annual report

2023

CHASHMA SUGAR MILLS LIMITED

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CHASHMA SUGAR MILLS LIMITED

Company Profile

Chashma Sugar Mills Limited (the Company) was incorporated on May 05,1988 as a Public Company and its shares are quoted on Pakistan Stock Exchange. The Company is principally engaged in manufacturing and sale of white sugar and ethanol including the following:

a) The exclusive object for which the Company established is to set up and operate an industrial undertaking at, Dera Ismail Khan in the Khyber Pakhtoon Khawa province to manufacture, produce, process, compound, prepare and sell sugar and other allied compounds, intermediates and by products thereto.

b) To appoint agents, sub-agents, attorneys, consultants, brokers, and contractors and connection with the exclusive object but not to act as managing agents.

c) To receive money on loan and borrow or raise money in such manner as the Company shall think fit in pursuance of the exclusive object, and in particular by the issue of debentures, or debenture stock (perpetual or otherwise) and to secure the repayment of any money borrowed raised or owing by mortgage, charge or lien upon all or any of the property or assets of the Company (both present and future), and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company of any obligation undertaken by the Company or any other person or company as the case may be, but not to act as a finance or banking company.

d) To purchase and import equipment, machinery, spare parts, or other articles and chemicals of use required by the Company for the purpose of carrying on the exclusive object and to export the products of the Company.

e) To employ and remunerate managers and other officers, employees and servants of the Company or any person or firm or company rendering services to the Company upon such terms as the Company may determine.

f) To accept or give security, including but not limited to promissory notes, indemnity bonds, guarantees, assignments, receipts, bailments pledges, hypothecations, liens, mortgages and charges, against the credit extended or moneys borrowed in connection with the exclusive object of the Company.

g) To open, close and operate banking accounts of the Company with any bank or banks, financial institutions or co-operative societies and to draw, make, accept, endorse, discount, execute and issue promissory notes bills of exchange, bill of lading, warrants, debentures and other negotiable or transferable instruments, but not to act as a finance or banking Company.

h) Any other business as mentioned in the Memorandum of Association.

CHASHMA SUGAR MILLS LIMITED

COMPANY INFORMATION

Board of Directors

Begum Laila Sarfaraz	Chief Executive
Mr. Abbas Sarfaraz Khan	Chairman
Ms. Zarmine Sarfaraz	Director
Mr. Iskander M. Khan	Director
Mr. Abdul Qadar Khattak	Director
Ms. Mariam Ali Khan	Independent Director
Mr. Feisal Kemal Khan	Independent Director

Company Secretary

Mr. Mujahid Bashir

Chief Financial Officer

Mr. Rizwan Ullah Khan

Head of Internal Audit

Mr. Zaheer Mir

Auditors

M/s. A.F Ferguson & Co.
Chartered Accountants

Tax Consultants

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

Legal Advisor

Mr. Tariq Mehmood Khokhar
Barrister-at-Law, Advocate

Shares Registrar

M/s. Hameed Majeed Associates (Pvt.) Limited,
H.M. House, 7-Bank Square, Lahore.
Phone No. : 042-37235081 Fax No. : 042-37235083

Bankers

Bank Al-Habib Limited	Habib Bank Limited
The Bank of Khyber	National Bank of Pakistan
MCB Bank Limited	Soneri Bank Limited
The Bank of Punjab	Askari Bank Limited
Bank Al-Falah Limited	United Bank Limited
Dubai Islamic Bank (Pakistan) Limited	Meezan Bank Limited
Al-Baraka Bank (Pakistan) Limited	Habib Metropolitan Bank Limited
Allied Bank Limited	Samba Bank Limited

Management Committees

Executive Committee

Mr. Abbas Sarfaraz Khan (Executive Director)	Chairman
Mr. Iskander M. Khan (Non-Executive Director)	Member
Mr. Feisal Kemal Khan (Independent Director)	Member

Executive Committee is involved in day to day operations of the Company and is authorized to conduct every business except the businesses to be carried out by Board of Directors as required by section 196 of the Companies Ordinance, 1984. Executive Committee meets periodically to review operating performance of the Company against pre-defined objectives, commercial business decisions, investments and funding requirements.

Audit Committee

Ms. Mariam Ali Khan (Independent Director)	Chairman
Mr. Iskander M. Khan (Non-Executive Director)	Member
Mr. Abdul Qadir Khattak (Non-Executive Director)	Member
Mr. Mujahid Bashir	Secretary

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

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

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

b) review of annual and interim financial statements of the Company, prior to their approval by the Board of Directors, focusing on:
- major judgmental areas;
- significant adjustments resulting from the audit;
- going-concern assumption;
- any changes in accounting policies and practices;

- compliance with applicable accounting standards;
- compliance with these regulations and other statutory and regulatory requirements; and
- all related party transactions.

c) review of preliminary announcements of results prior to external communication and publication;

d) facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);

e) review of management letter issued by external auditors and management's response thereto;

f) ensuring coordination between the internal and external auditors of the Company;

g) review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;

h) consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;

i) ascertaining that the internal control system including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;

j) review of the Company's statement on internal control systems prior to endorsement by the board of directors and internal audit reports;

k) instituting special projects, value for money studies or other investigations on any matter specified by the board of directors, in consultation with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body;

l) determination of compliance with relevant statutory requirements;

m) monitoring compliance with these regulations and identification of significant violations thereof;

n) review of arrangement for staff and management to report to audit committee in confidence, concerns, if any about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;

o) recommend to the board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements. The board of directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof.

p) Consideration of any other issue or matter as may be assigned by the Board of Directors.

__Human Resource and Remuneration Committee__

Ms. Mariam Ali Khan (Independent Director)	Chairman
Mr. Abdul Qadir Khattak (Non-Executive Director)	Member
Mr. Iskander M. Khan (Non-Executive Director)	Member
Mr. Mujahid Bashir	Secretary

The Committee is responsible for:

i) recommend to the board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the board which shall normally include the first layer of management below the chief executive officer level;

ii) undertaking annually a formal process of evaluation of performance of the board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing name, qualification and major terms of appointment;

iii) recommending human resource management policies to the board;

iv) recommending to the board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;

v) consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and

vi) where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company.

CHASHMA SUGAR MILLS LIMITED

VISION STATEMENT

- Efficient organization with professional competence of top order is engaged to remain a market leader in the sugar industry in manufacturing and marketing of white sugar.

- To ensure attractive returns to business associates and optimizing the shareholders value as per their expectations.

MISSION STATEMENT

- Quality objectives are designed with a view to enhance customer satisfaction and operational efficiencies.

- To be a good corporate citizen to fulfil the social responsibilities.

- Commitment to building, Safe, Healthy and Environment friendly atmosphere.

- We with professional and dedicated team, ensure continual improvement in quality and productivity through effective implementation of Quality Management System. Be a responsible employer and reward employees according to their ability and performance.

- The quality policy encompasses our long term **Strategic Goals** and **Core Values**, which are integral part of our business.

STRATEGIC GOALS

- Providing customer satisfaction by serving with superior quality production of white sugar and industrial alcohol at lowest cost.

- Ensuring security and accountability by creating an environment of security and accountability for employees, production facilities and products.

- Expanding customer base by exploring new national and international markets and undertaking product research and development in sugar industry.

- Ensuring Efficient Resource Management by managing human, financial, technical and infrastructural resources so as to support all strategic goals and to ensure highest possible value addition to stakeholders.

CORE VALUES

- Striving for continuous improvement and innovation with commitment and responsibility.

- Treating stakeholders with respect, courtesy and competence.

- Practicing highest personal and professional integrity.

- Maintaining teamwork, trust and support with open and candid communication; and.

- Ensuring cost consciousness in all decision and operations.

CHASHMA SUGAR MILLS LIMITED

Code of Conduct

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

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

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

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

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

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

General Principles

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

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

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

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

- The Code of Conduct aims at guiding the “CSM team” with respect to standards of conduct expected in areas where improper activities could result in adverse consequences to the Company, harm its reputation or diminish its competitive advantage.

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

Statement of Ethical Practices

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

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

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

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

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

CHASHMA SUGAR MILLS LIMITED

TEN YEARS PERFORMANCE AT A GLANCE

PARTICULARS	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
					(RUPEES IN THOUSAND)					
Sales - net	26,375,717	17,094,813	16,037,086	15,929,690	12,420,711	10,383,833	11,332,390	11,206,209	7,559,896	5,831,752
Cost of sales	20,188,453	14,228,117	13,912,324	13,019,259	10,183,656	9,004,826	10,224,316	10,100,778	7,102,310	5,725,768
Operating profit/(Loss)	4,317,648	1,618,212	993,685	1,646,572	1,386,048	737,524	625,256	716,714	586,046	84,272
Profit/(Loss) before tax	1,579,280	505,434	337,348	742,671	636,500	253,164	132,299	215,151	125,969	(275,026)
Profit/(Loss) After tax	1,699,139	43,548	310,381	746,115	578,648	193,623	92,152	297,450	174,097	(128,619)
Share capital	286,920	286,920	286,920	286,920	286,920	286,920	286,920	286,920	286,920	286,920
Shareholders' equity	14,538,096	11,115,953	9,011,835	7,690,524	6,321,459	5,805,480	4,065,179	4,075,359	2,621,405	2,423,137
Fixed assets - net	20,371,132	18,016,724	11,833,225	9,892,348	9,223,953	9,531,791	7,789,577	8,169,406	6,764,869	6,368,487
Current assets	9,988,217	5,918,070	4,136,107	4,387,455	4,187,304	4,170,076	2,770,411	1,898,319	3,495,029	2,930,576
Total assets	31,577,766	24,903,577	16,973,448	14,889,960	13,526,341	13,815,725	10,573,906	10,072,321	10,265,039	9,303,424
Long term liabilities	7,102,942	7,004,996	3,670,881	3,177,044	2,672,716	2,825,549	2,792,674	3,370,510	2,890,982	3,223,672
Dividend										
Cash dividend	50%	0%	50%	50%	50%	15%	15%	45%	25%	0%
Ratios:										
Profitability (%)										
Operating profit	16.37	9.47	6.20	10.34	11.16	7.10	5.52	6.40	7.75	1.45
Profit/ (Loss) before tax	5.99	2.96	2.10	4.66	5.12	2.44	1.17	1.92	1.67	(4.72)
Profit/(Loss) after tax	6.44	0.25	1.94	4.68	4.66	1.86	0.81	2.65	2.30	(2.21)
Return to Shareholders										
ROE - Before tax	10.86	4.55	3.74	9.66	10.07	4.36	3.25	5.28	4.81	(11.35)
ROE - After tax	11.69	0.39	3.44	9.70	9.15	3.34	2.27	7.30	6.64	(5.31)
Return on Capital Employed	7.85	0.24	2.45	6.87	6.43	2.24	1.34	3.99	3.16	(2.28)
E. P. S. - After tax	59.22	1.52	10.82	26.00	20.17	6.75	3.21	10.37	6.07	(4.48)
Activity										
Income to total assets	0.84	0.69	0.94	1.07	0.92	0.75	1.07	1.11	0.74	0.63
Income to fixed assets	1.29	0.95	1.36	1.61	1.35	1.09	1.45	1.37	1.12	0.92
Liquidity/Leverage										
Current ratio	1.01	0.87	0.96	1.09	0.92	0.80	0.75	0.72	0.74	0.80
Break up value per share	506.70	387.42	314.09	268.04	220.32	202.34	141.68	142.04	91.36	84.45
Total Liabilities to equity (Times)	1.17	1.24	0.88	0.94	1.14	1.38	1.60	1.47	2.92	2.84

CHASHMA SUGAR MILLS LIMITED

TEN YEARS REVIEW

PRODUCTION OF SUGAR

YEAR	CANE CRUSHED TONS	RECOVERY %	SUGAR PRODUCED TONS
2014	1,294,435	8.33	107,775
2015	1,588,226	9.16	145,502
2016	1,689,633	9.20	155,443
2017	2,224,494	9.16	203,687
2018	2,040,734	9.47	193,323
2019	1,562,413	10.64	166,252
2020	1,432,075	10.55	151,013
2021	1,468,505	9.94	145,987
2022	1,885,437	10.35	195,219
2023	1,963,169	10.79	211,871

PRODUCTION OF ETHANOL

YEAR	MOLASSES CONSUMED TONS	RECOVERY %	PRODUCTION (LITRES)
2014	19,590	18.54	4,540,945
2015	36,277	18.24	8,272,982
2016	111,385	18.58	25,870,308
2017	129,384	18.32	29,623,876
2018	184,282	19.37	44,617,163
2019	191,492	18.07	43,260,426
2020	189,471	18.35	43,462,330
2021	189,086	18.66	44,099,770
2022	169,076	19.37	40,933,660
2023	173,139	19.58	42,374,200

CHASHMA SUGAR MILLS LIMITED

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT 36th Annual General Meeting of the shareholders of **Chashma Sugar Mills Limited** will be held on February 26, 2024 at 11:00 AM at the Registered Office of the Company at Nowshera Road, Mardan, for transacting the following business: -

ORDINARY BUSINESS:

1. To confirm the minutes of the Extra Ordinary General Meeting held on August 25, 2023.

2. To receive, consider and adopt the Audited Financial Statements of the Company together with the Directors' and Auditors' reports for the year ended September 30, 2023.

3. To consider and approve the payment of final cash dividend. The Board of Directors has recommended payment of final cash dividend of Rs. 5 per share (50%) for the year ended September 30, 2023.

4. To appoint the Auditors of the Company and to fix their remuneration for the financial year ending September 30, 2024. The present auditors' M/s A.F.Ferguson & Co. Chartered Accountants retire and being eligible offer themselves for re-appointment.

5. To transact any other business of the Company as may be permitted by the Chair.

SPECIAL BUSINESS:

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

a. **SUBSCRIPTION OF SHARES OF A SUBSIDIARY COMPANY**
“RESOLVED THAT the Company be and is hereby authorized to invest for an indefinite period in Ultimate Whole Foods (Pvt.) Limited (UWFPL), (A Subsidiary Company) by subscribing of 37,800,000 Ordinary Shares at a par value of Rs. 10 each, offered as right shares to the Company by UWFPL as part of the rights issue announced on January 31, 2024 and, in addition, to such further Right/Ordinary Shares as may be renounced by the other shareholders of UWFPL, at par value, provided that the aggregate amount to be invested in the shares of UWFPL by the Company under the authority of this Resolution shall not exceed the sum of Rs. 525,000,000/- (Rupees Five Hundred Twenty Five Million only)”.

b. **SHORT TERM ADVANCE TO A SUBSIDIARY COMPANY**
To authorize the Company to increase the existing short-term advance facility by Rs. 500,000,000/- (Rupees Five Hundred Million Only) to UWFPL, to be disbursed in one or more tranches, for a period of five (5) years, with the option to repay all or part of such tranche at any time in a year; by passing the following special resolution with or without modification:

“**RESOLVED THAT** the Company be and is hereby authorized to increase the short-term advance facility by Rs. 500,000,000/- (Rupees Five Hundred Million Only) to UWFPL, to be disbursed in one or more tranches, for a period of five (5) years subject to terms and conditions mentioned in the statement under Section 134(3) of the Companies Act, 2017.”

c. **INCREASE IN LIMIT OF CORPORATE GUARANTEES TO A SUBSIDIARY COMPANY**
To consider and if thought fit to pass the following resolutions, with or without amendment(s), as a Special Resolutions in terms of Section 199 of the Companies Act 2017, to accord approval to increase limit of the cross Corporate Guarantees from PKR 5,000.00 million to PKR 7,000.00 million, to be issued to various Banks, as a security against financing facilities obtained or to be obtained as and when required by its subsidiary company, M/s. Ultimate Whole Foods (Pvt.) Limited (UWFPL):

"**RESOLVED THAT** the shareholders approve and authorize the Company to issue additional cross Corporate Guarantees of up to PKR 2,000.00 million for a period of maximum seven years to various Banks, as security against Loans obtained or to be obtained by its subsidiary company UWFPL, subject to terms and conditions mentioned in the statement under Section 134(3) of the Companies Act, 2017.

FURTHER RESOLVED THAT Mr. Iskander M. Khan, Director of the Company and Mr. Mujahid Bashir, Company Secretary, any one of them, be and is hereby and authorized to undertake the decision of said investments as and when required and to take all steps and actions necessary, incidental and ancillary including execution of any and all documents and agreements as may be required in this regard and to do all acts, matters, deeds and things as may be necessary or expedient for the purpose of implementing the aforesaid resolutions".

d. **INCREASE IN LIMIT OF CORPORATE GUARANTEES TO HOLDING COMPANY**

To consider and if thought fit to pass the following resolution, with or without amendment(s), as a Special Resolution in terms of Section 199 of the Companies Act 2017, to accord approval to increase limit of the cross Corporate Guarantees from PKR 1,500.00 million to PKR 4,000.00 million to be issued to various Banks, as a security against financing facilities obtained or to be obtained as and when required by The Premier Sugar Mills & Distillery Co., Limited (Holding Company):

"**RESOLVED THAT** the shareholders approve and authorize the Company to issue additional cross Corporate Guarantees of up to PKR 2,500.00 million for a period of maximum seven years to various Banks, as security against Loans obtained or to be obtained by The Premier Sugar Mills & Distillery Co., Limited, (Holding Company) subject to terms and conditions mentioned in the statement under Section 134(3) of the Companies Act, 2017.

FURTHER RESOLVED THAT Mr. Iskander M. Khan, Director of the Company and Mr. Mujahid Bashir, Company Secretary, any one of them, be and is hereby and authorized to undertake the decision of said investments as and when required and to take all steps and actions necessary, incidental and ancillary including execution of any and all documents and agreements as may be required in this regard and to do all acts, matters, deeds and things as may be necessary or expedient for the purpose of implementing the aforesaid resolution".

The share transfer books of the Company will remain closed from February 16, 2024 to February 26, 2024 (both days inclusive).

BY ORDER OF THE BOARD

(Mujahid Bashir)
Company Secretary

Mardan:
February 02, 2024

N.B:

1. A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend, speak and vote instead of himself/herself. Proxies in order to be effective must be valid and received by the Company not less than 48 hours before the time for holding of the Meeting and must be duly stamped, signed and witnessed. A member shall not be entitled to appoint more than one proxy.

2. Members are requested to notify the Shares Registrar of the Company of any change in their addresses immediately.

3. CDC shareholders are requested to bring their original computerized national identity card, account, sub account number and participant's number in the Central Depository System for identification purpose for attending the Meeting. In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

4. The SECP vide SRO 787 (1)/2014 dated September 08, 2014 has provided an option for shareholders to receive audited financial statements along with notice of Annual General Meeting electronically through email. Hence, members who are interested in receiving the annual reports and notice of Annual General Meeting electronically in future are requested to send their email addresses on the consent form placed on the Company's website www.chashmasugarmills.com to the Company's Share Registrar. The Company shall, however additionally provide hard copies of the annual report to such members, on request, free of cost.

5. The Financial Statements of the Company for the year ended September 30, 2023 along with reports have been placed at website of the Company www.chashmasugarmills.com

6. In accordance with Section 132(2) of the Companies Act, 2017 if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 7 days prior to the date of Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility a request is to be submitted to the Company Secretary of the Company on given address:

"The Company Secretary, Chashma Sugar Mills Limited Kings Arcade20-A
Markaz F-7, Islamabad."

7. Currently Section 150 of the Income Tax Ordinance, 2001 prescribed following rates for deduction of withholding tax on the amount of dividend paid by the companies:

Rate of tax deduction for filer of income tax returns	15%
Rate of tax deduction for non-filer of income tax returns	30%

In case of Joint account, each holder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing as follows, to our Share Registrar, or if no notification, each joint holder shall be assumed to have an equal number of shares.

Company Name	Folio/CDS Account No	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC No	(No. of Shares)	Name & CNIC No	(No. of Shares)

The CNIC number/NTN details are now mandatory and are required for checking the tax status as per the Active Taxpayers List (ATL) issued by Federal Board of Revenue (FBR) from time to time.

8. Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate, are requested to submit a valid tax exemption certificate or necessary documentary evidence as the case may be. Members desiring non-deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

9. Pursuant to section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company, which remain unclaimed or unpaid for a period of three years from the date it become due

Payable shall vest with the Federal Government after compliance of procedure prescribed under the Companies Act, 2017. Shareholders are hereby informed that a list of all unclaimed dividend has been added on the Company's website http://www.chashmasugarmills.com. Any member effected by this notice is advised to write to or call at the office of the Company's Share Registrar M/s Hameed Majeed Associates (Pvt.) Ltd., H.M-House, 7-Bank Square Road, Lahore during normal working hours.

10. As per Section 72 of the Companies Act. 2017 every existing Listed Company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the commission, with a period not exceeding 4 years from the commencement of this Act, i.e May 30, 2017.

    The Shareholders having physical shareholding are encourage to open CDC Sub-account with any of the brokers or investor Account directly with CDC to place their physical shares into scrip less form. This will facilitate them in may ways, including safe custody and sale of shares, any time they want, as the trading of physical shares will not be permitted as per regulations of the Pakistan Stock Exchange.

Satement under Section 134(3) of the Companies Act, 2017
Pertaining to Special Business

This statement sets out the material facts pertaining to the special business, being items on the notice, intended to be transacted at the Annual General Meeting of the Company to be held on February 26, 2024. The purpose of this statement is to set forth the material facts concerning such special business.

a. Ultimate Whole Foods (Private) Limited (the Company) is a Private Limited Company incorporated under the Companies Act, 2017. The principal activity of the Company is milling wheat, gram, other grains and cereals, dal, besan, maida, atta, suji, bran and other allied products. Chashma Sugar Mills Limited (“the Company”) directly owns seventy-two (72%) percent paid-up capital of the Company, whereas remaining 28% is held by the directors of the UWFPL.

   The Company intends to subscribe to 37,800,000 Ordinary Shares at a par value of Rs. 10 each for an indefinite period, offered as right shares to the Company by UWFPL as part of the rights issue announced on January 31, 2024 and, in addition, to such further right/Ordinary Shares as may be renounced by the other shareholders of UWFPL, at par value, provided that the aggregate amount to be invested in the shares of UWFPL by the Company under the authority of this Resolution shall not exceed the sum of Rs. Rs. 525,000,000/- (Rupees Five Hundred Twenty Five Million only). The Board of Directors of the Company in a resolution passed on January 31, 2024 authorized to subscribe for an indefinite period in UWFPL by subscribing to all the right shares offered to the Company by UWFPL as part of the rights issue announced on January 31, 2024. The share subscription price will be utilized by UWFPL to maintain its debt-to-equity ratio.

b. The Company further intends to increase existing short-term advance facility by Rs. 500,000,000/- (Rupees Five Hundred Million Only) to UWFPL to meet operational and cash flow requirements. The loan may be disbursed in single or multiple tranches with the option to prepay all or part of such tranche at any time. This facility is extended for a period of five (5) years renewable upon such terms as may be agreed between the Companies. The Company will charge interest on the respective tranche of the loan at a rate which shall not be less than the borrowing cost of the Company. Details of others terms are given in attached statement.

c. The Company is also seeking approval of its members by passing special resolutions proposed herein to authorize to issue additional cross Corporate Guarantees up to PKR 2,000.00 million which may be issued to various Banks as per needs of UWFPL Details of terms are given in attached statement.

Sr. #	NATURE OF INFORMATION REQUIRED TO BE DISCLOSED PURSUANT TO THE COMPANIES (INVESTMENTS IN ASSOCIATED COMPANIES OR UNDERTAKINGS)	RELEVANT INFORMATION

A	**Disclosure for all types of investments (Regulation 3(a)**			
	(A)	**Regarding associated company or associated undertaking: -**		
	i	Name of Investee Company	Ultimate Whole Foods (Pvt.) Limited (UWFPL)	
	ii	Relationship with associated company	Subsidiary Company of Chashma Sugar Mills Limited with 72% shareholding and Common Directorship.	
	iii	Earnings per share for the last three years	N/A. (newly incorporated company with first year of Operations)	
	iv	Breakup Value per Share	Rs. 9.50	
	v	Financial Position	**Statement of Financial Position (June 30, 2023)**	**(Rs in M)**
			Non-current Assets	2,423.05
			Current Assets	63.25
			Shareholder's Equity	665.34
			Non-current Liabilities	1,388.26
			Current Liabilities	432.70
			Statement of Profit or Loss (June 30, 2023)	**(Rs in M)**
			Loss for the year	(28.83)
			No revenue and cost of sales were reported as UWFPL started its operations subsequent to the year ended June 30, 2023.	
	vi	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely: a) Description of the project and its history; b) Starting date of Work; c) Expected date of completion of work; d) Time by which such project shall become commercially operational; e) Expected time by which the project shall start paying return on investment; and f) Funds invested by the Sponsors	N/A.	

(B)	**General Disclosure: -**	
i	Maximum amount of investment to be made	1) Up to Rs. 525.00 million in further issue of capital through Right Issue. 2) Up to Rs. 2,000.00 million in cross corporate guarantee in addition to existing limit of Rs. 5,000.00 million. 3) Up to Rs. 500.00 million as short-term advance facility in addition to existing limit of Rs. 500.00 million.
ii	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	1) To assist UWFPL to maintain debt equity ratio. 2) To assist UWFPL to obtain a line from a financial institutions for meeting its CAPEX/OPEX requirements. Since this is a corporate guarantee, there is no cost to the Company, however, the Company will recover all allied charges in connection with the issuance of the Corporate Guarantee from UWFPL. 3) The purpose of the advance is to meet operational and cash flow requirements.
iii	Source of Funds	Company's own resources/internal cash
iv	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	The Company and UWFPL will enter into a formal agreement, which shall specify the nature, purpose and period of the advance facility to be furnished by the Company; the amount and due dates for repayment of the loan; a commitment and indemnity by UWFPL to the Company to repay the loan on the due dates.
v	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	None of the directors, sponsors, majority shareholders and their relatives have any interest in the associated company or the proposed arrangement, except to the extent of their shareholding in the associated company or associated undertaking or the transaction under consideration.
vi	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs;	There is no impairment or write-off.

B	**In case of Equity Investment: -**		
	i	Maximum price at which securities will be acquired;	Securities will be subscribed to at par value of Rs. 10 per share.
	ii	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof;	Shares are being issued at par.
	iii	Maximum number of securities to be acquired	Maximum number of securities shall be 52.50 million shares of UWFPL calculated at the rate of Rs. 10 per share.
	iv	Number of securities and percentage thereof held before and after the proposed investment;	Current shareholding in UWFPL is 50,400,000 Proposed shareholding in UWFPL 37,800,000
	v	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities	N/A
	vi	Fair value determined for investments in unlisted securities.	N/A
C	**In case of Investment in the form of Guarantee: -**		
	i	Category-wise amount of investment;	Maximum Corporate Guarantee of up to PKR 2,000 million to cover financial obligations.
	ii	Average borrowing cost of the investing company;	N/A
	iii	Rate of return for unfunded facilities, as the case may be, for the relevant period;	The company will charge a commission of a minimum of 0.125% per annum on the outstanding Guarantee amount.
	iv	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	The company will charge a commission of a minimum of 0.125% per annum on the outstanding Guarantee amount.
	v	Particulars of collateral or security to be obtained in relation to the proposed investment;	The Guarantee is unsecured.
	vi	If the investment carries conversion feature	N/A
	vii	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	- Cross Corporate Guarantee for a maximum period of 07 years. - Any other terms and condition approved by shareholders.

D	**In case of Investment in the form of Advance: -**		
	i	Category-wise amount of investment;	The Company will increase current short term advance facility by Rs. 500.00 million to meet operational and cash flow requirements.
	ii	Average borrowing cost of the investing company;	3MK + 1.1%
	iii	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	Interest will be charged on quarterely basis at a rate which shall not be less than the borrowing cost of the Company or KIBOR for the relevant period, whichever is higher.
	iv	Particulars of collateral or security to be obtained in relation to the proposed investment;	Demand Promissory Note as a Collateral Security had been obtained.
	v	If the investment carries conversion feature.	N/A
	vi	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	This facility is for a period of 5 years and may be disbursed in single or multiple tranches with the option to prepay all or part of such tranche at any time, without incurring any liability or penalty in respect thereof. After completion of 5 years, facility may be renewed on such terms and conditions as may be agreed between the both Companies.

E Except to the extent as mentioned above, the Directors of the Company have no direct or indirect interest in the above said special business except to the extent of their shareholding in the Company.

F The condensed annual financial statement for the period ended September 30, 2023 of Chashma Sugar Mills Limited, can be inspected from 10.00 a.m. to 11.00 a.m. in all working days up-to February 26, 2024 by the shareholders.

d. The Company is seeking approval of its members by passing special resolution proposed herein to authorize to increase Cross Corporate Guarantee Limit by PRK. 1.5 billion to 4.00 billion, which may be issued to various Banks as per needs of The Premier Sugar Mills & Distillery Co., Limited (Holding Company)

Sr. #	NATURE OF INFORMATION REQUIRED TO BE DISCLOSED PURSUANT TO THE COMPANIES (INVESTMENTS IN ASSOCIATED COMPANIES OR UNDERTAKINGS)	RELEVANT INFORMATION	
A	**Disclosure for all types of investments (Regulation 3(a)**		
(A)	**Regarding associated company or associated undertaking: -**		
i	Name of Investee Company	The Premier Sugar Mills & Distillery Company Limited	
ii	Relationship with associated company	Parent Company of Chashma Sugar Mills Limited with 47.93% shareholding and Common Directorship.	
iii	Earnings per share for the last three years	2021: Rs. (53.93) 2022: Rs. (26.24) 2023: Rs. 19.46	
iv	Breakup Value per Share	Rs. 543.94	
v	Financial Position	**<u>Statement of Financial Position (Sep 30, 2023)</u>**	**<u>(Rs in M)</u>**
		Non-current Assets	2,601.41
		Current Assets	643.91
		Non-current assets classified as held for sale	4.64
		Shareholder's Equity	2,039.76
		Non-current Liabilities	420.73
		Current Liabilities	249.51
		Liabilities directly associated with non-current assets classified as held for sale	539.97
		<u>Statement of Profit or Loss (Sep 30, 2023)</u>	**<u>(Rs in M)</u>**
		Revenue	3,045.96
		Cost of Sales	(2,688.10)
		Gross Profit	357.87
		Profit after taxation	72.98
vi	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely: a) Description of the project and its history; b) Starting date of Work; c) Expected date of completion of work; d) Time by which such project shall become commercially operational; e) Expected time by which the project shall start paying return on investment; and f) Funds invested by the Sponsors	N/A.	

(B)	**General Disclosure: -**	
i	Maximum amount of investment to be made	1) Upto Rs. 2,500.00 million in cross corporate guarantee in addition to existing limit of Rs. 1,500.00 million.
ii	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	1) To assist UWFPL to obtain a line from a financial institutions for meeting its CAPEX/OPEX requirements. Since this is a corporate guarantee, there is no cost to the Company, however, the Company will recover all allied charges in connection with the issuance of the Corporate Guarantee from UWFPL.
iii	Source of Funds	N/A
iv	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	N/A
v	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	None of the directors, sponsors, majority shareholders and their relatives have any interest in the associated company or the proposed arrangement, except to the extent of their shareholding in the associated company or associated undertaking or the transaction under consideration.
vi	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs;	There is no impairment or write-off.

