses | | |
| | Opening experience (gain) / losses | – | – |
| | Experience (gain) / losses | 39,234,682 | (31,731,476) |
| | Charge to other comprehensive loss / (income) | (39,234,682) | 31,731,476 |
| | Closing experience (gain) / losses | – | – |

| Break up of plan assets | 2024 | | 2023 | |
|---------------------------|-------------|------|-------------|------|
| | Rupees | % | Rupees | % |
| Mutual funds | 63,093,185 | 13% | 51,473,462 | 14% |
| Listed equity securities | 355,968,600 | 72% | 263,670,000 | 71% |
| Term finance certificates | 31,657,467 | 6% | 31,836,953 | 9% |
| Cash at bank | 42,731,580 | 9% | 23,487,221 | 6% |
| | 493,450,832 | 100% | 370,467,636 | 100% |

12.6 Risks on account of defined benefit plan

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

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

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

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

Withdrawal risks – The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service/age distribution and the benefit.

12.7 Expected future contribution

Expected future contribution for the year ending 30 September 2025 is Rs. 31.267 million (2024: Rs. 24.056 million).

12.8 Actuarial assumptions sensitivity analysis

The below sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in these unconsolidated statement of financial position. There is no change from prior year in respect of methods and assumptions used to prepare sensitivity analysis. If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 100 bps with all other variables held constant, the impact on the present value of the defined benefit obligation as at 30 September 2024 and 2023 would have been as follows:

| | Change | Impact on defined benefit obligation | | | |
|--------------------|---------|--------------------------------------|--------------|--------------|--------------|
| | | 2024 | | 2023 | |
| | | Increase | Decrease | Increase | Decrease |
| Rupees | | | | | |
| Discount rate | 100 BPS | (32,469,084) | 36,969,484 | (23,568,968) | 26,736,615 |
| Salary growth rate | 100 BPS | 35,378,137 | (31,673,206) | 25,922,296 | (23,262,107) |

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

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

| | | 2024 | 203 |
|--------------|---|------------------|------------------|
| 12.9 | Principal actuarial assumptions used | | |
| | Valuation discount rate | 12.00% | 16.75% |
| | Valuation discount rate for P&L | 16.75% | 13.25% |
| | Salary increase rate | 12.00% | 16.50% |
| | Expected return on plan assets | 12.00% | 16.75% |
| | Retirement assumption | 60 years | 60 years |
| | Weighted average duration of obligation | 8.10 year | 7.81 year |
| | Mortality rate | SLIC 2001 - 2005 | SLIC 2001 - 2005 |
| | Withdrawal rate | Moderate | Moderate |
| | | 2024 | 2023 |
| | | Rupees | Rupees |
| 12.10 | Maturity profile | | |
| | 1 - 5 years | 327,346,951 | 277,973,114 |
| | 6 - 10 years | 216,908,248 | 174,426,956 |
| | 11 - above years | 1,113,456,325 | 2,096,590,964 |



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| | Note | 2024 Rupees | 2023 Rupees |
|---|------|----------------|----------------|
| 13. SHORT TERM BORROWINGS | | | |
| Mark-up based borrowings from conventional banks / financial institution - secured | | | |
| - Cash finances | 13.1 | 14,339,948,367 | 2,095,363,687 |
| - Running finances | 13.2 | 3,980,823,340 | 2,927,120,156 |
| - Finance against trust receipts | 13.3 | 135,810,436 | 52,134,162 |
| - Agriculture finance facility | 13.4 | 400,000,000 | 250,000,000 |
| | | 18,856,582,143 | 5,324,618,005 |
| Islamic mode of financing - secured | | | |
| - Salam / Istisna / Musawamah / Tijarah finances | 13.5 | 4,898,249,909 | 667,911,022 |
| - Agriculture finance facility | 13.6 | 499,755,161 | 50,000,000 |
| - Sukuk finances | 13.7 | - | - |
| | | 5,398,005,070 | 717,911,022 |
| Borrowings from related party - unsecured | | | |
| - Deharki Sugar Mills (Private) Limited | 13.8 | - | 1,150,000,000 |
| | | 24,254,587,213 | 7,192,529,027 |

- 13.1** The Company has availed cash finance facilities from various banks aggregated to Rs. 23,600 million (2023: Rs. 15,400 million). The mark-up rates applicable during the year ranges from one to three months KIBOR plus 50 to 100 bps per annum (2023: one to three months KIBOR plus 50 to 100 bps per annum) on utilized limits. These facilities are secured against pledge charge over white refined sugar bags with 15% to 25% margin and personal guarantees of all Directors of the Company.
- 13.2** The Company has obtained running finance facilities aggregated to Rs. 5,271 million (2023: Rs. 3,271 million). The mark-up rates applicable during the year ranges from one to three months KIBOR plus 50 to 100 bps per annum (2023: one to three months KIBOR plus 75 to 100 bps per annum). These are secured against ranking charge / joint pari passu charge over all present and future current assets, excluding pledge stock, of the Company and personal guarantees of all Directors of the Company.
- 13.3** The limit of finance against trust receipt facility is Rs. 530 million (2023: Rs. 530 million). The mark-up rates applicable during the year ranges from one to three months KIBOR plus 100 to 250 bps per annum (2023: one to six months KIBOR plus 100 to 250 bps per annum). These are secured against ranking charge / joint pari passu charge over present and future current assets, excluding pledge stock, of the Company and personal guarantees of Sponsor Directors of the Company.
- 13.4** The Company has obtained agriculture finance facility amounted to Rs. 400 million (2023: Rs. 250 million) for sugarcane growers to support crop cultivation for upcoming crushing season. The mark-up rates applicable during the year is three month KIBOR plus 100 bps per annum (2023: three month KIBOR plus 300 bps per annum). These are secured against ranking / first pari passu charge over present and future current assets (excluding pledge stock) of the Company, insurance cover, post dated cheques for entire financing amount including markup and personal guarantees of Sponsor Directors of the Company.
- 13.5** The Company has obtained financing facilities under Islamic mode of financing from various banks aggregated to Rs. 11,900 million (2023: Rs. 9,185 million). The mark-up rates applicable during the year ranges from three to nine months KIBOR plus 50 to 90 bps per annum (2023: three to nine months KIBOR plus 50 to 150 bps per annum). These facilities are secured against pledge charge over white refined sugar bags with 10% to 25% margin and personal guarantees of Sponsor Directors of the Company.

- 13.6** The Company has availed agriculture finance facility amounted to Rs. 500 million (2023: Rs. 50 million) for sugarcane growers to support crop cultivation for upcoming crushing season. The mark-up rate applicable during the year is twelve month KIBOR plus 100 bps per annum (2023: twelve month KIBOR plus 300 bps per annum). These are secured against joint pari passu charge over present and future stock and receivables of the Company (2023: fixed assets of the Company).
- 13.7** During the year, the Company issued privately placed unsecured Sukuk Certificates 2 & 3 having face value of Rs. 1 million each aggregating to Rs. 8,000 million and Rs. 5,000 million at a mark-up of six month KIBOR plus 90 bps & 80 bps per annum respectively. The principal and mark-up payments on the Sukuk Certificates were made in full at the time of redemption, which occurred within six months of the respective issue dates. However, the Company has opted for early redemption of Sukuk 2 and Sukuk 3, repaying the full amount to the subscribers by June 14, 2024, and August 15, 2024, respectively.
- 13.8** The Company has entered into agreements dated April 2024 and November 2023 (2023: November 2022) with the Deharki Sugar Mills (Private) Limited, a wholly owned subsidiary, to provide and obtain the short term advance / loan up to aggregate amount to Rs. 14 billion and Rs. 5 billion (2023: Rs. Nil and Rs. 4.5 billion), for period of one year respectively. The outstanding balance is payable as and when funds were available with the Company or upon demand of the Deharki Sugar Mills (Private) Limited, provided that the entire outstanding principal amount reduced to zero by the end of term. Mark up is receivable / payable on quarterly basis at the average borrowing rate of the Company or KIBOR for relevant period, whichever is higher. The effective interest rate charged during the year is ranging from 23.02% to 23.54% (2023: 16.68% to 23.82%) per annum.
- 13.9** The available facilities for opening letters of credit and guarantee as on the reporting date are amounting to Rs. 6,750 million (2023: Rs. 1,650 million) which includes Rs. 530 million (2023: Rs. 530 million) sub-limit of FATR facility. Further, facilities amounting Rs. 2,257.59 million (2023: Rs. 100 million) remained unutilized as on reporting date. These are secured against ranking charge / joint pari passu charge over present and future current assets, excluding pledge stock, of the Company and by lien over import documents and personal guarantees of Sponsor Directors of the Company.
- 13.10** Credit facilities as mentioned in note 13.2, 13.3, 13.4 and 13.6 are secured by an aggregate amount of Rs. 11,980 million (2023: Rs. 4,446 million) as at reporting date.

| | Note | 2024 Rupees | 2023 Rupees |
|---|------|----------------|----------------|
| 14. CURRENT PORTION OF NON-CURRENT LIABILITIES | | | |
| Long term finances – secured | 9 | 47,606,187 | 6,430,180,003 |
| Lease liabilities | 10 | 1,104,157,169 | 908,976,747 |
| | | 1,151,763,356 | 7,339,156,750 |

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For the year ended 30 September 2024

| | Note | 2024 Rupees | 2023 Rupees |
|---|------|----------------------|----------------------|
| 15. TRADE AND OTHER PAYABLES | | | |
| Trade and other creditors | 15.1 | 707,726,700 | 1,102,854,038 |
| Sales tax payable | | 750,806,675 | 586,788,148 |
| Accrued expenses | 15.2 | 345,246,646 | 489,490,795 |
| Markup payable on behalf of growers | | 267,147,738 | 197,839,137 |
| Payable to Workers' Profit Participation Fund | 15.3 | 887,177,487 | 161,526,445 |
| Due to related party | 15.4 | 253,031,684 | 175,205,784 |
| Payable to Workers' Welfare Fund | 15.5 | 210,990,978 | 48,822,808 |
| Tax deducted at source | | 182,183,102 | 67,878,621 |
| Payable to Employees' Provident Fund | | 35,913,653 | 34,020,242 |
| Retention money | | 14,153,735 | 9,786,973 |
| Security deposits | 15.6 | 2,393,002 | 3,820,410 |
| Agriculture Income Tax payable | 42 | 3,732,268 | 2,892,033 |
| Other payables | 15.7 | 206,754,705 | 143,019,372 |
| | | 3,867,258,373 | 3,023,944,806 |

15.1 Payable to growers against purchase of sugarcane is Rs. Nil as at 30 September 2024 (2023: Rs. Nil).

15.2 This includes Rs. 112.24 million (2023: Rs. 92.03 million) in respect of market committee fee (for details, refer to note 20.1.17).

| | Note | 2024 Rupees | 2023 Rupees |
|---|---------|----------------------|--------------------|
| 15.3 Payable to Workers' Profit Participation Fund | | | |
| Balance as at 01 October | | 161,526,445 | 270,956,575 |
| – allocation for the year | 39 & 44 | 887,177,486 | 161,526,444 |
| – interest on funds utilized | 40 | 154,923,455 | 188,015,555 |
| | | 1,203,627,386 | 620,498,574 |
| Paid during the year | | (316,449,899) | (458,972,129) |
| Balance as at 30 September | | 887,177,487 | 161,526,445 |

15.3.1 The interest on funds utilized by the Company is charged higher of interest at the rate of 2.5% above the bank interest rate or 75 % of the rate at which dividend is declared by the Company as prescribed under the Companies Profit (Workers Participation) Act, 1968 till the date of distribution of funds to the workers. The interest rate charged during the year is 300% (2023: 206%) per annum.

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

| | Note | 2024 Rupees | 2023 Rupees |
|--|---------|--------------------|-------------------|
| 15.5 Payable to Workers' Welfare Fund | | | |
| Balance as at 01 October | | 48,822,808 | 54,779,827 |
| Provision for the year | 39 & 44 | 191,746,751 | 4,254,806 |
| Adjustment for prior year provision | | 6,109,072 | (10,211,825) |
| | | 246,678,631 | 48,822,808 |
| Paid during the year | | (35,687,653) | – |
| Balance as at 30 September | | 210,990,978 | 48,822,808 |

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

15.7 These mainly represents deductions against vehicles as per the Company's car finance scheme from employees salaries. This includes accumulated deductions of Rs. 1.25 million (2023: Rs. 0.804 million) against the key management personnel of the Company.

These also includes liability associated with non-current asset held for sale amounting to Rs. 4.02 million (2023: Rs. 2.8 million) for details, refer to note 21.1.6.

16. ADVANCES FROM CUSTOMERS

The advances from customers primarily relate to the advance consideration received from customers for sale of sugar (2023: sugar), for which revenue is recognised at point in time when goods are transferred. Information regarding the timing of satisfaction of performance obligations underlying the closing contract liability is not presented since the expected duration of all the contracts entered into with the customers is less than one year.

Advances from customers as at 30 September 2024 also includes taxes payable to Government authorities in respect of sale of sugar bags.

17. UNCLAIMED DIVIDEND

As per the provision of Section-242 of the Companies Act, 2017 and directives of the Securities and Exchange Commission of Pakistan vide circular no. 18 dated 01 August 2017, cash dividend will only be paid through electronic mode directly in the bank accounts of shareholders, accordingly this unclaimed dividend pertains to those shareholders who did not provide their valid bank accounts details.

| | 2024 Rupees | 2023 Rupees |
|---|----------------|----------------|
| 18. ACCRUED PROFIT / INTEREST / MARK-UP | | |
| Mark-up on financing / borrowings from conventional banks / financial institution: | | |
| – Long term finances – secured | 63,350,092 | 330,614,705 |
| – Short term borrowings – secured | 890,634,084 | 150,794,431 |
| | 953,984,176 | 481,409,136 |
| Profit on Islamic mode of financing: | | |
| – Long term finances – secured | 30,337,624 | – |
| – Short term borrowings – secured | 682,831,261 | 88,596,464 |
| | 713,168,885 | 88,596,464 |
| Borrowings from related party – unsecured | | |
| – Deharki Sugar Mills (Private) Limited | – | 104,031,403 |
| | 1,667,153,061 | 674,037,003 |

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| | Note | 2024 Rupees | 2023 Rupees |
|--|------|--------------------|----------------------|
| 19. PROVISION FOR TAXATION AND LEVY – NET | | | |
| Balance as at 01 October | | (178,768,184) | (346,779,028) |
| Provision for the year | 41.2 | 2,551,583,103 | 858,844,316 |
| Taxes and levies paid | | (1,761,837,537) | (750,815,931) |
| Group taxation and others adjustments | | 241,855,315 | 59,982,459 |
| Balance as at 30 September | | 852,832,697 | (178,768,184) |

20. CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

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

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

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

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

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

- 20.1.6** The Company has filed W.P 67473/2020 & 65212/2019 before Honorable LHC challenging the amendment inserted vide Finance Act, 2019 whereby tax credit under section 65B of I.T.O has been reduced from 10% to 5% for the tax year 2019 and period for availing this credit has also been restricted till 30 June 2019. The Company has claimed tax credit at the rate of 10% for the year ended 30 September 2018 and 30 September 2019 amounting to Rs. 254.9 million and Rs. 94.34 million respectively. Now the matter is pending before the Honorable LHC. The management of the Company expects a favorable outcome in this case.
- 20.1.7** A show-cause notice u/s 122(5) of I.T.O was served by DCIR for tax year 2015 confronting bank credits to the Company. The said notice was duly complied and the plea of the Company was accepted to some extent in the order dated 15-06-2021. As a result, demand amounting to Rs. 1,555 million was created on account of unexplained bank credits. The Company has filed an appeal before CIR (A). The CIR (A) remanded back the case to learned DCIR for reassessment and affording proper time to the Company. The Company has filed second appeal before ATIR against above mentioned order of CIR (A). The ATIR adjudicated the appeal vide ITA No. 799/LB/2022 dated 19-05-2022 by remanding back the case to assessing officer for denovo consideration. The Company has filed reference before Honorable LHC against ATIR vide ITR No. 79976 of 2022. The reference has been admitted and operation of impugned order dated 19-05-2022 has been suspended. Now the matter is pending before the Honorable LHC. The management of the Company expects a favorable outcome in this case.
- 20.1.8** A show-cause notice u/s 122(5A)/122(9) of I.T.O was served by Additional CIR for tax year 2015 to the Company confronting several matters. The notice was duly complied and the plea of the Company was largely accepted in the order dated 02-07-2021. As a result, demand for Rs. 258.8 million was created on account of proration of expenses and advances from customers. The Company has filed an appeal before CIR (A). The CIR (A) has granted relief on allocation of expenses amounting to Rs. 6.9 million only and upheld the addition related to advances from customers amounting to Rs. 687.4 million. The Company has filed second appeal before ATIR on advances from customers against CIR (A) order, which is still pending. The management of the Company expects a favorable outcome in this case.
- 20.1.9** A show cause notice u/s 11(3) of Sale Tax Act, 1990 was served to the Company confronting matter of suppression of sales. The said notice was duly complied and plea of the Company was rejected and a demand of Rs. 845.52 million was created vide order dated July 10, 2020. The Company, being aggrieved, has filed appeal before CIR (A), who vide order No. 02/A-V, dated December 15, 2020 remanded back the case. Thus, tax payable has become nil. The Company and the tax department both has challenged the decision of CIR (A) in ATIR. The hearing of the appeal is still pending. The management of the Company expects a favorable outcome in this case.
- 20.1.10** A show-cause notice u/s 8 of Sale Tax Act, 1990 (the Act) dated 16-02-2022 was served by ACIR to the Company on account of claim of input tax of Rs. 83.85 million for the period July-2021 to November-2021. The ACIR has finalized the proceeding vide its order no. 19473 dated May 12, 2022 by disallowing input tax of Rs. 19.52 million & imposing penalty of Rs. 0.975 million. The Company has filed an appeal before CIR (A) against the order of ACIR. The CIR (A) adjudicated the appeal by confirming the disallowance and penalty imposed by ACIR. The Company has filed second appeal against order of CIR (A) before ATIR which is pending. The management of the Company expects a favorable outcome in this case.
- 20.1.11** The DCIR has passed an order dated 28-06-2019 by making additions amounting to Rs. 41.1 million for Tax Year 2016. The Company has filed an appeal before CIR(A) against the said order. The CIR(A) has confirmed the additions made by DCIR vide order dated 24-10-2022. The Company has filed a second appeal before appellate tribunal ("ATIR") against the above mentioned order which is pending for adjudication. The management of the Company expects a favorable outcome in this case.

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20.1.12 The Company has filed I.C.A No. 48728/2023 dated 24th July 2023 challenging the retrospective application of section 4C of the Income Tax Ordinance, 2001 introduced vide Finance Act, 2022 against the order passed by Honorable Lahore High Court in W.P No. 60005/2022. The Company filed W.P No. 76696/2023 dated 21st November 2023 before the Honorable Lahore High Court challenging the retrospective implication of section 4C of the Income Tax Ordinance, 2001 introduced vide Finance Act, 2023. The additional financial impact of Super Tax u/s 4C of the Income Tax Ordinance, 2001 amounting to Rs. 53.1 million for Tax Year 2022 and Rs. 110.8 million for Tax Year 2023 has not been recognized in these unconsolidated financial statements. The Honorable Lahore High Court vide its order dated 04th June 2024 has decided the I.C.A No. 48728/2023 for Tax Year 2022 in favour of the Company and dismissing the stance of the department. The department has filed C.P.L.A No. 1500-L & 1870-L of 2024 before Supreme Court of Pakistan against the above mentioned decision of the Lahore High Court which is pending for adjudication. The management of the Company expects a favorable outcome in this case.

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

Pakistan Sugar Mills Association (PSMA) along with its member sugar mills, including the Company, filed Writ Petition (WP) 1544/2020 before the Honorable Islamabad High Court (IHC) challenging the initiation of inquiry, Constitution of the Commission Inquiry and all action taken pursuant thereto. Vide order dated 20 June 2020, this above petition was disposed off and the commission's report upheld, however, the delegation of Cabinet's power to special assistant was declared unlawful. PSMA along with its member sugar mills, including the Company, challenged the order before the Division Bench of IHC in Intra Court Appeal (ICA) No. 156 of 2020. This ICA was decided on 18 August 2020. Thereafter, on 26 October 2020, PSMA and the Company filed CA. No. 150 of 2023 against the judgment dated 18 August 2020 before the Honorable Supreme Court of Pakistan which is pending adjudication. The Company has a good prima facie case.

20.1.14 A petitioner has filed Constitution Petition (CP) No. 3823 of 2018 in the Honorable High Court of Sindh against the Company (Unit III at Ghotki) along with other sugar mills dated 15 May 2018 for withdrawal/cancellation/refunding of the cash freight subsidy on sugar export approved by the Cabinet Economic Coordination Committee and additional cash freight subsidy approved by the Sindh Cabinet. The matter is pending adjudication.

20.1.15 The matter of fixation of minimum price of sugarcane fixed under relevant notifications for crushing season 2014 – 2015 issued by the Government of Sindh was challenged by sugar mills including the Company before the Honorable SHC which stood dismissed vide order dated 30 December 2014. and said order was assailed before Honorable Supreme Court of Pakistan ('SCP') in CA 48. The Growers also filed petitions for implementation of order dated 30.12.2014. However, during the proceedings, an interim arrangement was reached out between the parties whereby price of Rs. 172 was fixed out of which Rs. 160 were to be paid by the Mills and Rs. 12 were to be paid by the Government. The said arrangement was subject to the final outcome in the decision of the Honorable SCP in Appeals. The Honorable SCP vide its order 13.9.2023 dismissed the Appeals being infructuous on account of settlement. In addition to this, the Company is already compliant of the minimum support price notification for 2014–15.

Similarly, for year 2017 – 2018, minimum price of sugarcane fixed was challenged before the Honorable SHC and Honorable High Court of Lahore ('LHC') in C.P No. 8666 of 2017 & 7951 of 2017 and W.P 16375/2018 respectively. During the proceedings, similar arrangement as above was reached between the parties. The said arrangement was also subject to the final outcome in the decision of the Honorable SCP in Appeals. As the said appeals stood dismissed vide order dated 13.9.2023 being infructuous on account of settlement. The matter is still pending adjudication before the Honorable SHC, the Company is expecting favorable outcome.

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

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

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

Further, the Company was in a C.P 126999/2017 challenging notification No. DIR (FB) XV–II8I–VIII dated 02 August 2017 issued by the Govt of the Punjab in Honorable LHC whereby market committee fee was enhanced for purchase of sugarcane from 50 paise to 1 rupee per 100 kg and for Sugar & molasses from 1 rupee to 2 rupees per 100 kg vide order dated 18.12.2020, the said W.P was referred to the Secretary Agriculture for deciding the grievance in the light of new legal framework. However, the Secretary Agriculture, Govt. of Pakistan via order dated 07 July 2021 concluded that said notification is valid from its issuance and demanded Rs. 76.8 million. The Company has filed an W.P. 55108/2021 in Honorable LHC against above Order and notification. The Honorable LHC has restrained the authorities from taking any coercive measures. The case is currently pending adjudication. (for details, refer to note 15.2).

20.1.18 Employees' Old–Age Benefits Institution (EOBI) issued assessment order dated 25 April 2022 and demand notice no. 1141 dated 06 May 2022 to the Company demanding an amount of Rs. 10,830,736 in respect of employees of Unit III for the period July, 2018 to June, 2020. The Company has filed complaint No. 32/2021–22 before EOBI for setting aside of impugned assessment order and impugned demand notices. The EOBI disposed of such matter in favour of the Company dated 24 April 2024. However, the formal disposal order from the EOBI is still awaited.

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



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20.1.20 The Honorable SHC passed an order in C.P. no. D-1313/2013 dated 12 February 2018, according to which, in the case of trans-provincial companies, the location of the workers should be considered, and an allocation should be made accordingly. The Sindh Revenue Board (SRB) vide the impugned judgment issued notice to the Company for the non-payment of WPPF as per the impugned judgment. The Company has filed a C.P.L.A 1826 dated 16 May 2018 which is converted into C.A No. 954/2018, against this order in the Honorable Supreme Court of Pakistan ('SCP') and impugned judgment of Honorable SHC has been suspended by Honorable SCP vide order dated 03 July 2018, which is pending adjudication. However, allocation of WPPF has been made in accordance with provision of the Companies Profits (Workers Participation) Act, 1968 keeping in view the benefit of workers in best spirit of the law. (for details, refer to note 15.3).

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

20.1.22 The Company filed Criminal Original No. 1887-W (Crl.Org) of 2016 in the Honourable Lahore High Court (LHC) against the Trade Development Authority of Pakistan (TDAP) for failing to release the Inland Freight Subsidy payment of Rs. 250.23 million, as approved by the ECC in 2012 for sugar exports. However such amount was not accounted for in the books as a matter of prudence. The such contempt case was disposed of on 7 October 2019, with the direction that the payment be made following the completion of a NAB inquiry whereas the Company could not get details of any such inquiry from NAB. Subsequently, the Company filed Contempt Petition No. 27833 of 2023 for enforcement of the LHC's order for payment release. In its order, the Honourable LHC directed the government authorities to release the amount. The matter remains unresolved and is still pending before the Honourable LHC.

20.1.23 As at 30 September 2024, several cases were filed against the Company before various court of laws relating to claims, settlements of dues, staff retirement benefits etc., the amount of which cannot be determined. The management, based on the opinion of the legal counsel expects that the outcome of all these cases will be in favour of the Company, as they have a reasonable defense in the cases filed.

Based on the opinion of the Company's legal advisors, management is expecting a favorable outcome of the above cases except 20.1.22 and 20.1.23. Therefore, no provision has been recognized in these unconsolidated financial statements.

20.1.24 Guarantees issued by the banks on behalf of the Company in favour of various parties as at the reporting date aggregate amounts to Rs. 273 million (2023: Rs. 650 million).

20.1.25 The Company has obtained growers financing facilities from various banks aggregated to Rs. 5,081 million (2023: Rs. 3,952 million), out of which Rs. 3,812 million (2023: Rs. 3,343 million) availed by the growers. The mark-up rates applicable during the year ranges from three to twelve month KIBOR plus 150 to 275 bps per annum (2023: three to twelve month KIBOR plus 225 to 300 bps per annum). The Company has provided counter guarantees to various banks against growers financing facilities as at the reporting date amounts to Rs. 6,084 million (2023: Rs. 4,490 million) and personal guarantees of sponsor directors of the Company (for details, refer to note 30.1).

20.1.26 The Company has issued cross corporate guarantees of Rs. 2,340 million (2023: Rs. Nil) on behalf of Deharki Sugar Mills (Private) Limited – wholly owned subsidiary, to secure the obligations of subsidiary company towards their lenders.

| | 2024 Rupees | 2023 Rupees |
|--|------------------------|------------------------|
| 20.2 Commitments | | |
| 20.2.1 Letters of credit for import of machinery and its related components | 2,008,295,345 | 295,731,221 |

20.2.2 Commitments in respect of operation and maintenance cost of Co – Generation Power Plants contracted for but not incurred as at 30 September 2024 amounts to Rs. nil (2023: Rs. 35.64 million).

20.2.3 At 30 September 2024, the Company has committed to leases for vehicles amounting to Rs. 13.43 million (2023: Rs. 135.23 million) which has not yet commenced.

20.2.4 At 30 September 2024, the Company has committed / contracted for construction and commissioning of a new ethanol distillery plant amounting to Rs. 1,694 million (2023: Rs. Nil) which has not yet commenced.

20.2.5 During the year, the Company entered into an Ijarah Agreement ('the Agreement') with Meezan Bank Limited ('the lessor') for acquisition of vehicles. Under the Agreement, the term of Ijarah is 4 years and Ijarah payments of Rs. 1.078 million are payable monthly in advance. Taxes and repairs are to be borne by the Company, however, major repairs costs are to be borne by the lessor. These payments are secured against promissory notes in favour of the lessor for the entire amount of the Ijarah rentals and security deposits (see note 26). The amount of future Ijarah rentals for Ijarah financing and the period in which these payments will become due are as follows:

| | 2024 Rupees | 2023 Rupees |
|---|------------------------|------------------------|
| Not later than one year | 25,891,590 | – |
| Later than one year and not later than five years | 86,173,147 | – |
| | 112,064,737 | – |

| | Note | 2024 Rupees | 2023 Rupees |
|--|-------------|------------------------|------------------------|
| 21. PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 21.1 | 19,726,555,693 | 19,144,790,202 |
| Capital work in progress | 21.2 | 4,158,671,095 | 299,470,019 |
| Stores, spare parts and loose tools held for capital expenditure | 21.3 | 506,172,063 | 68,580,323 |
| | | 24,391,398,851 | 19,512,840,544 |

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21.1 Operating fixed assets

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

| | Cost | | | Rate / Useful Life % / Year | Depreciation | | | Carrying amount as at 30 September 2024 | |
|---------------------------------------|-----------------------|---|--|--------------------------------|-----------------------|---------------|--|---|-------------------------|
| | As at 01 October 2023 | Additions / (deletions) during the year | Transfers / reclassification during the year | | As at 01 October 2023 | For the year | Transfers / reclassification / (deletions) during the year | | As at 30 September 2024 |
| | Rupees | Rupees | Rupees | | Rupees | Rupees | Rupees | | Rupees |
| Freehold land | 1,850,120,205 | 620,258,557 | - | 2,470,378,762 | - | - | - | 2,470,378,762 | |
| Factory building on freehold land | 2,408,209,767 | 9,536,216 | - | 2,417,745,983 | 93,491,075 | - | 1,573,955,282 | 843,790,701 | |
| Non-factory building on freehold land | 814,993,501 | 866,068 | - | 815,193,624 | 21,272,512 | - | 425,435,677 | 389,757,947 | |
| Plant and machinery | 22,951,873,257 | 170,934,273 | - | 23,079,852,527 | 705,446,335 | (55,495) | - | 13,257,658,286 | |
| Sugarcane roots | 1,470,349,458 | 846,734,385 | - | 1,749,352,708 | 532,641,439 | (372,987,814) | (25,525,294) | 1,102,720,153 | |
| Motor vehicles (Note 21.1.7) | 2,156,497,456 | 437,399,159 | 120,557,581 | 2,575,456,012 | 147,503,363 | 74,011,941 | 1,871,671,377 | 703,764,635 | |
| Electrical installation | 205,027,130 | 26,242,913 | - | 216,924,101 | 10,692,197 | (110,465,679) | - | 101,490,720 | |
| Office equipment | 65,871,394 | 560,540 | - | 63,347,648 | 2,731,366 | (2,937,239) | - | 10,698,510 | |
| Solar system | 34,796,620 | 185,482,679 | - | 220,279,299 | 4,882,118 | - | - | 215,187,448 | |
| Tools and equipment | 101,266,986 | 6,721,821 | - | 105,361,656 | 5,863,386 | (1,781,621) | - | 54,152,112 | |
| Furniture and fixture | 17,006,137 | 1,747,004 | - | 18,552,624 | 762,886 | - | - | 6,172,412 | |
| Weighbridge | 41,449,368 | 10,673,243 | - | 52,122,611 | 1,747,247 | (132,713) | - | 20,971,393 | |
| Roads and boundary wall | 139,690,712 | 1,233,425 | - | 140,924,137 | 8,886,436 | - | - | 46,695,489 | |

| | Cost | | | Rate / Useful Life | Depreciation | | | Carrying amount as at 30 September 2024 | |
|-------------------------|-----------------------|---|--|--------------------|-----------------------|----------------|--|---|-------------------------|
| | As at 01 October 2023 | Additions / (deletions) during the year | Transfers / reclassification during the year | | As at 01 October 2023 | For the year | Transfers / reclassification / (deletions) during the year | | As at 30 September 2024 |
| | Rupees | Rupees | Rupees | | Rupees | Rupees | Rupees | | Rupees |
| Arms and ammunitions | 8,309,465 | - | - | 7,229,544 | 10% - 10 years | 190,368 | - | 5,726,973 | 1,502,571 |
| Fire fighting equipment | 85,350,587 | (1,079,921) | - | 86,300,587 | 20% | 2,515,147 | (869,183) | 75,838,476 | 10,462,111 |
| Aircrafts | 979,791,095 | 40,543,424 | - | 1,020,334,519 | 10% | 47,390,862 | - | 563,779,778 | 456,554,741 |
| Tube well | 62,717,868 | 7,457,025 | - | 68,693,511 | 10% - 5 years | 4,297,945 | - | 53,825,340 | 14,868,171 |
| Computers | 98,713,219 | 11,109,977 | - | 101,887,106 | 33% - 3 years | 7,593,079 | (1,259,080) | 82,157,575 | 19,729,531 |
| | 33,492,034,225 | 2,378,450,699 | 120,557,581 | 35,209,916,959 | | 14,347,244,023 | 1,597,907,761 | 15,483,361,266 | 19,726,555,693 |
| | | (781,125,546) | | | | | (535,802,459) | | |

21.1.2 Additions in operating fixed assets includes transfer from capital work-in-progress and stores, spare parts and loose tools held for capital expenditure amounting to Rs. 1,350.73 million (2023: Rs. 1,350.67 million) and Rs. 2.38 million (2023: Rs. 3.4 million) respectively.

21.1.3 Transfers in operating fixed assets represents transfer of motor vehicles from right-of-use assets at their carrying value amounting to Rs. 46.54 million (2023: Rs. 56.78 million), while transfers out of operating fixed assets relate to the reclassification of freehold land as investment property, amounting to Rs. nil (2023: Rs. 38.704 million).

21.1.4 Project land, Factory Buildings and Plant & Machinery related to Unit I, Unit II, & Unit III of the Company are kept secured with the banks under ranking and joint pari passu charge, for obtaining long term financing. For details, refer to note 9.

21.1.5 Operating fixed assets having carrying amount Rs. 11 (2023: Rs. 78) as at 30 September 2024 have been retired from active use and not classified as held for sale in accordance with IFRS 5.

21.1.6 The management had entered into an agreement to sell its land (agriculture) measuring 3.13 Acres located at district Rajanpur against which during the year ended September 30, 2024, the Company received partial sales consideration of Rs. 4.02 million (2023: Rs. 2.8 million) (Refer note 15.7) from the ultimate buyer. However, the Company has transferred the possession but the title of the land is still with the Company. IFRS 5 requires assets that meet the criteria to be classified as held for sale and presented separately in the statement of financial position. The impact of classification and presentation of such asset is considered insignificant by the management. Hence, not classified and presented in the statement of financial position.

21.1.7 This includes the carrying amount of a motor vehicles acquired under Islamic mode of financing (refer to Note 9.1.2.1) amounting to Rs. 241.15 million. The Company will obtain legal ownership of the underlying asset by August 31, 2028, upon completing the purchase of all vehicles.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

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

| | Cost | | | Rate / Useful Life % / Year | Depreciation | | | Carrying amount as at 30 September 2023 Rupees | |
|---------------------------------------|-----------------------|---|--|--------------------------------|-----------------------|---------------|--|---|-------------------------|
| | As at 01 October 2022 | Additions / (deletions) during the year | Transfers / reclassification during the year | | As at 01 October 2022 | For the year | Transfers / reclassification / (deletions) during the year | | As at 30 September 2023 |
| | Rupees | Rupees | Rupees | | Rupees | Rupees | Rupees | | Rupees |
| Freehold land | 1,729,658,247 | 159,166,068 | (38,704,100) | 1,850,120,205 | - | - | - | 1,850,120,205 | |
| Factory building on freehold land | 2,291,737,850 | 116,471,917 | - | 2,408,209,767 | 98,757,247 | - | 1,480,464,207 | 927,745,560 | |
| Non-factory building on freehold land | 802,577,942 | 12,571,793 | - | 814,993,501 | 27,499,053 | (72,910) | 404,218,660 | 410,774,841 | |
| Plant and machinery | 22,584,554,696 | 370,603,824 | - | 22,951,873,257 | 743,347,445 | - | 9,142,273,200 | 13,809,600,057 | |
| Sugarcane roots | 1,061,299,933 | 851,050,763 | - | 1,470,349,458 | 415,324,054 | (3,217,300) | 486,978,930 | 983,370,528 | |
| Motor vehicles | 2,018,791,744 | 124,028,205 | 147,826,277 | 2,156,497,456 | 93,833,390 | 91,041,847 | 1,760,621,752 | 395,875,704 | |
| Electrical installation | 189,287,469 | 15,903,489 | 101,562 | 205,027,130 | 9,683,355 | (107,984,062) | 117,169,109 | 87,858,021 | |
| Office equipment | 64,212,205 | 1,659,189 | - | 65,871,394 | 3,062,182 | (162,520) | 62,855,011 | 13,016,383 | |
| Solar system | - | 34,796,620 | - | 34,796,620 | 209,733 | - | 209,733 | 34,586,887 | |
| Tools and equipment | 80,684,326 | 20,582,660 | - | 101,266,986 | 4,639,405 | - | 47,127,779 | 54,139,207 | |
| Furniture and fixture | 16,523,371 | 584,328 | (101,562) | 17,006,137 | 1,145,705 | - | 11,750,039 | 5,256,098 | |
| Weighbridge | 41,449,368 | - | - | 41,449,368 | 1,322,485 | (66,186) | 29,403,971 | 12,045,397 | |

| | Cost | | | Rate / Useful Life | Depreciation | | | Carrying amount as at 30 September 2023 | |
|-------------------------|-----------------------|---|--|--------------------|-----------------------|---------------|--|---|-------------------------|
| | As at 01 October 2022 | Additions / (deletions) during the year | Transfers / reclassification during the year | | As at 01 October 2022 | For the year | Transfers / reclassification / (deletions) during the year | | As at 30 September 2023 |
| | Rupees | Rupees | Rupees | | Rupees | Rupees | Rupees | | Rupees |
| Roads and boundary wall | 139,690,712 | - | - | 10% - 5 years | 81,569,598 | 3,752,614 | - | 85,342,212 | 54,348,500 |
| Arms and ammunitions | 8,309,465 | - | - | 10% - 10 years | 6,194,268 | 211,520 | - | 6,405,788 | 1,903,677 |
| Fire fighting equipment | 85,350,587 | - | - | 20% | 70,316,514 | 3,006,815 | - | 73,323,329 | 12,027,258 |
| Aircrafts | 961,777,661 | 18,013,434 | - | 10% | 466,056,729 | 50,332,187 | - | 516,388,916 | 463,402,179 |
| Tube well | 59,048,732 | 5,318,550 | - | 10% - 5 years | 47,414,815 | 4,497,516 | - | 50,786,475 | 11,931,393 |
| Computers | 91,990,574 | 6,874,645 | - | 33% - 3 years | 72,835,584 | 9,224,295 | (1,125,856) | 81,924,912 | 16,788,307 |
| | | (152,000) | | | | | (134,967) | | |
| | 32,226,944,882 | 1,737,627,475 | 109,125,177 | | 13,158,143,696 | 1,469,849,001 | 91,041,847 | 14,347,244,023 | 19,144,790,202 |
| | | (581,660,309) | | | | | (371,790,521) | | |



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For the year ended 30 September 2024

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

| Location | Usage of immovable property | Total area (Acres) |
|--|---|--------------------|
| Mauza Sharin, Jamal Din Wali, District Rahim Yar Khan | Manufacturing facility | 253.32 |
| Machi Goth, Sadiqabad, District Rahim Yar Khan | Manufacturing facility & Co-Gen Power Plant | 192.22 |
| Mauza Luluwali, Near Village Islamabad, District Ghotki, Sindh | Manufacturing facility & Co-Gen Power Plant | 157.03 |
| Mauza Pir Ahmedabad, Kot Subzal, National Highway Sadiqabad, District Rahim Yar Khan | Distillery / Ethanol Project | 275.3 |
| Main Kehrro Pakka Road, Off Lodhran Bypass Near Super Chowk, Lodhran | TICER** | 16.34 |
| 59-A, Gulberg, Lahore | Space for corporate office - JDW Tower | 0.65 |
| 29-B, Gulberg, Lahore | Rest house | 0.30 |
| Agricultural Land - Punjab (various locations)* | Cultivation of sugarcane and other crops | 925.28 |
| Agricultural Land - Sindh (various locations)* | Cultivation of sugarcane and other crops | 1,078.98 |

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

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

**The Board has resolved to launch a new Corporate Social Responsibility Project i.e. a skill-based educational institute with the name "Tareen Institute of Computer Education and Resources (the "TICER").

| | Note | 2024 Rupees | 2023 Rupees |
|--|----------|----------------------|----------------------|
| 21.1.10 Depreciation charge for the year has been allocated as follows: | | | |
| Cost of goods manufactured | 35.1 | 833,943,838 | 756,404,546 |
| Further cost charged on biological assets | 35.1.1.1 | 281,792,578 | 211,796,803 |
| Administrative expenses | 36 | 153,460,544 | 217,384,814 |
| Cost incurred on standing crops | 38.2.1 | 328,710,801 | 284,262,838 |
| | | 1,597,907,761 | 1,469,849,001 |

21.1.11 Detail of disposals of operating fixed assets

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

| Description | Particulars of purchaser | Cost | Accumulated depreciation | Net book value | Sales value | Gain / (loss) | Mode of disposal | Relationship with the Company |
|---|-----------------------------------|-------------|--------------------------|----------------|-----------------|-----------------|------------------|-------------------------------|
| | | Rupees | Rupees | Rupees | Rupees | Rupees | | |
| Motor vehicles | | | | | | | | |
| Toyota Corolla GLI | Mr. Abid Hussain Iqbal | 1,911,500 | 1,306,350 | 605,150 | 764,600 | 159,450 | Company Policy | Employee |
| Suzuki Swift | Mr. Malik Asim Ikram | 1,555,000 | 1,048,739 | 506,261 | 1,545,455 | 1,039,194 | Negotiation | Employee |
| Suzuki Cultus | Mr. Abdul Aziz | 1,745,000 | 1,112,706 | 632,294 | 698,000 | 65,706 | Company Policy | Employee |
| Suzuki Alto | Mr. Naseem But | 1,433,000 | 783,521 | 649,479 | 573,200 | (76,279) | Company Policy | Ex – Employee |
| BMW | Mr. Rana Nasim Ahmed | 13,912,589 | 11,602,897 | 2,309,692 | 2,391,215 | 81,523 | Company Policy | Ex – Employee |
| Toyota Corolla Grande | Mr. Rana Nasim Ahmed | 3,903,000 | 1,892,117 | 2,010,883 | 2,072,919 | 62,036 | Company Policy | Ex – Employee |
| Honda Civic | Mr. Rana Nasim Ahmed | 3,837,500 | 2,365,246 | 1,472,254 | 1,517,748 | 45,494 | Company Policy | Ex – Employee |
| Toyota Corolla Altis | Mr. Israr Muhammad Khan | 2,166,500 | 1,664,370 | 502,130 | 649,950 | 147,820 | Company Policy | Employee |
| Toyota Corolla GLI | Mr. Zafar-Ul-Haq | 1,966,500 | 1,464,543 | 501,957 | 589,950 | 87,993 | Company Policy | Employee |
| Toyota Corolla Altis | Mr. Javaid Iqbal | 2,599,000 | 1,829,996 | 769,004 | 779,700 | 10,696 | Company Policy | Employee |
| Toyota Corolla XLI | Mr. Khizar Hayat | 2,076,000 | 1,439,612 | 636,388 | 830,400 | 194,012 | Company Policy | Employee |
| Suzuki Alto | Gul Auto Workshop | 1,394,881 | 690,827 | 704,054 | 2,059,091 | 1,355,037 | Negotiation | Other Party |
| Toyota Corolla Altis | Mr. Asghar Ali | 2,391,500 | 1,764,496 | 627,004 | 717,450 | 90,446 | Company Policy | Employee |
| Toyota Corolla Yaris | Mr. Abid-Ur-Rehman | 2,536,000 | 1,387,391 | 1,148,609 | 760,800 | (387,809) | Company Policy | Ex – Employee |
| Suzuki Cultus | Mr. Niaz Muhammad | 1,745,000 | 1,192,624 | 552,376 | 698,000 | 145,624 | Company Policy | Employee |
| Toyota Corolla Altis | Mr. Zahid Imran Khan | 2,599,000 | 1,829,996 | 769,004 | 779,700 | 10,696 | Company Policy | Employee |
| Toyota Corolla GLI | Mr. Zaheer Ahmed Cheema | 2,134,000 | 1,431,725 | 702,275 | 853,620 | 151,345 | Company Policy | Employee |
| Toyota Corolla GLI | Mr. Shahid Sageer Ahmed | 2,134,000 | 1,458,487 | 675,513 | 853,620 | 178,107 | Company Policy | Employee |
| | | 52,039,970 | 36,265,643 | 15,774,327 | 19,135,418 | 3,361,091 | | |
| Assets – written off | | | | | | | | |
| Sugarcane roots | | 567,731,135 | 372,987,814 | 194,743,321 | - | - | Company Policy | |
| Others | | 86,903,541 | 64,946,523 | 21,957,018 | - | - | Company Policy | |
| | | 654,634,676 | 437,934,337 | 216,700,339 | - | - | | |
| Assets having net book value less than Rs. 500,000 | | | | | | | | |
| | | 74,450,900 | 61,602,479 | 12,848,421 | 78,805,042 | 65,956,621 | | |
| 2024 | | 781,125,546 | 535,802,459 | 245,323,087 | 97,940,460 | 69,317,712 | | |
| 2023 | | 581,660,309 | 371,790,521 | 209,869,788 | 80,397,412 | 54,215,672 | | |
| | | | | Note | 2024 | 2023 | | |
| | | | | | Rupees | Rupees | | |
| 21.2 | Capital work in progress | | | | | | | |
| | Balance as at 1 October | | | | 299,470,019 | 196,702,905 | | |
| | Additions during the year | | | | 5,209,930,659 | 1,453,437,328 | | |
| | Transfers made during the year | | | 21.1.2 | (1,350,729,583) | (1,350,670,214) | | |
| | Balance as at 30 September | | | 21.2.1 | 4,158,671,095 | 299,470,019 | | |

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For the year ended 30 September 2024

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

| | | 2024 | | | |
|-----------------------|--------|--------------------|-----------------------|---------------------------------------|----------------------|
| | Note | Opening balance | Addition for the year | Transferred to operating fixed assets | Closing balance |
| | | Rupees | Rupees | Rupees | Rupees |
| Advances for vehicles | 31.1 | 32,605,415 | 73,344,594 | (32,605,415) | 73,344,594 |
| Advances for capex | 31.1 | 177,032,521 | 1,823,861,228 | (177,032,521) | 1,823,861,228 |
| Advances for land | 31.1 | 11,575,810 | 116,441,659 | (11,575,810) | 116,441,659 |
| Buildings | 21.2.2 | 26,741,050 | 945,098,726 | (172,807,028) | 799,032,748 |
| Plant and machinery | 21.2.3 | 44,302,343 | 261,643,335 | (109,974,424) | 195,971,254 |
| Distillery Project | 21.2.4 | 7,212,880 | 1,142,806,732 | – | 1,150,019,612 |
| Sugarcane roots | 21.2.5 | – | 846,734,385 | (846,734,385) | – |
| | | <u>299,470,019</u> | <u>5,209,930,659</u> | <u>(1,350,729,583)</u> | <u>4,158,671,095</u> |

| | | 2023 | | | |
|-----------------------|--------|--------------------|-----------------------|---------------------------------------|--------------------|
| | Note | Opening balance | Addition for the year | Transferred to operating fixed assets | Closing balance |
| | | Rupees | Rupees | Rupees | Rupees |
| Advances for vehicles | 31.1 | 42,649,386 | 32,605,415 | (42,649,386) | 32,605,415 |
| Advances for capex | 31.1 | – | 177,032,521 | – | 177,032,521 |
| Advances for land | 31.1 | – | 11,575,810 | – | 11,575,810 |
| Buildings | 21.2.2 | 14,096,716 | 132,975,749 | (120,331,415) | 26,741,050 |
| Plant and machinery | 21.2.3 | 139,956,803 | 240,984,190 | (336,638,650) | 44,302,343 |
| Distillery project | 21.2.4 | – | 7,212,880 | – | 7,212,880 |
| Sugarcane roots | 21.2.5 | – | 851,050,763 | (851,050,763) | – |
| | | <u>196,702,905</u> | <u>1,453,437,328</u> | <u>(1,350,670,214)</u> | <u>299,470,019</u> |

21.2.2 Additions to buildings include costs incurred for TICER and JDW – Tower, amounting to Rs. 454.46 million and Rs. 314.45 million, respectively (2023: Nil).

