2024

ADAM
SUGAR MILLS LIMITED

59th
Annual Report

IN THE NAME OF ALLAH

THE BENEFICENT, THE MERCIFUL

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS	MR. JUNAID G. ADAM - CHAIRMAN MR. GHULAM AHMED ADAM - CHIEF EXECUTIVE MR. JAWAID AHMAD MR. OMAR G. ADAM MR. SALEEM PAREKH MRS. HUMERA DIWAN MS. SARAH ADAM
AUDIT COMMITTEE	
CHAIRPERSON	MR. SALEEM PAREKH
MEMBER	MR. JAWAID AHMAD
MEMBER	MS. SARAH ADAM
HUMAN RESOURCES AND REMUNERATION COMMITTEE	
CHAIRPERSON	MR. SALEEM PAREKH
MEMBER	MR. JAWAID AHMAD
MEMBER	MR. OMAR G. ADAM
CORPORATE SECRETARY	QAMAR RAFI KHAN
CHIEF FINANCIAL OFFICER	FAISAL HABIB
HEAD OF INTERNAL AUDIT	NOMAN IQBAL
REGISTERED OFFICE	HAJI ADAM CHAMBERS, ALTAF HUSSAIN ROAD, NEW CHALLI, KARACHI-2 TEL NO. 32417812 & 32401139-43 WEBSITE: www.adam.com.pk/adamsugar.html
FACTORY	CHAK NO. 4, FORDWAH, CHISHTIAN DISTRICT BAHAWALNAGAR
STATUTORY AUDITORS	RAHMAN SARFARAZ RAHIM IQBAL RAFIQ CHARTERED ACCOUNTANTS
COST AUDITOR	A.D. AKHAWALA & CO. CHARTERED ACCOUNTANTS
SHARE REGISTRARS	C & K MANAGEMENT ASSOCIATES (PVT) LTD M-13, PROGRESSIVE PLAZA, CIVIL LINES QUARTERS, NEAR P.I.D.C BEAUMONT PLAZA, KARACHI. TEL NO. 35685930 FAX NO. 35687839

VISION

To be the leader in sugar industry by building the company's image through quality improvement, competitive prices and meeting social obligations.

MISSION

- Endeavour to be the market leader by offering high quality sugar to our customers at competitive prices.
- To continue improving operating performance and profitability thereby ensuring growth for the company while serving best interest of shareholders.

SIX YEAR'S REVIEW AT A GLANCE

	2023-2024	2022-2023 (Restated)	2021-2022 (Restated)	2020-2021	2019-2020	2018-2019
Cane Curshed (Matric Tons)	684,186	590,048	833,340	337,875	312,955	363,306
Recovery	10.13%	9.79%	9.84%	8.74%	10.21%	8.91%
Sugar Produced (Matric Tons)	69,369	57,790	82,039	29,543	31,952	32,204
	Rs	Rs	Rs	Rs	Rs	Rs
Paid up Capital	172,909,620	172,909,620	172,909,620	172,909,620	172,909,620	172,909,620
Reserve & Surplus	5,084,585,656	5,090,751,885	3,712,130,012	3,596,257,434	3,471,567,653	3,142,836,964
Shareholders Equity	5,257,495,276	5,263,661,505	3,885,039,632	3,769,167,054	3,644,477,273	3,315,746,584
Non-Current Assets	6,453,239,989	6,559,190,991	5,055,257,768	4,844,990,238	4,939,030,383	5,115,456,052
Sales	8,055,242,392	5,426,394,318	5,422,523,482	2,880,598,200	3,553,991,007	2,314,623,158
Cost of Sales	7,130,102,302	4,785,332,133	4,712,720,815	2,470,296,287	2,846,000,169	2,295,798,406
Gross profit	925,140,090	641,062,185	709,802,667	410,301,913	707,990,838	18,824,752
Profit / (Loss) Before Tax	106,537,339	132,018,962	323,307,516	174,818,608	415,760,363	(315,480,488)
Profit / (Loss) After Tax	54,245,694	117,516,678	158,390,368	195,674,295	318,557,054	(254,059,293)
Earning / (Loss) Per Share	3.14	6.80	9.16	11.32	18.42	(14.69)
Break up Value of Share (Including Revaluation Reserve)	304.06	304.42	224.69	217.98	210.77	191.76

CHAIRMAN’S REPORT

The Composition of the Board of Directors represents mix of varied back grounds and rich experience in the field of business, banking etc.

The Board provides strategic directions to the Company and directs the management to achieve objectives and goals of the Company.

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 and I report that:

1. The overall performance of the Board for the year under review was satisfactory.

2. The Board had full understanding of the vision and mission statements and frequently revisits them to up -date with the changing market conditions.

3. The Board members attended Board meeting during the year and participated in important company's matter.

4. The Board undertook and overall review of business risks ensuring effectiveness of risk identification, risk management and internal controls to safeguard assets and interest of the company and shareholders.

5. The Board members regularly received reports on finance / budgets, production and other important matters which helped them take effective decisions.

6. The Board members were updated with regard to achievement of financials results through regular presentations by the management and accordingly received directions and oversight on a timely basis

I would like to thank the Board members for their commitments and untiring efforts by overcoming the difficulties posed by the unstable market environments.

Junaid G. Adam
Chairman
Karachi
January 6, 2025

چیئرمین رپورٹ

بورڈ آف ڈائریکٹرز کی تشکیل مختلف بیک گراؤنڈز اور کاروبار، بینکاری وغیرہ کے شعبہ میں وسیع تجربے کے امتزاج کی نمائندگی کرتی ہے۔

بورڈ کمپنی کو اسٹریٹجک ہدایات فراہم اور انتظامیہ کو کمپنی کے مقاصد اور اہداف حاصل کرنے کی ہدایت کرتا ہے۔

کوڈ آف کارپوریٹ گورننس کے تحت بورڈ آف ڈائریکٹرز کا سالانہ جائزہ لیا گیا تا کہ سال کے آغاز میں طے شدہ کمپنی کے مقاصد کے مقابلے میں بورڈ کی کارکردگی اور نتائج کی پیمائش کی جاسکے اور میں بیان کرتا ہوں کہ:

1۔ زیر جائزہ سال میں بورڈ کی مجموعی کارکردگی تسلی بخش رہی ہے۔

2 ۔بورڈ کو وژن اور مشن کے بیانات کی مکمل تفہیم حاصل ہے اور مارکیٹ کے بدلتے حالات کے ساتھ اکثر ان پر نظر ثانی کی جاتی ہے۔

3۔ بورڈ کے ممبران نے سال کے دوران بورڈ کے اجلاسوں میں شرکت کی اور کمپنی کے اہم معاملات میں حصہ لیا۔

4۔ بورڈ نے کمپنی اور شیئر ہولڈرز کے اثاثوں اور مفادات کے تحفظ کے لئے خطرے کی شناخت، خطرہ کے انتظامات اور داخلی کنٹرول کو یقینی بنانے کے لئے کاروباری خطرات کا مجموعی جائزہ لیا۔

5۔ بورڈ کے ممبران فنانس/ بجٹ، پیداوار اور دیگر اہم معاملات پر باقاعدگی سے رپورٹس وصول کرتے رہے جس سے انہیں مؤثر فیصلے کرنے میں مدد ملی ہے۔

6۔ بورڈ کے ممبران کو انتظامیہ کی جانب سے پریزنٹیشنز کے ذریعے مالیاتی نتائج کے حصول کی بابت باقاعدگی سے اپ ڈیٹ کیا گیا اور اس کے مطابق بروقت ہدایات حاصل اور نگرانی کی گئی۔

میں بورڈ کے تمام ممبران کا شکر گزار ہوں جو غیر مستحکم مارکیٹ ماحول سے پیدا ہونے والی مشکلات پر قابو پانے کے لئے پُرعزم اور انتھک کوشاں رہے ہیں۔

جنید جی آدم

چیئرمین

کراچی

6 جنوری، 2025ء

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 59th Annual General Meeting of the shareholders of the Company will be held at 11:00 a.m. on Tuesday, January 28, 2025 at The Arts Council of Pakistan, M.R.Kiyani Road, Karachi to transact the following business:

ORDINARY BUSINESS

1. To confirm the Minutes of 58th Annual General Meeting held on January 27, 2024.

2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended September 30, 2024 together with Directors' and Auditors' Reports thereon.

3. To approve the payment of final cash dividend @ 15% (Rupee 1.50 per share) as recommended by the Board of Directors.

4. To appoint auditors of the Company for the year 2024-2025 and to fix their remuneration

SPECIAL BUSINESS

5. To consider and ratify related party transactions as required by the Companies Act, 2017.

6. To approve revision in Board meeting fees and accordingly amend the clause 93 of the Articles of Association.

7. To transact any other business with the permission of the Chair.

By Order of the Board
QAMAR RAFI KHAN
Corporate Secretary

Karachi: January 07, 2025

NOTES:

1) Members who are not able to attend the meeting in person may send their respective proxies duly signed and stamped in the usual form. Such proxies should reach the Registered Office of the Company at least 48 hours before the meeting.

2) The Share Transfer Book of the Company will remain closed from January 18, 2025 to January 28, 2025 (both days inclusive). Transfer received at Company Share Registrar M/s C & K Management Associates (Pvt.) Ltd, Suite # M-13, Progressive Plaza, Civil Lines Quarters, Near PIDC, Beaument Road, Karachi-75530, at the close of business on January 17, 2025 will be treated in time.

3) The members having physical shares are requested to provide copies of their CNIC and Bank account details enabling the Company to credit their cash dividend directly into their respective Bank accounts.

4) Shareholders are requested to notify the Company of any change in address immediately.

5) CDC Account holders will further have to follow the following guidelines:

- **For Attending the Meeting:**

  a) In case of individuals, the account holder or sub-account holder and /or the person whose securities are in group account shall authenticate their identity by showing original NIC or original passport at the time of the meeting.

  b) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.

- **For Appointing Proxies:**

  a) In case of individuals, the account holder or sub-account holder and /or the person whose securities are in group account shall submit the duly filled proxy form along with attested copies of NIC cards or passport of the beneficial owners.

  b) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be submitted along with duly filled proxy form.

  c) Proxy shall produce original NIC or passport at the time of meeting.

6) <u>Transmission of Annual Financial Statements through Email</u>

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan vide SRO 787(I)/2014 dated September 08, 2014, those shareholders who wish to receive Annual Financial Statements through email instead of receiving the same by post are advised to give their consent along with valid email address, copy of CNIC and send it to the Company's Share Registrar M/s C & K Management Associates (Pvt.) Ltd, Suite # M-13, Progressive Plaza, Civil Lines Quarters, Near PIDC, Beaument Road, Karachi-75530

7) <u>Video Conference Facility</u>

In terms of the Companies Act, 2017 members residing in a city holding at least 10% of the total paid up share capital may demand the facility of video link for participating in the Annual General Meeting. The request for video link facility shall be received by Share Registrar at the address given herein above at least 7 days prior to the date of the meeting.

Statement under section 134 of The Companies Act, 2017

The statement sets out material facts concerning "Special Business" to be transacted at the Annual General Meeting of the Company to be held on Tuesday, January 28, 2025. The approval of the members of the Company will be sought for:

Agenda Item No. 5

To consider and ratify related party transactions as required by the Companies Act, 2017.

Agenda Item No. 6

To approve revision in Board meeting fees and accordingly approve the clause 93 of the Articles of Association.

The statement is being dispatched with the Notice to the members.

https://www.adam.com.pk/financials.html

Statement under section 134 of The Companies Act, 2017

The statement sets out material facts concerning "Special Business" to be transacted at the Annual General Meeting of the Company to be held on Tuesday, January 28, 2025. The approval of the members of the Company will be sought for:

Related Party Transactions

During the financial year ended September 30, 2024, the Company carried out transactions with its associated and related parties in accordance with its policies and applicable laws and regulations.

The members are requested to ratify the transactions which have been disclosed in Note no. 35 of the Financial Statements for the year ended September 30, 2024 and further to authorize the Board of Directors to conduct transactions with related parties or associated companies for the year ending September 30, 2024.

Party wise breakup of transactions as disclosed in Note no. 35 of the Financial Statements for the year ended September 30, 2024 are given below:

Name of Related Party	Nature of Transaction	Amount (Rs.)
Adam Lubricants Limited	***Transactions during the year***	
(Company under common control)	Lubricants purchases made during the year	14,873,910
	Payment against purchases during the year	13,699,698
	Loan received during the year	1,540,000,000
	Loan repaid during the year	874,932,000
	Balances at the year end	
	Payable against purchase	1,530,643
	Short Term Loan payable	830,068,000
Chief Executive	***Balances at the year end***	
(Mr. Ghulam Ahmed Adam)		
	Short Term Loan payable	32,164,394
	Sub-ordinated Loan payable	24,959,713
Chief Executive **(Mr. Ghulam Ahmed Adam)** **Directors** **(Mr. Junaid G. Adam** **Mr. Omar G. Adam)**	**Guarantees provided to banks agains financing on behalf of the Company** (Refer notes 16, 18.4.1, 18.5.1 and 18.6.1)	4,251,360,000

None of the Directors of the Company have any direct or indirect interest in the aforesaid Special Business except as mentioned above for short term loan and subordinated loan given to the Company by Chief Executive.

Increase in Remuneration of the Directors

Subject to approval of members of the Company, the Board has recommended to increase the meeting fee of the meeting of the Board of Directors in order to bring the meeting fee at par with the fee paid by other listed Companies.

Existing Meeting Fee per Director per Meeting	Proposed Meeting Fee per Director per Meeting
PKR 2,000/-	PKR 20,000/-

The aforesaid Directors have interest to the extent of meeting fee received by them.

DIRECTORS REPORT

IN THE NAME OF ALLAH, THE BENEFICENT, THE MERCIFUL

Dear Members,

On behalf of the Board, we welcome you to the 59thAnnual General Meeting of the Company and place before you the audited accounts of the Company for the year ended 30 September, 2024.

FINANCIAL RESULTS:	**Rs.**
Profit after taxation and levies	54,245,694
Incremental depreciation, net-off deferred tax transferred from surplus on revaluation of Property, Plant and Equipment	126,294,361
Un-appropriated profit brought forward	918,513,735
Un-appropriated profit carried forward	1,038,641,867

OPERATING RESULTS

	2024	**2023**
Cane Crushed-Metric Tons	684,186	590,048
Sugar Recovery Rate	10.13%	9.79%
Sugar Produced-Metric Tons	69,369	57,790
Commenced Crushing on	25/11/2023	27/11/2022
Stopped Crushing on	07/03/2024	12/03/2023
Number of Season Days	104	106
EPS - basic & diluted	3.14	6.85 (Restated)

The Punjab Government set the minimum support price of sugarcane at PKR 400 per 40 Kg. Despite facing a slightly shorter crushing season, the Company achieved improved sucrose recovery, resulting in a significant 20% increase in sugar production compared to the previous year.

The financial year 2023-24 presented challenges such as soaring inflation, currency devaluation, political uncertainty, and rising interest rates. Despite these obstacles, efficient management and ample sugarcane availability enabled the Company to crush significantly more sugarcane than the previous season, leading to a 48% growth in net turnover, reaching PKR 8.055 billion.

FUTURE PROSPECTS

The Punjab Government has not fixed minimum support price for sugar cane during crushing season 2024-2025. The grower community is not used to global norms of market forces deciding the price and was comfortable in support price phenomena. This has resulted in an overall slow start to the season. Sugarcane yields per acre and recoveries are also surprisingly low this year and this seems to be a countrywide phenomenon, which puts a big question mark on current year production figures.

As of December 31, 2024, the Company has crushed 155,660 M.Ton of sugarcane with an average recovery of 8.60 %, producing 13,387 M.Ton of sugar.

As mentioned in our June 2024 Quarterly Report that Government of Pakistan has allowed export of 150,000 M.Ton of sugar. After this the Government allowed 600,000M.Ton of sugar and in addition to these the Government also allowed 40,000 M.Ton to Tajikstan. Complete export quota break up is given below:

Description	M.Ton
Quota No. 1	150,000
Quota No. 2	100,000
Quota No. 3	500,000
PSMA Quota Tajikistan	40,000
	790,000

While economic recovery shows signs of improvement, challenges such as inflation, oil price volatility, and global tensions persist. The State Bank of Pakistan's recent reduction in the policy rate to an average of 12% p.a. from 18.50% in October 2024 is expected to positively impact economic activity. We are optimistic that timely decisions regarding sugar exports will help stabilize the industry.

As we move forward to the next financial year, challenges as discussed above persists and will affect business worldwide. Nevertheless, Governments' efforts towards fiscal stabilization and economic recovery will bring positive impact on overall economy. We are hope full that Government will allow export of sugar and decision regarding exports will come on right time rather after lapse of demand in international markets resulting in low rates.

STATEMENT OF CORPORATE AND FINANCIAL REPROTING FRAMEWORK

As required by the Code of Corporate Governance, your Directors are pleased to report that:

- The names of the persons who, at any time during the financial year, were Directors of the Company are given below:

  1. Mr. Junaid G. Adam
  2. Mr. Ghulam Ahmed Adam
  3. Mr. Omar G. Adam
  4. Mr. Jawaid Ahmed
  5. Mr. Saleem Parekh (Appointed during the year)

6. Mrs. Humera Diwan
7. Ms. Sarah Adam
8. Mrs. Nabiah Omar (Resigned during the year)

- The financial statements, prepared by the Management, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.