B In case of Investment in the form of Guarantee: -

i	Category-wise amount of investment;	Maximum Corporate Guarantee of up to PKR 2,500 million to cover financial obligations.
ii	Average borrowing cost of the investing company;	N/A
iii	Rate of return for unfunded facilities, as the case may be, for the relevant period;	The company will charge a commission of a minimum of 0.125% per annum on the outstanding Guarantee amount.
iv	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	The company will charge a commission of a minimum of 0.125% per annum on the outstanding Guarantee amount.
v	Particulars of collateral or security to be obtained in relation to the proposed investment;	The Guarantee is unsecured.
vi	If the investment carries conversion feature	N/A
vii	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	- Cross Corporate Guarantee for a maximum period of 07 years. - Any other terms and condition approved by shareholders.

C Except to the extent as mentioned above, the Directors of the Company have no direct or indirect interest in the above said special business except to the extent of their shareholding in the Company.

D The condensed annual financial statement for the period ended September 30, 2023 of Chashma Sugar Mills Limited, can be inspected from 10.00 a.m. to 11.00 a.m. in all working days up-to February 26, 2024 by the shareholders.

CHASHMA SUGAR MILLS LIMITED
CHAIRMAN'S REVIEW REPORT

I am pleased to welcome you to the 36th Annual Report of your Company, it gives me great pleasure to present the Review Report along with the Audited Financial Statements for the year ended September 30, 2023, on behalf of the Board of Directors, on the performance of your Company, as required by Section 192 of the Companies Act, 2017.

Throughout the fiscal year, the Board of Directors consistently provided strategic guidance and vigilant oversight to the management team. Cultivating a culture of transparency and constructive dialogue, the Board ensures a thorough consideration of diverse perspectives and facilitates effective communication between the Board and senior management. A formalized and structured mechanism has been implemented for regular assessments of the company's objectives, strategies, and businesses, along with financial performance.

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

The Board had full understanding of the vision and mission statements and frequently revisit them to up-to-date with the changing market conditions. The Board members attended Board meetings during the year and participated in important company's matters. The Board undertook an overall review of business risks, ensuring the effectiveness of risks identification, risk management and internal controls to safeguard the assets and interests of the Company and Shareholders.

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

The information about the financial results explained in detail in the attached Directors' Report and Financial Statements which give a comprehensive overview of the performance of Company during the year ended September 30, 2023.

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

(Abbas Sarfaraz Khan)
Chairman
Mardan: February 02, 2024

چشمہ شوگر ملز لمیٹڈ

چیئرمین کی جائزہ رپورٹ

میں آپ کو کمپنی کے 36ویں سالانہ رپورٹ میں آپ کو خوش آمدید کہتا ہوں، بورڈ کی جانب سے 30 ستمبر 2023 کو ختم ہونے والے مالی سال کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ جائزہ رپورٹ پیش کرتے ہوئے بہت خوشی محسوس ہو رہی ہے جو کے کمپنیز ایکٹ 2017 کے سیکشن 192 کے مطابق ہے۔

پورے مالی سال کے دوران بورڈ آف ڈائریکٹرز نے مینجمنٹ ٹیم کو مسلسل اسٹریٹجک رہنمائی اور مستعد نگرانی فراہم کی۔ شفافیت اور تعمیری مکالمے کے کلچر کو پروان چڑھاتے ہوئے، بورڈ متنوع نقطہ نظر پر مکمل غور و فکر کو یقینی بناتا ہے اور بورڈ اور سینئر مینیجمنٹ کے درمیان موثر رابطے کی سہولت فراہم کرتا ہے۔ مالیاتی کارکردگی کے ساتھ ساتھ کمپنی کے مقاصد، حکمت عملیوں اور کاروبار کے باقاعدہ جائزوں کے لئے ایک باقاعدہ اور منظم طریقہ کار نافذ کیا گیا ہے۔

کوڈ آف کارپوریٹ گورننس کے تحت مطلوبہ بورڈ آف ڈائریکٹرز کا سالانہ جائزہ، سال کے آغاز میں مقرر کردہ کمپنی کے اہداف کے خلاف بورڈ کی کارکردگی اور تاثیر کا جائزہ لیا گیا ہے۔ مجھے یہ بتاتے ہوئے خوشی محسوس ہو رہی ہے کہ بورڈ کی مجموعی کارکردگی اس کے مقصد کے لئے مقرر کردہ معیار کی بنیاد پر تسلی بخش رہی ہے۔ بورڈ نے کمپنی کے بہترین مفاد میں خاص طور پر کمپنی کے اسٹریٹجک مقاصد کے سلسلے میں اپنی ذمہداری پوری تندہی اور ایمانداری سے ادا کی ہے، اور بورڈ نے کاروبار کی ترقی، رسک مینجمنٹ اور مستقبل کے آپشنز خاص طور پر گنے کی خریداری/مانیٹرنگ، قیمت، قرضے کے استعمال کی حد اور آپریشنل سہولیات میں بہتری سے متعلق اپنی توجہ مرکوز رکھی ہے۔

بورڈ کے پاس ویژن اور مشن کے متعلق مکمل آگاہی تھی اور مارکیٹ کے بدلتے ہوئے حالات کے ساتھ ان کو اپ ڈیٹ کرنے کے لئے اکثر انکا دوبارہ جائزہ لیا جاتا تھا۔ بورڈ ممبران نے سال کے دوران بورڈ کے اجلاسوں میں شرکت کی اور کمپنی کے اہم معاملات میں حصہ لیا اور کمپنی اور شئرز ہولڈرز کے اثاثوں اور مفادات کے تحفظ کے لئے خطرات کے تحفظ نشاندہی، رسک منیجمٹ اور اندرونی کنٹرول کی تاثیر کو یقینی بنایا۔

بورڈ کے چیئرمین ہونے کے ناطے، میں نے اس بات کو یقنی بنایا کہ بورڈ کے اراکین کو باقاعدگی سے فنانس/بجٹ، پیداوار اور دیگر اہم معاملات سے متعلق رپورٹس موصول ہوئی جس سے انہیں موثر فیصلے کرنے میں مدد ملی۔

مالیاتی نتائج کے بارے میں معلومات کو منسلق ڈائریکٹرز کی رپورٹ اور مالیاتی بیانات میں تفصیل سے بیان کیا گیا ہے جو 30 ستمبر 2023 کو ختم ہونے والے سال کے دوران کمپنی کی کارکردگی کا ایک جامع جائزہ پیش کرتا ہے۔

آپ کی کمپنی کے بورڈ کی جانب سے، میں اس موقع پر کمپنی کے ملازمین کی مخلصانہ خدمات کا اعتراف کرتا ہوں۔ مزید براں میں معزز شیئر ہولڈرز کا بھی شکر گزار ہوں کہ انہوں نے کمپنی پر اعتماد کا اظہار کیا۔

عباس سرفراز خان

چیئرمین

مردان، 02 فروری، 2024

CHASHMA SUGAR MILLS LIMITED

DIRECTORS' REPORT

The Directors of **Chashma Sugar Mills Limited** are pleased to present Directors' Report of the Company together with the audited financial statements for the year ended September 30, 2023.

1. SUMMARISED FINANCIAL RESULTS

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

	2023	2022
	(Rupees in thousands)	
Profit before taxation	**1,579,280**	505,434
Taxation		
- Current	**309,360**	(284,270)
- Prior	**41,938**	(37,021)
- Deferred	**(471,157)**	(140,595)
	(119,859)	(461,886)
Profit after taxation	**1,699,139**	43,548
	---------- (Rupees) ----------	
Earnings per Share	**59.22**	1.52

2. REVIEW OF OPERATIONS

2.1 CRUSHING SEASON 2022-23

The sugarcane crushing season 2022-23 commenced on November 28,2022 continued till March 14,2023. The mills have crushed 1,963,169 tons (2022: 1,885,437 tones) of sugarcane and have produced 211,871 tons (2022: 195,219 tons) of sugar having an average recovery of 10.80% (2022: 10.35%). The Provincial Government of Punjab and Khyber Pakhtunkhwa (KPK) fixed sugar cane price @ Rs. 300/- per 40 kg.

2.2 CRUSHING SEASON 2023-24

The sugarcane crushing season 2023-24 commenced on November 27, 2023. The mills have crushed 1,224,789 tons of sugarcane and have produced 116,485 tons of sugar till January 31, 2024.The Provincial Government of Punjab and Khyber Pakhtunkhwa (KPK) fixed sugar cane price @ Rs. 400/- per 40 kg.

3. SUGAR PRICE

3.1- SUGAR- SEASON 2022-23

The carry forward sugar stock of approximately 1.0 million coupled with sugar production of 6.70 million accumulated to 7.70 million tons. Pakistan Sugar Mill Association had requested

Government of Pakistan to export 1.0 million tons of sugar and earn valuable foreign exchange. However, as usual the Government of Pakistan exported only 250,000 tons and lost the chance and smuggler benefitted due to depressed local prices.

3.2- SUGAR SEASON 2023-24

For ongoing crushing season 2023-24, notified support prices of sugarcane have again been increased to Rs. 400 from Rs. 300 per 40 kgs by the Provincial Government of Khyber Pakhtunkhwa (KPK) and Punjab (net increase of 33%). This increased the cost of production manifolds and due to excessive availability of sugar and regular influence by the provincial government in the open market. The cost of production is higher than the sugar prices.

4. ETHANOL FUEL PLANT AT UNIT-II

The Ethanol Fuel Plant produced 33,899 MT (2022: 32,747 MT) of Ethanol during the year and contributed towards the profitability of the Company.

5. SILOS PROJECT

Construction, Operations Date (COD) as per concession agreements of both sites i.e. Notak Centre, District Bhakkar and Head Varery Centre, District Layyah has been completed. However, commercial operations of the Company have not started yet.

6. FLOUR MILLS PROJECT

The Subsidiary Company, "Ultimate Whole Foods (Private) Limited," has commenced its commercial production after completing its trial run. Ultimate Whole Foods (Private) Limited is equipped with state-of-the-art flour mills having a capacity of 285 tons per day (TPD) and is located at Ramak, Dera Ismail Khan.

7. STAFF

Management and Labor relations remained cordial during the year. Bonus to employees was paid at the rate of 03 month's salary during the year.

8. PATTERN OF SHAREHOLDING

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

9. CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- The financial statements, prepared by the management of Chashma Sugar Mills Limited present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account have been maintained.
- All appropriate accounting policies have been consistently applied while preparing financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements.
- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon Company's ability to continue as a 'going concern'.

- The Company has followed corporate governance as detailed in the Listed Companies (CCG) Regulations, 2019.
- Key operating and financial data for the last decade in summarized form is annexed.
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as at September 30, 2023, except for those disclosed in the financial statements.
- The value of investments of staff provident fund, based on audited accounts, was Rs. 312.718 million as at September 30, 2023.

10. TRADING IN SHARES

During the year, no trade in the shares of the Company were carried-out by the Directors, CFO, Company Secretary and their spouses and minor children except Mr. Abbas Sarfaraz Khan Director of the Company who purchased 1,118,710 ordinary shares during the year.

11. REPLY TO AUDITOR'S OBSERVATION

The Statutory Auditors in their report on Code of Corporate Governance has raised observation regarding one of directors converted as executive from non-executive director as some remuneration was paid to him during the year. Subsequent to year end, as per directions of the Board, the said amount has been recovered and the Board has also recommended for cancellation of Agenda item NO. 10 of the E.O.G.M held on August 25,2023 in the upcoming AGM of the company.

12. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

13. RELATED PARTY TRANSACTIONS

The Related Parties transactions mentioned in 41 to the financial statements were placed before the Board Audit Committee and were approved by the Board. These transactions were in-line with the requirements of International Financial Reporting Standards (IFRS) and the Companies Act, 2017. The Company maintains a complete record of all such transactions. All transactions entered into with the related parties will also be placed before shareholders in their AGM for approval purposes.

14. BOARD MEETINGS

During the year, total ten (10) meetings were held and the attendance of each director was as follows;

Name of Directors	Board Meetings	Board Audit Committee Meetings	Human Resource and Remuneration Committee
	Attended	Attended	Attended
Non- Executive Directors			
Ms. Zarmine Sarfaraz	4	-	-
Mr. Abdul Qadar Khattak	4	4	1
Mr. Iskander M. Khan	5	4	1
Executive Directors			
Begum Laila Sarfraz	5	-	-
Mr. Abbas Sarfaraz Khan	4	-	-
Independent Directors			
Ms. Mariam Ali Khan	5	4	1
Mr. Feisal Kemal Khan	4	-	-

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

15. ROLE OF SHAREHOLDERS

The Board aims to ensure that the Company's shareholders are timely informed about the major developments affecting the Company's state of affairs. To achieve this objective, information is communicated to the shareholders through quarterly, half yearly and annual reports. The Board of Directors encourages the shareholder's participation at the annual general meeting to ensure high level of accountability.

16. DIVIDEND

The Directors have recommended payment of Final Cash Dividend for the year ended September 30,2023 @ Rs.5.00 per share (50%) to all the shareholders of the Company.

17. EXTERNAL AUDITORS

The present Auditors, M/s A. F. Fergusons & Co., Chartered Accountants, Islamabad, retire at the conclusion of forthcoming Annual General Meeting and being eligible, have offered themselves for reappointment. As suggested by the Audit Committee in terms of the Code of Corporate Governance, the Board of Directors has recommended their appointment as Auditors of the Company for the year ending September 30, 2024.

18. STATUS OF THE COMPANY

In the light of the directions of the Securities and Exchange Commission of Pakistan, the Company has been treated a subsidiary of The Premier Sugar Mills & Distillery Company Limited with effect from the financial year 2010.

19. COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The requirements of the Code of Corporate Governance set out by SECP in Listed Companies (Code of Corporate Governance) Regulations, 2019, relevant for the year ended September 30, 2023 have been duly complied with. A statement to this effect is annexed with the report.

20. ACKNOWLEDGEMENT

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

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

FOR AND ON BEHALF OF THE BOARD

(ISKANDER M. KHAN)	**(BEGUM LAILA SARFARAZ)**
DIRECTOR	CHIEF EXECUTIVE

Mardan: February 02, 2024

چشمہ شوگر ملز لمیٹڈ

ڈائریکٹرز کی رپوٹ

چشمہ شوگر ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز کمپنی کی سالانہ رپورٹ اور 30 ستمبر 2023 کو ختم ہونے والے سال کے آڈیٹڈ شدہ مالیاتی گوشوارے، پیش کرنے پر مسرت محسوس کرتے ہیں۔

1۔ خلاصہ مالیاتی نتائج

کمپنی کی مالیاتی کارکردگی کا ذیل میں خلاصہ پیش ہے۔

	2023	2022
	(ہزار روپے)	
ٹیکس سے پہلے منافع	**1,579,280**	505,348
ٹیکسیشن		
موجودہ سال کا ٹیکس	**309,360**	(284,270)
گزشتہ سال کا ٹیکس	**41,938**	(37,021)
ڈیفرڈ ٹیکس	**(471,157)**	(140,595)
	119,859	(461,886)
بعد از ٹیکس منافع	**1,699,139**	43,548
	---------- روپے ----------	
منافع فی شیئر	**59.22**	1.52

2۔ آپریشن کا جائزہ

2.1۔ کرشنگ سیزن 23-2022

گنے کا کرشنگ سیزن 23-2220، 28 نومبر 2022 کو شروع ہوا اور 14 مارچ 2023 تک جاری رہا۔ ملز نے 1,963,169 ٹن گنا کرش کیا (1,885,437:2202) ٹن اور چینی کی پیداوار 211,871 ٹن (195,219:2022) رہی۔ شوگر کی اوسط وصولی 10.80 فیصد ہے (10.35%:2022) رہی۔ پنجاب اور خیبر پختونخوا کی صوبائی حکومت نے گنے کی قیمت -/300 فی من مقرر کی ہے۔

2.2۔ کرشنگ سیزن 24-2023

گنے کا کرشنگ سیزن 24-2023 کا آغاز 27 نومبر 2023 کو شروع ہوا۔ ملز نے 1,224,789 ٹن گنے کو کرش کرتے ہوئے 116,485 ٹن چینی کی پیداوار 31 جنوری 2024 کی۔ پنجاب اور خیبر پختونخوا کی صوبائی حکومت نے گنے کی قیمت -/400 فی من مقرر کی ہے۔

3.1۔ چینی کا سیزن 23-2022

تقریباً 1 ملین کا کیری فارورڈ شوگر سٹاک اور 6.70 ملین چینی کی پیداوار 7.70 ملین ٹن تک جمع ہو گئی۔ پاکستان شوگر ملز ایسوسی ایشن نے حکومت پاکستان سے 1 ملین ٹن چینی بر آمد کرنے اور قیمتی زر مبادلہ کمانے کی درخواست کی تھی، تاہم ہمیشہ کی طرح حکومت پاکستان نے صرف 2 لاکھ 50 ہزار ٹن بر آمد کیا اور موقع ضائع کیا اور مقامی قیمتوں میں کمی کی وجہ سے سمگلروں کو فائدہ ہوا۔

3.2۔ چینی کا سیزن 24-2023

جاری کرشنگ سیزن 24-2023 کے لئے گنے کی نوٹیفائیڈ سپورٹ قیمتیں 300 سے دوبارہ بڑھا کر 400 روپے کر دی گئی خیبر پختون خواہ (کے پی کے) اور پنجاب کی صوبائی حکومت کی طرف سے (33 فیصد خالص اضافہ) تھا۔ اس سے پیداواری لاگت میں کئی گناہ اضافہ ہوا اور چینی کی ضرورت سے زیادہ دستیابی اور اوپن مارکیٹ میں صوبائی حکومت کے مسلسل اثر ورسوخ کی وجہ سے پیداواری لاگت چینی کی قیمتوں سے زیادہ ہے۔

4۔ ایتھینول فیول پلانٹ یونٹ نمبر II

ایتھنول فیول پلانٹ نے مالی سال کے دوران، MT33,899 ایتھنول کی پیداوار کی اور کمپنی کے منافع میں حصہ ڈالا۔

5۔ سائکلوز پروجیکٹ

دونوں سائٹس کے رعایتی معاہدوں کے مطابق کمرشل آپریشنز کی تاریخ مکمل ہو چکی ہے۔ یعنی نوتک سنٹر، ڈسٹرکٹ بھکر اور ہیڈواری سنٹر ضلع لیہ۔ تاہم کمپنی کا تجارتی آپریشن ابھی تک شروع نہیں ہوا ہے۔

6۔ فلور ملز پروجیکٹ

ذیلی کمپنی الٹیمیٹ ہول فوڈز (پرائیویٹ) لمیٹڈ نے کمرشل پروڈکشن شروع کر دی ہے۔ الٹیمیٹ ہول فوڈز (پرائیویٹ) لمیٹڈ جدید ترین فلور ملوں سے لیس ہے۔ جس کی صلاحیت 285 ٹن یومیہ ہے۔ اور یہ کمپنی رامک، ڈیرہ اسماعیل خان میں واقعہ ہے۔

7۔سٹاف

سال بھر کے دوران انتظامیہ اور مزدوروں کے تعلقات خوشگوار رہے۔ ملازمین کو بونس سال کے دوران 03ماہ کی تنخواہ کی شرح سے ادا کیا گیا۔

8۔شئیر ہولڈنگ کی ترتیب

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

9۔کارپوریٹ اور مالیاتی رپورٹنگ کافریم ورک

۔دی چشمہ شوگر ملز لمیٹڈ کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے، رقم کی آمد ورفت، کاروباری سرمایہ میں ہونے والی تبدیلیاں اور تمام معاملات کو واضح پیش کرتے ہیں۔

۔ کمپنی کے حسابداری کے باقاعدہ کھاتے مرتب کیے جاتے ہیں۔

۔ مناسب حسابداری کے اصول تسلسل سے مالیاتی حسابات بنانے میں استعمال ہوتے ہیں۔ یہ گوشوارے ہمیشہ انتہائی منطقی اور محتاط اندازوں پر مشتمل ہوتے ہیں۔

۔انٹرنیشنل اکاؤنٹنگ فنانشل رپورٹنگ سٹینڈرڈز، جو پاکستان میں لاگو ہوتے ہیں ان پر عمل کرتے ہوئے مالیاتی گوشوارے تیار کیے جاتے ہیں۔

۔اندرونی کنٹرول کا نظام موثرطریقے سے نافذ اور نگراں کیا گیا ہے۔

۔ کمپنی کے قائم نہ رہنے کے حوالے سے کسی قسم کا کوئی خدشہ نہیں پایا جاتا ہے۔

۔ کمپنی باقاعدگی سے کارپوریٹ گورننس کے قواعد وضوابط، جوکہ لسٹنگ کے قواعد میں واضع کئے گئے ہیں کی پاسداری کررہی ہے۔

۔ کمپنی کے گزشتہ چھ سال کے انتظامی اور مالی امور سے مطلق اعداد وشمار منسلک ہیں۔

۔30 ستمبر 2023 تک کسی بھی قسم کی کوئی ٹیکس، فرائض، لیویز، چارجز، بقایاجات نہیں ہیں، سوائے ان کے جو مالیاتی بیانات میں بتائی گئیں ہیں۔

۔30 ستمبر 2023 کو آڈٹ شدہ اکاؤنٹس پر مبنی، اسٹاف پراویڈنٹ فنڈ کی سرمایہ کاری کی قیمت 312.718 ملین تھی۔

10۔ شیئرز کی خرید و فروخت

30 ستمبر 2022 کو ختم ہونے والے سال کے دوران ڈائریکٹرز، سی ای او، سی ایف او، کمپنی کے سیکرٹری،ان کے ازواج اور چھوٹے بچوں کی جانب سے کمپنی کے حصص میں کوئی لین دین نہیں ہوئی سوائے ڈائیکٹر جناب عباس سرفراز کے جنہوں نے سال کے دوران 1,118,710 شیئرز خریدے تھے۔

11۔ آڈیٹرز کے مشاہدات کا جواب

آڈیٹرز نے کوڈ آف کارپوریٹ گورننس پر اپنی رپورٹ میں غیر ایگزیگٹو ڈائریکٹر سے ایگزیکٹو کے طور پر تبدیل ہونے والے ڈائریکٹرز میں سے ایک کے بارے میں نشاندہی کی۔ کیونکہ اسے سال کے دوران معاوضہ ادا کیا گیا تھا۔ سال کے اختتام کے بعد بوڈر کی ہدایات کے مطابق مذکورہ رقم کی وصولی کی گئی ہے اور بوڈر نے کمپنی کے آئندہ سالانہ اجلاس عام میں 25 اگست 2023 کو ہونے والی غیر معمولی اجلاس کے ایجنڈا آئٹم نمبر 10 کو منسوخ کرنے کی بھی سفارش کی ہے۔

12۔ مناسب اندرونی اور مالیاتی ضابطے

بورڈ نے ایک موئثر اندرونی آڈٹ فنکشن ترتیب دیا ہے جو اس مقصد کیلئے موزوں اور تجربہ کار سمجھے جاتے ہیں اور کمپنی کی پالیسیوں اور طریقہ کار سے واقف ہیں۔ کمپنی کے اندرونی آڈیٹنگ کا دائرہ کار واضح طور پر بیان کیا گیا ہے جس میں اس کے "اندرونی کنٹرول سسٹمز" کا جائزہ لینا اور جانچنا وسیع پیمانے پر شامل ہے۔

13۔ متعلقہ پارٹیوں سے لین دین

متعلقہ پارٹیوں سے لین دین کے معاملے نوٹ 41 میں بیان کئے گئے ہیں ان کو بورڈ آف آڈٹ کمیٹی کے سامنے منظوری کے لئے پیش کیا گیا اور بورڈ سے باقاعدہ منظوری لی گئی تھی۔ لین دین کے یہ معاملات انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈرز (آئی ایف آر ایس) اور کمپنیز ایکٹ 2017 کے قواعد کے عین مطابق ہیں۔ کمپنی کی جانب سے اس قسم کے تمام معاملات / لین دین کا ریکارڈ رکھا جاتا ہے۔ متعلقہ پارٹیوں سے متعلق تمام لین دین کے معاملات کی شیئر ہولڈرز سے سالانہ اجلاس عام میں منظوری لی جائے گی۔

14۔ بورڈ اجلاس

۔سال کے دوران کل دس بورڈ کے اجلاس منعقد ہوئے جن میں ہر ڈائریکٹر کی شمولیت کی تفصیل مندرجہ ذیل ہے؛

ڈائیریکٹرز کے نام نان۔ایگزیکٹوڈائریکٹرز	بورڈآف ڈائریکٹرز کے اجلاس حاضری	آڈٹ کمیٹی کے اجلاس حاضری	ہیومن ریسورس اور معاوضہ کی کمیٹی حاضری
محترمہ زرمین سرفراز	4	--	--
جناب عبدالقادر خٹک	4	4	1
جناب اسکندر محمد خان	5	4	1
ایگزیکٹوڈائریکٹرز			
بیگم لیلیٰ سرفراز	5	--	--
جناب عباس سرفراز خان	4	--	--
آزادڈائریکٹرز			
محترمہ مریم علی خان	5	4	1
جناب فیصل کمال خان	4	--	--

جوڈائریکٹر بورڈ میٹنگ اجلاس میں حاضر نہیں ہوسکے ان کو چھٹی کی منظوری دی گئی تھی۔

15۔ حصص داران کا کردار

بورڈ کا مقصد اس بات کو یقینی بنانا ہے کہ کمپنی کے حصص داران کو کسی بھی ایسی اہم پیش رفت سے بروقت مطلع کیا جائے، جو کمپنی کے معاملات پر اثر انداز ہو۔اس مقصد کو حاصل کرنے کے لیئے حصص داران کو سہ ماہی، نصف اور سالانہ رپورٹ کی معلومات فراہم کی جاتی ہے۔بورڈ آف ڈائریکٹرس اعلی سطحی احتساب کو یقینی بنانے کے لیئے حصص داروں کو سالانہ اجلاس میں شرکت کی حوصلہ افنرائی کرنا ہے۔

16۔ڈیویڈنڈ کی ادائیگی

ڈائریکٹرز نے30 ستمبر2023 کو ختم ہونے والے سال کے لیے کیش ڈیویڈنڈ کی ادائیگی کی سفارش کی ہے۔ کمپنی کے تمام شیئر ہولڈرز کو5روپے (50%)ادا کرے گی۔

17۔آڈیٹرز

موجودہ آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاونٹنٹ، اسلام آباد، سالانہ اجلاس عام تک ریٹائرڈ ہو جاہیں گے اور انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔آڈٹ کمیٹی نے کوڈ آف کارپوریٹ گورننس کے ضابطہ کے مطابق، بورڈ آف ڈائریکٹرز نے آڈیٹرز کو30 ستمبر2024 مالی سال کو ختم ہونے والے سال کے لیے کمپنی کے آڈیٹر کے طور پر ان کی تقرری کی سفارش کی ہے۔

18۔ کمپنی کی حیثیت

سیکیو ٹیزاینڈایکسچینج کمیشن آف پاکستان کی ہدایات کی روشنی میں کمپنی کو مالی سال 2010 سے دی پریمیئر شوگر ملز اینڈ ڈسٹلری کمپنی کا ذیلی ادارہ سمجھا جاتا ہے۔

19۔ضابطہ برائے کاروباری نظم ونسق

کمپنی کوڈ آف کارپوریٹ گورننس کے ضابطے جو کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشن 2019 میں دیئے گئے ہیں اور 30 ستمبر 2023 کو ختم ہونے والے سال سے متعلقہ ہیں پر پوری طرح عمل پیرا ہے اس سے متعلق بیان اس رپورٹ کے ساتھ منسلک ہے۔

20۔اعتراف

ڈائریکٹرز اسٹاف اور تنظیم کے ایگزیکٹوز کی محنت اور لگن اور ہمارے بینکرز کے قابل قدر تعاون کے لیے اظہار تشکر کرنا چاہیں گے۔

آخر میں، بورڈ قابل قدر حصص داروں کا شکر گزار ہے جنہوں نے مشکل وقت میں کمپنی کا ساتھ دیا اور کمپنی پہ اپنا بھروسہ رکھا، جس کی وجہ سے کمپنی موجودہ چیلنج میں سرخرو ہوئی۔

منجانب بورڈ

اسکندر محمد خان	بیگم لیلہ سرفراز	مردان
ڈائریکٹر	چیف ایگزیکٹو	بتاریخ:02 جنوری 2024

CHASHMA SUGAR MILLS LIMITED

Shareholders' Information

Registered Office
Nowshera Road Mardan,
Khyber Pakhtunkhwa
Tel # 92 937 862051-52
Fax # 92 937 862989

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

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

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

Listing on Stock Exchange
Chashma Sugar Mills Limited Company's equity shares are listed on Pakistan Stock Exchange.

Listing Fees
The annual listing fee for the financial year 2023-24 has been paid to the stock exchanges within the prescribed time limit.

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

Stock Code
The stock code for dealing in equity shares of Chashma Sugar Mills Limited at PSX is **Chas**.

Book Closure Dates
The Register of Members and Share Transfer books of the Company will remain closed from February 16, 2024 to February 26, 2024.