21.2.3 Additions to plant and machinery includes cost incurred for solar system amounting to Rs. 178.9 million (2023: Rs. 41.3 million) out of which Rs. 185.5 million (2023: Rs. 34.7 million) has been transferred to operating fixed assets.

21.2.4 It includes costs incurred to date for plant and machinery, buildings, and unallocated expenses, amounting to Rs. 325.28 million, Rs. 407.31 million, and Rs. 417.42 million, respectively.

21.2.4.1 These also includes borrowing costs of Rs. 116.54 million (2023: Rs. Nil) relating to specific borrowings at the rates ranging from 21.24% to 22.91% per annum (2023: Nil) and Rs. 4.35 million (2023: Rs. 0.17 million) in respect of contribution towards provident fund.

21.2.5 Additions to sugarcane roots include a transfer from biological assets amounting to Rs. 434.8 million (2023: Rs. 435 million).

| | Note | 2024 Rupees | 2023 Rupees |
|--|--------|----------------|----------------|
| 21.3 Stores, spare parts and loose tools held for capital expenditure | | | |
| Balance as at 01 October | | 68,580,323 | 69,947,922 |
| Additions during the year | | 439,974,968 | 2,649,406 |
| | | 508,555,291 | 72,597,328 |
| Transferred to operating fixed assets | 21.1.2 | (2,383,228) | (3,492,754) |
| Charged to consumption / adjustments | | – | (524,251) |
| | | (2,383,228) | (4,017,005) |
| Balance as at 30 September | 28 | 506,172,063 | 68,580,323 |

22. RIGHT-OF-USE ASSETS

| | 2024 | | | |
|---|---------------|--------------|---------------|-----------------|
| | Land | Buildings | Vehicles | Total |
| | Rupees | Rupees | Rupees | Rupees |
| Balance as at 01 October | 1,707,454,719 | 100,111,151 | 732,914,939 | 2,540,480,809 |
| Additions during the year | 1,702,419,622 | 39,959,399 | 103,950,000 | 1,846,329,021 |
| Deletions during the year | (283,614,200) | – | – | (283,614,200) |
| Transfer to operating fixed assets – net book value | – | – | (46,545,640) | (46,545,640) |
| Depreciation for the year | (913,500,785) | (55,988,647) | (167,488,171) | (1,136,977,603) |
| Balance as at 30 September | 2,212,759,356 | 84,081,903 | 622,831,128 | 2,919,672,387 |
| Useful life (rate) / lease term | 2 to 10 years | 3 to 5 years | 20% | |
| | 2023 | | | |
| | Land | Buildings | Vehicles | Total |
| | Rupees | Rupees | Rupees | Rupees |
| Balance as at 01 October | 1,813,183,236 | 55,796,647 | 460,168,274 | 2,329,148,157 |
| Additions during the year | 668,998,594 | 92,297,829 | 457,427,722 | 1,218,724,145 |
| Deletions during the year | (22,850,106) | – | – | (22,850,106) |
| Transfer to operating fixed assets – net book value | – | – | (56,784,430) | (56,784,430) |
| Depreciation for the year | (751,877,005) | (47,983,325) | (127,896,627) | (927,756,957) |
| Balance as at 30 September | 1,707,454,719 | 100,111,151 | 732,914,939 | 2,540,480,809 |
| Useful life (rate) / lease term | 2 to 10 years | 3 to 5 years | 20% | |

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

22.2 Right-of-use assets for land includes Rs. 26.68 million (2023: Rs. 4.67 million) towards Deharki Sugar Mills (Private) Limited, a wholly owned subsidiary of the Company.

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

| | Note | 2024 Rupees | 2023 Rupees |
|---|----------|----------------|----------------|
| Cost of goods manufactured | 35.1 | 163,340,095 | 118,971,374 |
| Further cost charged on biological assets | 35.1.1.1 | 20,142,005 | 6,130,200 |
| Administrative expenses | 36 | 25,631,805 | 47,983,325 |
| Cost incurred on standing crops | 38.2.1 | 927,863,698 | 754,672,058 |
| | | 1,136,977,603 | 927,756,957 |

| | Note | 2024 Rupees | 2023 Rupees |
|---|--------|----------------|----------------|
| 23. INVESTMENT PROPERTY | | | |
| Balance as at 01 October | | 317,840,212 | 185,854,012 |
| Purchased during the year | 23.2 | 110,757,563 | 93,282,100 |
| Transferred from operating fixed assets | 21.1.3 | – | 38,704,100 |
| Balance as at 30 September | | 428,597,775 | 317,840,212 |

23.1 Investment property represents agricultural land measuring 537.70 acres (2023: 512.14 acres) situated at various locations of Tehsil Sadiqabad, District Rahim Yar Khan. The fair value of investment property is Rs. 687 million (2023: Rs. 687 million). The fair value of investment property was determined by approved external, independent property valuer i.e. Hamid Mukhtar and Co. (Pvt.) Limited, on 30 June 2022 by using the market approach whereby sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input into this valuation approach is price / rate per acre in particular locality and categorize as level 2 fair value (i.e. significant observable inputs).

23.2 The investment property purchased during the current and preceding periods is deemed to be approximately at fair value.

23.3 Forced sale value of the investment property as per the latest valuation report was assessed at Rs. 550 million (2023: Rs. 550 million).

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

| | 2024 Rupees | 2023 Rupees |
|--------------------|----------------|----------------|
| Less than one year | 15,586,974 | 17,007,333 |
| More than one year | 270,833 | 2,036,958 |
| | 15,857,807 | 19,044,291 |

| | Note | 2024 Rupees | 2023 Rupees |
|--------------------------|------|----------------|----------------|
| 24. INTANGIBLES | | | |
| Goodwill | 24.1 | 608,310,693 | 608,310,693 |
| Oracle computer software | 24.2 | – | 339,955 |
| | | 608,310,693 | 608,650,648 |

24.1 Goodwill includes Rs. 568,545,391 and Rs. 39,765,302 arisen at the time of mergers of United Sugar Mills Limited and Ghotki Sugar Mills (Private) Limited into the Company. For impairment testing, the recoverable amount of both cash generating units are determined based on value in use calculation which uses cash flow projections approved by the Board of Directors covering a five-year period using the average discount rate of 17.12 % per annum (2023: 23.09% per annum). Growth rate used in the period beyond the projection period is 5% (2023: 3%). The calculation of value in use is sensitive to discount rate and key commercial assumptions. The discount rate reflects current market assessment of the rate of return required for the business and is calculated using the Capital Asset Pricing Model. The discount rate reflects the Weighted Average Cost of Capital of the Company. Management's key assumptions include stable profit margins, based on past experience in this market. No expected efficiency improvements have been taken into account and prices and wages reflect publicly available forecasts of inflation for the industry. Management believes that after considering the various scenarios no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount. Based on this calculation, no impairment is required to be accounted for against the carrying amount of goodwill.

| | Note | 2024 Rupees | 2023 Rupees |
|--------------------------------------|---------|----------------|----------------|
| 24.2 Oracle computer software | | | |
| Cost | | 20,397,279 | 20,397,279 |
| Accumulated amortization | | | |
| Balance as at 01 October | | 20,057,324 | 18,017,596 |
| Amortization for the year | 36 & 44 | 339,955 | 2,039,728 |
| | | (20,397,279) | (20,057,324) |
| Balance as at 30 September | | – | 339,955 |
| Rate of amortization | | 10% | 10% |

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

| | Note | 2024 Rupees | 2023 Rupees |
|---|------|-----------------|-----------------|
| 25. LONG TERM INVESTMENTS | | | |
| Investment in subsidiary companies – unquoted | 25.1 | 2,284,201,521 | 2,117,430,059 |
| Investment in associated companies – unquoted | 25.2 | – | 2,500 |
| | | 2,284,201,521 | 2,117,432,559 |
| Less: Classified under current assets | | | |
| as short term investments | | | |
| Faruki Pulp Mills Limited (“FPML”) | | (1,234,451,521) | (1,067,680,059) |
| Classified under non – current assets | | 1,049,750,000 | 1,049,752,500 |

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| | Note | 2024 Rupees | 2023 Rupees |
|---------------|---|-----------------|-----------------|
| 25.1 | Investment in subsidiary companies - unquoted | | |
| | Deharki Sugar Mills (Private) Limited ("DSML") | | |
| | 104,975,000 (2023: 104,975,000) fully paid shares of Rs. 10 each | | |
| | Equity held 100% (2023: 100%) | 1,049,750,000 | 1,049,750,000 |
| | Faruki Pulp Mills Limited ("FPML") | | |
| | 310,892,638 (2023: 310,892,638) fully paid shares of Rs. 10 each | | |
| | Equity held 57.67% (2023: 57.67%) | 3,154,426,383 | 3,154,426,383 |
| | Less: Accumulated impairment allowance | (1,919,974,862) | (2,086,746,324) |
| | | 1,234,451,521 | 1,067,680,059 |
| | Sadiqabad Power (Private) Limited ("SPL") | | |
| | 1,694,500 (2023: 1,694,500) fully paid shares of Rs. 10 each | | |
| | Equity held 100% (2023: 100%) | 16,945,000 | 16,945,000 |
| | Less: Accumulated impairment allowance | (16,945,000) | (16,945,000) |
| | | - | - |
| | Ghotki Power (Private) Limited ("GPL") | | |
| | 1,731,500 (2023: 1,731,500) fully paid shares of Rs. 10 each | | |
| | Equity held 100% (2023: 100%) | 17,315,000 | 17,315,000 |
| | Less: Accumulated impairment allowance | (17,315,000) | (17,315,000) |
| | | - | - |
| | | 2,284,201,521 | 2,117,430,059 |
| 25.1.1 | Accumulated impairment allowance | | |
| | Opening balance | 2,121,006,324 | 2,502,431,892 |
| | Impairment allowance for the year | 39 | 34,260,000 |
| | Reversal of prior periods impairment loss | 25.1.1.1 & 38 | (415,685,568) |
| | Closing balance | 1,954,234,862 | 2,121,006,324 |

25.1.1.1 Keeping in view the commercial viability of the plant and substantial accumulated losses, the management of FPML believes that FPML may not be able to realize its assets and discharge its liabilities in the normal course of business and prepared its financial statements for the year ended 30 September 2024 and 2023 on liquidation basis of accounting. Further, FPML through an extraordinary general meeting held on 25 March 2020, has resolved to dispose of its property, plant and equipment either in parts or in their entirety to the prospective buyers after due process. However, due to COVID-19 situation in the country this was not completed during the financial year 2020 and the said arrangement was re-approved by the FPML shareholders in its EOGM held on 13 December 2021. However, during the financial year ended 30 September 2023, the FPML disposed of all its property, plant, and equipment, excluding land, to a prospective buyer through the 'Moveable Assets Sale Agreement' for a total consideration of Rs. 1,600 million, inclusive of Sales Tax.

During the year, the shareholders of FPML, in an extraordinary general meeting held on September 24, 2024, approved a resolution to buy back and cancel up to 404,338,809 issued ordinary shares, representing 75% of the issued and paid-up capital of FPML. The buyback was to be conducted at a rate of Rs. 4 per share, in a proportion of up to 3 shares for every 4 shares held by shareholders, within the purchased period from September 24, 2024, to October 31, 2024, or until the buyback was completed, whichever occurred earlier. Subsequent to the yearend, FPML repurchased and canceled 233,169,479 shares on October 21, 2024 for a total consideration of Rs. 932.67 million.

Based on valuation techniques used outlined below, the Company has reassessed the recoverable amount of investment in FPML amounted to Rs. 1,234.45 million (2023: Rs. 1,067.68 million) and decided to reversed further impairment loss of Rs. 166.77 million (2023: Rs. 415.685 million) as recognized in prior years (for details, refer to note 25.1.1).

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

| | Carrying Value | Recoverable amount | Reversal of Impairment loss | Valuation technique used |
|-------------------------------|----------------------|----------------------|-----------------------------|--|
| | Rupees | Rupees | Rupees | |
| Net current assets | 998,513,400 | 998,513,400 | – | The carrying amount is assumed to approximate the fair value as these are reported at amounts not less than those at which these are expected to be recovered. |
| Property, plant and equipment | 69,166,659 | 235,938,121 | (166,771,462) | Sales comparison approach used for freehold land, to the extent of 25% of the recoverable amount, while the buy-back offer price has been applied to the remaining 75% e.g. @ 4/share. |
| 2024 | 1,067,680,059 | 1,234,451,521 | (166,771,462) | |
| 2023 | 651,994,491 | 1,067,680,059 | (415,685,568) | |

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



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During the financial year ended September 30, 2023, the recoverable amount of property, plant, and equipment was determined based on the recent valuation of freehold land and the negotiated price agreed upon with a prospective buyer under the 'Moveable Assets Sale Agreement,' as referenced above.

| | Note | 2024 Rupees | 2023 Rupees |
|---|--------|----------------|----------------|
| 25.2 Investment in associated companies – unquoted | | | |
| Kathai-II Hydro (Private) Limited (“KHL”) | | | |
| Nil (2023: 250) | | | |
| fully paid shares of Rs. 10 each | | | |
| Equity held 0% (2023: 20%) | 25.2.1 | – | 2,500 |

25.2.1 The Company sold its entire shareholding in KHL on 02 September 2024, for a consideration of Rs. 2,500. The KHL is a private limited company incorporated in Pakistan on 27 August 2012 under the repealed Companies Ordinance, 1984. The principal activity of the associate is to generate, distribute and sell energy.

| | Note | 2024 Rupees | 2023 Rupees |
|---|------|----------------|----------------|
| 26. LONG TERM DEPOSITS | | | |
| Right-of-use assets | | 125,171,973 | 138,243,624 |
| Ijarah contracts | | 9,207,270 | – |
| Others | 26.1 | 60,279,208 | 22,081,530 |
| | | 194,658,451 | 160,325,154 |
| Less: Current maturity presented under current assets | 31 | (55,431,682) | (11,060,420) |
| | | 139,226,769 | 149,264,734 |

26.1 The fair value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of others security deposits is not considered material and hence not recognized. This also includes an advance amounting to Rs. 0.792 million (2023: Rs. 1.55 million) due from JDW Aviation (Pvt.) Limited, an associated company by virtue of common directorship. The maximum aggregate amount outstanding during the year with respect to month end balances amounts to Rs. 1.65 million (2023: Rs. 4.56 million). This balance was neither past due nor impaired. These deposits do not carry any interest or markup.

27. BIOLOGICAL ASSETS

| | | 2024 | | | | | |
|---|----------|-------------------------|---------------|--------------|-------------|--------|-----------------|
| | Note | Standing sugarcane crop | Wheat | Mustard | Rice | Millat | Total |
| | | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| At the beginning of the year at fair value | | 3,596,236,563 | 2,668,053 | 3,655,139 | 3,302,285 | – | 3,605,862,039 |
| Further cost charged during the year | 35.1.1.1 | 2,076,204,472 | 86,592,528 | 19,151,703 | 538,962 | – | 2,182,487,665 |
| Fair value gain / (loss) on initial recognition of agricultural produce | 35.1.1 | 1,372,756,343 | 87,065,833 | 17,406,057 | (387,287) | – | 1,476,840,946 |
| Decrease due to harvest | | (7,040,980,114) | (176,326,414) | (40,212,899) | (3,453,960) | – | (7,260,973,387) |
| Cost incurred on standing crops | | 4,315,508,811 | 1,107,439 | 1,281,324 | 292,285 | 41,838 | 4,318,231,698 |
| Net fair value loss on biological assets | 38.2 | (673,124,347) | – | – | – | – | (673,124,347) |
| At the end of the year at fair value | | 3,646,601,728 | 1,107,439 | 1,281,324 | 292,285 | 41,838 | 3,649,324,613 |

| | | 2023 | | | | | |
|---|----------|-------------------------|---------------|--------------|-----------|--------|-----------------|
| | Note | Standing sugarcane crop | Wheat | Mustard | Rice | Millat | Total |
| | | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| At the beginning of the year at fair value | | 2,853,458,837 | 836,163 | 737,667 | – | – | 2,855,032,666 |
| Further cost charged during the year | 35.1.1.1 | 1,401,871,297 | 42,439,318 | 12,406,436 | – | – | 1,456,717,051 |
| Fair value (loss) / gain on initial recognition of agricultural produce | 35.1.1 | (504,621,858) | 93,453,284 | 13,973,991 | – | – | (397,194,583) |
| Decrease due to harvest | | (3,750,506,892) | (136,728,765) | (27,118,094) | – | – | (3,914,353,751) |
| Cost incurred on standing crops | | 3,542,492,714 | 2,668,053 | 3,655,139 | 3,302,285 | – | 3,552,118,191 |
| Net fair value gain on biological assets | 38.2 | 53,542,465 | – | – | – | – | 53,542,465 |
| At the end of the year at fair value | | 3,596,236,563 | 2,668,053 | 3,655,139 | 3,302,285 | – | 3,605,862,039 |



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27.1 Measurement of fair values

27.1.1 Fair value hierarchy

In absence of active market for standing sugarcane crop, the fair value measurement for the standing sugarcane crop has been categorised as Level 3 fair value based on the inputs to the valuation techniques used. Fair value has been determined by independent professional valuer, Osam Consultants Engineers as at 30 September 2024 on the basis of a discounted cash flow model by using income approach. The valuation model considers the present value of the net cash flows expected to be generated by the standing sugarcane crop at maturity, in its most relevant market, and includes the potential biological transformation and related risks associated with the asset. The cash flows projections include specific estimates for next year which mainly include crop's expected yield and expected production costs and costs to sell. The expected cash flows are discounted using weighted average cost of capital of the Company.

27.1.2 Valuation techniques and significant unobservable inputs

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

| | Unit | 2024 | 2023 |
|---|-------------|---------|---------|
| Valued plantations (Actual) | | | |
| – Punjab Zone | Acres | 8,348 | 8,952 |
| – Sindh Zone | Acres | 11,002 | 10,921 |
| Estimated further production costs and costs to sell per acre | | | |
| – Punjab Zone | Rupees | 161,947 | 164,394 |
| – Sindh Zone | Rupees | 173,092 | 171,828 |
| Estimated yield per acre | | | |
| – Punjab Zone | Maunds | 916 | 881 |
| – Sindh Zone | Maunds | 879 | 819 |
| Harvest age | Months | 12 – 14 | 12 – 14 |
| Estimated future sugarcane price per maunds | | | |
| – Punjab Zone | Rupees | 410 | 425 |
| – Sindh Zone | Rupees | 410 | 425 |
| Risk – adjusted discount rate | % per month | 1.02% | 1.09% |

Cost of biological assets other than standing sugarcane crop of Rs. 2.72 million (2023: Rs. 9.63 million) is considered to approximate their respective fair value less costs to sell as these assets are still at a very early stage of plantation and it is considered that in-significant biological transformation has taken place or the impact of fair value measurement is not significant.

27.2 Sensitivity analysis

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

| | Increase / (Decrease) 2024 Rupees | Increase / (Decrease) 2023 Rupees |
|---|--|--|
| Decrease of 10% in estimated average yield per acre | (495,314,151) | (679,827,805) |
| Increase of 10% in estimated further production cost | (325,620,659) | (320,204,148) |
| Increase of 10% in estimated average selling price per maunds | 676,945,801 | 679,827,805 |
| Increase of 10% in discount rate | (18,999,107) | (19,978,175) |

27.3 Risk management strategy related to agricultural activities

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

Regulatory and environmental risks

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

Climate and other risks

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

- i) adverse weather conditions such as floods etc. affecting the quality and quantity of production; and
- ii) potential insect, fungal and weed infestations resulting in crop failure and reduced yields.

The Company is principally dependent upon the Government's measures for flood control. The Company follows an effective preventive pesticide / insecticide / fungicide program, regularly monitors the crops for any infestations and takes immediate curative measures.

Supply and demand risk

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

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| | Note | 2024 Rupees | 2023 Rupees |
|--|------|----------------|----------------|
| 28. STORES, SPARE PARTS AND LOOSE TOOLS | | | |
| Stores: | | | |
| – Sugar | | 1,196,616,071 | 1,424,281,785 |
| – Co-Generation Power | | 302,373,713 | 260,563,196 |
| – Corporate Farms | | 770,591,714 | 593,083,456 |
| – Distillery | | 353,523,031 | – |
| | | 2,623,104,529 | 2,277,928,437 |
| Spare parts: | | | |
| – Sugar | | 679,075,396 | 563,800,103 |
| – Co-Generation Power | | 127,383,954 | 111,823,920 |
| – Distillery | | 1,226,175 | – |
| | | 807,685,525 | 675,624,023 |
| Loose tools: | | | |
| – Sugar | | 39,652,105 | 38,089,521 |
| – Co-Generation Power | | 15,349,993 | 11,897,258 |
| – Distillery | | 1,727,187 | – |
| | | 56,729,285 | 49,986,779 |
| | | 3,487,519,339 | 3,003,539,239 |
| Less: Stores, spare parts and loose tools held for capex | 21.3 | (506,172,063) | (68,580,323) |
| Less: Provision for obsolescence | 28.2 | (611,365,238) | (506,527,237) |
| | 28.3 | 2,369,982,038 | 2,428,431,679 |

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

| | Note | 2024 Rupees | 2023 Rupees |
|--|------|----------------|----------------|
| 28.2 Provision for obsolescence | | | |
| Balance as at 01 October | | 506,527,237 | 363,112,737 |
| Addition during the year | 44 | 144,921,677 | 225,188,214 |
| Reversal made during the year | | (40,083,676) | (81,773,714) |
| | | 104,838,001 | 143,414,500 |
| Balance as at 30 September | | 611,365,238 | 506,527,237 |

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

| | Note | 2024 Rupees | 2023 Rupees |
|---------------------------|------|----------------|----------------|
| 29. STOCK-IN-TRADE | | | |
| Sugar | 29.1 | 21,244,387,413 | 15,540,161,367 |
| Bagasse | | 333,419,904 | 231,921,750 |
| Mud | | – | 50,835,524 |
| | 35 | 21,577,807,317 | 15,822,918,641 |

29.1 The closing stock of sugar, net of 15% to 30% margin, having carrying value of Rs. 1,923 million (2023: Rs. 2,763 million) has been pledged against cash finances obtained from commercial and Islamic banks (for details, refer to note 13).

| | Note | 2024 Rupees | 2023 Rupees |
|------------------------------|-------------|----------------|----------------|
| 30. TRADE RECEIVABLES | | | |
| Considered good | 30.1 & 30.2 | 9,628,389,306 | 3,177,651,602 |
| Considered doubtful | | 88,927,395 | 100,391,459 |
| | | 9,717,316,701 | 3,278,043,061 |
| Less: Impairment allowance | 30.3 | (88,927,395) | (100,391,459) |
| | | 9,628,389,306 | 3,177,651,602 |

30.1 It includes a net carrying amount of Rs. 1,592.38 million (2023: Rs. 807.65 million) receivables from growers for the sale of agricultural inputs. The gross carrying amount of these receivables, totaling Rs. 5,404 million (2023: Rs. 4,152 million), has been settled by Rs. 3,812 million (2023: Rs. 3,343 million).

30.2 These also includes Rs. 6,137 million (2023: Rs. 2,328 million) receivable from CPPA-G on account of sale of energy under Energy Purchase Agreements. These are secured by a guarantee from the Government of Pakistan under the Implementation Agreements (IAs) and interest free, however, a delayed payment mark-up is charged in case the amounts are not paid within due dates. The rate of delayed payment mark-up charged during the year on outstanding amounts was 3MK+2% to 3MK+4.5% (2023: 3MK+2% to 3MK+4.5%) per annum. The effective interest rate charged during the year is ranging from 18.55% to 28.44% (2023: 17.77% to 28.44%) per annum.

| | 2024 Rupees | 2023 Rupees |
|---|----------------|----------------|
| 30.3 Movement for impairment allowance | | |
| Balance as at 01 October | 100,391,459 | 100,391,459 |
| Written off during the year | (11,464,064) | – |
| Balance as at 30 September | 88,927,395 | 100,391,459 |

| | Note | 2024 Rupees | 2023 Rupees |
|--|------|----------------|----------------|
| 31. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES | | | |
| Advances to suppliers and contractors | 31.1 | 359,478,288 | 319,809,172 |
| Advances to growers | 31.2 | 315,798,870 | 481,631,259 |
| Prepaid expenses | | 65,381,063 | 58,996,624 |
| Current portion of long term security deposits | 26 | 55,431,682 | 11,060,420 |
| Sugar export arrears | 31.3 | 249,347,467 | – |
| Other short term security deposits | 31.3 | 47,377,300 | 47,377,300 |
| Receivable from the DSML – subsidiary company | 31.4 | 503,995,455 | 250,323,769 |
| Advances to staff | 31.5 | 61,588,304 | 34,046,071 |
| Sugar export subsidy | 31.6 | – | – |
| Other receivables | 31.7 | 69,190,775 | 34,170,541 |
| | | 1,727,589,204 | 1,237,415,156 |



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| | Note | 2024 Rupees | 2023 Rupees |
|---|--------|------------------------|----------------------|
| 31.1 Advances to suppliers and contractors | | | |
| – Considered good | | 2,373,125,769 | 541,022,918 |
| – Considered doubtful | | 23,217,008 | 23,217,008 |
| | | <u>2,396,342,777</u> | <u>564,239,926</u> |
| Less: Capital advances | | | |
| – Advances for capital expenditure | | (1,823,861,228) | (177,032,521) |
| – Advances for vehicles | | (73,344,594) | (32,605,415) |
| – Advances for land | | (116,441,659) | (11,575,810) |
| | 21.2.1 | <u>(2,013,647,481)</u> | <u>(221,213,746)</u> |
| Less: Provision for doubtful advances | 31.1.1 | <u>(23,217,008)</u> | <u>(23,217,008)</u> |
| | | <u>359,478,288</u> | <u>319,809,172</u> |
| 31.1.1 Provision for doubtful advances | | | |
| Balance as at 01 October | | 23,217,008 | 55,977,156 |
| Provision for year | 39 | – | 1,711,644 |
| Written off during the year | | – | (6,778,420) |
| Reversal of provision for doubtful advances | 38 | – | (27,693,372) |
| Balance a at 30 September | | <u>23,217,008</u> | <u>23,217,008</u> |
| 31.2 Advances to growers | | | |
| – Considered good | | 315,798,870 | 481,631,259 |
| – Considered doubtful | | 4,937,966 | 4,937,966 |
| | 31.2.1 | <u>320,736,836</u> | <u>486,569,225</u> |
| Less: Provision for doubtful advances | | <u>(4,937,966)</u> | <u>(4,937,966)</u> |
| | | <u>315,798,870</u> | <u>481,631,259</u> |

31.2.1 This represents advances provided to various sugarcane growers in the form of cash and for purchase of seeds, turbine and agri implements. These carry interest rates ranging from 24% to 25.5% (2023: 17% to 20%) per annum and will be adjusted against sugarcane payment in forthcoming crushing season. These also include markup receivables amounting to Rs. 27.28 million (2023: Rs. 2.25 million).

This includes Rs. 2.05 million (Rs. 4.34 million) due from key management of the Company. The maximum aggregate amount outstanding during the year with respect to month end balances amounts to Rs. 4.33 million (2023: Rs. 4.21 million). This balance was neither overdue nor impaired.

31.3 During the financial year that ended on 30 September 2023, the Company was aggrieved by the Cane Commissioner Sindh's order dated 25 January 2023 on the allocation of 80,000 MT Sindh Sugar export quota out of a total country-wide Sugar Export quota of 250,000 MT, which was supposed to be based on cane crushed for the crushing season 2022-23 by each mill. However, the Cane Commissioner allocated the quota equally to all Mills, i.e., 2,500 MT each. Therefore, the Company filed a suit in the Honorable Sindh High Court (SHC) under Suit No. 145-2023.

The Honorable SHC, in its order dated 7 March 2023, set aside the Cane Commissioner's decision. This decision was then challenged by the Respondents before the Division Bench through Civil Appeal No. 64-2023 (the "CA"). The Division Bench, through its interim order dated 9 March 2023, allowed the export of 1,500 MT to each mill (a total of 48,000 MT), however after various hearings, the decision on the CA was reserved by the Court on 30 May 2023.

Considering the complexity of the case and the potential Foreign Exchange loss to the country, all parties—the Appellants and Respondents—reached a consensus and filed a joint statement with the Court. They agreed that all sugar mills would export 32,000 MT of sugar, i.e., 1,000 MT by each mill at Rs. 96.10 per kg. However, every mill shall deposit Rs. 47.37 million with the Nazir of the Court for the disputed quantity of 493 MT, and Rs. 48.72 million will be withheld by the mills on account of the undisputed quantity of 507 MT and aggregate of disputed amount 296.72 Million plus Mark-up has to be returned to Petitioner on final disposal of Suit. This interim arrangement was allowed ipso facto by the Court.

- 31.4** The Company and Deharki Sugar Mills (Pvt.) Limited – a wholly own subsidiary, have opted for group taxation as one fiscal unit under section 59AA of the Income Tax Ordinance, 2001 as explained in note 4.11.3. As on reporting date, the Company's share under group taxation after netting of advance tax has been recognized as receivable from the Subsidiary company – DSML.

| | Note | 2024 Rupees | 2023 Rupees |
|-------------------------------|--------|----------------|----------------|
| 31.5 Advances to staff | | | |
| – against salaries | 31.5.1 | 55,174,507 | 28,588,173 |
| – against expenses | | 6,413,797 | 5,457,898 |
| | | 61,588,304 | 34,046,071 |

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

| | Note | 2024 Rupees | 2023 Rupees |
|--|---------|----------------|----------------|
| 31.6 Sugar export subsidy | | | |
| Freight support / subsidy | 31.6.1 | 306,334,430 | 306,334,430 |
| Others | | 92,961,760 | 92,961,760 |
| | 20.1.14 | 399,296,190 | 399,296,190 |
| Less: Provision for sugar export subsidy | | (399,296,190) | (399,296,190) |
| | | – | – |

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

| | Note | 2024 Rupees | 2023 Rupees |
|--|--------|----------------|----------------|
| 31.7 Other receivables | | | |
| Considered good | | 69,190,775 | 34,170,541 |
| Considered doubtful | | 3,596,334 | 3,596,334 |
| | 31.7.1 | 72,787,109 | 37,766,875 |
| Less: Provision for doubtful receivables | | (3,596,334) | (3,596,334) |
| | | 69,190,775 | 34,170,541 |

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- 31.7.1** It includes Rs. 42.39 million (2023: Rs. 30.81 million) receivable in respect of rental under sub-lease of land and are classified as operating lease in line with accounting policies of the Company as stated in note 4.2.3 to these unconsolidated financial statements.

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

32. OTHER FINANCIAL ASSET

These represent investment made in units of NBP Cash Plan II and MCB Pakistan Cash Management Fund (mutual funds) and classified "At fair value through profit or loss".

| | Note | 2024 Rupees | 2023 Rupees |
|-----------------------------------|------|----------------|----------------|
| 33. CASH AND BANK BALANCES | | | |
| At banks: | | | |
| Conventional banks | | | |
| – Balance with current accounts | | 287,072,144 | 97,120,944 |
| – Deposits with saving accounts | 33.1 | 260,655,173 | 2,172,284 |
| | | 547,727,317 | 99,293,228 |
| Shariah-Compliant Islamic banks | | | |
| – Balance with current accounts | | 126,258,996 | 48,291,613 |
| | | 673,986,313 | 147,584,841 |
| Cash in hand | | | |
| | | 10,554,246 | 11,006,239 |
| | | 684,540,559 | 158,591,080 |

- 33.1** The balances in savings accounts are placed under mark-up arrangements and bear mark-up ranging from 17.5% to 20.5% (2023: 13.5% to 20.5%) per annum.

| | Note | 2024 Rupees | 2023 Rupees |
|--|----------|-----------------|----------------|
| 34. REVENUE FROM CONTRACTS WITH CUSTOMERS | | | |
| Disaggregation of revenue based on: | | | |
| 34.1 Segments | | | |
| Sugar | | | |
| Sugar | 34.1.1 | 85,061,398,430 | 51,691,021,214 |
| Molasses – by product | 34.1.2 | 9,792,873,269 | 8,458,852,378 |
| Agri Inputs | | 5,237,818,957 | 4,151,268,610 |
| Mud – by product | | 605,593,440 | 424,109,198 |
| Bagasse – by product | | 522,498,073 | 1,206,321,145 |
| | | 101,220,182,169 | 65,931,572,545 |
| Co-Generation Power | 34.1.3 | 10,045,231,501 | 4,377,899,053 |
| Corporate Farms | 34.1.4 | 4,784,451,643 | 2,033,634,298 |
| | | 116,049,865,313 | 72,343,105,896 |
| 34.1.1 Sugar | | | |
| Local | | 82,704,235,280 | 49,041,790,374 |
| Export | 34.1.1.1 | 2,357,163,150 | 2,649,230,840 |
| | | 85,061,398,430 | 51,691,021,214 |
| 34.1.1.1 Geographic markets | | | |
| Asia | | 2,357,163,150 | 2,367,349,240 |
| Africa | | – | 281,881,600 |
| | | 2,357,163,150 | 2,649,230,840 |
| 34.1.2 Molasses – by product | | | |
| – Sale under DTRE (Duty & Tax Remission for Exporters) | | 8,575,416,559 | 8,102,454,400 |
| – Export | 34.1.2.1 | 644,454,151 | – |
| – Others | | 573,002,559 | 356,397,978 |
| | | 9,792,873,269 | 8,458,852,378 |
| 34.1.2.1 Geographic markets | | | |
| Europe | | 398,863,360 | – |
| Africa | | 245,590,791 | – |
| | | 644,454,151 | – |
| 34.1.3 Co-Generation Power | | | |
| Variable energy price | | 2,860,530,676 | 2,638,220,565 |
| Fixed energy price | | 1,677,148,670 | 1,739,678,488 |
| Differential tariff adjustment | | | |
| Fuel cost component (FCC) | 34.3 | 5,386,509,459 | – |
| Local O&M component | 34.4 | 121,042,696 | – |
| | | 5,507,552,155 | – |
| | | 10,045,231,501 | 4,377,899,053 |
| 34.1.4 Corporate Farms | | | |
| Sugarcane to Deharki Sugar Mills (Private) Limited | | 4,531,056,300 | 1,864,713,977 |
| Sugarcane seed and other crops | | 253,395,343 | 168,920,321 |
| | | 4,784,451,643 | 2,033,634,298 |
| 34.1.5 Timing of revenue recognition | | | |
| Products transferred at a point in time | | 106,004,633,812 | 67,965,206,843 |
| Products transferred over time | | 10,045,231,501 | 4,377,899,053 |
| | | 116,049,865,313 | 72,343,105,896 |



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34.2 Revenue recognised during the year included Rs. 15,311 million (2023: Rs. 2,518 million) that was included in contract liabilities / advances from customers at the beginning of the year.

34.3 During the year, the National Electric Power Regulatory Authority (NEPRA) vide S.R.O. 845 (I) /2024 dated 10 June 2024 decided Fuel Cost Component ("FCC") from October 2018 till September 2022 pursuant to the FCC adjustment mechanism as per upfront Tariff Determination 2013, and with effect from October 2022 onward, the NEPRA allowed 5% annual indexation on the applicable bagasse price for the previous year.

Subsequently, the Prime Minister's Office (PMO) of Pakistan has constituted a Task Force on Implementing Structural Reforms in the Power Sector vide PMO's u.o No. 3(38)/DS(EA-III)/2024 dated 04 August 2024. Pursuant to this, an Agreement has initiated among Bagasse Based IPPs and Central Power Purchasing Agency (Guarantee) Limited (CPPA - G) for reduction in Bagasse Price/Fuel Cost Component (FCC), other tariff components and also to amend Energy Purchase Agreement (EPA). The Federal Cabinet has approved revisions of Agreements for Bagasse Based IPPs on 10 December 2024. Subsequent to yearend 30 September 2024, such differential tariff amount has been received.

34.4 NEPRA has approved the Local O&M components for quarters from Oct-2020 to Sep-2023 dated 04 December 2023 and the same has also been recognized in the current period.

| | Note | 2024 Rupees | 2023 Rupees |
|---|------|------------------|------------------|
| 35. COST OF REVENUE | | | |
| Opening stock-in-trade | | 15,822,918,641 | 12,145,780,400 |
| Add: Cost of goods manufactured | 35.1 | 96,495,813,799 | 65,513,524,278 |
| Add: Freight and other costs related to contracts | | 158,364,459 | 195,717,789 |
| | | 112,477,096,899 | 77,855,022,467 |
| Less: closing stock-in-trade | | | |
| – Sugar | | (21,244,387,413) | (15,540,161,367) |
| – Bagasse | | (333,419,904) | (231,921,750) |
| – Mud | | – | (50,835,524) |
| | 29 | (21,577,807,317) | (15,822,918,641) |
| | | 90,899,289,582 | 62,032,103,826 |

| | Note | 2024 Rupees | 2023 Rupees |
|---|----------|-----------------------|-----------------------|
| 35.1 Cost of goods manufactured | | | |
| Cost of crops consumed | | | |
| (including procurement and other costs) | 35.1.1 | 82,407,245,119 | 52,468,011,101 |
| Cost of agri inputs | | 4,275,321,576 | 3,570,721,334 |
| Salaries, wages and other benefits | 35.1.2 | 3,485,909,818 | 2,913,155,409 |
| Cost of bagasse consumed | | 1,300,736,537 | 1,600,701,690 |
| Stores and spare parts consumed | | 1,087,421,843 | 934,346,981 |
| Depreciation of operating fixed assets | 21.1.10 | 833,943,838 | 756,404,546 |
| Packing materials consumed | | 754,868,619 | 622,809,933 |
| Chemicals consumed | | 619,508,800 | 548,319,063 |
| Operation and maintenance | 35.1.4 | 301,973,363 | 259,267,662 |
| Vehicle running expenses | | 285,618,502 | 273,955,735 |
| Sugarcane roots written off | 21.1.11 | 194,743,321 | 182,974,518 |
| Depreciation of right-of-use assets | 22.3 | 163,340,095 | 118,971,374 |
| Insurance | | 129,835,227 | 100,427,599 |
| Provision for obsolescence – net | | 104,838,001 | 143,414,500 |
| Oil, lubricants and fuel consumed | | 109,678,199 | 87,087,178 |
| Electricity and power | | 109,634,906 | 114,135,211 |
| Repairs and maintenance | | 79,559,617 | 87,224,236 |
| Mud and bagasse shifting expenses | | 76,860,701 | 47,578,406 |
| Handling and storage | | 39,112,375 | 37,354,020 |
| Fee and taxes | 35.1.3 | 28,477,253 | 570,000,000 |
| Assets written off | 21.1.11 | 21,919,523 | 713,530 |
| Printing and stationery | | 18,969,441 | 19,477,174 |
| Freight and octroi | | 16,111,185 | 13,770,234 |
| Telephone and fax | | 9,852,926 | 12,329,244 |
| Ijarah rentals | 20.2.5 | 3,299,419 | – |
| Travelling and conveyance | | 2,746,579 | 2,449,951 |
| Other expenses | | 34,287,016 | 27,923,649 |
| | | 96,495,813,799 | 65,513,524,278 |
| 35.1.1 Cost of crops consumed | | | |
| Sugarcane purchased | | 74,306,064,985 | 48,335,848,110 |
| Cost of harvested crops | | | |
| Cost incurred on standing crops | | 3,548,102,310 | 2,398,442,203 |
| Net fair value gain on biological assets | 38.2 | 53,542,465 | 456,389,080 |
| Fair value gain/(loss) on initial recognition | | | |
| of agricultural produce | 27 & 38 | 1,476,840,946 | (397,194,583) |
| Further cost charged | 35.1.1.1 | 3,457,509,913 | 2,109,460,051 |
| | | 8,535,995,634 | 4,567,096,751 |
| Less: transferred to capital work in progress | 21.2.5 | (434,815,500) | (434,933,760) |
| | | 82,407,245,119 | 52,468,011,101 |



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| | Note | 2024 Rupees | 2023 Rupees |
|--|------------|----------------|----------------|
| 35.1.1.1 Further cost charged | | | |
| Salaries, wages and other benefits | 35.1.1.1.1 | 532,471,875 | 379,609,037 |
| Fuel expenses | | 430,984,101 | 273,626,129 |
| Depreciation of operating fixed assets | 21.1.10 | 281,792,578 | 211,796,803 |
| Repairs and maintenance | | 271,655,915 | 232,002,592 |
| Irrigation expenses | | 219,598,105 | 113,012,841 |
| Harvesting expense | | 161,129,314 | 116,048,829 |
| Fee and taxes | | 67,981,712 | – |
| Vehicle running expenses | | 47,845,588 | 40,963,632 |
| Fertilizer expenses | | 43,802,277 | 23,013,129 |
| Bio-laboratory expenses | | 34,717,783 | 25,967,335 |
| Depreciation of right-of-use assets | 22.3 | 20,142,005 | 6,130,200 |
| Seed expenses | | 12,733,651 | 6,317,043 |
| Insurance | | 4,129,408 | 3,397,358 |
| Pesticide and herbicide expenses | | 3,268,000 | 1,039,658 |
| Others | | 50,235,353 | 23,792,465 |
| Cost charged to biological assets | 27 | 2,182,487,665 | 1,456,717,051 |
| Transportation expenses | | 1,261,965,089 | 643,558,099 |
| Road cess | | 13,057,159 | 9,184,901 |
| | | 1,275,022,248 | 652,743,000 |
| | 35.1.1 | 3,457,509,913 | 2,109,460,051 |

35.1.1.1.1 Salaries, wages and other benefits include Rs. 10.09 million (2023: Rs. 8.17 million) in respect of contribution towards provident fund.

35.1.2 Salaries, wages and other benefits includes contribution to provident fund of Rs. 81.01 million (2023: Rs. 74.14 million) and expense recognized in respect of employees' gratuity fund of Rs. 16.99 million (2023: Rs. 16.90 million).