- The company has maintained proper books of accounts as required by the law.

- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

- The accounting policies and disclosures are in accordance with the approved Accounting Standards applicable in Pakistan, unless otherwise disclosed.

- The system of internal control is sound in design and effectively implemented.

- There is no significant doubt as to the ability of the company to continue as an on-going concern.

- There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.

- No trading in the shares of the Company was carried out by the directors, CEO, CFO, Company Secretary and their spouses and minor children.

- The management of the Company follows the rigorous approach to risk management which is essential to running a successful sustainable business.

- The main trends and factors likely to affect the future development, performance and position of the Company's business are described in "Future Prospects".

- There are no contents with regard to modification in the Auditor's Report.

- Pattern of Shareholding is attached in the Annual Report.

COMPOSITION OF BOARD OF DIRECTORS

The total number of Directors is 7 and its composition as on January 06, 2025 was as under:

Non-executive directors:

Mr. Junaid G. Adam (Chairman)
Mr. Jawaid Ahmed

Executive directors:

Mr. Ghulam Ahmed Adam (Chief Executive)
Mr. Omar G. Adam; and

Independent director:

Mr. Saleem Parekh
Mrs. Humaira Diwan

The requirement of 1/3 independent Directors equals to 2.33, fraction of which is less than 0.5 and therefore, as per the applicable regulations is rounded down to 2.

Female Director

Ms. Sarah Adam

BOARD MEETINGS

During the period five meetings of the Board of Directors were held. Participation of directors is as follows:

	NAME OF DIRECTORS	NUMBER OF MEETINGS ATTENDED
1.	Mr. Ghulam Ahmed Adam	4
2.	Mr. Jawaid Ahmed	5
3.	Mr. Junaid G. Adam	5
4.	Mr. Omar G. Adam	5
5.	Mr. Saleem Parekh	2
6.	Mrs. Humera Diwan	2
7.	Ms. Sarah Adam	2

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

CORPORATE SOCIAL RESPONSIBILITY

The Company remains committed to social responsibility by providing free education at its Mills site and organizing free eye camps for the community.

The Company is running a free school at its Mills site where children of Company's staff and adjoining areas are enrolled.

Two eye camps were organized, one in October 2023 where 731 surgeries were performed and other eye camp was organized in November 2024 where 1076 surgeries were performed.

ENVIROMENT

The Company has initiated the installation of a Water Treatment Plant, with design approval underway, ensuring environmental sustainability in compliance with Punjab EPA guidelines.

DIVIDEND

The Board of Directors in their meeting held on January 06, 2025, has recommended a final cash dividend for the year ended September 30, 2024 at PKR 1.50 per share i.e. 15%.

AUDITORS

M/s. Rehman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, the auditors of the Company retires and offers them for reappointment. The Audit Committee has recommended their reappointment for the year 2024-2025.

EMPLOYEE RELATIONS

Your directors appreciate the spirit of cooperation shown by the officers, staff and workers and we hope that their dedication will continue in future.

On behalf of the Directors

Karachi: January 06, 2025

OMAR G. ADAM
Director

GHULAM AHMED ADAM
Chief Executive

ڈائریکٹرز رپورٹ

شروع اللہ کے نام سے، جو بڑا مہربان، رحم کرنے والا ہے

محترم ارکان،

بورڈ کی جانب سے، ہم آپ کو کمپنی کے 59ویں سالانہ اجلاس عام میں خوش آمدید کہتے ہیں اور 30 ستمبر 2024 کو ختم ہونے والے سال کے لیے کمپنی کے نظرثانی شدہ اکاؤنٹس آپ کے سامنے پیش کرتے ہیں۔

مالیاتی نتائج

تفصیل	روپے
ٹیکس اور لیویز کے بعد منافع	54,245,694
اضافی فرسودگی، پراپرٹی، پلانٹ اور آلات کی تجدید پر سرپلس سے مؤخر ٹیکس کے علاوہ جو منتقل کیا گیا	126,294,361
غیر موزوں منافع جو آگے لایا گیا	918,513,735
غیر موزوں منافع جو آگے بھیجا گیا	1,038,641,867

آپریٹنگ نتائج

	2024	2023
گنے کی کرشنگ میٹرک ٹن	684,186	590,048
چینی کی ریکوری کی شرح	10.13%	9.79%
چینی کی پیداوار- میٹرک ٹن	69,369	57,790
کرشنگ کا آغاز	25/11/2023	27/11/2022
کرشنگ کا اختتام	07/03/2024	12/03/2023
سیزن کے دنوں کی تعداد	104	106
EPS- بنیادی اور معتدل	3.14 روپے	6.85 روپے (اعادہ)

پنجاب حکومت نے گنے کی کم از کم امدادی قیمت 400 روپے فی 40 کلوگرام مقرر کی ہے۔ قدرے مختصر کرشنگ سیزن کا سامنا کرنے کے باوجود، کمپنی نے بہتر سکروس ریکوری حاصل کی، جس کے نتیجے میں گزشتہ سال کے مقابلے میں چینی کی پیداوار 20 فیصد نمایاں طور پر زیادہ ہوئی۔ مالی سال 24-2023 میں افراط زر میں اضافہ، کرنسی کی قدر میں کمی، سیاسی غیر یقینی صورتحال اور شرح سود میں اضافے جیسی مشکلات درپیش رہیں۔ ان رکاوٹوں کے باوجود، مؤثر انتظام اور گنے کی وافر دستیابی نے کمپنی کو گزشتہ سیزن کے مقابلے میں نمایاں طور پر زیادہ گنا کرش کرنے کے قابل بنایا، جس کے نتیجے میں خالص آمدنی میں 48 فیصد اضافہ ہوا اور یہ 8.055 بلین روپے تک پہنچ گئی۔

مستقبل کے امکانات

پنجاب حکومت نے کرشنگ سیزن 2025-2024 کے دوران گنے کی کم از کم امدادی قیمت مقرر نہیں کی ہے۔ کاشتکار برادری قیمت کا فیصلہ کرنے والی مارکیٹ قوتوں کے عالمی اصولوں کی عادی نہیں ہے اور کم از کم امدادی قیمت میں پُرسکون تھی۔ اس کے نتیجے میں مجموعی طور پر سیزن کا آغاز سست ہوا ہے۔ اس سال گنے کی فی ایکڑ پیداوار اور ریکوری بھی حیرت انگیز طور پر کم ہے اور یہ ایک ملک گیر رجحان لگتا ہے، جو رواں سال کی پیداوار کے اعداد و شمار پر ایک بڑا سوالیہ نشان ہے۔

31 دسمبر 2024ءتک کمپنی نے 8.60 فیصد کی اوسط ریکوری کے ساتھ 155,660 میٹرک ٹن گنے کی کرشنگ کی جس سے 13,387 ملین ٹن چینی بنائی ہے۔

جیسا کہ ہماری جون 2024 کی سہ ماہی رپورٹ میں بیان کیا گیا ہے کہ حکومت پاکستان نے 150,000 میٹرک ٹن چینی برآمد کرنے کی اجازت دی ہے۔اس کے بعد حکومت نے 600,000 میٹرک ٹن چینی کی اجازت دی اوراس کے علاوہ حکومت نے تاجکستان کو 40 ہزار ٹن چینی برآمد کی بھی اجازت دی۔ایکسپورٹ کوٹہ کی مکمل تفصیلات درج ذیل ہیں:

تفصیل	میٹرک ٹن
کوٹہ نمبر 1	150,000
کوٹہ نمبر 2	100,000
کوٹہ نمبر 3	500,000
PSMA کوٹہ تاجکستان	40,000
	790,000

اگرچہ معاشی بحالی میں بہتری کے آثار ظاہر ہوتے ہیں،لیکن افراط زر، تیل کی قیمتوں میں اتار چڑھاؤ اور عالمی تناؤ جیسی مشکلات برقرار ہیں۔اسٹیٹ بینک آف پاکستان کی جانب سے پالیسی شرح کو اکتوبر 2024 میں 18.50 فیصد سے کم کر کے اوسطاً 12 فیصد کرنے سے معاشی سرگرمیوں پر مثبت اثرات مرتب ہونے کی توقع ہے۔ہم پُر امید ہیں کہ چینی کی برآمدات کی بابت بروقت فیصلوں سے صنعت کو مستحکم کرنے میں مدد ملے گی۔

جیسا کہ اگلے مالی سال کی طرف بڑھتے ہوئے، مذکورہ بالا، مشکلات برقرار ہیں اور دنیا بھر میں کاروبار کو متاثر کریں گی۔اس کے باوجود مالیاتی استحکام اور معاشی بحالی کے لئے حکومتوں کی کوششوں سے مجموعی معیشت پر مثبت اثرات مرتب ہوں گے۔ہمیں اُمید ہے کہ حکومت چینی برآمد کرنے کی اجازت دے گی اور برآمدات کی بابت فیصلہ بین الاقوامی منڈیوں میں طلب کم ہونے کے بعد آئے گا جس کے نتیجے میں نرخ کم ہوں گے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

کوڈ آف کارپوریٹ گورننس کے تقاضہ کے مطابق، آپ کے ڈائریکٹرز بخوشی بیان کرتے ہیں کہ:

- ان افراد کے نام جو مالی سال کے دوران کسی بھی وقت کمپنی کے ڈائریکٹرز رہے ذیل میں دیئے گئے ہیں:

1۔ جناب جنید جی آدم
2۔ جناب غلام احمد آدم
3۔ جناب عمر جی آدم
4۔ جناب جاوید احمد
5۔ جناب سلیم پاریکھ (سال کے دوران مقرر ہوئے)
6۔ محترمہ حمیرہ دیوان
7۔ محترمہ سارہ آدم
8۔ محترمہ نبیجہ عمر آدم (سال کے دوران مستعفی ہوگئیں)

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی حسابات اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکوئٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- کمپنی کے کھاتہ جات قانون کے مطابق بالکل صحیح طور سے بنائے گئے ہیں۔
- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے، اور کسی بھی انحراف کا موزوں انکشاف اور وضاحت کی گئی ہے۔
- اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی موثر طریقے سے عملدرآمد کیا جاتا ہے۔

- کمپنی کے گوئنگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک وشبہات نہیں ہیں۔
- فہرستی قواعد میں دی گئی تفصیل کے مطابق کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں کیا گیا ہے۔
- ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری یا ان کے زوج اور نابالغ بچوں کی طرف سے کمپنی کے حصص کی کوئی تجارت نہیں ہوئی ہے۔
- کمپنی کی انتظامیہ رسک مینجمنٹ کے لیے سخت طریقہ کار کی پیروی کرتی ہے جو ایک کامیاب پائیدار کاروبار چلانے کے لیے ضروری ہے۔
- کمپنی کے کاروبار کی مستقبل کی ترقی، کارکردگی اور پوزیشن کو متاثر کرنے والے اہم رجحانات اور عوامل کو "مستقبل کے امکانات" میں بیان کیا گیا ہے۔
- آڈیٹر کی رپورٹ میں کوئی ترمیم نہیں کی گئی ہے۔
- نمونہ حصص داری سالانہ رپورٹ میں لف ہے۔

بورڈ آف ڈائریکٹرز کی تشکیل

ڈائریکٹرز کی کل تعداد 7 اور 06 جنوری 2025 کو اس کی تشکیل درج ذیل ہے:

نان ایگزیکٹیو ڈائریکٹرز:

جناب جنید جی آدم (چیئرمین)
جناب جاوید احمد

ایگزیکٹو ڈائریکٹرز:

جناب غلام احمد آدم (چیف ایگزیکٹو)
جناب عمر جی آدم۔ اور

آزاد ڈائریکٹر:

جناب سلیم پاریکھ
محترمہ حمیرہ دیوان

1/3 آزاد ڈائریکٹروں کا تقاضہ 2.33 کے برابر ہے، جس کی فریکشن 0.5 سے کم ہے اور لہذا، قابل اطلاق قواعد کے مطابق اسے 2 تک محدود کیا گیا ہے۔

خاتون ڈائریکٹر

محترمہ سارہ آدم

بورڈ کے اجلاس

اس سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس ہوئے۔ ڈائریکٹرز کی شرکت حسب ذیل ہے:

نمبر شمار	ڈائریکٹرز کے نام	اجلاسوں کی تعداد
1	جناب غلام احمد آدم	4
2	جناب جاوید احمد	5
3	جناب جنید جی آدم	5
4	جناب عمر جی آدم	5
5	جناب سلیم پاریکھ	2
6	محترمہ حمیرہ دیوان	2
7	محترمہ سارہ آدم	2

اجلاس میں شرکت نہ کر سکنے والے ڈائریکٹرز کو عدم شرکت کی رخصت دی گئی۔

کارپوریٹ سماجی ذمہ داری

کمپنی اپنی ملز سائٹ پر مفت تعلیم فراہم کر کے اور کمیونٹی کے لئے مفت آئی کیمپوں کا اہتمام کر کے سماجی ذمہ داری کے لئے پُرعزم ہے۔

کمپنی اپنی ملز سائٹ پر ایک مفت اسکول چلا رہی ہے جہاں کمپنی کے عملے اور ملحقہ علاقوں کے بچے تعلیم حاصل کر رہے ہیں۔

دو آئی کیمپ لگائے گئے، ایک اکتوبر 2023 میں جہاں 731 سرجریاں کی گئیں اور دوسرا آئی کیمپ نومبر 2024 میں منعقد کیا گیا جہاں 1076 سرجریاں کی گئیں۔

ماحولیات

کمپنی نے پنجاب ای پی اے گائیڈ لائنز کی تعمیل میں ماحولیاتی استحکام کو یقینی بنانے کے لئے، ڈیزائن کی منظوری کے ساتھ، واٹر ٹریٹمنٹ پلانٹ کی تنصیب کا آغاز کر دیا ہے۔

منافع منقسمہ (ڈیویڈینڈ)

بورڈ آف ڈائریکٹرز نے 06 جنوری 2025 کو منعقد ہونے والے اپنے اجلاس میں 30 ستمبر 2024 کو ختم ہونے والے سال کے لیے 1.50 روپے فی شیئر یعنی 15% حتمی نقد منافع منقسمہ کی سفارش کی ہے۔

آڈیٹرز

میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس، کمپنی کے آڈیٹرز ریٹائر ہو گئے ہیں اور انہیں دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔ آڈٹ کمیٹی نے سال 2025-2024 کے لیے ان کی دوبارہ تقرری کی سفارش کی ہے۔

ملازمین سے تعلقات

آپ کے ڈائریکٹر آفیسرز، عملے اور کارکنوں کے تعاون کے جذبہ کو سراہتے ہیں اور ہمیں اُمید ہے کہ ان کی لگن مستقبل میں بھی جاری رہے گی۔

منجانب ڈائریکٹرز

کراچی: 06 جنوری 2025ء

عمر۔جی۔ آدم
ڈائریکٹر

غلام احمد آدم
چیف ایگزیکٹو

DETAILS OF SHAREHOLDERS CATEGORIES AS ON SEPTEMBER 30, 2024

	NUMBER	SHARE HELD
ASSOCIATED COMPANIES, UNDERTAKING AND RELATED PARTIES		
Adam Pakistan Limited	**1**	3,503,389
ICP:		
Investment Corporation of Pakistan	**1**	117
DIRECTORS, CEO AND THEIR SPOUSE AND MINOR CHILDREN		
Mr. Ghulam Ahmed Adam	**1**	10,000
Mr. Jawaid Ahmed	**1**	7,500
Mr. Junaid G. Adam	**1**	2,443,000
Mr. Omar G. Adam	**1**	27,500
Saleem Parekh	**1**	2,500
Mrs. Humera Diwan	**1**	2,443,000
Mrs. Sarah Adam	**1**	3,149,317
Mr. Mustafa G. Adam	**1**	7,500
Rafiqa G. Adam	**1**	1,051,060
EXECUTIVE	-	**-**
PUBLIC SECTOR COMPANIES AND CORPORATIONS	-	**-**
BANKS, DEVELOPMENT FINANCE INSTITUTIONS INSURANCE COMPANIES, MODARBAS AND MUTUAL FUND		
United Bank Limited	**1**	178
MCB Bank Limited	**1**	223
State Life Insurance Company	**1**	190
SHAREHOLDING 10% OR MORE SHARE VOTING INTREST IN THE COMPANY		
Mr. Junaid G. Adam	**1**	2,443,000
Mrs. Humera Diwan	**1**	2,443,000
Mrs. Sarah Adam	**1**	3,149,317
Adam Pakistan Limited	**1**	3,503,389

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

FOR THE YEAR ENDED SEPTEMBER 30, 2024

M/s. Adam Sugar Mills Limited ('the Company') has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations 2019, ('the Regulations') in the following manner:

1. The total number of directors of the Company are 7 as follows:

Male: 05
Female: 02

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

i.	Independent directors.	Mr. Saleem Parekh (Male)
ii.	Non-executive directors.	Mrs. Humaira Diwan (Female) Mr. Jawaid Ahmed (Male) Ms. Sarah Adam (Female)
iii.	Executive directors.	Mr. Ghulam Ahmed Adam (Male / Chief Executive) Mr. Omar G. Adam (Male) Mr. Junaid Adam (Male/Chairman)