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

CHASHMA SUGAR MILLS LIMITED

FORM - 34

PATTERN OF SHAREHOLDING OF THE SHARES HELD BY THE SHAREHOLDERS AS AT 30 SEPTEMBER, 2023

SHARE HOLDERS	SHAREHOLDING					TOTAL SHARESHELD
174	From	1	to	100	Shares	11,366
480	From	101	to	500	Shares	216,721
121	From	501	to	1,000	Shares	110,328
118	From	1,001	to	5,000	Shares	320,121
28	From	5,001	to	10,000	Shares	205,500
16	From	10,001	to	15,000	Shares	194,706
21	From	15,001	to	25,000	Shares	408,700
2	From	25,001	to	35,000	Shares	52,000
14	From	35,001	to	60,000	Shares	605,500
2	From	60,001	to	70,000	Shares	134,000
4	From	85,001	to	150,000	Shares	488,142
3	From	250,001	to	310,000	Shares	779,000
1	From	465,001	to	600,000	Shares	551,569
1	From	600,001	to	725,000	Shares	630,227
1	From	725,001	to	2,000,000	Shares	1,477,359
3	From	2,000,001	to	above	Shares	22,506,761
989						**28,692,000**

Categories of Shareholders	Numbers	Shares Held	Percentage
Associated Compaines, undertakings and related parties	4	19,126,334	66.66
Directors & Relatives	13	6,481,455	22.59
Public Sector Companies, Corporation Banks, and Development Finance Institutions.	9	64,786	0.23
Non Banking Financial Institutions, Insurance Companies, Modarabas and Mutal Funds.	7	726,121	2.53
Charitable Trusts	3	219,500	0.77
Individuals	953	2,073,804	7.23
	989	**28,692,000**	**100.00**

Categories of Shareholders	Numbers		Shares Held		Percentage of Paid-up Capital
Associated Companies, Undertakings and Related Parties	**4**		**19,126,334**		**66.66**
The Premier Sugar Mills & Distillery Co., Ltd.		13,751,000		47.93	
Syntronics Limited		3,590,475		12.51	
Azlak Enterprises (Pvt) Limited		1,477,359		5.15	
Phipson & Co. (Pak) (Pvt.) Limited		307,500		1.07	
Directors & Relatives	**13**		**6,481,455**		**22.59**
Public Sector Companies and Corporations	**9**		**64,786**		**0.27**
Asif Mushtaq & Company		1,500		0.01	
Neelum Taxtlile Mills (pvt) Limited.		12,400		0.04	
Shakil Express (pvt) Limited.		17,700		0.06	
Muhammad Ahmed Nadeem Seurities (pvt) Limited.		300		0.00	
Growth Securities (pvt) Limited.		25,000		0.09	
MRA Securities (pvt) Limited.		500		0.00	
S.H Bukhari Securities (pvt) Limited.		400		0.00	
Fikree's (SMS) (Pvt) Limited.		986		0.05	
Creative Capital (pvt) Limited.		6,000		0.02	
Banks, Development Finance Instituions, Non Banking Financial Instituitions, Insurance Companies, Modarabas and Mutual Funds	**7**		**726,121**		**2.53**
National Bank of Pakistan, (Pension Fund).		86,142		0.30	
National Bank of Pakistan, (Emp. Benevolent Fund).		3,023		0.01	
National Bank of Pakistan,		529		0.00	
Trustee National Investment (unit) Trust		630,227		2.20	
Fancy Petroleum Services (pvt) Limited.		3,000		0.01	
IDBL (ICP Units)		3,200		0.01	
EFU Hermes Oman LLC		10,000			
Charitable Trusts	**3**		**219,500**		**0.77**
Trustees of Friends Eductional and Medical Trust		197,000		0.69	
Al Abbas Eductional and Welfare Society		15,500		0.05	
Trustees AKD Opportunty fund		7,000		0.02	
Individuals	**953**		**2,073,804**		**7.23**
	989		**28,692,000**		**100.05**

Shareholders holding 10% or more voting Intesrest in the Company

The Premier Sugar Mills & Distillery Co., Limited	13,751,000	47.93
Abbas Sarfaraz Khan	5,165,286	18.00
Syntronics Limited	3,590,475	12.51

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CHASHMA SUGAR MILLS LIMITED
INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Chashma 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 Chashma Sugar Mills Limited for the year ended September 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended September 30, 2023.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

S.No	Paragraph reference	Description
i-	2	Executive Directors exceed the maximum number allowed as per Regulation 8.
ii-	12	Executive Director is a member of the Audit Committee.

Chartered Accountants
Islamabad
Date: February 2, 2024
UDIN: CR2023100535swxAYH9a

CHASHMA SUGAR MILLS LIMITED
STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: Chashma Sugar Mills Limited.

Year ended: September 30, 2023

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

1. The total numbers of Directors are seven as per the following:

- **a)** Male: 4
- **b)** Female: 3 (See list in paragraph 2 below)

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

Category	Names
Independent Director (excluding female director)	Mr. Feisal Kemal Khan.
Non-executive Director (excluding female director)	Mr. Abdul Qadar
Executive Directors (excluding female director)	Mr. Iskander M. Khan Mr. Abbas Sarfaraz Khan
Female Director	Ms. Mariam Ali Khan**(Independent Director)** Ms. Zarmine Sarfaraz**(non-executive Director)** Ms. Laila Sarfaraz**(Executive Director)**

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

*Executive Directors exceed the maximum number of Executive Director allowed as per Regulation 8 of Code of Corporate Regulations, 2019. The Company will comply the requirement maximum number of Executive Directors allowed in the next election of directors due in March, 2025.

3. The director have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company.

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

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has not ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.

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

9. All Directors of the Company meet exemption requirement of the Directors' Training Program. One new director appointed during the year will obtain the necessary training within allowed period of one year from date of appointment.

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed Committees comprising of members given below:

Audit Committee	**HR and Remuneration Committee**
Ms. Mariam Ali Khan (Chairperson)	Ms. Mariam Ali Khan (Chairperson)
Mr. Iskander M. Khan	Mr. Iskander M. Khan
Mr. Abdul Qadir	Mr. Abdul Qadir

*Mr. Iskander M. Khan being an Executive Director cannot be a member of an Audit Committee as per Regulation 27 of Code of Corporate Governance, 2019. The Company will change the composition of Audit Committee in the subsequent period.

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

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

    a) Audit Committee - Quarterly - 4 meetings held during the year
    b) HR and Remuneration Committee - On required basis - 1 meeting held during the year.

15. The Board has set-up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory Auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involvedin the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors of the Company.

17. The statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the Auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all the requirements of Regulations 3,6,7,27,32,33, and 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 have been complied with. Regulation No. 8 and 27 have not been complied with as referred in paragraph 2 and 12 above.

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

Non-mandatory Requirement	Reg. No.	Explanation
Responsibilities of the Board and its members: A Board is responsible for the government of risk and for determning the company's level of risk tolerance by establishing risk management policies and for this purpose the Board is encouraged to undertake at least annually, an overall of business risks.	10 (2)	Risk Management policy is in place however annual evaluation is not carried out by Board of directors as encouraged by the code Management intends to domply in future.
A formal and effective mechanism is put in place for annual evaluation of the Board' own performance, members of the Board and of its committee.	10 (3) (v)	There is no formal and effective mechanism in place for annula evalution of Board's own performance and its committees.
Nomination Committee: The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29	Currently, the board has not constituted a separate Nomination Committee and the functions are being performed by the Human Resource & Remuneration Committee. The Board will consider to constitute nomination committee.
Risk Management Committee: The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30	Currently, the board has not constituted a risk Management committee and senior officers of the Company performs the requisite functions and apprises the Board accordingly. The Board will constitute risk Management committee when required
Disclosure of significant policies on website: The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors remuneration policy.	35	Key elements of policies and directors remuneration policy along with synopsis are not presently presented on website of the Company. Although these are circulated among the relevant employees and directors, the Board will consider posting such policies and synopsis on its website in near future.

Mardan: **(ABBAS SARFARAZ KHAN)**

February 02, 2024 CHAIRMAN

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHASHMA SUGAR MILLS LIMITED
REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matter

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

Following is the key audit matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
i)	**Revaluation of property, plant and equipment** *(Refer note 5, 6.1 and 17 to the financial statements)*	
	Under the International Accounting Standard 16 "Property, Plant and Equipment", the Company carries its freehold land, leasehold land, building & roads , plant & machinery and electric installations at revaluation model. Under the said model, if fair value can be measured reliably, an entity may carry all items of property, plant and equipment of a class at a revalued amount, which is the fair value of the items at the date of the revaluation less any subsequent accumulated depreciation and accumulated impairment losses; if any. As at September 30, 2023, the carrying value of free hold land, leasehold land, buildings & roads, plant & machinery and electric installations was Rs 18,238 million. The fair value of the Company's free hold land, leasehold land, buildings & roads, plant & machinery and electric installations were assessed by management based on independent valuation performed by an external property valuation expert as at September 30, 2023. For valuation of free hold land, leasehold land buildings & roads, plant & machinery and electric installations, the current market price or depreciated replacement cost method is used, whereby, current cost of purchase / construction of similar free hold land, leasehold land, buildings & roads, plant & machinery and electric installations in similar locations has been adjusted using suitable depreciation rates to arrive at present market value. This technique requires significant judgment as to estimating the revalued amount in terms of their quality, structure, layout and locations. We identified valuation of property plant and equipment as a key audit matter due to the significant carrying value and the significant management judgement and estimation involved in determining their value due to factors described above.	Our audit procedures to assess the valuation of free hold land, leasehold land buildings & roads, plant & machinery and electric installations included, amongst others, the following: - Evaluated the qualification, experience and competence of the independent external property valuation expert engaged by the Company as management expert for valuation; - Obtained understanding of the valuation process and techniques adopted by the valuation expert to assess, if they are consistent with the industry norms; - Obtained the valuation report of external valuation expert and tested mathematical accuracy of the reports; - Engaged another independent valuation expert as an auditor expert to assess the appropriateness and the reasonableness of the related management's assumptions and methodologies used by the management expert; and - Assessed the adequacy of the related disclosures in the annexed financial statements.

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Information Other than the Financial Statements 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, but does not include the financial statements and consolidated financial statements and our auditor's reports thereon.

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Mr. Asim Masood Iqbal.

Chartered Accountants
Islamabad
Date: February 2, 2024

UDIN: AR202310053coUSgpk7t

CHASHMA SUGAR MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

	Note	2023	2022
		(Rupees in thousand)	
NON CURRENT ASSETS			
Property, plant and equipment	6	20,371,132	18,016,724
Right-of-use assets	7	296,124	283,515
Long term investment	8	638,357	423,964
Long term loans and deposits	9	283,936	261,304
		21,589,549	18,985,507
CURRENT ASSETS			
Stores and spares	10	841,710	509,428
Stock-in-trade	11	5,177,676	3,379,869
Trade debts	12	1,214,104	44,157
Loans and advances	13	1,742,423	1,474,655
Trade deposits and other receivables	14	200,991	255,651
Income tax refundable		-	41,457
Cash and bank balances	15	811,313	212,853
		9,988,217	5,918,070
TOTAL ASSETS		31,577,766	24,903,577
SHARE CAPITAL AND RESERVES			
Authorized capital	16	500,000	500,000
Issued, subscribed and paid-up capital	16	286,920	286,920
General Reserve	16.5	327,000	327,000
Surplus on revaluation of property, plant and equipment	17	8,148,726	6,934,478
Unappropriated profits		5,775,450	3,567,555
Shareholders' equity		14,538,096	11,115,953
NON-CURRENT LIABILITIES			
Long term finances - secured	18	3,261,715	3,577,818
Loans from related parties - secured	19	131,854	163,089
Lease liabilities	20	140,314	146,604
Deferred liabilities			
-Deferred taxation		3,472,814	3,102,225
-Provision for gratuity		19,965	14,843
-Deferred government grant		76,280	417
	21	3,569,059	3,117,485
		7,102,942	7,004,996
CURRENT LIABILITIES			
Trade and other payables	22	3,375,789	1,225,998
Unclaimed dividend		14,572	14,607
Short term running finance - secured	23	4,871,003	4,489,508
Current maturity of non-current liabilities	24	1,581,737	1,052,515
Provision for taxation - net		93,627	-
		9,936,728	6,782,628
TOTAL LIABILITIES		17,039,670	13,787,624
Contingencies and commitments	25		
TOTAL EQUITY AND LIABILITIES		31,577,766	24,903,577

The annexed notes 1 to 45 form an integral part of these financial statements.

(RIZWAN ULLAH KHAN)	**(BEGUM LAILA SARFARAZ)**	**(ISKANDER M KHAN)**
CHIEF FINANCIAL OFFICER	**CHIEF EXECUTIVE**	**DIRECTOR**

CHASHMA SUGAR MILLS LIMITED
STATEMENT OF PROFIT OR LOSS ACCOUNT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Note	2023	2022
		(Rupees in thousand)	
Gross sales	26	29,371,617	19,274,279
Sales tax, other government levies and discounts	27	(2,995,900)	(2,179,466)
Sales - net		26,375,717	17,094,813
Cost of sales	28	(20,188,453)	(14,228,117)
Gross profit		6,187,264	2,866,696
Selling and distribution expenses	29	(866,016)	(468,970)
Administrative and general expenses	30	(1,009,357)	(775,172)
Net impairment losses on financial assets	12.2 & 14.1	(66,964)	(34,145)
Other income	31	267,688	67,013
Other expenses	32	(194,967)	(37,210)
Operating profit		4,317,648	1,618,212
Finance cost	33	(2,738,368)	(1,112,778)
Profit before taxation		1,579,280	505,434
Taxation	34	119,859	(461,886)
Profit for the year		1,699,139	43,548
Earnings per share - basic and diluted (Rs)	35	59.22	1.52

The annexed notes 1 to 45 form an integral part of these financial statements.

(RIZWAN ULLAH KHAN)	**(BEGUM LAILA SARFARAZ)**	**(ISKANDER M KHAN)**
CHIEF FINANCIAL OFFICER	**CHIEF EXECUTIVE**	**DIRECTOR**

CHASHMA SUGAR MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Note	2023	2022
		(Rupees in thousand)	
Profit for the year		1,699,139	43,548
Other comprehensive income			
Items that will not be classified to profit or loss:			
Remeasurement loss on staff retirement benefit plans	21.3.5	(2,656)	(974)
Less: Deferred tax on remeasurement gain / (loss) on staff retirement benefit plans		1,036	321
		(1,620)	(653)
Surplus on revaluation of property, plant and equipment		2,567,400	3,496,704
Less: Deferred tax on surplus on revaluation of property, plant and equipment		(842,776)	(1,292,021)
		1,724,624	2,204,683
Total comprehensive income for the year		3,422,143	2,247,578

The annexed notes 1 to 45 form an integral part of these financial statements.

(RIZWAN ULLAH KHAN)	(BEGUM LAILA SARFARAZ)	(ISKANDER M KHAN)
CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

CHASHMA SUGAR MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Share capital	General reserve	Surplus on revaluation of property, plant and equipment	Unappropriated profits	Total
	-------------------	-------------------	Rupees in thousand	-------------------	-------------------
Balance as at October 1, 2021	286,920	327,000	5,065,731	3,332,184	9,011,835
Total comprehensive income for the year ended September 30, 2022					
Income for the year	-	-	-	43,548	43,548
Other comprehensive income for the year	-	-	2,204,683	(653)	2,204,030
	-	-	2,204,683	42,895	2,247,578
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	(335,936)	335,936	-
Cash dividend at rate of Rs 5.00 per ordinary share for the year ended September 30, 2021	-	-	-	(143,460)	(143,460)
Balance as at September 30, 2022	286,920	327,000	6,934,478	3,567,555	11,115,953
Balance as at October 1, 2022	286,920	327,000	6,934,478	3,567,555	11,115,953
Total comprehensive income for the year ended September 30, 2023					
Income for the year	-	-	-	1,699,139	1,699,139
Other comprehensive income for the year	-	-	1,724,624	(1,620)	1,723,004
	-	-	1,724,624	1,697,519	3,422,143
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	(510,376)	510,376	-
Balance as at September 30, 2023	**286,920**	**327,000**	**8,148,726**	**5,775,450**	**14,538,096**

The annexed notes 1 to 45 form an integral part of these financial statements.

(RIZWAN ULLAH KHAN)	(BEGUM LAILA SARFARAZ)	(ISKANDER M KHAN)
CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

CHASHMA SUGAR MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Note	2023	2022
		(Rupees in thousand)	
Cash flow from operating activities			
Profit for the year - before taxation		1,579,280	505,434
Adjustments for non-cash items:			
Depreciation	28,29&30	1,391,005	1,030,026
(Gain) / loss on sale of operating fixed assets	31	(8,446)	2,325
Gain on derecognition of right of use assets	31	-	(20,479)
Profit on deposit accounts	31	(10,237)	(7,226)
Mark-up income on loan to a related party		(25,486)	-
Mark-up earned on term depository receipts		(31,313)	-
Finance cost		2,738,368	1,112,778
Impairment loss / (reversal) for doubtful trade debts	12.2	1,551	(664)
Provision for doubtful advances		-	560
Impairment loss for export subsidy	14.1	65,413	34,249
(Writeoff) / provision for obsolete items	10.1	(6,713)	27,938
Provision for gratuity	21.3.2	5,639	3,862
		5,699,061	2,688,803
Changes in working capital			
Decrease / (Increase) in			
stores and spares		(325,569)	(14,802)
stock-in-trade		(1,797,807)	(2,025,324)
trade debts		(1,308,901)	489,969
loans and advances		(267,768)	(589,760)
trade deposits and other receivables		(10,753)	(32,262)
Increase / (decrease) in trade and other payables		2,147,798	275,732
		(1,563,000)	(1,896,447)
		4,136,061	792,356
Income tax paid		(216,208)	(61,768)
Gratuity paid	21.3.1	(1,180)	(1,460)
Net cash generated from operating activities		3,918,673	729,128
Cash flow from investing activities			
Purchase of property, plant and equipment		(1,120,686)	(3,699,224)
Sale proceeds of operating fixed assets		29,020	43,880
Increase in long term investment		(214,393)	-
Profits on bank deposits received	31	10,237	7,226
Interest income on loan provided to related party		25,486	-
Profits on term finance certificates		31,313	-
Net cash (used) in investing activities		(1,239,023)	(3,648,118)
Cash flow from financing activities			
Long term finances received		248,716	2,046,562
Short term loan repaid		(176,105)	(500,000)
Bank balances under lien	15.1	(450,000)	(4,000)
Loan repaid to related party		(31,235)	-
Lease obligation repaid	20	(145,192)	(124,883)
Dividends paid		(35)	(141,206)
Finance cost paid		(2,343,674)	(801,658)
Net cash (used) / generated in financing activities		(2,897,525)	474,815
Net (decrease) in cash and cash equivalents		(217,875)	(2,444,175)
Cash and cash equivalents - at beginning of the year		(2,393,042)	51,133
Cash and cash equivalents - at end of the year		(2,610,917)	(2,393,042)
Cash and cash equivalents comprised of:			
Cash and bank balances	15.1	357,313	208,853
Short term running finance - secured	23	(2,968,230)	(2,601,895)
		(2,610,917)	(2,393,042)

The annexed notes 1 to 45 form an integral part of these financial statements.

(RIZWAN ULLAH KHAN)	(BEGUM LAILA SARFARAZ)	(ISKANDER M KHAN)
CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

CHASHMA SUGAR MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

1. Legal status and operations

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

2. Statement of compliance

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

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

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

3. Changes in accounting standards, interpretations and pronouncements

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

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of financial statements (Amendments)	January 1, 2024 & January 1, 2023
IAS 7	Statement of cash flows	January 1, 2024
IFRS 7	Financial Instruments: Disclosures	January 1, 2024
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IAS 21	Effect of changes in foreign exchange rates	January 1, 2025
IFRS 4	Insurance contracts (Amendments)	January 1, 2023
IFRS 16	Leases (Amendments)	January 1, 2024

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other

3.2 Further, the following standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified or has been waived off by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 17	Insurance Contracts
IFRIC 12	Service concession arrangements

4. Summary of significant accounting policies

4.1 Basis of preparation

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

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

These financial statements are the separate financial statements of the Company. In addition to these separate financial statements, the Company also prepares consolidated financial statements.

4.2 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees, which is the Company's functional currency

4.3 Property, plant and equipment

4.3.1 Owned assets

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

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

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

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

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

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

4.3.2 Capital work-in-progress

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

4.4 Right-of-use assets

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

The cost comprising the following:

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

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

4.5 Impairment of non-financial assets

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

4.6 Long term investments

4.6.1 Investment in subsidiaries

Investment in subsidiaries is initially recognised at cost. At subsequent reporting date, recoverable amounts are estimated to determine the extent of impairment loss, if any, and carrying amount of investment is adjusted accordingly. Impairment losses are recognised as expense in the statement of profit or loss. Where impairment loss is subsequently reversed, the carrying amounts of investment are increased to its revised recoverable amount, limited to the extent of initial cost of investment. Reversal of impairment losses are recognised in the statement of profit or loss.

The profits or losses of subsidiaries are carried forward in their financial statements and are not dealt within these financial statements except to the extent of dividend declared by the subsidiaries. Gains and losses on disposal of investment are included in other income. When the disposal on investment in subsidiary results in loss of control such that it becomes an associate, the retained investment is carried at cost.

4.6.2 Investment in associates

Investments in associates and jointly controlled entities are carried at cost. At subsequent reporting date, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognised as expense in the statement of profit or loss. Where impairment losses are subsequently reversed, the carrying amounts of these investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognised in the statement of profit or loss. The profits and losses of associates and jointly controlled entities are carried forward in their financial statements and are not dealt within these financial statements except to the extent of dividend declared by the associates and jointly controlled entities. Gains and losses on disposal of investments are included in the statement of profit or loss.

4.7 Stores and spares

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

4.8 Stock-in-trade

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

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

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

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

4.9 Trade debts

Trade debts are recognised and carried at the original invoice amounts, being the fair value, less an allowance for uncollectible amounts, if any. As explained in note 4.24 to these financial statements, for measurement of loss allowance for trade debts, the Company applies IFRS 9 simplified approach to measure the expected credit losses.

4.10 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash with banks on current, saving and deposit accounts, short term borrowings and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

4.11 Borrowings and borrowing cost

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

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

4.12 Employee retirement benefits

The Company operates a provident fund and an unfunded gratuity scheme for its employees as per details below:

4.12.1 Defined contribution plan

The Company operates a recognized contributory provident fund for its permanent employees. Equal monthly contributions are made, both by the Company and the employees to the fund at the specified rate of basic salary and charged to statement of profit or loss. Investments out of provident fund have been made in accordance with the provisions of section 218 of Companies Act, 2017 and applicable rules.

4.12.2 Defined benefit plan

The Company operates an unfunded gratuity scheme covering eligible employees under their employment contract. The liability for gratuity is recognized on the basis of actuarial valuation using Projected Unit Credit Method. The latest actuarial valuation was conducted on September 30, 2023.

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

4.13 Lease liabilities

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

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

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

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

4.14 Trade and other payables

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

4.15 Provisions

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

4.16 Taxation

Income tax comprises of current and deferred tax.

(i) Current

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

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

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

(ii) Deferred

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

Deferred tax asset and liability is measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. The calculation of deferred tax involves an estimate of future ratio of export and local sales considering the current trends and future expectations.

4.17 Dividend and revenue reserve appropriation

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

4.18 Foreign currency transactions and translation

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

4.19 Revenue recognition

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

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

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

4.20 Development expenditure

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

4.21 Operating segments

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

4.22 Earnings per share

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

4.23 Deferred government grant

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

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

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

4.24 Financial instruments

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

a) Financial assets

Classification

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

i) amortized cost where the effective interest rate method will apply;
ii) fair value through profit or loss;
iii) fair value through other comprehensive income.

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

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

Recognition and derecognition

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

Measurement

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

Debt instruments

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

i) Amortised cost

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

ii) Fair value through other comprehensive income (FVTOCI)

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

iii) Fair value through profit and loss (FVTPL)

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

Equity instruments

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

Impairment of financial assets

The Company assess on a historical as well as forward-looking basis, the expected credit loss (ECL) as associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

- Trade debts
- Loans and advances
- Trade deposits and other receivables
- Cash and bank balances

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

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

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

Significant increase in credit risk

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

The following indicators are considered while assessing credit risk

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

Definition of default

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

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

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

Credit - impaired financial assets

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

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

ii) Simplified approach for trade debts

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

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; and

- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

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

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

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

Recognition of loss allowance

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

Write-off

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

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

b) Financial Liabilities

Classification, initial recognition and subsequent measurement

Financial liabilities are classified in the following categories:

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

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

i) Fair value through profit or loss

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

ii) Other financial liabilities

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

Derecognition of financial liabilities

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

Offsetting financial assets and financial liabilities

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

4.25 Fair value measurement

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

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

The principal or the most advantageous market is accessible by the 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.

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

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

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

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

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

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

4.26 Other Income

The Company recognises following in other income:

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

5. Critical accounting estimates and judgments

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

i) Estimated useful life of operating assets - note 4.3 and 6

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

ii) Surplus on revaluation of property, plant and equipment - note 4.3 and 6

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

iii) Impairment assessment of non financial assets - note 4.5 and 8.3

The carrying amount of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of impairment loss, if any

iv) Provision for stores and spares - note 4.7 and 10

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

v) Write down of stock in trade to net realizable value - note 4.8 and 11

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

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

Work in process of sugar is valued at 80% of production cost.

vi) Estimation of impairment loss allowance - note 4.9 and 12

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

vii) Provision for employees' defined benefit plans - note 4.12 and 21.3

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

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

viii) Provision for taxation - note 4.16 and 34

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

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

ix) Provisions and contingencies - notes 4.15 and 25

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

x) Estimation of lease term and incremental borrowing rate for lease liabilities and right of use assets - notes 4.4, 4.13, 7 and 20

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

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

	Note	2023	2022
		(Rupees in thousand)	
6. Property, plant and equipment			
Operating fixed assets	6.1	18,853,151	14,475,625
Capital work-in-progress	6.8	1,517,981	3,541,099
		20,371,132	18,016,724

6.1 Operating fixed assets

	Freehold land	Leasehold land	Buildings and roads	Plant and machinery	Electric installations	Office equipment	Farm equipment	Furniture and fixtures	Vehicles	Total
	Rupees in thousand									
As at October 1, 2021										
Cost / revalued amount	1,787,465	-	1,812,811	7,776,295	624,337	115,568	2,322	55,488	95,257	12,269,543
Accumulated depreciation	-	-	(16,948)	(803,584)	(273,044)	(46,021)	(726)	(25,704)	(67,651)	(1,233,678)
Net book value	1,787,465	-	1,795,863	6,972,711	351,293	69,547	1,596	29,784	27,606	11,035,865
Year ended September 30, 2022										
Opening net book value	1,787,465	-	1,795,863	6,972,711	351,293	69,547	1,596	29,784	27,606	11,035,865
Additions	-	-	251,054	541,592	139,039	6,306	168	8,624	8,702	955,485
Disposals										
Cost	(38,400)	-	(5,273)	-	-	(63)	-	-	(8,823)	(52,559)
Accumulated depreciation	-	-	532	-	-	24	-	-	5,798	6,354
	(38,400)	-	(4,741)	-	-	(39)	-	-	(3,025)	(46,205)
Transfers from right of use assets to owned										
Cost	-	-	-	-	-	-	-	-	7,528	7,528
Depreciation	-	-	-	-	-	-	-	-	(5,140)	(5,140)
	-	-	-	-	-	-	-	-	2,388	2,388
Depreciation charge	-	-	(186,119)	(722,853)	(43,013)	(7,329)	(170)	(3,305)	(5,823)	(968,612)
Revaluation adjustments:										
Cost or valuation	188,730	-	343,229	1,232,831	-	-	-	-	-	1,764,790
Depreciation	-	-	202,535	1,526,437	2,942	-	-	-	-	1,731,914
	188,730	-	545,764	2,759,268	2,942	-	-	-	-	3,496,704
Closing net book value	1,937,795	-	2,401,821	9,550,718	450,261	68,485	1,594	35,103	29,848	14,475,625
As at October 1, 2022										
Cost / revalued amount	1,937,795	-	2,401,821	9,550,718	763,376	121,811	2,490	64,112	102,664	14,944,787
Accumulated depreciation	-	-	-	-	(313,115)	(53,326)	(896)	(29,009)	(72,816)	(469,162)
Net book value	1,937,795	-	2,401,821	9,550,718	450,261	68,485	1,594	35,103	29,848	14,475,625
Year ended September 30, 2023										
Opening net book value	1,937,795	-	2,401,821	9,550,718	450,261	68,485	1,594	35,103	29,848	14,475,625
Additions		2,722,248	79,122	271,725	23,989	13,624	168	15,475	3,775	3,130,126
Disposals / Adjustments - note 6.2										
Cost	-	-	-	-	(373)	(28)	-	(106)	(49,910)	(50,417)
Depreciation	-	-	-	-	278	10	-	54	29,501	29,843
	-	-	-	-	(95)	(18)	-	(52)	(20,409)	(20,574)
Transfers from right of use assets to owned										
Cost	-	-	-	-	-	-	-	-	51,086	51,086
Depreciation	-	-	-	-	-	-	-	-	(30,533)	(30,533)
	-	-	-	-	-	-	-	-	20,553	20,553
Depreciation charge	-	(41,246)	(242,863)	(970,969)	(46,420)	(7,790)	(161)	(4,231)	(6,299)	(1,319,979)
Revaluation adjustments:										
Cost or valuation		477,752	-	912,559	-	-	-	-	-	1,390,311
Depreciation		41,246	127,609	970,969	37,265	-	-	-	-	1,177,089
	-	518,998	127,609	1,883,528	37,265	-	-	-	-	2,567,400
Closing net book value	1,937,795	3,200,000	2,365,689	10,735,002	465,000	74,301	1,601	46,295	27,468	18,853,151
As at September 30, 2023										
Cost or revalued amount	1,937,795	3,200,000	2,480,943	10,735,002	786,992	135,407	2,658	79,481	107,615	19,465,893
Accumulated depreciation	-	-	(115,254)	-	(321,992)	(61,106)	(1,057)	(33,186)	(80,147)	(612,742)
Net book value	1,937,795	3,200,000	2,365,689	10,735,002	465,000	74,301	1,601	46,295	27,468	18,853,151
Annual rate of depreciation (%)	-	3.3	10	10	10	10	10	10	20	

6.2 Disposal of operating fixed assets

Particulars of assets	Cost / Revalued amount	Accumu-lated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Sold to:
	- - - - Rupees in thousand - - - -						
Assets having net book value exceeding Rs.500,000 each							
Vehicles							
Toyota Corolla	3,261	1,694	1,567	2,378	811	Company policy	Mr. Zaffar Mehmood (employee)
Toyota Corolla	3,821	2,089	1,732	2,308	576	Company policy	Mr. Hameed Ur Rehman (employee)
Toyota Corolla	2,771	1,565	1,206	1,386	180	Company policy	Mr. Atif Aman (employee)
Toyota Corolla	3,409	2,049	1,360	1,918	558	Company policy	Mr. Mujahid Bashir (employee)
Toyota Corolla	2,973	1,460	1,513	2,517	1,004	Company policy	Mr. Sarfaraz Rauf (employee)
Toyota Fortuner	7,891	4,558	3,333	4,691	1,358	Company policy	Mr. Rizwan Ullah Khan (employee)
Toyota Vitz	1,872	1,081	791	1,165	374	Company policy	Muhammad Imran hafeez (employee)
Honda Civic	3,221	1,936	1,285	1,611	326	Company policy	Mr. Nusrat Ali Khan (employee)
Honda Civic	2,965	1,782	1,183	1,482	299	Company policy	Mr. Zaheer Mir (employee)
Honda City	2,107	1,267	840	1,054	214	Company policy	Mr. Malik Shahid Nazir (employee)
Honda City	1,896	1,255	641	948	307	Company policy	Mr. Malik Sher Ahmad (employee)
Honda City	1,778	1,155	623	889	266	Company policy	Muhammad Asif (employee)
Honda City	1,601	1,100	501	857	356	Company policy	Muhammad Yaqub (employee)
Suzuki Cultus	1,568	906	662	803	141	Company policy	Mr. Sajid Ali Awan (employee)
Suzuki Cultus	1,486	858	628	1,093	465	Company policy	Mr. Mumtaz Ali Talpur (employee)
Suzuki Cultus	1,415	911	504	708	204	Company policy	Mr. Saleem Ur Rehman (employee)
Suzuki Cultus	1,413	909	504	706	202	Company policy	Mr. Aurange Zeb (employee)
Suzuki Cultus	1,415	911	504	707	203	Company policy	Muhammad Imran (employee)
Suzuki Cultus	1,412	961	451	706	255	Company policy	Mr. Arsalan Ahmad (employee)
Suzuki Cultus	1,412	978	434	715	281	Company policy	Ms. Beenish Hameed (employee)
	49,687	29,425	20,262	28,642	8,380		
Various assets having net book value upto Rs.500,000 each	730	418	312	378	66		
September 30, 2023	50,417	29,843	20,574	29,020	8,446		
September 30, 2022	52,559	6,354	46,205	43,880	(2,325)		

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

	Note	2023	2022
		(Rupees in thousand)	
Freehold land		239,234	239,234
Leasehold Land		2,681,002	-
Buildings and roads		841,607	850,184
Plant and machinery		3,217,274	3,290,496
Electric installations		425,086	447,318
		7,404,203	4,827,232

6.4 Forced sales value of the fixed assets based on valuation conducted during the year are as follows:

Freehold land	1,647,126	1,647,126
Leasehold Land	3,100,000	-
Buildings and roads	1,892,549	1,954,907
Plant and machinery	8,051,250	7,163,037
Electric installations	348,750	315,182
	15,039,675	11,080,252

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

Location	Usage of immovable property	Total Area	Covered Area
		(Kanals)	
CSM-1, D.I.Khan	Factory Building	1,111.25	98.86
CSM-2, Ramak	Factory Building	1,618.65	174.66
Plot # A-4,Sector F-9 / G-9, Islamabad	Land for Head office building	2.7	-

	Note	2023	2022
		(Rupees in thousand)	
6.6 Depreciation for the year has been allocated as follows:			
Cost of sales	28	1,301,650	952,155
Administrative and general expenses	30	18,329	16,457
		1,319,979	968,612

6.7 Security

Property plant and equipment with aggregate carrying value of Rs. 10,113,667 thousand (2022: Rs. 9,980,000 thousand) are subject to first joint pari passu charge as defined in note 18. The Company is restricted to pledge these assets as security for other borrowings or sell them to another entity subject to approval.