35.1.3 During the financial year ended 30 September 2023, the Company paid a requital fee of Rs. 570 million to regularize the crushing capacities of its Unit I and Unit II under the Punjab Industries (Control on Establishment & Enlargement) (Amendment) Act, 2022.

| | 2024 Rupees | 2023 Rupees |
|---|----------------|----------------|
| 35.1.4 Operation and maintenance | | |
| Reimbursable cost | 266,333,363 | 223,627,662 |
| Operating fee | 35,640,000 | 35,640,000 |
| | 301,973,363 | 259,267,662 |

| | Note | 2024 Rupees | 2023 Rupees |
|--|---------|----------------------|----------------------|
| 36. ADMINISTRATIVE EXPENSES | | | |
| Salaries, wages and other benefits | 36.1 | 2,070,912,304 | 1,757,988,343 |
| Charity and donations | 36.2 | 144,065,686 | 82,700,000 |
| Depreciation of operating fixed assets | 21.1.10 | 153,460,544 | 217,384,814 |
| Vehicle running and maintenance | | 119,940,602 | 91,574,350 |
| Repairs and maintenance | | 66,093,761 | 35,571,461 |
| Travelling and conveyance | | 59,997,201 | 52,476,543 |
| Depreciation of right-of-use assets | 22.3 | 25,631,805 | 47,983,325 |
| Legal and professional services | | 49,728,400 | 81,474,367 |
| Insurance | | 45,626,220 | 35,645,745 |
| Fee and taxes | | 26,398,955 | 15,263,651 |
| Printing and stationery | | 20,683,605 | 23,575,928 |
| Electricity and power | | 24,169,490 | 17,280,334 |
| Subscription and renewals | | 16,838,565 | 21,203,818 |
| Telephone, fax and postage | | 15,472,746 | 13,396,289 |
| Entertainment | | 12,495,839 | 8,215,983 |
| Office renovation | | 11,364,861 | 7,472,815 |
| Auditors' remuneration | 36.3 | 9,581,375 | 6,920,200 |
| Consultancy and advisory | | 4,052,983 | 981,015 |
| Advertisement | | 3,084,459 | 1,164,908 |
| Newspapers, books and periodicals | | 424,129 | 552,775 |
| Amortization of intangible asset | 24.2 | 339,955 | 2,039,728 |
| Assets written off | | 37,495 | - |
| Other expenses | | 24,056,095 | 20,582,163 |
| | | 2,904,457,075 | 2,541,448,555 |

36.1 Salaries, wages and other benefits includes contribution to provident fund of Rs. 47.36 million (2023: Rs. 40.08 million) and expense recognized in respect of employees' gratuity fund of Rs. 7.28 million (2023: Rs. 7.24 million).

| | Note | 2024 Rupees | 2023 Rupees |
|--|--------|--------------------|-------------------|
| 36.2 Donations for the year have been given to: | | | |
| - Tareen Education Foundation | | 80,500,000 | 71,500,000 |
| - Arshad Nadeem Gold Medal Winner Olympics 2024 | | 20,000,000 | - |
| - CCH Endowment Fund Trust | | 15,000,000 | - |
| - Punjab Police Department for marriage of Martyred daughters | | 10,000,000 | - |
| - Police Public School | | 7,575,000 | - |
| - Professional Education Foundation | | 2,000,000 | 1,500,000 |
| - Lahore Garrison Shooting Gallery | | 2,000,000 | 2,000,000 |
| - Lahore Race Club | | 2,500,000 | 2,000,000 |
| - National Society for M.E.H Children | | 1,000,000 | 1,000,000 |
| - Kidney Centre Training Institute | | 1,000,000 | 1,000,000 |
| - Shade Trust Sialkot | | 1,000,000 | - |
| - Forman Chirstian College | | - | 2,000,000 |
| - Lahore Divisional Squash Association | | - | 1,500,000 |
| - Others | 36.2.1 | 1,490,686 | 200,000 |
| | | 144,065,686 | 82,700,000 |

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

36.2.2 None of the directors of the Company or their spouses have any interest as in any of the recipients of donations made by the Company during the year except for Mr. Mukhdoom Syed Ahmad Mahmud, a Non-Executive Director, who served as the Chairman of Lahore Race Club and an Executive Director is an alumnus of Forman Christian College.

| | Note | 2024 Rupees | 2023 Rupees |
|--|--------|----------------|----------------|
| 36.3 Auditors' remuneration | | | |
| The charges for professional services (exclusive of sales tax) consist of the following: | | | |
| Services as auditors: | | | |
| Statutory audit | | 6,350,000 | 5,500,000 |
| Half yearly review | | 875,000 | 700,000 |
| Out of pocket expenses | | 75,000 | 75,000 |
| Others | 36.3.1 | 902,500 | 241,200 |
| | | 8,202,500 | 6,516,200 |
| Other services: | | | |
| Special reports and certificates in capacity of statutory auditor | | 1,318,875 | 349,000 |
| Tax advisory services | | 60,000 | 55,000 |
| | | 1,378,875 | 404,000 |
| | | 9,581,375 | 6,920,200 |

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

| | Note | 2024 Rupees | 2023 Rupees |
|---|------|----------------|----------------|
| 37. SELLING EXPENSES | | | |
| Salaries, wages and other benefits | 37.1 | 68,187,650 | 58,627,222 |
| Advertising, promotion and corporate branding | | 19,180,435 | – |
| Other selling expenses | | 9,062,614 | 6,746,635 |
| | | 96,430,699 | 65,373,857 |

37.1 Salaries, wages and other benefits include Rs. 0.96 million (2023: Rs. 0.83 million) in respect of contribution towards provident fund.

| | Note | 2024 Rupees | 2023 Rupees |
|---|---------|----------------|----------------|
| 38. OTHER INCOME | | | |
| Income from financial assets | | | |
| Delayed payment markup – CPPA–G | 30.2 | 275,639,776 | 345,821,495 |
| Interest income on bank deposits | 33.1 | 499,262,601 | 5,979,324 |
| Interest / profit earned on term deposit receipt | 38.1 | 370,976,386 | – |
| Rental income under operating sub-lease | 31.7.1 | 89,139,697 | 87,580,924 |
| Mark up on advances / loan given to DSML | 13.8 | 4,025,355 | – |
| Dividend income on mutual funds units | 32 | 59,338 | – |
| Foreign exchange gain – net | | – | 22,882,990 |
| | | 1,239,103,153 | 462,264,733 |
| Income from non-financial assets | | | |
| Fair value gain / (loss) on initial recognition of agricultural produce | 35.1.1 | 1,476,840,946 | (397,194,583) |
| Dividend income from DSML | | 262,500,000 | – |
| Sugar export arrears | 31.3 | 249,347,467 | – |
| Reversal of impairment loss in FPML investment | 25.1.1 | 166,771,462 | 415,685,568 |
| Sale of stores, spare parts and loose tools | | 119,995,136 | 40,964,239 |
| Gain on derecognition of the right-of-use assets | | 70,606,930 | 1,934,021 |
| Gain on disposal of operating fixed assets | 21.1.11 | 69,317,712 | 54,215,672 |
| Insurance claim | | 38,478,000 | – |
| Sale of scrap | | 37,219,760 | 207,002,723 |
| Mark-up on advances to growers | 31.2.1 | 32,132,665 | 15,520,409 |
| Rental income from investment property | | 23,159,088 | 17,557,518 |
| Liabilities no longer payable written back | | 194,147 | 66,065,265 |
| Net fair value (loss) / gain on biological assets | 38.2 | (673,124,347) | 53,542,465 |
| Penalty for not honoring of contract | | – | 55,416,500 |
| Reversal of provision for doubtful advances | 31.1.1 | – | 27,693,372 |
| Reversal of Workers' Welfare Fund | | – | 10,211,825 |
| Others | 38.3 | 4,301,370 | 1,974,550 |
| | | 1,877,740,336 | 570,589,544 |
| | | 3,116,843,489 | 1,032,854,277 |

38.1 This represents investment in Term Deposit Receipts (TDRs) of financial institutions, having aggregate face value of Rs. 6.25 billion (2023: Rs. nil). These TDRs carry mark-up at rates ranging from 20.5% to 21.9% (2023: nil) per annum and are matured on various dates upto 13 June 2024. It includes profit earned from Shariah compliant TDRs amounting to Rs. 328.89 million.

| | Note | 2024 Rupees | 2023 Rupees |
|---|--------|-----------------|-----------------|
| 38.2 Net fair value (loss) / gain on biological assets | | | |
| Fair value of standing crops | | 3,649,324,613 | 3,605,862,039 |
| Initial cost incurred on standing crops | | (4,217,262) | – |
| Cost incurred on standing crops | 38.2.1 | (4,318,231,698) | (3,552,319,574) |
| | 27 | (673,124,347) | 53,542,465 |

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| | Note | 2024 Rupees | 2023 Rupees |
|---|----------|----------------------|----------------------|
| 38.2.1 Cost incurred on standing crops | | | |
| Irrigation expenses | | 804,893,956 | 804,732,165 |
| Depreciation of right-of-use assets | 22.3 | 927,863,698 | 754,672,058 |
| Fertilizer expenses | | 1,106,050,985 | 721,147,787 |
| Salaries, wages and other benefits | 38.2.1.1 | 440,085,579 | 353,649,680 |
| Depreciation of operating fixed assets | 21.1.10 | 328,710,801 | 284,262,838 |
| Pesticide and herbicide expenses | | 233,269,088 | 189,658,061 |
| Repairs and maintenance | | 218,429,133 | 176,337,978 |
| Fuel expenses | | 145,209,017 | 168,640,656 |
| Vehicle running expenses | | 44,242,854 | 44,834,917 |
| Bio – laboratory expenses | | 29,617,268 | 28,061,317 |
| Insurance | | 4,284,892 | 3,568,843 |
| Others | | 35,574,427 | 22,753,274 |
| | | 4,318,231,698 | 3,552,319,574 |

38.2.1.1 Salaries, wages and other benefits include Rs. 9.9 million (2023: Rs. 9.2 million) in respect of contribution towards provident fund.

38.2.1.2 The cost of inventories consumed and included under the head “cost of growing crops” and “further cost charged” (note 35.1.1.1) amounted to Rs. 4,044 million (2023: Rs. 3,291 million).

38.3 It does not includes any Shariah compliant income.

| | Note | 2024 Rupees | 2023 Rupees |
|--|--------|----------------------|--------------------|
| 39. OTHER EXPENSES | | | |
| Workers’ Profit Participation Fund | 15.3 | 887,177,486 | 161,526,444 |
| Workers’ Welfare Fund | 15.5 | 191,746,751 | 4,254,806 |
| Foreign exchange loss – net | | 13,865,095 | – |
| Advances and other receivables written off | | 179,363 | 7,189,901 |
| Impairment loss of SPL & GPL | 25.1.1 | – | 34,260,000 |
| Provision for doubtful advances | 31.1.1 | – | 1,711,644 |
| Others | | 7,846,707 | 10,014,637 |
| | | 1,100,815,402 | 218,957,432 |

| | Note | 2024 Rupees | 2023 Rupees |
|--|----------|----------------------|----------------------|
| 40. FINANCE COST | | | |
| Mark-up based loans from conventional banks / financial institutions | | | |
| – Long term finances – secured | | 249,310,159 | 1,549,570,661 |
| – Short term borrowings – secured | | 3,616,739,761 | 1,889,452,838 |
| – Interest expense for leasing arrangements | 10 | 602,069,192 | 371,831,060 |
| | | <u>4,468,119,112</u> | <u>3,810,854,559</u> |
| Islamic mode of financing | | | |
| – Long term finances – secured | | 67,197,580 | 69,230,885 |
| – Short term borrowings – secured | | 2,718,289,788 | 952,220,848 |
| | 40.1 | <u>2,785,487,368</u> | <u>1,021,451,733</u> |
| Borrowings from related party – unsecured | | | |
| – Deharki Sugar Mills (Private) Limited | 13.8 | 88,784,496 | 359,281,081 |
| Amortization of transaction cost | 9 | 4,244,756 | 28,192,726 |
| Workers' Profit Participation Fund | 15.3 | 154,923,455 | 188,015,555 |
| Markup on short term advances from provident fund | | 5,178,640 | – |
| Bank charges and commission | | 117,005,752 | 45,533,210 |
| | | <u>281,352,603</u> | <u>261,741,491</u> |
| Less: borrowing cost capitalized | 21.2.4.1 | (116,543,947) | – |
| | | <u>7,507,199,632</u> | <u>5,453,328,864</u> |

40.1 Profit paid on Islamic mode of financing for the year amounts to Rs. 2,161 million.

| | Note | 2024 Rupees | 2023 Rupees |
|--------------------------|------|--------------------|--------------------|
| 41. LEVY | | | |
| Final taxes | | 92,198,707 | 107,516,852 |
| Super tax – Final taxes | | 31,792,658 | 37,074,777 |
| Minimum tax differential | | – | 632,943,354 |
| | 41.1 | <u>123,991,365</u> | <u>777,534,983</u> |

41.1 This represents portion of minimum tax and final taxes paid under section 113 and 169 of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

41.2 Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in these unconsolidated statement of profit and loss, is as follows:

| | 2024 Rupees | 2023 Rupees |
|--|------------------------|----------------------|
| Current tax liability for the year as per applicable tax laws | 2,551,583,103 | 858,844,316 |
| Portion of current tax liability as per tax laws, representing income tax under IAS 12 | (2,427,591,738) | (81,309,333) |
| Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37 | (123,991,365) | (777,534,983) |
| | <u>(2,551,583,103)</u> | <u>(858,844,316)</u> |
| | – | – |

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For the year ended 30 September 2024

| | Note | 2024 Rupees | (Restated) 2023 Rupees |
|---|------|-------------------------|------------------------------|
| 42. TAXATION | | | |
| Income tax | | 1,468,857,985 | 60,460,786 |
| Super tax | 11.1 | 958,733,753 | 20,848,547 |
| Change in estimate related to prior years | | (11,816,371) | (47,099,458) |
| | | 2,415,775,367 | 34,209,875 |
| Deferred tax | 11.3 | 1,105,708,681 | 84,016,670 |
| Agriculture tax | 15 | 3,732,268 | 2,892,033 |
| | | 3,525,216,316 | 121,118,578 |
| | | 2024 Numbers | 2023 Numbers |
| 42.1 Relationship between tax expense and accounting profit before tax | | | |
| Profit before taxation | | 16,534,525,047 | – |
| Tax at the applicable rate of 29% | | 4,795,012,264 | – |
| Tax effect of: | | | |
| – exempt income | | (2,164,868,008) | – |
| – super tax | | 958,733,753 | – |
| – change in prior year's tax | | (11,816,371) | – |
| – others | | (51,845,322) | – |
| | | 3,525,216,316 | – |

In respect of the year ended 30 September 2023, the provision for taxation mainly represents the Minimum Tax and final tax liabilities under section 113 and 169 of the Income Tax Ordinance, 2001 respectively. Accordingly, tax charge reconciliation for the preceding financial year has not been prepared and presented.

42.2 For tax contingencies, refer to note 20.1.1 to 20.1.12

| | | 2024 | 2023 |
|--|-------------|-------------------------|-------------------------|
| 43. EARNINGS PER SHARE – BASIC AND DILUTED | | | |
| Profit for the year | Rupees | 13,009,308,731 | 2,166,094,078 |
| Weighted average number of ordinary shares | Numbers | 57,776,661 | 58,278,579 |
| Basic earnings per share | Rupees | 225.17 | 37.17 |
| | Note | 2024 Numbers | 2023 Numbers |
| 43.1 Weighted average number of ordinary shares | | | |
| Outstanding number of shares before own shares purchased | | 57,776,661 | 59,776,661 |
| Less: Impact of own shares purchased during the year | 7.2.2 | – | (1,498,082) |
| | | 57,776,661 | 58,278,579 |

43.2 A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at 30 September 2024 and 2023 which would have any effect on the profit per share if the option to convert is exercised.

| | Note | 2024 Rupees | 2023 Rupees |
|---|---------|------------------|-----------------|
| 44. CASH GENERATED FROM OPERATIONS | | | |
| Profit before taxation and levy | | 16,658,516,412 | 3,064,747,639 |
| Adjustments for non-cash income and expenses: | | | |
| Finance cost | | 7,502,954,876 | 5,425,136,138 |
| Depreciation of operating fixed assets | | 2,308,131,856 | 2,045,073,725 |
| Staff retirement benefits | | 311,262,561 | 289,595,105 |
| Provision for obsolescence | 28.2 | 144,921,677 | 225,188,214 |
| Assets written off | 21.1.11 | 216,700,339 | 183,688,048 |
| Workers' Profit Participation Fund | 15.3 | 887,177,486 | 161,526,444 |
| Depreciation of right-of-use assets | 22.3 | 209,113,905 | 173,084,899 |
| Workers' Welfare Fund | 15.5 | 191,746,751 | 4,254,806 |
| Advances and other receivables written off | 39 | 179,363 | 7,189,901 |
| Amortization of transaction cost | 9 | 4,244,756 | 28,192,726 |
| Impairment loss of SPL & GPL | 25.1 | – | 34,260,000 |
| Amortization of intangibles | 24.2 | 339,955 | 2,039,728 |
| Provision for doubtful advances | 39 | – | 1,711,644 |
| Dividend income recognized | | (262,559,338) | – |
| Reversal of impairment loss in FPML investment | 25.1.1 | (166,771,462) | (415,685,568) |
| Interest income | | (1,182,155,459) | (367,321,228) |
| Liabilities no longer payable written back | | (194,147) | (66,065,265) |
| Reversal of provision for obsolescence | 28.2 | (40,083,676) | (81,773,714) |
| Gain on disposal of operating fixed assets | 21.1.11 | (69,317,712) | (54,215,672) |
| Net fair value loss / (gain) on biological assets | 38.2 | 673,124,347 | (53,542,465) |
| Foreign exchange loss / (gain) – net | 39 & 38 | 13,865,095 | (22,882,990) |
| Reversal of provision for doubtful advances | 31.1.1 | – | (27,693,372) |
| Gain on derecognition of the right-of-use assets | 38 | (70,606,930) | (1,934,021) |
| Adjustment for prior year provision of WWF | 15.5 | 6,109,072 | (10,211,825) |
| | | 10,678,183,315 | 7,479,615,258 |
| | | 27,336,699,727 | 10,544,362,897 |
| Working capital changes | | | |
| Trade receivables | | (6,425,546,643) | 530,898,760 |
| Stores, spare parts and loose tools | | (46,388,360) | (655,387,534) |
| Biological assets | | (498,947,318) | (517,839,574) |
| Advances, deposits, prepayments and other receivables | | (236,681,725) | (120,290,102) |
| Stock-in-trade | | (5,754,888,676) | (3,677,138,241) |
| Trade and other payables | | 174,066,453 | 491,464,675 |
| Advances from customers | | (14,134,146,831) | 12,832,860,770 |
| | | (26,922,533,100) | 8,884,568,754 |
| Cash generated from operations | | 414,166,627 | 19,428,931,651 |

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45. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

| | Directors | | | | | | | |
|---|-----------------|------------|-------------|-------------|-----------------|-------------|---------------|---------------|
| | Chief Executive | | Executive | | Non - Executive | | Executives | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| Managerial remuneration | 9,200,000 | 8,300,000 | 160,000,000 | 136,666,667 | 249,200,000 | 211,633,334 | 732,843,010 | 644,275,874 |
| House allowance | 3,680,000 | 3,320,000 | 64,000,000 | 54,666,667 | 99,680,000 | 84,653,334 | 293,137,200 | 257,710,350 |
| Medical and other allowances | 920,000 | 830,000 | 16,000,000 | 13,666,666 | 24,920,000 | 21,163,333 | 73,284,300 | 64,427,587 |
| Bonus | - | - | 99,999,980 | 75,000,000 | 155,750,020 | 130,000,004 | 587,822,560 | 569,211,556 |
| Company's contribution towards provident fund | - | - | - | - | - | - | 105,450,280 | 59,108,871 |
| Staff retirement benefit – gratuity | - | - | - | - | - | - | 8,294,230 | 6,623,400 |
| | 13,800,000 | 12,450,000 | 339,999,980 | 280,000,000 | 529,550,020 | 447,450,005 | 1,800,831,580 | 1,601,357,638 |
| Number of persons | 1 | 1 | 1 | 1 | 2 | 2 | 160 | 142 |

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

45.2 No meeting fee has been paid to the Chief Executive, Non-Executive and Executive Directors of the Company during the current and preceding year.

45.3 Mr. Jahangir Khan Tareen, an Executive Director, and its family owned business concerns are permitted to use the Company maintained aircraft for private trips, subject to availability, for which the proportionate share of operating expenses is reimbursed to the Company. During the year, Rs. 106.706 million (2023: Rs. 56.611 million) was reimbursed for the use of aircraft.

46. FINANCIAL INSTRUMENTS

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

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

46.1 Risk management framework

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

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

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

| | 2024 Rupees | 2023 Rupees |
|--|-----------------------|-----------------------|
| Financial instruments by category | | |
| Financial assets | | |
| At amortized cost: | | |
| Long term deposits | 22,040,360 | 19,865,212 |
| Trade receivables | 8,036,006,122 | 2,370,000,313 |
| Advances, deposits and other receivables | 373,712,749 | 110,136,014 |
| Cash and bank balances | 684,540,559 | 158,591,080 |
| | <u>9,116,299,790</u> | <u>2,658,592,619</u> |
| At Fair value through profit or loss: | | |
| Investment in mutual funds units | 1,046,265 | – |
| | <u>9,117,346,055</u> | <u>2,658,592,619</u> |
| Financial liabilities | | |
| At amortized cost: | | |
| Long term finances – secured | 6,782,862,397 | 6,430,180,003 |
| Short term borrowings | 24,254,587,213 | 7,192,529,027 |
| Lease liabilities | 3,340,213,867 | 2,880,228,735 |
| Accrued profit / interest / mark-up | 1,667,153,061 | 674,037,003 |
| Trade and other payables | 1,400,154,831 | 1,518,039,495 |
| Unclaimed dividend | 60,343,112 | 52,850,040 |
| | <u>37,505,314,481</u> | <u>18,747,864,303</u> |

46.1.1 Credit risk

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

Exposure to credit risk

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



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| | 2024 Rupees | 2023 Rupees |
|--|----------------|----------------|
| Long term deposits | 22,040,360 | 19,865,212 |
| Trade receivables | 8,036,006,122 | 2,370,000,313 |
| Advances, deposits and other receivables | 373,712,749 | 110,136,014 |
| Bank balances | 673,986,313 | 147,584,841 |
| | 9,105,745,544 | 2,647,586,380 |

Concentration of credit risk

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

| | 2024 Rupees | 2023 Rupees |
|-------------------------------|----------------|----------------|
| Customers: | | |
| – Sugar segment | 1,974,340,485 | 41,466,860 |
| – Co-Generation Power segment | 6,136,904,600 | 2,328,533,453 |
| Banking companies | 673,986,313 | 147,584,841 |
| Others | 320,514,146 | 130,001,226 |
| | 9,105,745,544 | 2,647,586,380 |

Credit quality and impairment

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

Trade receivables

The Company's exposure to credit risk arising from trade receivables is mainly influenced by the individual characteristics of each customer. Majority of the Company's revenue are made against receipts in advance from customers. Trade receivables mainly represents receivable from Central Power Purchasing Agency (Guarantee) Limited, a Government owned entity and are secured by guarantee from Government of Pakistan under the Implementation Agreements. At 30 September 2024, the Company had 5 customers (2023: one customer) that owed it more than Rs. 50 million and accounted for approximately 98.66% (2023: 98.25%) of all the receivables outstanding. There were 10 customers (2023: seven customers) with balances less than Rs. 5 million accounting for just over 1.34% (2023: 1.75%) of the total amounts of receivables.

The Company recognized ECL / impairment loss allowance for trade receivables in line with accounting policies of the Company as explained in note 4.19.6 & 4.19.7. As per aforementioned approach, the loss allowance was determined as:

| | 2024 | | 2023 | |
|------------------|-----------------------|------------------------|-----------------------|------------------------|
| | Gross carrying amount | Accumulated impairment | Gross carrying amount | Accumulated impairment |
| | Rupees | Rupees | Rupees | Rupees |
| Not past due | 6,032,043,265 | – | 1,275,260,275 | – |
| Past due: | | | | |
| 1 – 90 days | 2,000,033,683 | – | 997,969,794 | – |
| 91 – 365 days | 3,929,174 | – | 96,770,244 | – |
| 366 – above days | 88,927,395 | 88,927,395 | 100,391,459 | 100,391,459 |
| | 8,124,933,517 | 88,927,395 | 2,470,391,772 | 100,391,459 |

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

The above gross carrying amount includes Rs. 6,185 million (2023: Rs. 2,377 million) amount receivable from Central Power Purchasing Agency (Guarantee) Limited against sale of energy.

Bank balances and other financial assets

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



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| | Rating | | Rating Agency | 2024 | 2023 |
|---|-----------|------------|---------------|-------------|-------------|
| | Long term | Short term | | Rupees | Rupees |
| Banks | | | | | |
| Conventional | | | | | |
| The Bank of Punjab | AA+ | A1+ | PACRA | 282,809,147 | 771,539 |
| MCB Bank Limited | AAA | A1+ | PACRA | 175,755,980 | 5,531,308 |
| Askari Bank Limited | AA+ | A1+ | PACRA | 32,677,772 | 39,718 |
| Bank Al Habib Limited | AAA | A+ | PACRA | 23,663,696 | 277,499 |
| Habib Bank Limited | AAA | A1+ | JCR-VIS | 12,905,667 | 88,924,514 |
| Faysal Bank Limited | AA | A1+ | JCR-VIS | 7,928,029 | 1,382,734 |
| Allied Bank Limited | AAA | A1+ | PACRA | 6,453,635 | 50,217 |
| United Bank Limited | AAA | A1+ | JCR-VIS | 3,652,526 | 180,104 |
| National Bank of Pakistan | AAA | A1+ | VIS | 860,182 | 934,192 |
| Bank Alfalah Limited | AA+ | A1+ | PACRA | 472,245 | 112,748 |
| Sindh Bank Limited | AA- | A1+ | JCR-VIS | 265,912 | 200,850 |
| The Bank of Khyber | A+ | A1 | JCR-VIS | 129,736 | 7,042 |
| Summit Bank Limited | BBB- | A-3 | JCR-VIS | 42,289 | 42,649 |
| Soneri Bank Limited | AA- | A+ | PACRA | 40,812 | 36,805 |
| The First Microfinance Bank Limited | A+ | A1 | JCR-VIS | 34,705 | 37,976 |
| JS Bank Limited | AA | A1+ | PACRA | 29,599 | 757,948 |
| Silk Bank Limited | A- | A2 | JCR-VIS | 5,386 | 5,386 |
| | | | | 547,727,318 | 99,293,229 |
| Islamic | | | | | |
| Meezan Bank Limited | AAA | A1+ | JCR-VIS | 61,957,380 | 29,895,885 |
| Bank Islamic (Pakistan) Limited | AA- | A1 | PACRA | 27,718,814 | 19,058 |
| National Bank of Pakistan | AAA | A1+ | PACRA | 23,699,587 | 7,925,339 |
| Bank Alfalah Limited | AA+ | A1+ | PACRA | 11,648,521 | 8,176,042 |
| Askari Bank Limited | AA+ | A1+ | PACRA | 1,000,899 | 143,252 |
| Dubai Islamic Bank (Pakistan) Limited | AA | A1+ | JCR-VIS | 84,001 | 1,118,573 |
| MCB Islamic Bank Limited | A+ | A1 | PACRA | 72,351 | 84,972 |
| Al Baraka Bank (Pakistan) Limited | A+ | A+ | JCR-VIS | 47,565 | 836,223 |
| Al Baraka Bank (Pakistan) Limited (Formally Burj Bank Limited) | BBB+ | A2 | PACRA | 20,016 | 20,016 |
| Faysal Bank Limited | AA | A1+ | PACRA | 6,324 | 6,324 |
| NRSP Microfinance Bank | A- | A2 | PACRA | 3,537 | 65,928 |
| | | | | 126,258,995 | 48,291,612 |
| | | | | 673,986,313 | 147,584,841 |
| Other financial asset | | | | | |
| MCB Pakistan Cash Management Fund | AA-(f) | AA-(f) | MUFAP | 523,314 | – |
| NBP Cash Plan II | N/A | N/A | MUFAP | 522,951 | – |
| | | | | 1,046,265 | – |

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

Advances, deposits and other receivables

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

46.1.2 Liquidity risk

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

| | 2024 | | | | |
|---|-----------------------|------------------------|-----------------------|-----------------------|----------------------|
| | Carrying amount | Contractual cash flows | One year or less | One to five years | More than five years |
| | Rupees | | | | |
| Non-derivative financial liabilities | | | | | |
| Long term finances – secured | 6,782,862,397 | 12,110,421,786 | 1,134,405,699 | 8,668,478,402 | 2,307,537,685 |
| Short term borrowings | 24,254,587,213 | 29,066,971,619 | 29,066,971,619 | – | – |
| Lease liabilities | 3,340,213,867 | 4,184,448,638 | 1,680,508,656 | 2,503,939,982 | – |
| Accrued profit / interest / mark-up | 1,667,153,061 | 1,667,153,061 | 1,667,153,061 | – | – |
| Trade and other payables | 1,400,154,831 | 1,400,154,831 | 1,400,154,831 | – | – |
| Unclaimed dividend | 60,343,112 | 60,343,112 | 60,343,112 | – | – |
| | 37,505,314,481 | 48,489,493,047 | 35,009,536,978 | 11,172,418,384 | 2,307,537,685 |
| | | | | | |
| | 2023 | | | | |
| | Carrying amount | Contractual cash flows | One year or less | One to five years | More than five years |
| | Rupees | | | | |
| Non-derivative financial liabilities | | | | | |
| Long term finances – secured | 6,430,180,003 | 6,550,033,141 | 6,550,033,141 | – | – |
| Short term borrowings | 7,192,529,027 | 9,651,279,613 | 9,651,279,613 | – | – |
| Lease liabilities | 2,880,228,735 | 3,571,006,229 | 1,285,270,352 | 2,285,735,877 | – |
| Accrued profit / interest / mark-up | 674,037,003 | 674,037,003 | 674,037,003 | – | – |
| Trade and other payables | 1,518,039,495 | 1,518,039,495 | 1,518,039,495 | – | – |
| Unclaimed dividend | 52,850,040 | 52,850,040 | 52,850,040 | – | – |
| | 18,747,864,303 | 22,017,245,521 | 19,731,509,644 | 2,285,735,877 | – |

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

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46.1.3 Market risk

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

i) Foreign currency risk

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

Financial liabilities of the Company include Rs. nil (2023: Rs. 13.06 million) in foreign currencies which are subject to currency risk exposure. The Company believes that the foreign exchange risk exposure on financial assets and liabilities is immaterial.

Foreign currency risk management

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

ii) Interest rate risk

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

| Non-derivative financial instruments | Note | 2024 | | 2023 | |
|--------------------------------------|------|-----------------|---------------------|-----------------|---------------------|
| | | Financial asset | Financial liability | Financial asset | Financial liability |
| | | Rupees | Rupees | Rupees | Rupees |
| Fixed rate instruments: | | | | | |
| Lease liabilities | | – | 2,766,288,514 | – | 2,196,816,799 |
| Variable rate instruments: | | | | | |
| Long term finances – secured | 9 | – | 6,889,617,641 | – | 6,430,180,003 |
| Lease liabilities | | – | 573,925,353 | – | 683,411,936 |
| Short term borrowings | 13 | – | 24,254,587,213 | – | 7,192,529,027 |
| Cash at bank | 33.1 | 260,655,173 | – | 2,172,284 | – |
| | | 260,655,173 | 31,718,130,207 | 2,172,284 | 14,306,120,966 |
| Net exposure | | | 31,457,475,034 | | 14,303,948,682 |

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit for the year by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2023.

| Profit or loss (100 bps) | | | |
|--------------------------|-------------|---------------|-------------|
| 2024 | | 2023 | |
| Increase | Decrease | Increase | Decrease |
| Rupees | | | |
| (314,574,750) | 314,574,750 | (143,039,487) | 143,039,487 |

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

Interest rate risk management

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

iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is exposed to equity price risk, which arises from investment in mutual funds units and measured at fair value through profit or loss. The Company believes that the market price risk exposure on these financial assets is immaterial.

46.2 Fair value measurements of financial instruments

Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Fair value measurement

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

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

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

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

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

Fair value hierarchy

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

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

| | Level 1 | Level 2 | Level 3 |
|--|-----------|---------|---------------|
| | Rupees | Rupees | Rupees |
| Recurring fair value measurements | | | |
| as at 30 September 2024 | | | |
| Non-financial assets: | | | |
| Biological assets | – | – | 3,649,324,613 |
| Financial assets: | | | |
| Investment in mutual funds | 1,046,265 | – | – |
| Recurring fair value measurements | | | |
| as at 30 September 2023 | | | |
| Non-financial assets: | | | |
| Biological assets | – | – | 3,605,862,039 |

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature and maturities, the carrying amounts of all the financial instruments except investment in mutual funds units, reflected in these unconsolidated financial statements are a reasonable approximate their fair value. Long & short term investments are carried at cost less accumulated impairment loss and biological assets are measured at fair value less costs to sell.

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

Valuation techniques used to determine fair values

Specific valuation technique used to value financial instruments is the use of Net Asset Value (NAV) of respective Asset Management Company for investment in mutual funds and classified in level 1 while details of the valuation techniques, reconciliation and significant unobservable inputs related to determining the fair value of biological assets, which are classified in level 3 of the fair value hierarchy, refer to note 27.

47. CAPITAL MANAGEMENT

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

The Company's objectives when managing capital are:

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

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

The Company's strategy is to ensure compliance with the Prudential Regulations issued by the State Bank of Pakistan and is in accordance with agreements executed with financial institutions so that the total borrowings to equity ratio does not exceed the lender covenants. The total borrowings to equity ratio as at 30 September 2024 and 2023 are as follows:

| | 2024 Rupees | 2023 Rupees |
|------------------------------|----------------|----------------|
| Total debt | 33,278,528,024 | 14,980,157,969 |
| Less: cash and bank balances | (684,540,559) | (158,591,080) |
| Net debt | 32,593,987,465 | 14,821,566,889 |
| Total equity | 27,002,437,619 | 15,991,378,867 |
| Total capital employed | 59,596,425,084 | 30,812,945,756 |
| Gearing ratio | 55% | 48% |

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

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

48. TRANSACTIONS WITH RELATED PARTIES

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

| Name of company | Relationship | Nature of transactions | 2024 Rupees | 2023 Rupees |
|--|--|--|----------------|----------------|
| Deharki Sugar Mills (Pvt.) Limited | Subsidiary Company (Equity held 100%) | Short term advances paid | 2,250,000,000 | 3,290,700,000 |
| | | Short term advances received | 1,100,000,000 | 4,440,700,000 |
| | | Mark-up paid on short term advances | 184,765,189 | 255,249,678 |
| | | Sale of sugarcane | 4,531,056,300 | 1,864,713,977 |
| | | Purchase of bagasse | 1,128,992,959 | 1,433,050,974 |
| | | Payment made against purchase of bagasse | 1,051,167,056 | 1,465,174,751 |
| | | Reimbursement on use of Company's aircraft | 20,618,364 | 24,100,577 |
| | | Rent on land acquired on lease | 13,736,480 | 9,079,050 |
| | | Purchase of agri-inputs | 22,544,144 | 25,246,211 |
| | | Sale / receipts of stores items | 125,542,667 | 45,464,570 |
| | | Dividend income received | 262,500,000 | – |
| | | Purchase of operating fixed assets | 5,900,000 | – |
| | | Others | 16,973,780 | 4,002,641 |
| JK Sugar Mills (Pvt.) Limited (Formerly Shamim & Co. (Pvt.) Ltd) | Associated Company (Common directorship) | Sale of sugar | 745,792,000 | – |
| | | Receipt against sale of sugar | 745,792,000 | – |
| JDW Aviation (Pvt.) Limited | Associated Company (Common directorship) | Reimbursement of expenses | 4,020,000 | 4,100,358 |
| Lahore Flying Club (Guarantee) Limited | Associated Company (Related party) | Services rendered against aircraft hangar | – | 229,067 |
| Post employment benefit plans | Other related party | Provident fund contribution | 335,578,126 | 301,979,084 |
| | | Contribution to recognised gratuity fund | – | 123,996,268 |
| | | Benefits paid on behalf of the gratuity fund | 502,581 | – |
| | | Short term advances received | 550,000,000 | – |
| | | Short term advances paid | 550,000,000 | – |
| | | Mark-up paid on short term advances | 5,178,640 | – |
| | | Shares purchased | – | 310,725,789 |
| | | Loan recoveries | 47,173,585 | 46,059,261 |
| Key management personnel | Key management | Dividend paid | 1,250,853,335 | 1,250,245,913 |
| Syed Mustafa Mehmud | Non - Executive Director | Purchase of sugarcane | 5,173,226 | 5,209,802 |

48.1 Detail of compensation to Chief Executive, Executive Directors, Non-Executive Directors and Executives are disclosed in note 45.

48.2 There is no outstanding balance as at 30 September 2024 in respect of above transactions except as disclosed in respective notes to these unconsolidated financial statements.

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

| | Capacity Tons | 2024 Tons | 2023 Tons |
|------------------------------------|------------------|--------------|--------------|
| 49. CAPACITY AND PRODUCTION | | | |
| Sugar | | | |
| Unit I | | | |
| - Crushing capacity per day | 35,000 | | |
| - Sugarcane crushed | | 2,791,792 | 2,698,673 |
| - Actual production | | 292,721 | 303,372 |
| Unit II | | | |
| - Crushing capacity per day | 22,000 | | |
| - Sugarcane crushed | | 2,190,916 | 2,003,727 |
| - Actual production | | 225,211 | 212,016 |
| Unit III | | | |
| - Crushing capacity per day | 14,000 | | |
| - Sugarcane crushed | | 2,136,832 | 1,724,264 |
| - Actual production | | 225,866 | 179,585 |

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

| | 2024 Mwh | 2023 Mwh |
|---|-------------|-------------|
| Co – Generation Power | | |
| Unit II | | |
| - Installed capacity (based on 8,760 hours) | 233,016 | 233,016 |
| - Energy generated | 206,785 | 203,339 |
| - Energy delivered | 182,445 | 180,354 |
| Unit III | | |
| - Installed capacity (based on 8,760 hours) | 235,031 | 235,031 |
| - Energy generated | 195,774 | 217,161 |
| - Energy delivered | 171,688 | 190,559 |

49.2 Energy delivered to CPPA–G is dependent on the plant availability.

| Corporate Farms | 2024 | | 2023 | |
|-------------------------------------|----------------|--------------|----------------|--------------|
| | Zones | Acres/Maunds | Zones | Acres/Maunds |
| Sugarcane crop | | | | |
| - Land (Acres) | Punjab & Sindh | 26,380 | Punjab & Sindh | 25,694 |
| - Land used for cultivation (Acres) | Punjab & Sindh | 19,873 | Punjab & Sindh | 19,166 |
| - Crop harvested (Maunds) | Punjab & Sindh | 19,486,849 | Punjab & Sindh | 14,071,232 |

49.3 The Company has also harvested 48,980 Maunds of wheat (2023: 34,387 Maunds), 874 Maunds of Rice (2023: Nil Maunds) and 6,264 Maunds of Mustard (2023: 3,513 Maunds) during the year.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

50. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

2024

| | Equity | | Liabilities | | | | |
|--|--------------------|---------------|--------------------|------------------------------|-------------------|-----------------------|-------------------------------------|
| | Accumulated profit | Share capital | Unclaimed dividend | Long term finances - secured | Lease liabilities | Short term borrowings | Accrued profit / interest / mark-up |
| | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| Balance as at 01 October 2023 | 14,735,295,329 | 577,766,610 | 52,850,040 | 6,430,180,003 | 2,880,228,735 | 7,192,529,027 | 674,037,003 |
| Changes from financing cash flows: | | | | | | | |
| Loans received during the year | - | - | - | 6,616,207,775 | - | 200,460,686,722 | - |
| Principal portion of lease liabilities paid | - | - | - | - | (1,033,487,595) | - | - |
| Dividend paid | (2,011,161,157) | - | (3,528,906) | - | - | - | - |
| Interest paid during the year | - | - | - | - | - | - | (6,622,138,009) |
| Transaction cost paid | - | - | - | (111,000,000) | - | - | - |
| Loan repaid during the year | - | - | - | (6,430,180,003) | - | (184,452,331,720) | - |
| | (2,011,161,157) | - | (3,528,906) | 75,027,772 | (1,033,487,595) | 16,008,355,002 | (6,622,138,009) |
| Other changes - liability related: | | | | | | | |
| Interest for the year | - | - | - | - | - | - | 7,619,498,823 |
| Addition in lease liabilities | - | - | - | - | 1,848,066,657 | - | - |
| Total comprehensive income for the year | 13,033,241,887 | - | - | - | - | - | - |
| Increase in short term finances | - | - | - | - | - | 1,053,703,184 | - |
| Amortization of transaction cost | - | - | - | 4,244,756 | - | - | - |
| Exchange difference | - | - | - | - | (372,800) | - | (4,244,756) |
| Others | (11,021,978) | - | 11,021,978 | 273,409,866 | (354,221,130) | - | - |
| Total liability-related other changes | 13,022,219,909 | - | 11,021,978 | 277,654,622 | 1,493,472,727 | 1,053,703,184 | 7,615,254,067 |
| Balance as at 30 September 2024 | 25,746,354,081 | 577,766,610 | 60,343,112 | 6,782,862,397 | 3,340,213,867 | 24,254,587,213 | 1,667,153,061 |

2023

| | Equity | | | Liabilities | | | |
|--|--------------------|---------------|--------------------|------------------------------|-------------------|-----------------------|-------------------------------------|
| | Accumulated profit | Share capital | Unclaimed dividend | Long term finances - secured | Lease liabilities | Short term borrowings | Accrued profit / interest / mark-up |
| | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| Balance as at 01 October 2022 | 15,628,973,589 | 597,766,610 | 40,640,932 | 9,286,409,849 | 2,600,487,231 | 11,034,338,292 | 812,967,857 |
| Changes from financing cash flows | | | | | | | |
| Loans received during the year | - | - | - | - | - | 162,404,942,455 | - |
| Principal portion of lease liabilities paid | - | - | - | - | (902,568,552) | - | - |
| Dividend paid | (2,154,242,100) | - | (173,580) | - | - | - | - |
| Interest paid during the year | - | - | - | - | - | - | (5,564,066,992) |
| Loan repaid during the year | - | - | - | (2,884,422,572) | - | (166,592,815,068) | - |
| Own shares purchased and cancelled during the year | (872,206,128) | (20,000,000) | - | - | - | - | - |
| | (3,026,448,228) | (20,000,000) | (173,580) | (2,884,422,572) | (902,568,552) | (4,187,872,613) | (5,564,066,992) |
| Other changes - liability related | | | | | | | |
| Interest for the year | - | - | - | - | - | - | 5,453,328,864 |
| Addition in lease liabilities | - | - | - | - | 1,201,347,903 | - | - |
| Total comprehensive income for the year | 2,145,152,656 | - | - | - | - | - | - |
| Increase in short term finances | - | - | - | - | - | 346,063,348 | - |
| Amortization of transaction cost | - | - | - | 28,192,726 | - | - | (28,192,726) |
| Exchange difference | - | - | - | - | 5,746,280 | - | - |
| Others | (12,382,688) | - | 12,382,688 | - | (24,784,127) | - | - |
| Total liability-related other changes | 2,132,769,968 | - | 12,382,688 | 28,192,726 | 1,182,310,056 | 346,063,348 | 5,425,136,138 |
| Balance as at 30 September 2023 | 14,735,295,329 | 577,766,610 | 52,850,040 | 6,430,180,003 | 2,880,228,735 | 7,192,529,027 | 674,037,003 |



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

51. NUMBER OF EMPLOYEES

The average and total number of employees are as follows:

| | 2024 Number | 2023 Number |
|--|----------------|----------------|
| Average number of employees during the year | 7,651 | 7,841 |
| Total number of employees as at 30 September | 5,883 | 5,868 |

52. DATE OF AUTHORIZATION FOR ISSUE

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

53. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on 03 January 2025 has proposed final cash dividend for the year ended 30 September 2024 of Rs. 30 (2023: Rs. 15) per share amounting to Rs. 1,733.30 million (2023: Rs. 866.65 million) subject to the approval of the Company in the forthcoming annual general meeting. These financial statements do not include the effect of the above which will be accounted for in the year in which it is approved.

54. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever considered necessary, for the purposes of comparison and better presentation to comply with the requirements of the accounting and reporting standards as applicable in Pakistan, however, no significant re-arrangements and reclassification have been made during the year.





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CONSOLIDATED FINANCIAL STATEMENTS

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DIRECTORS' REPORT

on Consolidated Financial Statements

The Directors are pleased to present the Consolidated Financial Statements of JDW Sugar Mills Limited ("the Holding Company"), its Subsidiary Companies; Deharki Sugar Mills (Private) Limited, Faruki Pulp Mills Limited, Sadiqabad Power (Private) Limited and Ghotki Power (Private) Limited ("the Group") and its Associated Company Kathai-II Hydro (Private) Limited for the year ended 30 September 2024.

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

Faruki Pulp Mills Limited ("FPML") was incorporated as a Public Limited Company, with the primary objective to manufacture and sale of paper pulp. The Holding Company holds 57.67% shares of the Subsidiary Company. Further FPML has been, for the considerable number of years, unable to commence its commercial operations and considering this fact management of subsidiary company has principally decided not to inject further funds in the company as significant capital expenditure are required. Moreover, keeping in view commercial viability of the plant as well as the substantial accumulated losses the management of the Subsidiary Company has determined that the company might not be able to realize its assets and discharge its liabilities in the normal course of business. During the financial year 2022-23 and after obtaining member's approvals of Faruki Pulp Mills Limited ("FPML") dated December 13, 2021 and January 23, 2023, the FPML has sold its entire assets i.e. Building, Plant & Machinery except land to the highest bidder in response to the tender notice published in nationwide newspapers for Rs. 1.6 billion (inclusive of taxes). The contract signed with the successful bidder has been fully executed and total contract amount has been received. During the financial year 2023-24, the shareholders of FPML, in an extraordinary general meeting held on September 24, 2024, approved a resolution to buy back and cancel up to 404,338,809 issued ordinary shares, representing 75% of the issued and paid-up capital of FPML. The buyback was to be conducted at a rate of Rs. 4 per share, in a proportion of up to 3 shares for every 4 shares held by shareholders, within the purchased period from September 24, 2024, to October 31, 2024, or until the buyback was completed, whichever occurred earlier. Subsequent to the yearend, the Group has opted the offer to buy back FPML shares and disposed of 75% shareholding in FPML. FPML also planned to sell the entire project land in the current financial year.

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

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

The Holding Company acquired the 20% shareholding in Kathai-II Hydro (Private) Limited ("the Associate") on 12 November 2019. The Associate is a private limited company incorporated in Pakistan on 27 August 2012 under the repealed Companies Ordinance, 1984. The principal activity of the associate is to generate, distribute and sell energy. During the current year the Holding Company has disposed of its entire shareholding on 2 September 2024 for a consideration of Rs. 2,500.

It is being confirmed that to the best of our knowledge, these consolidated financial statements for the year ended 30 September 2024 give a true and fair view of the assets, liabilities, financial position and financial results of the Group and are in conformity with approved accounting standards as applicable in Pakistan.

FINANCIAL OVERVIEW

The consolidated financial results are as follows:

| | (Rs. in Million) | |
|---------------------------------------|------------------|---------|
| | 2023-24 | 2022-23 |
| Gross Revenue | 150,678 | 103,380 |
| Revenue from Contracts with Customers | 130,580 | 90,810 |
| Profit from Operations | 26,236 | 10,467 |
| Profit before Tax | 17,162 | 3,646 |
| Profit after Tax | 13,722 | 3,441 |

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

03 January 2025
Lahore

Chief Executive Officer

Director

ڈائریکٹرز رپورٹ

ڈائریکٹرز خوشی کے ساتھ ہے ڈی ڈبلیو شوگر ملز اور اسکے زیریں ادارے ڈہری شوگر ملز پرائیویٹ لمیٹڈ، فاروقی پلپ ملز لمیٹڈ، صادق آباد پاور پرائیویٹ لمیٹڈ، گھوکی پاور پرائیویٹ لمیٹڈ اور نسک ادارہ کھٹائی ہائیڈرو-II پرائیویٹ لمیٹڈ کی سالانہ ڈیٹیلڈ مالیاتی رپورٹ برائے سال 30 ستمبر 2024 پیش کر رہے ہیں۔

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

فاروقی پلپ ملز لمیٹڈ کو پبلک لمیٹڈ کمپنی کے طور پر قائم کیا گیا تھا۔ اس ادارے کا بنیادی کام پیپر پلپ بنانا اور بیچنا ہے۔ کمپنی اب تک کاروباری سرگرمی شروع نہیں کر سکی ہے۔ اس ذیلی کمپنی کے 57.67 فیصد حصص بے ڈی ڈبلیو کے پاس ہیں۔ مالیاتی سال 2022-23 کے دوران اور 13 دسمبر 2021ء اور 23 جنوری 2023ء کو فاروقی پلپ ملز لمیٹڈ ("FPML") کے اراکین سے منظوری حاصل کرنے کے بعد FPML نے اراضی کے علاوہ اپنے تمام اثاثہ جات یعنی عمارت، پلانٹ اور مشینری بلند ترین بولی دہندہ کو 1.6 بلین روپے (بشمول ٹیکس) میں فروخت کر دیا جو ملکی اخباروں میں شائع ٹینڈر نوٹس کے جواب میں تھا۔ کامیاب بولی دہندہ کے ساتھ معاہدے پر مکمل عمل درآمد کیا گیا اور معاہدے کی مکمل رقم وصول کر لی گئی۔ مالی سال 2023-24 کے دوران، ایف پی ایم ایل کے شیئرز ہولڈرز نے 24 ستمبر 2024 کو ہونے والے ایک غیر معمولی عام اجلاس میں اس قرارداد کی منظوری دی کہ وہ 404,338,809 جاری کردہ عام شیئرز کو خرید کر منسوخ کریں گے، جو ایف پی ایم ایل کے جاری اور ادا شدہ سرمایہ کا 75% ہیں۔ خریداری کی قیمت 4 روپے فی شیئر رکھی گئی تھی، جس میں شیئرز ہولڈرز کے ہر 4 شیئرز کے بدلے 3 شیئرز خریدے جائیں گے، اس خریداری کی مدت 24 ستمبر 2024 سے 31 اکتوبر 2024 تک تھی، یا جب تک خریداری مکمل نہ ہو جائے، جو بھی پہلے ہو۔ سال کے اختتام کے بعد، گروپ نے ایف پی ایم ایل شیئرز خریدنے کی پیشکش کو قبول کیا اور ایف پی ایم ایل میں 75% شیئرز ہولڈنگ فروخت کی۔ FPML نے رواں مالیاتی سال کے دوران پروجیکٹ کی مکمل اراضی فروخت کرنے کا ارادہ کیا ہے۔

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

کھٹائی ہائیڈرو-II پرائیویٹ لمیٹڈ کمپنی کو ایک پرائیویٹ لمیٹڈ کمپنی کے طور پر قائم کیا گیا تھا۔ اس ادارے کا بنیادی کام بجلی پیدا کرنا اور بیچنا ہے۔ اس کمپنی کے 20 فیصد حصص بے ڈی ڈبلیو کے پاس ہیں جو کمپنی نے 12 نومبر 2019 کو حاصل کیے تھے۔ موجودہ سال کے دوران، ہولڈنگ کمپنی نے 02 ستمبر 2024 کو KHL میں اپنی تمام شیئرز ہولڈنگ 2,500 روپے کے عوض فروخت کر دی۔

ہم اس بات کی تصدیق کرتے ہیں کہ ہماری بہترین معلومات کے مطابق یہ سالانہ ڈیٹیلڈ مالیاتی رپورٹ برائے 30 ستمبر 2024 پاکستان میں منظور شدہ اکاؤنٹنگ سٹنڈرڈ کے مطابق ہے اور اپنے تمام اثاثوں، واجبات اور مالیاتی پوزیشن کی سچی اور منصفانہ تصویر پیش کر رہی ہے۔

سالانہ مالیاتی نتائج مندرجہ ذیل ہیں:

| (ملین روپے) | | |
|-------------|---------|-------------------|
| 2022-23 | 2023-24 | |
| 103,380 | 150,678 | مجموعی فروخت |
| 90,810 | 130,580 | خالص فروخت |
| 10,467 | 26,236 | کارکردگی منافع |
| 3,646 | 17,162 | قبل از ٹیکس منافع |
| 3,441 | 13,722 | بعد از ٹیکس منافع |

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

۳ جنوری ۲۰۲۵

لاہور

چیف ایگزیکٹو آفیسر

ڈائریکٹر

INDEPENDENT AUDITORS' REPORT

To the members of JDW Sugar Mills Limited

Opinion

We have audited the annexed consolidated financial statements of JDW Sugar Mills Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 30 September 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies information and other explanatory information.