3. The directors have confirmed that none of them is serving as a director on more than seven (7) listed companies, including the Company;

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

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

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

7. The meetings of the Board were chaired 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 Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board;

8. The Board have a formal policy and transparent procedure for remuneration of directors in accordance with the Companies Act, 2017 and the Regulations;

9. Four out of seven directors are exempt from directors training program due to having 14 years of education and 15 years of experience on Board of listed company. One Director is certified from Pakistan Institute of Corporate Governance. The remaining two directors intend to acquire necessary training program in due course. Following is the breakup of directors along with their status in relation to directors training program:

S No.	Name of Director	Director Since	Certification Status
1	Mr. Jawaid Ahmed	2001	Exempt
2	Mr. Ghulam Ahmed Adam	1965	Exempt
3	Mr. Junaid G. Adam	1996	Exempt
4	Mr. Omar G. Adam	2002	Exempt
5	Mr. Saleem Parekh	2024	Certified
6	Mrs. Humaira Diwan	2023	Yet to be obtained
7	Ms. Sarah Adam	2023	Yet to be obtained

10. The Board has approved the appointment of the 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. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

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

Audit Committee	
Mr. Saleem Parekh	Chairman
Mr. Jawaid Ahmad	Member
Ms. Sarah Adam	Member

HR & Remuneration Committee	
Mr. Saleem Parekh	Chairman
Mr. Omar G. Adam	Member
Mr. Jawaid Ahmad	Member

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

14. The frequency of meetings of the committees were as follows:

Audit Committee	Quarterly
HR & Remuneration Committee	Annually

15. The Board has set-up an effective internal audit function which is 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 (ICAP) 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 ICAP and that they and the partners of the firm involved in the audit are not close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or a director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act, 2017, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all other requirements of the Regulations 3,6,7,8,27,32,33 and 36 of the regulations have been have been complied with except as stated below:

S. no.	Regulation reference no.	Description of non-compliance
(1)	06	As per Regulation 06 of the Regulations, a listed company shall have at least two or one-third members of the Board, whichever is higher, as independent directors. Further, it requires a listed company to explain the reasons, in its Statement of Compliance, if any fraction contained in such one-third numbers is not rounded up as one. Since the total number of directors of the Company is 7, its one-third fraction comes to 2.33. In contrast, during the year ended September 30, 2024, the number of independent directors of the Company has been 1. As per management, the elected director has enough competencies, skills, knowledge and experience to execute his duties competently as per laws and regulations and, therefore, the appointment of further independent directors is not necessary.
(2)	08	Mrs. **Humera Diwan** elected by the Company as an Independent Director (ID) in its Annual General Meeting (AGM) held on January 27, 2023 does not meet the criteria of independence specified in the Companies Act, 2017 and the Regulations, as further elaborated below: 1. In terms of Section 166(1) of the Companies Act, 2017, an independent director to be appointed under any law, rules, regulations or code, shall be selected from a data bank containing names, addresses and qualifications of persons who are eligible and willing to act as independent directors, maintained by any institute, body or association, as may be notified by the Securities and Exchange Commission of Pakistan (SECP). However, the name of the aforementioned ID does not appear in the said data bank maintained by the Pakistan Institute of Corporate Governance (PICG); and 2. Mrs. Humera Diwan holds 14.13% shares of the Company which exceed the maximum permissible limit of 10% as outlined in the frequently asked questions on the application of requirements of the Regulations issued by the SECP in July 2020.

S. no.	Regulation reference no.	Description of non-compliance
(3)	08	As per Regulation 08 of the Regulations, it is mandatory that the executive directors, including the chief executive officer, shall not be more than one third of the Board. Further, it requires a listed company to explain the reasons, in its Statement of Compliance, if any fraction contained in such one-third numbers is rounded up as one. Since the total number of directors of the Company is 7, its one-third fraction comes to 2.33. In contrast, during the year ended September 30, 2024, the number of executive directors of the Company has been 3. As per management, one of the directors is since incorporation of the company and other 2 are also directors for more than 2 decades. All 3 executive directors are fully involved in the management of the company; therefore, any change in executive directors will affect the operations of the company.
(4)	27(1)(i)	As per Regulation 27(1)(i) of the Regulations, it is mandatory that all the members of the audit committee shall be non-executive directors. However, Mr. Junaid G Adam, who is an executive director, had been a member of the audit committee up to July 28, 2024 when he was replaced by Mr. Jawaid Ahmed.

19. We confirm that all other requirements of the Regulations have been complied with except as stated below:

S. no.	Regulation reference no.	Description of non-compliance
(1)	09	As per Section 192(1) of the Companies Act, 2017, the board of directors of a listed company must appoint a chairman from among the non-executive directors, who shall hold office for a term of three years. During the board meeting held on July 29, 2024, Mr. Junaid G. Adam was appointed as Chairman of the Board of Directors (BOD) following the resignation of Mr. Jawaid Ahmad. However, Mr. Junaid G. Adam does not meet the statutory requirement to serve as Chairman as he is an executive director (since he devotes substantially the whole of his time to the operations of the Company).
(2)	28(1) & (2)	As per Regulation 28(1) & (2) of the Regulations, it is required that the majority of the members of the Human Resource and Remuneration Committee are non-executive directors and that the chairman of the committee must be an independent director. Up until July 28, 2024, the committee was not compliant with these regulations, as the majority consisted of executive directors. This composition was rectified with the election of Mr. Saleem Parekh as an independent director and Mr. Jawaid Ahmed as a non-executive director. Additionally, the chairperson of the committee, Mrs. Nabiah Omer Adam, was not an independent director up to July 28, 2024, when she was succeeded by Mr. Saleem Parekh.

Committee	Reg No	Explanation
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 (1)	The Board effectively discharges all the responsibilities of Nomination Committee as recommended by the Code. It regularly monitors and assesses the requirements with respect to any changes needed on Board's committees including chairmanship of those committees. The Board also actively monitors requirements regarding its structure, size and composition and timely reviews and adapts any necessary changes in that regard.
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 (1)	The Board through its Audit Committee reviews several risk to ensure that a sound system of risk identification, risk management and related systemic and internal controls is being maintained. All material controls (financial, operational, compliance) are monitored and reviewed. The Board ensures that risk mitigation measures are robust.
Sustainability Committee:		
In order to effectively discharge its sustainability related duties, the board may establish a dedicated sustainability committee having at least one female director, or assign additional responsibilities to an existing board committee.	10A (5)	The Board intends to assign these responsibilities to a separate committee. This committee, shall comprise of a female director to oversee sustainability risks, ensure DE&I practices, and to monitor compliance with relevant laws and related matters.

On behalf of the Board of Directors

Junaid G. Adam
Chairman of the Board of Directors
Adam Sugar Mills Limited

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Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of M/s. Adam 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 **Adam Sugar Mills Limited** ('the Company') for the year ended **September 30, 2024** in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, except for the above instance(s) of non-compliance, 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 Regulations as applicable to the Company for the year ended September 30, 2024.

Further, we highlight below the instances of non-compliance made by the Company with certain requirements of the Code as stated in paragraphs **18 and 19** of the Statement of Compliance:

S. No.	Nature of the Requirement	Paragraph No.	Description of the Non-Compliance
(1)	Mandatory	18	**Mrs. Humera Diwan** elected by the Company as an Independent Director (ID) in its Annual General Meeting (AGM) held on January 27, 2023 **does not meet the criteria of independence** specified in the Companies Act, 2017 and the Regulations, as further elaborated below: i. In terms of Section 166(1) of the Companies Act, 2017, an independent director to be appointed under any law, rules, regulations or code, shall be **selected from a data bank** containing names, addresses and qualifications of persons who are eligible and willing to act as independent directors, maintained by any institute, body or association, as may be notified by the Securities and Exchange Commission of Pakistan (SECP). However, the name of the aforementioned ID does not appear in the said data bank maintained by the Pakistan Institute of Corporate Governance (PICG); and

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-: 2 :-

S. No.	Nature of the Requirement	Paragraph No.	Description of the Non-Compliance
			ii. **Mrs. Humera Diwan holds 14.13% shares** of the Company which exceed the maximum permissible limit of 10% as outlined in the frequently asked questions on the application of requirements of the Regulations issued by the SECP in July 2020.
(2)	Mandatory	18	As per Section 192(1) of the Companies Act, 2017, the board of directors of a listed company must appoint a chairman from among the non-executive directors, who shall hold office for a term of three years. During the board meeting held on July 29, 2024, Mr. Junaid G. Adam was appointed as Chairman of the Board of Directors (BOD) following the resignation of Mr. Jawaid Ahmad. However, Mr. Junaid G. Adam does not meet the statutory requirement to serve as Chairman as he is an executive director (since he devotes substantially the whole of his time to the operations of the Company).
(3)	Explanation for non-compliance is required	18	As per Regulation 06 of the Regulations, a listed company shall have at least two or one-third members of the Board, whichever is higher, as independent directors. Further, it requires a listed company to explain the reasons, in its Statement of Compliance, if any fraction contained in such one-third numbers is not rounded up as one. Since the total number of directors of the Company is 7, its one-third fraction comes to **2.33**. In contrast, during the year ended September 30, 2024, the number of independent directors of the Company has been 1. As per management, the elected director has enough competencies, skills, knowledge and experience to execute his duties competently as per laws and regulations and, therefore, the appointment of further independent directors is not necessary.
(4)	Mandatory	18	As per Regulation 08 of the Regulations, it is mandatory that the executive directors, including the chief executive officer, shall not be more than one third of the Board. Further, it requires a listed company to explain the reasons, in its Statement of Compliance, if any fraction contained in such one-third numbers is rounded up as one. Since the total number of directors of the Company is 7, its one-third fraction comes to 2.33. In contrast, during the year ended September 30, 2024, the number of executive directors of the Company has been 3. As per management, one of the directors is since incorporation of the company and other 2 are also directors for more than 2 decades. All 3 executive directors are fully involved in the management of the company; therefore, any change in executive directors will affect the operations of the company.
(5)	Mandatory	18	As per Regulation 27(1)(i) of the Regulations, it is mandatory that all the members of the audit committee shall be non-executive directors. However, Mr. Junaid G Adam, who is an executive director, had been a member of the audit committee up to July 28, 2024 when he was replaced by Mr. Jawaid Ahmed.

Cont'd...P/3

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S. No.	Nature of the Requirement	Paragraph No.	Description of the Non-Compliance
(6)	Explanation for non-compliance is required	19	As per Regulation 28(1) & (2) of the Regulations, it is required that the majority of the members of the Human Resource and Remuneration Committee are non-executive directors and that the chairman of the committee must be an independent director. Up until July 28, 2024, the committee was not compliant with these regulations, as the majority consisted of executive directors. This composition was rectified with the election of Mr. Saleem Parekh as an independent director and Mr. Jawaid Ahmed as a non-executive director. Additionally, the chairperson of the committee, Mrs. Nabiah Omer Adam, was not an independent director up to July 28, 2024, when she was succeeded by Mr. Saleem Parekh.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi.
Date: January 06, 2025
UDIN: CR202410210aGXI8QZK6

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Rahman Sarfaraz Rahim Iqbal Rafiq
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INDEPENDENT AUDITORS' REPORT

To the members of Adam Sugar Mills Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters are 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. However, we have determined that there are no key audit matters to communicate in our report.

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

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Rahman Sarfaraz Rahim Iqbal Rafiq
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Information Other than the Financial Statements and Auditor's Report Thereon (continued)

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. However, 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 the financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional scepticism 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.

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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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Rahman Sarfaraz Rahim Iqbal Rafiq
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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (continued)

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

(d) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is **Mr. Muhammad Rafiq Dosani.**

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi
Date: January 06, 2025
UDIN: AR202410210hkCNL7E9K

PATTERN OF SHAREHOLDING OF THE SHARES HELD BY THE SHAREHOLDERS AS AT SEPTEMBER 30, 2024

NUMBER OF SHAREHOLDERS		SIZE OF SHAREHOLDING			TOTAL SHARES HELD
1,787	FROM	1	TO	100	67,847
368	FROM	101	TO	500	90,743
88	FROM	501	TO	1,000	71,765
123	FROM	1,001	TO	5,000	340,402
48	FROM	5,001	TO	10,000	338,278
6	FROM	10,001	TO	15,000	80,939
5	FROM	15,001	TO	20,000	86,800
4	FROM	20,001	TO	25,000	90,752
4	FROM	25,001	TO	30,000	104,100
2	FROM	30,001	TO	35,000	65,090
1	FROM	40,001	TO	45,000	41,504
1	FROM	45,001	TO	50,000	47,000
1	FROM	50,001	TO	55,000	54,000
2	FROM	55,001	TO	60,000	115,836
1	FROM	60,001	TO	65,000	62,000
1	FROM	65,001	TO	70,000	66,000
1	FROM	85,001	TO	90,000	86,353
1	FROM	115,001	TO	120,000	115,647
1	FROM	120,001	TO	125,000	121,000
1	FROM	130,001	TO	135,000	133,000
1	FROM	155,001	TO	160,000	158,157
1	FROM	195,001	TO	200,000	200,000
1	FROM	205,001	TO	210,000	207,800
1	FROM	295,001	TO	300,000	295,500
1	FROM	395,001	TO	400,000	400,000
1	FROM	455,001	TO	460,000	457,683
1	FROM	800,001	TO	805,000	803,000
1	FROM	1,050,001	TO	1,055,000	1,051,060
2	FROM	2,440,001	TO	2,445,000	4,886,000
1	FROM	3,145,001	TO	3,150,000	3,149,317
1	FROM	3,500,001	TO	3,505,000	3,503,389
2,458					**17,290,962**

CATAGORIES OF SHAREHOLDERS	NUMBERS	SHARES HELD	PERCANTAGE
Individuls	2,438	13,355,441	77.24 %
Investment Companies	1	117	0.00 %
Insurance Companies	1	190	0.00 %
Joint Stock Companies.	12	3,934,015	22.76 %
Financial Instutions	3	591	0.00 %
Others (See below)	3	608	0.00 %
	2,458	**17,290,962**	**100 %**

OTHERS:

Administrator abandoned Properties	91
Ismail Usman & Co.	17
Trustee Karachi Sheraton Hotel & Tower Employees	500
	608

ADAM SUGAR MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

	Note	2024	(Restated) 2023	(Restated) 2022
ASSETS		------- Rupees -------		
Non-current assets				
Property, plant and equipment	4	**6,418,184,008**	6,553,381,086	4,966,579,661
Long term advances		**30,864,400**	1,503,424	84,371,626
Long term deposits		**4,191,581**	4,306,481	4,306,481
		6,453,239,989	6,559,190,991	5,055,257,768
Current assets				
Stores and spares	5	**154,330,437**	178,672,213	112,739,378
Stock in trade	6	**3,249,144,346**	1,827,839,307	1,229,259,922
Short term investments	7	**25,020,460**	25,204,970	25,204,970
Trade debts - unsecured	8	**506,643,021**	98,357,818	317,686,918
Loans, advances and prepayments	9	**89,558,315**	75,388,674	74,290,321
Others receivables - considered good	10	**12,549,818**	11,456,837	11,142,124
Bank balances	11	**53,025,872**	35,231,198	64,817,637
		4,090,272,269	2,252,151,017	1,835,141,270
Total assets		**10,543,512,258**	8,811,342,008	6,890,399,038
EQUITY AND LIABILITIES				
Share capital and reserves				
Authorized capital		**250,000,000**	250,000,000	250,000,000
Issued, subscribed and paid-up capital	12	**172,909,620**	172,909,620	172,909,620
Capital reserves:				
Surplus on revaluation of property, plant and equipment- net	13	**3,654,432,478**	3,780,726,839	2,569,437,845
Share premium		**172,909,620**	172,909,620	172,909,620
Capital contribution from director		**18,601,691**	18,601,691	18,601,691
		3,845,943,789	3,972,238,150	2,760,949,156
Revenue reserves	14	**1,238,641,867**	1,118,513,735	951,180,856
		5,257,495,276	5,263,661,505	3,885,039,632
Non-current liabilities				
Subordinated loan from Chief Executive	15	**-**	20,411,807	18,458,845
Long term financing	16	**219,882,722**	312,254,709	107,667,302
Deferred liabilities	17	**1,142,225,610**	1,178,728,812	898,507,929
Provident fund payable		**4,945,994**	4,267,808	9,625,273
		1,367,054,326	1,515,663,136	1,034,259,349
Current liabilities				
Short term borrowings	18	**2,718,924,732**	664,802,282	963,244,526
Subordinated loan from Chief Executive	15	**22,571,399**	-	-
Trade and other payables	19	**835,408,349**	1,090,915,331	780,194,638
Accrued markup	20	**208,113,890**	78,451,764	38,347,012
Current maturity of long term financing	16	**115,055,580**	96,771,337	116,074,971
Current maturity of deferred income - Government grant		**1,618,314**	2,110,493	2,664,988
Unclaimed dividend		**7,156,698**	6,251,126	5,207,966
Taxation - net	21	**10,113,694**	92,715,034	65,365,956
		3,918,962,656	2,032,017,367	1,971,100,057
Contingencies and commitments	22			
Total equity and liabilities		**10,543,512,258**	8,811,342,008	6,890,399,038

The annexed notes from 1 to 41 form an integral part of these financial statements.