6.8 Capital work-in-progress:

	Land and building	Plant and machinery	Electric installations	Owned vehicles	Vehicles - leased	Advance payments to Contractors	Advance payments against land - and buildings	Total
	Rupees in thousand							
As at October 1, 2021	157,122	236,016	104,890	-	19,199	6,133	274,000	797,360
Additions during the year	2,882,581	461,509	43,901	8,559	78,480	-	271,965	3,746,995
Capitalized during the year	(251,054)	(541,592)	(139,039)	(8,209)	(63,362)	-	-	(1,003,256)
Other adjustments	258	-	(258)	-	-	-	-	-
Balance as at September 30, 2022	2,788,907	155,933	9,494	350	34,317	6,133	545,965	3,541,099
As at October 1, 2022	2,788,907	155,933	9,494	350	34,317	6,133	545,965	3,541,099
Additions during the year	244,536	730,401	100,623	1,597	108,609	-	2,000	1,187,766
Capitalized during the year	(2,801,370)	(270,026)	(23,989)	(1,947)	(113,552)	-	-	(3,210,884)
Balance as at September 30, 2023	232,073	616,308	86,128	-	29,374	6,133	547,965	1,517,981

6.9 Additions in land and building includes Rs.Nil (September 30, 2022: Rs. 207,662 thousand) capitalised in respect of borrowing cost on long term loans obtained for the purpose of construction of building and civil works.

7. Right of Use Assets

	2023 Rupees in thousand				2022 Rupees in thousand			
	Vehicles	Plant and Machinery	Buildings and tanks	Total	Vehicles	Plant and Machinery	Buildings and tanks	Total
Net book value at beginning of the year	180,614	46,207	56,694	283,515	154,861	51,341	133,373	339,575
Additions	113,552	-	-	113,552	63,362	-	-	63,362
Remeasurement during the year	-	-	(9,365)	(9,365)	(57)	-	(2,001)	(2,058)
Deletion during the year								
Cost	-	-	-	-	-	-	(84,169)	(84,169)
Accumulated depreciation	-	-	-	-	-	-	30,607	30,607
Net book value	-	-	-	-	-	-	(53,562)	(53,562)
Transferred to owned assets								
Cost	(51,085)	-	-	(51,085)	(7,528)	-	-	(7,528)
Accumulated depreciation	30,533	-	-	30,533	5,140	-	-	5,140
Net book value	(20,552)	-	-	(20,552)	(2,388)	-	-	(2,388)
Depreciation charge	(46,959)	(4,621)	(19,446)	(71,026)	(35,164)	(5,134)	(21,116)	(61,414)
Net book value at end of the year	226,655	41,586	27,883	296,124	180,614	46,207	56,694	283,515
As at September 30								
Cost or revalued amount	346,051	60,580	132,357	538,988	283,584	60,580	141,722	485,886
Accumulated depreciation	(119,396)	(18,994)	(104,474)	(242,864)	(102,970)	(14,373)	(85,028)	(202,371)
Net book value	226,655	41,586	27,883	296,124	180,614	46,207	56,694	283,515
Annual rate of depreciation (%)	20	10	20-50		20	10	20-50	

7.1 Depreciation for the year has been allocated as follows:

	Note	2023 (Rupees in thousand)	2022
Cost of sales	28	4,621	5,134
Selling and distribution expenses	29	19,446	21,116
Administrative and general expenses	30	46,959	35,164
		71,026	61,414

		2023	2022
		(Rupees in thousand)	
8. Long term investment			
Investment in subsidiaries - unquoted			
Investment in shares of Whole Foods (Private) Limited (WFL) - at cost			
10,000,000 (2022: 10,000,000) fully paid ordinary shares		100,000	100,000
Investment in shares of Ultimate Whole Foods (Private) Limited (UWFL) - at cost			
50,400,000 (2022: 20,400,000) fully paid ordinary shares		504,000	204,000
Difference in fair value and present value on initial recognition of interest free loan		- 119,964	119,964
		723,964	423,964
Less : Impairment recognised on subsidiary during the year			
- Whole Foods (Private) Limited		85,607	-
		638,357	423,964
	% age holding		
8.1 Whole Foods (Private) Limited (WFL) - Un-quoted	100%	134,357	219,964
Ultimate Whole Foods (Private) Limited (UWFL) - Un-quoted	72%	504,000	204,000
		638,357	423,964

8.2 UWFL was incorporated in Pakistan on May 17, 2021. The objective of UWFPL is to set up mills for milling wheat, gram, other grains, other allied products and by-products from flours. The Company commenced its operations in October 2023.During the year, the Company has acquired additional shares amounting to Rs.300 million. The company owns 50,400,000 shares (2022: 20,400,000) at par value of Rs. 10 (2022: Rs. 10). The total number of shares of UWFL is 70,000,000 (2022: 40,000,000).

8.3 WFL was incorporated in Pakistan on October 26, 2017. The principal activity of WFL is to setup, manage, supervise and control the storage facilities for agricultural produce. WFL is yet to commence its operations. During the year the Government of Punjab issued a notice of intent to terminate the aforesaid agreement which has been contested by the managemnet. The management of WFL is confident that the above said notice will be withdrawn. Further, it has alternative options available for usage of storage facilities/silos. The Company owns 10,000,000 shares (2022: 10,000,000) at par value of Rs. 10 (2022: Rs. 10).

During the year ended September 30, 2023, management assessed the investment in WFL for impairment in respect of triggering events as specified by IAS 36 applicable to the non-current assets. Based on the below indicators, an impairment test has been carried out by the management to determine the recoverable amount of WFL:

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

Considering the requirements of aforesaid agreement of WFL, the Company has assessed the recoverable amount of the investment in WFL based on higher of Value In Use (VIU) and fair value less costs to sell. The VIU is determined on the projected cashflows based on a future business plan approved by the Board of Directors of WFL for a period of six years from 2024 to 2029. VIU has been assessed on discounted cash flow based valuation methodology using weighted average cost of capital of 21.19% and terminal growth rate of 2.5%. Based on the above, management has recorded an impairment loss of Rs 85,607 in the financial statements.

		Note	2023	2022
9.	**Long term loans and deposits - considered good**		(Rupees in thousand)	
	Long term security deposits		15,084	15,084
	Loan to subsidiary company - WFL - at amortized cost	9.1	268,852	246,220
			283,936	261,304

9.1 This represents an amount of Rs 335 million paid by the Company intermittently on behalf of the WFL. Further, tripartite subordination agreements dated June 29, 2020 and June 30, 2021 have been entered into between the Company, WFL and Soneri Bank Limited (the lender) whereby the related amount is subordinated to the principal, markup and any and all other amounts that may be payable to the lender under the financing agreements. Further, no payment of the aforesaid amount can be made by WFL, except with prior written consent of the lender. Accordingly, all payments due to Company shall be postponed till repayment of loan to the lender. The Company expects that repayment will be made in full after repayment of the amount due to lender. Owing to the substance of transactions at non-market interest rate (nil in this case), the difference between the present value and proceeds is recognised as a long term investment made in WFL by the Company using the effective interest method. In respect of loan to WFL referred in note 8.3 subordinated to all secured finance facilities availed by the Company, the entire amount of loan has been classified as non-current asset.

At the beginning of the year	246,220	225,493
Unwinding of interest on loan to subsidiary company	22,632	20,727
Balance as at end of the year	268,852	246,220

		Note		
10.	**Stores and spares**			
	Stores and spares		895,690	570,121
	Less: Provision for obsolete items	10.1	(53,980)	(60,693)
			841,710	509,428
10.1	Provision for obsolete items			
	Opening balance		60,693	32,755
	Provision for the year		-	27,938
	Write off against provision		(6,713)	-
	Closing balance		53,980	60,693

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

		Note		
11.	**Stock-in-trade**			
	Finished goods			
	- Sugar	11.2	3,252,578	1,848,502
	- Molasses		1,129,284	1,082,773
	- Ethanol		742,952	436,448
	- Bagasse		36,569	-
			5,161,383	3,367,723
	Work-in-process		16,293	12,146
		11.1	5,177,676	3,379,869

11.1 Certain short term and long term borrowings of the Company are secured by way of collateral charge on stock-in-trade.

11.2 The closing stock of sugar, net of 10% to 15% margin, having carrying value of Rs. 3,439,411 thousand (2022:Rs. 2,601,895 thousand) has been pledged against cash finance obtained from commercial and Islamic banks (for details, refer to note 23).

		Note	2023	2022
			(Rupees in thousand)	
12.	**Trade debts - unsecured**			
	Considered good			
	Due from related parties		450	-
	Others		1,213,654	44,157
			1,214,104	44,157
	Considered doubtful		3,333	1,782
			1,217,437	45,939
	Less: loss allowance	12.2	(3,333)	(1,782)
			1,214,104	44,157
12.1	Trade debts - unsecured			
	Local		254,899	44,210
	Exports		962,538	1,729
			1,217,437	45,939
12.2	Movement in loss allowance			
	Opening balance		1,782	2,446
	Provision / (Reversal) for the year		1,551	(664)
	Closing Balance		3,333	1,782

12.3 The maximum aggregate amount receivable from related parties at the end of any month during the year was Rs 450 thousand (2022: Rs nil thousand).

12.4 The ageing analysis of trade debts due from related parties is as follows:

		Note	2023	2022
	Upto 6 months		450	-
	More than 6 months		-	-
			450	-
13.	**Loans and advances**			
	Advances to:			
	Employees - secured	13.1	12,077	10,211
	Suppliers and contractors - unsecured		1,025,502	1,038,141
			1,037,579	1,048,352
	Due from related parties	13.2	723,431	267,024
	Letters of credit - secured		11,156	189,022
			1,772,166	1,504,398
	Less:			
	- Provision for doubtful advances		(28,838)	(28,838)
	- Loss allowance	13.5	(905)	(905)
			1,742,423	1,474,655

13.1 These include balances of Rs 12,077 thousand (2022: Rs 10,211 thousand) secured against retirement benefits of respective employees.

	Note	2023	2022
		(Rupees in thousand)	

13.2 This represents amounts due from the associated companies:

	Note	2023	2022
Due from holding company:			
The Premier Sugar Mills and Distillery Company Limited		-	162,538
Due from subsidiary company / associated company:			
Whole Foods (Private) Limited		170,002	100,045
Ultimate Whole Foods (Private) Limited	13.3	553,429	2,666
Relative of a director		-	1,775
		723,431	267,024

Maximum aggregate amount outstanding in respect of related parties at any month-end during the year was Rs 697,945 thousand (2022: Rs 267,024 thousand).

13.3 Loan amounting to Rs. 500 million remains outstanding at September 30, 2023 from Ultimate Whole Foods Limited. The loan is unsecured and interest on this loan is charged at a lender's borrowing cost of 3 month KIBOR + 1.1% per year. The loan is repayable in one year extendable up to 5 years. The maximum amount due as at the end of any month during the year was Rs. 553 million.

13.4 The ageing analysis of receivable from related parties is as follows:

	2023	2022
Upto 6 months	610,651	267,024
More Than 6 months	112,780	-
	723,431	267,024

13.5 Movement in loss allowance during the year is as follows:

	2023	2022
Opening balance	905	345
Loss Allowance for the year	-	560
Closing balance	905	905

14. Trade deposits and other receivables

	Note	2023	2022
Deposits		2,500	4,987
Prepayments		9,304	5,152
Export subsidy receivable		305,519	305,519
Insurance claim receivable		33,746	27,938
Accrued mark-up on term deposit receipts		1,520	-
Others		4,184	2,424
		356,773	346,020
Less: loss allowance	14.1	(155,782)	(90,369)
		200,991	255,651

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

	2023	2022
Opening balance	90,369	56,120
Impairment loss for the year	65,413	34,249
Closing balance	155,782	90,369

	Note	2023	2022
		(Rupees in thousand)	
15. Cash and bank balances			
At banks in			
Current accounts	15.2	331,379	174,501
Savings accounts	15.3	29,934	34,973
Deposit accounts	15.4	450,000	3,379
		811,313	212,853

15.1 Bank balances that are included in cashflow are as follows:

	2023	2022
Cash and bank balances	811,313	212,853
Bank balances under lien - note 15.5	(454,000)	(4,000)
	357,313	208,853

15.2 These include dividend account balance of Rs 460 thousand (2022: Rs 460 thousand). These balances are maintained in separate non interest bearing current bank accounts.

15.3 These carry profit at the rates ranging from 13.50% to 19.50% (2022: 5.50% to 12.25%) per annum.

15.4 These include term deposits carrying profit at the rates ranging from 20.00 % to 20.55% (2022: 12.00% to 12.25%) per annum and having maturity of 30 days.

15.5 Lien is marked on bank balances for an amount of Rs 454,000 thousand (2022: Rs 4,000 thousand) in respect of the various guarantees extended by the banks.

16. Share capital

16.1 **Authorised share capital**

As at year end, the issued, subscribed and paid-up capital of the Company includes following share capital holdings by the related parties;

2023	2022		2023	2022
(Number of shares)			(Rupees in thousand)	
50,000,000	50,000,000	Ordinary shares of Rs 10 each	500,000	500,000

16.2 **Issued, subscribed and paid up capital**

2023	2022		2023	2022
(Number of shares)		Ordinary shares of Rs 10 each	(Rupees in thousand)	
28,692,000	28,692,000	Fully paid in cash	286,920	286,920

16.3 The holding company, The Premier Sugar Mills and Distillery Company Limited held 13,751,000 (2022: 13,751,000) ordinary shares and the associated companies held 5,375,334 (2022: 5,375,334) ordinary shares at the year end.

16.4 Ordinary shares have a par value of Rs 10 each. They entitle the holder to participate in dividends, as declared from time to time, and to share in the proceedings of the winding up of the Company in the proportion to the number of and amounts paid on the shares held. Further, the holder is entitled to one vote per share at the general meetings of the Company.

16.5 **General reserve**

These represent amounts appropriated by the Board of Directors of the Company from 1993 to 2005 to a separate reserve available for distribution to shareholders by way of dividend.

17. Surplus on revaluation of property, plant and equipment

17.1 The Company follows revaluation model for freehold land, leasehold land, buildings & roads, plant & machinery and electric installations. The fair value of the Company's free hold land, leasehold land, buildings & roads, plant & machinery and electric installations were assessed by management based on independent valuation performed by an external property valuation expert as at September 30, 2023. For valuation of free hold land, leasehold land, buildings & roads, plant & machinery and electric installations, the current market price or depreciated replacement cost method is used, whereby, current cost of construction of similar free hold land, buildings & roads, plant & machinery and electric installations in similar locations has been adjusted using suitable depreciation rates to arrive at present market value. This technique requires significant judgment as to estimating the revalued amount in terms of their quality, structure, layout and locations. Movement during the year is as follows:

	2023	2022
	(Rupees in thousand)	
Balance at the beginning of the year	9,513,360	6,518,555
Add: surplus on revaluation carried-out during the year	2,567,400	3,496,704
Less: transferred to unappropriated profits	(781,480)	(501,899)
	11,299,280	9,513,360
Less: deferred tax on:		
- opening balance of surplus	2,578,882	1,452,824
- surplus during the year	842,776	1,292,021
- incremental depreciation for the year	(271,104)	(165,250)
- disposal of revalued asset	-	(713)
	3,150,554	2,578,882
Balance at the end of the year	8,148,726	6,934,478

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

18. Long term finances - secured

Lending Institutions	Interest rate (per annum)	September 30, 2023 Total available facility	Long-term portion	Current portion	Total outstanding amount	September 30, 2022 Total outstanding amount	Collateral
		(Rupees in thousand)					
Secured							
Bank Al Habib Limited	- 6 month KIBOR + 1% to 1.5 %; and - SBP rate 3% and 5% p.a	3,358,004	2,319,002	499,698	2,818,700	2,604,361	- Secured against first joint pari passu charge on present and future fixed assets of the Company for Rs 2,667,667 thousand. - Registration of 1st equitable charge over Rs. 2,834 million over fixed assets situated at F-9/G-9, blue area, plot # A-3 measuring Rs. 1,333.33 sq. yards
Soneri Bank Limited	- 3 month KIBOR + 1.75%	890,000	110,713	221,426	332,139	553,565	- Secured against first joint pari passu charge on present and future fixed assets of the Company for Rs 1,867,000 thousand.
Dubai Islamic Bank Pakistan Limited	- 6 month KIBOR +2.1%	500,000	50,000	200,000	250,000	547,493	- Secured against first joint pari passu charge on present and future fixed assets of the Company inclusive of 25% margin for Rs 667,000 thousand. - 1st exclusive charge of Rs. 590,000 thousand over head office building of the company
MCB Bank Limited	3 month KIBOR + 1.10%	368,000	81,945	57,292	139,237	134,528	- Secured against first joint pari passu charge on present and future fixed assets of the Company for Rs 438,000 thousand.
Al Baraka Bank Limited	6 month KIBOR + 1.50%	450,000	334,430	111,063	445,493	446,715	- Secured against first joint pari passu charge on present and future fixed assets of the Company for Rs 600,000 thousand. - Specific charge of Rs 450,000 thousand on specific plant and machinery items
United Bank Limited	3 month KIBOR + 1.75%	450,000	365,625	84,375	450,000	-	- Secured against charge on TDR of the company for Rs. 450,000 thousand with 25% margin
Total			3,261,715	1,173,854	4,435,569	4,286,662	
Accrued mark-up					245,132	211,925	
					4,680,701	4,498,587	
Less: amount payable within next 12 months							
Principal					1,173,854	708,844	
Accrued mark-up					245,132	211,925	
					1,418,986	920,769	
Amount due after September 30, 2024					3,261,715	3,577,818	

	Note	2023	2022
		(Rupees in thousand)	

19. Loans from related parties - secured

	Note	2023	2022
Associated Companies			
Premier Board Mills Limited	19.1	46,840	65,575
Arpak International Investments Limited	19.2	31,250	43,750
Azlak Enterprises (Private) Limited	19.3	85,000	85,000
Accrued mark-up		46,236	10,317
		209,326	204,642
Less: amount payable within next 12 months			
Principal		31,236	31,236
Accrued mark-up		46,236	10,317
		131,854	163,089

19.1 The long term finance facility had been renewed on November 4, 2019. The principal is repayable in 7 semi annual installments commencing from November 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Company.

19.2 The long term finance facility had been renewed on November 4, 2019. The principal is repayable in 7 semi annual installments commencing from November 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Company.

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

20. Lease liabilities

	2023	2022
Balance at beginning of the year	236,797	328,290
Additions during the year	99,874	72,337
Unwinding of interest on lease liabilities	43,479	28,020
Payments made during the year	(145,192)	(124,883)
Remeasurement gain	(9,365)	(2,001)
Early termination gain	-	(64,966)
Balance at end of the year	225,593	236,797
Less: current portion of long term lease liabilities	(85,279)	(90,193)
	140,314	146,604

20.1 The Company has acquired vehicles under finance lease from commercial banks. The financing is repayable in equal monthly installments over a period ranging between four to five years and carries finance charge ranging from 16.83% to 24.72% (2022: 7.81% to 17.50%) per annum.

	Note	2023	2022
		(Rupees in thousand)	

21. Deferred liabilities

	Note	2023	2022
Deferred taxation	21.1 & 21.2	3,472,814	3,102,225
Provision for gratuity	21.3	19,965	14,843
Deferred government grant	21.4	76,280	417
		3,569,059	3,117,485

21.1 Deferred tax comprises of the following:

Taxable temporary differences arising in respect of:

	2023	2022
Accelerated tax depreciation allowances	589,017	543,247
Surplus on revaluation of property, plant and equipment	3,150,554	2,578,882
Lease finances	24,468	15,417
	3,764,039	3,137,546
Deductible temporary differences arising in respect of:		
Provision for doubtful advances	(10,318)	(9,630)
Provision for obsolete items	(18,726)	(20,029)
Impairment loss on long term investments	(29,714)	-
Expected credit loss on trade debts	(1,156)	(571)
Provision for gratuity	(6,926)	(5,091)
Minimum tax recoverable against normal tax charge in future years	(224,385)	-
	(291,225)	(35,321)
	3,472,814	3,102,225

21.2 Based on the Company's estimate of future export sales, adjustment of Rs. 462.91 million has been made in the taxable temporary differences at the year end.

21.3 The latest actuarial valuation of the employees' defined benefit plan was conducted at September 30, 2023 using the Projected Unit Credit Method. Details of the defined benefit plan are as follows:

	Note	2023	2022
Present value of defined benefit obligation	21.3.1	19,965	14,843
Fair value of plan assets		-	-
Net liability		19,965	14,843

	Note	2023	2022
		(Rupees in thousand)	

21.3.1 Movement in net liability recognised

	Note	2023	2022
Opening net liability		14,843	11,467
Expense for the year recognised in statement of profit or loss account	21.3.2	5,639	3,862
Remeasurement (gain) / loss recognised in statement of other comprehensive income.	21.3.5	2,656	974
Benefits paid		(1,180)	(875)
Benefits payable to outgoing employees transferred to trade and other payables		(1,993)	(585)
		19,965	14,843

21.3.2 Expense for the year

	2023	2022
Current service cost	3,882	2,735
Net interest expense	1,757	1,127
	5,639	3,862

21.3.3 Changes in the present value of defined benefit obligation:

	2023	2022
Opening defined benefit obligation	14,843	11,467
Current service cost	3,882	2,735
Interest cost	1,757	1,127
Benefits paid	(1,180)	(875)
Benefits payable to outgoing employees transferred to trade and other payables	(1,993)	(585)
Remeasurement loss on defined benefit obligation	2,656	974
Closing defined benefit obligation	19,965	14,843

21.3.4 Principal actuarial assumptions used in the actuarial valuation:

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

	2023	**2022**
	%	%
Discount rate used for interest cost	13.25	10.50
Discount rate used for year end obligation	16.75	13.25
Salary increase rate - long term	16.75	12.25
Salary increase rate - short term	16.75	12.25
Demographic assumptions		
Mortality rates	SLIC 2001-05	SLIC 2001-05

During the year 2024, the Company expects to contribute Rs 8,278 thousand (2023: Rs 5,571 thousand) to its gratuity scheme.

	2023	2022
	(Rupees in thousand)	
21.3.5 Remeasurement recognised in OCI during the year:		
Actuarial losses / (gains) from changes in financial assumptions	1,540	(25)
Experience adjustments	1,116	999
Remeasurement loss on defined benefit obligation	2,656	974
Distribution timing of gratuity payments:		
1 year	1,106	964
2 years	1,201	1,034
3 years	2,808	1,193
4 years	9,106	2,535
5 years	3,454	7,774
6 - 10 years	1,929,632	627,144

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

Plan duration	Years
September 30, 2023	9
September 30, 2022	9

The calculation of defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased/ (decreased) as a result of a change in respective assumptions by one percent.

	Effect of 1 percent increase	Effect of 1 percent decrease
	(Rupees in thousand)	
2023		
Discount rate	(18,387)	21,797
Future salary growth	21,756	(18,396)
2022		
Discount rate	(13,628)	16,264
Future salary growth	16,242	(13,628)

The above sensitivity analyses are based on the changes in assumptions while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of defined benefit obligation to significant assumptions the same method (present value of the defined benefit obligation calculated with the projected credit unit method at the end of the reporting period) has been applied when calculating the liability recognized within the statement of financial position.

The defined benefit obligation exposes the Company to the following risks:

Final salary risks:

The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Withdrawal risks:

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

Mortality risks:

The risk that the actual mortality experience is different. Similar to the withdrawal risk, the effect depends on the beneficiaries' service / age distribution and the benefit.

Discount rate fluctuation

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plan's bond holdings.

	Note	2023	2022
		(Rupees in thousand)	
21.4 Deferred government grant			
Opening balance		417	6,204
Grant recognised during the year		99,809	-
Amortization during the year		(23,946)	(5,787)
Closing Balance	21.4.1	76,280	417

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

22. Trade and other payables

Creditors		441,581	314,961
Due to related parties	22.1	296,018	156,526
Accrued expenses		135,498	114,494
Retention money		20,288	20,940
Security deposits	22.2	1,299	984
Advance payments from customers - contract liability	22.3	1,957,552	225,921
Sales tax payable		246,710	210,252
Income tax deducted at source		85,466	59,400
Payable for workers' profit participation fund	22.4	83,166	24,008
Payable for workers' welfare fund	22.5	30,258	29,957
Payable to employees		58,202	57,657
Payable to provident fund		8,459	3,700
Others		11,292	7,198
		3,375,789	1,225,998

		Note	2023	2022
			(Rupees in thousand)	
22.1	This represents amounts due to the following related parties and are interest free and payable on demand:			
	Holding Company			
	The Premier Sugar Mills and Distillery Company Limited		150,161	-
	Associated Companies			
	The Frontier Sugar Mills and Distillery Limited		733	733
	Phipson & Company Pakistan (Private) Limited		55	-
	Azlak Enterprises (Private) Limited		25,143	39,604
	Directors		119,926	116,189
			296,018	156,526

22.2 These are repayable on demand and cannot be utilised for the purpose of business in accordance with the terms of written agreements with these parties. No amount in this respect has been kept in separate bank account.

		Note	2023	2022
22.3	Revenue recognised from advance from customers during the year		225,921	17,241
22.4	Payable for workers' profit participation fund			
	Balance at the beginning of the year		24,008	16,336
	Charge for the year		83,166	24,008
	Prior year adjustment		1,264	4,786
			108,438	45,130
	Interest on funds utilized in the Company's business		1,438	535
	Payments made during the year		(26,710)	(21,657)
	Balance at the end of the year		83,166	24,008
22.5	Payable for workers' welfare fund			
	Balance at the beginning of the year		29,957	43,037
	Charge for the year		28,097	15,317
	Prior year adjustment		(5,209)	(7,391)
			52,845	50,963
	Payments made during the year		(22,587)	(21,006)
	Balance at the end of the year		30,258	29,957

23. Short term running finance - secured

	Note	2023	2022
Secured			
Cash / running finance		2,968,230	2,601,895
Export re finance		1,523,895	1,700,000
		4,492,125	4,301,895
Accrued mark-up		378,878	187,613
	23.1	4,871,003	4,489,508

23.1 Short term running finance - secured

Lending Institution	Interest rate (per annum)	September 30, 2023 Total available facility	September 30, 2023 Facility availed	September 30, 2023 Total outstanding amount	September 30, 2022 Total outstanding amount	Collateral
		(Rupees in thousand)				
Secured						
Bank Al-Habib Limited	(6 month KIBOR + 3%) and (3 month KIBOR + 1%)	2,250,000	2,226,973	879,973	1,122,000	- Pledge on Sugar Stocks with 15% margin of Rs. 2,000,006 thousand - First joint pari passu charge on present and future current assets of the Company for Rs. 1,867,000 thousand
The Bank of Punjab	(3 month KIBOR + 1.10%)	1,450,000	1,438,549	-	-	- Pledge on Sugar Stocks with 15% margin of Rs. 825,000 thousand - First joint pari passu charge on present and future current assets of the Company for Rs 1,001,000 thousand
MCB Bank Limited	(3 month KIBOR + 1.10%)	1,350,000	1,350,000	1,158,350	897,997	- Pledge on Sugar Stocks with 15% margin of Rs. 1,288,900 thousand - First joint pari passu charge on present and future current assets of the Company for Rs 534,000 thousand.
Bank Alflah Limited	(3 month KIBOR + 1.25%)	650,000	524,469	-	547,895	- Pledge on Sugar Stocks with 15% margin of Rs. 647,095 thousand
Dubai Islamic Bank	(9month KIBOR + 1.50%) and (6month KIBOR + 1.25%)	600,000	600,000	515,000	-	- Pledge on Sugar Stocks with 10% margin of Rs. 465,000 thousand - First joint pari passu charge on present and future current assets of the Company for Rs 267,000 thousand.
Soneri Bank Limited	(3 month KIBOR + 1.50%) and (6 month KIBOR + 1.25%)	1,500,000	1,189,000	126,000	689,000	- Pledge on Sugar Stocks with 15% margin of Rs. 588,235 thousand - First joint pari passu charge on present and future current assets of the Company for Rs 1,333,334 thousand.
The Bank of Khyber	(6 month KIBOR + 1%) and (3 month KIBOR + 1%)	725,000	667,369	-	225,700	- Pledge on Sugar Stocks with 15% margin of Rs. 589,000 thousand
Samba Bank Limited	(1 month KIBOR + 1%)	600,000	599,908	599,908	519,303	- Pledge on Sugar Stocks with 15% margin of Rs. 707,000 thousand
Habib Metropolitan Bank Limited	(3 month KIBOR + 0.9%)	1,050,000	1,050,000	300,000	300,000	- Pledge on Sugar Stocks with 10% margin of Rs. 834,000 thousand - First joint pari passu charge on present and future current assets of the Company for Rs 400,000 thousand.
Askari Bank Limited	(1 month KIBOR + 1.25%)	700,000	700,000	210,000	-	- Letter of Pledge amounting PKR 823,520 thousand on sugar stocks (inclusive of 15% margin) - Pledge of sugar (50kg) bags margin 15% on market price
MCB Islamic Limited	(3 month KIBOR + 1.10%)	500,000	499,999	499,999	-	- Pledge on sugar stocks with 15% margin
Bank Islami Limited	(3month KIBOR + 1.20%)	400,000	400,000	-	-	- Pledge on sugar stock with 15% margin
Meezan Bank Limited	(6 month KIBOR + 1.20%)	1,600,000	1,300,000	202,895	-	- Pledge of sugar stock with 15% margin
United Bank Limited	(1 month KIBOR + 1.50%)	400,000	399,999	-	-	- Pledge on sugar stocks with 15% margin
National Bank of Punjab	(9 month KIBOR + 1.0%)	1,000,000	1,000,000	-	-	- Pledge on white refined sugar bags with 15% margin at both units (Unit 1 &2), on amount of Rs. 1,176,471 thousand
Total				4,492,125	4,301,895	
Accrued mark-up				378,878	187,613	
				4,871,003	4,489,508	

		Note	2023	2022
			(Rupees in thousand)	
24.	**Current maturity of non-current liabilities**			
	Long term finances	18	1,418,986	920,769
	Loans from related parties	19	77,472	41,553
	Lease liabilities	20	85,279	90,193
			1,581,737	1,052,515

25. Contingencies and commitments

Contingencies

25.1 The Assistant Commissioner Inland Revenue (ACIR) vide show cause notice dated May 12, 2014 alleged that Company has claimed inadmissible input tax adjustment on building material including cements & bricks during the tax periods in year 2013-14. Further the ACIR ordered the Company to pay alleged demand of Rs 36.84 million representing principal amount and default surcharge for the aforesaid tax period. The Company filed appeal before Commissioner Inland Revenue Appeals [CIR(A)] wherein amount was reduced to Rs. 28.06 million vide order-in-appeal dated March 24, 2015. The Company preferred an appeal against the aforesaid order before the Appellate Tribunal Inland Revenue (ATIR), whereby ATIR vide its order dated January 25, 2016 upheld the Company's contention. In prior year the tax department filed a reference in this respect before the Honorable Peshawar High Court. During the year the matter has been decided by the said court in favour of the Company vide order dated September 19, 2023.