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

Basis for opinion

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

Emphasis of Matter

We draw attention to note 1.3 and 34 to these consolidated financial statements, which describes that intention of Faruki Pulp Mills Limited – Subsidiary Company to liquidate its entire property, plant and equipment and other assets. During the previous year, the Subsidiary Company disposed of its entire property, plant, and equipment, except for land, and is no longer considered a going concern, therefore, the financial statements of Faruki Pulp Mills Limited have been prepared using liquidation basis of accounting. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

RIAZ AHMAD, SAQIB, GOHAR & CO.

Chartered Accountants

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Email: rasglhr@rasgco.com, Website: www.rasgco.com

Corporate Office at Karachi & Regional Office at Islamabad.

Following are the Key Audit Matters:

| Sr. No. | Key Audit Matters | How the matters were addressed in our audit |
|---------|---|---|
| 1 | <p>Revenue recognition</p> | |
| | <p>Refer to notes 4.14.1 and 36 to these consolidated financial statements.</p> <p>The Group principally generates revenue from sale of crystalline sugar along with its by-products, agriculture produce and energy.</p> <p>We identified revenue recognition as a key audit matter because it is one of the key performance indicator of the Group and gives rise to an inherent risk of misstatement to meet expectations or targets, consequently requiring significant time and audit efforts.</p> | <p>Our audit procedures, 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 Group's accounting policy for recording of revenue and compliance of the policy with International Financial Reporting Standard 15 (IFRS 15) 'Revenue from Contracts with Customers'; • reviewed the management procedures carried out for evaluation of contractual arrangements with customers (oral and written) with respect to identification of each party's rights regarding the goods to be transferred and revenue has been recognized after meeting the conditions of IFRS 15; • reviewed a sample of contractual arrangement entered into by the Group with its customers and checking the Group's obligation to transfer goods to a customer; for which the Group has received consideration, has been satisfied before recognition of revenue; • compared a sample of sale transactions recorded during the year with sales orders, sales invoices, delivery orders and other relevant underlying documents; • compared a sample of sale transactions recorded before and after reporting period and near the year end with relevant underlying documentation to assess whether revenue has been recorded in the appropriate accounting period; • compared a sample of electricity sales transactions with energy invoices duly verified by Central Power Purchasing Agency (Guarantee) Limited ("CPPA-G") and assess whether the revenue has been recorded in the appropriate accounting period; • for a sample of invoices, recalculated the invoice amount based on fixed and variable component provided by National Electric Power Regulatory Authority (NEPRA); • scanned for any manual journal entries relating to sales recorded during and near the year end which were considered to be material or met other specific risk based criteria for inspecting underlying documentation; and • assessed the adequacy of disclosures in these consolidated financial statements to be in accordance with the applicable accounting and reporting standards. |

| Sr. No. | Key Audit Matters | How the matters were addressed in our audit |
|---------|---|---|
| 2 | <p>Valuation of biological assets (standing sugarcane)</p> | |
| | <p>Refer to notes 4.7 & 27 to these consolidated financial statements.</p> <p>Significant judgment and estimates are applied in assessing the fair value of biological assets. At 30 September 2024, the fair value of the standing sugarcane is Rs. 3,647 million which constitutes a material balance on the consolidated statement of financial position.</p> <p>The value of standing sugarcane is based on the current estimated cane price for the following season and sucrose content less the estimated cost of harvesting, transport and other related cost.</p> <p>Significant judgement is required in estimating the expected cane yield, the maturity of the cane and the estimated sucrose content for the various operating locations and is also considered subjective since it is based on executive management, its experience, expectations and relevant current external factors.</p> <p>Given the value of the biological assets, together with the significant judgement and estimates that are required in determining the fair value, the valuation of biological assets is considered a key audit matter.</p> | <p>Our procedures performed in considering the appropriateness of the valuation of standing sugarcane included the following:</p> <ul style="list-style-type: none"> management's representation with regards to the valuation techniques and fair presentation of the biological assets were obtained and evaluated; critically evaluated the fair value methodology against criteria in IAS 41 'Agriculture' and IFRS 13 'Fair Value Measurement', measurements and key assumptions applied by management in determining the fair value of the standing sugarcane; examined the professional qualification of professional's expert and assessed the independence, competence and experience of the professional's expert in the field; performed sensitivities to assess the impact of changes in the significant inputs; reviewed the principles used in the valuation of standing sugarcane and analysed the key assumptions used in the valuation model; detailed testing on the key inputs into the standing sugarcane valuation model including estimated yields, estimated sucrose content and forecast price to confirm the validity, accuracy and completeness of the data by comparing the data to market and other external data where applicable; compared the prior year's estimated yields, estimated sucrose content and forecast price to the current year actuals attained to assess the reasonableness and accuracy of management's estimates; reviewed the formulae as per the model and recalculating for mathematical accuracy; and evaluated the adequacy of the consolidated financial statements disclosures, including disclosures of key assumptions, judgments and sensitivities to ensure that they are in compliance with the IAS 41 and IFRS 13. |



| Sr. No. | Key Audit Matters | How the matters were addressed in our audit |
|---------|--|---|
| 3 | <p>Recognition of deferred tax assets relating to Minimum Turnover Tax and Alternative Corporate Tax (tax credits)</p> | |
| | <p>Refer to notes 4.12.2 & 11 to these consolidated financial statements.</p> <p>Under International Accounting Standard 12 “Income Taxes”, the Group is required to review recoverability of the deferred tax assets recognized in the consolidated statement of financial position at each reporting period.</p> <p>Recognition of deferred tax assets is dependent on management’s estimate of availability of sufficient future taxable profits against which carried forward un-used tax credits can be utilized. The future taxable profits are based on approved projections. This estimation involves a degree of uncertainty and requires judgement in relation to the future cash flows and also involves assessment of timing of reversal of un-used tax credits.</p> <p>As at 30 September 2024, the Group has recognized deferred tax assets amounting to Rs. 1,261 million mainly on account of un-used tax credits.</p> <p>We considered this as a key audit matter due to the inherent uncertainty in forecasting the amount and timing of future taxable profits and the reversal of deductible temporary differences and management judgement regarding assumptions used in this area.</p> | <p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> obtained understanding of management process of preparation of taxable income and liability forecast and deferred tax calculation; tested management’s computation of un-used tax credits for which deferred tax assets has been recognized; analyzed the requirements of Income Tax Ordinance, 2001, in relation to above and considered the ageing analysis, expiry periods of relevant deferred tax assets and tax rates enacted in consultation with our internal tax professionals; assessed the reasonableness of assumptions such as growth rate, future revenue and costs and other relevant information for assessing the quality of Group’s forecasting process in determining the future taxable profits; tested mathematical accuracy of future projections and the use of appropriate tax rate applicable on temporary differences; and assessed the appropriateness of management’s accounting for deferred taxes and the accuracy of related disclosures in accordance with the applicable accounting and reporting standards. |
| 4 | <p>Valuation of stock-in-trade</p> | |
| | <p>Refer to note 29 to the consolidated financial statements.</p> <p>Stock-in-trade at the reporting date mainly included bagasse and finished goods (sugar bags).</p> <p>The value of stock-in-trade at the reporting date aggregated to Rs. 28,089 million representing 55% of the Group’s total current assets.</p> <p>The valuation of finished goods at cost has different components, which includes judgment and assumptions in relation to the allocation of labour and other various overheads incurred in bringing the inventories to their present location and conditions.</p> <p>Judgment has also been exercised by the management in determining the net realisable value of finished goods and estimating the stock of bagasse.</p> <p>We identified this matter as key in our audit due to the judgment and assumptions applied by the Group in determining the cost and net realisable value of stock-in-trade at the reporting date.</p> | <p>We assessed the appropriateness of management assumptions applied in calculating the value of stock-in-trade and validated the valuation by taking following steps:</p> <ul style="list-style-type: none"> assessed whether the Group’s accounting policy for inventory valuation is in line with the International Accounting Standard 2 “Inventories”; attended inventory count at the year-end and reconciled physical inventory with inventory lists provided to ensure completeness of data; assessed historical cost recorded in inventory valuation by checking purchase invoices on sample basis; re-calculated the value of stock in trade by allocating the fixed and variable overheads and reviewed the adequacy of costing methodology; performed net realisable value test to assess whether cost of inventories exceeded its net realisable value by detailed review of subsequent sale invoices; and assessed the adequacy of disclosures in these consolidated financial statements to be in accordance with the applicable accounting and reporting standards. |

| Sr. No. | Key Audit Matters | How the matters were addressed in our audit |
|---------|--|---|
| 5 | <p>Contingencies</p> <p>Refer to note 20.1 to these consolidated financial statements.</p> <p>The Group is exposed to different laws, regulations and interpretations thereof and hence, there is a litigation risk.</p> <p>Given the nature and amounts involved in such cases and the appellate forums at which these are pending, the ultimate outcome and the resultant accounting in the consolidated financial statements is subject to significant judgement, which can change over time as new facts emerge and each legal case progresses. For such reasons, we have considered the contingencies as a key audit matter.</p> | <p>Our audit procedures in this area included, amongst others, the following:</p> <ul style="list-style-type: none"> • obtained an understanding of the Group's processes and controls over litigations through meeting with the management, review of the minutes of the Board of Directors; • reviewing the correspondence of the Group with the relevant authorities and legal advisors including judgments or orders passed by the competent authorities; • obtained and reviewed direct confirmations from the Group's external advisors for their views on the legal position of the Group in relation to the contingent matters; • involved our internal tax / legal professionals to assess management's conclusions on contingent tax / legal matters; and • evaluated the adequacy of disclosures made in respect of these contingencies in accordance with the applicable accounting and reporting standards. |

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

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 September 2024, but does not include the consolidated and unconsolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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



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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

03 January 2025
Lahore
UDIN: AR202410098RDFi2Tkvx



Riaz Ahmad, Saqib, Gohar & Company
Chartered Accountants



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Note | 2024 Rupees | 2023 Rupees |
|--|------|----------------|----------------|
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Share capital | 7 | 577,766,610 | 577,766,610 |
| Share premium reserve | 8 | 678,316,928 | 678,316,928 |
| Accumulated profit | | 29,260,702,867 | 17,645,124,456 |
| Equity attributable to owners of the Holding Company | | 30,516,786,405 | 18,901,207,994 |
| Non – controlling interest | 35 | 740,424,902 | 632,513,476 |
| | | 31,257,211,307 | 19,533,721,470 |
| NON-CURRENT LIABILITIES | | | |
| Long term finances – secured | 9 | 6,905,576,927 | – |
| Lease liabilities | 10 | 2,236,056,697 | 1,971,856,431 |
| Deferred taxation | 11 | 1,851,729,873 | 715,499,312 |
| | | 10,993,363,497 | 2,687,355,743 |
| Current liabilities | | | |
| Short term borrowings | 13 | 31,412,451,079 | 6,292,529,027 |
| Current portion of non-current liabilities | 14 | 1,180,787,443 | 7,341,833,125 |
| Trade and other payables | 15 | 4,345,653,435 | 3,494,399,904 |
| Advances from customers | 16 | 1,408,957,832 | 18,671,702,990 |
| Unclaimed dividend | 17 | 60,343,111 | 52,850,040 |
| Accrued profit / interest / mark-up | 18 | 2,114,320,468 | 576,851,539 |
| Provision for taxation and levy – net | 19 | 531,627,280 | – |
| | | 41,054,140,648 | 36,430,166,625 |
| Liabilities classified as held for sale | 34 | 96,859,270 | 220,158,975 |
| | | 41,150,999,918 | 36,650,325,600 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 20 | | |
| | | 83,401,574,722 | 58,871,402,813 |

The annexed notes from 1 to 58 form an integral part of these consolidated financial statements.

Chief Financial Officer

| | Note | 2024 Rupees | 2023 Rupees |
|---|------|----------------|----------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 21 | 28,178,824,263 | 23,174,767,655 |
| Right-of-use assets | 22 | 2,920,461,134 | 2,543,162,549 |
| Investment property | 23 | 428,597,775 | 317,840,212 |
| Intangibles | 24 | 608,315,963 | 608,658,513 |
| Long term investments | 25 | – | – |
| Long term deposits | 26 | 189,545,769 | 149,583,734 |
| Retirement benefits | 12 | 59,933,749 | 44,469,926 |
| | | 32,385,678,653 | 26,838,482,589 |
| CURRENT ASSETS | | | |
| Biological assets | 27 | 3,649,324,613 | 3,605,862,039 |
| Stores, spare parts and loose tools | 28 | 2,838,235,179 | 2,894,582,560 |
| Stock-in-trade | 29 | 28,088,670,955 | 18,325,999,039 |
| Trade receivables | 30 | 11,637,990,550 | 3,669,800,494 |
| Advances, deposits, prepayments and other receivables | 31 | 2,003,734,651 | 1,311,517,907 |
| Advance income tax – net | 19 | – | 282,245,504 |
| Other financial asset | 32 | 1,046,265 | – |
| Cash and bank balances | 33 | 898,514,143 | 183,791,476 |
| | | 49,117,516,356 | 30,273,799,019 |
| Assets classified as held for sale | 34 | 1,898,379,713 | 1,759,121,205 |
| | | 51,015,896,069 | 32,032,920,224 |
| | | 83,401,574,722 | 58,871,402,813 |

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 September 2024

| | Note | 2024 Rupees | (Restated) 2023 Rupees |
|--|------|-------------------|------------------------------|
| Continuing operations: | | | |
| Gross revenue | | 150,678,138,182 | 103,380,437,085 |
| Sales tax, other taxes and commission | | (20,097,663,352) | (12,570,335,459) |
| Revenue from contracts with customers | 36 | 130,580,474,830 | 90,810,101,626 |
| Cost of revenue | 37 | (102,115,661,094) | (77,093,335,518) |
| Gross profit | | 28,464,813,736 | 13,716,766,108 |
| Administrative expenses | 38 | (3,820,547,231) | (3,455,745,256) |
| Selling expenses | 39 | (120,368,377) | (83,842,256) |
| Other income | 40 | 2,904,615,194 | 610,189,841 |
| Other expenses | 41 | (1,192,146,827) | (320,710,188) |
| | | (2,228,447,241) | (3,250,107,859) |
| Profit from operations | | 26,236,366,495 | 10,466,658,249 |
| Gain on derecognition of investment in associate | 25 | 2,500 | – |
| Finance cost | 42 | (8,922,606,864) | (6,009,684,186) |
| Profit before taxation and levy | | 17,313,762,131 | 4,456,974,063 |
| Levy | 43 | (151,897,702) | (810,893,971) |
| Profit before taxation | | 17,161,864,429 | 3,646,080,092 |
| Taxation | 44 | (3,702,682,827) | (832,373,606) |
| Profit from continuing operations | | 13,459,181,602 | 2,813,706,486 |
| Discontinued operations: | | | |
| Profit from discontinued operations – net of tax | 45 | 262,558,214 | 627,350,923 |
| Profit for the year | | 13,721,739,816 | 3,441,057,409 |
| Attributable to: | | | |
| – Owners of the Holding Company | | 13,613,828,390 | 3,183,216,180 |
| – Non – controlling interest | 45.2 | 107,911,426 | 257,841,229 |
| | | 13,721,739,816 | 3,441,057,409 |
| Earnings per share – basic and diluted | | | |
| Continuing operations | | 232.95 | 48.28 |
| Discontinued operations | | 2.68 | 6.34 |
| Attributable to owners of the Holding Company | 46 | 235.63 | 54.62 |

The annexed notes from 1 to 58 form an integral part of these consolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2024

| | Note | 2024 Rupees | 2023 Rupees |
|--|------|-----------------------|----------------------|
| Profit for the year | | 13,721,739,816 | 3,441,057,409 |
| Other comprehensive income / (loss) – net of tax | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | |
| Remeasurements of retirement benefits | 12.5 | 39,234,682 | (31,731,476) |
| Related deferred tax | 11.3 | (15,301,526) | 10,790,054 |
| | | 23,933,156 | (20,941,422) |
| Total comprehensive income for the year | | 13,745,672,972 | 3,420,115,987 |
| Attributable to: | | | |
| – Owners of the Holding Company | | 13,637,761,546 | 3,162,274,758 |
| – Non – controlling interest | 45.2 | 107,911,426 | 257,841,229 |
| | | 13,745,672,972 | 3,420,115,987 |

The annexed notes from 1 to 58 form an integral part of these consolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Director



CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 September 2024

| | Note | 2024 Rupees | 2023 Rupees |
|---|------|-----------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash (used in) / generated from operations | 47 | (5,871,486,989) | 27,446,143,354 |
| Taxes and levies paid | | (1,914,856,698) | (982,746,866) |
| Staff retirement benefits paid | | (427,426,936) | (496,537,067) |
| Interest income received | | 1,186,307,844 | 261,354,261 |
| Long term deposits | | (39,962,035) | (52,088,916) |
| Workers' Profit Participation Fund paid | 15.3 | (422,588,859) | (469,145,497) |
| Workers' Welfare Fund paid | 15.4 | (45,687,653) | (13,849,535) |
| | | (1,664,214,337) | (1,753,013,620) |
| Net cash (used in) / generated from operating activities | | (7,535,701,326) | 25,693,129,734 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Capital expenditure | | (6,440,351,427) | (2,046,597,454) |
| Right-of-use assets | | 1,737,636 | (12,537,538) |
| Payment for acquisition of investment property | | (110,757,563) | (93,282,100) |
| Dividend income received | | 59,338 | – |
| Investment made in term deposits receipts | | (6,250,000,000) | – |
| Proceeds from the maturity of term deposit receipts | | 6,250,000,000 | – |
| Investment made in mutual funds units | | (1,046,265) | – |
| Proceeds from insurance claim | | 38,478,000 | – |
| Proceeds from disposal of operating fixed assets | | 110,597,292 | 80,928,212 |
| Net cash used in investing activities | | (6,401,282,989) | (2,071,488,880) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Long term finances – net | | 186,027,772 | (4,900,672,568) |
| Short term borrowings – net | | 24,066,218,868 | (8,822,939,021) |
| Financial charges paid as: | | | |
| – finance cost | | (6,890,870,992) | (6,063,158,777) |
| – interest on lease liabilities | | (602,321,378) | (377,600,135) |
| Principal portion of lease liabilities paid | | (1,035,360,409) | (953,006,386) |
| Payment for own shares purchased for cancellation | | – | (892,206,128) |
| Transaction cost paid | | (111,000,000) | – |
| Dividend paid | | (2,014,690,063) | (2,154,415,680) |
| Net cash generated from / (used in) financing activities | | 13,598,003,798 | (24,163,998,695) |
| Net decrease in cash and cash equivalents | | (338,980,517) | (542,357,841) |
| Cash and cash equivalents at beginning of the year | | (2,743,328,680) | (2,200,970,839) |
| Cash and cash equivalents at end of the year | | (3,082,309,197) | (2,743,328,680) |
| Cash and cash equivalents comprise of the following: | | | |
| – Cash and bank balances | 33 | 898,514,143 | 183,791,476 |
| – Running finances | 13.2 | (3,980,823,340) | (2,927,120,156) |
| | | (3,082,309,197) | (2,743,328,680) |

The annexed notes from 1 to 58 form an integral part of these consolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2024

| | Share capital | | Capital | | Reserves | | Equity attributable to owners of the Holding Company | | Non-controlling interest | | Total equity | |
|--|---------------|-------------|---------------|-----------------|-----------------|--------------------|--|-----------------|--------------------------|--------|--------------|--------|
| | Rupees | Rupees | Share premium | Rupees | Revenue | Accumulated profit | Total reserves | | Rupees | Rupees | Rupees | Rupees |
| | | | | | | | Rupees | Rupees | | | | |
| Balance as at 01 October 2022 | 597,766,610 | 678,316,928 | — | 17,521,680,614 | 18,199,997,542 | 18,797,764,152 | 374,672,247 | 19,172,436,399 | | | | |
| Total comprehensive income for the year | | | | | | | | | | | | |
| Profit for the year | — | — | — | 3,183,216,180 | 3,183,216,180 | 3,183,216,180 | 257,841,229 | 3,441,057,409 | | | | |
| Other comprehensive loss for the year | — | — | — | (20,941,422) | (20,941,422) | (20,941,422) | — | (20,941,422) | | | | |
| | — | — | — | 3,162,274,758 | 3,162,274,758 | 3,162,274,758 | 257,841,229 | 3,420,115,987 | | | | |
| Transactions with owners of the Holding Company recorded directly in equity | | | | | | | | | | | | |
| Final cash dividend @ Rs. 12.5 per share for the year ended 30 September 2022 | — | — | — | (722,208,263) | (722,208,263) | (722,208,263) | — | (722,208,263) | | | | |
| Interim cash dividend @ Rs. 10 per share for the half year ended 31 March 2023 | — | — | — | (577,766,610) | (577,766,610) | (577,766,610) | — | (577,766,610) | | | | |
| Interim cash dividend @ Rs. 15 per share for the nine months ended 30 June 2023 | — | — | — | (866,649,915) | (866,649,915) | (866,649,915) | — | (866,649,915) | | | | |
| Own shares purchased and cancelled during the year | (20,000,000) | — | — | (872,206,128) | (872,206,128) | (872,206,128) | — | (892,206,128) | | | | |
| | (20,000,000) | — | — | (3,038,830,916) | (3,038,830,916) | (3,038,830,916) | — | (3,058,830,916) | | | | |
| Balance as at 30 September 2023 | 577,766,610 | 678,316,928 | — | 17,645,124,456 | 18,323,441,384 | 18,901,207,994 | 632,513,476 | 19,533,721,470 | | | | |
| Total comprehensive income for the year | | | | | | | | | | | | |
| Profit from for the year continuing operations | — | — | — | 13,613,828,390 | 13,613,828,390 | 13,613,828,390 | 107,911,426 | 13,721,739,816 | | | | |
| Other comprehensive income for the year | — | — | — | 23,933,156 | 23,933,156 | 23,933,156 | — | 23,933,156 | | | | |
| | — | — | — | 13,637,761,546 | 13,637,761,546 | 13,637,761,546 | 107,911,426 | 13,745,672,972 | | | | |
| Transactions with owners of the Holding Company recorded directly in equity | | | | | | | | | | | | |
| Final cash dividend @ Rs. 15 per share for the year ended 30 September 2023 | — | — | — | (866,649,915) | (866,649,915) | (866,649,915) | — | (866,649,915) | | | | |
| Interim cash dividend @ Rs. 20 per share for the half year ended 31 March 2024 | — | — | — | (1,155,533,220) | (1,155,533,220) | (1,155,533,220) | — | (1,155,533,220) | | | | |
| | — | — | — | (2,022,183,135) | (2,022,183,135) | (2,022,183,135) | — | (2,022,183,135) | | | | |
| Balance as at 30 September 2024 | 577,766,610 | 678,316,928 | — | 29,260,702,867 | 29,939,019,795 | 30,516,786,405 | 740,424,902 | 31,257,211,307 | | | | |

The annexed notes from 1 to 58 form an integral part of these consolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Director



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

1. CORPORATE AND GENERAL INFORMATION

1.1 The Group consists of the Holding Company and its Subsidiary Companies.

| | 2024 | 2023 |
|--|--------------------|--------|
| | Holding percentage | |
| Holding Company | | |
| JDW Sugar Mills Limited | | |
| Subsidiaries: | | |
| – Deharki Sugar Mills (Private) Limited (“DSML”) | 100% | 100% |
| – Ghotki Power (Private) Limited (“GPL”) | 100% | 100% |
| – Sadiqabad Power (Private) Limited (“SPL”) | 100% | 100% |
| – Faruki Pulp Mills Limited (“FPML”) | 57.67% | 57.67% |
| Associates: | | |
| – Kathai-II Hydro (Private) Limited (“KHL”) | 0% | 20% |

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

The Board of Directors of the Holding Company has resolved to set-up a state-of-the-art distillery project with initial capacity of 230,000 liters per day (the “Distillery/Ethanol Project”). The Distillery/Ethanol Project will produce best quality exportable Ethanol from molasses, which is a sugar’s by-product. (for details, refer to note 9.3 & 21.1.9).

The geographical locations and addresses of the Holding Company’s business units, including Mills / Plant are as under:

| Business Unit | Geographical location |
|--------------------------------------|--|
| Head Office & Registered Office: | 17 – Abid Majeed Road, Lahore Cantonment, Lahore, Pakistan |
| Sugar Mill (Unit-I): | Mauza Sharin, Jamal Din Wali, District Rahim Yar Khan, Punjab |
| Sugar Mill & Power Plant (Unit-II): | Machi Goth, Sadiqabad, District Rahim Yar Khan, Punjab |
| Sugar Mill & Power Plant (Unit-III): | Mauza Lahuwali, Near Village Islamabad, District Ghotki, Sindh |
| Distillery / Ethanol Project: | Mauza Pir Ahmedabad, Kot Subzal, National Highway Sadiqabad, District Rahim Yar Khan, Punjab |
| Corporate Farms: | Punjab Zone |
| Corporate Farms: | Sindh Zone |

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

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

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

1.2 Deharki Sugar Mills (Private) Limited – “DSML” (“hereinafter referred to as “DSML – Subsidiary Company” or DSML) having financial year ended 30 September 2024 was incorporated in Pakistan on 14 July 2010 as a Private Limited Company. The principal activity of DSML is production and sale of crystalline sugar including by-products i.e. molasses, bagasse and mud. Geographical location and addresses of all business units are as follows:

- Head Office / Registered Office: 17–Abid Majeed Road, Lahore Cantonment, Lahore, Pakistan;
- Manufacturing unit: KLP Road, Mauza Kamoo Shaheed, Taluka Ubauro, Mirpur Mathelo, Ghotki, Sindh. and
- Karachi Office: Office No.4, 12th Floor Bahria Town Tower, Karachi.

1.3 Faruki Pulp Mills Limited – “FPML” (“hereinafter referred to as “FPML – Subsidiary Company” or FPML) having financial year ended 30 September 2024 was incorporated in Pakistan on 20 October 1991 as a Public Limited Company. FPML will be engaged in the manufacture and sale of paper pulp. Geographical location and addresses of all business units are as follows:

- Head Office / Registered Office: 14/4– Abid Majeed Road Lahore Cantt., Pakistan.; and
- Production facility is situated at 20 km from Gujrat, Sargodha Road, Mangowal, Punjab.

FPML has been unable to commence its commercial operations till date. The trial runs conducted over the years, identified significant additional capital expenditure requirements to make the plant commercially viable.

Keeping in view the commercial viability of the plant and substantial accumulated losses, the management of FPML believes that it may not be able to realize its assets and discharge its liabilities in the normal course of business, and there does not exist any realistic basis to prepare its financial statements on a going concern basis. Accordingly, separate financial statements of FPML have been prepared on non-going concern basis (for details, refer to note 34). As at 30 September 2024, the Group’s share in the net assets of FPML is Rs. 1022.751 million (2023: Rs. 868.104 million). The financial statements of the Group have been prepared on a going concern basis.

Moreover, FPML through an extraordinary general meeting held on 25 March 2020, resolved to dispose of its property, plant and equipment either in parts or in their entirety to the prospective buyers after due process under the guidelines set by the Board. As a result, the Group’s operations have been divided into Continuing and Discontinued operations in accordance with the requirements of International Financial Reporting Standard (IFRS) 5, “Non-current Assets Held for Sale and Discontinued Operations”. Paper Pulp business have been classified as Discontinued operations (for details, refer to note 34). Continuing operations include Sugar, Co-Generation Power and Corporate Farms business.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

- 1.4** Sadiqabad Power (Private) Limited – “SPL” (“SPL – Subsidiary Company”) having financial year ended 30 September 2024 was incorporated in Pakistan on 16 December 2016. SPL will be engaged in the production of energy under the expansion program of the Holding Company’s existing bagasse based Co-Generation Power Plants. Geographical location and addresses of all business units are as follows:
- Head office / registered office: 17–Abid Majeed Road, Lahore Cantonment, Lahore, Pakistan and
 - The generation facility is located at Machi Goth, Tehsil Sadiqabad, District Rahim Yar Khan.
- 1.5** Ghotki Power (Private) Limited – “GPL” (“GPL – Subsidiary Company”) having financial year ended 30 September 2024 was incorporated in Pakistan on 15 December 2016. GPL will be engaged in the production of energy under the expansion program of the Holding Company’s existing bagasse based Co-Generation Power Plants. Geographical location and addresses of all business units are as follows:
- Head office / registered office: 17–Abid Majeed Road, Lahore Cantonment, Lahore, Pakistan; and
 - The generation facility is located at Ghot Islamabad, Tehsil and District Ghotki adjacent to JDW Sugar Mills unit III.
- 1.6** Kathai-II Hydro (Private) Limited – “KHL” (“the associate”) having financial year ended 30 June 2024 is a private limited company incorporated in Pakistan on August 27, 2012 under the repealed Companies Ordinance, 1984. The Principal activity of KHL is to generate, distribute and sell electricity. Geographical location and addresses of all business units are as follows:
- Head office / registered office of KHL is situated at 300 Main Boulevard, Phase 6, DHA, Lahore; and
 - Production unit is located on the Kathai Nullah in Azad Jammu & Kashmir (“AJK”) about 50 km east of Muzaffarabad.

However, during the year, the Group disposed of its entire shareholding on 07 September 2024.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3. KEY JUDGMENTS AND ESTIMATES

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

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

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

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

- Useful lives, residual values and depreciation method of operating fixed assets – note 4.3.1
- Estimation regarding determination of lease term, lease classification and incremental borrowing rate under IFRS 16 – note 4.4
- Useful lives, residual values and amortization method of intangible assets – note 5.1.2
- Fair value of biological assets – note 4.7 & 27
- Provision for impairment of inventories – note 4.8 & 28
- Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses and tax credits) – note 4.12
- Obligation under employee retirement benefits – note 4.13
- Revenue from contracts with customers – note 4.14
- Estimation of provisions – note 4.17
- Estimation of contingent liabilities and assets – note 4.18 & 4.19
- Expected credit losses of certain financial assets under IFRS 9 – note – 4.20.6
- Incurred impairment losses of certain financial assets under IAS 39 – note – 4.20.7
- Impairment loss of non-financial assets other than inventories and deferred tax assets – note 4.21

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Basis of consolidation and equity accounting

The consolidated financial statements include the financial statements of the Holding Company and its subsidiaries. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group companies.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

4.1.1 Subsidiaries

Subsidiaries are those entities in which the Holding Company directly or indirectly controls, beneficially owns or holds more than 50 percent of its voting securities or otherwise has power to elect and appoint more than 50 percent of its directors. The financial statements of subsidiaries are included in these consolidated financial statements from the date control commences.

The financial statements of the subsidiaries are consolidated on a line-by-line basis and the carrying value of investment held by the Holding Company is eliminated against the Holding Company's share in paid up capital of the subsidiaries. The Group applies uniform accounting policies for like transactions and events in similar circumstances except where specified otherwise.

Non-controlling interests are that part of net results of the operations and of net assets of Subsidiary Companies attributable to interest which are not owned by the Holding Company. Changes in the Holding Company's interest in the subsidiaries that do not result in a loss of control are accounted for as equity transactions. Non-controlling interests are presented as separate item in these consolidated financial statements. Non-controlling interest is measured at proportionate share of identifiable net assets at the time of acquisition.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

4.1.2 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% to 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

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

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the Group does not recognise additional losses unless the entity has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Associates, which the Group intends to dispose off within twelve months of the reporting date are not accounted for under the equity method and are shown under non-current assets held for sale at the lower of carrying amount and fair value less cost to sell.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 4.20.

4.2 Disposal group held for sale and discontinued operations

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

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

Additional disclosures are provided in note 34. All other notes to the consolidated financial statements include amounts for continuing operations, unless indicated otherwise.

4.3 Property, plant and equipment

4.3.1 Operating fixed assets

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

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

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

Depreciation is charged to the consolidated statement of profit or loss so as to write off the cost or carrying amount of assets (other than land, capital work-in-progress and identifiable major stores, spare parts and loose tools held for capital expenditure) over their estimated useful lives / rates, using reducing balance method and straight-line method at rates specified in note 21.1. The straight-line method is used for assets related to corporate farms segment of the Group. However, sometimes, the future economic benefits embodied in an asset are absorbed in producing other assets. In this case, the depreciation charge constitutes part of the cost of the other asset and is included in its carrying amount.

Sugarcane roots (bearer plants) are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Costs capitalized to sugarcane roots include preparing the land, maintaining a source of seed cane, planting the seed cane and costs related to establishing new area under cane. Depreciation of bearer plants commences when they are ready for their intended use. Costs incurred for infilling including block infilling are generally recognized in the consolidated statement of profit or loss unless there is a significant increase in the yield of the sections, in which case such costs are capitalized and depreciated over the remaining useful life of the respective fields. Depreciation on bearer plants is recognized so as to write off its cost less residual values over useful lives, using the straight-line method at rates as specified in note 21.1.

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount as referred in note 4.20

Gains or losses arising on derecognition of an item of operating fixed assets is determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the consolidated statement of profit or loss within other income or other expenses. The useful lives, residual values and depreciation method are reviewed on as of reporting date. The effect of any changes in estimate is accounted for on a prospective basis.

4.3.2 Capital work-in-progress

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

4.3.3 Major stores and spare parts held for capex

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

4.4 Lease liability and right-of-use asset

4.4.1 The Group is the lessee:

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

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

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

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as specified in note 22.

Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. The estimated useful lives of these right of use assets are determined on the same basis as those of operating fixed assets. The Group also assesses the right-of-use asset for impairment when such indicators exist.

Short term leases and low-value assets

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

Lease liabilities

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

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

4.4.2 The Group is the lessor:

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

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in these consolidated statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The Group also earns rental income from operating leases of its investment property (see note 4.6). Rental income is recognised on a straight-line basis over the term of the lease.

4.4.3 The Group is the intermediate lessor:

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption as described in note 4.4.1, then it classifies the sub-lease as an operating lease.

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

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

4.5 Ijarah contracts

The Group has entered into Ijarah contracts under which it obtains usufruct of an asset for an agreed period for an agreed consideration. The Ijarah contracts are undertaken in compliance with the Shariah essentials for such contracts prescribed by the State Bank of Pakistan. The Group consolidated financial



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

statements for its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. As required under IFAS 2 "Ijarah" (notified through SRO 431 (I) / 2007 by Securities & Exchange Commission of Pakistan), the Group as a Mustaj'ir (lessee) in the Ijarah contract recognises the Ujrah (lease) payments as an expense in these consolidated statement of profit and loss on straight line basis over the Ijarah term.

4.6 Investment property

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

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

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

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

4.7 Biological assets

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

Consumable biological assets, comprising of standing sugarcane and other crops (if any) are measured at their fair value determined by discounting future cash flows (income approach methodology) from operations over the estimated useful life of the biological assets using the discount rate mentioned in note 27.

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

The sugarcane roots are bearer plants and are therefore presented and accounted for as operating fixed assets under the head 'property, plant and equipment' as explained in note 4.3.1. However, the standing sugarcane and other crops are accounted for as biological assets until the point of harvest. Sugarcane and other crops are transferred to inventory at fair value less costs to sell when harvested.

A gain or loss arising on initial recognition of a biological asset / agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset are included in the consolidated statement of profit or loss for the period in which it arises. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income taxes.

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

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

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

4.8 Stores, spare parts and loose tools

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

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

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

4.9 Stock-in-trade

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

Cost is determined as follows:

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

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

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

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



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4.10 Advances, deposits and prepayments except financial assets

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

4.11 Cash and cash equivalents

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

4.12 Taxation

Taxation for the year is comprised of current and deferred tax.

4.12.1 Current tax

Income tax

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation. The charge for current tax is calculated using tax rates (and laws) that have been enacted or substantially enacted at the reporting date and after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

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

Agriculture tax

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

4.12.2 Deferred tax

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

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

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

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

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

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

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

4.12.3 Group taxation

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

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

Current and deferred income taxes are recognised by each entity within the group, regardless of who has the legal rights for the recovery of tax. However, current tax liability / receivable is shown by the respective companies of the Group as it has legal obligation / right of recovery of tax upon submission



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of Group annual income tax return. Balances among the Group entities as a result of Group taxation is shown as tax recoverable / payable to the respective group entity. Any adjustments in the current and deferred taxes of the respective companies on account of Group taxation are credited or charged to profit or loss in the year in which they arise.

4.12.4 Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the consolidated statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 12/IAS 37. However, taxes on dividends on the Group's investments in subsidiaries and associates which are specifically within the scope of IAS 12 and hence these continue to be categorised as current income tax.

4.13 Employee benefits

4.13.1 Defined contribution plan

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

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

4.13.2 Defined benefit plan

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

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

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

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

The calculation of defined benefit obligation is performed by qualified actuary by using the projected unit credit method and charge for the year, other than on account of experience adjustment, is included in the consolidated statement of profit or loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income.

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

4.14 Revenue from contracts with customers

4.14.1 Revenue recognition

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

a) Sale of goods

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

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

b) Sale of energy

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

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

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

c) Other income

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

- income on bank deposits is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return;
- foreign currency gains and losses are reported on a net basis;
- rental income arising from investment property and sub-lease (operating lease) is recognized in accordance with the terms of lease contracts over the lease term on straight-line basis;
- interest income is recognized as and when accrued on effective interest method;



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- delayed payment mark-up on amounts due under the EPA is accrued on a time proportion basis by reference to the amount outstanding and the applicable rate of return under the EPA.
- Mark-up on grower advance is accounted for in line with the recovery of the respective loan;
- Income from sale of scrap / store items is recorded when risks and rewards are transferred to the customers which coincides with the time of dispatch of items;
- Dividend income is recognized when the right to receive is established;
- Insurance claims are recognized when the loss event has occurred, and the claim has been successfully acknowledged by the insurance company;
- Other incomes, if any, are accounted when performance obligations are met.

4.14.2 Contract balances

a) Contract liabilities (advances from customers)

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

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

b) Trade receivables / contract assets

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

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

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

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

c) Contract cost

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

4.15 Borrowing cost

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

4.16 Trade and other payables

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

4.17 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The Group reviews the status of all pending litigations and claims against the Group. Based on its judgment and the advice of the legal advisors/consultants for the estimated financial outcome, an appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the consolidated statement of financial position date.

4.18 Contingent liabilities

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

4.19 Contingent assets

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

4.20 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.20.1 Recognition and initial measurement

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

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



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4.20.2 Classification and subsequent measurement

Financial assets

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

The classification is determined by both:

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

Financial assets – Business model assessment

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

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

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

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

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

4.20.3 Subsequent measurement of financial assets

i) Financial assets at amortized cost (debt instruments)

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

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

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

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

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

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

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

iv) Financial assets at fair value through profit or loss

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

Financial liabilities

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

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



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4.20.4 Derecognition

Financial assets

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

- The rights to receive cash flows from the asset have expired or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

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

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

4.20.5 Offsetting of financial instruments

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

4.20.6 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

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

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

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

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

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

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

4.20.7 Financial assets due from the Government of Pakistan

Financial assets due from the Government of Pakistan include trade receivables due from CPPA-G under the EPA that also includes accrued amounts of markup. As stated in note 6.5, the SECP has granted an exemption from the application of IFRS 9 requirements related to Expected Credit Losses (ECL) method for companies holding financial assets due from the Government of Pakistan in respect of circular debt. Accordingly, the Group has applied the following policy during exemption period:

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



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The Group assesses at the end of each reporting period whether there is objective evidence that the financial asset is impaired. The financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

Evidence of impairment may include indications that the trade receivable is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated statement of profit or loss. When the financial asset is uncollectible, it is written off against the provision.

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

4.21 Non – Financial assets

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

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

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

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

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

An impairment loss in respect of goodwill is not reversed. For other assets, impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized. A reversal of impairment loss for a cash generating unit is allocated to the assets of the unit, except for goodwill, pro rata with the carrying amounts of those assets.

The increase in the carrying amounts shall be treated as reversals of impairment losses for individual assets and recognized in the consolidated statement of profit or loss unless the asset is measured at revalued amount. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase.

4.22 Dividend

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

4.23 Earnings per share (EPS)

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

4.24 Operating segment

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated (for details, refer to note 48.1).

5. SUMMARY OF OTHER ACCOUNTING POLICIES

Other than material accounting policies applied in the preparation of these consolidated financial statements are set out below for ease of user's understanding of these consolidated financial statements. These policies have been applied consistently for all periods presented, unless otherwise stated.

5.1 Intangibles

5.1.1 Goodwill

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

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

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

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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5.1.2 Computer software

Intangible assets acquired separately are initially recognized at cost. After initial recognition, these are measured at cost less accumulated amortization and accumulated impairment losses if any. Costs associated with routine maintenance of intangible assets are recognized as an expense when incurred.

However, costs that are directly attributable to identifiable intangible assets and which enhance or extend the performance of intangible assets beyond the original specification and useful life is recognized as capital improvement and added to the original cost of the software.

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

Intangible assets with finite useful life are amortized using straight-line method over its useful life as specified in note 24.2 to these consolidated financial statements. Amortization on additions to intangible assets is charged from the date when an asset is put to use till the asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates.

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

5.2 Foreign currency transactions

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

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

5.3 Non – current assets classified as held for sale

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

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

5.4 Business combination

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

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the identifiable net assets acquired is recorded as goodwill (for details, refer to note 5.1.1). If this is less than the fair value of the net assets acquired in the case of a bargain purchase, the difference is charged directly in the consolidated statement of profit or loss.

5.5 Deferred Government grant

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

6 NEW STANDARDS, AMENDMENTS TO APPROVED ACCOUNTING STANDARDS AND NEW INTERPRETATIONS

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

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

Certain standards, amendments and interpretations to IFRSs are effective for accounting periods beginning on October 01, 2023 but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these consolidated financial statements except:

- The Group adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 01 October 2023. Although the amendments did not result in any change to the accounting policies themselves, they impacted the accounting policy information disclosed in these consolidated financial statements. The amendments require the disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand from the financial statements. Management reviewed the accounting policies and made updates to the information disclosed in material accounting policies which are stated in the sub-notes.
- The Group adopted an amendment to IAS – 12 'Income Taxes' related to initial recognition exemption clarifying that the available exemption does not apply to transactions that give rise to equal and offsetting temporary differences. This adoption has no impact on the carrying amount of assets and liabilities recognized in these consolidated financial statements.



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For the year ended 30 September 2024

- During the year the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 “IAS 12, Income Taxes (Revised 2012)” and vide circular 07/2024 dated 15 May 2024, issued guidance – “IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes”. The said guidance requires certain amounts of tax paid under minimum and final tax regime to be shown separately as a levy instead of showing it in current tax in the consolidated statement of profit or loss except The Tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Group is charged as current tax in these consolidated statement of profit or loss.

The charge for current tax and levy also includes adjustments, where considered necessary, to provision for taxation and levy made in previous years arising from assessments framed during the year for such years.

Accordingly, the Group has changed its accounting policy to recognize minimum and final taxes as ‘Levy’ under IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” which were previously being recognised as ‘Income tax’ under IAS 12.

The Group has accounted for the effects of these changes in accounting policy retrospectively under IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and the corresponding figures have been restated in these consolidated financial statements. The effects of restatements are as follows:

| | Had there been no change in accounting policy | Impact of change in accounting policy | After incorporating effect of change in accounting policy |
|---|--|--|--|
| | Rupees | Rupees | Rupees |
| Effect on consolidated statement of profit or loss: | | | |
| For the year ended 30 September 2024 | | | |
| Levies – Minimum tax | – | (151,897,702) | (151,897,702) |
| Profit before tax | 17,313,762,131 | (151,897,702) | 17,161,864,429 |
| Taxation | (3,854,580,529) | 151,897,702 | (3,702,682,827) |
| Profit for the year | 13,459,181,602 | – | 13,459,181,602 |

| | Had there been no change in accounting policy | Impact of change in accounting policy | After incorporating effect of change in accounting policy |
|---|--|--|--|
| | Rupees | Rupees | Rupees |
| Effect on consolidated statement of profit or loss: | | | |
| For the year ended 30 September 2023 | | | |
| Levies – Minimum tax | – | (810,893,971) | (810,893,971) |
| Profit before tax | 4,456,974,063 | (810,893,971) | 3,646,080,092 |
| Taxation | (1,643,267,577) | 810,893,971 | (832,373,606) |
| Profit for the year | 2,813,706,486 | – | 2,813,706,486 |

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

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

| | | Effective for the period beginning on or after |
|--------------------------------|---|---|
| IAS-1 | Presentation of Financial Statements – Amendments regarding the classification of liabilities as current or non-current and non-current liabilities with covenants. | January 01, 2024 |
| IAS-7 & IFRS 7 | Statement of Cash Flows & Financial Instrument – Amendments regarding to provide qualitative and quantitative information about supplier finance arrangements. | January 01, 2024 |
| IFRS-16 | Lease Liability in a Sale-and-Leaseback – Amendment regarding how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. | January 01, 2024 |
| IAS-21 | The Effects of changes in Foreign Exchange Rates – Amendments regarding lack of Exchangeability. | January 01, 2025 |
| IFRS-7 & IFRS-9 | Financial Instruments – Classification and Measurement of Financial Instruments and Disclosure – Amendment introduces new disclosure requirements and updates others. | January 01, 2026 |
| IFRS-10 | Consolidated Financial Statements and IAS 28 - Investment in Associates and Joint Ventures – Amendment regarding the sale or contribution of assets between an investor and its associate or Joint Venture. | The effective date for these changes has been deferred indefinitely until the completion of a broader review. |

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

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

Other than the aforesaid standards, interpretations, and amendments, the International Accounting Standards Board (IASB) has also issued the following standards and interpretations, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at 30 September 2024:

| | |
|----------|--|
| IFRS – 1 | First-time adoption of IFRS |
| IFRIC 12 | Service Concession Arrangement |
| IFRS 18 | Presentation and Disclosures in Financial Statements |
| IFRS 19 | Subsidiaries without Public Accountability Disclosures |

6.4 Waiver from application of IFRS 16 “Leases”

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

CPPA-G appears to fall under the scope of finance lease under IFRS 16. Consequently, if the Group were to follow IFRS 16 with respect to its EPA, the effect on the consolidated financial statements would be as given below:

| | 2024 Rupees | 2023 Rupees |
|---|-----------------|-----------------|
| De-recognition of property, plant and equipment | (3,614,065,385) | (3,780,524,394) |
| Recognition of lease receivables | 27,012,249,350 | 20,094,185,925 |
| Increase in un-appropriated profit at beginning of the year | 16,313,661,530 | 13,268,393,324 |
| Increase in profit for the year | 7,084,522,435 | 3,045,268,207 |
| Increase in un-appropriated profit at end of the year | 23,398,183,965 | 16,313,661,531 |

6.5 Waiver from application of IFRS – 9 “Financial instruments”

SECP vide S.R.O. 1784 (I)/2024 dated 04 November 2024 notified a partial exemption of its previous S.R.O. 67 (I)/2023, dated January 20, 2023, that in respect of companies holding financial assets due or ultimately due from the Government of Pakistan in respect of circular debt, the requirements contained in “IFRS 9 (Financial Instruments) with respect to application of Expected Credit Losses method” shall be not be applicable till 31 December 2025, provided that such companies shall follow relevant requirements of IAS 39 – Financial Instruments: Recognition and Measurement, in respect of above referred financial assets during the exemption period. Accordingly, the Group has not followed the requirement of IFRS 9 with respect to application of ECL in respect of trade debts due from CPPA-G in these consolidated financial statements.

| | Note | 2024 Rupees | 2023 Rupees |
|---|-------|----------------|----------------|
| 7. SHARE CAPITAL | | | |
| 7.1 Authorized share capital | | | |
| 75,000,000 (2023: 75,000,000) voting ordinary shares of Rs. 10 each | | 750,000,000 | 750,000,000 |
| 25,000,000 (2023: 25,000,000) preference shares of Rs. 10 each | | 250,000,000 | 250,000,000 |
| | | 1,000,000,000 | 1,000,000,000 |
| 7.2 Issued, subscribed and paid up share capital | | | |
| 30,145,725 (2023: 32,145,725) voting ordinary shares of Rs. 10 each fully paid in cash | | 301,457,250 | 321,457,250 |
| 27,630,936 (2023: 27,630,936) voting bonus shares of Rs. 10 each fully paid | | 276,309,360 | 276,309,360 |
| Buy back and cancellation of 2,000,000 ordinary shares having face value of Rs. 10 each | 7.2.2 | – | (20,000,000) |
| | | 577,766,610 | 577,766,610 |

7.2.1 Mr. Jahangir Khan Tareen, an Executive Director (2023: Executive Director) holds 11,524,932 (2023: 8,649,012) and Mr. Mukhdoom Syed Ahmad Mahmud, a Non-Executive Director (2023: Non- Executive Director) holds 19,375,283 (2023: 19,251,203) ordinary shares of Rs. 10 each representing 19.95% (2023: 14.97%) and 33.53% (2023: 33.32%) of the paid up capital of the Holding Company respectively.