GHULAM AHMED ADAM Chief Executive	**OMAR G. ADAM** Director	**FAISAL HABIB** Chief Financial Officer

ADAM SUGAR MILLS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Note	2024	(Restated) 2023
		Rupees	
Sales revenue - net	23	**8,055,242,392**	5,426,394,318
Cost of sales	24	**(7,130,102,302)**	(4,785,332,133)
Gross profit		**925,140,090**	641,062,185
Administrative expenses	25	**(198,307,409)**	(190,112,212)
Selling and distribution costs	26	**(15,230,695)**	(29,284,005)
		(213,538,104)	(219,396,217)
Operating profit		**711,601,986**	421,665,968
Finance costs	27	**(561,243,026)**	(278,546,391)
Other income	28	**23,385,919**	33,319,738
Other operating expenses	29	**(33,178,867)**	(8,548,663)
		(571,035,974)	(253,775,316)
Profit before levies and taxation		**140,566,012**	167,890,652
Levies	30	**(34,028,673)**	(35,871,690)
Profit before taxation		**106,537,339**	132,018,962
Taxation - net	31	**(52,291,645)**	(14,502,284)
Profit after taxation		**54,245,694**	117,516,678
Earnings per share- basic and diluted	32	**3.14**	6.80

The annexed notes from 1 to 41 form an integral part of these financial statements.

GHULAM AHMED ADAM	OMAR G. ADAM	FAISAL HABIB
Chief Executive	Director	Chief Financial Officer

ADAM SUGAR MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	2024	(Restated) 2023
	---------------- Rupees ----------------	
Profit after taxation	**54,245,694**	117,516,678
Other comprehensive income / (loss) for the year		
Items that will not be reclassified subsequently to profit or loss		
Gain / (loss) on remeasurement of defined benefit obligation	**149,922**	(118,275)
Related deferred tax effect	**(43,477)**	34,300
	106,445	(83,975)
Increase in revaluation surplus on property, plant and equipment	**-**	1,646,634,379
Related deferred tax effect	**-**	(316,281,361)
	-	1,330,353,018
Total comprehensive income for the year	**54,352,139**	1,447,785,721

The annexed notes from 1 to 41 form an integral part of these financial statements.

GHULAM AHMED ADAM	OMAR G. ADAM	FAISAL HABIB
Chief Executive	Director	Chief Financial Officer

ADAM SUGAR MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2024

		Capital reserves			Revenue reserves		
	Issued, subscribed and paid up capital	Surplus on revaluation of property, plant and equipment - net	Share premium	Capital contribution from Director	General reserve	Unappropriated profits	Total
	---------- Rupees ----------						
Balance as at September 30, 2022 (as previously reported)	172,909,620	2,661,730,994	172,909,620	18,601,691	200,000,000	788,775,896	4,014,927,821
Effect of restatement of corresponding figures (refer note 40)	-	(92,293,149)	-	-	-	(37,595,040)	(129,888,189)
Balance as at September 30, 2022 (as restated)	172,909,620	2,569,437,845	172,909,620	18,601,691	200,000,000	751,180,856	3,885,039,632
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - net of deferred tax (restated)	-	(119,064,024)	-	-	-	119,064,024	-
Total comprehensive income/ (loss) for the year ended September 30, 2023							
- Profit after taxation (restated)	-	-	-	-	-	117,516,678	117,516,678
- Other comprehensive income / (loss) (restated)	-	1,330,353,018	-	-	-	(83,975)	1,330,269,043
	-	1,330,353,018	-	-	-	117,432,703	1,447,785,721
Transactions with owners:							
Final cash dividend @ 25% for the year ended September 30, 2022	-	-	-	-	-	(43,227,405)	(43,227,405)
Interim cash dividend @ 15% for the quarter ended June 30, 2023	-	-	-	-	-	(25,936,443)	(25,936,443)
	-	-	-	-	-	(69,163,848)	(69,163,848)
Balance as at September 30, 2023 (as restated)	172,909,620	3,780,726,839	172,909,620	18,601,691	200,000,000	918,513,735	5,263,661,505
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - net of deferred tax	**-**	**(126,294,361)**	**-**	**-**	**-**	**126,294,361**	**-**
Total comprehensive income for the year ended September 30, 2024							
- Profit after taxation	**-**	**-**	**-**	**-**	**-**	**54,245,694**	**54,245,694**
- Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**106,445**	**106,445**
	-	**-**	**-**	**-**	**-**	**54,352,139**	**54,352,139**
Transactions with owners:							
Final cash dividend @ 35% for the year ended September 30, 2023	**-**	**-**	**-**	**-**	**-**	**(60,518,368)**	**(60,518,368)**
Balance as at September 30, 2024	**172,909,620**	**3,654,432,478**	**172,909,620**	**18,601,691**	**200,000,000**	**1,038,641,867**	**5,257,495,276**

The annexed notes from 1 to 41 form an integral part of these financial statements.

GHULAM AHMED ADAM	**OMAR G. ADAM**	**FAISAL HABIB**
Chief Executive	Director	Chief Financial Officer

ADAM SUGAR MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Note	2024	(Restated) 2023
CASH FLOWS FROM OPERATING ACTIVITIES		---------------- Rupees ----------------	
Profit before levies and taxation		**140,566,012**	167,890,652
Adjustments:			
Depreciation on property, plant and equipment	4.1	**282,001,899**	272,798,044
Gain on disposal of fixed assets	28	**(1,360,117)**	(247,264)
Provision for provident fund		**3,097,800**	7,315,956
Finance costs	27	**561,243,026**	278,546,391
Amortization of deferred grant - net	28	**(2,224,191)**	(2,664,988)
Provision for staff retirement benefits	17.2.2	**3,221,872**	5,499,229
Profit on savings account	28	**(141,423)**	(92,672)
Profit on term deposits	28	**(5,810,224)**	(11,721,661)
Provision against slow-moving stores and spares	29	**23,900,275**	-
		863,928,917	549,433,035
Operating profit before working capital changes		**1,004,494,929**	717,323,687
Working capital changes:			
Decrease / (increase) in current assets			
Stores and spares		**441,501**	(86,601,749)
Stock in trade		**(1,421,305,039)**	(598,579,385)
Trade debts		**(408,285,203)**	219,329,100
Loans, advances and prepayments		**(14,169,641)**	(1,098,353)
Increase / (decrease) in current liabilities			
Trade and other payables		**(245,085,047)**	299,136,238
		(2,088,403,429)	(167,814,149)
Cash (used in) / generated from operations		**(1,083,908,500)**	549,509,538
Financial costs paid		**(425,754,236)**	(233,212,248)
Payment to provident fund		**(2,419,614)**	(12,673,421)
Payment against workers' profit participation fund		**(29,071,238)**	-
Staff retirement benefits paid		**(278,511)**	(587,897)
Taxes paid		**(189,844,726)**	(50,385,733)
		(647,368,325)	(296,859,299)
Net cash (used in) / generated from operating activities		**(1,731,276,825)**	252,650,239
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		**(147,194,704)**	(192,448,912)
Proceed from sale of operating fixed assets		**1,750,000**	400,000
Long term advances- net		**(29,360,976)**	82,868,202
Long term deposit received		**114,900**	-
Short term investments- net		**184,510**	-
Profit received on saving accounts	28	**141,423**	92,672
Profit received on term deposit accounts		**4,717,243**	11,406,948
Net cash used in investing activities		**(169,647,604)**	(97,681,090)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowing-net		**1,122,268,000**	(196,858,288)
Dividend paid		**(59,612,796)**	(68,120,688)
Long term loan obtained		**-**	295,624,000
Long term loan repaid		**(75,790,551)**	(113,616,656)
Net cash generated from / (used in) financing activities		**986,864,653**	(82,971,632)
Net (decrease) / increase in cash and cash equivalents		**(914,059,776)**	71,997,517
Cash and cash equivalents at the beginning of the year		**(63,106,690)**	(135,104,207)
Cash and cash equivalents at the end of the year	33	**(977,166,466)**	(63,106,690)

The annexed notes from 1 to 41 form an integral part of these financial statements.

GHULAM AHMED ADAM	**OMAR G. ADAM**	**FAISAL HABIB**
Chief Executive	Director	Chief Financial Officer

ADAM SUGAR MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

1. STATUS AND NATURE OF BUSINESS

Adam Sugar Mills Limited ('the Company') was incorporated in Pakistan on October 19, 1965 in the name of Bahawalnagar Sugar Mills Limited as a public limited company under the provisions of the Companies Act, 1913 (repealed with the enactment of the Companies Ordinance, 1984, and subsequently, the Companies Act, 2017, promulgated in May 2017). In 1985, the name of the Company was changed to Adam Sugar Mills Limited. The shares of the Company are quoted on Pakistan Stock Exchange ("the Exchange"). The Company is principally engaged in the manufacturing and sale of white sugar.

The geographical location and address of the Company's business units, including plant, are as under:

Head office: The Company's registered office is situated at First Floor, Haji Adam Chambers, Altaf Hussain Road, New Challi, Karachi.

Mill: The Company's plant is located at Chak #4, Fordwah, Chishtian, District Bahawalnagar, Punjab.

2. BASIS OF PREPARATION

2.1 Statement of compliance with the applicable accounting and reporting standards

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:

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

- Provision of, and directives issued under, the Companies Act, 2017.

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

2.2 Basis of measurement of items in these financial statements

Items included in these financial statements have been measured at their historical cost except for freehold land, factory building, non-factory building and plant and machinery which are carried at revalued amounts less accumulated depreciation charged thereon.

2.3 Functional and presentation currency

Items included in these 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 and presentation currency.

2.4 Use of estimates and judgments

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

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

(a) *Judgements*

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Area of judgement	Brief description of the judgement applied
Property, plant and equipment	Whether the consumption of future economic benefits embodied in the Company's fixed assets is reduced over time and, accordingly, whether it is appropriate to use 'diminishing balance method' as the depreciation method.
Timing of revenue recognition	***Local sales revenue:*** Whether control of the promised goods is transferred to the customer when the goods are dispatched from the Company's premises. ***Export sales revenue:*** Whether control of the promised goods is transferred to the customer when the goods are loaded onto the shipping vessel and, as an acknowledgement thereof, a bill of lading is issued by the shipping company.

(b) *Assumptions and other major sources of estimation uncertainty*

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Area of estimation uncertainty	Brief description of the assumption or the source of estimation uncertainty
Property, plant and equipment	- Estimation of useful lives and residual values of the operating fixed assets - Estimation of revalued amounts of freehold land, factory building, non-factory building and plant and machinery."
Deferred taxation	Recognition of deferred tax asset on unused tax credits - availability of future taxable profit against which deductible temporary differences and unused tax credits can be utilised.

2.5 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

2.5.1 Amendments to existing standards that became effective during the year

The following new or amended standards and interpretations became effective during the period which are considered to be relevant to the Company's financial statements :

- Classification of liabilities as current or non-current (Amendments to IAS 1)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The above amendments / interpretations do not likely have an effect on the financial statements of the Company except noted below:

The Company adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice statements 2 'Making Materiality Judgments') from 01 October, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements

The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements.

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

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 July 2024:

- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

  Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for accompany to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

- Amendment in IAS 21 'The Effects of Changes in Foreign Exchange Rates', - lack of exchangeability (effective for annual repo or the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.

- IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. SECP vide its SRO 1715(I)/2023 dated November 21, 2023 has directed that IFRS 17 shall be followed for the period commencing January 1, 2026 by companies engaged in insurance / takaful and re-insurance / re-takaful business.

  The International Accounting Standards (the IASB or the Board) issued Amendments to IFRS 9 and IFRS 7. Amendments to the Classification and Measurement of Financial instruments. The amendments:

  - Clarify that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged or cancelled or expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

  - Clarify how to assess the contractual cash now characteristics of financial assets that include environmental, social and governance (ESG)-Linked features and other similar contingent features.

  - Clarify the treatment of non-recourse assets and contractually linked instruments (CLI)

  - Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income (FVTOCI).

  - Annual Improvements - Volume Eleven:

  - Hedge Accounting by a First-time Adopter (Amendments to IFRS 1) - Paragraphs B5 and B6 of IFRS 1 have been amended to include cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of IFRS 9. The amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.

  - Gain or Loss on Derecognition (Amendments to IFRS 7) - Paragraph B38 of IFRS 7 has been amended to update the language on unobservable inputs and to include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement

  - Introduction (Amendments to Guidance on implementing IFRS 7) - Paragraph IG1 of the Guidance on implementing IFRS 7 has been amended to clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements.

  - Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7) - Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.

- Credit Risk Disclosures (Amendments to Guidance on implementing IFRS 7) - Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example.

- Lessee Derecognition of Lease Liabilities (Amendments to IFRS 9) - Paragraph 2.1 of IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in IFRS 16 Leases and an extinguishment of a lease liability in accordance with IFRS 9.

- Transaction Price (Amendments to IFRS 9) - Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term "transaction price' in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9.

- Determination of a 'De Facto Agent' (Amendments to IFRS 10) - Paragraph B74 of IFRS 10 has been amended to clarify that the relationship described in 874 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor. The amendment is intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents.

- Cost Method (Amendments to IAS 7) - Paragraph 37 of IAS 7 has been amended to replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method".

The above standards, amendments to approved accounting standards and interpretations have not been early adopted by the Company and are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at September 30, 2024:

- IFRS 1 (First-time Adoption of International Financial Reporting Standards)
- IFRS 18 (Presentation and Disclosure in Financial Statements)
- IFRS 19 (Subsidiaries without Public Accountability: Disclosures)

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material 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.

3.1 Property, plant and equipment

Operating fixed assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses except freehold land, factory building, non-factory buildings and plant and machinery which are stated at revalued amounts less accumulated depreciation charged thereon.

Subsequent costs are included in an asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. Cost incurred to replace a component of an item of property, plant and equipment is capitalized, the asset so replaced is retired from use and its carrying amount is derecognized. Normal repairs and maintenance are charged to the statement of profit or loss during the period in which they are incurred.

Major spare parts qualify for recognition as property, plant and equipment when an entity expects to use them during more than one year. Transfers are made to relevant operating assets category as and when such items are available for use.

Depreciation on additions is charged from the date when the assets become available for use till the date of disposal. Depreciation on all property, plant and equipment is charged to the statement of profit or loss using the reducing balance method over the asset's useful life at the rates specified in note 4.1 to these financial statements.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year in which the asset is derecognized.

Any revaluation increase arising on the revaluation of freehold land, buildings and plant and machinery is recognised in other comprehensive income and presented as a separate component of equity except to the extent that it reverses a revaluation decrease for the same asset previously recognised in statement of profit or loss, in which case the increase is credited to statement of profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of land, buildings and plant and machinery is charged to statement of profit or loss to the extent that it exceeds the balance, if any, held in the surplus on revaluation relating to a previous revaluation of that asset. The surplus on revaluation to the extent of incremental depreciation charged is transferred to unappropriated profits. The surplus realized on disposal of revalued fixed assets is credited directly to unappropriated profits.

Capital work-in progress

Capital work-in-progress is stated at cost less impairment if any, and consists of expenditure incurred in respect of property, plant and equipment in the course of their construction and installation. Transfers are made to operating fixed assets as and when the assets become available for use.

3.2 Stores and spares

Stores and spares excluding items in transit are valued at lower of average cost and net realizable value. Items in transit are valued at cost comprising invoice values plus other charges incurred thereon accumulated to the reporting date.

Provisions are made in the financial statements for obsolete and slow-moving inventory based on the management's best estimate regarding their future usability.

3.3 Stock-in-trade

Basis of valuation

All items of stock-in-trade are valued at the lower of cost and their net realizable value as of the reporting date.

Determination of cost

The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The **costs of purchase** of inventories comprise the purchase price, duties and other taxes (other than those subsequently recoverable by the company from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

The **costs of conversion** of inventories include costs directly related to the units of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. The allocation of fixed production overheads to the costs of conversion is based on the normal capacity of the production facilities (which is the production expected to be achieved on average over a number of periods or seasons under normal circumstances, taking into account the loss of capacity resulting from planned maintenance). However, in periods of abnormally high production, the amount of fixed overhead allocated to each unit of production is decreased so that inventories are not measured above cost. Variable production overheads are allocated to each unit of production on the basis of the actual use of the production facilities.

The cost of the items consumed or sold and those held in stock at the reporting date is determined using the **first-in, first-out (FIFO)** cost formula.

Determination of net realizable value

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories may not be recoverable if their selling prices have declined. The cost of inventories may also not be recoverable if the estimated costs to be incurred to make the sale have increased.

The Company estimates the net realisable value of inventories based on the most reliable evidence available, at the reporting date, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the reporting period to the extent that such events confirm conditions existing at the end of the reporting period.

While estimating the net realisable value, the Company also takes into consideration the purpose for which the inventory is held. For example, the net realisable value of the quantity of inventory held to satisfy firm sales contracts is based on the contract price. If the sales contracts are for less than the inventory quantities held, the net realisable value of the excess quantity is based on general selling prices.