25.2 The Commissioner Inland Revenue (CIR), Peshawar vide order dated May 26, 2015 alleged that the Company has not undertaken appropriate stock taking and raised a demand of Rs 10 million in respect of FED on the alleged differential stock. The Company preferred an appeal before Appellate Tribunal Inland Revenue (ATIR) which was accepted vide order dated January 25, 2016. In this respect, the tax department filed reference before the Honorable Peshawar High Court which is yet to be decided.

25.3 In respect of super tax demand under section 4C of Income Tax Ordinance, 2001 for the tax year 2021 @ 10% of taxable income, the Company had filed writ petition before Peshawar High Court, and an interim relief was granted, directing the Company to 50% of the tax demanded. However, during the year, The Federal Board of Revenue (FBR) sent a notice to the Company directing it to pay super tax @ 4%, based on Supreme Court's order in respect of other companies wherein the Supreme Court of Pakistan granted an interim relief against demand of super tax at the rate of 10% and directed FBR to recover the tax @ 4%. Management has recorded a current tax charge of Rs 41.9 million during the year in respect of super tax @ 4% out of which Rs. 24.9 million is paid during the year. The Company and its legal counsel are confident that based on Supereme Court's order maximumexposure of the Company in respect of super tax for tax year 2021 is 4% and no further provision needs to be recognized in these financial statements.

25.4 The Federal government through SRO No. 1062(I)/2021 dated April 28, 2021 fixed the Ex-Mill and Retail prices of Sugar u/s 6 of the Price Control and Prevention of Profiteering and Hoarding Act, 1997 at Rs.95.57/kg and Rs.98.82/kg. The Company has filed a writ petition in Peshawar High court against the above direction of Federal Government on April 20, 2023
Peshawar High Court granted stay on the case vide order dated 6 June, 2023 and the case is currently pending adjudication as at year end.

25.5 The Competition Commission of Pakistan (CCP) issued a show cause notice dated November 04, 2020 to sugar mills with respect to artificial price hike and alleged cartelization. The Company submitted its reply dated December 25, 2020. However CCP passed an order dated August 13, 2021 and on the basis of revenues of financial year 2019 imposed a panelty of Rs.650,000 thousand on the Company. Against the said order of CCP, the Company has filed an appeal before the CCP Appellate tribunal. The CCP Appellate tribunal has granted stay order against the CCP's order dated August 13, 2021. The case is pending adjudication.

25.6 The Company has letter of guarantee facilities aggregating Rs 50 million (2022: Rs 50 million) available from Bank Al Habib. The amount availed on these facilities as at September 30, 2023 is Rs 4 million (2022: Rs 4 million). These facilities are secured by master counter guarantee and 100% cash margin.

25.7 The Company has obtained letter of credit facilities aggregating Rs 365 million (2022: Rs 431 million) from Bank Al Habib. The amount availed on these facilities as at September 30, 2023 is Rs 221 million (2022: Rs 173 million). These facilities are secured by lien on shipping documents.

25.8 The Company has cash finance facility available from various banks aggregating to Rs 10,825 million (2022: Rs 5,950 million), out of which Rs 2,968 million (2022: Rs 2,600 million) has been availed by the Company as at September 30, 2023. These facilities are secured against pledge charge over crystalline sugar inclusive of margin of 10 - 15%.

25.9 The Company has Export Re Finance/Finance Against Packing Credit (ERF / FAPC) facility from various commercial banks for Rs 3,950 million (2022: Rs 2,400 million), out of which Rs 1,524 million (2022: Rs 1,700 million) has been availed by the Company as at September 30, 2023. These facilities are secured by the joint parri passu hypothecation charge over current assets of the Company and lien over export documents.

25.10 The Company is defending its stance before the courts of law against various parties including individuals, corporate entities, federal and provincial revenue / regulatory authorities etc. The management of the Company is of the view that the ultimate outcome of these cases are expected to be favorable and a liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made in the financial statements in this regard.

25.11 During the period, the Company has issued further corporate guarantee amounting to Rs. 667 million in favour of UWFL in connection with financing arrangements with a financial institution.The financing facility is expected to be settled by December 31, 2027 and accordingly, the guarantee issued by the Company will be released by December 31, 2027.

	Note	2023	2022
		(Rupees in thousand)	
Commitments			
25.12 The Company has following commitments in respect of:			
Foreign letter of credit for purchase of plant and machinery		-	211,841
Local letter of credit for purchase of plant and machinery		143,681	207,519
Capital expenditure other than for letter of credit		14,386	104,083

26. Gross sales

	Note	2023	2022
Local		20,874,057	14,792,342
Export	26.1	8,497,560	4,481,937
		29,371,617	19,274,279

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

	2023	2022
Singapore	361,816	-
China	540,773	-
Spain	5,262,047	3,117,219
Hong Kong	97,765	137,795
Switzerland	2,182,192	-
Afghanistan	52,967	-
Indonesia	-	162,727
United Kingdom	-	999,289
Others	-	64,907
	8,497,560	4,481,937

27. Sales tax, other government levies and discounts

	2023	2022
Indirect taxes	2,984,342	2,169,631
Discounts	11,558	9,835
	2,995,900	2,179,466

	Note	2023	2022
		(Rupees in thousand)	

28. Cost of sales

	Note	2023	2022
Raw material consumed		18,397,896	13,776,986
Chemicals and stores consumed		564,182	404,930
Salaries, wages and benefits	28.1	888,766	674,222
Power and fuel		162,838	107,534
Repair maintenance and others		633,310	315,639
Insurance		32,997	16,841
Depreciation - property, plant and equipment	6.6	1,301,650	952,155
Depreciation - right of use asset	7.1	4,621	5,134
		21,986,260	16,253,441
Adjustment of work-in-process:			
Opening		12,146	13,449
Closing		(16,293)	(12,146)
		(4,147)	1,303
Cost of goods manufactured		21,982,113	16,254,744
Adjustment of finished goods:			
Opening stock		3,367,723	1,341,096
Closing stock		(5,161,383)	(3,367,723)
		(1,793,660)	(2,026,627)
		20,188,453	14,228,117

28.1 Salaries, wages and benefits include Rs 20,790 thousand (2022: Rs 16,370 thousand) in respect of retirement benefits.

29. Selling and distribution expenses

	Note	2023	2022
Salaries, wages and benefits	29.1	19,991	15,476
Loading and stacking		33,691	19,915
Export development surcharge		18,466	12,199
Export sales commission		416,357	183,342
Freight and other expenses		358,065	216,922
Depreciation - right of use asset	7.1	19,446	21,116
		866,016	468,970

29.1 Salaries, wages and benefits include Rs 532 thousand (2022: Rs 354 thousand) in respect of retirement benefits.

30. Administrative and general expenses

	Note	2023	2022
Salaries, wages and benefits	30.1	603,177	469,061
Travelling and conveyance		74,495	55,577
Vehicles running and maintenance		44,675	28,707
Rent, rates and taxes		8,518	7,613
Communication		16,745	15,023
Printing and stationery		13,451	9,839
Insurance		6,994	4,845
Repair and maintenance		49,148	49,827
Fees and subscription		3,608	5,900
Depreciation - property, plant and equipment	6.6	18,329	16,457
Depreciation - right of use asset	7.1	46,959	35,164
Auditors' remuneration	30.2	4,189	3,350
Legal and professional charges		13,358	11,348
Others		105,711	62,461
		1,009,357	775,172

30.1 Salaries, wages and benefits include Rs 17,120 thousand (2022: Rs 11,340 thousand) in respect of retirement benefits.

30.2 Auditors' remuneration	Note	2023	2022
		(Rupees in thousand)	
Statutory audit		2,929	2,343
Half year review		693	554
Consolidation		308	246
Group reporting		154	123
Out-of-pocket expenses		105	84
		4,189	3,350

31. Other income

Income from financial assets			
Return on bank deposits		10,237	7,226
Mark-up income on loan to a related party		25,486	-
Mark-up earned on term depository receipts		31,313	-
Income from other than financial assets			
Sale of press mud - net of sales tax		5,879	5,656
Sale of fusel oil - net of sales tax		3,378	4,233
Gain / (loss) on disposal of operating fixed assets		8,446	(2,325)
Gain on derecognition of right of use assets		-	20,479
Scrap sales - net of expenses		63,372	13,110
Rental income		115	115
Income against Insurance Claim		119,462	-
Others		-	18,519
		200,652	59,787
		267,688	67,013

32. Other expenses

Impairment in long term investment - WFL		85,607	-
Donations	32.1	2,042	490
Workers' profit participation fund charge		83,166	24,008
Workers' welfare fund charge		28,097	15,317
Others		(3,945)	(2,605)
		194,967	37,210

32.1 This includes donation paid to Al-Siraj Welfare Foundation amounting to Rs. 2,042 thousand (2022: Rs Nil).

33. Finance cost - net

Mark-up on:			
Long term finances		909,885	310,563
Loans from related parties		36,420	25,175
Short term borrowings		1,645,272	760,025
		2,591,577	1,095,763
Unwinding of interest on lease liabilities		43,479	28,020
Amortization of deferred government grant	21.4	(23,946)	(5,787)
Amortization of loan to subsidiary company	9.1	(22,632)	(20,727)
Interest on workers' profit participation fund		1,438	535
Bank charges		11,049	12,504
Exchange loss - net		137,403	2,470
		2,738,368	1,112,778

	Note	2023	2022
		(Rupees in thousand)	
34. Taxation			
Current:			
- for the year		309,360	284,270
- prior year		41,938	37,021
		351,298	321,291
Deferred:			
On account of temporary differences		(471,157)	140,595
		(119,859)	461,886

34.1 Reconciliation of taxation with accounting profit

		2023	2022
Profit before taxation		1,579,280	505,434
Tax rate		29%	29%
Tax on profit		457,991	146,576
Tax effect of:			
Effect due to Lower rate income		(548,010)	(7,224)
Prior year charge		41,938	37,021
Impact of rate change and restriction of deferred tax		(40,489)	166,078
Super tax impact		-	72,381
Others		(31,289)	47,054
		(119,859)	461,886

35. Earnings per share

		2023	2022
Profit after taxation attributable to ordinary shareholders		1,699,139	43,548
Weighted average number of shares outstanding during the year (No. of shares '000')		28,692	28,692
Earnings per share (Rs)		59.22	1.52

35.1 There is no dilutive effect on basic earnings per share.

36. Segment operating results for the year ended September 30, 2023

	Sugar Division		Ethanol Division		Total	
	2023	2022	2023	2022	2023	2022
	Rupees in thousand					
Sales						
-External Customers	21,256,732	14,264,248	8,114,885	5,010,031	29,371,617	19,274,279
-Inter segment	1,534,829	953,528	-	-	1,534,829	953,528
	22,791,561	15,217,776	8,114,885	5,010,031	30,906,446	20,227,807
Less : sales tax & others	(2,910,329)	(2,098,904)	(85,571)	(80,562)	(2,995,900)	(2,179,466)
Sales - net	19,881,232	13,118,872	8,029,314	4,929,469	27,910,546	18,048,341
Segment expenses:						
Cost of Sales	(16,897,260)	(11,387,946)	(3,291,193)	(2,840,171)	(20,188,453)	(14,228,117)
less: Inter segment cost	-	-	(1,534,829)	(953,528)	(1,534,829)	(953,528)
	(16,897,260)	(11,387,946)	(4,826,022)	(3,793,699)	(21,723,282)	(15,181,645)
Gross profit	2,983,972	1,730,926	3,203,292	1,135,770	6,187,264	2,866,696
Selling and distribution expenses	(146,522)	(48,382)	(719,494)	(420,588)	(866,016)	(468,970)
Administrative and general expenses	(738,251)	(587,989)	(271,106)	(187,183)	(1,009,357)	(775,172)
Net impairment losses on financial assets	(66,964)	(15,626)	-	-	(66,964)	(15,626)
Impairment of equity investment	-	-	-	-	-	-
	(951,737)	(651,997)	(990,600)	(607,771)	(1,942,337)	(1,259,768)
Profit from operations	2,032,235	1,078,929	2,212,692	527,999	4,244,927	1,606,928
Other income	232,722	48,756	34,966	(262)	267,688	48,494
Other expenses	(176,052)	(37,210)	(18,915)	-	(194,967)	(37,210)
	56,670	11,546	16,051	(262)	72,721	11,284
Segment results	2,088,905	1,090,475	2,228,743	527,737	4,317,648	1,618,212
Finance cost					(2,738,368)	(1,112,778)
Profit before tax					1,579,280	505,434
Taxation					119,859	(461,886)
Profit for the year					1,699,139	43,548

36.1 Segment assets and liabilities

	2023		2022	
	Assets	Liabilities	Assets	Liabilities
	(Rupees in thousand)			
Sugar	24,210,428	14,716,856	18,267,845	11,379,821
Ethanol	7,367,338	1,942,447	6,635,732	2,083,503
Total for reportable segment	31,577,766	16,659,303	24,903,577	13,463,324
Others	-	380,367	-	324,300
Total assets / liabilities	31,577,766	17,039,670	24,903,577	13,787,624

37 Financial instruments

37.1 Financial assets and liabilities

As at September 30, 2023

Financial assets:	**Amortised Cost**	**Total**
	(Rupees in thousand)	
Maturity upto one year		
Trade debts - net of loss allowance	1,214,104	1,214,104
Loans and advances	705,765	705,765
Trade deposits and other receivables - net of loss allowance	191,687	191,687
Cash and bank balances	811,313	811,313
Maturity after one year		
Long term security deposits	283,936	283,936
	3,206,805	3,206,805
Financial liabilities:		
Other financial liabilities		
Maturity upto one year		
Trade and other payables	1,002,895	1,002,895
Unclaimed dividends	14,572	14,572
Current maturity of non current liabilities	1,496,458	1,496,458
Short term running finance	4,871,003	4,871,003
Lease liabilities	85,279	85,279
Maturity after one year		
Long term finances - secured	3,261,715	3,261,715
Loans from related parties - secured	131,854	131,854
Lease liabilities	140,314	140,314
	11,004,090	11,004,090

As at September 30, 2022

Financial assets:	**Amortised Cost**	**Total**
	(Rupees in thousand)	
Maturity upto one year		
Trade debts - net of loss allowance	44,157	44,157
Loans and advances	436,514	436,514
Trade deposits and other receivables - net of loss allowance	250,499	250,499
Cash and bank balances	212,853	212,853
Maturity after one year		
Long term security deposits	261,304	261,304
	1,205,327	1,205,327

Financial liabilities:	Amortised Cost	Total
	(Rupees in thousand)	
Other financial liabilities		
Maturity upto one year		
Trade and other payables	676,460	676,460
Unclaimed dividends	14,607	14,607
Current portion of non current liabilities	962,322	962,322
Short term running finance	4,489,508	4,489,508
Lease liabilities	90,193	90,193
Maturity after one year		
Long term finances - secured	3,577,818	3,577,818
Loans from related parties - secured	163,089	163,089
Lease liabilities	146,604	146,604
	10,120,601	10,120,601

38 Financial risk management

38.1.1 Financial risk factors

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

- credit risk
- liquidity risk
- market risk

The Board of Directors (the Board) has the overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and 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 Board of the Company 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. The Board is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

a) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the credit worthiness of counterparties.

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

Credit risk primarily arises from trade debts, loans and advances, other receivables and balances with banks. To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other relevant factors. Where considered necessary, advance payments are obtained from certain parties. The management has set an allowed credit period to reduce the credit risk. Credit risk on bank balances is limited as the counter parties are banks with reasonably high credit ratings. In respect of other counter parties, due to the Company's long standing business relationship with them, management does not expect non-performance by these counter parties on their obligations to the Company.

The Company recognises ECL for trade debts using the simplified approach as explained in note 4.23. As per the aforementioned approach, the loss allowance was determined as follows:

	1-180 days	**181-365 days**	**More than 365 days**	**Total**
	--------------------------Rupees in thousand----------------------------			
September 30, 2023				
Gross carrying value	1,215,486	223	1,729	1,217,438
Loss allowance	1,381	223	1,729	3,333
September 30, 2022				
Gross carrying value	44,210	-	1,729	45,939
Loss allowance	53	-	1,729	1,782

ECL on other receivables is calculated using general approach (as explained in note 4.24). As at the reporting date, Company envisages that default risk on account of non-realisation of other receivables is minimal and thus based on historical trends adjusted to reflect current and forward looking information loss allowance has been estimated by the Company using a range of probable recovery pattern of related other receivables and assigning a time value of money to same. As per the aforementioned approach, the loss allowance for other receivables as at September 30, 2023 and September 30, 2022 is determined as follows:

	2023	2022
	(Rupees in thousand)	
September 30,		
Gross carrying value	705,765	436,514
Loss allowance	(905)	(905)

Based on past experience, the management believes that no further impairment allowance is necessary in respect of trade debts, loans and advances and other financial assets.

Net impairment losses on financial assets recognised in statement of profit or loss :

Loss allowance for doubtful trade debts	1,551	(664)
Loss allowance for export subsidy	65,413	34,249
Loss allowance on doubtful advances	-	560
Net impairment losses on financial assets	66,964	34,145

The credit quality of Company's financial assets have been assessed below by reference to external credit ratings of counterparties determined by the Pakistan Credit Rating Agency Limited (PACRA) and JCR - VIS Credit Rating Company Limited (JCR-VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any defaults in meeting obligations.

	Rating	2023	2022
		(Rupees in thousand)	
Counterparties without external credit rating			
Trade debts		1,214,104	44,157
Loans and advances		694,609	247,492
Trade deposits and other receivables		191,687	250,499
		2,100,400	542,148
Counterparties with external credit rating			
Bank balances			
	A-1+	809,215	203,506
	A-1	2,098	9,347
		811,313	212,853
Loans and advances			
	A-1+	11,156	185,061
	A-1	-	3,959
	A-1+	-	2
		11,156	189,022

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach 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, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

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

	Carrying amount	Contractual cash flows	Less than 1 Year	Between 1 to 5 years	5 years and above
			(Rupees in thousand)		
As at September 30, 2023					
Long term finance - secured	4,680,701	4,680,701	1,418,986	3,261,715	-
Loans from related parties	209,326	209,326	77,472	131,854	-
Lease liabilities	225,593	225,593	85,279	140,314	-
Trade and other payables	1,002,895	1,002,895	1,002,895	-	-
Unclaimed dividend	14,572	14,572	14,572	-	-
Short term running finance	4,871,003	4,871,003	4,871,003	-	-
As at September 30, 2022					
Long term finance - secured	4,498,587	4,498,587	920,769	3,577,818	-
Loans from related parties	204,642	204,642	41,553	163,089	-
Lease liabilities	236,797	236,797	90,193	146,604	-
Trade and other payables	676,460	676,460	676,460	-	-
Unclaimed dividend	14,607	14,607	14,607	-	-
Short term running finance	4,489,508	4,489,508	4,489,508	-	-

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

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

c) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board. The Company is exposed to interest rate risk, currency risk and market price risk.

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. Financial assets include Rs 972,202 thousand (2022: Financial liabilities include Rs 9.31 million) which were subject to currency risk.

	2023	2022
Rupees per USD		
Average rate	259.03	199.95
Reporting date rate	288.60	229.45

Sensitivity analysis

As at September 30, 2023, if the currency had weakened/strengthened by 10% against US dollar with all other variables held constant, profit after tax for the year would have been Rs 97,220 thousand (2022: Rs 0.62 million) lower/ higher.

ii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no long term interest bearing financial assets whose fair value or future cash flows will fluctuate because of changes in market interest rates. Financial assets and liabilities include balances of Rs 553 million (2022: Rs 38.35 million) and Rs 5,115 million (2022: Rs 9,207 million) respectively, which are subject to interest rate risk. Applicable interest rates for financial assets and liabilities have been indicated in respective notes.

Sensitivity analysis

As at September 30, 2023, if interest rates had been 1% higher/ lower with all other variables held constant, profit after tax for the year would have been Rs 32.39 million (2022: Rs 61.43 million) higher/ lower, mainly as a result of higher/ lower interest income/ expense from these financial assets and liabilities.

iii) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

At the year end the Company is not exposed to price risk since there are no financial instruments, whose fair value or future cash flows will fluctuate because of changes in market prices.

38.1.2 Capital risk management

The Company is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital and the level of dividend to ordinary shareholders. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and / or issue new shares. There was no change to the Company's approach to the capital management during the year.

The Company is not subject to externally imposed capital requirements except for the maintenance of debt to equity and current ratios under the financing agreements. Accordingly, the liabilities under these financing agreements have been classified as per the repayment schedule applicable in respect of the aforesaid financing agreements.

The Company monitors capital using a gearing ratio, which is calculated as net debt divided by total capital plus net debt. Net debt is calculated as amounts payable by the Company less cash and bank balances. Capital signifies equity as shown in the statement of financial position plus net debt. The Company's gearing ratio is as follows:

	2023	2022
	(Rupees in thousand)	
Long term finances - secured	4,680,701	4,498,587
Loans from related parties - secured	209,326	204,642
Lease liabilities	225,593	236,797
Trade and other payables	4,871,003	1,225,998
Short term running finance - secured	4,871,003	4,489,508
Less: cash and bank balances	(811,313)	(212,853)
Net debt	14,046,313	10,442,679
Issued, subscribed and paid-up capital	286,920	286,920
Capital reserve	327,000	327,000
Revenue reserve	5,775,450	3,567,555
Total capital	6,389,370	4,181,475
Capital and net debt	20,435,683	14,624,154
Gearing ratio	69%	71%

39 Fair value of financial assets and liabilities

The carrying values of financial assets and liabilities approximate their fair value.

39.1 Fair value hierarchy

Certain property, plant and equipment of the Company was valued by independent valuer to determine the fair value of property, plant and equipment as at September 30, 2023. The revaluation surplus was credited to other comprehensive income and is shown as 'surplus on revaluation of property, plant and equipment'. The different levels have been defined as follows:

- Level 1

Quoted prices (unadjusted) in active market for identical assets/ liabilities.

- Level 2

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

- Level 3

  Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

40. Reconciliation of movement of liabilities to cash flow arising from financing activities

	Liabilities						Total
	Long term finance	Loans from related parties	Lease liabilities	Accrued Markup	Short term running finance	Unclaimed dividend	
	-----Rupees in thousand-----						
Balance at October 1, 2022	4,286,662	194,325	236,797	409,855	1,700,000	14,607	6,842,246
Cash flows	248,716	(31,235)	(145,192)	(2,343,674)	(176,105)	(35)	(2,447,525)
Deferred grant recognized during the year	(99,809)	-	-	-	-	-	(99,809)
Additions and unwinding of interest on lease liabilities during the year	-	-	143,353	-	-	-	143,353
Remeasurement (gain) / loss on lease liabilities	-	-	(9,365)	-	-	-	(9,365)
Mark-up charged during the year	-	-	-	2,591,577	-	-	2,591,577
Interest on workers' profit participation fund	-	-	-	1,438	-	-	1,438
Bank charges	-	-	-	11,049	-	-	11,049
Balance at September 30, 2023	4,435,569	163,090	225,593	670,245	1,523,895	14,572	7,032,964

41. Transactions and balances with related parties

41.1 The Premier Sugar Mills & Distillery Company Limited holds 47.93% (2022: 47.93%) shares of the Company at the year end. Therefore, all subsidiaries and associated undertakings of The Premier Sugar Mills & Distillery Co. Limited are related parties of the Company. The related parties also comprise of directors, major shareholders, key management personnel, entities over which the directors are able to exercise significant influence on financial and operating policy decisions and employees' funds. Amount due from and due to these undertakings are shown under receivables and payables. The remuneration of Chief Executive, Directors and Executives is disclosed in note 42 to the statement of financial statements

	2023	2022
	(Rupees in thousand)	
The Premier Sugar Mills and Distillery Company Limited		
Purchases	773,026	31,648
Sales	2,428	4,965
Issuance of store items	25,695	38,957
Advance paid against purchase of building	-	269,965
Expenses paid by the Company	78,242	104,937
Expenses paid on behalf of the Company	7,025	8,893
Dividend paid	-	68,755
Rent income	115	115

	2023	2022
	(Rupees in thousand)	
The Frontier Sugar Mills and Distillery Limited		
Purchase of store items	-	733
Syntronics Limited		
Purchase of store items	163,068	83,614
Dividend paid	-	17,952
Syntron Limited		
Purchase of store items	94,760	83,230
Azlak Enterprises (Private) Limited		
Services on behalf of the Company	38,018	32,110
Mark-up charged	17,605	11,012
Expenses paid on behalf of the Company	1,931	5,996
Dividend paid	-	7,387
Phipson & Company Pakistan (Private) Limited		
Expenses paid on behalf of the Company	413	37
Dividend paid	-	1,538
Arpak International Investments Limited		
Markup charged	7,529	5,668
Premier Board Mills Limited		
Markup charged	11,285	8,495
Whole Foods (Pvt.) Limited		
Expenses paid by the Company	10,034	22,645
Funds transferred	60,000	-
Ultimate Whole Foods (Private) Limited		
Expenses paid by the Company	27,429	6,748
Expenses paid on behalf of the Company	2,252	-
Investment in subsidiary company	300,000	-
Loan to subsidiary company	500,000	-
Markup charged by the Company	25,486	-
Freehold Land	-	39,424
Provident fund		
Contribution to provident fund	32,267	24,203
Directors		
Dividends paid	-	19,103
Vehicle leased	-	-
Advance against sale of floor area - building	-	100,000

41.2 Following are the related parties with whom the Company had entered into transactions or have arrangement/agreement in place.

Sr No	**Company Name**	**Basis of Association**	**Aggregate % of Shareholdin**
1	The Premier Sugar Mills and Distillery Company Limited	Holding Company	47.93%
2	Premier Board Mills Limited	Common directorship	-
3	Azlak Enterprises (Private) Limited	Common directorship	5.15%
4	Arpak International Investments Limited	Common directorship	-
5	Phipson & Company Pakistan (Private) Limited	Common Holding Company	1.07%
6	Syntronics Limited	Common directorship	12.51%
7	The Frontier Sugar Mills & Distillery Limited	Common directorship	-
8	Syntron Limited	Common directorship	-
9	Premier Construction and Housing Limited	Common directorship	-
10	Earth Securities (Private) Limited	Common directorship	-
11	Whole Foods (Private) Limited	Subsidiary Company	100.00%
12	Ultimate Whole Foods (Private) Limited	Subsidiary Company	72.00%

42. Remuneration of Chief Executive, Directors and Executives

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

	Chief Executive		Directors		Executives	
	2023	2022	2023	2022	2023	2022
	--------------------------------	--------------------------------	(Rupees in thousand)	--		
Managerial remuneration	32,258	13,500	38,258	27,000	69,648	44,119
Bonus	7,590	-	7,590	-	44,882	7,774
Housing and utilities	4,044	3,330	1,851	895	46,432	29,413
Company's contribution to provident fund	-	-	-	-	4,214	3,348
Medical	4,346	11,322	136	15,228	827	805
Other expenses	13,628	5,979	20,042	21,336	-	-
	61,866	34,131	67,877	64,459	166,003	85,459
Number of persons	1	1	2	3	29	19

42.1 In addition to above, the Chief Executive and Executives were provided with the Company maintained cars for official and personal use. All the Executives based at factory compounds are also provided with free housing with the Company's generated electricity, telephone and certain household items in the residential colony within the factory compound.

42.2 Mr. Abbas Sarfraz Khan, Director of the Company, holds office of profit for performing extra services, for which approval was obtained vide Extraordinary general meeting dated June 21, 2019 under section 171 of the Companies Act, 2017. His remuneration includes monthly salary, bonus as per company policy, company maintained vehicle and reimbursement of all travelling and medical expenses. The Board of Directors are also entitled to reimbursement of all travelling, telephone and medical expenses, as approved vide 31st annual general meeting of members dated March 29, 2019. . During the year, the remuneration of Directors were increased vide Extraordinary General Meeting (EOGM) dated August 25, 2023. Further, remuneration was approved for Mr Iskander M. Khan, Director through afforesaid EOGM.

43. General

43.1 Geographical location and addresses of business units

The business units of the Company include the following:

Business Units	Location
Sugar - unit I	University Road, Dera Ismail Khan, KPK
Sugar - unit II	Ramak, Dera Ismail Khan, KPK
Ethanol fuel plant	Ramak, Dera Ismail Khan, KPK

43.2 Capacity and production

	2023	2022
Sugar plants		
Rated crushing capacity (Metric Ton / day)	18,000	18,000
On the basis of average number of 105 days (2022: 128 days)	1,890,000	2,304,000
Actual cane crushed (Metric Ton)	1,963,169	1,885,437
Sugar produced (Metric Ton)	211,871	195,219
Ethanol fuel plant		
Rated production capacity (Litres / day)	125,000	125,000
On the basis of average number of 343 days (2022: 330 days) (Litres)	42,875,000	41,250,000
Actual production (Litres)	42,374,200	40,933,660
Days worked	Days	
Sugar - unit I	106	122
Sugar - unit II	103	121
Ethanol fuel plant	343	330

Sugar division performed at more than installed capacity to the extent of availability of sugar cane. Capacity of ethanol units were also over-utilized on certain days.

43.3 Number of employees

	2023	2022
Number of employees at September 30		
Permanent	1,008	957
Contractual	1,047	1,059
	2,055	2,016
Average number of employees for the year		
Permanent	1,090	959
Contractual	1,518	1,416
	2,608	2,375

43.4 Provident Fund

Investments out of provident fund have been made in accordance with the provisions of section 212 of the Companies Act, 2017 and the rules formulated for the purpose.