7.2.2 During the last financial year the special resolution passed by the shareholders of the Holding Company at extraordinary general meeting held on November 03, 2022, authorized the Holding Company to buy-back and cancel the shares under Section 88 of the Companies Act, 2017 read in conjunction with the Listing Companies (Buy Back of Shares) Regulations, 2019. The Holding Company with the approval of the shareholders accorded to buy back for cancellation upto maximum of its 2,000,000 issued, subscribed and paid-up ordinary shares having face value Rs. 10 through the Pakistan Stock Exchange Limited at the spot/ current price prevailing during purchase period. The Holding Company had bought back and cancelled its all 2,000,000 ordinary shares from its shareholders till dated 09 January 2023. Consequently, paid up capital of the Holding Company had been reduced to Rs. 577,766,610 divided into 57,776,661 ordinary shares of face value of Rs. 10 each.

7.2.3 The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Holding Company. All shares carry one vote per share without any restriction.

8. SHARE PREMIUM RESERVE

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

| | Note | 2024 Rupees | 2023 Rupees |
|---|---------|----------------|-----------------|
| 9. LONG TERM FINANCES – SECURED | | | |
| Mark-up bearing finances from conventional banks / financial institutions | 9.1.1 | 2,744,105,428 | 6,430,180,003 |
| Islamic mode of financing | 9.1.2 | 4,343,449,012 | – |
| | 9.1 | 7,087,554,440 | 6,430,180,003 |
| Less: Transaction cost | | | |
| As at 01 October | | – | (35,413,371) |
| Recognized during the year | | (111,000,000) | – |
| Amortization of transaction cost | 42 & 47 | 4,244,756 | 35,413,371 |
| As at 30 September | | (106,755,244) | – |
| | | 6,980,799,196 | 6,430,180,003 |
| Current maturity presented under current liabilities: | | | |
| Mark-up bearing finances from conventional banks / financial institutions | | – | (6,430,180,003) |
| Islamic mode of financing | | (75,222,269) | – |
| | 14 | (75,222,269) | (6,430,180,003) |
| | | 6,905,576,927 | – |

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9.1 Long term finances – secured

| Note | Mark-up / Profit basis | Limit Rupees | Loan duration Years | Grace period Years | Year of loan maturity | Principal outstanding 2024 Rupees | Principal outstanding 2023 Rupees | |
|---|--|-----------------|------------------------|-----------------------|-----------------------|--------------------------------------|--------------------------------------|---------------|
| 9.1.1 Mark-up bearing finances from conventional banks/ financial institutions | | | | | | | | |
| MCB – Led syndicate Commercial facility | | | | | | | | |
| | MCB Bank Limited | *3mk + 1 | 3,000,000,000 | 10 Years | 02 Years | 2034 | 957,651,989 | – |
| | The Bank of Punjab | 3mk + 1 | 1,500,000,000 | 10 Years | 02 Years | 2034 | 551,238,390 | – |
| | National Bank of Pakistan | 3mk + 1 | 1,000,000,000 | 10 Years | 02 Years | 2034 | 367,486,281 | – |
| | | | 5,500,000,000 | | | | 1,876,376,660 | – |
| Askari Bank Limited – Led syndicate | | | | | | | | |
| | United Bank Limited | 3mk + 1 | 1,714,285,700 | 07 Years | 03 Years | 2031 | 247,922,503 | – |
| | MCB Bank Limited | 3mk + 1 | 1,500,000,000 | 07 Years | 03 Years | 2031 | 216,932,192 | – |
| | Askari Bank Limited | 3mk + 1 | 1,500,000,000 | 07 Years | 03 Years | 2031 | 216,932,192 | – |
| | Soneri Bank Limited | 3mk + 1 | 857,142,900 | 07 Years | 03 Years | 2031 | 123,961,259 | – |
| | Allied Bank Limited | 3mk + 1 | 428,571,400 | 07 Years | 03 Years | 2031 | 61,980,622 | – |
| | | | 6,000,000,000 | | | | 867,728,768 | – |
| The Bank of Punjab – Led syndicate | | | | | | | | |
| | The Bank of Punjab | 3mk + 1.10 | 2,500,000,000 | 06 Years | – | 2027 | – | 1,504,670,865 |
| | National Bank of Pakistan | 3mk + 1.10 | 1,500,000,000 | 06 Years | – | 2027 | – | 905,030,000 |
| | Askari Bank Limited | 3mk + 1.10 | 975,000,000 | 06 Years | – | 2027 | – | 720,330,000 |
| | MCB Bank Limited | 3mk + 1.10 | 1,000,000,000 | 06 Years | – | 2027 | – | 603,353,335 |
| | Dubai Islamic Bank Limited | 3mk + 1.10 | 1,000,000,000 | 06 Years | – | 2027 | – | 603,353,335 |
| | Pak Kuwait Investment Company (Pvt.) Limited | 3mk + 1.10 | 750,000,000 | 06 Years | – | 2027 | – | 452,515,000 |
| | MCB Islamic Bank Limited | 3mk + 1.10 | 750,000,000 | 06 Years | – | 2027 | – | 452,533,468 |
| | Askari Bank Limited (Islamic) | 3mk + 1.10 | 525,000,000 | 06 Years | – | 2027 | – | 188,394,000 |
| | | | 9,000,000,000 | | | | – | 5,430,180,003 |
| | Allied Bank Limited | 3mk + 0.50 | 1,000,000,000 | 1.5 Years | 01 Year | 2024 | – | 1,000,000,000 |
| | | | 21,500,000,000 | | | | 2,744,105,428 | 6,430,180,003 |
| 9.1.2 Islamic mode of financing | | | | | | | | |
| MCB – Led syndicate Musharka facility | | | | | | | | |
| | Meezan Bank Limited | 3mk + 1 | 2,000,000,000 | 10 Years | 02 Years | 2034 | 344,041,006 | – |
| | MCB Islamic Bank Limited | 3mk + 1 | 1,000,000,000 | 10 Years | 02 Years | 2034 | 367,486,281 | – |
| | The Bank of Punjab | 3mk + 1 | 500,000,000 | 10 Years | 02 Years | 2034 | 183,734,168 | – |
| | | | 3,500,000,000 | | | | 895,261,455 | – |
| | Bank Islami Pakistan Limited | 3mk + 0.50 | 3,250,000,000 | 03 Years | 01 Years | 2027 | 3,000,000,000 | – |
| | | | 6,750,000,000 | | | | 3,895,261,455 | – |
| | First Habib Modaraba - For vehicles | 9.1.2.1 | 471,346,665 | 04 Years | – | 2028 | 448,187,557 | – |
| | | | 7,221,346,665 | | | | 4,343,449,012 | – |
| | | | 28,721,346,665 | | | | 7,087,554,440 | 6,430,180,003 |
| * 3 mk i.e. 3 months KIBOR | | | | | | | | |

9.1.2.1 This represents financing facility of Rs. 471.35 million obtained from an Islamic financial institution for the purchase of motor vehicles. The Group's obligations under this financing arrangement are secured by the lender's ownership of the assets (vehicles) and security deposits (refer to notes 21.1.7 and 26 for details). Additionally, the Group has issued a Demand Promissory Note in favor of First Habib Modaraba as security for the outstanding dues.

- 9.2** Long term finances are secured against ranking / joint parri passu charge over all present and future fixed assets including project land, factory buildings and plant & machinery related to Unit I, Unit II, Unit III & DSML of the Group amounting to Rs. 44,467 million (2023: Rs. 18,576 million) and guarantees of Sponsor Directors of the Holding Company.
- 9.3** The Holding Company has availed MCB – Led Syndicate and Askari – Led Syndicate finance facilities for its Distillery / Ethanol Project and construction of JDW – Tower for corporate office, respectively.
- 9.4** The MCB-led syndicate facilities, comprising both commercial and Musharaka arrangements, include a sub-limit for letters of credit of up to Rs. 5 billion which will be converted into long term finance facility after four years.

10. LEASE LIABILITIES

| | | 2024 | | | | |
|------|--|----------------------|-------------------|--------------------|----------------------|-----------------|
| Note | Land | Buildings | Vehicles | Total | | |
| | Rupees | Rupees | Rupees | Rupees | | |
| | Balance as at 01 October | 2,088,136,103 | 111,961,514 | 683,411,936 | 2,883,509,553 | |
| | Additions / modification / remeasurement of lease | 1,704,157,258 | 39,959,399 | 103,950,000 | 1,848,066,657 | |
| | Impact of early termination | (354,221,130) | – | – | (354,221,130) | |
| | Finance cost regarding lease arrangement | 42 | 454,303,609 | 21,169,642 | 126,848,127 | 602,321,378 |
| | Exchange difference | – | (372,800) | – | (372,800) | |
| | Lease payments | (1,218,576,348) | (78,820,729) | (340,284,710) | (1,637,681,787) | |
| | 10.1 | 2,673,799,492 | 93,897,026 | 573,925,353 | 3,341,621,871 | |
| | Less: Current maturity presented under current liabilities | 14 | (862,807,761) | (45,052,491) | (197,704,922) | (1,105,565,174) |
| | Balance as at 30 September | 1,810,991,731 | 48,844,535 | 376,220,431 | 2,236,056,697 | |
| | | 2023 | | | | |
| Note | Land | Buildings | Vehicles | Total | | |
| | Rupees | Rupees | Rupees | Rupees | | |
| | Balance as at 01 October | 2,126,843,322 | 66,255,567 | 429,799,494 | 2,622,898,383 | |
| | Additions / modification / remeasurement of lease | 668,998,594 | 92,254,073 | 471,402,736 | 1,232,655,403 | |
| | Impact of early termination | (24,784,127) | – | – | (24,784,127) | |
| | Finance cost regarding lease arrangement | 42 | 269,672,379 | 11,571,051 | 96,356,705 | 377,600,135 |
| | Exchange difference | – | 5,746,280 | – | 5,746,280 | |
| | Lease payments | (952,594,065) | (63,865,457) | (314,146,999) | (1,330,606,521) | |
| | 10.1 | 2,088,136,103 | 111,961,514 | 683,411,936 | 2,883,509,553 | |
| | Less: Current maturity presented under current liabilities | 14 | (684,855,317) | (50,501,913) | (176,295,892) | (911,653,122) |
| | Balance as at 30 September | 1,403,280,786 | 61,459,601 | 507,116,044 | 1,971,856,431 | |

- 10.1** The Group has lease contracts for agricultural land (for cultivation of sugarcane), vehicles (for its employees and other business operations) and office buildings (for office operations).
- 10.2** Implicit borrowing rate used against lease liabilities towards Islamic mode of financing and conventional banks is ranging from three to twelve months KIBOR plus 100 bps to 110 bps per annum (2023: six to twelve months KIBOR plus 100 bps to 120 bps per annum). The Group's obligations under such leases are secured by the lessor's title to the leased assets (vehicles) and security deposits (for details, refer to note 22 & 26). Further, the Group has provided Demand Promissory Note in favour of the lessor as security of outstanding due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

- 10.3** The maturity analysis of lease liabilities is presented in note 50.2.2 to these consolidated financial statements.
- 10.4** The incremental borrowing rate applied at the lease commencement date for land and buildings ranges from 8.65% to 23.97% (2023: 12.50% to 23.97%). There are no variable lease payments in lease contracts. There were no lease with residual value guarantee.

| | Note | 2024 Rupees | 2023 Rupees |
|--|--------|------------------------|------------------------|
| 11. DEFERRED TAXATION | | | |
| Deferred tax liability on taxable temporary differences arising in respect of: | | | |
| – accelerated tax depreciation on operating fixed assets | | 5,245,949,914 | 4,443,486,082 |
| – right-of-use assets | | 1,138,979,842 | 817,785,850 |
| – staff retirement benefits | | 20,186,193 | 707,911 |
| | | <u>6,405,115,949</u> | <u>5,261,979,843</u> |
| Deferred tax asset on deductible temporary differences arising in respect of: | | | |
| – lease liabilities against right-of-use assets | | (1,303,250,981) | (933,520,780) |
| – liabilities under Islamic mode of financing | | (174,774,696) | – |
| – provisions for doubtful debts and obsolescence | | (96,780,971) | (78,344,438) |
| – provision for Workers' Profit Participation Fund | | (368,960,220) | (87,874,541) |
| – provision for Workers' Welfare Fund | | (104,389,201) | (29,122,329) |
| – tax credits | | (1,261,061,607) | (2,313,945,217) |
| | | <u>(3,309,217,676)</u> | <u>(3,442,807,305)</u> |
| – Unrecognized deferred tax liability related to operating fixed assets of bagasse based Co-Generation | 4.12.2 | (1,244,168,400) | (1,103,673,226) |
| | | <u>1,851,729,873</u> | <u>715,499,312</u> |

- 11.1** Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. As per Finance Act, 2023, super tax for the tax year 2023 and onwards has introduced progressive rate on high earning persons ranging from 1% to 10% in addition to the corporate tax rate of 29%. Accordingly, deferred tax assets and liabilities have been recognised using the expected applicable rate of 39% (2023: 39%).
- 11.2** Pursuant to the Finance Act, 2024, the final tax regime for goods exporters has been replaced with a minimum tax regime. As a result, the impact on deferred tax has been appropriately recognized in these consolidated financial statements.

| | Note | 2024 Rupees | 2023 Rupees |
|--|------|----------------|----------------|
| 11.3 Movement in deferred tax balances is as follows: | | | |
| As at 01 October | | 715,499,312 | 380,933,944 |
| Recognized in statement of profit or loss: | | | |
| – accelerated tax depreciation on operating fixed assets | | 661,968,658 | 504,872,706 |
| – right-of-use assets | | 321,193,992 | 147,224,443 |
| – lease liabilities against right-of-use assets | | (369,730,201) | (184,515,424) |
| – liabilities under Islamic mode of financing | | (174,774,696) | – |
| – provisions for doubtful debts and obsolescence | | (18,436,533) | (11,948,311) |
| – provision for Workers' Profit Participation Fund | | (281,085,679) | (4,642,331) |
| – provision for Workers' Welfare Fund | | (75,266,872) | (8,923,407) |
| – staff retirement benefits | | 4,176,756 | 27,432,821 |
| – origination and reversal of tax credits | | 1,052,883,610 | (124,145,075) |
| | 44 | 1,120,929,035 | 345,355,422 |
| Recognized in other comprehensive income: | | | |
| – staff retirement benefits | | 15,301,526 | (10,790,054) |
| | 11 | 1,851,729,873 | 715,499,312 |

12. RETIREMENT BENEFITS

12.1 Staff retirement benefit – gratuity

The latest actuarial valuation of the Holding Company's defined benefit plan was conducted on 30 September 2024 using projected unit credit method. Details of obligation for defined benefit plan are as follows:

| | Note | 2024 Rupees | 2023 Rupees |
|---|------|----------------|----------------|
| 12.2 Consolidated statement of financial position | | | |
| Present value of defined benefit obligation | 12.3 | 433,517,083 | 325,997,710 |
| Fair value of plan assets | 12.4 | (493,450,832) | (370,467,636) |
| Net asset at end of the year | | (59,933,749) | (44,469,926) |
| 12.3 Movement in liability for funded defined benefit obligation | | | |
| Present value of defined benefit obligation | | | |
| at beginning of the year | | 325,997,710 | 282,100,806 |
| Current service cost for the year | | 32,501,403 | 29,675,112 |
| Interest cost for the year | | 52,267,804 | 35,918,972 |
| Benefits paid during the year | | (19,100,340) | (15,245,958) |
| Remeasurement on obligation: | | | |
| – Financial assumptions | | 43,006,489 | (14,519,686) |
| – Demographic assumptions | | – | 645,297 |
| – Experience adjustments | | (1,155,983) | 7,423,167 |
| | | 41,850,506 | (6,451,222) |
| Present value of defined benefit obligation at end of the year | 12.2 | 433,517,083 | 325,997,710 |

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For the year ended 30 September 2024

| | Note | 2024 Rupees | 2023 Rupees |
|--|------|--------------------|--------------------|
| 12.4 Movement in fair value of plan assets | | | |
| Balance at beginning of the year | | 370,467,636 | 258,450,610 |
| Return on plan assets excluding interest income | | 60,495,767 | 41,449,414 |
| Contributions made during the year | | – | 123,996,268 |
| Benefits paid by the Holding Company on behalf of the plan | | 502,581 | – |
| Benefits paid during the year | | (19,100,340) | (15,245,958) |
| Remeasurement on plan assets – experience adjustments | | 81,085,188 | (38,182,698) |
| Fair value of plan assets at end of the year | 12.2 | 493,450,832 | 370,467,636 |
| 12.5 Charge / (credit) for the year: | | | |
| Consolidated statement of profit or loss: | | | |
| Current service cost | | 32,501,403 | 29,675,112 |
| Interest cost for the year | | 52,267,804 | 35,918,972 |
| Return on plan assets excluding interest income | | (60,495,767) | (41,449,414) |
| | | 24,273,440 | 24,144,670 |
| Other comprehensive (income) / loss: | | | |
| Remeasurement on obligation | | 41,850,506 | (6,451,222) |
| Remeasurement on plan assets | | (81,085,188) | 38,182,698 |
| | | (39,234,682) | 31,731,476 |
| | | (14,961,242) | 55,876,146 |
| 12.6 Movement in experience (gain) / losses | | | |
| Opening experience (gain) / losses | | – | – |
| Experience losses / (gain) | | 39,234,682 | (31,731,476) |
| Charge to other comprehensive (income) / loss | | (39,234,682) | 31,731,476 |
| Closing experience (gain) / losses | | – | – |

| Break up of plan assets | 2024 | | 2023 | |
|---------------------------|--------------------|-------------|--------------------|-------------|
| | Rupees | % | Rupees | % |
| Mutual funds | 63,093,185 | 13% | 51,473,462 | 14% |
| Listed equity securities | 355,968,600 | 72% | 263,670,000 | 71% |
| Term finance certificates | 31,657,467 | 6% | 31,836,953 | 9% |
| Cash at bank | 42,731,580 | 9% | 23,487,221 | 6% |
| | 493,450,832 | 100% | 370,467,636 | 100% |

12.7 Risks on account of defined benefit plan

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

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

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

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

Withdrawal risks – The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service/age distribution and the benefit.

12.8 Expected future contribution

Expected future contribution for the year ending 30 September 2025 is Rs. 31.267 million (2024: Rs. 24.056 million).

12.9 Actuarial assumptions sensitivity analysis

The below sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in these consolidated statement of financial position. There is no change from prior year in respect of methods and assumptions used to prepare sensitivity analysis. If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 100 bps with all other variables held constant, the impact on the present value of the defined benefit obligation as at 30 September 2024 and 2023 would have been as follows:

| | Change | Impact on defined benefit obligation | | | |
|--------------------|---------|--------------------------------------|--------------|--------------|--------------|
| | | 2024 | | 2023 | |
| | | Increase | Decrease | Increase | Decrease |
| Rupees | | | | | |
| Discount rate | 100 BPS | (32,469,084) | 36,969,484 | (23,568,968) | 26,736,615 |
| Salary growth rate | 100 BPS | 35,378,137 | (31,673,206) | 25,922,296 | (23,262,107) |

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

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

| | 2024 | 203 |
|---|------------------|------------------|
| 12.10 Principal actuarial assumptions used | | |
| Valuation discount rate | 12.00% | 16.75% |
| Valuation discount rate for P&L | 16.75% | 13.25% |
| Salary increase rate | 12.00% | 16.50% |
| Expected return on plan assets | 12.00% | 16.75% |
| Retirement assumption | 60 years | 60 years |
| Weighted average duration of obligation | 8.10 year | 7.81 year |
| Mortality rate | SLIC 2001 – 2005 | SLIC 2001 – 2005 |
| Withdrawal rate | Moderate | Moderate |
| | 2024 | 2023 |
| | Rupees | Rupees |
| 12.11 Maturity profile | | |
| 1 – 5 years | 327,346,951 | 277,973,114 |
| 6 – 10 years | 216,908,248 | 174,426,956 |
| 11 – above years | 1,113,456,325 | 2,096,590,964 |

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For the year ended 30 September 2024

| | Note | 2024 Rupees | 2023 Rupees |
|---|------|----------------|----------------|
| 13. SHORT TERM BORROWINGS | | | |
| Mark-up based borrowings from conventional banks / financial institution – secured | | | |
| - Cash finances | 13.1 | 19,521,784,025 | 2,095,363,687 |
| - Running finances | 13.2 | 3,980,823,340 | 2,927,120,156 |
| - Finance against trust receipts | 13.3 | 150,746,039 | 52,134,162 |
| - Agriculture finance facility | 13.4 | 700,000,000 | 500,000,000 |
| | | 24,353,353,404 | 5,574,618,005 |
| Islamic mode of financing – secured | | | |
| - Salam / Istisna / Musawamah / Tijarah finances | 13.5 | 6,311,061,152 | 667,911,022 |
| - Agriculture finance facility | 13.6 | 748,036,523 | 50,000,000 |
| - Sukuk finances | 13.7 | – | – |
| | | 7,059,097,675 | 717,911,022 |
| | | 31,412,451,079 | 6,292,529,027 |

13.1 The Group has availed cash finance facilities from various banks aggregated to Rs. 31,950 million (2023: Rs. 20,050 million). The mark-up rates applicable during the year ranges from one to three months KIBOR plus 50 to 100 bps per annum (2023: one to three months KIBOR plus 20 to 100 bps per annum) on utilized limits. These facilities are secured against pledge charge over white refined sugar bags with 15% to 25% margin, corporate guarantee of the Holding Company and personal guarantees of all Directors of the Holding Company.

13.2 The Group has obtained running finance facilities aggregated to Rs. 5,421 million (2023: Rs. 3,421 million). The mark-up rates applicable during the year ranges from one to three months KIBOR plus 50 to 100 bps per annum (2023: one to three months KIBOR plus 75 to 100 bps per annum). These are secured against ranking charge / joint pari passu charge over all present and future current assets, excluding pledge stock, of the Group, corporate guarantee of the Holding Company and personal guarantees of the all Directors of the Holding Company.

13.3 The limit of finance against trust receipt facility is Rs. 630 million (2023: Rs. 630 million). The mark-up rates applicable during the year ranges from one to three months KIBOR plus 100 to 300 bps per annum (2023: one to six months KIBOR plus 100 to 250 bps per annum). These are secured against ranking charge / joint pari passu charge over present and future current assets, excluding pledge stock, of the Group and corporate guarantee of the Holding Company and personal guarantees of the Sponsor Directors of the Holding Company.

13.4 The Group has obtained agriculture finance facility amounted to Rs. 700 million (2023: Rs. 500 million) for sugarcane growers to support crop cultivation for upcoming crushing season. The mark-up rates applicable during the year is three month KIBOR plus 100 bps per annum (2023: three month KIBOR plus 300 bps per annum). These are secured against ranking / first pari passu charge over present and future current assets (excluding pledge stock) of the Group, insurance cover, post dated cheques for entire financing amount including markup and personal guarantees of Sponsor Directors of the Holding Company.

- 13.5** The Group has obtained financing facilities under Islamic mode of financing from various banks aggregated to Rs. 14,900 million (2023: Rs. 11,285 million). The mark-up rates applicable during the year ranges from three to nine months KIBOR plus 50 to 95 bps per annum (2023: three to nine months KIBOR plus 50 to 150 bps per annum). These facilities are secured against pledge charge over white refined sugar bags with 10% to 30% margin and personal guarantees of Sponsor Directors of the Holding Company.
- 13.6** The Group has availed agriculture finance facility amounted to Rs. 750 million (2023: Rs. 50 million) for sugarcane growers to support crop cultivation for upcoming crushing season. The mark-up rate applicable during the year is twelve month KIBOR plus 100 bps per annum (2023: twelve month KIBOR plus 300 bps per annum). These are secured against joint pari passu charge over present and future stock and receivables of the Group (2023: fixed assets of the Holding Company).
- 13.7** During the year, the Holding Company issued privately placed unsecured Sukuk Certificates 2 & 3 having face value of Rs. 1 million each aggregating to Rs. 8,000 million and Rs. 5,000 million at a mark-up of six month KIBOR plus 90 bps & 80 bps per annum respectively. The principal and mark-up payments on the Sukuk Certificates were made in full at the time of redemption, which occurred within six months of the respective issue dates. However, the Holding Company has opted for early redemption of Sukuk 2 and Sukuk 3, repaying the full amount to the subscribers by June 14, 2024, and August 15, 2024, respectively.
- 13.8** The available facilities for opening letters of credit and guarantee as on the reporting date are amounting to Rs. 7,150 million (2023: Rs. 2,050 million) which includes Rs. 530 million (2023: Rs. 630 million) sub-limit of FATR facility. Further, facilities amounting Rs. 2,257.59 million (2023: Rs. 100 million) remained unutilized as on reporting date. These are secured against ranking charge / joint pari passu charge over present and future current assets, excluding pledge stock, of the Group and by lien over import documents, corporate guarantee of the Holding Company and personal guarantees of the Sponsor Directors of the Holding Company.
- 13.9** Credit facilities as mentioned in note 13.2, 13.3, 13.4 and 13.6 are secured by an aggregate amount of Rs. 13,314 million (2023: Rs. 5,381 million) as at reporting date.

| | Note | 2024 Rupees | 2023 Rupees |
|---|------|----------------|----------------|
| 14. CURRENT PORTION OF NON-CURRENT LIABILITIES | | | |
| Long term finances – secured | 9 | 75,222,269 | 6,430,180,003 |
| Lease liabilities | 10 | 1,105,565,174 | 911,653,122 |
| | | 1,180,787,443 | 7,341,833,125 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

| | Note | 2024 Rupees | 2023 Rupees |
|---|------|----------------------|----------------------|
| 15. TRADE AND OTHER PAYABLES | | | |
| Trade and other creditors | 15.1 | 809,093,740 | 1,404,469,135 |
| Sales tax payable | | 1,104,508,837 | 699,281,957 |
| Accrued expenses | 15.2 | 389,385,078 | 504,440,545 |
| Markup payable on behalf of growers | | 296,637,702 | 223,383,409 |
| Payable to Workers' Profit Participation Fund | 15.3 | 946,051,846 | 257,270,534 |
| Payable to Workers' Welfare Fund | 15.4 | 267,664,620 | 85,205,562 |
| Tax deducted at source | | 229,101,319 | 83,360,979 |
| Payable to Employees' Provident Fund | | 44,087,930 | 42,288,643 |
| Retention money | | 20,047,563 | 16,930,145 |
| Security deposits | 15.5 | 2,393,002 | 3,820,410 |
| Agriculture Income Tax payable | | 3,732,268 | 3,790,688 |
| Other payables | 15.6 | 232,949,530 | 170,157,897 |
| | | 4,345,653,435 | 3,494,399,904 |

15.1 Payable to growers against purchase of sugarcane is Rs. Nil as at 30 September 2024 (2023: Rs. Nil).

15.2 This includes Rs. 112.24 million (2023: Rs. 92.03 million) in respect of market committee fee (for details, refer to note 20.1.18).

| | Note | 2024 Rupees | 2023 Rupees |
|---|---------|----------------------|--------------------|
| 15.3 Payable to Workers' Profit Participation Fund | | | |
| Balance as at 01 October | | 257,270,534 | 280,677,992 |
| – allocation for the year | 41 & 47 | 946,051,846 | 257,270,534 |
| – interest on funds utilized | 42 | 165,318,325 | 188,467,505 |
| | | 1,368,640,705 | 726,416,031 |
| Paid during the year | | (422,588,859) | (469,145,497) |
| Balance as at 30 September | | 946,051,846 | 257,270,534 |

15.3.1 The interest on funds utilized by the Group is charged higher of interest at the rate of 2.5% above the bank interest rate or 75 % of the rate at which dividend is declared by the Group as prescribed under the Companies Profit (Workers Participation) Act, 1968 and the Sindh Companies Profit (Workers Participation) Act, 2021 till the date of distribution of funds to the workers. The interest rate charged during the year ranges from 25.29% to 300% per annum (2023: 14.69% to 206% per annum).

| | Note | 2024 Rupees | 2023 Rupees |
|--|---------|--------------------|-------------------|
| 15.4 Payable to Workers' Welfare Fund | | | |
| Balance as at 01 October | | 85,205,562 | 68,629,362 |
| – provision for the year | 41 & 47 | 222,037,639 | 40,637,560 |
| – adjustment for prior year provision | | 6,109,072 | (10,211,825) |
| | | 313,352,273 | 99,055,097 |
| Paid during the year | | (45,687,653) | (13,849,535) |
| Balance as at 30 September | | 267,664,620 | 85,205,562 |

15.4.1 Provision for the year has been made in accordance with the the Sindh Workers Welfare Fund (Amendment) Act, 2023 and Workers Welfare Fund Act, 1971, for Deharki Sugar Mills (Pvt.) Limited – Subsidiary Company, and the Holding Company, respectively.

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

15.6 These mainly represents deductions against vehicles as per the Group's car finance scheme from employees salaries. This includes accumulated deductions of Rs. 1.25 million (2023: Rs. 0.804 million) against the key management personnel of the Group.

These also includes liability associated with non-current asset held for sale amounting to Rs. 4.02 million (2023: Rs. 2.8 million) for details, refer to note 21.1.6.

16. ADVANCES FROM CUSTOMERS

The advances from customers primarily relate to the advance consideration received from customers for sale of sugar (2023: sugar), for which revenue is recognised at point in time when goods are transferred. Information regarding the timing of satisfaction of performance obligations underlying the closing contract liability is not presented since the expected duration of all the contracts entered into with the customers is less than one year.

Advances from customers as at 30 September 2024 also includes taxes payable to Government authorities in respect of sale of sugar bags.

17. UNCLAIMED DIVIDEND

As per the provision of Section-242 of the Companies Act, 2017 and directives of the Securities and Exchange Commission of Pakistan vide circular no. 18 dated 01 August 2017, cash dividend will only be paid through electronic mode directly in the bank accounts of shareholders, accordingly this unclaimed dividend pertains to those shareholders who did not provide their valid bank accounts details.

| | 2024 Rupees | 2023 Rupees |
|---|----------------|----------------|
| 18. ACCRUED PROFIT / INTEREST / MARK-UP | | |
| Mark-up on financing / borrowings from conventional banks / financial institution: | | |
| – Long term finances – secured | 63,350,092 | 330,614,705 |
| – Short term borrowings – secured | 1,055,134,305 | 157,640,370 |
| | 1,118,484,397 | 488,255,075 |
| Profit on Islamic mode of financing: | | |
| – Long term finances – secured | 30,337,624 | – |
| – Short term borrowings – secured | 965,498,447 | 88,596,464 |
| | 995,836,071 | 88,596,464 |
| | 2,114,320,468 | 576,851,539 |

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For the year ended 30 September 2024

| | Note | 2024 Rupees | 2023 Rupees |
|--|------|-----------------|----------------|
| 19. PROVISION FOR TAXATION AND LEVY – NET | | | |
| Balance as at 01 October | | (282,245,504) | (596,663,748) |
| Provision for the year | 43.2 | 2,958,273,954 | 1,329,174,593 |
| Taxes and levies paid | | (1,914,856,698) | (979,703,223) |
| Others adjustments | | (229,544,472) | (35,053,126) |
| Balance as at 30 September | | 531,627,280 | (282,245,504) |

20. CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

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

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

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

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

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

- 20.1.6** The Holding Company has filed W.P 67473/2020 & 65212/2019 before Honorable LHC challenging the amendment inserted vide Finance Act, 2019 whereby tax credit under section 65B of I.T.O has been reduced from 10% to 5% for the tax year 2019 and period for availing this credit has also been restricted till 30 June 2019. The Holding Company has claimed tax credit at the rate of 10% for the year ended 30 September 2018 and 30 September 2019 amounting to Rs. 254.9 million and Rs. 94.34 million respectively. Now the matter is pending before the Honorable LHC. The management of the Holding Company expects a favorable outcome in this case.
- 20.1.7** A show-cause notice u/s 122(5) of I.T.O was served by DCIR for tax year 2015 confronting bank credits to the Holding Company. The said notice was duly complied and the plea of the Holding Company was accepted to some extent in the order dated 15-06-2021. As a result, demand amounting to Rs. 1,555 million was created on account of unexplained bank credits. The Holding Company has filed an appeal before CIR (A). The CIR (A) remanded back the case to learned DCIR for reassessment and affording proper time to the Holding Company. The Holding Company has filed second appeal before ATIR against above mentioned order of CIR (A). The ATIR adjudicated the appeal vide ITA No. 799/LB/2022 dated 19-05-2022 by remanding back the case to assessing officer for denovo consideration. The Holding Company has filed reference before Honorable LHC against ATIR vide ITR No. 79976 of 2022. The reference has been admitted and operation of impugned order dated 19-05-2022 has been suspended. Now the matter is pending before the Honorable LHC. The management of the Holding Company expects a favorable outcome in this case.
- 20.1.8** A show-cause notice u/s 122(5A)/122(9) of I.T.O was served by Additional CIR for tax year 2015 to the Holding Company confronting several matters. The notice was duly complied and the plea of the Holding Company was largely accepted in the order dated 02-07-2021. As a result, demand for Rs. 258.8 million was created on account of proration of expenses and advances from customers. The Holding Company has filed an appeal before CIR (A). The CIR (A) has granted relief on allocation of expenses amounting to Rs. 6.9 million only and upheld the addition related to advances from customers amounting to Rs. 687.4 million. The Holding Company has filed second appeal before ATIR on advances from customers against CIR (A) order, which is still pending. The management of the Holding Company expects a favorable outcome in this case.
- 20.1.9** A show cause notice u/s 11(3) of Sale Tax Act, 1990 was served to the Holding Company confronting matter of suppression of sales. The said notice was duly complied and plea of the Holding Company was rejected and a demand of Rs. 845.52 million was created vide order dated July 10, 2020. The Holding Company, being aggrieved, has filed appeal before CIR (A), who vide order No. 02/A-V, dated December 15, 2020 remanded back the case. Thus, tax payable has become nil. The Holding Company and the tax department both has challenged the decision of CIR (A) in ATIR. The hearing of the appeal is still pending. The management of the Holding Company expects a favorable outcome in this case.
- 20.1.10** A show-cause notice u/s 8 Sale Tax Act, 1990 (the Act) dated 16-02-2022 was served by ACIR to the Holding Company on account of claim of input tax of Rs. 83.85 million for the period July-2021 to November-2021. The ACIR has finalized the proceeding vide its order no. 19473 dated May 12, 2022 by disallowing input tax of Rs. 19.52 million & imposing penalty of Rs. 0.975 million. The Holding Company has filed an appeal before CIR (A) against the order of ACIR. The CIR (A) adjudicated the appeal by confirming the disallowance and penalty imposed by ACIR. The Holding Company has filed second appeal against order of CIR (A) before ATIR which is pending. The management of the Holding Company expects a favorable outcome in this case.
- 20.1.11** The DCIR has passed an order dated 28-06-2019 by making additions amounting to Rs. 41.1 million for Tax Year 2016. The Holding Company has filed an appeal before CIR(A) against the said order. The CIR(A) has confirmed the additions made by DCIR vide order dated 24-10-2022. The Holding Company has filed a second appeal before appellate tribunal ("ATIR") against the above mentioned order which is pending for adjudication. The management of the Holding Company expects a favorable outcome in this case.



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20.1.12 The Holding Company has filed I.C.A No. 48728/2023 dated 24th July 2023 challenging the retrospective application of section 4C of the Income Tax Ordinance, 2001 introduced vide Finance Act, 2022 against the order passed by Honorable Lahore High Court ('LHC') in W.P No. 60005/2022. The Holding Company filed W.P No. 76696/2023 dated 21st November 2023 before the Honorable LHC challenging the retrospective implication of section 4C of the Income Tax Ordinance, 2001 introduced vide Finance Act, 2023. The additional financial impact of Super Tax u/s 4C of the Income Tax Ordinance, 2001 amounting to Rs. 53.1 million for Tax Year 2022 and Rs. 110.8 million for Tax Year 2023 has not been recognized in these consolidated financial statements. The Honorable LHC vide its order dated 04th June 2024 has decided the I.C.A No. 48728/2023 for Tax Year 2022 in favour of the Holding Company and dismissing the stance of the department. The department has filed C.P.L.A No. 1500-L & 1870-L of 2024 before Supreme Court of Pakistan against the above mentioned decision of the Honorable LHC which is pending for adjudication. The management of the Holding Company expects a favorable outcome in this case.

20.1.13 The Subsidiary Company – DSML filed WP No. 65212 dated 21 January 2020 before Honorable LHC challenging the amendment inserted vide Finance Act, 2019 whereby tax credit under section 65B of Income Tax Ordinance, 2001 has been reduced from 10% to 5% for tax year 2019 and period for availing this credit has also been restricted till June 30, 2019. The DSML prayed for the grant of relief regarding filing of tax returns for tax year 2019 with tax credit @ 10% i.e. Rs. 26.5 million. The WP is pending adjudication. The management of the DSML expects a favorable outcome in this case.

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

Pakistan Sugar Mills Association (PSMA) along with its member sugar mills, including the Holding Company, filed Writ Petition (WP) 1544/2020 before the Honorable Islamabad High Court (IHC) challenging the initiation of inquiry, Constitution of the Commission Inquiry and all action taken pursuant thereto. Vide order dated 20 June 2020, this above petition was disposed off and the commission's report upheld, however, the delegation of Cabinet's power to special assistant was declared unlawful. PSMA along with its member sugar mills, including the Holding Company, challenged the order before the Division Bench of IHC in Intra Court Appeal (ICA) No. 156 of 2020. This ICA was decided on 18 August 2020. Thereafter, on 26 October 2020, PSMA and the Holding Company filed CA. 150 of 2023 against the judgment dated 18 August 2020 before the Honorable Supreme Court of Pakistan which is pending adjudication. The Holding Company has a good prima facie case.

20.1.15 A petitioner has filed Constitution Petition (CP) No. 3823 of 2018 in the Honorable High Court of Sindh against the Holding Company (Unit III at Ghotki) along with other sugar mills including DSML dated 15 May 2018 for withdrawal/cancellation/refunding of the cash freight subsidy on sugar export approved by the Cabinet Economic Coordination Committee and additional cash freight subsidy approved by the Sindh Cabinet. The matter is pending adjudication.

20.1.16 The matter of fixation of minimum price of sugarcane fixed under relevant notifications for crushing season 2014 – 2015 issued by the Government of Sindh was challenged by sugar mills including the Holding Company and the Subsidiary Company – DSML before the Honorable SHC which stood dismissed vide order dated 30 December 2014. and said order was assailed before Honorable Supreme Court of Pakistan ('SCP') in CA 48. The Growers also filed petitions for implementation of order dated 30.12.2014. However, during the proceedings, an interim arrangement was reached out between the

parties whereby price of Rs. 172 was fixed out of which Rs. 160 were to be paid by the Mills and Rs. 12 were to be paid by the Government. The said arrangement was subject to the final outcome in the decision of the Honorable SCP in Appeals. The Honorable SCP vide its order 13-09-2023 dismissed the Appeals being infructuous on account of settlement. In addition to this, the Holding Company and DSML is already compliant of the minimum support price notification for 2014–15.

Similarly, for year 2017 – 2018, minimum price of sugarcane fixed was challenged before the Honorable SHC and Honorable High Court of Lahore ('LHC') in C.P No. 8666 of 2017 & 7951 of 2017 and W.P 16375/2018 respectively. During the proceedings, similar arrangement as above was reached between the parties. The said arrangement was also subject to the final outcome in the decision of the Honorable SCP in Appeals. As the said appeals stood dismissed vide order dated 13-09-2023 being infructuous on account of settlement. The matter is still pending adjudication before the Honorable SHC, the Holding Company and DSML are expecting favorable outcome.

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

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

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

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

20.1.19 Employees' Old–Age Benefits Institution (EOBI) issued assessment order dated 25 April 2022 and demand notice no. 1141 dated 06 May 2022 to the Holding Company demanding an amount of Rs. 10,830,736 in respect of employees of Unit III for the period July, 2018 to June, 2020. The Holding Company has filed complaint No. 32/2021–22 before EOBI for setting aside of impugned assessment order and impugned demand notices. The EOBI disposed of such matter in favour of the Holding Company dated 24 April 2024. However, the formal disposal order from the EOBI is still awaited.



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- 20.1.20** The Competition Commission of Pakistan ('CCP') imposed a penalty of Rs. 8,237.78 million and Rs. 747.369 million vide order dated 13 August 2021 on the Holding Company and Subsidiary Company – DSML respectively. The Holding Company and the DSML have filed appeals No. 55, 56, 57 & No. 15 of 2022 before the Competition Appellate Tribunal as well as WP No. 64858 of 2021 and WP No. 64850 of 2021 before the Honorable LHC challenging constitutional vires, legality, correctness, propriety and legitimacy of the casting vote order dated 13 August 2021 entitled as Commission's view passed by the Chairperson of CCP, by purportedly exercising powers under Sections 24(1)(5) & (6) read with Section 28(1) of the Competition Act, 2010. The Holding Company and DSML also seek a declaration that Section 24 of Competition Act, 2020 is ultra vires of the Constitution. The Appellate Tribunal has restrained CCP from recovery of the penalty vide its order dated 02 June 2022. Moreover, the Honorable LHC vide its order dated 18 October, 2021 has also suspended the impugned order of CCP. The matter is pending adjudication.
- 20.1.21** The Honorable SHC passed an order in C.P. no. D-1313/2013 dated 12 February 2018, according to which, in the case of trans-provincial companies, the location of the workers should be considered, and an allocation should be made accordingly. The Sindh Revenue Board (SRB) vide the impugned judgment issued notice to the Holding Company for the non-payment of WPPF as per the impugned judgment. The Holding Company has filed a C.P.L.A 1826 dated 16 May 2018 which is converted into C.A No. 954/2018, against this order in the Honorable Supreme Court of Pakistan ('SCP') and impugned judgment of Honorable SHC has been suspended by Honorable SCP dated 03 July 2018, which is pending adjudication. However, allocation of WPPF has been made in accordance with provision of the Companies Profits (Workers Participation) Act, 1968 keeping in view the benefit of workers in best spirit of the law. (for details, refer to note 15.3).
- 20.1.22** The Holding Company received various show causes notices from the SRB demanding payment of Sindh Workers' Welfare Fund ('WWF') amounting to Rs. 116 million for the period 2015 to 2017. The Holding Company has challenged the said notices through C.P. 7956/2019 in Honorable SHC on the ground that after the 18th Amendment, SRB and Federation of Pakistan, both can only collect WWF from the Holding Company after a law is enacted catering to WWF collection from trans-provincial organizations. Further, august Supreme Court of Pakistan, in CA. No. 1583 of 2014 has held that exclusive jurisdiction rested with the Parliament and Federation of Pakistan in respect of labour matters of trans-provincial organizations. The Federation of Pakistan and the Province of Sindh along with SRB have been made parties in the said matter. However, provision for the year has been made in accordance with the Workers Welfare Fund Ordinance, 1971 (for details, refer to note 15.4).
- 20.1.23** The Holding Company and DSML filed Criminal Original No. 1887-W (Crl.Org) of 2016 & 27183 of 2023 in the Honourable Lahore High Court (LHC) against the Trade Development Authority of Pakistan (TDAP) for failing to release the Inland Freight Subsidy payment of Rs. 306 million, as approved by the ECC in 2012 for sugar exports. However such amount was not accounted for in the books as a matter of prudence. The such contempt case was disposed of on 7 October 2019, with the direction that the payment be made following the completion of a NAB inquiry whereas the Holding Company and DSML could not get details of any such inquiry from NAB. Subsequently, the Holding Company and DSML filed Contempt Petition No. 27833 of 2023 for enforcement of the LHC's order for payment release. In its order, the Honourable LHC directed the government authorities to release the amount. The matter remains unresolved and is still pending before the Honourable LHC.
- 20.1.24** The Subsidiary Company – DSML challenged cancelling of No Objection Certificate (collectively "Impugned Cancellation Order") through Constitutional Petition ('CP') 616/2011 dated 01 March, 2011 against Additional Secretary Industries and Commerce Department, Government of Sindh. The Honorable SHC has suspended the Impugned Cancellation Order and the Govt. of Sindh and others Respondents in the CP have been restrained from interfering in the construction of the sugar mills. The CP is pending adjudication before the Honorable SHC. In the view of legal advisor, the DSML has an arguable case, and it is not possible at this stage to give a definitive opinion on the ultimate outcome or any losses that may be incurred by the the DSML.

20.1.25 In year 2016, the subsidiary Companies (SPL & GPL) was formed as a wholly owned subsidiary of the Holding Company for establishment of Bagasse Base Power Plant with generation capacity of 45–MW each and accordingly, both SPL & GPL have adopted Upfront Tariff 2013 under Framework for Power Cogeneration 2013 (Bagasse and Biomass) vide Order of National Electric Power Regulatory Authority ('NEPRA') dated 11-09-2017. Hence later on, sudden shift in Government power policy and renewable energy projects pushed at back–burner including the SPL & GPL project. Accordingly, the Central Power Purchasing Agency (Guarantee) Limited (CPPA–G) refused to issue Energy Purchase Consent on "Take or Pay basis". The SPL & GPL has filed review petition 704/2018 against NEPRA Tariff Ruling, which was disposed of by the Honorable Islamabad High Court ('IHC') vide order dated 07.06.2023 and matter was remanded back to NEPRA. Further, CPPA–G approached to Honorable IHC through Writ Petition No. 1571/2018, which was also disposed of by the Honorable IHC vide order dated 07.06.2023. Witnessing the Government policy shift from renewable energy and ancillary issues, the operations of the SPL & GPL project were put on hold for the time being.