A new assessment is made of net realisable value in each subsequent period. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write?down is reversed (i.e. the reversal is limited to the amount of the original write?down) so that the new carrying amount is the lower of the cost and the revised net realisable value.

3.4 Trade debts

These are carried at their transaction price less any allowance for lifetime expected credit losses. A receivable is recognized when the customer obtain control of the goods sold this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

3.5 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand, bank balances and short term borrowings from banks, if any, which are repayable on demand and form an integral part of the Company's cash management.

3.6 Financial assets

3.6.1 Initial recognition, classification and measurement

The Company recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment. The Company classifies its financial assets into either of following three categories:

(a) financial assets measured at amortized cost.
(b) fair value through other comprehensive income (FVOCI); and
(c) fair value through profit or loss (FVTPL);

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash ?ows, and its contractual terms give rise on specified dates to cash ?ows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(b) *Financial assets at FVOCI*

A financial asset is classified as at fair value through other comprehensive income when it is held within a business model whose objective is achieved by both collecting contractual cash ?ows and selling ?nancial assets and its contractual terms give rise on speci?ed dates to cash ?ows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) *Financial assets at FVTPL*

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid. However, for an investment in equity instrument which is not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment.

Such financial assets are initially measured at fair value.

3.6.2 Subsequent measurement

(a) *Financial assets measured at amortized cost*

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the statement of profit or loss.

(b) *Financial assets at FVOCI*

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest is calculated using the effective interest method and is recognised in profit or loss.

(c) *Financial assets at FVTPL*

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in the statement of profit or loss. However, for an investment in equity instrument which is not held for trading and for which the Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment, such gains or losses are recognized in other comprehensive income. Further, when such investment is disposed off, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss.

3.6.3 Impairment

The Company recognises a loss allowance for expected credit losses in respect of financial assets measured at amortised cost.

For trade receivables, the Company applies the IFRS 9 'Simpli?ed Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

For other financial assets, the Company applies the IFRS 9 'General Approach' to measuring expected credit losses whereby the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12?month expected credit losses.

The Company measures expected credit losses on financial assets in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Company recognises in profit or loss, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

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

3.6.4 De-recognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

3.7 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

3.8 Off-setting of financial assets and financial liabilities

Financial assets and liabilities are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle liability simultaneously.

3.9 Provisions and contingent liabilities

Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

Contingent liabilities

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

3.10 Employee benefits

Post-employment benefits - Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. As a consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets will be insufficient to meet expected benefits) fall, in substance, on the employee.

The Company operates an unfunded provident scheme for its mills employees which is classified as a defined contribution plan. Equal monthly contributions are made by the Company and the workers and officers to the plan.

When an employee has rendered service to the Company during a period, the Company recognises the contribution payable to a defined contribution plan in exchange for that service as an expense in profit or loss and as a liability in the statement of financial position (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the Company recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Post-employment benefits - Defined benefit plan

A defined benefit plan is a post-employment benefit plan under which an entity regularly pays contributions into a separate fund but will continue to have legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. As a consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets will be insufficient to meet expected benefits) fall, in substance, on the entity.

The Company operates an unfunded gratuity scheme for its head office employees which is classified as a defined benefit plan.

The Company's obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligation is performed annually by a qualified actuary using the Projected Unit Credit Method.

Remeasurements of the defined benefit liability (i.e. the actuarial gains or losses) are recognised immediately in other comprehensive income. The Company determines the interest expense on the defined benefit liability for the period by applying the discount rate to the defined benefit liability at the beginning of the annual reporting period, taking into account any changes in the defined benefit liability during the period as a result of contributions and benefit payments. Interest expense and other expenses related to the defined benefit plan are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3.11 Revenue

Revenue from sale of goods

Typically, all the contracts entered into by the Company with its customers contain a single performance obligation i.e. the transfer of goods promised in the contract.

The Company does not expect to have contracts with its customers where the period between the transfer of the promised goods the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction price for the time value of money.

Revenue from sale of goods is recognised when the customer obtains control of the promised goods. This is further analysed as below:

(a) "In case of local sale of goods, the customer is deemed to have obtained control of the promised goods being when the goods are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the goods.

Delivery occurs when the goods have been dispatched from the Company's premises and either the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have elapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied."

(b) Revenue from export sales is recognized when the customer obtains control of the goods being when the goods are loaded on to the shipping vessel, and there remains no other unfulfilled obligation to be satisfied by the Company.

3.12 Other income

Return on bank deposits is recognized on a time proportion basis on the principal amount outstanding and at the applicable rate of return.

3.13 Levies and taxation

Levies

A levy is an outflow of resources embodying economic benefits imposed by the government that does not meet the definition of income tax provided in the International Accounting Standard (IAS) 12 'Income Taxes' because it is not based on taxable profit.

In these financial statements, levy includes final tax under section 154 of the Income Tax Ordinance, 2001 and minimum tax under section 113 of the Income Tax Ordinance,2001 over the normal tax liability computed there under, Workers' Welfare Fund expense and Workers' Profit Participation Fund expense.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred taxes are not accounted for if they arise from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is measured using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses and credits only if it is probable that future taxable amounts will be available to utilise those temporary differences and unused tax losses and credits.

Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Offsetting

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

3.14 Translation of foreign currency transactions and balances

On initial recognition, a foreign currency transaction is recognized, in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of each reporting period, foreign currency monetary items are translated using the closing rate (i.e. the spot exchange rate at the end of the reporting period).

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

3.15 Dividend distribution

Dividend distribution is recognised as a liability in the period in which the dividends are approved by the Company's shareholders.

4. PROPERTY, PLANT AND EQUIPMENT	*Note*	**2024**	2023
		---------------- Rupees	**----------------**
Operating fixed assets	*4.1*	**6,371,399,758**	6,532,712,172
Capital work in progress		**3,780,786**	-
Capital Spares	*41.3*	**43,003,464**	20,668,914
		6,418,184,008	6,553,381,086

4.1 Operating fixed assets

	2024												
	Gross carrying amount						Accumulated depreciation					Written down value as at September 30,2024	Depreciation rates
	As at October 01, 2023	Additions	Transfer from CWIP	Effect of revaluation	Disposals	As at September 30, 2024	As at October 01, 2023	Charge for the year	Effect of revaluation	Reversal on disposal	As at September 30, 2024		
Free hold land	1,429,893,000	-	-	-	-	1,429,893,000	-	-	-	-	-	1,429,893,000	-
Factory buildings on freehold land	244,591,535	5,030,467	-	-	-	249,622,002	17,962,724	22,807,163	-	-	40,769,887	208,852,115	10%
Non-factory buildings on freehold land	81,139,800	-	-	-	-	81,139,800	3,034,406	3,905,270	-	-	6,939,676	74,200,124	5%
Plant and machinery	4,847,198,015	66,548,130	-	-	-	4,913,746,145	181,972,675	234,665,029	-	-	416,637,704	4,497,108,441	5%-9%
Building construction machinery	12,553,248	-	-	-	-	12,553,248	4,854,181	692,916	-	-	5,547,097	7,006,151	9%
Railway slidings	2,191,346	-	-	-	-	2,191,346	2,182,321	902	-	-	2,183,223	8,123	10%
Vehicles	85,810,995	4,111,254	-	-	(4,271,650)	85,650,599	47,362,119	8,152,364	-	(3,881,767)	51,632,716	34,017,883	20%
Office equipments	3,179,535	22,000	-	-	-	3,201,535	2,468,930	71,223	-	-	2,540,153	661,382	10%
Computer and other equipments	11,562,043	1,668,050	-	-	-	13,230,093	5,910,325	682,455	-	-	6,592,780	6,637,313	10%
Furniture and fixtures	10,013,216	235,500	-	-	-	10,248,716	5,001,233	520,936	-	-	5,522,169	4,726,547	10%
Electrical equipments	15,785,394	-	-	-	-	15,785,394	9,119,287	599,950	-	-	9,719,237	6,066,157	9%
Water connections and electrical installations	47,497,096	34,565,881	-	-	-	82,062,977	10,020,749	4,297,330	-	-	14,318,079	67,744,898	9%
Tools and other equipments	58,165,039	8,755,676	-	-	-	66,920,715	28,561,457	5,377,117	-	-	33,938,574	32,982,141	15%
Arms and ammunitions	401,000	-	-	-	-	401,000	223,819	10,631	-	-	234,450	166,550	6%
Air conditioners and refrigerators	3,456,762	142,410	-	-	-	3,599,172	2,051,626	218,613	-	-	2,270,239	1,328,933	15%
	6,853,438,024	121,079,368	-	-	(4,271,650)	6,970,245,742	320,725,852	282,001,899	-	(3,881,767)	598,845,984	6,371,399,758	

	2023												
	Gross carrying amount						Accumulated depreciation					Written down value as at September 30,2023	Depreciation rates
	As at October 01, 2022	Additions	Transfer from CWIP	Effect of revaluation	Disposals	As at September 30, 2023	As at October 01, 2022	Charge for the year	Effect of revaluation	Reversal on disposal	As at September 30, 2023		
Free hold land	873,884,000	-	-	556,009,000	-	1,429,893,000	-	-	-	-	-	1,429,893,000	-
Factory buildings on freehold land	271,093,391	15,578,006	-	(42,079,862)	-	244,591,535	131,249,195	21,487,564	(134,774,035)	-	17,962,724	226,628,811	10%
Non-factory buildings on freehold land	87,685,253	-	-	(6,545,453)	-	81,139,800	22,616,788	3,854,447	(23,436,829)	-	3,034,406	78,105,394	5%
Plant and machinery	5,018,786,858	124,967,280	159,880,553	(456,436,676)	-	4,847,198,015	1,391,766,108	227,683,073	(1,437,476,506)	-	181,972,675	4,665,225,340	5%-9%
Building construction machinery	12,553,248	-	-	-	-	12,553,248	4,106,908	747,273	-	-	4,854,181	7,699,067	9%
Railway slidings	2,191,346	-	-	-	-	2,191,346	2,181,339	982	-	-	2,182,321	9,025	10%
Vehicles	85,518,573	1,939,627	-	-	(1,647,205)	85,810,995	40,068,553	8,788,035	-	(1,494,469)	47,362,119	38,448,876	20%
Office equipments	3,179,535	-	-	-	-	3,179,535	2,391,624	77,306	-	-	2,468,930	710,605	10%
Computer and other equipments	9,773,385	1,788,658	-	-	-	11,562,043	5,358,342	551,983	-	-	5,910,325	5,651,718	10%
Furniture and fixtures	7,454,782	2,558,434	-	-	-	10,013,216	4,526,285	474,948	-	-	5,001,233	5,011,983	10%
Electrical equipments	15,785,394	-	-	-	-	15,785,394	8,509,321	609,966	-	-	9,119,287	6,666,107	9%
Water connections and electrical installations	22,087,619	25,409,477	-	-	-	47,497,096	6,748,841	3,271,908	-	-	10,020,749	37,476,347	9%
Tools and other equipments	56,287,990	1,877,049	-	-	-	58,165,039	23,561,828	4,999,629	-	-	28,561,457	29,603,582	15%
Arms and ammunitions	401,000	-	-	-	-	401,000	212,646	11,173	-	-	223,819	177,181	6%
Air conditioners and refrigerators	3,456,762	-	-	-	-	3,456,762	1,811,869	239,757	-	-	2,051,626	1,405,136	15%
	6,470,139,136	174,118,531	159,880,553	50,947,009	(1,647,205)	6,853,438,024	1,645,109,647	272,798,044	(1,595,687,370)	(1,494,469)	320,725,852	6,532,712,172	

4.1.1 The depreciation for the year has been allocated as follows:

	Note	2024	2023
		---- Rupees ----	
Cost of sales	*24.1*	**272,574,921**	262,905,772
Administrative expenses	*25*	**9,426,978**	9,892,272
		282,001,899	272,798,044

4.1.2 Particulars of the Company's immovable fixed assets are as follows:

Asset class	Location	Total area
Freehold land	Chishtian	211.836 acres
Factory building	Chishtian	247,625 Sq.ft
Non-factory building	Chishtian	102,897 Sq.ft

4.1.3 The latest valuation of the freehold land, factory building, non-factory building and plant and machinery was carried out by an independent valuer, M/s. Iqbal A. Nanjee and Company (Private) Limited, as at January 04, 2023. According to that valuation, the fair value and forced sale value of the assets were as follows:

	Fair value	Forced sale value
	---- Rupees ----	
Freehold land	**1,429,893,000**	**1,143,914,400**
Building- factory and non-factory	**310,153,329**	**248,122,663**
Plant and machinery	**4,614,617,283**	**3,691,693,827**

4.1.4 Had the freehold land, factory building, non-factory building and plant and machinery been carried under the cost model of accounting, their carrying amounts, at the reporting date, would have been as follows:

Particulars	Note	2024	2023
		---- Rupees ----	
Free hold land		**18,855,030**	18,855,030
Factory building on free hold land		**55,077,239**	55,767,838
Non- Factory building on free hold land		**2,817,814**	2,966,120
Plant and Machinery		**1,562,555,053**	1,573,634,262
		1,639,305,136	1,651,223,250

5. STORES AND SPARES

	Note	2024	2023
Stores inventory in hand	*41.3*	**139,919,714**	154,365,662
Stores inventory in transit		**16,408,140**	-
Spares inventory in hand		**24,248,845**	26,652,538
		180,576,699	181,018,200
Provision for slow-moving and obsolete stores and spares		**(26,246,262)**	(2,345,987)
		154,330,437	178,672,213

6. STOCK IN TRADE

	Note	2024	2023
Work-in-process		**5,226,045**	4,427,369
Finished goods- Sugar	*6.1*	**3,234,728,318**	1,741,362,883
Finished goods- Molasses		**9,189,983**	82,049,055
		3,243,918,301	1,823,411,938
		3,249,144,346	1,827,839,307

		2024	2023
		---------------- Rupees ----------------	
6.1	Finished goods- Sugar	**3,364,770,808**	1,741,362,883
	Provision for Net realisable value	**(130,042,490)**	-
		3,234,728,318	1,741,362,883

6.2 As of the reporting date, the value of stock pledged against bank borrowings amounted to Rs. 2,514 million (2023: Rs. 644 million).

		Note	2024	2023
7.	**SHORT TERM INVESTMENTS**	*Note*	---------------- Rupees ----------------	
	Term Deposit Receipts (TDRs):			
	Faysal Bank Limited		**9,709,490**	9,894,001
	JS Bank Limited		**15,310,970**	15,310,969
			25,020,460	25,204,970
8.	**TRADE DEBTS -** *unsecured, considered good*			
	Receivable against sales of sugar		**508,226,828**	99,941,625
	Less: provision against expected credit losses		**(1,583,807)**	(1,583,807)
			506,643,021	98,357,818
9.	**LOANS, ADVANCES AND PREPAYMENTS**			
	Loans to staff	*9.1*	**3,617,921**	2,761,121
	Advances:			
	- to growers		**10,564,830**	16,897,081
	- to contractors		**679,480**	291,295
	- to suppliers		**10,820,649**	45,404,255
	- against expenses		**81,549**	23,549
	- others		**20,596,036**	9,658,236
			42,742,544	72,274,416
	Deposit:			
	- Security deposit - Commissioner Workmen's Compensation Bahawalnagar	*9.2*	**42,841,568**	-
	Prepayments		**356,282**	353,137
			89,558,315	75,388,674

9.1 These represent interest free loans provided to employees in accordance with the Company's policy and are recoverable in equal monthly installments.

9.2 This represents a deposit placed by the company with the Commissioner Workmen's Compensation Bahawalnagar in terms of the orders dated November 11, 2023 passed by the Court of Kaleem Yousaf Authority Payment of Wages Bahawalnagar. For more information on this matter, refer note no. 22.1.6 to these financial statements.

10. OTHER RECEIVABLES- considered good	Note	**2024**	2023
		---------------- Rupees	----------------
Rebate receivable	*10.1*	**10,822,087**	10,822,087
Interest accrued on term deposit receipts		**1,727,731**	634,750
		12,549,818	11,456,837

10.1 This represents the Inland Freight Subsidy receivable from TDAP (in relation to exports made by the Company in the FY 2012-13 and FY 2013-14). In this relation, the Pakistan Sugar Mills Association (PSMA) as well as the Company have approached TDAP requesting the release of the said subsidy; however, any response from TDAP is still forthcoming.

11. BANK BALANCES	Note	**2024**	2023
		---------------- Rupees	----------------
Cash at bank in			
- Current accounts		**47,248,737**	34,699,552
- Deposit accounts	*11.1*	**5,777,135**	531,646
		53,025,872	35,231,198

11.1 These represent balances held with banks in saving accounts carrying profit at the rate of 11% to 20% (2023: 10% to 19%).

12. AUTHORIZED, ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2024	2023		**2024**	2023
----- (Number of shares)	-----		---------------- Rupees	----------------
		Authorized capital		
25,000,000	25,000,000	Ordinary shares of Rs. 10/- each	**250,000,000**	250,000,000
		Issued, subscribed and paid up capital		
		Ordinary shares of Rs.10/- each:		
14,968,221	14,968,221	- fully paid in cash	**149,682,210**	149,682,210
250,000	250,000	- issued to Pakistan Industrial Credit and Investment Corporation under terms of loan agreement	**2,500,000**	2,500,000
2,072,741	2,072,741	- issued as fully paid bonus shares	**20,727,410**	20,727,410
17,290,962	17,290,962		**172,909,620**	172,909,620

12.1 There are no agreements among shareholders in relation to voting rights, board selection, right of first refusal and block voting.