43.5 Corresponding Figures

Corresponding figures for the prior period have been rearranged and reclassified where necessary for more approriate presentation of transactions and balances for the purpose of comparison.

43.6 Rounding off

Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

44. Non-adjusting event after the statement of financial position date

The Board of Directors in its meeting held on February 02, 2024 has proposed a final cash dividend for the year ended September 30, 2023 @ Rs 5 per share, amounting to Rs143,460 thousand for approval of the members in the annual general meeting to be held on February 26, 2024.

45. Date of authorisation for issue

These financial statements have been authorised for issue by the Board of Directors of the Company on February 02, 2024.

(RIZWAN ULLAH KHAN) **CHIEF FINANCIAL OFFICER**	**(BEGUM LAILA SARFARAZ)** **CHIEF EXECUTIVE**	**(ISKANDER M KHAN)** **DIRECTOR**

annual report

2023

CHASHMA SUGAR MILLS LIMITED
CONSOLADITED FINANCIAL STATEMENTS

pwc

A·F·FERGUSON&Co.

Independent Auditor's Report To the members of Chashma Sugar Mills Limited

Report on the Audit of Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHASHMA SUGAR MILLS LIMITED

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annexed consolidated financial statements of Chashma Sugar Mills Limited (the Company) and its subsidiaries Whole Foods (Private) Limited and Ultimate Whole Foods (Private) Limited (the Group), which comprise the consolidated statement of financial position as at September 30, 2023, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at September 30, 2023 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.

Key Audit Matter

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.

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Following is the Key audit matter:

S.No.	Key audit matter	How the matter was addressed in our audit
i)	**Revaluation of property, plant and equipment** *(Refer note 5, 6.1 and 16 to the consolidated financial statements)* Under the International Accounting Standard 16 "Property, Plant and Equipment", the Group carries its freehold land, leasehold land, buildings & roads, plant & machinery and electric installations at revaluation model. Under the said model, if fair value can be measured reliably, an entity may carry all items of property, plant and equipment of a class at a revalued amount, which is the fair value of the items at the date of the revaluation less any subsequent accumulated depreciation and accumulated impairment losses; if any. As at September 30, 2023, the carrying value of freehold land, leasehold land buildings & roads, plant & machinery and electric installations was Rs 19,511 million. The fair value of the Group's freehold land, leasehold land, buildings & roads, plant & machinery and electric installations were assessed by management based on independent valuation performed by an external property valuation expert as at September 30, 2023. For valuation of freehold land, leasehold land, buildings & roads, plant & machinery and electric installations, the current market price or depreciated replacement cost method is used, whereby, current cost of purchase / construction of similar freehold land, leasehold land buildings & roads, plant & machinery and electric installations in similar locations has been adjusted using suitable depreciation rates to arrive at present market value. This technique requires significant judgment as to estimating the revalued amount in terms of their quality, structure, layout and locations. We identified valuation of property, plant and equipment as a key audit matter due to the significant carrying value and the significant management judgement and estimation involved in determining their value due to factors described above.	Our audit procedures to assess the valuation of freehold land, leasehold land, buildings & roads, plant & machinery and electric installations included, amongst others, the following: - Evaluated the qualification, experience and competence of the independent external property valuation expert engaged by the Group as management expert for valuation; - Obtained understanding of the valuation process and techniques adopted by the valuation expert to assess, if they are consistent with the industry norms; - Obtained the valuation report of external valuation expert and tested mathematical accuracy of the reports; - Engaged another independent valuation expert as an auditor expert to assess the appropriateness and the reasonableness of the related management's assumptions and methodologies used by the management expert; and - Assessed the adequacy of the related disclosures in the annexed financial statements

Information Other than the Financial Statements 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, but does not include the financial statements and consolidated financial statements of the Group 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 Mr. Asim Masood Iqbal.

Chartered Accountants
Islamabad
Date: February 2, 2024

UDIN: AR202310053J2t56ZIdf

CHASHMA SUGAR MILLS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

	Note	2023	2022
		(Rupees in thousand)	
NON CURRENT ASSETS			
Property, plant and equipment	6	23,783,471	19,571,325
Right-of-use assets	7	322,672	283,515
Long term deposits		15,084	15,084
Deferred tax asset	20.1.2	10,100	-
		24,131,327	19,869,924
CURRENT ASSETS			
Stores and spares	8	842,019	509,428
Stock-in-trade	9	5,378,443	3,379,869
Trade debts	10	1,214,104	44,157
Loans and advances	11	1,022,562	1,372,598
Trade deposits and other receivables	12	226,809	278,877
Income tax refundable	13	59,730	61,212
Cash and bank balances	14	822,656	256,140
		9,566,323	5,902,281
TOTAL ASSETS		33,697,650	25,772,205
SHARE CAPITAL AND RESERVES			
Authorized capital	15	500,000	500,000
Issued, subscribed and paid-up capital	15	286,920	286,920
General reserve	15.5	327,000	327,000
Surplus on revaluation of property, plant and equipment	16	8,382,950	7,097,094
Unappropriated profits		5,426,972	3,320,146
Equity attributable to owners of the parent		14,423,842	11,031,160
Non-controlling interest	34	181,631	190,605
		14,605,473	11,221,765
NON-CURRENT LIABILITIES			
Long term finances - secured	17	4,673,542	4,191,793
Loans from related parties - secured	18	163,064	181,839
Lease liabilities	19	157,994	146,604
Deferred liabilities			
-Deferred taxation		3,620,702	3,193,056
-Provision for gratuity		19,965	14,843
-Deferred government grant		76,280	417
	20	3,716,947	3,208,316
		8,711,547	7,728,552
CURRENT LIABILITIES			
Trade and other payables	21	3,500,977	1,190,590
Unclaimed dividend		14,572	14,607
Short term running finance - secured	22	4,994,853	4,489,508
Current maturity of non-current liabilities	23	1,776,601	1,127,183
Provision for taxation - net		93,627	-
		10,380,630	6,821,888
TOTAL LIABILITIES		19,092,177	14,550,440
Contingencies and commitments	24		
TOTAL EQUITY AND LIABILITIES		33,697,650	25,772,205

The annexed notes 1 to 45 form an integral part of these financial statements.

(RIZWAN ULLAH KHAN)	**(BEGUM LAILA SARFARAZ)**	**(ISKANDER M KHAN)**
CHIEF FINANCIAL OFFICER	**CHIEF EXECUTIVE**	**DIRECTOR**

CHASHMA SUGAR MILLS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS ACCOUNT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Note	2023	2022
		(Rupees in thousand)	
Gross sales	25	29,371,617	19,274,279
Sales tax, other government levies and discounts	26	(2,995,900)	(2,179,466)
Sales - net		26,375,717	17,094,813
Cost of sales	27	(20,188,453)	(14,228,117)
Gross profit		6,187,264	2,866,696
Selling and distribution expenses	28	(866,016)	(468,970)
Administrative and general expenses	29	(1,140,965)	(864,175)
Net impairment losses on financial assets	38.1.1	(66,964)	(34,145)
Other income	30	242,202	66,351
Other expenses	31	(109,360)	(37,210)
Operating profit		4,246,161	1,528,547
Finance cost	32	(2,783,013)	(1,149,546)
Profit before taxation		1,463,148	379,001
Taxation	33	105,934	(456,726)
Profit / (Loss) for the year		1,569,082	(77,725)
Attributable to:			
Owners of the parent company		1,584,041	(73,550)
Non-controlling interest		(14,959)	(4,175)
		1,569,082	(77,725)
Earnings / (loss) per share attributable to owners of parent company - basic and diluted (Rs)	35	55.21	(2.56)

The annexed notes 1 to 45 form an integral part of these financial statements.

(RIZWAN ULLAH KHAN)	(BEGUM LAILA SARFARAZ)	(ISKANDER M KHAN)
CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

CHASHMA SUGAR MILLS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Note	2023	2022
		(Rupees in thousand)	
Profit / (loss) for the year		1,569,082	(77,725)
Other comprehensive income / (loss)			
Items that will not be classified to profit or loss:			
Remeasurement loss on staff retirement benefit plans	20.2.5	(2,656)	(974)
Less: Deferred tax on remeasurement gain loss on staff retirement benefit plans		1,036	321
		(1,620)	(653)
Surplus on revaluation of property, plant and equipment		2,693,463	3,609,507
Less: Deferred tax on surplus on revaluation of property, plant and equipment		(877,217)	(1,323,324)
		1,816,246	2,286,183
Total comprehensive income for the year		3,383,708	2,207,805
Attributable to:			
Owners of the Parent Company		3,398,667	2,211,980
Non-controlling interest		(14,959)	(4,175)
		3,383,708	2,207,805

The annexed notes 1 to 45 form an integral part of these financial statements.

(RIZWAN ULLAH KHAN)	(BEGUM LAILA SARFARAZ)	(ISKANDER M KHAN)
CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

CHASHMA SUGAR MILLS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Share capital	General reserve	Surplus on revaluation of property, plant and equipment	Unappropriated profits	Total	Non controlling interest	Total
	----------	----------	----------	Rupees in thousand	----------	----------	----------
Balance as at October 1, 2021	286,920	327,000	5,157,980	3,190,740	8,962,640	194,780	9,157,420
Total comprehensive income for the year ended September 30, 2022							
Loss for the year	-	-	-	(73,550)	(73,550)	(4,175)	(77,725)
Other comprehensive income for the year	-	-	2,286,183	(653)	2,285,530	-	2,285,530
	-	-	2,286,183	(74,203)	2,211,980	(4,175)	2,207,805
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	(347,069)	347,069	-	-	-
Final cash dividend at rate of Rs 5.00 per ordinary share for the year ended September 30, 2021	-	-	-	(143,460)	(143,460)	-	(143,460)
Balance as at September 30, 2022	286,920	327,000	7,097,094	3,320,146	11,031,160	190,605	11,221,765
Balance as at October 1, 2022	286,920	327,000	7,097,094	3,320,146	11,031,160	190,605	11,221,765
Total comprehensive income for the year ended September 30, 2023							
Income for the year	-	-	-	1,584,041	1,584,041	(14,959)	1,569,082
Other comprehensive income for the year	-	-	1,816,246	(1,620)	1,814,626	-	1,814,626
	-	-	1,816,246	1,582,421	3,398,667	(14,959)	3,383,708
Acquisition of non controlling interest	-	-	-	(5,985)	(5,985)	5,985	-
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	(530,390)	530,390	-	-	-
Balance as at September 30, 2023	**286,920**	**327,000**	**8,382,950**	**5,426,972**	**14,423,842**	**181,631**	**14,605,473**

The annexed notes 1 to 45 form an integral part of these financial statements.

(RIZWAN ULLAH KHAN)
CHIEF FINANCIAL OFFICER

(BEGUM LAILA SARFARAZ)
CHIEF EXECUTIVE

(ISKANDER M KHAN)
DIRECTOR

CHASHMA SUGAR MILLS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Note	2023	2022
		(Rupees in thousand)	
Cash flow from operating activities			
Profit for the year - before taxation		1,463,148	379,001
Adjustments for non-cash items:			
Depreciation - Property, plant and equipment	6.6	1,391,805	1,035,010
Depreciation - Right of use asset	7.1	75,883	61,414
(Gain) / loss on sale of operating fixed assets	30	(8,446)	3,349
Gain on derecognition of right of use assets	30	-	(20,479)
Profit on deposit accounts	30	(10,237)	(7,226)
Mark-up earned on term depository receipts	30	(31,313)	-
Finance cost	32	2,783,013	1,149,546
Impairment loss / (reversal) for doubtful trade debts	38.1.1	1,551	(664)
Provision for doubtful advances	38.1.1	-	560
Provision for gratuity	20.2.2	5,639	3,862
Impairment loss for export subsidy	38.1.1	65,413	34,249
(Write-off) / Provision for obsolete items	8.1	(6,713)	27,938
		5,729,743	2,666,560
Changes in working capital			
Decrease / (increase) in			
stores and spares		(325,878)	(14,802)
stock-in-trade		(1,998,574)	(2,025,324)
trade debts		(1,308,901)	489,969
loans and advances		350,036	(513,318)
trade deposits and other receivables		(13,345)	(34,780)
Increase / (decrease) in trade and other payables		2,308,394	472,718
		(988,268)	(1,625,537)
		4,741,475	1,041,023
Income tax paid		(257,592)	(68,595)
Gratuity paid	20.2.1	(1,180)	(1,460)
Net cash generated from operating activities		4,482,703	970,968
Cash flow from investing activities			
Purchase of property, plant and equipment		(2,930,588)	(4,501,332)
Sale proceeds from disposal of fixed assets		29,020	4,456
Profits on bank deposits received	30	10,237	7,226
Profits on term finance certificates		31,313	-
Net cash used in investing activities		(2,860,018)	(4,489,650)
Cash flow from financing activities			
Long term finances received		1,126,604	2,533,664
Short term loan repaid		(176,105)	(500,000)
Bank balances under lien		(450,000)	(4,000)
Loan repaid to related party		(31,235)	-
Lease obligation repaid	19	(150,312)	(124,883)
Dividends paid		(35)	(141,206)
Finance cost paid		(2,314,881)	(806,071)
Net cash (used) / generated in financing activities		(1,995,964)	957,504
Net decrease in cash and cash equivalents		(373,279)	(2,561,178)
Cash and cash equivalents - at beginning of the year		(2,349,755)	211,423
Cash and cash equivalents - at end of the year		(2,723,034)	(2,349,755)
Cash and cash equivalents comprised of:			
Cash and bank balances	14	368,656	252,140
Short term running finance - secured	22	(3,091,690)	(2,601,895)
		(2,723,034)	(2,349,755)

The annexed notes 1 to 45 form an integral part of these financial statements.

(RIZWAN ULLAH KHAN)	(BEGUM LAILA SARFARAZ)	(ISKANDER M KHAN)
CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

CHASHMA SUGAR MILLS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

1. THE GROUP AND ITS OPERATIONS

1.1 Chashma Sugar Mills Limited (the Holding Company)

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

1.2 Subsidiary Companies

(a) Whole Foods (Private) Limited

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

(b) Ultimate Whole Foods (Private) Limited

Ultimate Whole Foods (Private) Limited ("the Subsidiary Company"/ UWFL) was incorporated in Pakistan as a Private Limited Company under Companies Act, 2017 on May 17, 2021. The objective of UWFPL is to set up mills for milling wheat, gram, other grains and other allied products and by-products from flours. The operations of the UWFPL started after year end from October 7, 2023. During the year, the percentage holding of the Company has increased from 51% to 72% of UWFL.

These consolidated financial statements include financial statements of Chashma Sugar Mills Limited and its subsidiaries.

These consolidated financial statements have been prepared from the information available in the audited separate financial statements of the Holding Company for the year ended September 30, 2023 and the unaudited financial statements of the subsidiaries for the year ended September 30, 2023.

For the purpose of these consolidated financial statements, Chashma Sugar Mills Limited and its subsidiaries are referred to as the Group.

2. Statement of compliance

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

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

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

3. Changes in accounting standards, interpretations and pronouncements

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

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of financial statements (Amendments)	January 1, 2024 & January 1, 2023
IAS 7	Statement of cash flows	January 1, 2024
IFRS 7	Financial Instruments: Disclosures	January 1, 2024
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IAS 21	Effect of changes in foreign exchange rates	January 1, 2025
IFRS 4	Insurance contracts (Amendments)	January 1, 2023
IFRS 16	Leases (Amendments)	January 1, 2024

The management anticipates that, except as stated below, adoption of above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

3.2 Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 17	Insurance Contracts
IFRIC 12	Service concession arrangements

4. Summary of significant accounting policies

4.1 Basis of preparation

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

Subsidiary is an entity over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. The

Company also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Company's voting rights relative to the size and dispersion of holdings of other shareholders give the Company the power to govern the financial and operating policies, etc.

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

All significant inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognized in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.
The reporting period end of subsidiaries is June 30, 2023. The subsidiaries financial statements used for preparation of consolidated financial statements corresponds with period of the Group.

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

4.2 Property, plant and equipment

4.2.1 Owned assets

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

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

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

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

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

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

4.2.2 Capital work-in-progress

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

4.3 Right-of-use assets

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

The cost comprising the following:

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

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

4.4 Impairment of non-financial assets

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

4.5 Stores and spares

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

4.6 Stock-in-trade

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

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

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

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

4.7 Trade debts

Trade debts are recognized and carried at the original invoice amounts, being the fair value, less an allowance for uncollectible amounts, if any. As explained in note 4.22 to these financial statements, for measurement of loss allowance for trade debts, the Group applies IFRS 9 simplified approach to measure the expected credit losses.

4.8 Cash and cash equivalents

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

4.9 Borrowings and borrowing cost

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

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

4.10 Employee retirement benefits

The Group operates a provident fund and an unfunded gratuity scheme for its employees as per details below:

4.10.1 Defined contribution plan

The Group operates a recognized contributory provident fund for its permanent employees. Equal monthly contributions are made, both by the Group and the employees to the fund at the specified rate of basic salary and charged to statement of profit or loss. Investments out of provident fund have been made in accordance with the provisions of section 218 of Companies Act, 20217 and applicable rules.

4.10.2 Defined benefit plan

The Group operates an unfunded gratuity scheme covering eligible employees under their employment contract. The liability for gratuity is recognized on the basis of actuarial valuation using Projected Unit Credit Method. The latest actuarial valuation was conducted on September 30, 2023.

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

4.11 Lease liabilities

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

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

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

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

4.12 Trade and other payables

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

4.13 Provisions

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

4.14 Taxation

Income tax comprises of current and deferred tax.

(i) Current

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

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

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

(ii) Deferred

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

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

4.15 Dividend and revenue reserve appropriation

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

4.16 Foreign currency transactions and translation

Foreign currency transactions are translated into the rupees using the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into functional currency using the exchange rate prevailing at the statement of financial position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognized in the statement of profit or loss account.

4.17 Revenue recognition

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

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

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

4.18 Development expenditure

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

4.19 Operating segments

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

4.20 Earnings per share

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

4.21 Deferred government grant

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

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

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

4.22 Financial instruments

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

a) **Financial assets**

Classification

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

i) amortized cost where the effective interest rate method will apply;
ii) fair value through profit or loss;
iii) fair value through other comprehensive income.

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

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

Recognition and derecognition

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

Measurement

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

Debt instruments

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

i) **Amortized cost**

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

ii) **Fair value through other comprehensive income (FVTOCI)**

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

iii) Fair value through profit and loss (FVTPL)

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

Equity instruments

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

Impairment of financial assets

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

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

- Trade debts
- Loans and advances
- Trade deposits and other receivables
- Cash and bank balances

i) General approach for loans and advances, trade deposits and other receivables and cash and bank balances.

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

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

Significant increase in credit risk

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

The following indicators are considered while assessing credit risk

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

Definition of default

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

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

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

Credit - impaired financial assets

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

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

ii) Simplified approach for trade debts

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

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; and

- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

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

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

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

Recognition of loss allowance

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

Write-off

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

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

b) Financial Liabilities

Classification, initial recognition and subsequent measurement

Financial liabilities are classified in the following categories:

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

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

i) Fair value through profit or loss

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

ii) Other financial liabilities

After initial recognition, other financial liabilities which are interest bearing subsequently measured at amortized cost, using the effective interest rate method and are measured at present value. Gain and losses are recognized in profit or loss for the year, when the liabilities are derecognized as well as through effective interest rate amortization process.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when and only when the Group's obligations are discharged, cancelled or they expire.

Offsetting financial assets and financial liabilities

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

4.23 Fair value measurement

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

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

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

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

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

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

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

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

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

4.24 Other Income

The Group recognises following in other income:

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

5. Critical accounting estimates and judgments

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

i) Estimated useful life of operating assets - note 4.2 and 6

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

ii) Surplus on revaluation of property, plant and equipment - note 4.2 and 6

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

iii) Impairment of non-financial assets - note 4.4 and 38.1.1

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

iv) Provision for stores and spares - note 4.5 and 8

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

v) Write down of stock in trade to net realizable value - note 4.6 and 9

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

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

Work in process of sugar valued at 80% of production cost.

vi) Estimation of impairment loss allowance - note 4.7 and 10

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

vii) Provision for employees' defined benefit plans - note 4.10 and 20.2

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

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

viii) Provision for current and deferred tax - note 4.14 and 33

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

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

ix) Provisions and contingencies - note 4.13 and 24

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

x) Estimation of lease term and incremental borrowing rate for lease liabilities and right of use assets - notes 4.3, 4.11, 7 and 19

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

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

	Note	2023	2022
		(Rupees in thousand)	
6. Property, plant and equipment			
Operating fixed assets	6.1	19,700,369	15,229,277
Capital work-in-progress	6.8	4,083,102	4,342,048
		23,783,471	19,571,325

6.1 Operating fixed assets

	Freehold land	Leasehold land	Buildings and roads	Plant and machinery	Electric installations	Office equipment	Farm equipment	Furniture and fixtures	Vehicles	Total
	Rupees in thousand									
As at October 1, 2021										
Cost / revalued amount	1,846,755	-	2,010,932	8,171,117	643,789	124,077	2,322	55,723	95,303	12,950,018
Accumulated depreciation	-	-	(21,235)	(810,758)	(275,113)	(47,066)	(726)	(25,754)	(67,671)	(1,248,323)
Net book value	1,846,755	-	1,989,697	7,360,359	368,676	77,011	1,596	29,969	27,632	11,701,695
Year ended September 30, 2022										
Opening net book value	1,846,755	-	1,989,697	7,360,359	368,676	77,011	1,596	29,969	27,632	11,701,695
Additions	2,074	-	251,475	541,592	139,039	6,692	168	8,624	8,838	958,502
Disposals										
Cost	-	-	(5,273)	-	-	(63)	-	-	(8,823)	(14,159)
Depreciation	-	-	532	-	-	24	-	-	5,798	6,354
	-	-	(4,741)	-	-	(39)	-	-	(3,025)	(7,805)
Transfers from right of use assets to owned										
Cost	-	-	-	-	-	-	-	-	7,528	7,528
Depreciation	-	-	-	-	-	-	-	-	(5,140)	(5,140)
	-	-	-	-	-	-	-	-	2,388	2,388
Depreciation charge	-	-	(206,973)	(765,855)	(44,754)	(8,089)	(170)	(3,323)	(5,846)	(1,035,010)
Revaluation adjustments:										
Cost or valuation	193,590	-	357,585	1,267,117	-	-	-	-	-	1,818,292
Depreciation	-	-	222,354	1,565,919	2,942	-	-	-	-	1,791,215
	193,590	-	579,939	2,833,036	2,942	-	-	-	-	3,609,507
Closing net book value	2,042,419	-	2,609,397	9,969,132	465,903	75,575	1,594	35,270	29,987	15,229,277
As at October 1, 2022										
Cost or revalued amount	2,042,419	-	2,614,719	9,979,826	782,828	130,706	2,490	64,347	102,846	15,720,181
Accumulated depreciation	-	-	(5,322)	(10,694)	(316,925)	(55,131)	(896)	(29,077)	(72,859)	(490,904)
Net book value	2,042,419	-	2,609,397	9,969,132	465,903	75,575	1,594	35,270	29,987	15,229,277
Year ended September 30, 2023										
Opening net book value	2,042,419	-	2,609,397	9,969,132	465,903	75,575	1,594	35,270	29,987	15,229,277
Additions	-	2,722,248	81,674	271,725	23,989	38,473	168	19,778	11,400	3,169,455
Disposals										
Cost	-	-	-	-	(373)	(28)	-	(106)	(49,910)	(50,417)
Depreciation	-	-	-	-	278	10	-	54	29,501	29,843
	-	-	-	-	(95)	(18)	-	(52)	(20,409)	(20,574)
Transfers from right of use assets to owned										
Cost	-	-	-	-	-	-	-	-	51,086	51,086
Depreciation	-	-	-	-	-	-	-	-	(30,533)	(30,533)
	-	-	-	-	-	-	-	-	20,553	20,553
Depreciation Charge	-	(41,246)	(264,459)	(1,015,043)	(47,987)	(9,585)	(161)	(4,665)	(8,659)	(1,391,805)
Revaluation adjustments:	-									
Cost or valuation	7,300	477,752	7,992	959,087	-	-	-	-	-	1,452,131
Depreciation	-	41,246	148,941	1,013,880	37,265	-	-	-	-	1,241,332
	7,300	518,998	156,933	1,972,967	37,265	-	-	-	-	2,693,463
Closing net book value	2,049,719	3,200,000	2,583,545	11,198,781	479,075	104,445	1,601	50,331	32,872	19,700,369
As at September 30, 2023										
Cost or revalued amount	2,049,719	3,200,000	2,704,385	11,210,638	806,444	169,151	2,658	84,019	115,422	20,342,436
Accumulated depreciation	-	-	(120,840)	(11,857)	(327,369)	(64,706)	(1,057)	(33,688)	(82,550)	(642,067)
Net book value	2,049,719	3,200,000	2,583,545	11,198,781	479,075	104,445	1,601	50,331	32,872	19,700,369
Annual rate of depreciation (%)	-	3.3	10	10	10	10	10	10	20	

6.1.1 During the year ended September 30, 2023, the Group assessed the property, plant and equipment of WFL for impairment in respect of triggering events as specified by IAS 36 applicable to the non-current assets. Based on the below indicators, an impairment test has been carried out by the management to determine the recoverable amount of non-current assets of WFL:

- Lack of start of operations as per plan envisaged in the agreement between Punjab Foods Department, Government of Punjab and Whole Foods (Private) Limited;

- Notice of intent to terminate agreement between Punjab Foods Department, Government of Punjab to Whole Foods Limited (WFL) during the year which has been contested by the management of WFL. The management is confident that aforesaid notice will be withdrawn.

- Management plans to consider other options for storage operations

Considering the requirements of aforesaid agreement of WFL, the Group has assessed the recoverable amount of the property, plant and equipment based on higher of Value In Use (VIU) and fair value less costs to sell. An external valuation expert has determined the valuation of freehold land, buildings and plant & machinery. The VIU is determined on the projected cashflows based on a future business plan approved by the Board of Directors of WFL for a period of six years from 2024 to 2029. VIU has been assessed on discounted cash flow based valuation methodology which assumes cash flows from Punjab Foods Department from 2024-2027 and market based cash flows from 2028 onwards and using weighted average cost of capital of 21.19%. In view of the foregoing and response from legal advisors, management has concluded that there is no need to record an impairment loss in the consolidated financial statements.

6.2 Disposal of operating fixed assets

Particulars of assets	Cost / Revalued amount	Accumu-lated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Sold to:
	- - - - - - - - - - - - - - - - - Rupees in thousand- - - - - - - - - - - - - - - - -						
Assets having net book value exceeding Rs.500,000 each							
Vehicles							
Toyota Corolla	3,261	1,694	1,567	2,378	811	Company policy	Mr. Zaffar Mehmood (employee)
Toyota Corolla	3,821	2,089	1,732	2,308	576	Company policy	Mr. Hameed Ur Rehman (employee)
Toyota Corolla	2,771	1,565	1,206	1,386	180	Company policy	Mr. Atif Aman (employee)
Toyota Corolla	3,409	2,049	1,360	1,918	558	Company policy	Mr. Mujahid Bashir (employee)
Toyota Corolla	2,973	1,460	1,513	2,517	1,004	Company policy	Mr. Sarfaraz Rauf (employee)
Toyota Fortuner	7,891	4,558	3,333	4,691	1,358	Company policy	Mr. Rizwan Ullah Khan (employee)
Toyota Vitz	1,872	1,081	791	1,165	374	Company policy	Muhammad Imran hafeez (employee)
Honda Civic	3,221	1,936	1,285	1,611	326	Company policy	Mr. Nusrat Ali Khan (employee)
Honda Civic	2,965	1,782	1,183	1,482	299	Company policy	Mr. Zaheer Mir (employee)
Honda City	2,107	1,267	840	1,054	214	Company policy	Mr. Malik Shahid Nazir (employee)
Honda City	1,896	1,255	641	948	307	Company policy	Mr. Malik Sher Ahmad (employee)
Honda City	1,778	1,155	623	889	266	Company policy	Muhammad Asif (employee)
Honda City	1,601	1,100	501	857	356	Company policy	Muhammad Yaqub (employee)
Suzuki Cultus	1,568	906	662	803	141	Company policy	Mr. Sajid Ali Awan (employee)
Suzuki Cultus	1,486	858	628	1,093	465	Company policy	Mr. Mumtaz Ali Talpur (employee)
Suzuki Cultus	1,415	911	504	708	204	Company policy	Mr. Saleem Ur Rehman (employee)
Suzuki Cultus	1,413	909	504	706	202	Company policy	Mr. Aurange Zeb (employee)
Suzuki Cultus	1,415	911	504	707	203	Company policy	Muhammad Imran (employee)
Suzuki Cultus	1,412	961	451	706	255	Company policy	Mr. Arsalan Ahmad (employee)
Suzuki Cultus	1,412	978	434	715	281	Company policy	Ms. Beenish Hameed (employee)
	49,687	29,425	20,262	28,642	8,380		
Various assets having net book value upto Rs.500,000 each	730	418	312	378	66		
September 30, 2023	50,417	29,843	20,574	29,020	8,446		
September 30, 2022	52,559	6,354	46,205	43,880	(2,325)		

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

	2023	2022
	(Rupees in thousand)	
Leasehold land	2,681,002	-
Freehold land	338,922	338,922
Buildings & roads	979,827	1,001,044
Plant & machinery	3,445,020	3,543,542
Electric installations	439,161	462,960
	7,883,932	5,346,468

6.4 Forced sales value of the fixed assets based on valuation conducted during are as follows:

	2023	2022
	(Rupees in thousand)	
Leasehold Land	3,100,000	-
Freehold land	4,780,446	1,674,241
Buildings & roads	2,082,475	2,135,870
Plant & machinery	8,431,759	7,464,735
Electric installations	348,750	356,771
	18,743,430	11,631,617

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

Location	Usage of immovable property	Total Area	Covered Area
		(Kanals)	
CSM-1, D.I.Khan	Factory Building	1,111.25	98.86
CSM-2, Ramak	Factory Building	1,747.15	174.66
Layyah and Bhakkar	Storage facility	32.00	2.21
Plot # A-4, Sector F-9/G-9, Islamabad	Land for Head Office Building	2.7	-

6.6 Depreciation for the year has been allocated as follows:

	Note	2023	2022
		(Rupees in thousand)	
Cost of sales	27	1,301,660	952,155
Administrative and general expenses	29	90,145	82,855
		1,391,805	1,035,010

6.7 Security

Property plant and equipment with aggregate carrying value of Rs. 10,113,667 thousand (2022: Rs. 9,980,000 thousand) are subject to first joint pari passu charge as defined in note 17. The Group is not allowed to pledge these assets as security for other borrowings or sell them to another entity.