20.1.26 Appeal 326/2023 and 325/2023 titled Ghotki Power (Private) Limited and Sadiqabad Power (Private) Limited Vs. Alternate Energy Development Board (AEDB) & 3 others respectively, instituted before the Islamabad High Court ('IHC') by the Alternate Energy Development Board ('AEDB') challenging the judgement and decree dated 05-02-2023, in Civil suit No. 436 & 435 of 2020 ('Civil Suit'). The Civil suit was decreed in favour of the SPL & GPL in which it was held that the SPL & GPL is entitled for recovery of the encashed bank guarantee of US\$45000 from AEDB and the Ministry of Energy Power Division. Based on the opinion of the SPL & GPL's legal advisors, the appeal is still at a preliminary stage as the Honorable IHC has only issued notice to the Respondents. The next date of hearing appeal is 03–03–2025. The management is expecting a favorable outcome of the above case.

20.1.27 As at 30 September 2024, several cases were filed against the Holding Company and the Subsidiary Company – DSML before various court of laws relating to claims, settlements of dues, staff retirement benefits etc., the amount of which cannot be determined. The management, based on the opinion of the legal counsel expects that the outcome of all these cases will be in favour of the Holding Company and the Subsidiary Company – DSML, as they have a reasonable defense in the cases filed.

Based on the opinion of the Group's legal advisors, management is expecting a favorable outcome of the above cases except 20.01.21 and 20.01.22. Therefore, no provision has been recognized in these consolidated financial statements.

20.1.28 Guarantees issued by the banks on behalf of the Group in favour of various parties as at the reporting date aggregate amounts to Rs. 281 million (2023: Rs. 850 million).

20.1.29 The Group has obtained growers financing facilities from various banks aggregated to Rs. 6,531 million (2023: Rs. 4,303 million) out of which the Group has availed aggregated to Rs. 4,257.18 million (2023: Rs. 3,694 million) as at reporting date. The mark–up rates applicable during the year ranges from three to twelve month KIBOR plus 150 to 275 bps per annum (2023: three to twelve month KIBOR plus 225 to 300 bps per annum). The Group has provided counter guarantees to various banks against growers financing facilities as at the reporting date amounts to Rs. 7,359 million (2023: Rs. 4,790 million) and personal guarantees of sponsor directors of the Holding Company (for details, refer to note 30.1).

20.1.30 The Holding Company has issued cross corporate guarantees of Rs. 2,340 million (2023: Rs. Nil) on behalf of Deharki Sugar Mills (Private) Limited to secure the obligations of subsidiary company towards their lenders.



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| | 2024 Rupees | 2023 Rupees |
|--|----------------|----------------|
| 20.2 Commitments | | |
| 20.2.1 Letters of credit for import of machinery and its related components | | |
| Holding Company – JDWSML | 2,008,295,345 | 295,731,221 |
| Subsidiary Company – DSML | 60,210,461 | 24,821,204 |
| | 2,068,505,806 | 320,552,425 |

20.2.2 Commitments in respect of operation and maintenance cost of Co – Generation Power Plants contracted for but not incurred as at 30 September 2024 amounts to Rs. nil (2023: Rs. 35.64 million).

20.2.3 At 30 September 2024, the Holding Company has committed to leases for vehicles amounting to Rs. 13.43 million (2023: Rs. 135.23 million) which has not yet commenced.

20.2.4 At 30 September 2024, the Holding Company has committed / contracted for construction and commissioning of a new ethanol distillery plant amounting to Rs. 1,694 million (2023: Rs. Nil) which has not yet commenced.

20.2.5 During the year, the Holding Company entered into an Ijarah Agreement ('the Agreement') with Meezan Bank Limited ('the lessor') for acquisition of vehicles. Under the Agreement, the term of Ijarah is 4 years and Ijraha payments of Rs. 1.078 million are payable monthly in advance. Taxes and repairs are to be borne by the Holding Company, however, major repairs costs are to be borne by the lessor. These payments are secured against promissory notes in favour of the lessor for the entire amount of the Ijarah rentals and security deposits (see note 26). The amount of future ijarah rentals for ijarah financing and the period in which these payments will become due are as follows:

| | 2024 Rupees | 2023 Rupees |
|---|----------------|----------------|
| Not later than one year | 25,891,590 | – |
| Later than one year and not later than five years | 86,173,147 | – |
| | 112,064,737 | – |

| | Note | 2024 Rupees | 2023 Rupees |
|--|------|----------------|----------------|
| 21. PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 21.1 | 23,470,752,702 | 22,708,354,417 |
| Capital work in progress | 21.2 | 4,189,457,332 | 386,789,395 |
| Stores, spare parts and loose tools held for capital expenditure | 21.3 | 518,614,229 | 79,623,843 |
| | | 28,178,824,263 | 23,174,767,655 |

21.1 Operating fixed assets

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

| | Cost | | | Rate / Useful Life | Depreciation | | | Carrying amount as at 30 September 2024 | |
|---------------------------------------|-----------------------|---|--|--------------------|-----------------------|----------------|--|---|-------------------------|
| | As at 01 October 2023 | Additions / (deletions) during the year | Transfers / reclassification during the year | | As at 01 October 2023 | For the year | Transfers / reclassification / (deletions) during the year | | As at 30 September 2024 |
| | Rupees | Rupees | Rupees | | Rupees | Rupees | Rupees | | Rupees |
| Freehold land | 2,586,757,883 | 620,259,557 | - | 3,207,016,440 | - | - | - | 3,207,016,440 | |
| Factory building on freehold land | 3,060,944,614 | 13,903,369 | - | 3,074,847,983 | 10% | 1,879,430,889 | 117,657,591 | 1,077,759,503 | |
| Non-factory building on freehold land | 1,039,778,932 | 866,058 | - | 1,039,979,055 | 5% - 5/20 years | 506,920,483 | 28,029,753 | 505,084,314 | |
| Plant and machinery | 26,955,797,080 | 201,579,269 | - | 27,112,541,346 | 5% - 5/10 years | 10,854,502,789 | 821,885,670 | 15,463,558,179 | |
| Sugarcane roots | 1,470,349,458 | 846,734,385 | - | 1,749,352,708 | 3 years | 486,978,930 | 532,641,439 | 1,102,720,153 | |
| Motor vehicles (Note 21.1.7) | 2,374,973,437 | 661,720,091 | 120,557,581 | 3,004,751,182 | 20% - 5 years | 1,864,681,529 | 173,482,785 | 1,012,740,716 | |
| Electrical installation | 223,939,446 | 32,344,469 | - | 241,469,073 | 10% - 10 years | 128,380,519 | 11,820,336 | 114,117,991 | |
| Office equipment | 77,282,277 | 560,540 | - | 74,479,839 | 20% - 5 years | 62,235,639 | 2,832,551 | 12,611,541 | |
| Solar system | 34,796,620 | 274,570,442 | - | 309,367,062 | 4% | 209,733 | 6,673,610 | 302,483,719 | |
| Tools and equipment | 113,211,567 | 7,708,404 | - | 118,292,820 | 10% | 53,474,897 | 6,503,002 | 60,096,542 | |
| Furniture and fixture | 21,762,723 | 1,747,004 | - | 23,309,210 | 10% - 10 years | 15,344,096 | 843,964 | 7,253,863 | |
| Weighbridge | 48,050,447 | 19,754,030 | - | 67,804,477 | 10% - 10 years | 33,004,982 | 2,503,774 | 32,295,721 | |
| Roads and boundary wall | 214,954,578 | 1,233,425 | - | 216,188,003 | 10% - 5 years | 136,202,802 | 11,326,764 | 68,658,437 | |

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| | Cost | | | Rate / Useful Life | Depreciation | | | Carrying amount as at 30 September 2024 | |
|-------------------------|-----------------------|---|--|--------------------|-----------------------|---------------|--|---|-------------------------|
| | As at 01 October 2023 | Additions / (deletions) during the year | Transfers / reclassification during the year | | As at 01 October 2023 | For the year | Transfers / reclassification / (deletions) during the year | | As at 30 September 2024 |
| | Rupees | Rupees | Rupees | | Rupees | Rupees | Rupees | | Rupees |
| Arms and ammunition | 8,344,607 | - | - | 7,264,686 | 10% - 10 years | 193,214 | - | 5,736,504 | |
| | | (1,079,921) | | | | | (869,183) | | |
| Fire fighting equipment | 85,350,587 | 950,000 | - | 86,300,587 | 20% | 2,515,147 | - | 75,838,476 | |
| Aircrafts | 979,791,095 | 40,543,424 | - | 1,020,334,519 | 10% | 47,390,862 | - | 563,779,778 | |
| | | | | | | | | 456,554,741 | |
| Tube well | 63,667,168 | 7,457,025 | - | 69,642,811 | 10% - 5 years | 4,335,853 | - | 54,433,469 | |
| | | (1,481,382) | | | | | (1,259,080) | | |
| Computers | 107,018,209 | 11,930,467 | - | 109,471,419 | 33% - 3 years | 8,176,688 | - | 88,870,212 | |
| | | (9,477,257) | | | | | (8,874,085) | | |
| | 39,466,770,728 | 2,743,860,959 | 120,557,581 | 41,532,413,220 | | 1,778,813,003 | 74,011,941 | 18,061,660,518 | |
| | | (798,776,048) | | | | | (549,580,737) | | |

21.1.2 Additions in operating fixed assets includes transfer from capital work-in-progress and stores, spare parts and loose tools held for capital expenditure amounting to Rs. 1,470.37 million (2023: Rs. 1,388.57 million) and Rs. 2.38 million (2023: Rs. 3.4 million) respectively.

21.1.3 Transfers in operating fixed assets represents transfer of motor vehicles from right-of-use assets at their carrying value amounting to Rs. 46.54 million (2023: Rs. 103.44 million), while transfers out of operating fixed assets relate to the reclassification of freehold land as investment property, amounting to Rs. nil (2023: Rs. 38.704 million).

21.1.4 Project land, Factory Buildings and Plant & Machinery related to Unit I, Unit II, Unit III & DSML of the Group are kept secured with the banks under ranking and joint pari passu charge, for obtaining long term financing. For details, refer to note 9.

21.1.5 Operating fixed assets having carrying amount Rs. 14 (2023: Rs. 94) as at 30 September 2024 have been retired from active use and not classified as held for sale in accordance with IFRS 5.

21.1.6 The management had entered into an agreement to sell its land (agriculture) measuring 3.13 Acres located at district Rajanpur against which during the year ended September 30, 2024, the Holding Company received partial sales consideration of Rs. 4.02 million (2023: Rs. 2.8 million) (Refer note 15.6) from the ultimate buyer. However, the Holding Company has transferred the possession but the title of the land is still with the Holding Company. IFRS 5 requires assets that meet the criteria to be classified as held for sale and presented separately in the statement of financial position. The impact of classification and presentation of such asset is considered insignificant by the management. Hence, not classified and presented in the statement of financial position.

21.1.7 This includes the carrying amount of motor vehicles acquired under a Islamic mode of financing (refer to Note 9.1.2.1) amounting to Rs. 445.52 million. The Group will obtain legal ownership of the underlying asset by August 31, 2028, upon completing the purchase of all vehicles.

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

| | Cost | | | Rate / Useful Life % / Year | Depreciation | | | Carrying amount as at 30 September 2023 Rupees | |
|---------------------------------------|-----------------------|---|--|--------------------------------|-----------------------|---------------|--|---|-------------------------|
| | As at 01 October 2022 | Additions / (deletions) during the year | Transfers / reclassification during the year | | As at 01 October 2022 | For the year | Transfers / reclassification / (deletions) during the year | | As at 30 September 2023 |
| | Rupees | Rupees | Rupees | | Rupees | Rupees | Rupees | | Rupees |
| Freehold land | 2,392,979,913 | 232,482,070 | (38,704,100) | 2,586,757,883 | - | - | - | 2,586,757,883 | |
| Factory building on freehold land | 2,942,103,304 | 118,841,310 | - | 3,060,944,614 | 10% | 125,276,990 | 1,754,153,899 | 1,879,430,889 | |
| Non-factory building on freehold land | 1,027,363,373 | 12,571,793 | - | 1,039,778,932 | 5% - 5/20 years | 34,611,938 | 472,381,455 | 532,858,449 | |
| | | (156,234) | | | | (72,910) | | | |
| Plant and machinery | 26,529,972,802 | 429,111,541 | - | 26,955,797,080 | 5% - 5/10 years | 863,150,546 | 9,994,569,543 | 16,101,294,291 | |
| | | (3,287,263) | | | | (3,217,300) | | | |
| Sugarcane roots | 1,061,299,933 | 851,050,763 | - | 1,470,349,458 | 3 years | 415,324,054 | 330,681,596 | 486,978,930 | |
| | | (442,001,238) | | | | (259,026,720) | | | |
| Motor vehicles | 2,162,629,547 | 147,056,307 | 200,763,353 | 2,374,973,437 | 20% - 5 years | 104,647,314 | 1,771,678,445 | 1,864,681,529 | |
| | | (135,475,770) | | | | (108,967,130) | | | |
| Electrical installation | 207,259,790 | 16,843,484 | 101,562 | 223,939,446 | 10% - 10 years | 10,502,809 | 118,040,230 | 95,558,927 | |
| | | (265,390) | | | | (162,520) | | | |
| Office equipment | 75,623,088 | 1,659,189 | - | 77,282,277 | 20% - 5 years | 3,188,663 | 59,046,976 | 15,046,638 | |
| Solar system | - | 34,796,620 | - | 34,796,620 | 4% | 209,733 | - | 34,586,887 | |
| Tools and equipment | 90,935,440 | 22,276,127 | - | 113,211,567 | 10% | 5,088,075 | 48,386,822 | 59,796,670 | |
| Furniture and fixture | 21,279,957 | 584,328 | (101,562) | 21,762,723 | 10% - 10 years | 1,235,791 | 14,174,491 | 6,418,627 | |
| | | - | | | | (66,186) | | | |
| Weightbridge | 48,050,447 | - | - | 48,050,447 | 10% - 10 years | 1,655,826 | 31,349,156 | 15,045,465 | |
| | | - | | | | - | | | |



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For the year ended 30 September 2024

| | Cost | | | Rate / Useful Life | Depreciation | | | Carrying amount as at 30 September 2023 | | |
|-------------------------|-----------------------|---|-------------------------|--------------------|---|---------------|-------------------------|---|--------|--------|
| | As at 01 October 2022 | | As at 30 September 2023 | | For the year | | As at 30 September 2023 | | | |
| | Rupees | Transfers / (deletions) during the year | Rupees | | Transfers / (deletions) during the year | Rupees | Rupees | | Rupees | Rupees |
| | Rupees | Rupees | % / Year | Rupees | Rupees | Rupees | Rupees | Rupees | | |
| Roads and boundary wall | 214,954,578 | - | 10% - 5 years | 129,738,712 | 6,464,090 | - | 136,202,802 | 78,751,776 | | |
| Arms and ammunitions | 8,344,607 | - | 10% - 10 years | 6,197,791 | 214,682 | - | 6,412,473 | 1,932,134 | | |
| Fire fighting equipment | 85,350,587 | - | 20% | 70,316,514 | 3,006,815 | - | 73,323,329 | 12,027,258 | | |
| Aircrafts | 961,777,661 | 18,013,434 | 10% | 466,056,729 | 50,332,187 | - | 516,388,916 | 463,402,179 | | |
| Tube well | 59,998,032 | 5,318,550 | 10% - 5 years | 47,942,916 | 4,539,636 | - | 51,356,696 | 12,310,472 | | |
| Computers | 100,004,404 | 7,165,805 | 33% - 3 years | 79,803,350 | 9,899,226 | (1,125,856) | 88,567,609 | 17,450,600 | | |
| | | (152,000) | | | | (134,967) | | | | |
| | 37,989,927,463 | 1,897,771,321 | | 15,394,518,625 | 1,639,948,375 | 97,322,900 | 16,758,416,311 | 22,708,354,417 | | |
| | | (582,987,309) | | | | (372,773,589) | | | | |

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

| Location | Usage of immovable property | Total area (Acres) |
|--|---|---------------------------|
| Mauza Sharin, Jamal Din Wali, District Rahim Yar Khan | Manufacturing facility | 253.32 |
| Machi Goth, Sadiqabad, District Rahim Yar Khan | Manufacturing facility & Co-Gen Power Plant | 192.22 |
| Mauza Luluwali, Near Village Islamabad, District Ghotki, Sindh | Manufacturing facility & Co-Gen Power Plant | 157.03 |
| Mauza Kamoo Shaheed, Taluka Ubauro, Mirpur Mathelo, Ghotki | Manufacturing facility | 133.25 |
| Mauza Pir Ahmedabad, Kot Subzal, National Highway Sadiqabad, District Rahim Yar Khan | Distillery / Ethanol Project | 275.3 |
| Main Kehror Pakka Road, Off Lodhran Bypass Near Super Chowk, Lodhran | TICER** | 16.34 |
| 59-A, Gulberg, Lahore | Space for corporate office – JDW Tower | 0.65 |
| 29-B, Gulberg, Lahore | Rest house | 0.30 |
| Agricultural Land – Punjab (various locations)* | Cultivation of sugarcane and other crops | 925.28 |
| Agricultural Land – Sindh (various locations)* | Cultivation of sugarcane and other crops | 1,078.98 |

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

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

**The Board has resolved to launch a new Corporate Social Responsibility Project i.e. a skill-based educational institute with the name “Tareen Institute of Computer Education and Resources (the “TICER”).

| | Note | 2024 Rupees | 2023 Rupees |
|--|-------------|------------------------|------------------------|
| 21.1.10 Depreciation charge for the year has been allocated as follows: | | | |
| Cost of goods manufactured | 37.1 | 1,003,913,766 | 923,369,566 |
| Further cost charged on biological assets | 37.1.1.1 | 281,792,578 | 211,796,803 |
| Administrative expenses | 38 | 164,395,858 | 219,919,168 |
| Cost incurred on standing crops | 40.2.1 | 328,710,801 | 284,262,838 |
| | | 1,778,813,003 | 1,639,348,375 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

21.1.11 Detail of disposals of operating fixed assets

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

| Description | Particulars of purchaser | Cost | Accumulated depreciation | Net book value | Sales value | Gain / (loss) | Mode of disposal | Relationship with the Company |
|-------------------------------------|--------------------------|-------------|--------------------------|----------------|-------------|---------------|------------------|-------------------------------|
| | | Rupees | Rupees | Rupees | Rupees | Rupees | | |
| Motor vehicles | | | | | | | | |
| Toyota Corolla GLI | Mr. Abid Hussain Iqbal | 1,911,500 | 1,306,350 | 605,150 | 764,600 | 159,450 | Group Policy | Employee |
| Suzuki Swift | Mr. Malik Asim Ikram | 1,555,000 | 1,048,739 | 506,261 | 1,545,455 | 1,039,194 | Negotiation | Employee |
| Suzuki Cultus | Mr. Abdul Aziz | 1,745,000 | 1,112,706 | 632,294 | 698,000 | 65,706 | Group Policy | Employee |
| Suzuki Alto | Mr. Naseem But | 1,433,000 | 783,521 | 649,479 | 573,200 | (76,279) | Group Policy | Ex – Employee |
| BMW | Mr. Rana Nasim Ahmed | 13,912,589 | 11,602,897 | 2,309,692 | 2,391,215 | 81,523 | Group Policy | Ex – Employee |
| Toyota Corolla Grande | Mr. Rana Nasim Ahmed | 3,903,000 | 1,892,117 | 2,010,883 | 2,072,919 | 62,036 | Group Policy | Ex – Employee |
| Honda Civic | Mr. Rana Nasim Ahmed | 3,837,500 | 2,365,246 | 1,472,254 | 1,517,748 | 45,494 | Group Policy | Ex – Employee |
| Toyota Corolla Altis | Mr. Israr Muhammad Khan | 2,166,500 | 1,664,370 | 502,130 | 649,950 | 147,820 | Group Policy | Employee |
| Toyota Corolla GLI | Mr. Zafar-Ul-Haq | 1,966,500 | 1,464,543 | 501,957 | 589,950 | 87,993 | Group Policy | Employee |
| Toyota Corolla Altis | Mr. Javaid Iqbal | 2,599,000 | 1,829,996 | 769,004 | 779,700 | 10,696 | Group Policy | Employee |
| Toyota Corolla XLI | Mr. Khizar Hayat | 2,076,000 | 1,439,612 | 636,388 | 830,400 | 194,012 | Group Policy | Employee |
| Suzuki Alto | Gul Auto Workshop | 1,394,881 | 690,827 | 704,054 | 2,059,091 | 1,355,037 | Negotiation | Other Party |
| Toyota Corolla Altis | Mr. Asghar Ali | 2,391,500 | 1,764,496 | 627,004 | 717,450 | 90,446 | Group Policy | Employee |
| Toyota Corolla Yaris | Mr. Abid-Ur-Rehman | 2,536,000 | 1,387,391 | 1,148,609 | 760,800 | (387,809) | Group Policy | Ex – Employee |
| Suzuki Cultus | Mr. Niaz Muhammad | 1,745,000 | 1,192,624 | 552,376 | 698,000 | 145,624 | Group Policy | Employee |
| Toyota Corolla Altis | Mr. Zahid Imran Khan | 2,599,000 | 1,829,996 | 769,004 | 779,700 | 10,696 | Group Policy | Employee |
| Toyota Corolla GLI | Mr. Zaheer Ahmed Cheema | 2,134,000 | 1,431,725 | 702,275 | 853,620 | 151,345 | Group Policy | Employee |
| Toyota Corolla GLI | Mr. Shahid Sageer Ahmed | 2,134,000 | 1,458,487 | 675,513 | 853,620 | 178,107 | Group Policy | Employee |
| | | 52,039,970 | 36,265,643 | 15,774,327 | 19,135,418 | 3,361,091 | | |
| Assets – written off | | | | | | | | |
| Sugarcane roots | | 567,731,135 | 372,987,814 | 194,743,321 | - | - | Group Policy | |
| Others | | 87,084,719 | 65,037,112 | 22,047,607 | - | - | Group Policy | |
| | | 654,815,854 | 438,024,926 | 216,790,928 | - | - | | |
| Assets having net book value | | | | | | | | |
| less than Rs. 500,000 | | 91,920,224 | 75,290,168 | 16,630,056 | 91,461,874 | 74,831,818 | | |
| 2024 | | 798,776,048 | 549,580,737 | 249,195,311 | 110,597,292 | 78,192,909 | | |
| 2023 | | 582,987,309 | 372,773,589 | 210,213,720 | 80,928,212 | 54,402,542 | | |

| | Note | 2024 Rupees | 2023 Rupees |
|--------------------------------------|--------|-----------------|-----------------|
| 21.2 Capital work in progress | | | |
| Balance as at 1 October | | 386,789,395 | 224,145,180 |
| Additions during the year | | 5,273,039,321 | 1,551,215,349 |
| Transfers made during the year | 21.1.2 | (1,470,371,384) | (1,388,571,134) |
| Balance as at 30 September | 21.2.1 | 4,189,457,332 | 386,789,395 |

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

| | | 2024 | | | |
|-----------------------|-------------|----------------------------|----------------------------------|--|----------------------------|
| | Note | Opening balance | Addition for the year | Transferred to operating fixed assets | Closing balance |
| | | Rupees | Rupees | Rupees | Rupees |
| Advances for vehicles | 31.1 | 32,605,415 | 73,344,594 | (32,605,415) | 73,344,594 |
| Advances for capex | 31.1 | 195,242,301 | 1,839,891,510 | (195,242,301) | 1,839,891,510 |
| Advances for land | 31.1 | 11,575,810 | 116,441,659 | (11,575,810) | 116,441,659 |
| Buildings | 21.2.2 | 40,258,973 | 961,415,926 | (187,886,196) | 813,788,703 |
| Plant and machinery | 21.2.3 | 99,894,016 | 292,404,515 | (196,327,277) | 195,971,254 |
| Distillery Project | 21.2.4 | 7,212,880 | 1,142,806,732 | – | 1,150,019,612 |
| Sugarcane roots | 21.2.5 | – | 846,734,385 | (846,734,385) | – |
| | | <u>386,789,395</u> | <u>5,273,039,321</u> | <u>(1,470,371,384)</u> | <u>4,189,457,332</u> |

| | | 2023 | | | |
|-----------------------|-------------|----------------------------|----------------------------------|--|----------------------------|
| | Note | Opening balance | Addition for the year | Transferred to operating fixed assets | Closing balance |
| | | Rupees | Rupees | Rupees | Rupees |
| Advances for vehicles | 31.1 | 42,649,386 | 32,605,415 | (42,649,386) | 32,605,415 |
| Advances for capex | 31.1 | 21,631,778 | 195,242,301 | (21,631,778) | 195,242,301 |
| Advances for land | 31.1 | – | 11,575,810 | – | 11,575,810 |
| Buildings | 21.2.2 | 16,395,714 | 146,564,067 | (122,700,808) | 40,258,973 |
| Plant and machinery | 21.2.3 | 143,468,302 | 306,964,113 | (350,538,399) | 99,894,016 |
| Distillery project | 21.2.4 | – | 7,212,880 | – | 7,212,880 |
| Sugarcane roots | 21.2.5 | – | 851,050,763 | (851,050,763) | – |
| | | <u>224,145,180</u> | <u>1,551,215,349</u> | <u>(1,388,571,134)</u> | <u>386,789,395</u> |

21.2.2 Additions to buildings include costs incurred for TICER and JDW – Tower, amounting to Rs. 454.46 million and Rs. 314.45 million, respectively (2023: Nil).

21.2.3 Additions to plant and machinery includes cost incurred for solar system amounting to Rs. 215.49 million (2023: Rs. 90.88 million) out of which Rs. 185.5 million (2023: Rs. 34.7 million) has been transferred to operating fixed assets.

21.2.4 It includes costs incurred to date for plant and machinery, buildings, and unallocated expenses, amounting to Rs. 325.28 million, Rs. 407.31 million, and Rs. 417.42 million, respectively.

21.2.4.1 These also includes borrowing costs of Rs. 116.54 million (2023: Rs. Nil) relating to specific borrowings at the rates ranging from 21.24% to 22.91% per annum (2023: Nil) and Rs. 4.35 million (2023: Rs. 0.17 million) in respect of contribution towards provident fund.

21.2.5 Additions to sugarcane roots include a transfer from biological assets amounting to Rs. 434.8 million (2023: Rs. 435 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

| | Note | 2024 Rupees | 2023 Rupees |
|--|--------|----------------|----------------|
| 21.3 Stores, spare parts and loose tools held for capital expenditure | | | |
| Balance as at 01 October | | 79,623,843 | 93,966,175 |
| Additions during the year | | 442,560,384 | 4,496,489 |
| | | 522,184,227 | 98,462,664 |
| Transferred to operating fixed assets | 21.1.2 | (2,383,228) | (3,492,754) |
| Charged to consumption / adjustments | | (1,186,770) | (15,346,067) |
| | | (3,569,998) | (18,838,821) |
| Balance as at 30 September | 28 | 518,614,229 | 79,623,843 |

22. RIGHT-OF-USE ASSETS

| | 2024 | | | |
|---|---------------|--------------|---------------|-----------------|
| | Land | Buildings | Vehicles | Total |
| | Rupees | Rupees | Rupees | Rupees |
| Balance as at 01 October | 1,707,454,719 | 103,452,427 | 732,255,403 | 2,543,162,549 |
| Additions during the year | 1,702,419,622 | 39,959,399 | 103,950,000 | 1,846,329,021 |
| Deletions during the year | (283,614,200) | – | – | (283,614,200) |
| Transfer to operating fixed assets – net book value | – | – | (46,545,640) | (46,545,640) |
| Depreciation for the year | (913,500,785) | (57,881,640) | (167,488,171) | (1,138,870,596) |
| Balance as at 30 September | 2,212,759,356 | 85,530,186 | 622,171,592 | 2,920,461,134 |
| Useful life (rate) / lease term | 2 to 10 years | 3 to 5 years | 20% | |
| | 2023 | | | |
| | Land | Buildings | Vehicles | Total |
| | Rupees | Rupees | Rupees | Rupees |
| Balance as at 01 October | 1,813,183,236 | 61,030,916 | 479,786,028 | 2,354,000,180 |
| Additions during the year | 668,998,594 | 92,297,829 | 489,642,798 | 1,250,939,221 |
| Deletions during the year | (22,850,106) | – | – | (22,850,106) |
| Transfer to operating fixed assets – net book value | – | – | (103,440,453) | (103,440,453) |
| Depreciation for the year | (751,877,005) | (49,876,318) | (133,732,970) | (935,486,293) |
| Balance as at 30 September | 1,707,454,719 | 103,452,427 | 732,255,403 | 2,543,162,549 |
| Useful life (rate) / lease term | 2 to 10 years | 3 to 5 years | 20% | |

22.1 The Group's obligations under leases of vehicle are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options, which are further discussed in note 4.4.1. Leases for vehicles may contain an option to purchase the underlying leased asset outright at the end of the lease and the Group has the intention to exercise such option.

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

| | Note | 2024 Rupees | 2023 Rupees |
|---|----------|----------------|----------------|
| Cost of goods manufactured | 37.1 | 163,340,095 | 118,971,374 |
| Further cost charged on biological assets | 37.1.1.1 | 20,142,005 | 6,130,200 |
| Administrative expenses | 38 | 27,524,798 | 55,712,661 |
| Cost incurred on standing crops | 40.2.1 | 927,863,698 | 754,672,058 |
| | | 1,138,870,596 | 935,486,293 |

| | Note | 2024 Rupees | 2023 Rupees |
|---|--------|----------------|----------------|
| 23. INVESTMENT PROPERTY | | | |
| Balance as at 01 October | | 317,840,212 | 185,854,012 |
| Purchased during the year | 23.2 | 110,757,563 | 93,282,100 |
| Transferred from operating fixed assets | 21.1.3 | – | 38,704,100 |
| Balance as at 30 September | | 428,597,775 | 317,840,212 |

23.1 Investment property represents agricultural land measuring 537.70 acres (2023: 512.14 acres) situated at various locations of Tehsil Sadiqabad, District Rahim Yar Khan. The fair value of investment property is Rs. 687 million (2023: Rs. 687 million). The fair value of investment property was determined by approved external, independent property valuer i.e. Hamid Mukhtar and Co. (Pvt.) Limited, on 30 June 2022 by using the market approach whereby sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input into this valuation approach is price / rate per acre in particular locality and categorize as level 2 fair value (i.e. significant observable inputs).

23.2 The investment property purchased during the current and preceding periods is deemed to be approximately at fair value.

23.3 Forced sale value of the investment property as per the latest valuation report was assessed at Rs. 550 million (2023: Rs. 550 million).

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

| | 2024 Rupees | 2023 Rupees |
|--------------------|----------------|----------------|
| Less than one year | 15,586,974 | 17,007,333 |
| More than one year | 270,833 | 2,036,958 |
| | 15,857,807 | 19,044,291 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

| | Note | 2024 Rupees | 2023 Rupees |
|--------------------------|------|--------------------|--------------------|
| 24. INTANGIBLES | | | |
| Goodwill | 24.1 | 608,310,693 | 608,310,693 |
| Oracle computer software | 24.2 | 5,270 | 347,820 |
| | | 608,315,963 | 608,658,513 |

24.1 Goodwill includes Rs. 568,545,391 and Rs. 39,765,302 arisen at the time of mergers of United Sugar Mills Limited and Ghotki Sugar Mills (Private) Limited into the Group. For impairment testing, the recoverable amount of both cash generating units are determined based on value in use calculation which uses cash flow projections approved by the Board of Directors covering a five-year period using the average discount rate of 17.12 % per annum (2023: 23.09% per annum). Growth rate used in the period beyond the projection period is 5% (2023: 3%). The calculation of value in use is sensitive to discount rate and key commercial assumptions. The discount rate reflects current market assessment of the rate of return required for the business and is calculated using the Capital Asset Pricing Model. The discount rate reflects the Weighted Average Cost of Capital of the Holding Company. Management's key assumptions include stable profit margins, based on past experience in this market. No expected efficiency improvements have been taken into account and prices and wages reflect publicly available forecasts of inflation for the industry. Management believes that after considering the various scenarios no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount. Based on this calculation, no impairment is required to be accounted for against the carrying amount of goodwill.

| | Note | 2024 Rupees | 2023 Rupees |
|--------------------------------------|---------|----------------|----------------|
| 24.2 Oracle computer software | | | |
| Cost | | 21,397,279 | 21,397,279 |
| Accumulated amortization | | | |
| Balance as at 01 October | | 21,049,459 | 19,005,857 |
| Amortization for the year | 38 & 47 | 342,550 | 2,043,602 |
| | | (21,392,009) | (21,049,459) |
| Balance as at 30 September | | 5,270 | 347,820 |
| Rate of amortization | | 10% – 33% | 10%–33% |

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

| | 2024 Rupees | 2023 Rupees |
|---|----------------|----------------|
| 25. LONG TERM INVESTMENTS | | |
| Kathai-II Hydro (Private) Limited ("KHL") | – | – |
| 25.1 Kathai-II Hydro (Private) Limited ("KHL") | | |
| Nil (2023: 250) fully paid shares of Rs. 10 each | | |
| Equity held 0% (2023: 20%) | – | 2,500 |
| Share of post acquisition reserve: | | |
| Brought forward post acquisition loss | (2,500) | (2,500) |
| Share of loss for the year | – | – |
| Gain on derecognition | 2,500 | – |
| | – | (2,500) |
| Balance as at 30 September | – | – |

25.1.1 The Group sold its entire shareholding in KHL on 02 September 2024 for a consideration of Rs. 2,500. Equity method has been applied on audited financial statements for the year ended June 30, 2024 (2023: June 30, 2023). Post acquisition reserves restricted to the cost of investment, therefore share of loss amounted to Rs. 40,274 (2023: Rs. 185,350) for the year has not taken under equity method. The summarized audited financial information of KHL is as follows:

| | 2024 Rupees | 2023 Rupees |
|---|----------------|----------------|
| Revenue | – | – |
| Loss for the year | (201,369) | (926,749) |
| Group's share of loss | (40,274) | (185,350) |
| Other comprehensive income for the year | – | – |

| | Note | 2024 Rupees | 2023 Rupees |
|---|------|----------------|----------------|
| 26. LONG TERM DEPOSITS | | | |
| Right-of-use assets | 26.1 | 125,171,973 | 138,243,624 |
| Ijarah contracts | | 9,207,270 | – |
| Others | 26.1 | 110,598,208 | 22,400,530 |
| | | 244,977,451 | 160,644,154 |
| Less: Current maturity presented under current assets | 31 | (55,431,682) | (11,060,420) |
| | | 189,545,769 | 149,583,734 |

26.1 The fair value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of others security deposits is not considered material and hence not recognized. This also includes an advance amounting to Rs. 0.792 million (2023: Rs. 1.55 million) due from Holding Company, an associated company by virtue of common directorship. The maximum aggregate amount outstanding during the year with respect to month end balances amounts to Rs. 1.65 million (2023: Rs. 4.56 million). This balance was neither past due nor impaired. These deposits do not carry any interest or markup.

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27. BIOLOGICAL ASSETS

2024

| Note | 2024 | | | | | Total |
|---|-------------------------|---------------|--------------|-------------|--------|-----------------|
| | Standing sugarcane crop | Wheat | Mustard | Rice | Millat | |
| | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| At the beginning of the year at fair value | 3,596,236,563 | 2,668,053 | 3,655,139 | 3,302,285 | – | 3,605,862,039 |
| Further cost charged during the year | 2,076,204,472 | 86,592,528 | 19,151,703 | 538,962 | – | 2,182,487,665 |
| Fair value gain / (loss) on initial recognition of agricultural produce | 1,372,756,343 | 87,065,833 | 17,406,057 | (387,287) | – | 1,476,840,946 |
| Decrease due to harvest | (7,040,980,114) | (176,326,414) | (40,212,899) | (3,453,960) | – | (7,260,973,387) |
| Cost incurred on standing crops | 4,315,508,811 | 1,107,439 | 1,281,324 | 292,285 | 41,838 | 4,318,231,698 |
| Net fair value loss on biological assets | (673,124,347) | – | – | – | – | (673,124,347) |
| At the end of the year at fair value | 3,646,601,728 | 1,107,439 | 1,281,324 | 292,285 | 41,838 | 3,649,324,613 |

2023

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

27.1 Measurement of fair values

27.1.1 Fair value hierarchy

In absence of active market for standing sugarcane crop, the fair value measurement for the standing sugarcane crop has been categorised as Level 3 fair value based on the inputs to the valuation techniques used. Fair value has been determined by independent professional valuer, Osam Consultants Engineers as at 30 September 2024 on the basis of a discounted cash flow model by using income approach. The valuation model considers the present value of the net cash flows expected to be generated by the standing sugarcane crop at maturity, in its most relevant market, and includes the potential biological transformation and related risks associated with the asset. The cash flows projections include specific estimates for next year which mainly include crop's expected yield and expected production costs and costs to sell. The expected cash flows are discounted using weighted average cost of capital of the Holding Company.

27.1.2 Valuation techniques and significant unobservable inputs

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

| | Unit | 2024 | 2023 |
|---|-------------|---------|---------|
| Valued plantations (Actual) | | | |
| – Punjab Zone | Acres | 8,348 | 8,952 |
| – Sindh Zone | Acres | 11,002 | 10,921 |
| Estimated further production costs and costs to sell per acre | | | |
| – Punjab Zone | Rupees | 161,947 | 164,394 |
| – Sindh Zone | Rupees | 173,092 | 171,828 |
| Estimated yield per acre | | | |
| – Punjab Zone | Maunds | 916 | 881 |
| – Sindh Zone | Maunds | 879 | 819 |
| Harvest age | Months | 12 – 14 | 12 – 14 |
| Estimated future sugarcane price per maunds | | | |
| – Punjab Zone | Rupees | 410 | 425 |
| – Sindh Zone | Rupees | 410 | 425 |
| Risk – adjusted discount rate | % per month | 1.02% | 1.09% |

Cost of biological assets other than standing sugarcane crop of Rs. 2.72 million (2023: Rs. 9.63 million) is considered to approximate their respective fair value less costs to sell as these assets are still at a very early stage of plantation and it is considered that in-significant biological transformation has taken place or the impact of fair value measurement is not significant.



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27.2 Sensitivity analysis

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

| | Increase / (Decrease) 2024 Rupees | Increase / (Decrease) 2023 Rupees |
|---|--|--|
| Decrease of 10% in estimated average yield per acre | (495,314,151) | (679,827,805) |
| Increase of 10% in estimated further production cost | (325,620,659) | (320,204,148) |
| Increase of 10% in estimated average selling price per maunds | 676,945,801 | 679,827,805 |
| Increase of 10% in discount rate | (18,999,107) | (19,978,175) |

27.3 Risk management strategy related to agricultural activities

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

Regulatory and environmental risks

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

Climate and other risks

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

- i) adverse weather conditions such as floods etc. affecting the quality and quantity of production; and
- ii) potential insect, fungal and weed infestations resulting in crop failure and reduced yields.

The Group is principally dependent upon the Government's measures for flood control. The Group follows an effective preventive pesticide / insecticide / fungicide program, regularly monitors the crops for any infestations and takes immediate curative measures.

Supply and demand risk

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

| | Note | 2024 Rupees | 2023 Rupees |
|--|------|----------------|----------------|
| 28. STORES, SPARE PARTS AND LOOSE TOOLS | | | |
| Stores: | | | |
| – Sugar | | 1,585,900,779 | 1,824,178,460 |
| – Co-Generation Power | | 302,373,713 | 260,563,196 |
| – Corporate Farms | | 770,591,714 | 593,083,456 |
| – Distillery | | 353,523,031 | – |
| | | 3,012,389,237 | 2,677,825,112 |
| Spare parts: | | | |
| – Sugar | | 935,417,356 | 786,669,454 |
| – Co-Generation Power | | 127,383,954 | 111,823,920 |
| – Distillery | | 1,226,175 | – |
| | | 1,064,027,485 | 898,493,374 |
| Loose tools: | | | |
| – Sugar | | 49,274,267 | 47,428,015 |
| – Co-Generation Power | | 15,349,993 | 11,897,258 |
| – Distillery | | 1,727,187 | – |
| | | 66,351,447 | 59,325,273 |
| | | 4,142,768,169 | 3,635,643,759 |
| Less: Stores, spare parts and loose tools held for capex | 21.3 | (518,614,229) | (79,623,843) |
| Less: Provision for obsolescence | 28.2 | (785,918,761) | (661,437,356) |
| | 28.3 | 2,838,235,179 | 2,894,582,560 |

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

| | Note | 2024 Rupees | 2023 Rupees |
|--|------|----------------|----------------|
| 28.2 Provision for obsolescence | | | |
| Balance as at 01 October | | 661,437,356 | 482,899,915 |
| Addition during the year | | 173,617,159 | 267,583,225 |
| Reversal made during the year | | (49,135,754) | (89,045,784) |
| | 37.1 | 124,481,405 | 178,537,441 |
| Balance as at 30 September | | 785,918,761 | 661,437,356 |

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

| | Note | 2024 Rupees | 2023 Rupees |
|---------------------------|------|----------------|----------------|
| 29. STOCK-IN-TRADE | | | |
| Sugar | 29.1 | 27,457,265,433 | 17,886,551,022 |
| Bagasse | | 631,405,522 | 387,111,246 |
| Mud | | – | 52,336,771 |
| | 37 | 28,088,670,955 | 18,325,999,039 |

29.1 The closing stock of sugar, net of 10% to 30% margin, having carrying value of Rs. 25,831 million (2023: Rs. 2,763 million) has been pledged against cash finances obtained from commercial and Islamic banks (for details, refer to note 13).

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| | Note | 2024 Rupees | 2023 Rupees |
|------------------------------|-------------|----------------|----------------|
| 30. TRADE RECEIVABLES | | | |
| Considered good | 30.1 & 30.2 | 11,637,990,550 | 3,669,800,494 |
| Considered doubtful | | 88,927,395 | 100,391,459 |
| | | 11,726,917,945 | 3,770,191,953 |
| Less: Impairment allowance | 30.3 | (88,927,395) | (100,391,459) |
| | | 11,637,990,550 | 3,669,800,494 |

30.1 It includes a net carrying amount of Rs. 2,163.93 million (2023: Rs. 1,297 million) receivables from growers for the sale of agricultural inputs. The gross carrying amount of these receivables, totaling Rs. 6,421.81 million (2023: Rs. 4,991 million), has been settled by Rs. 4,257.18 million (2023: Rs. 3,694 million).

30.2 These also includes Rs. 6,137 million (2023: Rs. 2,328 million) receivable from CPPA-G on account of sale of energy under Energy Purchase Agreements. These are secured by a guarantee from the Government of Pakistan under the Implementation Agreements (IAs) and interest free, however, a delayed payment mark-up is charged in case the amounts are not paid within due dates. The rate of delayed payment mark-up charged during the year on outstanding amounts was 3MK+2% to 3MK+4.5% (2023: 3MK+2% to 3MK+4.5%) per annum. The effective interest rate charged during the year is ranging from 18.55% to 28.44% (2023: 17.77% to 28.44%) per annum.

| | 2024 Rupees | 2023 Rupees |
|---|----------------|----------------|
| 30.3 Movement for impairment allowance | | |
| Balance as at 01 October | 100,391,459 | 100,391,459 |
| Written off during the year | (11,464,064) | – |
| Balance as at 30 September | 88,927,395 | 100,391,459 |

| | Note | 2024 Rupees | 2023 Rupees |
|--|------|----------------|----------------|
| 31. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES | | | |
| Advances to suppliers and contractors | 31.1 | 396,475,520 | 382,537,361 |
| Advances to growers | 31.2 | 416,081,735 | 679,476,839 |
| Prepaid expenses | | 76,063,613 | 62,390,896 |
| Current portion of long term security deposits | 26 | 55,431,682 | 11,060,420 |
| Sugar export arrears | 31.3 | 498,694,934 | – |
| Other short term security deposits | 31.3 | 94,754,600 | 108,254,600 |
| Advances to staff | 31.4 | 63,339,455 | 35,179,004 |
| Short term advances | 31.5 | 334,754,090 | – |
| Sugar export subsidy | 31.6 | – | – |
| Other receivables | 31.7 | 68,139,022 | 32,618,787 |
| | | 2,003,734,651 | 1,311,517,907 |

| | Note | 2024 Rupees | 2023 Rupees |
|---|--------|----------------------|--------------------|
| 31.1 Advances to suppliers and contractors | | | |
| – Considered good | | 2,426,153,283 | 621,960,887 |
| – Considered doubtful | | 24,860,358 | 24,860,358 |
| | | 2,451,013,641 | 646,821,245 |
| Less: Capital advances | | | |
| – Advances for capital expenditure | | (1,839,891,510) | (195,242,301) |
| – Advances for vehicles | | (73,344,594) | (32,605,415) |
| – Advances for land | | (116,441,659) | (11,575,810) |
| | 21.2.1 | (2,029,677,763) | (239,423,526) |
| Less: Provision for doubtful advances | 31.1.1 | (24,860,358) | (24,860,358) |
| | | 396,475,520 | 382,537,361 |
| 31.1.1 Provision for doubtful advances | | | |
| Balance as at 01 October | | 24,860,358 | 60,591,136 |
| Provision for the year | 41 | – | 3,354,994 |
| Written off during the year | | – | (9,850,047) |
| Reversal of provision for doubtful advances | | – | (29,235,725) |
| Balance as at 30 September | | 24,860,358 | 24,860,358 |
| 31.2 Advances to growers | | | |
| – Considered good | | 416,081,735 | 679,476,839 |
| – Considered doubtful | | 4,937,966 | 4,937,966 |
| | 31.2.1 | 421,019,701 | 684,414,805 |
| Less: Provision for doubtful advances | | (4,937,966) | (4,937,966) |
| | | 416,081,735 | 679,476,839 |

31.2.1 This represents advances provided to various sugarcane growers in the form of cash and for purchase of seeds, turbine and agri implements. These carry interest rates ranging from 24% to 25.5% (2023: 17% to 20%) per annum and will be adjusted against sugarcane payment in forthcoming crushing season. These also include markup receivables amounting to Rs. 27.28 million (2023: Rs. 2.25 million).

This includes Rs. 2.05 million (Rs. 4.34 million) due from key management of the Holding Company. The maximum aggregate amount outstanding during the year with respect to month end balances amounts to Rs. 4.33 million (2023: Rs. 4.21 million). This balance was neither overdue nor impaired.

31.3 During the financial year that ended on 30 September 2023, the Holding Company and DSMLa subsidiary company were aggrieved by the Cane Commissioner Sindh's order dated 25 January 2023 on the allocation of 80,000 MT Sindh Sugar export quota out of a total country-wide Sugar Export quota of 250,000 MT, which was supposed to be based on cane crushed for the crushing season 2022-23 by each mill. However, the Cane Commissioner allocated the quota equally to all Mills, i.e., 2,500 MT each. Therefore, the Holding Company filed a suit in the Honorable Sindh High Court (SHC) under Suit No. 145-2023.

The Honorable SHC, in its order dated 7 March 2023, set aside the Cane Commissioner's decision. This decision was then challenged by the Respondents before the Division Bench through Civil Appeal No. 64-2023 (the "CA"). The Division Bench, through its interim order dated 9 March 2023, allowed the export of 1,500 MT to each mill (a total of 48,000 MT), however after various hearings, the decision on the CA was reserved by the Court on 30 May 2023.