	2024	(Restated) 2023
13. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT- NET	---------------- Rupees ----------------	
On freehold land		
Gross surplus		
Balance as at the beginning of the year	**1,411,037,970**	855,028,970
Revaluation increase recognized during the year	**-**	556,009,000
	1,411,037,970	1,411,037,970
On buildings / plant and machinery		
Gross surplus		
Balance as at the beginning of the year	**3,337,589,957**	2,414,660,387
Revaluation increase recognized during the year	**-**	1,090,625,379
Incremental depreciation transferred to unappropriated profits	**(177,879,383)**	(167,695,809)
	3,159,710,574	3,337,589,957
Related deferred tax charge		
Balance as at the beginning of the year	**(967,901,088)**	(700,251,512)
Revaluation increase recognized during the year	**-**	(316,281,361)
Incremental depreciation transferred to unappropriated profits	**51,585,022**	48,631,785
	(916,316,066)	(967,901,088)
	3,654,432,478	3,780,726,839

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

	Note	2024	(Restated) 2023
14. REVENUE RESERVES		---------------- Rupees ----------------	
General reserve		**200,000,000**	200,000,000
Unappropriated profits		**1,038,641,867**	918,513,735
		1,238,641,867	1,118,513,735
15. SUBORDINATED LOAN FROM THE CHIEF EXECUTIVE			
Outstanding amount of the loan (on undiscounted basis)		**24,959,713**	24,959,713
Outstanding amount of the loan (on discounted basis):			
Balance as at the beginning of the year		**20,411,807**	18,458,845
Add: Interest on unwinding of the loan during the year	27	**2,159,592**	1,952,962
		22,571,399	20,411,807

15.1 As of September 30, 2020, the outstanding carrying amount of the loan was fully amortized to its nominal value (i.e. Rs. 24.96 million). However, the terms of the loan were renegotiated with the Chief Executive of the Company whereby the contractual maturity of the loan was extended for a further period of five (05) years ending on September 30, 2025. Accordingly, in view thereof, the nominal value of the loan was, again, discounted to its present value, as of September 30, 2020, determined using the discount rate of 10.58% (computed as 1-year KIBOR + 3% credit spread).

		Note	2024	2023
			---------------- Rupees ----------------	
16.	**LONG TERM FINANCE -** *secured*			
	From conventional banking company			
	Habib Bank Limited	*16.1*	**311,171,000**	378,124,000
	From Islamic banking company			
	Dubai Islamic Bank Pakistan Limited	*16.2*	**23,767,302**	30,902,046
			334,938,302	409,026,046
	Current maturity shown under current liabilities		**(115,055,580)**	(96,771,337)
			219,882,722	312,254,709
16.1	**Loan obtained from Habib Bank Limited**			
	Term finance - I	*16.1.1*	**52,500,000**	82,500,000
	Term finance - II	*16.1.2*	**258,671,000**	295,624,000
			311,171,000	378,124,000
16.1.1	**Term finance - I**			
	Opening balance		**82,500,000**	112,500,000
	Repaid during the year		**(30,000,000)**	(30,000,000)
	Closing balance	*16.1.3*	**52,500,000**	82,500,000
16.1.2	**Term finance - II**			
	Opening balance		**295,624,000**	-
	Obtained during the year		**-**	295,624,000
	Repaid during the year		**(36,953,000)**	-
	Closing balance	*16.1.3*	**258,671,000**	295,624,000

16.1.3 The principal terms and conditions of the financing arrangements are as follows:

Facility type	Term finance I	Term finance II
Purpose	For BMR activities pertaining to mill to reach optimal capacity utilization	To finance the replacement of its mill No. 05 and the procurement of a power turbine Along with equipments
Facility availed amount	Rs. 120 million	Rs. 300 million
Principal repayment frequency	Quarterly	Quarterly
Mark up payment frequency	Quarterly	Quarterly
Date of the first installment	July 21, 2022	March 27, 2024
Date of the last installment	April 21, 2026	December 27, 2027
Total number of installments	16	16
Principal repayable in each installment	Rs. 7,500,000/=	Rs. 18,476,500/=
Markup rate (formula)	3 month KIBOR + 2%	3 month KIBOR + 1.25%
Security	1) First pari passu equitable mortgage charge of Rs. 267 million over mills premises (land & building) situated at Chak #4 Fordwah Chishtian District Bahawalnager. 2) First pari passu hypothecation charge for Rs. 267 million over present and future plant & machinery of company. 3) Personal guarantee of the Director Mr. Ghulam Ahmad Adam for Rs. 667 million with 25% margin.	1) First pari passu charge over land, building, plant & machinery of the extent of PKR 400 million inclusive of 25% margin. 2) Disbursement to be made on ranking charge. Charge to be upgraded within 180 days from the date of disbursement.

16.2 Dubai Islamic Bank Pakistan Limited	Note	2024	2023
		---------------- Rupees ----------------	
Opening carrying amount - net of deferred grant		**30,902,046**	35,547,828
Interest recognized on unwinding of the liability	27	**3,371,923**	3,276,429
Loan installments paid		**(10,506,667)**	(7,922,211)
		(7,134,744)	(4,645,782)
Closing carrying amount - net of deferred grant	16.2.1	**23,767,302**	30,902,046
Current maturity shown under current liabilities		**11,149,580**	11,341,837
Non-current maturity shown under non-current liabilities		**12,617,722**	19,560,209
	16.2.1	**23,767,302**	30,902,046

16.2.1 The Company obtained a long term financing facility amounting to Rs. 47.06 million from M/s. Dubai Islamic Bank Pakistan Limited under the State Bank of Pakistan's (SBP) Islamic Financing Facility for Renewable Energy (IFRE) notified vide IH & SMEFD Circular No. 12 of 2019 dated August 21, 2019.

The principal terms and conditions of the financing arrangement are as follows:

Purpose	For procurement and installation of solar panel of 509.22 KW on Company's land in Bhawalnagar
Total facility amount	Rs. 60,000,000
Facility availed amount	Rs. 47,057,210
Principal repayment frequency	Semi annually
Mark up payment frequency	Quarterly
Grace period	9 months from the date of disbursement of each tranche
Date of the first installment	November 4, 2021
Date of the last installment	May 25, 2027
Principal repayable in each installment	Each tranche of the facility is repayable in 10 equal semi-annually intallments
Markup rate (formula)	SBP rate + 2.5%
Security	1) First pari passu charge of Rs. 80 million over fixed assets (including land and building) of the Company with 25% margin. 2) Personal guarantee of the Director Mr. Ghulam Ahmed Adam with net worth statement.

16.2.2 Since the facility carries the markup rate of 4.5% which is well below the market interest rate prevailing as on the date of disbursement of funds, the financing is considered to contain an element of government grant as per the IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance'. Accordingly, at initial recognition, the Company measured the loan liability at its fair value (determined on a present value basis) and recognized the difference between the disbursement proceeds received from the bank and the said fair value, as deferred government grant in the statement of financial position. This deferred government grant is being recognized as income in profit or loss in proportion to the recognition of interest cost on the outstanding loan balance (based on the effective interest rate method).

17. DEFERRED LIABILITIES	Note	2024	(Restated) 2023
		---------------- Rupees ----------------	
Deferred taxation - net	17.1 & 40	**1,126,410,639**	1,163,975,268
Staff retirement benefits - gratuity	17.2	**14,975,698**	12,182,259
Deferred Grant		**839,273**	2,571,285
		1,142,225,610	1,178,728,812

17.1 Deferred taxation-net

	For the year ended September 30, 2024			
	Balance at beginning of the year (restated)	**Charge / (income) recognized in statement of profit or loss**	**Charge / (income) recognized in other comprehensive income**	**Balance at end of the year**
	(Rupees)			
Deferred tax liability in respect of:				
- Surplus on revaluation of property, plant and equipment	**967,901,088**	**(51,585,022)**	**-**	**916,316,066**
- Accelerated tax depreciation	**276,678,319**	**34,997,906**	**-**	**311,676,225**
- SBP's islamic financing facility for renewable energy	**742,585**	**(660,243)**	**-**	**82,342**
	1,245,321,992	**(17,247,359)**	**-**	**1,228,074,633**
Deferred tax asset in respect of:				
- Excess of minimum tax over normal tax liability	**(37,518,861)**	**(17,343,635)**	**-**	**(54,862,496)**
- Unabsorbed tax depreciation	**-**	**-**	**-**	**-**
- Excess of alternative corporate tax over corporate tax	**(16,169,033)**	**-**	**-**	**(16,169,033)**
- Deferred income - Government grant	**1,724,957**	**(2,437,657)**	**-**	**(712,700)**
- Provision for gratuity	**(7,715,693)**	**3,329,264**	**43,477**	**(4,342,952)**
- Provision for slow moving items	**(680,336)**	**(6,931,080)**	**-**	**(7,611,416)**
- Provision for doubtful debtors	**(459,304)**	**-**	-	**(459,304)**
- Provision for WWF and WPPF	**(20,528,454)**	**3,022,361**	**-**	**(17,506,093)**
	(81,346,724)	**(20,360,747)**	**43,477**	**(101,663,994)**
Net deferred tax liability	**1,163,975,268**	**(37,608,106)**	**43,477**	**1,126,410,639**

	For the year ended September 30, 2023			
	Balance at beginning of the year (restated)	Charge / (income) recognized in statement of profit or loss (Restated)	Charge / (income) recognized in other comprehensive income (Restated)	Balance at end of the year (restated)
	(Rupees)			
Deferred tax liability in respect of:				
- Surplus on revaluation of property, plant and equipment	700,251,512	(48,631,785)	316,281,361	967,901,088
- Accelerated tax depreciation	287,323,299	(10,644,980)	-	276,678,319
- SBP's islamic financing facility for renewable energy	2,124,626	(1,382,041)	-	742,585
	989,699,437	(60,658,806)	316,281,361	1,245,321,992
Deferred tax asset in respect of:				
- Excess of minimum tax over normal tax liability	(40,287,000)	2,768,139	-	(37,518,861)
- Unabsorbed tax depreciation	(25,196,111)	25,196,111	-	-
- Excess of alternative corporate tax over corporate tax	(16,169,033)	-	-	(16,169,033)
- Deferred income - Government grant	(2,130,562)	3,855,519	-	1,724,957
- Provision for gratuity	(2,074,269)	(5,607,124)	(34,300)	(7,715,693)
- Provision for slow moving items	-	(680,336)	-	(680,336)
- Provision for doubtful debtors	-	(459,304)	-	(459,304)
- Provision for WWF and WPPF	(17,168,963)	(3,359,491)	-	(20,528,454)
	(103,025,938)	21,713,514	(34,300)	(81,346,724)
Net deferred tax liability	886,673,499	(38,945,292)	316,247,061	1,163,975,268

17.2 Staff retirement benefits - gratuity

As disclosed in note 3.10, the Company operates an unfunded gratuity scheme for its head office employees. The latest actuarial valuation of the plan was carried out as at September 30, 2024 by M/s. Nauman Associates, using the Projected Unit Credit Method.

17.2.1 **Movement in net liability in the statement of financial position**	**2024**	2023
	---------------- **Rupees**	----------------
Opening defined benefit obligation	**12,182,259**	7,152,652
Expense charged to statement of profit or loss	**3,221,872**	5,499,229
Remeasurements recognized in other comprehensive income	**(149,922)**	118,275
Benefit paid	**(278,511)**	(587,897)
Closing defined benefit obligation	**14,975,698**	12,182,259

17.2.2 Expense recognized in the statement of profit or loss

Current service cost	**1,455,919**	4,717,128
Interest cost on defined benefit obligation	**1,765,953**	782,101
	3,221,872	5,499,229

17.2.3 Remeasurement gains recognised in other comprehensive income

Actuarial (gain) / loss on defined benefit obligation due to change in financial assumptions	**218,350**	(965,774)
Actuarial (gain) / loss on defined benefit obligation due to experience adjustments	**(368,272)**	1,084,049
	(149,922)	118,275

17.2.4 Year end sensitivity analysis of defined benefit obligation

Discount rate + 100 bps	**14,222,570**	9,597,639
Discount rate - 100 bps	**15,829,219**	12,922,188
Rate of salary increase + 100 bps	**15,826,781**	12,925,096
Rate of salary increase -100 bps	**14,211,814**	9,584,617

17.2.5 **Principal assumptions used in valuation of gratuity**	**2024**	2023
Discount rate used for interest cost in profit and loss	**16.75%**	13.25%
Discount rate used for year end obligation	**12.00%**	16.75%
Expected rate of increase in salary level (per annum)	**11.50%**	12.00%
Mortality rates	**SLIC 2001- 2005**	SLIC 2001- 2005

17.2.6 As of the reporting date, the weighted average duration of the defined benefit obligation was 5 years (2023: 7 years).

17.2.7 The current service and interest cost amounting to Rs. 3,221,872 (2023: Rs. 5,499,229) has been classified under administrative expenses.

18. SHORT TERM BORROWINGS

	Note	2024	2023
		---------------- Rupees ----------------	
Unsecured - interest free			
- from Chief Executive	*18.1*	**32,164,394**	32,164,394
- from Adam Lubricants Limited (a related party)	*18.2*	**830,068,000**	165,000,000
		862,232,394	197,164,394
Secured			
- from Conventional banking companies			
- JS Bank Limited	*18.3*	**-**	98,337,888
- Habib Bank Limited	*18.4*	**1,030,192,338**	-
		1,030,192,338	98,337,888
- from Islamic banking companies			
- Al Baraka Bank (Pakistan) Limited	*18.5*	**318,500,000**	269,300,000
- Askari Bank Limited	*18.6*	**508,000,000**	100,000,000
		826,500,000	369,300,000
		2,718,924,732	664,802,282

18.1 Loan obtained from the Chief Executive

This represents a loan granted by Mr. Ghulam Ahmed Adam, the Chief Executive of the Company, to meet working capital requirements of the Company. The loan is interest free and is repayable on demand.

18.2 Loan obtained from M/s. Adam Lubricants Limited

This represents loan granted by M/s. Adam Lubricants Limited to meet working capital requirements of the Company. The loan is interest free and is repayable on demand.

18.3 Running finance from JS Bank Limited

This represents the amount availed under the running finance facility obtained from M/s. JS Bank Limited in order to meet the working capital requirements of the Company. As of September 30, 2024, the limit of the facility amounted to Rs. 100 million (2023: Rs. 100 million). The facility carries markup at the rate of 3-Month KIBOR + 3%. (2023: 3-Month KIBOR + 3%) and is secured against equitable mortgage and token registered mortgage of PKR 0.1 million on residential property, i.e. Plot # 31, Khayaban-e-Sehar, DHA Phase VI, Karachi, measuring 2,000 square yard and having market value of Rs. 250 million and forced sale value of Rs. 200 million (as per valuation report conducted by M/s Sipra & Company on 19-Nov-2020) with minimum margin of 60%. The unavailed facility at year end is amounting to Rs. 100 million (2023: Rs. 1.662 million).

18.4 Cash finance from Habib Bank Limited

	Note	2024	2023
		---------------- Rupees ----------------	
Opening balance		**-**	78,658,288
Obtained during the year		**2,962,684,648**	1,937,916,590
Repaid during the year		**(1,932,492,310)**	(2,016,574,878)
Closing balance	*18.4.1*	**1,030,192,338**	-

18.4.1 This represents the amount availed under the cash finance facility obtained from M/s. Habib Bank Limited in order to meet the working capital requirements of the Company. As of September 30, 2024, the limit of the facility amounted to Rs. 1,200 million (2023: Rs. 800 million). The facility carries markup at the rate of 1-Month KIBOR + 1.25%. (2023: 1-Month KIBOR + 1.25%). The facility is secured against pledge over stock of sugar bags with 25% margin, ranking charge over fixed assets amounting to Rs. 800 million (2023: Rs. 500 million) to be enhanced upto Rs. 1,200 million and personal guarantee of Director (Mr. Ghulam Ahmad Adam). The unavailed facility at year end is Rs 169.808 million (2023: Rs. 800 million). Further the said facility is due to expire in February 2025.

			2024	2023
18.5	**Salam facility from AlBaraka Bank (Pakistan) Limited**	*Note*	---------------- Rupees	----------------
	Opening balance		**269,300,000**	150,000,000
	Financing obtained during the year		**400,000,000**	399,300,000
	Financing repaid during the year		**(350,800,000)**	(280,000,000)
	Closing balance	*18.5.1*	**318,500,000**	269,300,000

18.5.1 This represents the amount availed under the salam facility obtained from M/s. AlBaraka Bank (Pakistan) Limited in order to meet working capital requirements of the Company. As of September 30, 2024, the limit of the facility amounted to Rs. 400 million (2023: Rs. 300 million). The loan is repayable within 270 days from the disbursement of each tranche. The facility carries markup at the rate of Matching KIBOR + 2.25% (2023: Matching KIBOR + 2.25%) and is secured against pledge of sugar stock of Rs. 533.334 million with 25% margin, and personal guarantee of directors of the Company (namely Mr. Ghulam Ahmed Adam and Mr. Junaid Ahmed Adam). The unavailed facility at year end amounting Rs. 81.5 million (2023: Rs.30.7 million). Further the said facility is due to expire on October 2024.