6.8 Capital work-in-progress:

	Land and building	Plant and machinery	Electric installations	Office equipments	Owned vehicles	Vehicles - leased	Capital stores	Advance payments to Contractors	Advance payments against land - freehold and buildings	Total
	Rupees in thousand									
As at October 1, 2021	158,979	236,015	104,891	-	-	19,199	-	6,133	274,000	799,218
Additions during the year	3,148,960	607,316	43,901	-	15,948	78,480	73,826	321,867	271,965	4,562,263
Capitalized during the year	(253,128)	(541,592)	(139,039)	-	(8,209)	(63,362)	-	-	-	(1,005,330)
Other adjustments	258	-	(258)	-	-	-	(14,103)	-	-	(14,103)
Balance as at September 30, 2022	3,055,069	301,739	9,495	-	7,739	34,317	59,723	328,000	545,965	4,342,048
As at October 1, 2022	3,055,069	301,739	9,495	-	7,739	34,317	59,723	328,000	545,965	4,342,048
Additions during the year	940,176	1,814,720	291,166	-	1,597	108,609	262,244	812,424	2,000	4,232,936
Capitalized during the year	(2,801,370)	(270,026)	(23,989)	-	(9,336)	(113,552)	(262,263)	(1,025,238)	-	(4,505,774)
Other adjustments	31,843	(31,843)	-	-	-	-	-	13,892	-	13,892
Balance as at September 30, 2023	1,225,718	1,814,590	276,672	-	-	29,374	59,704	129,078	547,965	4,083,102

6.9 Additions in land and building includes Rs. Nil (September 30, 2022: Rs. 207,662 thousand) capitalised in respect of borrowing cost on long term loans obtained for the purpose of construction of building and civil works.

7. Right of Use Assets

	2023 Rupees in thousand				2022 Rupees in thousand			
	Vehicles	Plant and Machinery	Building and tanks	Total	Vehicles	Plant and Machinery	Building and tanks	Total
Net book value at beginning of the year	180,614	46,207	56,694	283,515	154,861	51,341	133,373	339,575
Additions	121,740	-	23,217	144,957	63,362	-	-	63,362
Remeasurement during the year	-	-	(9,365)	(9,365)	(57)	-	(2,001)	(2,058)
Deletion during the year								
Cost	-	-	-	-	-	-	(84,169)	(84,169)
Accumulated depreciation	-	-	-	-	-	-	30,607	30,607
Net book value	-	-	-	-	-	-	(53,562)	(53,562)
Transferred to owned assets								
Cost	(51,085)	-	-	(51,085)	(7,528)	-	-	(7,528)
Accumulated depreciation	30,533	-	-	30,533	5,140	-	-	5,140
Net book value	(20,552)	-	-	(20,552)	(2,388)	-	-	(2,388)
Depreciation charge	(48,003)	(4,621)	(23,259)	(75,883)	(35,164)	(5,134)	(21,116)	(61,414)
Closing net book value	233,799	41,586	47,287	322,672	180,614	46,207	56,694	283,515
Annual rate of depreciation (%)	20	10	20-50		20	10	20-50	
As at September 30								
Cost or revalued amount	354,239	60,580	155,574	570,393	283,584	60,580	141,722	485,886
Accumulated depreciation	(120,440)	(18,994)	(108,287)	(247,721)	(102,970)	(14,373)	(85,028)	(202,371)
Net book value	233,799	41,586	47,287	322,672	180,614	46,207	56,694	283,515

7.1 Depreciation for the year has been allocated as follows:

	Note	2023 (Rupees in thousand)	2022
Cost of sales	27	4,621	5,134
Selling and distribution expenses	28	19,446	21,116
Administrative and general expenses	29	51,816	35,164
		75,883	61,414

	Note	2023	2022
		(Rupees in thousand)	

8. Stores and spares

	Note	2023	2022
Stores and spares		895,999	570,121
Less: Provision for obsolete items	8.1	(53,980)	(60,693)
		842,019	509,428

8.1 Provision for obsolete items

		2023	2022
Opening balance		60,693	32,755
Provision for the year		-	27,938
Write off against provision		(6,713)	-
Closing balance		53,980	60,693

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

9. Stock-in-trade

	Note	2023	2022
Finished goods			
- Sugar		3,252,578	1,848,502
- Molasses		1,129,284	1,082,773
- Ethanol		742,952	436,448
- Bagasse		36,569	-
		5,161,383	3,367,723
Raw material - UWFPL			
- Wheat		200,767	-
Work-in-process		16,293	12,146
	9.1	5,378,443	3,379,869

9.1 Certain short term and long term borrowings of the Group are secured by way of collateral charge on stock-in-trade.

9.2. The closing stock of sugar, net of 10% to 15% margin, having carrying value of Rs 3,439,411 thousand (2022: Rs 2,601,895 thousand) has been pledged against cash finance obtained from commercial and islamic banks (for details, refer to note 22).

10. Trade debts - unsecured

	Note	2023	2022
Considered good			
Due from related parties		450	-
Others		1,213,654	44,157
		1,214,104	44,157
Considered doubtful		3,333	1,782
		1,217,437	45,939
Less: loss allowance	10.2	(3,333)	(1,782)
		1,214,104	44,157

	Note	2023	2022
		(Rupees in thousand)	

10.1 Trade debts - unsecured

Local		254,899	44,210
Export		962,538	1,729
		1,217,437	45,939

10.2 Movement in loss allowance

Opening balance		1,782	2,446
Provision / (Reversal) for the year		1,551	(664)
Closing balance		3,333	1,782

10.3 The maximum aggregate amount receivable from related parties at the end of any month during the year was Rs 450 thousand (2022 : Rs Nil)

10.4 The ageing analysis of trade debts due from related parties are as follows:

Upto 6 months		450	-
More than 6 months		-	-
		450	-

11. Loans and advances

	Note	2023	2022
Advances to:			
Employees - secured	11.1	15,007	10,211
Suppliers and contractors - unsecured		1,026,142	1,038,723
		1,041,149	1,048,934
Due from related parties	11.2	-	164,385
Letters of credit		11,156	189,022
		1,052,305	1,402,341
Less:			
- Provision for doubtful advances		(28,838)	(28,838)
- Loss allowance	11.4	(905)	(905)
		1,022,562	1,372,598

11.1 These include balances of Rs 15,007 thousand (2022: Rs 10,211 thousand) secured against retirement benefits of respective employees.

11.2 This represents amounts due from the associated companies:

Due from related parties:			
The Premier Sugar Mills and Distillery Company Limited		-	162,610
Relative of directors		-	1,775
		-	164,385

Maximum aggregate amount outstanding in respect of related parties at any month-end during the year was Rs 293,485 thousand (2022: Rs 162,610 thousand).

11.3 The ageing analysis of receivable from related parties is as follows:

	Note	2023	2022
		(Rupees in thousand)	
0 to 6 months		-	162,610

11.4 Movement in loss allowance during the year is as follows

Opening balance	905	345
Loss allowance for the year	-	560
Closing balance	905	905

12. Trade deposits and other receivables

Deposits	8,876	8,212
Prepayments	13,343	5,601
Export subsidy receivable	305,519	305,519
Insurance claim receivable	33,746	-
Accrued mark-up on term deposit receipts	1,520	-
Guarantees issued	15,000	19,000
Others	4,587	30,914
	382,591	369,246
Less: loss allowance	(155,782)	(90,369)
	226,809	278,877

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

Opening balance	90,369	56,120
Loss allowance for the year	65,413	34,249
Closing balance	155,782	90,369

13. Income tax refundable

Advance income tax paid/suffered	59,730	61,212

14. Cash and bank balances

At banks in			
Current accounts	14.2	340,615	217,788
Savings accounts	14.3	32,041	34,973
Deposit accounts	14.4	450,000	3,379
		822,656	256,140

14.1. Bank Balances that are included in cashflow are as follows

Cash and Bank Balances	822,656	256,140
Bank Balances under lien - note 14.5	(454,000)	(4,000)
	368,656	252,140

14.2 These include dividend account balance of Rs 460 thousand (2022: Rs 476 thousand). These balances are maintained in separate non interest bearing current bank accounts.

14.3 These carry profit at the rates ranging from 13.50% to 19.50% (2022: 5.50% to 12.25%) per annum.

14.4 These include term deposits carrying profit at the rates ranging from 20.00% to 20.55% (2022: 12.00% to 12.25%) per annum and having maturity of 30 days

14.5 Lien is marked on bank balances for an amount of Rs 454,000 thousand (2022: Rs 4,000 thousand) in respect of the various guarantees extended by the banks.

15. Share capital

15.1 **Authorised share capital**

2023	2022		2023	2022
(Number of shares)			(Rupees in thousand)	
50,000,000	50,000,000	Ordinary shares of Rs 10 each	500,000	500,000

15.2 **Issued, subscribed and paid up capital**

28,692,000	28,692,000	Ordinary shares of Rs 10 each Fully paid in cash	286,920	286,920

15.3 The holding company, The Premier Sugar Mills and Distillery Company Limited held 13,751,000 (2022: 13,751,000) ordinary shares and the associated companies held 5,375,334 (2022: 5,375,334) ordinary shares at the year end.

15.4 Ordinary shares have a par value of Rs 10 each. They entitle the holder to participate in dividends, as declared from time to time, and to share in the proceedings of the winding up of the Company in the proportion to the number of and amounts paid on the shares held. Further, the holder is entitled to one vote per share at the general meetings of the Company.

15.5 **General reserve**

These represent amounts appropriated by the Board of Directors of the Company from 1993 to 2005 to a separate reserve available for distribution to shareholders by way of dividend.

16. Surplus on revaluation of property, plant and equipment

16.1 The Group follows revaluation model for freehold land, leasehold land, buildings & roads, plant & machinery and electric installations. The fair value of the Company's free hold land, leasehold land, buildings & roads, plant & machinery and electric installations were assessed by management based on independent valuation performed by an external property valuation expert for the Company as at September 30, 2023 and for WFL as at June 30, 2023. For valuation of freehold land, leasehold land, buildings & roads, plant & machinery and electric installations, the current market price or depreciated replacement cost method is used, whereby, current cost of construction/purchase cost of similar freehold land, leasehold land, buildings & roads, plant & machinery and electric installations in similar locations has been adjusted using suitable depreciation rates to arrive at present market value. This technique requires significant judgment as to estimating the revalued amount in terms of their quality, structure, layout and locations. Movement during the year is as follows:

	2023	2022
	(Rupees in thousand)	
Balance at the beginning of the year	9,740,380	6,648,452
Add: surplus on revaluation carried-out during the year	2,693,463	3,609,507
Less: transferred to unappropriated profits	(806,658)	(517,579)
	11,627,185	9,740,380
Less: deferred tax on:		
- opening balance of surplus	2,643,286	1,490,472
- surplus during the year	877,217	1,323,324
- incremental depreciation for the year	(276,268)	(169,797)
- disposal of revalued asset	-	(713)
	3,244,235	2,643,286
Balance at the end of the year	8,382,950	7,097,094

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

17. Long term finances - secured

Lending Institutions	Interest rate (per annum)	Total available facility	Long-term portion	Current portion	Total outstanding amount	Total outstanding amount	Collateral
		September 30, 2023				September 30, 2022	
		-------(Rupees in thousand)-------					
Loans from banking companies							
Bank Al Habib Limited	- 6 month KIBOR + 1% to 1.5 %; and - SBP rate 3% and 5% p.a	3,358,004	2,319,002	499,698	2,818,700	2,604,361	- Secured against first joint pari passu charge on present and future fixed assets of the Group for Rs 2,667,667 thousand. - Registration of 1st equitable charge over Rs. 2,834,000 thousand over fixed assets situated at F-9/G-9, blue area, plot # A-3 measuring Rs. 1,333.33 sq. yards
Soneri Bank Limited	- 3 month KIBOR + 1.75 %; - 6 month KIBOR + 1.5; and - 6%	1,640,000	673,652	260,051	933,703	693,753	- Secured against first joint pari passu charge on present and future fixed assets of the Group for Rs 1,867,000 thousand. - Secured by way of first charge of Rs 1,001,000 thousand over all the present and future fixed assets of the subsidiary and first hypothecation charge over plant and machinery. Further, the facility is also secured by way of equitable mortgage of Rs.8,000 thousand on 16 kanal agricultural land in Bhakkar and of Rs.5,600 thousand on 16 kanal agricultural land in Layyah.
Dubai Islamic Bank Pakistan Limited	- 6 month KIBOR + 2.10%	500,000	50,000	200,000	250,000	547,493	- Secured against first joint pari passu charge on present and future fixed assets of the Group inclusive of 25% margin for Rs 667,000 thousand. - 1st exclusive charge of Rs. 590,000 thousand over head office building of the Group
MCB Bank Limited	3 month KIBOR + 1.10 %	777,696	604,260	94,523	698,783	264,528	- Secured against first joint pari passu charge on present and future fixed assets of the Group for Rs 438,000 thousand. - Secured against first Joint Parri Passu charge over present and future fixed assets of the Group (including land, building and machinery).
Al Baraka Bank Limited	6 month KIBOR + 1.50 %	450,000	334,430	111,063	445,493	446,715	- Secured against first joint pari passu charge on present and future fixed assets of the Group for Rs 600,000 thousand. - Specific charge of Rs 450,000 thousand on specific plant and machinery items
The Bank of Khyber	SBP refinance rate + 1.50 % and 3 Month KIBOR + 1.50%	400,000	326,573	56,119	382,692	395,726	- Secured against first Joint Parri Passu charge over present and future fixed assets of the Group (including land, building and machinery) inclusive of 25% margin up to Rs 533,334 thousand.
United Bank Limited	3 month KIBOR + 1.75%	450,000	365,625	84,375	450,000	-	- Secured against first joint pari passu charge on TDR of the Group for Rs. 450,000 thousand with 25% margin
Total			4,673,542	1,305,829	5,979,371	4,952,576	
Accrued mark-up					302,368	227,386	
					6,281,739	5,179,962	
Less: amount payable within next 12 months							
Principal					1,305,829	760,783	
Accrued mark-up					302,368	227,386	
Amount due after September 30, 2024					4,673,542	4,191,793	

	Note	2023	2022
		(Rupees in thousand)	
18. Loans from related parties - secured			
Associated Companies			
Premier Board Mills Limited	18.1	71,840	90,575
Arpak International Investments Limited	18.2	31,250	43,750
Azlak Enterprises (Private) Limited	18.3	85,000	85,000
Accrued mark-up		52,446	11,335
		240,536	230,660
Less: amount payable within next 12 months			
Principal		31,236	37,486
Accrued mark-up		46,236	11,335
		163,064	181,839

18.1 This include long term finance facilities obtained by the Company and the Subsidiary.

The long term finance facility obtained by the Company had been renewed on November 4, 2019. The principal is repayable in 7 semi annual installments commencing from November 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Company.

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

18.2 The long term finance facility had been renewed on November 4, 2019. The principal is repayable in 7 semi annual installments commencing from November 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Group.

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

	Note	2023	2022
		(Rupees in thousand)	

19. Lease liabilities

Balance at beginning of the year		236,797	328,290
Additions during the year		124,878	72,337
Unwinding of interest on lease liabilities		46,928	28,020
Payments made during the year		(150,312)	(124,883)
Remeasurement gain		(9,365)	(2,001)
Early termination gain		-	(64,966)
Balance at end of the year		248,926	236,797
Less: current portion of long term lease liabilities		(90,932)	(90,193)
		157,994	146,604

19.1 The Group has acquired vehicles under finance lease from commercial banks. The financing is repayable in equal monthly installments over a period of four to five years and carries finance charge ranging from 16.83% to 24.72% (2022: 7.81% to 17.50%) per annum.

20. Deferred liabilities

	Note	2023	2022
Deferred taxation	20.1	3,620,702	3,193,056
Provision for gratuity	20.2	19,965	14,843
Deferred government grant	20.3	76,280	417
		3,716,947	3,208,316

20.1 Deferred tax liability comprises of the following:

	2023	2022
Taxable temporary differences arising in respect of:		
Accelerated tax depreciation allowances	613,510	569,674
Surplus on revaluation of property, plant and equipment	3,244,235	2,643,286
Lease finances	24,468	15,417
	3,882,213	3,228,377
Deductible temporary differences arising in respect of:		
Provision for doubtful advances	(10,318)	(9,630)
Provision for obsolete items	(18,726)	(20,029)
Expected credit loss on trade debts	(1,156)	(571)
Provision for gratuity	(6,926)	(5,091)
Minimum tax recoverable against normal tax charge in future years	(224,385)	-
	(261,511)	(35,321)
	3,620,702	3,193,056

20.1.1 Based on the Group's estimate of future export sales, adjustment of Rs. 462,910 thousand has been made in the taxable temporary differences at the year end.

20.1.2 Deferred tax asset comprises of the following - shown on face of statement of financial position

	2023	2022
Lease liability and taxable losses	10,100	-

20.2 The latest actuarial valuation of the employees' defined benefit plan was conducted at September 30, 2023 using the Projected Unit Credit Method. Details of the defined benefit plan are as follows:

	Note	2023	2022
		(Rupees in thousand)	
Present value of defined benefit obligation	20.2.1	19,965	14,843
Fair value of plan assets		-	-
Net liability		19,965	14,843

20.2.1 Movement in net liability recognized

Opening net liability		14,843	11,467
Expense for the year recognized in statement of profit or loss account	20.2.2	5,639	3,862
Remeasurement loss recognized in Statement of Other Comprehensive Income (OCI)	20.2.5	2,656	974
Benefits Paid		(1,180)	(875)
Benefits payable to outgoing employees transferred to trade and other payables		(1,993)	(585)
		19,965	14,843

20.2.2 Expense for the year

Current service cost	3,882	2,735
Net interest expense	1,757	1,127
	5,639	3,862

20.2.3 Changes in the present value of defined benefit obligation:

Opening defined benefit obligation	14,843	11,467
Current service cost	3,882	2,735
Interest cost	1,757	1,127
Benefits paid	(1,180)	(875)
Benefits payable to outgoing employees transferred to trade and other payables	(1,993)	(585)
Remeasurement loss on defined benefit obligation	2,656	974
Closing defined benefit obligation	19,965	14,843

20.2.4 Principal actuarial assumptions used in the actuarial valuation:

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

	2023	**2022**
	%	%
Discount rate used for interest cost	13.25	10.50
Discount rate used for year end obligation	16.75	13.25
Salary increase rate - long term	16.75	12.25
Salary increase rate - short term	16.75	12.25
Demographic assumptions		
Mortality rates	SLIC 2001-05	SLIC 2001-05

During the year 2024, the Group expects to contribute Rs 8,278 thousand (2023: Rs 5,571 thousand) to its gratuity scheme.

	2023	2022
	(Rupees in thousand)	
20.2.5 Remeasurement recognised in OCI during the year:		
Actuarial losses / (gains) from changes in financial assumptions	1,540	(25)
Experience adjustments	1,116	999
Remeasurement loss on defined benefit obligation	2,656	974
Distribution timing of gratuity payments:		
1 year	1,106	964
2 years	1,201	1,034
3 years	2,808	1,193
4 years	9,106	2,535
5 years	3,454	7,774
6 - 10 years	1,929,632	627,144

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

Plan duration	Years
September 30, 2023	9
September 30, 2022	9

The calculation of defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased/ (decreased) as a result of a change in respective assumptions by one percent.

	Effect of 1 percent increase	Effect of 1 percent decrease
	(Rupees in thousand)	
2023		
Discount rate	(18,387)	21,797
Future salary growth	21,756	(18,396)
2022		
Discount rate	(13,628)	16,264
Future salary growth	16,242	(13,628)

The above sensitivity analyses are based on the changes in assumptions while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of defined benefit obligation to significant assumptions the same method (present value of the defined benefit obligation calculated with the projected credit unit method at the end of the reporting period) has been applied when calculating the liability recognized within the statement of financial position.

The defined benefit obligation exposes the Group to the following risks:

Final salary risks:

The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Withdrawal risks:

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

Mortality risks:

The risk that the actual mortality experience is different. Similar to the withdrawal risk, the effect depends on the beneficiaries' service / age distribution and the benefit.

Discount rate fluctuation

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plan's bond holdings.

	Note	2023	2022
20.3 Deferred government grant		(Rupees in thousand)	
Opening balance		417	6,204
Grant recognised during the year		99,809	-
Amortization during the year		(23,946)	(5,787)
Closing balance		76,280	417

20.3.1 This represent deferred government grant in respect of term finance facility obtained under SBP temporary economic refinance facility (TERF). During the year ended September 30, 2022, the Group had entered into an arrangement with Bank Al Habib Limited for obtaining term finance facility under State Bank of Pakistan (SBP) TERF scheme to facilitate retirement of import/shipping documents received against LCs (foreign and local/inland), upto a maximum of Rs 505 million. The repayment of loan (principal amount) will be made in 10 equal semi annual installments commencing from September 30, 2023. Mark up rate is 5% on this facility and shall also be paid on semi annual basis. The availed facility at September 30, 2023 was Rs 456,000 thousand. The facility will expire on September 30, 2027. There are no unfulfilled conditions or other contingencies attaching to this grant.

21. Trade and other payables

	Note	2023	2022
Creditors		523,081	328,782
Due to related parties	21.1	296,017	156,526
Accrued expenses		139,236	116,130
Retention money		39,839	24,496
Security deposits	21.2	1,299	984
Advance payments from customers - contract liability	21.3	1,957,552	225,921
Sales tax payable		246,710	110,635
Income tax deducted at source		102,848	63,630
Payable for workers welfare obligations	21.4	83,166	24,008
Payable for workers' welfare fund	21.5	30,258	29,957
Payable to employees		58,231	57,657
Payable to provident fund		8,459	3,700
Others		14,281	48,164
		3,500,977	1,190,590

21.1 This represents amounts due to the following related parties and are interest free and payable on demand:

	Note	2023	2022
		(Rupees in thousand)	
Holding Company			
The Premier Sugar Mills and Distillery Company Limited		150,161	-
Associated Companies			
The Frontier Sugar Mills & Distillery Limited		733	733
Phipson & Company Pakistan (Private) Limited		55	-
Azlak Enterprises (Private) Limited		25,143	39,604
Directors		119,925	116,189
		296,017	156,526

21.2 These are repayable on demand and cannot be utilised for the purpose of business in accordance with the terms of written agreements with these parties. No amount in this respect has been kept in separate bank account.

21.3 Revenue recognised from advance from customers during the year	225,921	17,241

21.4 Payable for workers welfare fund

Balance at the beginning of the year	24,008	16,336
Charge for the year	83,166	24,008
Prior year adjustment	1,264	4,786
	108,438	45,130
Interest on funds utilized in the Group's business	1,438	535
Payments made during the year	(26,710)	(21,657)
Balance at the end of the year	83,166	24,008

21.5 Payable for workers' welfare fund

Balance at the beginning of the year	29,957	43,037
Charge for the year	28,097	15,317
Prior year adjustment	(5,209)	(7,391)
	52,845	50,963
Payments made during the year	(22,587)	(21,006)
Balance at the end of the year	30,258	29,957

22. Short term running finance - secured

	Note		
Secured			
Cash / running finance		3,091,690	2,601,895
Export re finance		1,523,895	1,700,000
		4,615,585	4,301,895
Accrued mark-up		379,268	187,613
	22.1	4,994,853	4,489,508

22.1 Short term running finance - secured

Lending Institution	Interest rate (per annum)	September 30, 2023 Total available facility	Facility availed	Total outstanding amount	September 30, 2022 Total outstanding amount	Collateral
		----------(Rupees in thousand)----------				
Secured						
Bank Al-Habib Limited	6 month KIBOR + 3% and 3 month KIBOR + 1%	2,250,000	2,226,973	879,973	1,122,000	- Pledge on Sugar Stocks with 15% margin of Rs. 2,000,006 thousand - First joint pari passu charge on present and future current assets of the Group for Rs. 1,867,000 thousand
The Bank of Punjab	3 month KIBOR + 1.10%	1,450,000	1,438,549	-	-	- Pledge on Sugar Stocks with 15% margin of Rs. 825,000 thousand - First joint pari passu charge on present and future current assets of the Group for Rs 1,001,000 thousand
MCB Bank Limited	3 month KIBOR + 1.10%	1,350,000	1,350,000	1,158,350	897,997	- Pledge on Sugar Stocks with 15% margin of Rs. 1,288,900 thousand - First joint pari passu charge on present and future current assets of the Group for Rs 534,000 thousand.
Bank Alfalah Limited	3 month KIBOR + 1.25%	650,000	524,469	-	547,895	- Pledge on Sugar Stocks with 15% margin of Rs. 647,095 thousand
Dubai Islamic Bank Pakistan Limited	9month KIBOR + 1.50% and 6month KIBOR + 1.25%	600,000	600,000	515,000	-	- Pledge on Sugar Stocks with 10% margin of Rs. 465,000 thousand - First joint pari passu charge on present and future current assets of the Group for Rs 267,000 thousand.
Soneri Bank Limited	3 month KIBOR + 1.50% and 6 month KIBOR + 1.25%	1,500,000	1,189,000	126,000	689,000	- Pledge on Sugar Stocks with 15% margin of Rs. 588,235 thousand - First joint pari passu charge on present and future current assets of the Group for Rs 1,333,334 thousand.
The Bank of Khyber	6 month KIBOR + 1% and 3 month KIBOR + 1%	725,000	667,369	-	225,700	- Pledge on Sugar Stocks with 15% margin of Rs. 589,000 thousand
Samba Bank Limited	1 month KIBOR + 1%	600,000	599,908	599,908	519,303	- Pledge on Sugar Stocks with 15% margin of Rs. 707,000 thousand
Habib Metropolitan Bank	3 month KIBOR + 0.9%	1,050,000	1,050,000	300,000	300,000	- Pledge on Sugar Stocks with 10% margin of Rs. 834,000 thousand - First joint pari passu charge on present and future current assets of the Group for Rs 400,000 thousand.
Askari Bank Limited	1 month KIBOR + 1.25%	700,000	700,000	210,000	-	- Letter of Pledge amounting PKR 823,520 thousand on sugar stocks (inclusive of 15% margin) - Pledge of sugar (50kg) bags margin 15% on market price
MCB Islamic Limited	3 month KIBOR + 1.1%	500,000	499,999	499,999	-	- Pledge on sugar stocks with 15% margin
Bank Islami Limited	3month KIBOR + 1.20%	400,000	400,000	-	-	- Pledge on sugar stock with 15% margin
Meezan Bank Limited	6 month KIBOR + 1.20%	1,600,000	1,300,000	202,895	-	- Pledge of sugar stock with 15% margin
United Bank Limited	1 month KIBOR + 1.50%	400,000	399,999	-	-	- Pledge on sugar stocks with 15% margin
National Bank of Punjab	9 month KIBOR + 1%	1,000,000	1,000,000	-	-	- Pledge on white refined sugar bags with 15% margin at both units (Unit 1 &2), on amount of Rs. 1,176,471 thousand
MCB Islamic Bank Limited	6 months KIBOR + 1.25% per annum	500,000	123,460	123,460	-	- Joint pari passu charge of 667,000 thousand on all present and future current and current and fixed assets of the Group.
Total				4,615,585	4,301,895	
Accrued mark-up				379,268	187,613	
				4,994,853	4,489,508	

23. Current maturity of non-current liabilities	Note	2023	2022
		(Rupees in thousand)	
Long term finances	17	1,608,197	988,169
Loans from related parties	18	77,472	48,821
Lease liabilities	19	90,932	90,193
		1,776,601	1,127,183

24. Contingencies and commitments

Contingencies

24.1 The Assistant Commissioner Inland Revenue (ACIR) vide show cause notice dated May 12, 2014 alleged that Company has claimed inadmissible input tax adjustment on building material including cements & bricks during the tax periods in year 2013-14. Further the ACIR ordered the Group to pay alleged demand of Rs 36.84 million representing principal amount and default surcharge for the aforesaid tax period. the Group filed appeal before Commissioner Inland Revenue Appeals [CIR(A)] wherein amount was reduced to Rs. 28.06 million vide order-in-appeal dated March 24, 2015. the Group preferred an appeal against the aforesaid order before the Appellate Tribunal Inland Revenue (ATIR), whereby ATIR vide its order dated January 25, 2016 upheld the Group's contention. In prior year the tax department filed a reference in this respect before the Honorable Peshawar High Court. During the year the matter has been decided by the said court in favour of the Group vide order dated September 19, 2023.

24.2 The Commissioner Inland Revenue (CIR), Peshawar vide order dated May 26, 2015 alleged that the Group has not undertaken appropriate stock taking and raised a demand of Rs 10 million in respect of FED on the alleged differential stock. the Group preferred an appeal before Appellate Tribunal Inland Revenue (ATIR) which was accepted vide order dated January 25, 2016. In this respect, the tax department filed reference before the Honorable Peshawar High Court which is yet to be decided.

24.3 In respect of super tax demand under section 4C of Income Tax Ordinance, 2001 for the tax year 2021 @ 10% of taxable income, the Group had filed writ petition before Peshawar High Court, and an interim relief was granted, directing the Group to 50% of the tax demanded. However, during the year, The Federal Board of Revenue (FBR) sent a notice to the Group directing it to pay super tax @ 4%, based on Supreme Court's order in respect of other companies wherein the Supreme Court of Pakistan granted an interim relief against demand of super tax at the rate of 10% and directed FBR to recover the tax @ 4%. Management has recorded a current tax charge of Rs 41.9 million during the year in respect of super tax @ 4% out of which Rs. 24.9 million is paid during the year. the Group and its legal counsel are confident that based on Supreme Court's order maximumexposure of the Group in respect of super tax for tax year 2021 is 4% and no further provision needs to be recognized in these financial statements.

24.4 The Federal government during the year through a notification fixed the Ex-Mill and Retail prices of Sugar u/s 6 of the Price Control and Prevention of Profiteering and Hoarding Act, 1997 at Rs.95.57/kg and Rs.98.82/kg. the Group filed a writ petition in Peshawar High court against a decision of Federal Government on April 20, 2023. Peshawar High Court granted stay on the case vide order dated 6 June, 2023 and the case is currently pending adjudication as at year end.

24.5 The Competition Commission of Pakistan (CCP) issued a show cause notice dated November 04, 2020 to sugar mills with respect to artificial price hike and alleged cartelization. The Group submitted its reply dated December 25, 2020. However CCP passed an order dated August 13, 2021 and on the basis of revenues of financial year 2019 imposed a penalty of Rs.650,000 thousand on the Group. Against the said order of CCP, the Group has filed an appeal before the CCP Appellate tribunal. The CCP Appellate tribunal has granted stay order against the CCP's order dated August 13, 2021. The case is pending adjudication.

24.6 As detailed in note 6.1.1 to the financial statements, during the year Whole Foods Limited (WFL) has received notice of intent to terminate agreement between Punjab Foods Department, Government of Punjab and WFL which has been contested by the management. The management is confident that aforesaid notice will be withdrawn.

24.7 The Group has letter of guarantee facilities aggregating Rs 50 million (2022: Rs 50 million) available from Bank Al Habib. The amount availed on these facilities as at September 30, 2023 is Rs 4 million (2022: Rs 4 million). These facilities are secured by master counter guarantee and 100% cash margin.

24.8 The Group has obtained letter of credit facilities aggregating Rs 365 million (2022: Rs 431 million) from Bank Al Habib and Al Barka Bank. The amount availed on these facilities as at September 30, 2023 is Rs 221 million (2022: Rs 173 million). These facilities are secured by lien on shipping documents.