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Considering the complexity of the case and the potential Foreign Exchange loss to the country, all parties—the Appellants and Respondents—reached a consensus and filed a joint statement with the Court. They agreed that all sugar mills would export 32,000 MT of sugar, i.e., 1,000 MT by each mill at Rs. 96.10 per kg. However, every mill shall deposit Rs. 47.37 million with the Nazir of the Court for the disputed quantity of 493 MT, and Rs. 48.72 million will be withheld by the mills on account of the undisputed quantity of 507 MT and aggregate of disputed amount 296.72 Million plus Mark-up has to be returned to each Petitioner on final disposal of Suit. This interim arrangement was allowed ipso facto by the Court.

| | Note | 2024 Rupees | 2023 Rupees |
|-------------------------------|--------|-------------------|-------------------|
| 31.4 Advances to staff | | | |
| – against salaries | 31.4.1 | 55,641,310 | 29,687,087 |
| – against expenses | | 7,698,145 | 5,491,917 |
| | | 63,339,455 | 35,179,004 |

31.4.1 These represent advances given to staff as in accordance with the Group's policy.

31.5 The Subsidiary Company – DSML has entered into an agreement dated 01 February 2024 with Janoobi Cricket (Private) Limited ('JCPL') to provide the short term advance / loan up to aggregate amount to Rs. 300 million for period of one year. These are receivable as and when funds were available with JCPL or upon demand of the DSML, provided that the entire outstanding principal amount reduced to zero by the end of term. Mark up is receivable quarterly at the average borrowing rate of the DSML ranging from 17.8 % per annum. Further, these advances / loan is secured by personal guarantee of director / major shareholder of JCPL with an amount aggregating to Rs. 400 million.

| | Note | 2024 Rupees | 2023 Rupees |
|--|---------|----------------|----------------|
| 31.6 Sugar export subsidy | | | |
| Freight support / subsidy | 31.6.1 | 405,531,830 | 405,531,830 |
| Others | | 92,961,760 | 92,961,760 |
| | 20.1.15 | 498,493,590 | 498,493,590 |
| Less: Provision for sugar export subsidy | | (498,493,590) | (498,493,590) |
| | | – | – |

31.6.1 The Holding Company and the Subsidiary Company – DSML are unable to recover the subsidy amount of Rs. 405 million from the Sindh Government till the date against cash freight subsidy of Rs.10.70 / kg which was announced by the Government of Pakistan against sugar export made in the year 2017–18. The Holding Company and DSML has already filed a Petition No. 5410 & 5411 of 2021 before the Honorable Sindh High Court ('SHC') for recovery of said stuck subsidy. During financial year ended 30 September 2023, the Honorable SHC disposed of the Petition vide their order dated 30 March 2023 in favor of the Company and issue directives for disbursement of the outstanding Sindh share of subsidy till first quarter of the financial year 2023–24. However, till the reporting date, the Holding Company and DSML has not received any recovery of said subsidy.

| | Note | 2024 Rupees | 2023 Rupees |
|--|--------|----------------|----------------|
| 31.7 Other receivables | | | |
| Considered good | | 68,139,022 | 32,618,787 |
| Considered doubtful | | 3,596,334 | 3,596,334 |
| | 31.7.1 | 71,735,356 | 36,215,121 |
| Less: Provision for doubtful receivables | | (3,596,334) | (3,596,334) |
| | | 68,139,022 | 32,618,787 |

31.7.1 It includes Rs. 42.39 million (2023: Rs. 30.81 million) receivable in respect of rental under sub-lease of land and are classified as operating lease in line with accounting policies of the Group as stated in note 4.4.3 to these consolidated financial statements.

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

32. OTHER FINANCIAL ASSET

These represent investment made in units of NBP Cash Plan II and MCB Pakistan Cash Management Fund (mutual funds) and classified "At fair value through profit or loss".

| | Note | 2024 Rupees | 2023 Rupees |
|-----------------------------------|------|----------------|----------------|
| 33. CASH AND BANK BALANCES | | | |
| At banks: | | | |
| Conventional banks | | | |
| – Balance with current accounts | | 445,062,305 | 118,263,457 |
| – Deposits with saving accounts | 33.1 | 271,294,701 | 2,984,025 |
| | | 716,357,006 | 121,247,482 |
| Shariah-Compliant Islamic banks | | | |
| – Balance with current accounts | | 170,163,513 | 50,237,753 |
| – Deposits with saving accounts | | 92,959 | 21,741 |
| | | 886,613,478 | 171,506,976 |
| Cash in hand | | 11,900,665 | 12,284,500 |
| | | 898,514,143 | 183,791,476 |

33.1 The balances in savings accounts are placed under mark-up arrangements and bear mark-up ranging from 17% to 21.5% (2023: 13.5% to 20.5%) per annum.

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34. ASSETS / (LIABILITIES) CLASSIFIED AS HELD FOR SALE

As explained in note 1.3 to the consolidated financial statements, the Board of Directors of the Subsidiary Company "FPML" through an extraordinary general meeting held on 25 March 2020, resolved to dispose of its property, plant and equipment either in parts or in their entirety to the prospective buyers after due process. However, due to COVID-19 situation in the country this was not completed during the financial year 2020 and the said arrangement was re-approved by the FPML shareholders in its EOGM held on 13 December 2021. During the financial year ended 30 September 2023, the FPML has executed tendering process through the 'Moveable Assets Sale Agreement' with a prospective buyer against sale consideration of Rs. 1,600 million inclusive of sale tax and disposed off its its entire property, plant and equipment except land.

During the financial year 2023-24, the shareholders of FPML, in an extraordinary general meeting held on September 24, 2024, approved a resolution to buy back and cancel up to 404,338,809 issued ordinary shares, representing 75% of the issued and paid-up capital of FPML. The buyback was to be conducted at a rate of Rs. 4 per share, in a proportion of up to 3 shares for every 4 shares held by shareholders, within the purchased period from September 24, 2024, to October 31, 2024, or until the buyback was completed, whichever occurred earlier. Subsequent to the yearend, the Group has opted the offer to buy back FPML shares and disposed of 75% shareholding in FPML.

As at 30 September 2024, the disposal group is stated at lower of carrying value or fair value less cost to sell i.e. carrying value which comprised of the following assets and liabilities:

| | 2024 Rupees | 2023 Rupees |
|--|----------------------|----------------------|
| Disposal group | | |
| Operating fixed assets | 70,000,000 | 70,000,000 |
| Advances, deposits, prepayments and other receivables | 506,409 | 65,362,349 |
| Short term investment | 25,940,223 | - |
| Cash and bank balances | 1,801,933,081 | 1,623,758,856 |
| Assets held for sale | 1,898,379,713 | 1,759,121,205 |
| Trade and other payables | 31,057,224 | 110,996,737 |
| Provision for tax | 65,802,046 | 109,162,238 |
| Liabilities held for sale | 96,859,270 | 220,158,975 |
| Net assets | 1,801,520,443 | 1,538,962,230 |

| | Note | 2024 Rupees | 2023 Rupees |
|---|------|----------------|----------------|
| 35. NON - CONTROLLING INTEREST - "NCI" | | | |
| NCI percentage | | 41.10% | 41.10% |
| Net assets | 34 | 1,801,520,443 | 1,538,962,230 |
| Net assets attributable to NCI | | 740,424,902 | 632,513,476 |

| | Note | 2024 Rupees | 2023 Rupees |
|--|----------|------------------------|-----------------------|
| 36. REVENUE FROM CONTRACTS WITH CUSTOMERS | | | |
| Disaggregation of revenue based on: | | | |
| 36.1 Segments | | | |
| Sugar | | | |
| Sugar | 36.1.1 | 100,733,044,092 | 68,998,807,722 |
| Molasses – by product | 36.1.2 | 12,054,410,264 | 10,522,041,038 |
| Agri Inputs | | 6,221,822,707 | 4,990,555,935 |
| Mud – by product | | 750,072,850 | 545,556,412 |
| Bagasse – by product | | 522,498,073 | 1,206,321,145 |
| | | <u>120,281,847,986</u> | <u>86,263,282,252</u> |
| Co-Generation Power | 36.1.3 | 10,045,231,501 | 4,377,899,053 |
| Corporate Farms | 36.1.4 | 253,395,343 | 168,920,321 |
| | | <u>130,580,474,830</u> | <u>90,810,101,626</u> |
| 36.1.1 Sugar | | | |
| Local | | 97,888,429,692 | 65,927,543,132 |
| Export | 36.1.1.1 | 2,844,614,400 | 3,071,264,590 |
| | | <u>100,733,044,092</u> | <u>68,998,807,722</u> |
| 36.1.1.1 Geographic markets | | | |
| Asia | | 2,844,614,400 | 2,789,382,990 |
| Africa | | – | 281,881,600 |
| | | <u>2,844,614,400</u> | <u>3,071,264,590</u> |
| 36.1.2 Molasses – by product | | | |
| – Sale under DTRE (Duty & Tax Remission for Exporters) | | 10,650,503,185 | 10,160,960,800 |
| – Export | 36.1.2.1 | 644,454,151 | – |
| – Others | | 759,452,928 | 361,080,238 |
| | | <u>12,054,410,264</u> | <u>10,522,041,038</u> |
| 36.1.2.1 Geographic markets | | | |
| Europe | | 398,863,360 | – |
| Africa | | 245,590,791 | – |
| | | <u>644,454,151</u> | <u>–</u> |
| 36.1.3 Co-Generation Power | | | |
| Variable energy price | | 2,860,530,676 | 2,638,220,565 |
| Fixed energy price | | 1,677,148,670 | 1,739,678,488 |
| Differential Tariff adjustment | | | |
| Fuel cost component (FCC) | 36.3 | 5,386,509,459 | – |
| Local O&M component | 36.4 | 121,042,696 | – |
| | | <u>5,507,552,155</u> | <u>–</u> |
| | | <u>10,045,231,501</u> | <u>4,377,899,053</u> |
| 36.1.4 Corporate Farms | | | |
| Sugarcane seed and other crops | | 253,395,343 | 168,920,321 |

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| | 2024 Rupees | 2023 Rupees |
|---|------------------------|-----------------------|
| 36.1.5 Timing of revenue recognition | | |
| Products transferred at a point in time | 120,535,243,329 | 86,432,202,573 |
| Products transferred over time | 10,045,231,501 | 4,377,899,053 |
| | <u>130,580,474,830</u> | <u>90,810,101,626</u> |

36.2 Revenue recognised during the year included Rs. 18,647 million (2023: Rs. 3,287 million) that was included in contract liabilities / advances from customers at the beginning of the year.

36.3 During the year, the National Electric Power Regulatory Authority (NEPRA) vide S.R.O. 845 (I) /2024 dated 10 June 2024 decided Fuel Cost Component ("FCC") from October 2018 till September 2022 pursuant to the FCC adjustment mechanism as per upfront Tariff Determination 2013, and with effect from October 2022 onward, the NEPRA allowed 5% annual indexation on the applicable bagasse price for the previous year.

Subsequently, the Prime Minister's Office (PMO) of Pakistan has constituted a Task Force on Implementing Structural Reforms in the Power Sector vide PMO's u.o No. 3(38)/DS(EA-III)/2024 dated 04 August 2024. Pursuant to this, an Agreement has initiated on 18 October 2024 among Bagasse Based IPPs and Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) for reduction in Bagasse Price/ Fuel Cost Component (FCC), other tariff components and also to amend Energy Purchase Agreement (EPA). The Federal Cabinet has approved revisions of Agreements for Bagasse Based IPPs on 10 December 2024. Subsequent to yearend 30 September 2024, such differential tariff amount has been received.

36.4 NEPRA has approved the Local O&M components for quarters from Oct-2020 to Sep-2023 dated 04 December 2023 and the same has also been recognized in the current period.

| | Note | 2024 Rupees | 2023 Rupees |
|---|------|-------------------------|-------------------------|
| 37. COST OF REVENUE | | | |
| Opening stock-in-trade | | 18,325,999,039 | 17,918,960,986 |
| Add: Cost of goods manufactured | 37.1 | 111,717,921,109 | 77,301,737,993 |
| Add: Freight and other costs related to contracts | | 160,411,901 | 198,635,578 |
| | | <u>130,204,332,049</u> | <u>95,419,334,557</u> |
| Less: closing stock-in-trade | | | |
| – Sugar | | (27,457,265,433) | (17,886,551,022) |
| – Bagasse | | (631,405,522) | (387,111,246) |
| – Mud | | – | (52,336,771) |
| | 29 | <u>(28,088,670,955)</u> | <u>(18,325,999,039)</u> |
| | | <u>102,115,661,094</u> | <u>77,093,335,518</u> |

| | Note | 2024 Rupees | 2023 Rupees |
|---|----------|------------------------|-----------------------|
| 37.1 Cost of goods manufactured | | | |
| Cost of crops consumed | | | |
| (including procurement and other costs) | 37.1.1 | 96,160,983,200 | 63,097,190,843 |
| Cost of agri inputs | | 5,083,421,002 | 4,304,116,059 |
| Salaries, wages and other benefits | 37.1.2 | 4,370,461,922 | 3,845,796,534 |
| Cost of bagasse consumed | | 343,962,844 | 383,368,268 |
| Stores and spare parts consumed | | 1,142,813,155 | 1,021,544,182 |
| Depreciation of operating fixed assets | 21.1.10 | 1,003,913,766 | 923,369,566 |
| Packing materials consumed | | 933,270,066 | 767,330,544 |
| Fee and taxes | 37.1.3 | 28,477,253 | 570,000,000 |
| Chemicals consumed | | 748,308,909 | 656,995,878 |
| Operation and maintenance | 37.1.4 | 301,973,363 | 259,267,662 |
| Vehicle running expenses | | 343,357,316 | 326,857,092 |
| Provision for obsolescence – net | 28.2 | 124,481,405 | 178,537,441 |
| Sugarcane roots written off | 21.1.11 | 194,743,321 | 182,974,518 |
| Depreciation of right-of-use assets | 22.2 | 163,340,095 | 118,971,374 |
| Electricity and power | | 110,970,372 | 144,176,872 |
| Insurance | | 154,965,850 | 116,776,272 |
| Oil, lubricants and fuel consumed | | 128,938,760 | 98,371,006 |
| Mud and bagasse shifting expenses | | 118,914,300 | 80,655,601 |
| Handling and storage | | 47,529,183 | 44,703,380 |
| Repairs and maintenance | | 84,827,622 | 92,645,632 |
| Printing and stationery | | 22,539,142 | 27,124,541 |
| Freight and octroi | | 19,899,432 | 15,962,103 |
| Telephone and fax | | 11,261,184 | 14,157,737 |
| Travelling and conveyance | | 3,269,071 | 3,029,034 |
| Ijarah rentals | 20.2.5 | 3,299,419 | – |
| Assets written off | | 22,010,112 | 713,530 |
| Other expenses | | 45,989,045 | 27,102,324 |
| | | 111,717,921,109 | 77,301,737,993 |
| 37.1.1 Cost of crops consumed | | | |
| Sugarcane purchased | | 88,059,803,066 | 58,964,826,469 |
| Cost of harvested crops | | | |
| Cost incurred on standing crops | | 3,548,102,310 | 2,398,643,586 |
| Net fair value gain on biological assets | 40.2 | 53,542,465 | 456,389,080 |
| Fair value gain/(loss) on initial recognition of agricultural produce | 27 & 40 | 1,476,840,946 | (397,194,583) |
| Further cost charged | 37.1.1.1 | 3,457,509,913 | 2,109,460,051 |
| | | 8,535,995,634 | 4,567,298,134 |
| Less: transferred to capital work in progress | 21.2.5 | (434,815,500) | (434,933,760) |
| | | 96,160,983,200 | 63,097,190,843 |



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| | Note | 2024 Rupees | 2023 Rupees |
|--|------------|----------------|----------------|
| 37.1.1.1 Further cost charged | | | |
| Salaries, wages and other benefits | 37.1.1.1.1 | 532,471,875 | 379,609,037 |
| Fuel expenses | | 430,984,101 | 273,626,129 |
| Repairs and maintenance | | 271,655,915 | 232,002,592 |
| Depreciation of operating fixed assets | 21.1.10 | 281,792,578 | 211,796,803 |
| Harvesting expense | | 161,129,314 | 116,048,829 |
| Irrigation expenses | | 219,598,105 | 113,012,841 |
| Fee and taxes | | 67,981,712 | – |
| Vehicle running expenses | | 47,845,588 | 40,963,632 |
| Bio-laboratory expenses | | 34,717,783 | 25,967,335 |
| Fertilizer expenses | | 43,802,277 | 23,013,129 |
| Depreciation of right-of-use assets | 22.2 | 20,142,005 | 6,130,200 |
| Seed expenses | | 12,733,651 | 6,317,043 |
| Insurance | | 4,129,408 | 3,397,358 |
| Pesticide and herbicide expenses | | 3,268,000 | 1,039,658 |
| Others | | 50,235,353 | 23,792,465 |
| Cost charged to biological assets | 27 | 2,182,487,665 | 1,456,717,051 |
| Transportation expenses | | 1,261,965,089 | 643,558,099 |
| Road cess | | 13,057,159 | 9,184,901 |
| | | 1,275,022,248 | 652,743,000 |
| | 37.1.1 | 3,457,509,913 | 2,109,460,051 |

37.1.1.1.1 Salaries, wages and other benefits include Rs. 10.09 million (2023: Rs. 8.17 million) in respect of contribution towards provident fund.

37.1.2 Salaries, wages and other benefits includes contribution to provident fund of Rs. 103.646 million (2023: Rs. 94.03 million) and expense recognized in respect of employees' gratuity fund of Rs. 16.99 million (2023: Rs. 16.90 million).

37.1.3 During the financial year ended 30 September 2023, the Holding Company paid a requital fee of Rs. 570 million to regularize the crushing capacities of its Unit I and Unit II under the Punjab Industries (Control on Establishment & Enlargement) (Amendment) Act, 2022.

| | 2024 Rupees | 2023 Rupees |
|---|----------------|----------------|
| 37.1.4 Operation and maintenance | | |
| Reimbursable cost | 266,333,363 | 223,627,662 |
| Operating fee | 35,640,000 | 35,640,000 |
| | 301,973,363 | 259,267,662 |

| | Note | 2024 Rupees | 2023 Rupees |
|--|---------|----------------------|----------------------|
| 38. ADMINISTRATIVE EXPENSES | | | |
| Salaries, wages and other benefits | 38.1 | 2,768,451,448 | 2,442,363,068 |
| Depreciation of operating fixed assets | 21.1.10 | 164,395,858 | 219,919,168 |
| Vehicle running and maintenance | | 124,796,499 | 97,120,590 |
| Charity and donations | 38.2 | 309,335,686 | 237,900,000 |
| Legal and professional services | | 51,744,650 | 112,603,205 |
| Travelling and conveyance | | 65,051,270 | 60,689,095 |
| Depreciation of right-of-use assets | 22.2 | 27,524,798 | 55,712,661 |
| Insurance | | 45,698,997 | 36,730,345 |
| Repairs and maintenance | | 67,238,919 | 35,692,137 |
| Printing and stationery | | 21,001,198 | 23,884,301 |
| Subscription and renewals | | 19,197,285 | 23,431,039 |
| Electricity and power | | 24,340,456 | 17,449,677 |
| Fee and taxes | | 31,482,470 | 18,652,492 |
| Telephone, fax and postage | | 15,685,101 | 13,640,460 |
| Entertainment | | 12,859,430 | 8,505,219 |
| Auditors' remuneration | 38.3 | 12,783,375 | 10,024,075 |
| Office renovation | | 11,966,789 | 7,793,049 |
| Amortization of intangible asset | 24.2 | 342,550 | 2,043,602 |
| Advertisement | | 3,084,459 | 1,164,908 |
| Consultancy and advisory | | 4,052,983 | 981,015 |
| Newspapers, books and periodicals | | 424,129 | 552,775 |
| Assets written off | | 37,495 | – |
| Other expenses | | 39,051,386 | 28,892,375 |
| | | 3,820,547,231 | 3,455,745,256 |

38.1 Salaries, wages and other benefits includes contribution to provident fund of Rs. 60.83 million (2023: Rs. 53.95 million) and expense recognized in respect of employees' gratuity fund of Rs. 7.28 million (2023: Rs. 7.24 million).

| | Note | 2024 Rupees | 2023 Rupees |
|---|--------|--------------------|--------------------|
| 38.2 Donations for the year have been given to: | | | |
| – Lodhran Pilot Project | | 105,000,000 | 64,500,000 |
| – Tareen Education Foundation | | 121,700,000 | 152,200,000 |
| – Arshad Nadeem Gold Medal Winner Olympics 2024 | | 20,000,000 | – |
| – CCH Endowment Fund Trust | | 15,000,000 | – |
| – Punjab Police Department for marriage of Martyred daughters | | 10,000,000 | – |
| – Al Siraj Welfare Foundation | | 10,000,000 | 10,000,000 |
| – Police Public School | | 7,575,000 | – |
| – Rizq Trust (Ibtidaa Welfare Foundation) | | 7,000,000 | – |
| – Professional Education Foundation | | 2,000,000 | 1,500,000 |
| – Lahore Garrison Shooting Gallery | | 2,000,000 | 2,000,000 |
| – Lahore Race Club | | 2,500,000 | 2,000,000 |
| – National Society for M.E.H Children | | 1,000,000 | 1,000,000 |
| – Kidney Centre Training Institute | | 1,000,000 | 1,000,000 |
| – Shade Trust Sialkot | | 1,000,000 | – |
| – Forman Chirstian College | | – | 2,000,000 |
| – Lahore Divisional Squash Association | | – | 1,500,000 |
| – Others | 38.2.1 | 3,560,686 | 200,000 |
| | | 309,335,686 | 237,900,000 |

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

38.2.2 None of the directors of the Group or their spouses have any interest as in any of the recipients of donations made by the Group during the year except for Mr. Mukhdoom Syed Ahmad Mahmud, a Non-Executive Director, who served as the Chairman of Lahore Race Club and, an Executive Director is an alumnus of Forman Christian College.

| | Note | 2024 Rupees | 2023 Rupees |
|--|--------|----------------|----------------|
| 38.3 Auditors' remuneration | | | |
| The charges for professional services (exclusive of sales tax) consist of the following: | | | |
| Riaz Ahmad Saqib Gohar & Co. Auditor's of JDWSML, DSML, SPL & GPL | | | |
| Services as auditors: | | | |
| Statutory audit | | 7,570,000 | 6,570,000 |
| Half yearly review | | 875,000 | 700,000 |
| Out of pocket expenses | | 115,000 | 100,000 |
| Others | 38.3.1 | 1,316,500 | 241,200 |
| | | 9,876,500 | 7,611,200 |
| Other services: | | | |
| Special reports and certificates in capacity of statutory auditor | | 1,318,875 | 480,250 |
| Tax advisory services | | 1,588,000 | 1,932,625 |
| | | 2,906,875 | 2,412,875 |
| Rizwan & Co. Auditors of FPML | | | |
| Statutory audit | | 500,000 | 500,000 |
| Out of pocket expenses | | 15,000 | 15,000 |
| | | 515,000 | 515,000 |
| Less: Classified under discontinued operations | | (515,000) | (515,000) |
| | | 12,783,375 | 10,024,075 |

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

| | Note | 2024 Rupees | 2023 Rupees |
|---|------|----------------|----------------|
| 39. SELLING EXPENSES | | | |
| Salaries, wages and other benefits | 39.1 | 77,368,007 | 67,085,855 |
| Advertising, promotion and corporate branding | | 21,176,405 | - |
| Other selling expenses | | 21,823,965 | 16,756,401 |
| | | 120,368,377 | 83,842,256 |

39.1 Salaries, wages and other benefits include Rs. 1.27 million (2023: Rs. 1.10 million) in respect of contribution towards provident fund.

| | Note | 2024 Rupees | 2023 Rupees |
|---|---------|----------------|----------------|
| 40. OTHER INCOME | | | |
| Income from financial assets | | | |
| Delayed payment markup – CPPA–G | 30.2 | 275,639,776 | 345,821,495 |
| Interest / profit earned on term deposit receipt | 40.1 | 370,976,386 | – |
| Interest income on bank deposits | 33.1 | 540,314,870 | 30,306,472 |
| Rental income under operating sub–lease | 31.7.1 | 89,139,697 | 87,580,924 |
| Foreign exchange gain – net | | – | 23,232,345 |
| Dividend income on mutual funds units | 32 | 59,338 | – |
| Mark up on advances | 31.5 | 34,754,090 | – |
| Mark up on advances to JK Sugar Mills (Pvt.) Ltd | | – | 1,950,685 |
| | | 1,310,884,157 | 488,891,921 |
| Income from non–financial assets | | | |
| Fair value gain / (loss) on initial recognition of agricultural produce | 37.1.1 | 1,476,840,946 | (397,194,583) |
| Sugar export arrears | 31.3 | 498,694,934 | – |
| Sale of scrap | | 37,219,760 | 208,021,297 |
| Gain on disposal of operating fixed assets | 21.1.11 | 78,192,909 | 54,402,542 |
| Net fair value (loss) /gain on biological assets | 40.2 | (673,124,347) | 53,542,465 |
| Liabilities no longer payable written back | | 195,956 | 69,925,050 |
| Penalty for not honoring of contract | | – | 55,416,500 |
| Reversal of provision for doubtful advances | | – | 27,693,372 |
| Rental income from investment property | | 23,159,088 | 17,557,518 |
| Mark–up on advances to growers | 31.2.1 | 38,687,091 | 17,400,544 |
| Gain on derecognition of the right of–use assets | | 70,606,930 | 1,934,021 |
| Reversal of Workers' Welfare Fund | | – | 10,211,825 |
| Insurance claim | | 38,478,000 | – |
| Others | 40.3 | 4,779,770 | 2,387,369 |
| | | 1,593,731,037 | 121,297,920 |
| | | 2,904,615,194 | 610,189,841 |

40.1 This represents investment in Term Deposit Receipts (TDRs) of financial institutions, having aggregate face value of Rs. 6.25 billion (2023: Rs. nil). These TDRs carry mark–up at rates ranging from 20.5% to 21.9% (2023: nil) per annum and are matured on various dates upto 13 June 2024. It includes profit earned from Shariah–compliant TDRs amounting to Rs. 328.89 million.

| | Note | 2024 Rupees | 2023 Rupees |
|--|--------|-----------------|-----------------|
| 40.2 Net fair value (loss) /gain on biological assets | | | |
| Fair value of standing crops | | 3,649,324,613 | 3,605,862,039 |
| Initial cost incurred on standing crops | | (4,217,262) | – |
| Cost incurred on standing crops | 40.2.1 | (4,318,231,698) | (3,552,319,574) |
| | 27 | (673,124,347) | 53,542,465 |

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For the year ended 30 September 2024

| | Note | 2024 Rupees | 2023 Rupees |
|---|----------|----------------------|----------------------|
| 40.2.1 Cost incurred on standing crops | | | |
| Irrigation expenses | | 804,893,956 | 804,732,165 |
| Depreciation of right-of-use assets | 22.2 | 927,863,698 | 754,672,058 |
| Fertilizer expenses | | 1,106,050,985 | 721,147,787 |
| Salaries, wages and other benefits | 40.2.1.1 | 440,085,579 | 353,649,680 |
| Depreciation of operating fixed assets | 21.1.10 | 328,710,801 | 284,262,838 |
| Pesticide and herbicide expenses | | 233,269,088 | 189,658,061 |
| Repairs and maintenance | | 218,429,133 | 176,337,978 |
| Fuel expenses | | 145,209,017 | 168,640,656 |
| Vehicle running expenses | | 44,242,854 | 44,834,917 |
| Bio-laboratory expenses | | 29,617,268 | 28,061,317 |
| Insurance | | 4,284,892 | 3,568,843 |
| Others | | 35,574,427 | 22,753,274 |
| | | 4,318,231,698 | 3,552,319,574 |

40.2.1.1 Salaries, wages and other benefits include Rs. 9.9 million (2023: Rs. 9.2 million) in respect of contribution towards provident fund.

40.2.1.2 The cost of inventories consumed and included under the head "cost of growing crops" and "further cost charged" (note 37.1.1.1) amounted to Rs. 4,044 million (2023: Rs. 3,291 million).

40.3 It does not includes any Shariah compliant income.

| | Note | 2024 Rupees | 2023 Rupees |
|--|--------|----------------------|--------------------|
| 41. OTHER EXPENSES | | | |
| Workers' Profit Participation Fund | 15.3 | 946,051,846 | 257,270,534 |
| Advances and other receivables written off | | 1,905,605 | 9,432,463 |
| Foreign exchange loss – net | | 14,305,030 | – |
| Workers' Welfare Fund | 15.4 | 222,037,639 | 40,637,560 |
| Provision for doubtful advances | 31.1.1 | – | 3,354,994 |
| Others | | 7,846,707 | 10,014,637 |
| | | 1,192,146,827 | 320,710,188 |

| | Note | 2024 Rupees | 2023 Rupees |
|--|----------|----------------------|----------------------|
| 42. FINANCE COST | | | |
| Mark-up based loans from conventional banks / financial institutions | | | |
| – Long term finances – secured | | 249,310,159 | 1,798,157,470 |
| – Short term borrowings – secured | | 4,645,657,976 | 2,263,446,009 |
| – Interest expense for leasing arrangements | 10 | 602,321,378 | 377,600,135 |
| | | <u>5,497,289,513</u> | <u>4,439,203,614</u> |
| Islamic mode of financing | | | |
| – Long term finances – secured | | 69,701,330 | 135,994,866 |
| – Short term borrowings – secured | | 3,165,980,094 | 1,153,653,164 |
| | 42.1 | <u>3,235,681,424</u> | <u>1,289,648,030</u> |
| Amortization of transaction cost | 9 | 4,244,756 | 35,413,371 |
| Workers' Profit Participation Fund | 15.3 | 165,318,325 | 188,467,505 |
| Markup on short term advances from provident fund | | 5,178,640 | – |
| Bank charges and commission | | 131,438,153 | 56,951,666 |
| | | <u>306,179,874</u> | <u>280,832,542</u> |
| Less: borrowing cost capitalized | 21.2.4.1 | (116,543,947) | – |
| | | <u>8,922,606,864</u> | <u>6,009,684,186</u> |

42.1 Profit paid on Islamic mode of financing for the year amounts to Rs. 2,328 million.

| | Note | 2024 Rupees | 2023 Rupees |
|--------------------------|------|--------------------|--------------------|
| 43. LEVY | | | |
| Final taxes | | 112,949,573 | 132,322,253 |
| Super tax – Final taxes | | 38,948,129 | 45,628,364 |
| Minimum tax differential | | – | 632,943,354 |
| | 43.1 | <u>151,897,702</u> | <u>810,893,971</u> |

43.1 This represents portion of minimum tax and final taxes paid under section 113 and 169 of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

43.2 Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in these consolidated statement of profit and loss, is as follows:

| | 2024 Rupees | 2023 Rupees |
|--|------------------------|------------------------|
| Current tax liability for the year as per applicable tax laws | 2,958,273,954 | 1,329,174,593 |
| Portion of current tax liability as per tax laws, representing income tax under IAS 12 | (2,806,376,252) | (518,280,622) |
| Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37 | (151,897,702) | (810,893,971) |
| | <u>(2,958,273,954)</u> | <u>(1,329,174,593)</u> |
| | – | – |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

| | Note | 2024 Rupees | (Restated) 2023 Rupees |
|---|------|----------------|------------------------------|
| 44. TAXATION | | | |
| Income tax | | 1,696,188,059 | 320,771,960 |
| Super tax | 11.1 | 1,110,188,193 | 197,508,662 |
| Change in estimate related to prior years | | (229,544,472) | (35,053,126) |
| | | 2,576,831,780 | 483,227,496 |
| Deferred tax | 11.3 | 1,120,929,035 | 345,355,422 |
| Agriculture tax | | 4,922,012 | 3,790,688 |
| | | 3,702,682,827 | 832,373,606 |

| | Note | 2024 Numbers | 2023 Numbers |
|---|------|-----------------|-----------------|
| 44.1 Relationship between tax expense and accounting profit before tax | | | |
| Profit before taxation | | 17,313,762,131 | – |
| Tax at the applicable rate of 29% | | 5,020,991,018 | – |
| Tax effect of: | | | |
| – exempt income | | (2,164,868,008) | – |
| – super tax | | 1,110,188,193 | – |
| – change in prior year's tax | | (229,544,472) | – |
| – others | | (34,083,904) | – |
| | 44 | 3,702,682,827 | – |

In respect of the year ended 30 September 2023, the provision for taxation mainly represents the Minimum Tax and final tax liabilities under section 113 and 169 of the Income Tax Ordinance, 2001 respectively. Accordingly, tax charge reconciliation for the preceding financial year has not been prepared and presented.

44.2 For tax contingencies, refer to note 20.1.1 to 20.1.13

| | Note | 2024 Rupees | (Restated) 2023 Rupees |
|---|--------|----------------|------------------------------|
| 45. PROFIT FROM DISCONTINUED OPERATIONS – NET OF TAX | | | |
| 45.1 Results of discontinued operations | | | |
| Other income | | 337,864,227 | 768,898,569 |
| Expenses | 45.1.1 | (7,334,849) | (13,054,084) |
| Results from operating activities | | 330,529,378 | 755,844,485 |
| Levies | | (54,805,972) | – |
| Taxation | 45.1.2 | (13,165,192) | (128,493,562) |
| Results from operating activities - net of tax | | 262,558,214 | 627,350,923 |

45.1.1 It includes statutory audit fee including out of pocket expense of Rs. 0.515 Million (2023: Rs. 0.515 million).

45.1.2 Due to tax loss for the current and preceding year and tax losses available for carry forward, provision for taxation for the current year has been made on alternative corporate tax basis. Accordingly, tax charge reconciliation for current financial year has not been prepared and presented. Moreover, the FPML has not recognized deferred tax asset including deferred tax asset on minimum tax on prudence principle as the FPML does not expect to utilize this asset before it lapses.

| | 2024 | 2023 |
|--|--------------------|--------------------|
| | Rupees | Rupees |
| 45.2 Allocation of profit between owners of the Holding Company and NCI | | |
| Profit from discontinued operations | 262,558,214 | 627,350,923 |
| – Owners of the Holding Company | 154,646,788 | 369,509,694 |
| – Non – controlling interest | 107,911,426 | 257,841,229 |
| | 262,558,214 | 627,350,923 |
| 45.3 Cash flows from discontinued operations | | |
| Cash and cash equivalents at beginning of the year | 1,623,758,856 | 49,262,692 |
| Net cash generated from operating activities | 204,114,448 | 220,190,232 |
| Net cash (used in) /generated from investing activities | (25,940,223) | 1,354,305,932 |
| Net cash flows for the year | 178,174,225 | 1,574,496,164 |
| Cash and cash equivalents at end of the year | 1,801,933,081 | 1,623,758,856 |

| | | 2024 | 2023 |
|--|-------------|-------------------|-------------------|
| 46. EARNINGS PER SHARE – BASIC AND DILUTED | | | |
| Profit from continuing operations | Rupees | 13,459,181,602 | 2,813,706,486 |
| Weighted average number of ordinary shares | Numbers | 57,776,661 | 58,278,579 |
| Basic earnings per share | Rupees | 232.95 | 48.28 |
| Profit from discontinued operations | Rupees | 154,646,788 | 369,509,694 |
| Weighted average number of ordinary shares | Numbers | 57,776,661 | 58,278,579 |
| Basic earning per share | Rupees | 2.68 | 6.34 |
| | Note | 2024 | 2023 |
| | | Numbers | Numbers |
| 46.1 Weighted average number of ordinary shares | | | |
| Outstanding number of shares before own shares purchased | | 57,776,661 | 59,776,661 |
| Less: Impact of own shares purchased during the year | 7.2.2 | – | (1,498,082) |
| | | 57,776,661 | 58,278,579 |

46.2 A diluted earnings per share has not been presented as the Holding Company does not have any convertible instruments in issue as at 30 September 2024 and 2023 which would have any effect on the profit per share if the option to convert is exercised.

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| | Note | 2024 Rupees | 2023 Rupees |
|---|---------|------------------------|-----------------------|
| 47. CASH GENERATED FROM OPERATIONS | | | |
| Profit before taxation and levy | | 17,313,762,131 | 4,456,974,063 |
| Adjustments for non-cash income and expenses: | | | |
| Finance cost | | 8,918,362,108 | 5,974,270,815 |
| Depreciation of operating fixed assets | | 2,489,037,098 | 2,214,573,099 |
| Staff retirement benefits | | 384,105,155 | 357,651,253 |
| Provision for obsolescence | 28.2 | 173,617,159 | 267,583,225 |
| Assets written off | 21.1.11 | 216,790,928 | 183,688,048 |
| Workers' Profit Participation Fund | 15.3 | 946,051,846 | 257,270,534 |
| Depreciation of right-of-use assets | 22.2 | 211,006,898 | 180,814,235 |
| Workers' Welfare Fund | 15.4 | 222,037,639 | 40,637,560 |
| Advances and other receivables written off | 41 | 1,905,605 | 9,432,463 |
| Amortization of transaction cost | 9 | 4,244,756 | 35,413,371 |
| Amortization of intangibles | 24.2 | 342,550 | 2,043,602 |
| Provision for doubtful advances | 41 | – | 3,354,994 |
| Dividend income recognized | | (59,338) | – |
| Interest income | | (1,260,490,889) | (395,479,196) |
| Liabilities no longer payable written back | | (195,956) | (69,925,050) |
| Reversal of provision for obsolescence | 28.2 | (49,135,754) | (89,045,784) |
| Gain on disposal of operating fixed assets | 21.1.11 | (78,192,909) | (54,402,542) |
| Net fair value loss / (gain) on biological assets | 40.2 | 673,124,347 | (53,542,465) |
| Foreign exchange loss / (gain) – net | 41 & 40 | 14,305,030 | (23,232,345) |
| Reversal of provision for doubtful advances | 31.1.1 | – | (29,235,725) |
| Gain on derecognition of the right of-use assets | 40 | (70,606,930) | (1,934,021) |
| Prior year adjustment of Workers' Welfare Fund | 15.4 | 6,109,072 | (10,211,825) |
| | | 12,802,358,415 | 8,799,724,246 |
| | | 30,116,120,546 | 13,256,698,309 |
| Working capital changes | | | |
| Trade receivables | | (7,943,438,930) | 408,066,135 |
| Stores, spare parts and loose tools | | (68,134,024) | (855,071,031) |
| Biological assets | | (498,947,318) | (517,839,574) |
| Advances, deposits, prepayments and other receivables | | (659,368,259) | (293,543,064) |
| Stock-in-trade | | (9,762,671,916) | (407,038,053) |
| Trade and other payables | | 207,698,070 | 460,031,255 |
| Advances from customers | | (17,262,745,158) | 15,394,839,377 |
| | | (35,987,607,535) | 14,189,445,045 |
| Cash (used in) / generated from operations | | (5,871,486,989) | 27,446,143,354 |

48. BUSINESS SEGMENT INFORMATION

48.1 The Group has four reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. Information reported to the Group's chief operating decision maker for the purpose of resource allocation and assessment of segment performance is focused on type of goods supplied. In addition to actual expenses incurred in operating segments, un-allocated expenses have been allocated to operating segments on net sales proportionate basis. The following summary describes the operations in each of the Group's reportable segments that is submitted to chief operating decision maker:

| Reportable Segment | Operations |
|----------------------------|--|
| Sugar | Production and sale of crystalline sugar and other related joint and by-products. |
| Co-Generation Power | Generation and sale of energy to CPPA-G |
| Corporate Farms | Managing corporate farms for cultivation of sugarcane and the small quantity of other crops. |
| Others | Projects are under construction for the production and sale of ethanol and generation of energy. However, operation of paper pulp classified as disposal group (for detail, refer to note 34). |



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48.2 Information regarding the Group's reportable segments from continuing operations are presented below:

| 48.2.1 | Sugar | | Co-Generation segment | | Corporate Farms segment | | Others | | Inter segment reconciliation | | Total | |
|---|-----------------|----------------|-----------------------|---------------|-------------------------|---------------|-----------|-----------|------------------------------|-----------------|-----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| Segment revenues & results | | | | | | | | | | | | |
| Net external revenues | 120,281,847,986 | 86,263,282,252 | 10,045,231,501 | 4,377,899,063 | 253,395,343 | 168,920,321 | - | - | - | - | 130,580,474,830 | 90,810,101,626 |
| Inter-segment revenues | 4,100,311,571 | 2,783,319,887 | 1,810,315,775 | 1,023,311,319 | 7,847,784,792 | 3,963,242,674 | - | - | (13,758,412,138) | (7,769,873,880) | - | - |
| Reportable segment revenue | 124,382,159,557 | 89,046,602,139 | 11,855,547,276 | 5,401,210,372 | 8,101,180,135 | 4,132,162,995 | - | - | (13,758,412,138) | (7,769,873,880) | 130,580,474,830 | 90,810,101,626 |
| Depreciation | 1,150,935,265 | 1,099,691,038 | 207,625,668 | 216,153,526 | 1,559,222,676 | 1,268,990,104 | - | - | - | - | 2,917,683,599 | 2,574,834,668 |
| Interest income | 984,851,113 | 49,657,701 | 275,639,776 | 345,821,495 | - | - | - | - | - | - | 1,260,490,689 | 395,479,196 |
| Finance cost | 7,576,890,823 | 5,425,510,447 | 579,646,259 | 207,486,070 | 766,089,432 | 376,687,169 | 350 | 500 | - | - | 8,922,606,864 | 6,009,684,186 |
| Net fair value (loss) / gain on biological assets | - | - | - | - | (673,124,347) | 53,542,465 | - | - | - | - | (673,124,347) | 53,542,465 |
| Segment profit / (loss) before tax & levy | 11,585,738,727 | 3,857,751,544 | 5,869,630,168 | 1,421,882,010 | (141,375,674) | (822,470,331) | (231,080) | (189,160) | - | - | 17,313,762,131 | 4,456,974,063 |

48.2.2 Inter-segment sales and purchases

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

48.2.3 Basis of inter-segment pricing

Inter-segment pricing is determined on an arm's length basis.

48.2.4 Segment assets & liabilities of continuing operations

| Total assets for reportable segment | Sugar | | Co-Generation segment | | Corporate Farms segment | | Others | | Total | |
|--|----------------|----------------|-----------------------|---------------|-------------------------|---------------|---------------|-------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| Total assets for reportable segment | 58,195,695,266 | 42,073,800,304 | 10,148,830,997 | 6,479,953,931 | 9,310,230,491 | 8,368,587,090 | 3,848,438,255 | 189,940,283 | 81,503,195,009 | 57,112,281,608 |
| Total liabilities for reportable segment | 45,302,774,286 | 36,340,662,310 | 604,142,363 | 318,845,350 | 2,933,004,071 | 2,452,205,214 | 3,207,593,425 | 5,809,494 | 52,047,504,145 | 39,117,522,368 |
| Capital expenditure | 1,236,306,995 | 784,430,016 | 42,438,452 | 77,484,273 | 1,040,342,052 | 882,351,344 | 424,773,460 | 153,505,688 | 2,743,860,959 | 1,897,771,321 |

| | 2024 Rupees | 2023 Rupees |
|---|-----------------|----------------|
| 48.3 Reconciliation of reportable segment profit or loss | | |
| Total profit before tax and levy for reportable segments | 17,313,762,131 | 4,456,974,063 |
| Levy | (151,897,702) | (810,893,971) |
| Taxation | (3,702,682,827) | (832,373,606) |
| Consolidated profit after tax from continuing operations | 13,459,181,602 | 2,813,706,486 |

48.4 Geographical information

The segments of the Group are managed on nationwide basis except export sale. Geographical information relating to segment is presented below:

| | 2024 Rupees | 2023 Rupees |
|------------------------|-----------------|----------------|
| 48.4.1 Revenue | | |
| Domestic (Pakistan) | 127,091,406,279 | 87,738,837,036 |
| Exports | | |
| Sugar: | | |
| Asia | 2,844,614,400 | 2,789,382,990 |
| Africa | – | 281,881,600 |
| | 2,844,614,400 | 3,071,264,590 |
| Molasses - by product: | | |
| Europe | 398,863,360 | – |
| Africa | 245,590,791 | – |
| | 644,454,151 | – |
| Total export | 3,489,068,551 | 3,071,264,590 |
| | 130,580,474,830 | 90,810,101,626 |

48.4.2 Non-current assets

All non-current assets of the Group as at 30 September 2024 are located in Pakistan.

48.5 Unallocated liabilities

Unallocated liabilities include deferred liabilities, unclaimed dividend and provision for taxation and levy - net

48.6 Unallocated assets

Unallocated assets include cash and bank balances and other financial assets.

48.7 Revenue from major customer

The Group's revenue is earned from a large mix of customers.

49. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

| | Directors | | | | | | | |
|---|-----------------|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|
| | Chief Executive | | Executive | | Non – Executive | | Executives | |
| | 2024 Rupees | 2023 Rupees | 2024 Rupees | 2023 Rupees | 2024 Rupees | 2023 Rupees | 2024 Rupees | 2023 Rupees |
| Managerial remuneration | 9,200,000 | 8,300,000 | 360,000,000 | 336,666,667 | 249,200,000 | 211,633,334 | 895,338,370 | 804,904,004 |
| House allowance | 3,680,000 | 3,320,000 | 144,000,000 | 134,666,667 | 99,680,000 | 84,653,334 | 358,135,344 | 321,961,602 |
| Medical and other allowances | 920,000 | 830,000 | 36,000,000 | 33,666,666 | 24,920,000 | 21,163,333 | 89,533,836 | 80,490,400 |
| Bonus | – | – | 224,999,980 | 200,000,002 | 155,750,020 | 130,000,004 | 770,208,330 | 878,674,409 |
| Group's contribution towards provident fund | – | – | – | – | – | – | 133,437,860 | 75,163,675 |
| Staff retirement benefit | – | – | – | – | – | – | 8,294,230 | 6,623,400 |
| | 13,800,000 | 12,450,000 | 764,999,980 | 705,000,002 | 529,550,020 | 447,450,005 | 2,254,947,970 | 2,167,817,490 |
| Number of persons | 1 | 1 | 1 | 1 | 2 | 2 | 177 | 168 |

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- 49.1** In addition to the above, Chief Executive and some of the Executives are provided with free use of Group maintained cars and certain other benefits as per the Group policy.
- 49.2** No meeting fee has been paid to the Chief Executive, Non-Executive and Executive Directors of the Group during the current and preceding year.
- 49.3** Mr. Jahangir Khan Tareen, an Executive Director, and its family owned business concerns are permitted to use the Holding Company maintained aircraft for private trips, subject to availability, for which the proportionate share of operating expenses is reimbursed to the Holding Company. During the year, Rs. 106.706 million (2023: Rs. 56.611 million) was reimbursed for the use of aircraft.