			2024	2023
18.6	**Salam facility from Askari Bank Limited**	*Note*	---------------- Rupees	----------------
	Opening balance		**100,000,000**	-
	Obtained during the year		**995,608,850**	590,651,467
	Repaid during the year		**(587,608,850)**	(490,651,467)
	Closing balance	*18.6.1*	**508,000,000**	100,000,000

18.6.1 This represents the amount availed under the salam facility obtained from M/s. Askari Bank Limited in order to meet working capital requirements during crushing season. The limit of the facility was Rs. 600 million (2023: Rs. 400 million). The facility carried markup at the rate of Matching KIBOR + 1.5% (2023: Matching KIBOR + 1.5%) and was secured against pledge of white refined sugar stock amounting to Rs. 533 million with 25% margin, ranking charge over current assets with 25% margin amounting to Rs. 533 million and personal guarantee of directors of the Company (namely Mr. Ghulam Ahmed Adam, and Omar G Adam) to the extent of unpaid liability.

			2024	2023
19.	**TRADE AND OTHER PAYABLES**	*Note*	---------------- Rupees	----------------
	Trade creditors	*19.1*	**538,341,357**	39,302,907
	Accrued liabilities		**25,381,416**	48,898,684
	Advance from customers		**117,718,013**	502,825,992
	Sales tax payable		**51,206,250**	410,466,078
	Withholding tax payable		**36,436,675**	17,635,205
	Provision for Workers' Profit Participation Fund	*20.2*	**19,793,368**	36,554,154
	Provision for Workers' Welfare Fund	*20.3*	**40,572,471**	34,233,620
	Others		**5,958,799**	998,691
			835,408,349	1,090,915,331

19.1	**Trade creditors**			
	Cane growers		**448,347,946**	3,816,697
	Others	*19.1.1*	**89,993,411**	35,486,210
			538,341,357	39,302,907

19.1.1 This includes an amount of Rs. 1,530,643 (2023: Rs. 356,431) due to Adam Lubricants Limited, an associated undertaking, as at reporting date.

19.2 Provision for Workers' Profit Participation Fund	Note	2024	2023
		---------------- Rupees	----------------
Opening balance		**36,554,154**	28,159,621
Add:			
Charge for the year		**10,346,187**	8,394,533
Interest accrued	*27*	**1,964,265**	-
		12,310,452	8,394,533
Payment made during the year		**(29,071,238)**	-
		19,793,368	36,554,154

19.3 Provision for Workers' Welfare Fund

	2024	2023
Opening balance	**34,233,620**	31,043,698
Charge for the year	**6,338,851**	3,189,922
	40,572,471	34,233,620

20. ACCRUED MARKUP

	2024	2023
Long term borrowings	**17,745,985**	22,209,146
Short term borrowings	**190,367,905**	56,242,618
	208,113,890	78,451,764

21. TAXATION - NET

	Note	2024	2023
Opening balance		**92,715,034**	65,365,956
Less: taxes deducted at source including advance tax		**(189,844,726)**	(50,385,733)
		(97,129,692)	14,980,223
Add: Levies- Final/ minimum tax under Income Tax Ordinance, 2001.	*30.*	**17,343,635**	24,287,235
Add: Current tax	*31.*	**89,899,751**	53,447,576
		107,243,386	77,734,811
		10,113,694	92,715,034

21.1 Except as disclosed in note 22.1.1 to these financial statements, income tax assessments of the Company are deemed to have been finalized up to, and including, the tax year 2024 (accounting year ended September 30, 2023) based on the returns of income filed by the Company with the concerned taxation authority. As per section 120 of the Income Tax Ordinance, 2001 ('the Ordinance'), a tax return filed by a taxpayer is treated as an assessment order issued by the concerned taxation authority unless the same is selected for re-assessment / audit as per the legal provisions stipulated in the Ordinance.

22. CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

22.1.1 During the year ended September 30, 2021, the Commissioner, Inland Revenue (defunct) Zone II, LTU, selected the case of the Company for tax years 2014, for audit under section 177(1). During the pending proceedings, the jurisdiction was transferred to Audit Unit-12 under Commissioner Inland Revenue, Audit-I, LTO. The Deputy Commissioner (Audit-1) Inland Revenue, after notice and hearing, then passed orders in terms of Section 122(1) resulting in a demand of Rs. 487.06 million against declared loss of Rs. 23.16 million for a the tax year 2014.

The Company filed an appeal against the impugned order and impugned demand before the Commissioner Inland Revenue (Appeals) for the above mentioned tax year, whereby the Company failed to get desired relief, and therefore, filed appeals before the Appellate Tribunal. Further, the Company also filed a Constitutional Petition before the Honorable Sindh High Court, Karachi, and the Court, vide its order dated January 25, 2021 directed the Department not to take coercive action against the Company for recovery of the impugned demand.

On February 16, 2022, the Deputy Commissioner (Audit-1) Inland Revenue issued a notice to impose penalty u/s 182 for concealment of income u/s 111(1)(a)/(d)(i) amounting to Rs. 266.51 million for the above mentioned tax year. The Company filed a Constitutional Petition before the Honorable Sindh High Court, Karachi, and the Court, vide its order dated August 04, 2022 directed the Department not to pass any final order pursuant to the impugned notice u/s 182(2).

The legal counsel is of the view that there is no likelihood of any unfavourable outcome against the Company pertaining which is pending before Appellate Tribunal because it bears similar grounds as were presented in the cases remanded back by Appellate Tribunal Inland Revenue for the tax years 2015, 2016, 2017, 2018 and 2019. Therefore, based on the view of the Company's legal counsel, no provision has been made in these financial statements.

22.1.2 In April and June 2021, the Company received certain Orders-in-Original passed by the Deputy Commissioner Inland Revenue (DCIR) whereby it was alleged that the Company had suppressed its sales and the corresponding sales tax liability and, accordingly, it was liable to pay an aggregate amount of Rs. 8,683.757 million (including default surcharge and penalty). The details of the said Orders-in-Original are produced below:

Order-in-Original		**Period covered**	**Demand created**		
Order No.	**Order Date**		**Sales tax**	**Default surcharge and penalty**	**Total**
			------------- (Rs. in million) -------------		
09/165/2021	June 05, 2021	Oct. 2014 to Sep. 2015	995.887	846.735	1,842.622
10/165/2021	June 12, 2021	Oct. 2015 to Sep. 2016	1,074.208	915.274	1,989.482
05/165/2021	April 08, 2021	Oct. 2016 to Sep. 2017	1,293.325	1,100.854	2,394.179
06/165/2021	April 08, 2021	Oct. 2017 to Sep. 2018	1,327.875	1,129.599	2,457.474
Total			**4,691.295**	**3,992.462**	**8,683.757**

Being aggrieved with the aforementioned Orders-in-Original passed by the DCIR (here-in-after referred to as 'the impugned orders'), in May and June 2021, the Company preferred appeals before the Commissioner Inland Revenue (Appeals) [CIR(A)] praying that the impugned orders are bad in law and may be set-aside or demanded back. In addition, the Company also filed Constitutional Petitions before the Honorable Sindh High Court, Karachi which, vide its order dated October 04, 2021 directed the DCIR not to take coercive measures against the Company for recovery of the impugned demand. Thereafter, the CIR(A) vide his orders dated August 21, 2021, September 17, 2021 and October 21, 2021 upheld the orders passed by the DCIR and disposed off the pending appeals.

Subsequently, on September 28, 2021 and December 08, 2021, the Company filed appeals before the Appellate Tribunal Inland Revenue (ATIR) challenging the aforesaid orders passed by the CIR(A). As of the reporting date, all such appeals were pending for adjudication. However, the Company's legal counsel is of the view that the final outcome of the appeals is likely to be in favour of the Company and, accordingly, no provision for the aforementioned tax demand raised by the DCIR, amounting to Rs. 8,683.757 million, has been recognized in these financial statements.

22.1.3 In August 2021, The Company with several other mills received demand notice issued by The Competition Commission of Pakistan (CCP) whereby it was alleged that the Company involve in anti competitive activities in sugar industries and accordingly the said demand notice impose a penalty of Rs. 277,754,779/- on the Company.

Being aggrieved with the aforesaid order the Company filed a Suit (bearing no. 64290 of 2021) before the Honorable High Court of Lahore ('the Court') for suspension of demand notice dated August 13, 2021 issued by CCP. Subsequently, the Honorable Lahore High Court vide its order dated October 18, 2021, has restrained CCP from recovering the impugned demand, till the next date of hearing against legality, correctness, propriety and legitimacy of the Casting Vote of Chairperson of The Competition Commission of Pakistan.

Subsequently, the Company preferred an appeal before the Competition Appellate Tribunal, Islamabad (CAT) which, vide its order dated June 02, 2022, directed that, till the final adjudication of the appeal, no coercive measures shall be taken by the CCP against the appellant for recovery of the aforesaid penalties.

As of the reporting date, the Company's appeal before the CAT was yet pending for final adjudication. In the opinion of its legal counsel, the Company has a good case on merit and, hence, the final outcome of aforesaid appeal was expected to be in favour of the Company. Accordingly, no provision for the aforesaid imposed penalties amounting, in aggregate to Rs. 277 million, has been recognized in these financial statements.

22.1.4 The Deputy Commissioner Inland Revenue issued a show cause notice under section 161(1A) dated May 19, 2021 and then issued an exparte order under section 161(1) dated June 16, 2021 for non deduction and collection of withholding taxes under the various heads of the Income Tax Ordinance, 2001 and its timely deposit into the federal treasury for the tax year 2015 and thereby created a demand for short deduction / collection of withholding taxes of Rs. 146.66 million along with default surcharge u/s 205 of Rs. 118.13 million and penalty u/s 182 of Rs. 14.67 million.

The Company filed appeal before the Commissioner Inland Revenue (Appeals) against the order of Deputy Commissioner Inland Revenue which is pending for adjudication. The legal counsel is of the view that there is no likelihood of any unfavourable outcome against the Company and accordingly, no provision has been made in these financial statements.

22.1.5 In addition to the above, the Company is contesting litigations with tax authorities on different forums. Management considers these litigations not being material and expects a favorable decision from tax authorities. The brief description of these cases is given below:

S. no.	Case no.	Nature	Pending at	Parties involved	Amount involved (Rs. in million)
1	STA-223/2018	The Deputy Commissioner (Audit-I) Inland Revenue after reviewing declarations from e-portal of FBR issued a show cause notice and then created a demand under section 161(1) of Income Tax Ordinance, 2001 for non deduction and deposit of withholding tax under section 236G and 236H for the tax year 2018.	Appellete Tribunal Inland Revenue, Karachi	Deputy Commissioner Inland Revenue	7.925
	Appeal No. i) 209 dated 31.10.2022; ii) 210 dated 31.10.2022	The Commissioner Inland Revenue issued a notice with an allegation that the Company has claimed inadmissible input tax on construction materials in violation of section 8(1) of the Sales Tax Act (STA), 1990 during the period from July 2014 to November 2017.	The Supreme Court of Pakistan	Commissioner Inland Revenue	12.333

With respect to serial number 2 mentioned above, subsequent to the year end, the High Court of Sindh has dismissed the application in favor of the respondent (The Appellate Tribunal Inland Revenue of Pakistan) vide its order date October 2, 2024. Being aggrieved with the said order, the Company has filed an appeal with the Supreme Court of Pakistan which is pending for adjudication. The legal counsel is of the view that there is no likelihood of any unfavourable outcome against the Company and accordingly, no provision has been made in these financial statements.

22.1.6 For the last several years, the Company had been contesting certain legal suits filed against it by its 14 former employees ('the applicants') in the Court of Kaleem Yousuf Authority Payment of Wages Bahawalnagar ('the Authority'). In each of these suits, the applicant had moved an application under section 15(2) of the Payment of Wages Act, 1936 claiming that, for a certain period in the past, he had served the Company as an employee and, upon his separation from the Company, he had not been paid his due compensation, including accrued salary/wages, gratuity, leave encashment, overtime, bonus etc. The aggregate compensation claimed by such applicants amounted to Rs. 42.842 million.

On November 11, 2023, the Authority announced its final verdict in favour of the applicants holding that all the arguments/ statements made, and all the documentary evidences produced, by the Company to support its position were found to be contradictory or invalid. In its orders, the Authority also directed the Company to submit with it the aforementioned claim within 30 days from the date of the order. In compliance thereof, the Company duly deposited an amount of Rs. 42.842 million with the Commissioner Workmen's Compensation Bahawalnagar (refer also note 9.2 to these financial statements).

Being aggrieved with the aforesaid orders of the Authority, in December 2023, the Company filed appeals under section 17 of the Payment of Wages Act, 1936 in the Court of Learned District & Session Judge / Presiding Officer, Punjab Labour Court No. 8, Bahawalpur ('the Labour Court') wherein, based on various legal grounds, the Company prayed to the Labour Court that the impugned orders passed by the Authority be declared illegal and void and may please be set aside.

As of the reporting date, the said appeals were yet pending for adjudication. However, in the opinion of the Company's legal counsel, the Company has a good arguable case on merit and there is no likelihood of any unfavourable outcome. Accordingly, in these financial statements, no provision for the claim of Rs. 42.842 million has been recognized, and the amount already deposited with the Commissioner Workmen's Compensation Bahawalnagar has been accounted for as a deposit.

22.2 Previously reported contingency, resolved during the year.

22.2.1 Deputy Commissioner Inland Revenue issued show cause notice, bearing no. C.No. DCIR/Wrong Input/U-05/Enf-I/LTO/2021-22 dated February 11, 2022, DCIR/Unit-5/Inspection report/Enf-I/LTO/2021-2022 dated March 09, 2022 and DCIR/Wrong Input/U-05/Enf-I/LTO/2021-2022/674 dated March 08, 2022, u/s 11(2) of the Sales Tax Act 1990 and then passed assessment order no. 33/122, 32/122 and 57/124 created demand for inadmissible input tax claimed for the period from July 2021 to November 2021, July 2018 to June 2021 and July 2020 to June 2021 amounting to Rs. 13, 290,794, Rs. 12,506,377 and Rs. 5,208,929 along with penalty u/s 33(5) of Rs. 664,538, Rs. 629,635 and Rs. 260,446 respectively.

The Company filed appeals bearing no. 149/App/MTN/ST/2020, 150/App/MTN/ST/2020 and 151/App/MTN/ST/2020 before the Commissioner Inland Revenue (Appeals) on April 07, 2022 respectively against the order of Deputy Commissioner Inland Revenue which is pending for adjudication.

The Appellate Tribunal Inland Revenue, Karachi has disposed the order earlier issued by the Deputy Commissioner Inland Revenue vide its order dated May 16, 2024 citing that the Deputy Commissioner Inland Revenue has not given any specific findings. Accordingly, the said matter resolved during the year.