24.9 The Group has cash finance facility available from various banks aggregating to Rs 10,825 million (2022: Rs 5,950 million), out of which Rs 2,968 million (2022: Rs 2,600 million) has been availed by the Group as at September 30, 2023. These facilities are secured against pledge charge over crystalline sugar inclusive of margin of 10 - 15%.

24.10 The Group has Export Re Finance/Finance Against Packing Credit (ERF / FAPC) facility from various commercial banks for Rs 3,950 million (2022: Rs 2,400 million), out of which Rs 1,524 million (2022: Rs 1,700 million) has been availed by the Group as at September 30, 2023. These facilities are secured by the joint parri passu hypothecation charge over current assets of the Group and lien over export documents.

24.11 The Group is defending its stance before the courts of law against various parties including individuals, corporate entities, federal and provincial revenue / regulatory authorities etc. The management of the Group is of the view that the ultimate outcome of these cases are expected to be favorable and a liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made in the financial statements in this regard.

24.12 During the period, the Company has issued further corporate guarantee amounting to Rs. 667 million in favour of UWFL in connection with financing arrangements with a financial institution. The financing facility is expected to be settled by December 31, 2027 and accordingly, the guarantee issued by the Company will be released by December 31, 2027.

	Note	2023	2022
		(Rupees in thousand)	
Commitments			
24.13 The Group has following commitments in respect of:			
Foreign letter of credit for purchase of plant and machinery		-	739,238
Local letter of credit for purchase of plant and machinery		143,681	207,519
Capital expenditure other than for letters of credit		14,386	104,683

25. Gross sales

	Note	2023	2022
Local		20,874,057	14,792,342
Export	25.1	8,497,560	4,481,937
		29,371,617	19,274,279

	Note	2023	2022
		(Rupees in thousand)	

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

Singapore	361,816	-
China	540,773	-
Spain	5,262,047	3,117,219
Hong Kong	97,765	137,795
Switzerland	2,182,192	-
Afghanistan	52,967	
Indonesia	-	162,727
United Kingdom	-	999,289
Others	-	64,907
	8,497,560	4,481,937

26. Sales tax, other government levies and discounts

Indirect taxes	2,984,342	2,169,631
Discounts	11,558	9,835
	2,995,900	2,179,466

27. Cost of sales

	Note	2023	2022
Raw material consumed		18,397,886	13,776,986
Chemicals and stores consumed		564,182	404,930
Salaries, wages and benefits	27.1	888,766	674,222
Power and fuel		162,838	107,534
Repair maintenance and others		633,310	315,639
Insurance		32,997	16,841
Depreciation - property, plant and equipment	6.6	1,301,660	952,155
Depreciation - right of use assets	7.1	4,621	5,134
		21,986,260	16,253,441
Adjustment of work-in-process:			
Opening		12,146	13,449
Closing		(16,293)	(12,146)
		(4,147)	1,303
Cost of goods manufactured		21,982,113	16,254,744
Adjustment of finished goods:			
Opening stock		3,367,723	1,341,096
Closing stock		(5,161,383)	(3,367,723)
		(1,793,660)	(2,026,627)
		20,188,453	14,228,117

27.1 Salaries, wages and benefits include Rs 20,790 thousand (2022: Rs 16,370 thousand) in respect of retirement benefits.

28. Selling and distribution expenses

	Note	2023	2022
Salaries, wages and benefits	28.1	19,991	15,476
Loading and stacking		33,691	19,915
Export development surcharge		18,466	12,199
Export sales commission		416,357	183,342
Freight and other expenses		358,065	216,922
Depreciation - right of use asset	7.1	19,446	21,116
		866,016	468,970

28.1 Salaries, wages and benefits include Rs 532 thousand (2022: Rs 354 thousand) in respect of retirement benefits.

	Note	2023	2022
29. Administrative and general expenses		(Rupees in thousand)	
Salaries, wages and benefits	29.1	632,217	482,394
Travelling and conveyance		77,341	55,822
Vehicles running and maintenance		48,885	29,158
Rent, rates and taxes		10,505	8,526
Communication		17,325	15,195
Printing and stationery		14,355	9,856
Insurance		10,097	5,184
Repair and maintenance		50,122	50,305
Fees and subscription		4,794	7,936
Depreciation - property, plant and equipment	6.6	90,145	82,855
Depreciation - right of use asset	7.1	51,816	35,164
Auditors' remuneration	29.2	6,093	4,541
Legal and professional charges		15,560	12,686
Meal and entertainment		1,763	-
Utilities		4,149	-
Others		105,798	64,553
		1,140,965	864,175

29.1 Salaries, wages and benefits include Rs 17,120 thousand (2022: Rs 11,340 thousand) in respect of retirement benefits.

29.2 Auditors' remuneration

	2023	2022
Statutory audit	4,224	3,448
Half year review	693	554
Consolidation	308	246
Certifications and group reporting	668	123
Out-of-pocket expenses	200	170
	6,093	4,541

30. Other income

	2023	2022
Income from financial assets		
Return on bank deposits	10,237	7,226
Mark-up earned on term depository receipts	31,313	-
Income from other than financial assets		
Sale of press mud - net of sales tax	5,879	5,656
Sale of fusel oil - net of sales tax	3,378	4,233
Gain / (loss) on disposal of operating fixed assets	8,446	(3,349)
Gain on derecognition of right of use assets	-	20,479
Scrap sales - net of expenses	63,372	13,110
Rental income	115	115
Income against insurance claim	119,462	-
Others	-	18,881
	200,652	59,125
	242,202	66,351

31. Other expenses	Note	2023	2022
		(Rupees in thousand)	
Donations - without directors' interest	31.1	2,042	490
Workers' profit participation fund charge		83,166	24,008
Workers' welfare fund charge		28,097	15,317
Others		(3,945)	(2,605)
		109,360	37,210

31.1 This includes donation paid to Al-Siraj Welfare Foundation amounting to Rs. 2,042 thousand (2022: Rs Nil).

32. Finance cost

	2023	2022
Mark-up on:		
Long term finances	922,756	323,930
Loans from related parties	41,598	27,789
Short term borrowings	1,645,662	760,025
	2,610,016	1,111,744
Unwinding of interest on lease liabilities	46,928	28,020
Amortization of deferred government grant	(23,946)	(5,787)
Interest on workers' profit participation fund	1,438	535
Bank charges	11,174	12,564
Exchange loss - net	137,403	2,470
	2,783,013	1,149,546

33. Taxation

	2023	2022
Current:		
- for the year	309,360	284,270
- prior year	41,938	37,021
	351,298	321,291
Deferred:		
On account of temporary differences	(457,232)	135,435
	(105,934)	456,726

33.1 Reconciliation of taxation with accounting profit

	2023	2022
Profit before taxation	1,463,148	379,001
Tax rate	29%	29%
Tax on profit	424,313	109,910
Tax effect of:		
Lower rate income	(548,010)	(7,224)
Prior year charge	41,938	37,021
Impact of rate change and restriction of deferred tax	(40,489)	166,078
Super tax	-	72,381
Others	16,314	78,560
	(105,934)	456,726

	2023	2022
34. Non-controlling interest	(Rupees in thousand)	
NCI percentage post further acquisition	28%	49%
NCI percentage pre further acquisition	49%	49%
Non-current assets	2,740,530	861,637
Current assets	226,630	109,860
Non-current liabilities	(1,366,568)	(512,411)
Current liabilities	(952,748)	(90,096)
Net assets	647,844	368,990
Net assets attributable to NCI	181,396	180,805
Loss for the year	(41,147)	(8,520)
Other comprehensive income (OCI)	-	-
Total comprehensive loss	(41,147)	(8,520)
Loss allocated to NCI	(14,959)	(4,175)
OCI allocated to NCI	-	-

35. Earnings per share

	2023	2022
Profit / (loss) after taxation attributable to owners of the Parent Company	1,584,041	(73,550)
Weighted average number of shares outstanding during the year (No. of shares '000')	28,692	28,692
Earnings / (loss) per share (Rs)	55.21	(2.56)

35.1 There is no dilutive effect on basic earnings per share.

36. Segment operating results

	Sugar Division		Ethanol Division		Total	
	2023	2022	2023	2022	2023	2022
	Rupees in thousand					
Sales						
-External Customers	21,256,732	14,264,248	8,114,885	5,010,031	29,371,617	19,274,279
-Inter segment	1,534,829	953,528	-	-	1,534,829	953,528
	22,791,561	15,217,776	8,114,885	5,010,031	30,906,446	20,227,807
Less : sales tax & others	(2,910,329)	(2,098,904)	(85,571)	(80,562)	(2,995,900)	(2,179,466)
Sales - net	19,881,232	13,118,872	8,029,314	4,929,469	27,910,546	18,048,341
Segment expenses:						
Cost of Sales	(16,897,260)	(11,387,946)	(3,291,193)	(2,840,171)	(20,188,453)	(14,228,117)
less: Inter segment cost	-	-	(1,534,829)	(953,528)	(1,534,829)	(953,528)
	(16,897,260)	(11,387,946)	(4,826,022)	(3,793,699)	(21,723,282)	(15,181,645)
Gross profit	2,983,972	1,730,926	3,203,292	1,135,770	6,187,264	2,866,696
Selling and distribution expenses	(146,522)	(48,382)	(719,494)	(420,588)	(866,016)	(468,970)
Administrative and general expenses	(738,250)	(587,988)	(271,106)	(187,183)	(1,009,355)	(775,171)
Net impairment losses on financial assets	(66,964)	(34,145)	-	-	(66,964)	(34,145)
Others	-	-	-	-	(131,610)	(89,004)
	(951,736)	(670,515)	(990,600)	(607,771)	(2,073,945)	(1,367,290)
Profit from operations	2,032,236	1,060,411	2,212,692	527,999	4,113,319	1,499,406
Other income	207,236	66,251	34,966	(262)	242,202	65,989
Others	-	-	-	-	-	362
Other expenses	(90,445)	(37,210)	(18,915)	-	(109,360)	(37,210)
	116,791	29,041	16,051	(262)	132,842	29,141
Segment results	2,149,027	1,089,452	2,228,743	527,737	4,246,161	1,528,547
Finance cost					(2,783,013)	(1,149,546)
Profit before tax					1,463,148	379,001
Taxation					105,934	(456,726)
Profit for the year					1,569,082	(77,725)

36.1 Segment assets and liabilities

	2023		2022	
	(Rupees in thousand)			
	Assets	Liabilities	Assets	Liabilities
Sugar	24,583,109	15,877,806	17,389,270	11,281,220
Ethanol	7,367,338	1,942,447	6,635,732	2,083,503
Total for reportable segment	31,950,447	17,820,253	24,025,002	13,364,723
Others	1,747,203	1,271,924	1,747,203	1,185,717
Total assets / liabilities	33,697,650	19,092,177	25,772,205	14,550,440

37 Financial instruments

37.1 Financial assets and liabilities

As at September 30, 2023	**Amortized Cost**	**Total**
Financial assets:	------Rupees in thousand------	
Maturity upto one year		
Trade debts - net of loss allowance	1,214,104	1,214,104
Loans and advances	26,163	26,163
Trade deposits and other receivables - net of loss allowance	369,248	369,248
Cash and bank balances	822,656	822,656
Maturity after one year		
Long term security deposits	15,084	15,084
	2,447,255	2,447,255
Financial liabilities:		
Other financial liabilities		
Maturity upto one year		
Trade and other payables	1,080,443	1,080,443
Unclaimed dividends	14,572	14,572
Current maturity of non current liabilities	1,685,669	1,685,669
Short term running finance	4,994,853	4,994,853
Lease liabilities	90,932	90,932
Maturity after one year		
Long term finances - secured	4,673,542	4,673,542
Loans from related parties - secured	163,064	163,064
Lease liabilities	157,994	157,994
	12,861,069	12,861,069

As at September 30, 2022		
Financial assets:		
Maturity upto one year		
Trade debts	44,157	44,157
Loans and advances	333,875	333,875
Trade deposits and other receivables	363,645	363,645
Cash and bank balances	256,140	256,140
Maturity after one year		
Long term security deposits	15,084	15,084
	1,012,901	1,012,901
Financial liabilities:		
Other financial liabilities		
Maturity upto one year		
Trade and other payables	736,439	736,439
Unclaimed dividends	14,607	14,607
Current maturity of non-current liabilities	1,036,990	1,036,990
Short term running finance	4,489,508	4,489,508
Lease liabilities	90,193	90,193

	Amortized Cost	Total
	----Rupees in thousand----	
Maturity after one year		
Long term finances - secured	4,191,793	4,191,793
Loans from related parties - secured	181,839	181,839
Lease liabilities	146,604	146,604
	10,887,973	10,887,973

38 Financial risk management

38.1.1 Financial risk factors

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

- credit risk
- liquidity risk
- market risk

The Board of Directors (the Board) has the overall responsibility for the establishment and oversight of the Group’s risk management framework.

The Group’s risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and 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 Board 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. The Board is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

a) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the credit worthiness of counterparties.

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

Credit risk primarily arises from trade debts, loans and advances, other receivables and balances with banks. To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other relevant factors. Where considered necessary, advance payments are obtained from certain parties. The management has set an allowed credit period to reduce the credit risk. Credit risk on bank balances is limited as the counter parties are banks with reasonably high credit ratings. In respect of other counter parties, due to the Group's long standing business relationship with them, management does not expect non-performance by these counter parties on their obligations to the Group.

The Group recognizes ECL for trade debts using the simplified approach as explained in note 4.22. As per the aforementioned approach, the loss allowance was determined as follows:

	1-180 days	181-365 days	More than 365 days	Total
	--------------------------Rupees in thousand--------------------			
September 30, 2023				
Gross carrying value	1,215,486	223	1,729	1,217,438
Loss allowance	1,381	223	1,729	3,333
September 30, 2022				
Gross carrying value	44,210	-	1,729	45,939
Loss allowance	53	-	1,729	1,782

ECL on other receivables is calculated using general approach (as explained in note 4.22). As at the reporting date, Group envisages that default risk on account of non-realisation of other receivables is minimal and thus based on historical trends adjusted to reflect current and forward looking information loss allowance has been estimated by the Group using a range of probable recovery pattern of related other receivables and assigning a time value of money to same. As per the aforementioned approach, the loss allowance for other receivables is determined as follows:

	2023	2022
	(Rupees in thousand)	
September 30,		
Gross carrying value	26,163	333,875
Loss allowance	905	905

Based on past experience, the management believes that no further impairment allowance is necessary in respect of trade debts, loans and advances and other financial assets.

Net impairment losses on financial assets recognised in statement of profit or loss account:

Loss allowance for doubtful trade debts	1,551	(664)
Loss allowance for export subsidy	65,413	34,249
Loss allowance on doubtful advances	-	560
Net impairment losses on financial assets	66,964	34,145

The credit quality of Group's financial assets have been assessed below by reference to external credit ratings of counterparties determined by the Pakistan Credit Rating Agency Limited (PACRA) and JCR - VIS Credit Rating Company Limited (JCR-VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any defaults in meeting obligations.

Counterparties without external credit rating		
Trade debts	1,214,104	44,157
Loans and advances	15,007	144,853
Trade deposits and other receivables	369,248	363,645
	1,598,359	552,655

	Note	2023	2022
		(Rupees in thousand)	
Counterparties with external credit rating			
Bank balances			
	A-1+	235,287	235,287
	A-1	20,853	20,853
		256,140	256,140
Loans and advances			
	A-1+	11,156	185,061
	A-1	-	3,959
	A-1+	-	2
		11,156	189,022

b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach 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, without incurring unacceptable losses or risking damage to the Group's reputation. The Group uses different methods which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below analyses the contractual maturities of the Group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the maturity date. The amounts disclosed in the table are undiscounted cash flows.

	Carrying amount	Contractual cash flows	Less than 1 Year	Between 1 to 5 years	5 years and above
		(Rupees in thousand)			
As at September 30, 2023					
Long term finance - secured	6,281,739	6,281,739	1,608,197	4,673,542	-
Loans from related parties	240,536	240,536	77,472	163,064	-
Lease liabilities	248,926	248,926	90,932	157,994	-
Trade and other payables	1,080,443	1,080,443	1,080,443	-	-
Unclaimed dividend	14,572	14,572	14,572	-	-
Short term running finance	4,994,853	4,994,853	4,994,853	-	-
As at September 30, 2022					
Long term finance - secured	5,179,962	5,179,962	988,169	4,191,793	-
Loans from related parties	230,660	230,660	48,821	181,839	-
Lease liabilities	236,797	236,797	90,193	146,604	-
Trade and other payables	736,439	736,439	736,439	-	-
Unclaimed dividend	14,607	14,607	14,607	-	-
Short term running finance	4,489,508	4,489,508	4,489,508	-	-

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

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

c) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Group incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board. The Group is exposed to interest rate risk, currency risk and market price risk.

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. Financial assets include Rs 972,202 thousand (2022: Financial liabilities include Rs 9,310 thousand) which were subject to currency risk.

	2023	2022
Rupees per USD		
Average rate	259.03	199.95
Reporting date rate	288.60	229.45

Sensitivity analysis

As at September 30, 2023, if the currency had weakened/strengthened by 10% against US dollar with all other variables held constant, profit after tax for the year would have been Rs 97,220 thousand (2022: Rs 620 thousand) lower/ higher.

ii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has no long term interest bearing financial assets whose fair value or future cash flows will fluctuate because of changes in market interest rates. Financial assets and liabilities include balances of Rs 748,790 thousand (2022: Rs 38,350 thousand) and Rs 9,714,000 thousand (2022: Rs 9,207,000 thousand) respectively, which are subject to interest rate risk. Applicable interest rates for financial assets and liabilities have been indicated in respective notes.

Sensitivity analysis

As at September 30, 2023, if interest rates had been 1% higher/ lower with all other variables held constant, profit after tax for the year would have been Rs 89,930 thousand (2022: Rs 61,430 thousand) higher/ lower, mainly as a result of higher/ lower interest income/ expense from these financial assets and liabilities.

iii) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

At the year end the Group is not exposed to price risk since there are no financial instruments, whose fair value or future cash flows will fluctuate because of changes in market prices.

38.1.2 Capital risk management

The Group is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital and the level of dividend to ordinary shareholders. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders and / or issue new shares. There was no change to the Group's approach to the capital management during the year.

The Group is not subject to externally imposed capital requirements except for the maintenance of debt to equity and current ratios under the financing agreements. Accordingly, the liabilities under these financing agreements have been classified as per the repayment schedule applicable in respect of the aforesaid financing agreements.

The Group monitors capital using a gearing ratio, which is calculated as net debt divided by total capital plus net debt. Net debt is calculated as amounts payable by the Group less cash and bank balances. Capital signifies equity as shown in the statement of financial position plus net debt. The Group's gearing ratio is as follows:

	2023	2022
	(Rupees in thousand)	
Long term finances - secured	6,281,739	5,179,962
Loans from related parties - secured	240,536	230,660
Lease liabilities	248,926	236,797
Trade and other payables	3,500,977	1,190,590
Short term running finance - secured	4,994,853	4,489,508
Less: cash and cash equivalents	(822,656)	(256,140)
Net debt	14,444,375	11,071,377
Issued, subscribed and paid-up capital	286,920	286,920
General reserve	327,000	327,000
Unappropriated profits	5,426,972	3,320,146
Total capital	6,040,892	3,934,066
Capital and net debt	20,485,267	15,005,443
Gearing ratio	71%	74%

39 Fair value of financial assets and liabilities

The carrying values of financial assets and liabilities approximate their fair value.

39.1 Fair value hierarchy

Certain property, plant and equipment of the Group was valued by independent valuer to determine the fair value of property, plant and equipment as at September 30, 2023. The revaluation surplus was credited to other comprehensive income and is shown as ‘surplus on revaluation of property, plant and equipment’. The different levels have been defined as follows:

- Level 1

  Quoted prices (unadjusted) in active market for identical assets/ liabilities.

- Level 2

  Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

- Level 3

  Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

40. Reconciliation of movement of liabilities to cash flow arising from financing activities

	Liabilities						Total
	Long term finance	Loans from related parties	Lease liabilities	Accrued Markup	Short term running finance	Unclaimed dividend	
	-----------Rupees in thousand-----------						
Balance at October 1, 2022	4,952,576	219,325	236,797	426,334	1,700,000	14,607	7,549,639
Cash flows	1,126,604	(31,235)	(150,312)	(2,314,881)	(176,105)	(35)	(1,545,964)
Deferred grant recognized during the year	(99,809)	-	-	-	-	-	(99,809)
Additions and unwinding of interest on lease liabilities during the year	-	-	171,806	-	-	-	171,806
Remeasurement gain on lease liabilities	-	-	(9,365)		-	-	(9,365)
Mark-up charged during the year	-	-	-	2,610,017	-	-	2,610,017
Interest on workers' profit participation fund	-	-	-	1,438	-	-	1,438
Bank charges	-	-	-	11,174	-	-	11,174
Balance at September 30, 2023	5,979,371	188,090	248,926	734,082	1,523,895	14,572	8,688,936

41. Transactions and balances with related parties

41.1 The Premier Sugar Mills & Distillery Company Limited holds 47.93% (2022: 47.93%) shares of the Company at the year end. Therefore, all subsidiaries and associated undertakings of The Premier Sugar Mills & Distillery Co. Limited are related parties of the Company. The related parties also comprise of directors, major shareholders, key management personnel, entities over which the directors are able to exercise significant influence on financial and operating policy decisions and employees’ funds. Amount due from and due to these undertakings are shown under receivables and payables. The remuneration of Chief Executive, Directors and Executives is disclosed in note 42 to the statement of financial statements.

	2023	2022
	(Rupees in thousand)	
The Premier Sugar Mills and Distillery Company Limited		
Purchases	773,026	31,648
Sales	2,428	4,965
Issuance of store items	25,695	38,957
Earnest money for purchase of building	-	269,965
Expenses paid by the Group	78,242	104,937
Expenses paid on behalf of the Group	7,025	8,893
Dividend paid	-	68,755
Rent income	115	115
The Frontier Sugar Mills and Distillery Limited		
Purchase of store items	-	733
Syntronics Limited		
Purchase of store items	163,068	83,614
Dividend paid	-	17,952
Syntron Limited		
Purchase of store items	94,760	83,230
Azlak Enterprises (Private) Limited		
Services on behalf of the Group	38,018	32,110
Mark-up charged	17,605	11,012
Expenses paid on behalf of the Group	1,931	5,996
Dividend paid	-	7,387
Phipson & Company Pakistan (Private) Limited		
Expenses paid by the Group	413	37
Dividend paid	-	1,538
Arpak International Investments Limited		
Markup charged	7,529	5,668

Premier Board Mills Limited	2023	2022
	(Rupees in thousand)	
Markup charged	16,463	11,110
Provident fund		
Contribution to provident fund	32,810	24,203
Directors		
Dividends paid	-	19,103
Vehicle leased	-	16,189
Advance against sale of floor area - building	-	100,000

41.2 Following are the related parties with whom the Group had entered into transactions or have arrangement/agreement in place.

Sr No	Company Name	Basis of Association	Aggregate % of Sharehold
1	The Premier Sugar Mills and Distillery Company Limited	Holding Company	47.93%
2	Premier Board Mills Limited	Common directorship	-
3	Azlak Enterprises (Private) Limited	Common directorship	5.15%
4	Arpak International Investments Limited	Common directorship	-
5	Phipson & Company Pakistan (Private) Limited	Common Holding Company	1.07%
6	Syntronics Limited	Common directorship	12.51%
7	Premier Construction and Housing Limited	Common directorship	-
8	Earth Securities (Private) Limited	Common directorship	-
9	The Frontier Sugar Mills & Distillery Limited	Common directorship	-
10	Syntron Limited	Common directorship	-

42. Remuneration of Chief Executive, Directors and Executives

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

	Chief Executive		Directors		Executives	
	2023	2022	2023	2022	2023	2022
	---------------------------------(Rupees in thousand)--					
Managerial remuneration	32,258	13,500	38,258	27,000	69,648	44,119
Bonus	7,590	-	7,590	-	44,882	7,774
Housing and utilities	4,044	3,330	1,851	895	46,432	29,413
Group's contribution to provident fund	-	-	-	-	4,214	3,348
Medical	4,346	11,322	136	15,228	827	805
Other expenses	13,628	5,979	20,042	21,336	-	-
	61,866	34,131	67,877	64,459	166,003	85,459
Number of persons	1	1	2	3	29	19

42.1 In addition to above, the Chief Executive and Executives were provided with the Group maintained cars for official and personal use. All the Executives based at factory compounds are also provided with free housing with the Group's generated electricity, telephone and certain household items in the residential colony within the factory compound.

42.2 Mr. Abbas Sarfraz Khan, Director of the Group, holds office of profit for performing extra services, for which approval was obtained vide Extraordinary general meeting dated June 21, 2019 under section 171 of the Companies Act, 2017. His remuneration includes monthly salary, bonus as per Group policy, Group maintained vehicle and reimbursement of all travelling and medical expenses. The Board of Directors are also entitled to reimbursement of all travelling, telephone and medical expenses, as approved vide 31st annual general meeting of members dated March 29, 2019. During the year, the remuneration of Directors were increased vide Extraordinary General Meeting (EOGM) dated August 25, 2023. Further, remuneration was approved for Mr. Iskander M. Khan, Director through aforesaid EOGM.

43. General

43.1 Geographical location and addresses of business units

The business units of the Group include the following:

Business Units	Location
Sugar - unit I	University Road, Dera Ismail Khan, KPK
Sugar - unit II	Ramak, Dera Ismail Khan, KPK
Ethanol fuel plant	Ramak, Dera Ismail Khan, KPK
Storage facility	Layyah and Bhakkar, Punjab

43.2 Capacity and production

	2023	2022
Sugar plants		
Rated crushing capacity (Metric Ton / day)	18,000	18,000
On the basis of average number of 105 days (2022: 128 days)	1,890,000	2,304,000
Actual cane crushed (Metric Ton)	1,963,169	1,885,437
Sugar produced (Metric Ton)	211,871	195,219
Ethanol fuel plant		
Rated production capacity (Litres / day)	125,000	125,000
On the basis of average number of 343 days (2022: 330 days) (Litres)	42,875,000	41,250,000
Actual production (Litres)	42,374,200	40,933,660

Storage facility		
Storage capacity (metric tones)	20,000	20,000

Days worked	Days	
Sugar - unit I	106	122
Sugar - unit II	103	121
Ethanol fuel plant	343	335

Sugar division performed at more than installed capacity to the extent of availability of sugar cane. Capacity of ethanol units were also over-utilized on certain days.

	2023	2022
43.3 Number of employees		
Number of employees at September 30		
Permanent	1,066	989
Contractual	1,047	1,059
	2,113	2,048
Average number of employees for the year		
Permanent	1,147	992
Contractual	1,518	1,416
	2,665	2,408

43.4 Provident Fund

Investments out of provident fund have been made in accordance with the provisions of section 212 of the Companies Act, 2017 and the rules formulated for the purpose.

43.5 Corresponding Figures

Corresponding figures for the prior period have been rearranged and reclassified where necessary for more appropriate presentation of transactions and balances for the purpose of comparison.

43.6 Rounding off

Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

44 Non-adjusting event after the statement of financial position date

The Board of Directors in its meeting held on February 02, 2024 has proposed a final cash dividend for the year ended September 30, 2023 @ Rs 5 per share, amounting to Rs 143,460 thousand for approval of the members in the annual general meeting to be held on February 26, 2024.

45. Date of authorisation for issue

These financial statements have been authorised for issue by the Board of Directors of the Company on February 02, 2024.

(RIZWAN ULLAH KHAN)	**(BEGUM LAILA SARFARAZ)**	**(ISKANDER M KHAN)**
CHIEF FINANCIAL OFFICER	**CHIEF EXECUTIVE**	**DIRECTOR**

CHASHMA SUGAR MILLS LIMITED
Nowshera Road, Mardan.

PROXY FORM
36th Annual General Meeting

I/We... of ....being a member of **Chashma Sugar Mills Limited** and holding ....ordinary shares as per share register Folio/CDC Account No............................... hereby appoint Mr./Mrs .... of .... another member of the Company having Folio / CDC Account No .... CNIC No .... or Passport No................................. or failing him / her Mr. / Mrs .... of .... Folio / CDC Accounts No .... CNIC No........................... or Passport No .... who is also a member of the Company, as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on February 26, 2024 and at any adjournment thereof.

Revenue Stamp Signature(Rs. 5.00)

____
Signature of Shareholder
(The signature should agree with the specimen registered with the Company)

Dated this .... day of .... 2024.

Signature of Proxy __________________

1. **Witness:**
   Name: __________________________
   Signature: ______________________
   Address: ________________________
   CNIC No: ________________________

2. **Witness:**
   Name: __________________________
   Signature: ______________________
   Address: ________________________
   CNIC No: ________________________

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

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

چشمہ شوگر ملز لمیٹڈ

نوشہرہ روڈ مردان

نمائندگی کا فارم (پراکسی فارم)

36 واں سالانہ اجلاس عام

میں/ہم ____________ کا/کی ____________ بحثیت رکن چشمہ شوگر ملز لمیٹڈ اور بذریعہ حصص رجسٹر کے
فولیونمبر/سی ڈی سی اکاؤنٹ نمبر ____________ حامل ____________ عام حصص، کمپنی کے ایک دوسرے رکن
____________ کا/کی ____________ فولیونمبر/ سی ڈی سی اکاؤنٹ نمبر ____________

شناختی کارڈ نمبر ____________ یا پاسپورٹ نمبر ____________ یا بصورت دیگر کمپنی کے اور رکن
____________ کا/کی ____________ فولیونمبر/سی ڈی اکاؤنٹ نمبر ____________

شناختی کارڈ نمبر ____________ یا پاسپورٹ نمبر ____________، کو میری/ہماری غیر حاضری میں کمپنی کے سالانہ اجلاس عام میں، جو بتاریخ 26 فروری 2024، منعقد ہو رہا ہے، یا کسی بھی ملتوی شدہ اجلاس میں حاضری اور حق رائے دہی کے استعمال کیلئے اپنا نمائندہ (پراکسی) مقرر کرتا/ کرتے ہیں۔

____

حصص دار کے دستخط
(دستخط کمپنی میں رجسٹرڈ نمونے مطابقت رکھتے ہونے چاہے)

پانچ روپے کی ریونیو سٹامپ

بتاریخ ________ مہینہ ________ 2024

نمائندہ کے دستخط: ____________

1. گواہ

دستخط:

نام: ____________

پتہ: ____________

____

شناختی کارڈ نمبر: ____________

2. گواہ

دستخط:

نام: ____________

پتہ: ____________

____

شناختی کارڈ نمبر: ____________

نوٹ:

نمائندگی فارم (پراکسی فارم) کمپنی کے پاس کمپنی کے رجسٹرڈ پتہ نوشہرہ روڈ مردان پر اجلاس کے وقت سے کم از کم 48 گھنٹے پہلے موصول ہو جانا چاہیے، بصورتِ دیگر یہ فارم موثر تصور نہیں کیا جائے گا۔

سی ڈی سی حصص یافتگان اور انکے نمائندوں (پراکسی) سے درخواست ہے کہ (پراکسی فارم) کمپنی کو جمع کروانے سے پہلے اس کے ساتھ اپنے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپی لف کریں۔