50. FINANCIAL INSTRUMENTS

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

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

50.1 Risk management framework

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

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

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

| | 2024 Rupees | 2023 Rupees |
|---|----------------|----------------|
| 50.2 Financial instruments by category | | |
| Financial assets | | |
| At amortized cost: | | |
| Long term deposits | 22,359,360 | 20,184,212 |
| Trade receivables | 9,474,053,794 | 2,373,232,302 |
| Advances, deposits and other receivables | 957,229,356 | 170,560,474 |
| Cash and bank balances | 898,514,143 | 183,791,476 |
| | 11,352,156,653 | 2,747,768,464 |
| At Fair value through profit or loss: | | |
| Investment in mutual funds units | 1,046,265 | - |
| | 11,353,202,918 | 2,747,768,464 |
| Financial liabilities | | |
| At amortized cost: | | |
| Long term finances – secured | 6,980,799,196 | 6,430,180,003 |
| Short term borrowings | 31,412,451,079 | 6,292,529,027 |
| Lease liabilities | 3,341,621,871 | 2,883,509,553 |
| Accrued profit / interest / mark-up | 2,114,320,468 | 576,851,539 |
| Trade and other payables | 1,289,348,048 | 1,683,141,725 |
| Unclaimed dividend | 60,343,112 | 52,850,040 |
| | 45,198,883,774 | 17,919,061,887 |

50.2.1 Credit risk

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

Exposure to credit risk

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

| | 2024 Rupees | 2023 Rupees |
|--|----------------|----------------|
| Long term deposits | 22,359,360 | 20,184,212 |
| Trade receivables | 9,474,053,794 | 2,373,232,302 |
| Advances, deposits and other receivables | 957,229,356 | 170,560,474 |
| Bank balances | 886,613,478 | 171,506,976 |
| | 11,340,255,988 | 2,735,483,964 |

Concentration of credit risk

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

| | 2024 Rupees | 2023 Rupees |
|-------------------------------|----------------|----------------|
| Customers: | | |
| – Sugar segment | 3,412,388,152 | 44,698,849 |
| – Co-Generation Power segment | 6,136,904,600 | 2,328,533,453 |
| Banking companies | 886,613,478 | 171,506,976 |
| Others | 904,349,758 | 190,744,686 |
| | 11,340,255,988 | 2,735,483,964 |

Credit quality and impairment

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

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Trade receivables

The Group's exposure to credit risk arising from trade receivables is mainly influenced by the individual characteristics of each customer. Majority of the Group's revenue are made against receipts in advance from customers. Trade receivables mainly represents receivable from Central Power Purchasing Agency (Guarantee) Limited, a Government owned entity and are secured by guarantee from Government of Pakistan under the Implementation Agreements. At 30 September 2024, the Group had nine customers (2023: three customer) that owed it more than Rs. 50 million and accounted for approximately 98.66% (2023: 98.25%) of all the receivables outstanding. There were 10 customers (2023: seven customers) with balances less than Rs. 5 million accounting for just over 1.34% (2023: 1.75%) of the total amounts of receivables.

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

| | 2024 | | 2023 | |
|------------------|-----------------------|------------------------|-----------------------|------------------------|
| | Gross carrying amount | Accumulated impairment | Gross carrying amount | Accumulated impairment |
| | Rupees | Rupees | Rupees | Rupees |
| Not past due | 7,470,090,937 | – | 1,278,492,264 | – |
| Past due: | | | | |
| 1 – 90 days | 2,000,033,683 | – | 997,969,794 | – |
| 91 – 365 days | 3,929,174 | – | 96,770,244 | – |
| 366 – above days | 88,927,395 | 88,927,395 | 100,391,459 | 100,391,459 |
| | 9,562,981,189 | 88,927,395 | 2,473,623,761 | 100,391,459 |

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

The above gross carrying amount includes Rs. 6,185 million (2023: Rs. 2,377 million) amount receivable from Central Power Purchasing Agency (Guarantee) Limited against sale of energy.

Bank balances and other financial assets

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

| Banks | Rating | | Rating Agency | 2024 | 2023 |
|---|-----------|------------|---------------|-------------|-------------|
| | Long term | Short term | | Rupees | Rupees |
| Conventional | | | | | |
| The Bank of Punjab | AA+ | A1+ | PACRA | 306,550,561 | 2,002,239 |
| MCB Bank Limited | AAA | A1+ | PACRA | 186,564,615 | 6,012,292 |
| United Bank Limited | AAA | A1+ | JCR-VIS | 94,813,221 | 13,420,565 |
| Bank Al Habib Limited | AAA | A+ | PACRA | 34,235,433 | 278,686 |
| Askari Bank Limited | AA+ | A1+ | PACRA | 32,677,772 | 39,718 |
| Habib Bank Limited | AAA | A1+ | JCR-VIS | 29,324,280 | 93,454,201 |
| Allied Bank Limited | AAA | A1+ | PACRA | 14,951,134 | 94,514 |
| Faysal Bank Limited | AA | A1+ | JCR-VIS | 7,928,029 | 1,401,461 |
| Bank Alfalah Limited | AA+ | A1+ | PACRA | 7,727,320 | 284,397 |
| National Bank of Pakistan | AAA | A1+ | VIS | 965,984 | 1,357,305 |
| Habib Metropolitan Bank Limited | AA+ | A1+ | PACRA | 722,994 | - |
| Sindh Bank Limited | AA- | A1+ | JCR-VIS | 265,912 | 200,850 |
| The Bank of Khyber | A+ | A1 | JCR-VIS | 129,736 | 7,042 |
| Summit Bank Limited | BBB- | A-3 | JCR-VIS | 42,289 | 42,648 |
| Soneri Bank Limited | AA- | A+ | PACRA | 46,906 | 66,348 |
| The First Microfinance Bank Limited | A+ | A1 | JCR-VIS | 34,705 | 37,976 |
| JS Bank Limited | AA | A1+ | PACRA | 67,114 | 795,456 |
| Silk Bank Limited | A- | A2 | JCR-VIS | 20,448 | 20,448 |
| NRSP Microfinance Bank | | | | 11,547 | 754,056 |
| | | | | 716,357,006 | 120,993,196 |
| Islamic | | | | | |
| Meezan Bank Limited | AAA | A1+ | JCR-VIS | 85,598,023 | 30,084,181 |
| Bank Islamic (Pakistan) Limited | AA- | A1 | PACRA | 32,682,114 | 149,075 |
| National Bank of Pakistan | AAA | A1+ | PACRA | 23,699,587 | 7,925,339 |
| Askari Bank Limited | AA+ | A1+ | PACRA | 16,230,729 | 1,742,402 |
| Bank Alfalah Limited | AA+ | A1+ | PACRA | 11,648,514 | 8,176,042 |
| MCB Islamic Bank Limited | A+ | A1 | PACRA | 122,259 | 92,812 |
| Albaraka Bank (Pakistan) Limited | A+ | A+ | JCR-VIS | 47,573 | 1,108,971 |
| Al Baraka Bank (Pakistan) Limited (Formally Burj Bank Limited) | BBB+ | A2 | PACRA | 20,016 | 20,016 |
| Faysal Bank Limited | AA | A1+ | PACRA | 27,160 | 8,433 |
| Dubai Islamic Bank (Pakistan) Limited | AA | A1+ | JCR-VIS | 84,001 | 1,118,573 |
| Bank Makramah Limited | N/A | N/A | PACRA | 32,721 | 20,819 |
| NRSP Microfinance Bank | A- | A2 | PACRA | 63,775 | 67,117 |
| | | | | 170,256,472 | 50,513,780 |
| | | | | 886,613,478 | 171,506,976 |
| Other financial assets | | | | | |
| NBP Cash Plan II | N/A | N/A | MUFAP | 522,951 | - |
| MCB Pakistan Cash Management Fund | AA-(f) | AA-(f) | MUFAP | 523,311 | - |
| | | | | 1,046,262 | - |

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

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Advances, deposits and other receivables

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

50.2.2 Liquidity risk

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

| | 2024 | | | | |
|---|-----------------------|------------------------|-----------------------|-----------------------|----------------------|
| | Carrying amount | Contractual cash flows | One year or less | One to five years | More than five years |
| | Rupees | | | | |
| Non-derivative financial liabilities | | | | | |
| Long term finances – secured | 6,980,799,196 | 12,325,068,552 | 1,189,209,123 | 8,828,321,744 | 2,307,537,685 |
| Short term borrowings | 31,412,451,079 | 37,026,819,701 | 37,026,819,701 | – | – |
| Lease liabilities | 3,341,621,871 | 4,185,886,075 | 1,681,946,093 | 2,503,939,982 | – |
| Accrued profit / interest / mark-up | 2,114,320,468 | 2,114,320,468 | 2,114,320,468 | – | – |
| Trade and other payables | 1,289,348,048 | 1,289,348,048 | 1,289,348,048 | – | – |
| Unclaimed dividend | 60,343,112 | 60,343,112 | 60,343,112 | – | – |
| | <u>45,198,883,774</u> | <u>57,001,785,956</u> | <u>43,361,986,545</u> | <u>11,332,261,726</u> | <u>2,307,537,685</u> |
| | | | | | |
| | 2023 | | | | |
| | Carrying amount | Contractual cash flows | One year or less | One to five years | More than five years |
| | Rupees | | | | |
| Non-derivative financial liabilities | | | | | |
| Long term finances – secured | 6,430,180,003 | 6,550,033,141 | 6,550,033,141 | – | – |
| Short term borrowings | 6,292,529,027 | 9,128,556,091 | 9,128,556,091 | – | – |
| Lease liabilities | 2,883,509,553 | 3,576,228,229 | 1,288,024,352 | 2,288,203,877 | – |
| Accrued profit / interest / mark-up | 576,851,539 | 576,851,539 | 576,851,539 | – | – |
| Trade and other payables | 1,683,141,725 | 1,683,141,725 | 1,683,141,725 | – | – |
| Unclaimed dividend | 52,850,040 | 52,850,040 | 52,850,040 | – | – |
| | <u>17,919,061,887</u> | <u>21,567,660,765</u> | <u>19,279,456,888</u> | <u>2,288,203,877</u> | <u>–</u> |

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

50.2.3 Market risk

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

i) Foreign currency risk

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

Financial liabilities of the Group include Rs. nil (2023: Rs. 13.06 million) in foreign currencies which are subject to currency risk exposure. The Group believes that the foreign exchange risk exposure on financial assets and liabilities is immaterial.

Foreign currency risk management

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

ii) Interest rate risk

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

| Non-derivative financial instruments | Note | 2024 | | 2023 | |
|--------------------------------------|------|-----------------|---------------------|-----------------|---------------------|
| | | Financial asset | Financial liability | Financial asset | Financial liability |
| | | Rupees | Rupees | Rupees | Rupees |
| Fixed rate instruments: | | | | | |
| Lease liabilities | | – | 2,767,696,518 | – | 2,200,097,617 |
| Variable rate instruments: | | | | | |
| Long term finances – secured | 9 | – | 7,087,554,440 | – | 6,430,180,003 |
| Lease liabilities | | – | 573,925,353 | – | 683,411,936 |
| Short term borrowings | 13 | – | 31,412,451,079 | – | 6,292,529,027 |
| Cash at bank | 33.1 | 271,387,660 | – | 3,005,766 | – |
| | | 271,387,660 | 39,073,930,872 | 3,005,766 | 13,406,120,966 |
| Net exposure | | | 38,802,543,212 | | 13,403,115,200 |

Fair value sensitivity analysis for fixed-rate instruments

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

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Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit for the year by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2023.

| Profit or loss (100 bps) | | | |
|--------------------------|-------------|---------------|-------------|
| 2024 | | 2023 | |
| Increase | Decrease | Increase | Decrease |
| Rupees | | | |
| (388,025,432) | 388,025,432 | (134,039,364) | 134,039,364 |

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

Interest rate risk management

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

iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group is exposed to equity price risk, which arises from investment in mutual funds units and measured at fair value through profit or loss. The Group believes that the market price risk exposure on these financial assets is immaterial.

50.3 Fair value measurements of financial instruments

Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Fair value measurement

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

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

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

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

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

Fair value hierarchy

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

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

| | Level 1 | Level 2 | Level 3 |
|--|-----------|---------|---------------|
| | Rupees | Rupees | Rupees |
| Recurring fair value measurements as at 30 September 2024 | | | |
| Non-financial assets: | | | |
| Biological assets | - | - | 3,649,324,613 |
| Financial assets: | | | |
| Investment in mutual funds | 1,046,265 | - | - |
| Recurring fair value measurements as at 30 September 2023 | | | |
| Non-financial assets: | | | |
| Biological assets | - | - | 3,605,862,039 |

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature and maturities, the carrying amounts of all the financial instruments except investment in mutual funds units, reflected in these consolidated financial statements are a reasonable approximate their fair value. Long & short term investments are carried at cost less accumulated impairment loss and biological assets are measured at fair value less costs to sell.

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

Valuation techniques used to determine fair values

Specific valuation technique used to value financial instruments is the use of Net Asset Value (NAV) of respective Asset Management Group for investment in mutual funds and classified in level 1 while details of the valuation techniques, reconciliation and significant unobservable inputs related to determining the fair value of biological assets, which are classified in level 3 of the fair value hierarchy, refer to note 27.

51. CAPITAL MANAGEMENT

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

The Group's objectives when managing capital are:

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

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

The Group's strategy is to ensure compliance with the Prudential Regulations issued by the State Bank of Pakistan and is in accordance with agreements executed with financial institutions so that the total borrowings to equity ratio does not exceed the lender covenants. The total borrowings to equity ratio as at 30 September 2024 and 2023 are as follows:

| | 2024 Rupees | 2023 Rupees |
|------------------------------|----------------|----------------|
| Total debt | 41,081,496,096 | 13,982,972,505 |
| Less: cash and bank balances | (898,514,143) | (183,791,476) |
| Net debt | 40,182,981,953 | 13,799,181,029 |
| Total equity | 30,516,786,405 | 18,901,207,994 |
| Total capital employed | 70,699,768,358 | 32,700,389,023 |
| Gearing ratio | 57% | 42% |

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

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

52. TRANSACTIONS WITH RELATED PARTIES

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

| Name of company | Relationship | Nature of transactions | 2024 Rupees | 2023 Rupees |
|--|--|---|----------------|----------------|
| JK Sugar Mills (Pvt) Limited (Formerly Shamim & Co. (Pvt.) Ltd) | Associated Company (Common directorship) | Sale of sugar | 745,792,000 | – |
| | | Receipt against sale of sugar | 745,792,000 | – |
| JDW Aviation (Pvt.) Limited | Associated Company (Common directorship) | Reimbursement of expenses | 4,020,000 | 4,100,358 |
| Lahore Flying Club (Guarantee) Limited | Associated Company (Related party) | Services rendered against aircraft hangar | – | 229,067 |
| Post employment benefit plans | Other related party | Provident fund contribution | 408,326,596 | 372,540,799 |
| | | Contribution to recognised gratuity fund | – | 123,996,268 |
| | | Benefits paid on behalf of the gratuity fund | 502,581 | – |
| | | Short term advances received | 550,000,000 | – |
| | | Short term advances paid | 550,000,000 | – |
| | | Mark-up paid on short term advances | 5,178,640 | – |
| | | Shares purchased | – | 310,725,789 |
| | | Loan recoveries | 47,173,585 | 56,224,213 |
| Key management personnel | Key management | Dividend paid | 1,250,853,335 | 1,250,245,913 |
| Syed Mustafa Mehmud | Non - Executive Director | Purchase of sugarcane | 5,173,226 | 5,209,802 |

52.1 Detail of compensation to Chief Executive, Executive Directors, Non-Executive Directors and Executives are disclosed in note 49.

52.2 There is no outstanding balance as at 30 September 2024 in respect of above transactions except as disclosed in respective notes to these consolidated financial statements.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

| | Capacity Tons | 2024 Tons | 2023 Tons |
|------------------------------------|------------------|--------------|--------------|
| 53. CAPACITY AND PRODUCTION | | | |
| Sugar | | | |
| Holding Company | | | |
| Unit I | | | |
| - Crushing capacity per day | 35,000 | | |
| - Sugarcane crushed | | 2,791,792 | 2,698,673 |
| - Actual production | | 292,721 | 303,372 |
| Unit II | | | |
| - Crushing capacity per day | 22,000 | | |
| - Sugarcane crushed | | 2,190,916 | 2,003,727 |
| - Actual production | | 225,211 | 212,016 |
| Unit III | | | |
| - Crushing capacity per day | 14,000 | | |
| - Sugarcane crushed | | 2,136,832 | 1,724,264 |
| - Actual production | | 225,866 | 179,585 |
| Subsidiary Company – DSML: | | | |
| - Crushing capacity per day | 13,000 | | |
| - Sugarcane crushed | | 1,694,259 | 1,585,515 |
| - Actual production | | 177,720 | 165,410 |

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

| | 2024 Mwh | 2023 Mwh |
|---|-------------|-------------|
| Co – Generation Power | | |
| Unit II | | |
| - Installed capacity (based on 8,760 hours) | 233,016 | 233,016 |
| - Energy generated | 206,785 | 203,339 |
| - Energy delivered | 182,445 | 180,354 |
| Unit III | | |
| - Installed capacity (based on 8,760 hours) | 235,031 | 235,031 |
| - Energy generated | 195,774 | 217,161 |
| - Energy delivered | 171,688 | 190,569 |

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

| Corporate Farms | 2024 | | 2023 | |
|-------------------------------------|----------------|--------------|----------------|--------------|
| | Zones | Acres/Maunds | Zones | Acres/Maunds |
| Sugarcane crop | | | | |
| - Land (Acres) | Punjab & Sindh | 26,380 | Punjab & Sindh | 25,694 |
| - Land used for cultivation (Acres) | Punjab & Sindh | 19,873 | Punjab & Sindh | 19,166 |
| - Crop harvested (Maunds) | Punjab & Sindh | 19,486,849 | Punjab & Sindh | 14,071,232 |

53.3 The Holding Company has also harvested 48,980 Maunds of wheat (2023: 34,387 Maunds), 874 Maunds of Rice (2023: Nil Maunds) and 6,264 Maunds of Mustard (2023: 3,513 Maunds) during the year.

54. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

2024

| | Equity | | | Liabilities | | | | |
|--|--------------------|---------------|--------------------|------------------------------|-------------------|-----------------------|-------------------------------------|--|
| | Accumulated profit | Share capital | Unclaimed dividend | Long term finances - secured | Lease liabilities | Short term borrowings | Accrued profit / interest / mark-up | |
| | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | |
| Balance as at 01 October 2023 | 17,645,124,456 | 577,766,610 | 52,850,040 | 6,430,180,003 | 2,883,509,553 | 6,292,529,027 | 576,851,539 | |
| Changes from financing cash flows: | | | | | | | | |
| Loans received during the year | - | - | - | 6,616,207,775 | - | 212,044,341,800 | - | |
| Principal portion of lease liabilities paid | - | - | - | - | (1,035,360,409) | - | - | |
| Dividend paid | (2,011,161,157) | - | (3,528,906) | - | - | - | - | |
| Interest paid during the year | - | - | - | - | - | - | (7,493,192,370) | |
| Transaction cost paid | - | - | - | (111,000,000) | - | - | - | |
| Loan repaid during the year | - | - | - | (6,430,180,003) | - | (187,978,122,932) | - | |
| | (2,011,161,157) | - | (3,528,906) | 75,027,772 | (1,035,360,409) | 24,066,218,868 | (7,493,192,370) | |
| Other changes - liability related: | | | | | | | | |
| Interest for the year | - | - | - | - | - | - | 9,034,906,055 | |
| Addition in lease liabilities | - | - | - | - | 1,848,066,657 | - | - | |
| Total comprehensive income for the year | 13,637,761,546 | - | - | - | - | - | - | |
| Increase in short term finances | - | - | - | - | - | 1,053,703,184 | - | |
| Amortization of transaction cost | - | - | - | 4,244,756 | - | - | (4,244,756) | |
| Exchange difference | - | - | - | - | (372,800) | - | - | |
| Others | (11,021,978) | - | 11,021,978 | 471,346,665 | (354,221,130) | - | - | |
| Total liability-related other changes | 13,626,739,568 | - | 11,021,978 | 475,591,421 | 1,493,472,727 | 1,053,703,184 | 9,030,661,299 | |
| Balance as at 30 September 2024 | 29,260,702,867 | 577,766,610 | 60,343,112 | 6,980,799,196 | 3,341,621,871 | 31,412,451,079 | 2,114,320,468 | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

2023

| | Equity | | Liabilities | | | | Accrued profit / interest / mark-up |
|--|--------------------|---------------|--------------------|------------------------------|-------------------|-----------------------|-------------------------------------|
| | Accumulated profit | Share capital | Unclaimed dividend | Long term finances - secured | Lease liabilities | Short term borrowings | |
| | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| Balance as at 01 October 2022 | 17,521,680,614 | 597,766,610 | 40,640,932 | 11,295,439,200 | 2,622,898,383 | 14,830,264,117 | 1,043,339,635 |
| Changes from financing cash flows | | | | | | | |
| Loans received during the year | - | - | - | - | - | 169,529,557,594 | - |
| Principal portion of lease liabilities paid | - | - | - | - | (953,006,386) | - | - |
| Dividend paid | (2,154,242,100) | - | (173,580) | - | - | - | - |
| Interest paid during the year | - | - | - | - | - | - | (6,440,758,912) |
| Loan repaid during the year | - | - | - | (4,900,672,568) | - | (178,352,496,615) | - |
| Own shares purchased and cancelled during the year | (872,206,128) | (20,000,000) | - | - | - | - | - |
| | (3,026,448,228) | (20,000,000) | (173,580) | (4,900,672,568) | (953,006,386) | (8,822,939,021) | (6,440,758,912) |
| Other changes - liability related | | | | | | | |
| Interest for the year | - | - | - | - | - | - | 6,009,684,187 |
| Addition in lease liabilities | - | - | - | - | 1,232,655,403 | - | - |
| Total comprehensive income for the year | 3,162,274,758 | - | - | - | - | - | - |
| Increase in short term finances | - | - | - | - | - | 285,203,931 | - |
| Amortization of transaction cost | - | - | - | 35,413,371 | - | - | (35,413,371) |
| Exchange difference | - | - | - | - | 5,746,280 | - | - |
| Others | (12,382,688) | - | 12,382,688 | - | (24,784,127) | - | - |
| Total liability-related other changes | 3,149,892,070 | - | 12,382,688 | 35,413,371 | 1,213,617,556 | 285,203,931 | 5,974,270,816 |
| Balance as at 30 September 2023 | 17,645,124,456 | 577,766,610 | 52,850,040 | 6,430,180,003 | 2,883,509,563 | 6,292,529,027 | 576,851,539 |

55. NUMBER OF EMPLOYEES

The average and total number of employees are as follows:

| | 2024 Number | 2023 Number |
|--|----------------|----------------|
| Average number of employees during the year | 9,026 | 9,285 |
| Total number of employees as at 30 September | 6,711 | 6,733 |

56. DATE OF AUTHORIZATION FOR ISSUE

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

57. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on 03 January 2025 has proposed final cash dividend for the year ended 30 September 2024 of Rs. 30 (2023: Rs. 15) per share amounting to Rs. 1,733.30 million (2023: Rs. 866.65 million) subject to the approval of the Holding Company in the forthcoming annual general meeting. These financial statements do not include the effect of the above which will be accounted for in the year in which it is approved.

58. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever considered necessary, for the purposes of comparison and better presentation to comply with the requirements of the accounting and reporting standards as applicable in Pakistan, however, no significant re-arrangements and reclassification have been made during the year.



06

SHAREHOLDERS' INFORMATION

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NOTICE OF 35TH ANNUAL GENERAL MEETING

Notice is hereby given that the 35th Annual General Meeting (the “AGM”) of JDW Sugar Mills Limited (the “Company”) will be held at Summit Hall, Royal Palm Golf & Country Club, 52-Canal Bank Road, Lahore on Tuesday, January 28, 2025 at 10:00 a.m., to transact the following business:

Ordinary Business:

1. To confirm the minutes of the last Extra-Ordinary General Meeting of the Company held on November 01, 2024.
2. To receive, consider and adopt the Audited Un-Consolidated and Consolidated Financial Statements of the Company for the financial year ended on September 30, 2024 together with Chairman’s Review, Directors’ and Auditors’ Reports thereon.

The Financial Statements of the Company for the financial year ended September 30, 2024, have been made available on the Company’s official website i.e., www.jdw-group.com and can be accessed or downloaded via the Web-Link or QR code provided below:

| Web-Link | QR Code |
|---|--|
| http://www.jdw-group.com/Reports/JDWAnnualReport30Sep2024.pdf |  |



3. To approve payment of Final Cash Dividend @ Rs. 30/- (300%) per share, as recommended by the Board on January 03, 2025 in addition to interim cash dividend of Rs. 20/- (200%) per share already disbursed, totaling to Rs. 50/- (500%) for the financial year ended on September 30, 2024, i.e., Rs. 37/- (370%) per share from Sugar Division and Rs. 13/- (130%) per share from Power Division.
4. To appoint Statutory Auditors of the Company for the next financial year ending on September 30, 2025 and to fix their remuneration. The Board, based on the recommendation of the Audit Committee, has recommended the re-appointment of retiring Auditors M/s Riaz Ahmad, Saqib, Gohar & Company, Chartered Accountants, who being eligible, have offered themselves for re-appointment as Statutory Auditors of the Company.
5. To transact any other business with permission of the Chair.

By Order of the Board

January 06, 2025

Lahore

(Maqsood Ahmad Malhi)

Company Secretary & Legal Head



NOTES:

A. General

- i) All members are entitled to attend and vote at AGM.
- ii) The share transfer books of the Company will remain closed from **Wednesday, January 22, 2025 to Tuesday, January 28, 2025** (both days inclusive). Transfers received in order at the Company's Registered Office or Corplink (Private) Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore (the **"Shares' Registrar"**) by the close of business on Tuesday, January 21, 2025, will be treated in time and may be considered for dividend entitlement, exercising voting rights etc.
- iii) Members are requested to promptly submit to the Shares' Registrar / Company / their Participant (if applicable):
 - a) any change in their contact details/address;
 - b) IBAN under Section 242 of the Companies Act, 2017 (the **"Act"**) through Mandate Form available at www.jdw-group.com;
 - c) Valid Tax Exemption Certificate; and
 - d) Form CZ-50 (Non-deduction of Zakat).
- iv) Members, who by any reason, could not claim their dividends/shares, if any, are advised to contact Company's Shares Registrar to collect/inquire about their unclaimed dividends/shares.

- v) Members, who hold physical shares, are advised to convert their shares into CDC in terms of Section 72 of the Act.
- vi) In terms of Section 132(2)/134(1)(b) of the Act and GoP/SECP guidelines issued from time to time, the Company has put in place necessary arrangements for virtual participation of members in the AGM. Interested members may contact to maqsoodmalhi@jdw-group.com along with their identification at least two (02) days before the AGM.

B. Circulation of Financial Statements through Web-Link / QR Code / Email

- i) In accordance with Section 223 of the Act, S.R.O. 389(1)/2023 dated March 21, 2023 and members approval dated January 27, 2024, the financial statements of the Company have been uploaded on the website of the Company which can also be downloaded from the Web-Link and QR enabled code provided in this notice.
- ii) Members who wish to obtain a printed copy of the financial statements may submit a written request to the Company Secretary. The printed copy will be sent through courier to the member's registered address free of charge within one week of receiving the request.
- iii) Annual audited financial statements shall also be circulated via email to the members.

C. For Attending the AGM and Identification

- i) In case of individual: Original Computerized National Identity Card or Passport be shown for Identification.
- ii) In case of Corporate Entity: The original Board Resolution/Power of Attorney with specimen signature of the representative be shown for identification.

D. For Appointing the Proxies

- i) Members entitled to attend and vote at the AGM may appoint a proxy/nominee in writing to attend the AGM and vote on their behalf. Duly completed Proxy Form / Authorization must be deposited with the Company at its Registered office not later than 48 hours before the scheduled AGM time. Proxy Form / Authorization must be complete/valid and accompanied with following:
 - a) Witnessed by two persons
 - b) Attested copies of CNIC or passport of Member and proxy
- ii) The Proxy Holder shall produce his/her original CNIC or Passport at the time of AGM.

E. Proportionate shareholding of Joint Shareholders

Proportionate shareholding of joint shareholders shall be treated (50:50) unless they update their proportionate of shareholding otherwise.

مندرجات:

A- عمومی امور

- (i) تمام اراکین سالانہ اجلاس عام ("AGM") میں شرکت اور رائے شماری کے اہل ہیں۔
- (ii) کمپنی کے شیئر ٹرانسفر کھاتہ جات بروز بدھ 22 جنوری 2025ء سے بروز منگل 28 جنوری 2025ء تک (بشمول دونوں ایام) بند رہیں گی۔ بروز منگل 21 جنوری 2025ء کو کاروبار بند ہونے تک کمپنی کے رجسٹرڈ آفس یا کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، 1-K سمرشل، ماڈل ٹاؤن لاہور (شیئر رجسٹرار) کو موصول ٹرانسفرز کو بروقت وصولی شمار کیا جائے گا اور انہیں ڈیوڈنڈ وصول کرنے اور AGM میں رائے شماری کا حق حاصل ہوگا۔
- (iii) اراکین سے درخواست ہے کہ وہ شیئر رجسٹرار/کمپنی/متعلقہ بروکرز کو فوراً مندرجہ ذیل تفصیلات فراہم کریں:

(a) اپنی رابطہ کی تفصیلات/پتہ میں تبدیلی

(b) IBAN زبردفعہ 242 کھینبرا ایکٹ 2017ء ("ایکٹ") بذریعہ مینڈیٹ فارم جو کہ کمپنی کی ویب سائٹ پر دستیاب ہے

(c) CZ-50 فارم (زکوٰۃ سے مستثنیٰ)

(iv) ایسے اراکین جو کسی وجہ سے اپنے گزشتہ منافع منقسمہ/حصص (اگر کوئی ہے) حاصل نہیں کر سکتے تو ان سے گزارش ہے کہ وہ کمپنی کے شیئر رجسٹرار سے رابطہ کر کے ان کی وصولی سے متعلق معلومات حاصل کریں۔

(v) ایکٹ کے سیکشن 134(1)/132(2) اور حکومت پاکستان/SECP کی ہمہ وقت جاری کردہ ہدایات کے مطابق کمپنی نے AGM میں فاصلاتی (virtual) شرکت کے لئے ضروری انتظامات کئے ہیں۔ دلچسپی رکھنے والے اراکین AGM کے انعقاد سے دو (02) ایام قبل اپنے شناختی/رائے کے ساتھ maqsoodmalhi@jdw-group.com سے رابطہ کر سکتے ہیں۔

B. AGM میں شرکت اور شناخت کے لئے

- (i) فرد واحد کی صورت میں: اصلی کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ شناخت کے لئے پیش کیا جائے۔
- (ii) ادارے کی صورت میں: بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نمائندے کے نمونہ دستخط شناخت کے لئے پیش کئے جائیں۔

C. پراکسیز کی تقرری کے لئے

- (i) AGM میں شرکت اور رائے شماری کے اہل اراکین اپنی جگہ AGM میں شرکت اور رائے شماری کے لئے تحریری طور پر پراکسی/نمائندہ مقرر کر سکتے ہیں۔ باقاعدہ مکمل پراکسی فارم AGM کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس یا شیئر رجسٹرار کو لازماً جمع کرایا جائے۔ پراکسی فارم مکمل پُر شدہ/کارآمد ہونا چاہئے اور مندرجہ ذیل ساتھ منسلک ہونے چاہئیں:

(a) دو افراد سے گواہ شدہ

(b) رکن اور پراکسی/نمائندے کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول

(ii) پراکسی کا حامل فرد میننگ کے وقت اپنا اصل شناختی کارڈ یا پاسپورٹ پیش کرے گا۔

D. CDC کا وٹ میں فزیکل حصص کی تبدیلی

فزیکل حصص کے مالک اراکین کو اپنے حصص ایکٹ کے سیکشن 72 کے تحت CDC میں تبدیل کرنے کی تجویز دی جاتی ہے۔

E. شیئر ہولڈنگ تناسب کی تجدید

اپنی شیئر ہولڈنگ کی تناسب کی تجدید نہ کرانے والے مشترکہ شیئر ہولڈرز کی متناسب شیئر ہولڈنگ کو (50:50) کا تناسب شمار کیا جائے گا۔

F. پرنٹ شدہ کاپی

اگر کوئی ممبر مذکورہ مالیاتی گوشواروں کی پرنٹ شدہ کاپی حاصل کرنے کا خواہاں ہو تو کمپنی سیکرٹری کو تحریری طور پر کہہ سکتا ہے کہ پرنٹ شدہ کاپی بذریعہ ڈاک ممبر کے رجسٹرڈ پتے پر بھیجی جائے۔ پرنٹ شدہ کاپی درخواست موصول ہونے کے ایک ہفتے کے اندر بلا معاوضہ ارسال کر دی جائے گی۔

نوٹس برائے 35 واں سالانہ اجلاس عام

جے ڈی ڈبلیو شوگر ملز لمیٹڈ

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ جے ڈی ڈبلیو شوگر ملز لمیٹڈ ("کمپنی") کا 35 واں سالانہ اجلاس عام سمٹ ہال، رائل پام گولف اینڈ کسٹری کلب، 52- کینال بینک روڈ، لاہور میں بروز منگل 28 جنوری 2025ء کو صبح 10:00 بجے درج ذیل اُمور کی انجام دہی کے لئے منعقد ہوگا۔

عمومی اُمور:

1. 01 نومبر 2024ء کو منعقدہ گذشتہ غیر معمولی اجلاس عام کی کارروائی کی توثیق کرنا۔
 2. 30 ستمبر 2024ء کے مالی سال کے لئے کمپنی کے سالانہ آڈٹ شدہ انفرادی اور مشترکہ گوشوارے مع اعلان پرچیز مین، ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور منظور کرنا۔
- نوٹ:
- 30 ستمبر 2024ء کو ختم ہونے والے مالی سال کے لئے کمپنی کے مالیاتی گوشواروں کو کمپنی کی آفیشل ویب سائٹ یعنی www.jdw-group.com پر دستیاب کر دیا گیا ہے اور ذیل میں فراہم کردہ ویب لنک یا QR کوڈ کے ذریعے ڈاؤن لوڈ کیا جاسکتا ہے۔

| Web-Link | QR Code |
|---|---|
| http://www.jdw-group.com/Reports/JDWSAnnualReport30Sep2024.pdf |  |

3. سال مختتمہ بابت 30 ستمبر 2024ء کے لئے بورڈ آف ڈائریکٹرز کی جانب سے 03 جنوری 2025ء کو سفارش کردہ حتمی نقد منافع منقسمہ بابت مبلغ -30 روپے (300%) فی حصص بمعدہ عبوری نقد منافع منقسمہ مبلغ -20 روپے (200%) فی حصص پہلے ہی ادا کیا جا چکا ہے جس سے کل منافع سال مختتمہ 30 ستمبر 2024ء کے لئے مبلغ -50 روپے (500%) ہوگا کی منظوری۔
4. اگلے مالی سال 2024-2025 کیلئے کمپنی کے آڈیٹرز کا تقرر اور ان کے معاوضے طے کرنا۔ سبکدوش ہونے والے آڈیٹرز میسرز ریاض احمد، ثاقب، گوہرا اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے کمپنی کے آڈیٹرز کے طور پر دوبارہ تقرری کے لئے خود کو پیش کیا ہے اور بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارشات کی بنیاد پر ان کی دوبارہ تقرری کی سفارش کی ہے۔
5. صاحب صدر کی اجازت سے دیگر امور پر کارروائی کرنا۔

بجلم بورڈ

بہ مقام: لاہور

مورخہ: 06 جنوری 2025ء

(مقتصد احمد ملہی)

(کمپنی سیکریٹری/ایگنل ہڈ)

PATTERN OF SHAREHOLDING

The Companies Act, 2017 {Section 227(2)(f)}

1.1 Name of the Company

JDW Sugar Mills Limited

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

30-09-2024

| 2.2 | No. of Shareholders | Shareholdings | | Total Shares Held |
|-----|---------------------|---------------|------------|-------------------|
| | | From | To | |
| | 475 | 1 | 100 | 10,510 |
| | 404 | 101 | 500 | 126,001 |
| | 77 | 501 | 1,000 | 58,978 |
| | 256 | 1,001 | 5,000 | 400,131 |
| | 12 | 5,001 | 10,000 | 80,016 |
| | 7 | 10,001 | 15,000 | 92,364 |
| | 3 | 15,001 | 20,000 | 55,600 |
| | 8 | 20,001 | 25,000 | 182,150 |
| | 4 | 25,001 | 30,000 | 111,842 |
| | 2 | 30,001 | 35,000 | 61,396 |
| | 2 | 35,001 | 40,000 | 75,014 |
| | 1 | 45,001 | 50,000 | 48,494 |
| | 2 | 50,001 | 55,000 | 109,311 |
| | 1 | 60,001 | 65,000 | 62,700 |
| | 1 | 85,001 | 90,000 | 90,000 |
| | 1 | 650,001 | 655,000 | 651,864 |
| | 1 | 700,001 | 705,000 | 705,000 |
| | 1 | 905,001 | 910,000 | 907,923 |
| | 1 | 1,030,001 | 1,035,000 | 1,032,000 |
| | 1 | 2,120,001 | 2,125,000 | 2,123,648 |
| | 1 | 2,140,001 | 2,145,000 | 2,143,648 |
| | 1 | 2,215,001 | 2,220,000 | 2,216,145 |
| | 1 | 2,955,001 | 2,960,000 | 2,957,342 |
| | 1 | 4,435,001 | 4,440,000 | 4,437,381 |
| | 1 | 8,135,001 | 8,140,000 | 8,136,988 |
| | 1 | 11,520,001 | 11,525,000 | 11,524,932 |
| | 1 | 19,375,001 | 19,380,000 | 19,375,283 |
| | 1,267 | | | 57,776,661 |

| 2.3 Categories of shareholders | Share held | Percentage |
|---|-------------------|-------------------|
| 2.3.1 Directors, Chief Executive Officer, and their spouse and minor children | 31,588,575 | 54.6736% |
| 2.3.2 Associated Companies, undertakings and related parties (Parent Company) | – | 0.0000% |
| 2.3.3 NIT and ICP | 18,150 | 0.0314% |
| 2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions. | 15,036 | 0.0260% |
| 2.3.5 Insurance Companies | – | 0.0000% |
| 2.3.6 Modarabas and Mutual Funds | 6,100 | 0.0106% |
| 2.3.7 Shareholders holding 10% or more | 41,994,545 | 72.6843% |
| 2.3.8 General Public | | |
| a. Local | 24,357,059 | 42.1573% |
| b. Foreign | – | 0.0000% |
| 2.3.9 Others (to be specified) | | |
| - Joint Stock Companies | 992,353 | 1.7176% |
| - Investment Companies | 2,085 | 0.0036% |
| - Foreign Companies | 37,803 | 0.0654% |
| - Others | 759,500 | 1.3145% |



CATEGORIES OF SHAREHOLDING

As on September 30, 2024

| Sr. No. | Name | No. of Shares Held | Percentage |
|--|--|-----------------------|-------------------|
| Associated Companies, Undertakings and Related Parties: | | – | – |
| Mutual Funds: | | – | – |
| Directors, CEO and their Spouse and Minor Children: | | | |
| 1 | Mr. Jahangir Khan Tareen | 11,524,932 | 19.9474% |
| 2 | Makhdoom Syed Ahmad Mahmud | 19,375,283 | 33.5348% |
| 3 | Mrs. Samira Mahmud | 651,864 | 1.1282% |
| 4 | Mr. Ijaz Ahmed | 2,429 | 0.0042% |
| 5 | Mr. Asim Nisar Bajwa | 1,421 | 0.0025% |
| 6 | Mr. Raheal Masud (CEO) | 500 | 0.0009% |
| 7 | Mr. Zafar Iqbal | 500 | 0.0009% |
| 8 | Syed Mustafa Mehmud | 500 | 0.0009% |
| 9 | Mrs. Amina Tareen W/O Mr. Jahangir Khan Tareen | 31,146 | 0.0539% |
| Executives: | | 1,032,005 | 1.7862% |
| Public Sector Companies & Corporations: | | – | – |
| Banks, Development Finance Institutions, Non Banking Finance Intitutions, Insurance Companies and Modarabas: | | | |
| | | 21,136 | 0.0366% |
| Shareholders holding five percent or more voting intrest | | | |
| 1 | Mr. Jahangir Khan Tareen | 11,524,932 | 19.9474% |
| 2 | Makhdoom Syed Ahmad Mahmud | 19,375,283 | 33.5348% |
| 3 | Mr. Ali Khan Tareen | 11,094,330 | 19.2021% |
| 4 | Rana Nasim Ahmed | 4,437,381 | 7.6802% |
| All trades in the shares of the listed company, carried out by its Directors, CEO, CFO, Company Secretary and their spouses and minor children: | | | |
| Sr. No. | Name | Addition through Gift | Purchase / (Sale) |
| 1 | Mr. Jahangir Khan Tareen | 3,000,000 | (124,080) |
| 2 | Makhdoom Syed Ahmad Mahmud | – | 124,080 |

Proxy Form

JDW SUGAR MILLS LIMITED

35th Annual General Meeting

Folio No./CDC A/c No. _____

I/We _____ of _____
in the district of _____ being a member/members of JDW Sugar Mills Limited
holding _____ shares of Rs.10 each, hereby appoint Mr./Ms. _____
of _____ failing him / her, _____
of _____ as my/our proxy to vote for me/us and on my/our behalf at the 35th Annual
General Meeting of the Company to be held on Tuesday, January 28, 2025 at 10:00 a.m. at Summit Hall, Royal Palm
Golf & Country Club, 52-Canal Bank Road, Lahore and at any adjournment thereof or of any ballot to be taken in
consequence thereof.

Signed this _____ day of January, 2025.

(Member's Signature)

Affix Revenue
stamp of Rs. 50/-

Witnesses:

| | | |
|------------|----------|----------|
| Signature: | 1. _____ | 2. _____ |
| Name: | _____ | _____ |
| CNIC: | _____ | _____ |
| Address: | _____ | _____ |

Note:

All Proxy Form, in order to be effective must be received at the Company's registered office not later than forty-eight (48) hours before the time fixed for holding the Annual General Meeting and must be duly stamped, signed and witnessed as required.



AFFIX
CORRECT
POSTAGE

The Company Secretary
JDW Sugar Mills Limited
Registered Office: 17- Abid Majeed Road,
Lahore Cantonment, Lahore Pakistan.

پراکسی فارم

جے ڈی ڈبلیو شوگر ملز لمیٹڈ کا 35 واں (پینتیسواں) سالانہ اجلاس عام

فولیو نمبر / اسی ڈی سی اکاؤنٹ نمبر: _____

میں / ہم _____ ساکن _____
ضلع _____ بحیثیت رکن جے ڈی ڈبلیو شوگر ملز لمیٹڈ حامل _____ عام حصص مبلغ 10 روپے ہر ایک شیئر،

مستی / مسماة _____ ساکن _____
یا اُس کی عدم موجودگی میں _____ کو بطور مختار (پراکسی) مقرر کرتا / کرتے ہیں تاکہ وہ میری / ہماری طرف سے کمپنی کے

35 واں سالانہ اجلاس عام جو کہ بتاریخ 28 جنوری، 2025، بروز منگل بوقت صبح 10:00 بجے بمقام سمٹ ہال، رائٹ پام گالف اینڈ کنٹری کلب، 52- کینال بیٹک روڈ،
لاہور میں منعقد ہو رہا ہے یا اس کے کسی ملتوی شدہ اجلاس میں حق رائے وہی استعمال کرے۔

آج مورخہ _____ جنوری 2025، کو میرے دستخط سے جاری ہوا۔

پچاس روپے کی
ریونیو ٹکٹ
چسپاں کریں

ممبر کے دستخط _____

گواہان:

دستخط: _____ -1 _____ -2

نام: _____

شناختی کارڈ نمبر: _____

پتہ: _____

نوٹ:

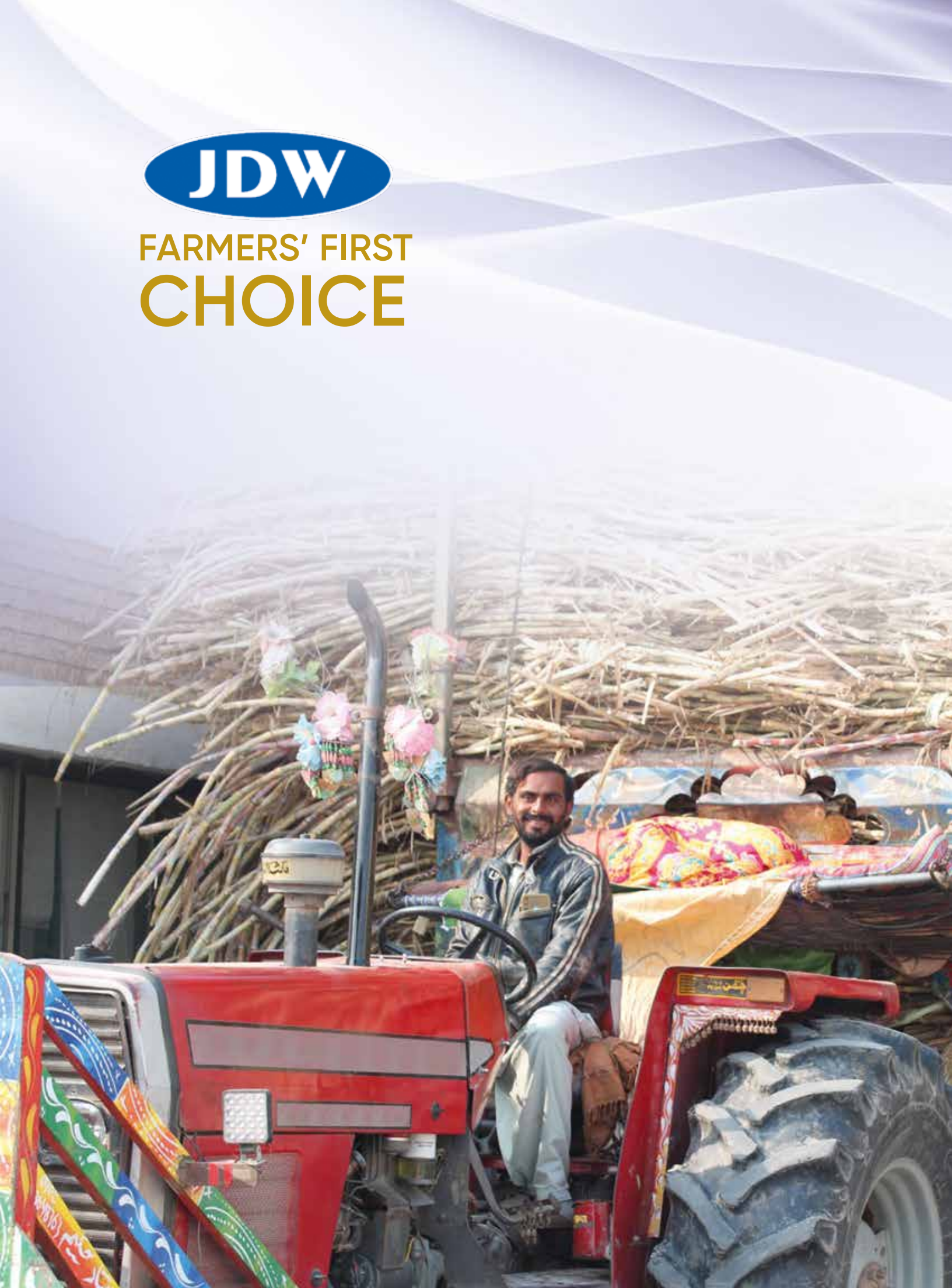
ہر لحاظ سے مکمل پراکسی فارم کمپنی کے رجسٹرڈ دفتر پر اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل لازماً جمع ہو جانا چاہیے۔

AFFIX
CORRECT
POSTAGE

The Company Secretary
JDW Sugar Mills Limited
Registered Office: 17- Abid Majeed Road,
Lahore Cantonment, Lahore Pakistan.



FARMERS' FIRST
CHOICE



•www.jdw-group.com



JDW Sugar Mills Limited

Head Office: 17-Abid Majeed Road,
Lahore Cantonment, Lahore Pakistan.