	Note	**2024**	2023
22.3 Commitments		**---------------- Rupees**	**----------------**
22.3.1 *Guarantees issued by banking companies on behalf of the Company are as follows:*			
Punjab Employees Social Security Institution		**15,311,000**	15,311,000
22.3.2 *Letters of credit issued by commercial banks in respect of:*			
Import of stores and spares		**-**	22,437,840
23. SALES REVENUE - ***net***			
Local sales	*23.1*	**7,882,909,511**	5,080,923,640
Export sales		**172,332,881**	345,470,678
		8,055,242,392	5,426,394,318
23.1 Local sales			
Sale of sugar	*23.1.1*	**6,945,133,801**	4,329,186,817
Sale of by-products	*23.1.2*	**937,775,710**	751,736,823
		7,882,909,511	5,080,923,640

		Note	2024	2023
			---------------- Rupees ----------------	
23.1.1	**Sale of Sugar**			
	Revenue from sale of sugar - gross		**8,156,176,646**	5,102,764,403
	Less: sales tax		**(1,211,042,845)**	(773,577,586)
			6,945,133,801	4,329,186,817
23.1.2	**Sale of By-products:**			
	Sales of Molasses (gross)		**955,578,192**	731,500,000
	Less: sales tax		**(34,600,911)**	-
			920,977,281	731,500,000
	Sales of Bagasse (gross)		**15,148,492**	20,000,000
	Less: sales tax (including further tax)		**(2,590,888)**	(3,443,933)
			12,557,604	16,556,067
	Sales of Mud (gross)		**5,131,400**	4,425,355
	Less: sales tax (including further tax)		**(890,574)**	(744,599)
			4,240,826	3,680,756
			937,775,711	751,736,823
24.	**COST OF SALES**			
	Opening stock of finished goods			
	- Sugar		**1,741,362,883**	1,225,081,581
	- Molasses		**82,049,055**	-
			1,823,411,938	1,225,081,581
	Cost of finished goods manufactured	*24.1*	**8,550,608,665**	5,383,662,490
			10,374,020,603	6,608,744,071
	Closing stock of finished goods			
	- Sugar	*6*	**(3,234,728,318)**	(1,741,362,883)
	- Molasses	*6*	**(9,189,983)**	(82,049,055)
			(3,243,918,301)	(1,823,411,938)
			7,130,102,302	4,785,332,133
24.1	**Cost of finished goods manufactured**			
	Raw materials consumed		**7,703,366,619**	4,631,256,902
	Conversion costs incurred:			
	- Depreciation	*4.1.1*	**272,574,921**	262,905,772
	- Salaries, wages and allowances		**281,228,182**	243,962,116
	- Stores and spares consumed		**154,199,794**	77,447,357
	- Repairs and maintenance		**101,329,390**	134,734,785
	- Fuel and power		**19,833,464**	19,924,951
	- Insurance		**13,652,904**	8,673,131
	- Market committee fees		**2,789,809**	2,580,462
	- Flying ash removal expenses		**2,432,258**	2,426,042
			848,040,722	752,654,616
	Opening stock of work in process		**4,427,369**	4,178,341
	Closing stock of work in process	*6*	**(5,226,045)**	(4,427,369)
			(798,676)	(249,028)
			8,550,608,665	5,383,662,490

	Note	2024	2023
25. ADMINISTRATIVE EXPENSES		---------------- **Rupees**	----------------
Salaries, wages and other allowances	*25.1*	**72,418,938**	63,124,322
Directors' remuneration	*34*	**65,243,175**	62,848,145
Depreciation	*4.1.1*	**9,426,978**	9,892,272
Vehicle running expenses		**7,872,914**	8,357,877
Legal and professional charges		**5,420,090**	11,182,255
Electricity charges		**5,251,437**	3,941,148
Computer expenses		**5,094,718**	2,053,982
Bank charges	*41.3*	**4,565,969**	3,783,940
Printing and stationery		**4,085,091**	4,180,832
Fees and subscription		**3,164,481**	2,900,788
Entertainment		**3,098,896**	3,227,624
Postage and telephone		**3,007,612**	2,862,585
Auditors' remuneration	*25.2*	**2,550,000**	2,049,920
Repair and maintenance		**2,202,158**	3,007,637
Conveyance and travelling expenses		**1,405,919**	1,772,597
Rent, rates and taxes		**1,138,447**	937,684
General expenses		**2,360,586**	3,988,604
		198,307,409	190,112,212

25.1 This include Rs. 3,221,872 (2023: Rs. 5,499,229) in respect of staff retirement benefits.

25.2 Auditors' remuneration

	2024	2023
Annual audit	**2,000,000**	1,500,000
Review of half yearly financial statements	**450,000**	449,920
Other certifications	**100,000**	100,000
	2,550,000	2,049,920

26. SELLING AND DISTRIBUTION COSTS

	2024	2023
Commission expenses	**6,257,112**	4,654,104
Shifting expenses	**5,348,827**	3,672,780
Loading and unloading expenses	**2,495,760**	1,317,286
Export expenses	**917,896**	19,189,985
Advertisement expenses	**211,100**	449,850
	15,230,695	29,284,005

27. FINANCE COSTS

	Note	2024	2023
Markup charge on long term borrowings:			
- Conventional financing		**80,500,293**	75,910,009
- Islamic financing facility for renewable energy	*16.2*	**3,371,923**	3,276,429
- Subordinated loan from Chief Executive		**2,159,592**	1,952,962
		86,031,808	81,139,400
Markup charge on short term borrowings:			
- on conventional financing		**197,980,293**	79,118,079
- on Islamic financing		**275,266,660**	118,288,912
		473,246,953	197,406,991
Finance cost on Workers' profit participation fund		**1,964,265**	-
		561,243,026	278,546,391

	Note	2024	2023
		---------------- Rupees ----------------	
28. OTHER INCOME			
Profit on saving accounts		**141,423**	92,672
Profit on term deposit receipts		**5,810,224**	11,721,661
Gain on disposal of operating fixed assets		**1,360,117**	247,264
Amortization of deferred government grant		**2,224,191**	2,664,988
Foreign currency gain on monetary items		**58,800**	-
Forfeited deposits on unfulfilled sale contracts		**4,993,994**	11,462,325
Miscellaneous		**8,797,170**	7,130,828
		23,385,919	33,319,738
29. OTHER OPERATING EXPENSES			
Provision against slow-moving stores and spares		**23,900,275**	-
Charity and donation	*29.1 & 41.3*	**9,278,592**	8,548,663
		33,178,867	8,548,663

29.1 None of the directors or their spouse had any interest in the donees. Further, the particulars of the parties to whom donation paid exceeds Rs. 1 million or 10% of the total donation, whichever is higher, are as follows:

	2024	2023
	---------------- Rupees ----------------	
Bantva Memon Jamat	**1,500,000**	-
Indus Hospital	**1,000,000**	-
Al Khidmat Foundation	**1,000,000**	-

	Note	2024	(Restated) 2023
30. LEVIES		---------------- Rupees ----------------	
Workers' Welfare Fund	*41.3*	**6,338,851**	3,189,922
Workers' Profit Participation Fund	*41.3*	**10,346,187**	8,394,533
		16,685,038	11,584,455
Excess of minimum tax over normal tax		**17,343,635**	13,517,528
Income tax under final tax regime		**-**	10,769,707
		17,343,635	24,287,235
		34,028,673	35,871,690

	2024	2023
31. TAXATION		
Current	**93,015,589**	48,628,142
Prior year	**(3,115,838)**	4,819,434
	89,899,751	53,447,576
Deferred	**(37,608,106)**	(38,945,292)
	52,291,645	14,502,284

	Note	2024	(Restated) 2023
32. EARNINGS PER SHARE		---------------- Rupees ----------------	
32.1 Basic earnings per share			
Profit after taxation		**54,245,694**	117,516,678
		-------------- Number --------------	
Weighted average number of ordinary shares outstanding during the year		**17,290,962**	17,290,962
		---------------- Rupees ----------------	
Earnings per share - basic		**3.14**	6.80

32.2 Diluted earnings per share

There was no dilutive effect on the basic earnings per share of the Company, since there were no potential ordinary shares in issue as at the reporting date.

33. CASH AND CASH EQUIVALENTS	Note	2024	2023
		---------------- Rupees ----------------	
Bank balances	*11*	**53,025,872**	35,231,198
Short term borrowing - running finance	*18.3 & 18.4*	**(1,030,192,338)**	(98,337,888)
		(977,166,466)	(63,106,690)

34. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES		TOTAL	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	-------	-------	-------	-------	Rupees	-------	-------	-------
Basic salary	**31,800,000**	31,800,000	**30,600,000**	30,600,000	**37,394,400**	24,247,092	**99,794,400**	86,647,092
Vehicle expenses	**-**	-	**449,886**	396,455	**57,700**	24,140	**507,586**	420,595
Travelling expenses	**-**	-	**2,359,289**	-	**257,935**	-	**2,617,224**	-
Bonus and leave encashment	**-**	-	**-**	-	**1,558,100**	1,010,296	**1,558,100**	1,010,296
Meeting Fee	**8,000**	10,000	**26,000**	41,690	**-**	-	**34,000**	51,690
	31,808,000	31,810,000	**33,435,175**	31,038,145	**39,268,135**	25,281,528	**104,511,310**	88,129,673
Number of persons	**1**	1	**2**	2	**19**	15		

34.1 The Chief Executive, two directors and the executives have been provided with free use of the Company maintained cars.

35. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties of the Company comprise of Adam Pakistan Limited, Adam Lubricants Limited, key management personnel, directors and their close family members. Remuneration of the Chief Executive and directors is disclosed in note 34 to the financial statements. Transactions entered into, and balances held with, related parties, are as follows:

Name of the related party	Particulars	2024	2023
		------------ Rupees ------------	
Adam Lubricants Limited (Company under common control)	*Transactions during the year*		
	Lubricants puchased during the year	**14,873,910**	18,923,044
	Payment against purchases during the year	**13,699,698**	18,566,914
	Loan received during the year	**1,540,000,000**	360,000,000
	Loan repaid during the year	**874,932,000**	697,500,000
	Balances at the year end		
	Payable against purchases	**1,530,643**	356,431
	Short term loan payable	**830,068,000**	165,000,000
Chief Executive (Mr. Ghulam Ahmed Adam)	*Balances at the year end*		
	Short term loan payable	**32,164,394**	32,164,394
	Subordinated loan payable	**24,959,713**	24,959,713
Chief Executive (Mr. Ghulam Ahmed Adam), Directors (Mr. Junaid Ghulam Adam and Mr. Omar Ghulam Adam)	Guarantees provided to banks against financing on behalf of the Company *(refer notes 16, 18.4.1, 18.5.1 and 18.6.1)*	**4,251,360,000**	4,251,360,000

36. SEGMENT INFORMATION

These financial statements have been prepared on the basis of a single reportable segment i.e. sale and manufacturing of sugar. The entity-wide disclosures required by IFRS 8 'Operating Segments' are given below:

(a) Revenue from sale of sugar represents 88.35% (2023: 86.15%) of the total revenue whereas remaining represent revenue from sale of molasses, bagasse and mud.

(b) 97.57% (2023: 94.43%) gross sales of the Company were made to customers based in Pakistan.

(c) As at September 30, 2024 and September 30, 2023 all non-current assets of the Company were located in Pakistan.

(d) Following are the customers from whom 10% or more of the Company's revenue has been generated during the year:

	2024	2023
	---------------- Rupees ----------------	
Customer- A	**2,884,552,892**	1,663,877,440
Customer- B	**1,798,349,670**	894,338,400
Customer- C	**-**	721,525,950
Customer- D	**-**	562,005,000

37. FINANCIAL INSTRUMENTS

37.1 Categories of financial assets and financial liabilities

	2024	2023
37.1.1 Financial assets	---------------- Rupees ----------------	
At amortised cost		
Long term deposits	**4,191,581**	4,306,481
Short term investments	**25,020,460**	25,204,970
Trade debts	**506,643,021**	98,357,818
Short term loans to staff	**3,617,921**	2,761,121
Other receivables	**1,727,731**	634,750
Bank balances	**53,025,872**	35,231,198
	594,226,586	166,496,338
37.1.2 Financial liabilities		
Subordinated loan from the Chief Executive	**22,571,399**	20,411,807
Long term finance	**334,938,302**	409,026,046
Short term borrowings	**2,718,924,732**	664,802,282
Trade and other payables	**569,681,572**	89,200,282
Accrued markup	**208,113,890**	78,451,764
	3,854,229,895	1,261,892,181

37.2 Risks arising from financial instruments

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

37.2.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

A financial asset is regarded as credit impaired as and when it falls under the definition of a 'defaulted' financial asset. For the Company’s internal credit management purposes, a financial asset is considered as defaulted when it is **past due for 90 days or more**.

The Company writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means. Written off financial assets are not subject to enforcement activity.

Maximum exposure to credit risk and its management strategies

Following is the quantitative analysis of the Company's maximum exposure to credit risk as at the reporting date:

	Note	2024	2023
		---------------- Rupees ----------------	
Long term deposits		**4,191,581**	4,306,481
Short term investments		**25,020,460**	25,204,970
Trade debts	*(a)*	**506,643,021**	98,357,818
Short term loans to staff		**3,617,921**	2,761,121
Other receivables		**1,727,731**	634,750
Bank balances	*(b)*	**53,025,872**	35,231,198
		594,226,586	166,496,338

Note 'a' - Credit risk management of trade debts

The Company attempts to control credit risk arising from dealings with customers by monitoring credit exposures and continually assessing the creditworthiness of its customers. As part of its credit risk management strategy, the Company receives advances from customers against sales of goods. In addition, the Company has a system of assigning credit limits to its customers based on an extensive evaluation of customer profile and payment history. Outstanding customer receivables are regularly monitored.

As of the reporting date, the aging analysis of trade debts was as follows:

	------------------------------- Rupees -------------------------------			
Not past due	**506,643,021**	**-**	98,357,818	-
Past due 3 months -1 year	**-**	**-**	-	-
Past due more than 1 year	**1,583,807**	**1,583,807**	1,583,807	1,583,807
	508,226,828	**1,583,807**	99,941,625	1,583,807

Based on past experience, consideration of financial position, past track records and recoveries, the Company believes that trade debtors considered good do not require any impairment.

Note 'b' - Credit risk management of bank balances

			2024	2023
Bank Name	**Credit rating agency**	**Ratings**	------------ Rupees ------------	
Meezan Bank Limited	JCR-VIS	AAA	**23,815,591**	3,594,177
Habib Bank Limited	JCR-VIS	AAA	**711,965**	624,798
Bank Al-Habib Limited	PACRA	AAA	**-**	7,788,973
Bank Al-Falah Limited	PACRA	AAA	**6,232,124**	410,387
Al Baraka Bank (Pakistan) Limited	JCR-VIS	A+	**6,663,137**	5,851,978
MCB Bank Limited	PACRA	AAA	**250,173**	503,790
Faysal Bank Limited	PACRA	AA	**800,674**	667,151
Allied Bank Limited	PACRA	AAA	**20,250**	2,560,124
Soneri Bank Limited	PACRA	AA-	**53,262**	113,083
Askari Bank Limited	PACRA	AA+	**-**	1,481,210
United Bank Limited	JCR-VIS	AAA	**9,644,120**	5,537,757
Bank of Punjab	PACRA	AA+	**1,252,633**	1,252,633
Samba Bank Limited	PACRA	AA	**12,857**	830,110
HSBC Bank Middel East Limited	-	-	**497,907**	497,907
JS Bank Limited	PACRA	AA	**2,484,790**	380,321
National Bank of Pakistan	PACRA	AAA	**315,887**	315,887
Dubai Islamic Bank Limited	JCR-VIS	AA	**141,017**	2,691,427
Habib Metropolitan Bank Limited	PACRA	AA+	**95,640**	95,640
Sindh Bank Limited	JCR-VIS	AA-	**22,861**	22,861
Silk Bank Limited	JCR-VIS	A-	**6,826**	6,826
Bank Makramah Limited	-	-	**3,321**	3,321
KASB Bank Limited	-	-	**837**	837
			53,025,872	35,231,198

Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same party, or when counter parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by change in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. As of the reporting date, the Company was exposed to following concentration of credit risk:

	2024	2023
	Rupees	
Customer- A	**375,503,309**	85,769,222
Customer- B	**59,726,214**	-

37.2.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing 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 following are the contractual maturities of financial liabilities:

	September 30, 2024						
	Carrying amount	**Contractual cash flows**	**On demand**	**Six months or less**	**Six to twelve months**	**One to five years**	**More than five years**
	(Rupees)						
Non-derivative financial liabilities							
Long term finance (including accured markup)	**352,684,287**	**421,507,496**	**-**	**76,058,824**	**90,649,716**	**254,798,956**	**-**
Subordinated loan from the Chief Executive	**22,571,399**	**24,959,713**	**-**	**-**	**24,959,713**	**-**	**-**
Short term borrowings	**2,718,924,732**	**2,718,924,732**	**1,892,424,732**	**826,500,000**	**-**	**-**	**-**
Accured markup on short term borrowings	**190,367,905**	**190,367,905**	**-**	**190,367,905**	**-**	**-**	**-**
Trade and other payables	**569,681,572**	**569,681,572**	**-**	**569,681,572**	**-**	**-**	**-**
	3,854,229,895	**3,925,441,418**	**1,892,424,732**	**1,662,608,301**	**115,609,429**	**254,798,956**	**-**

	September 30, 2023						
	Carrying amount	Contractual cash flows	On demand	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees)						
Non-derivative financial liabilities							
Long term finance (including accured markup)	431,235,192	592,344,704	2,566,495	76,058,824	90,649,716	423,069,668	-
Subordinated loan from the Chief Executive	20,411,807	24,959,713	-	-	-	24,959,713	-
Short term borrowings	664,802,282	664,802,282	295,502,282	369,300,000	-	-	-
Accured markup on short term borrowings	56,242,618	56,242,618	-	56,242,618	-	-	-
Trade and other payables	89,200,282	89,200,282	-	89,200,282	-	-	-
	1,261,892,181	1,427,549,599	298,068,777	590,801,724	90,649,716	448,029,381	-

37.2.3 Market risk

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

a) *Currency risk*

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to a change in a foreign exchange rate. It arises mainly where receivables and payables exist due to transactions in foreign currency. As of the reporting date, the Company was not exposed to any foreign currency risk.

b) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As of the reporting date, the Company was exposed to cash flow interest rate risk on the long term and short term financing obtained from banks.

Exposure to interest rate risk

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

	2024	2023	**2024**	2023
	Effective interest rate (%)		**Carrying amount (Rs.)**	
Financial liabilities				
Long term finance	**11.02%-22.12%**	11.02%-25.03%	**311,171,000**	378,124,000
Short term borrowings	**18.21%-23.08%**	13.37%-25.91%	**1,856,692,338**	664,802,282
Financial assets				
Bank deposits - pls account	**11% - 20%**	10% - 19%	**5,777,135**	531,646

Sensitivity analysis:

The following information summarizes the estimated effects of 1% hypothetical increase and decrease in interest rates on cash flows from financial assets and financial liabilities that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. The hypothetical changes in market rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	(Decrease) / increase in profit before taxation	
	1% increase	**1% (decrease)**
As at September 30, 2024		
Cash flow sensitivity - Variable rate financial instruments	**21,620,862**	**(21,620,862)**
As at September 30, 2023		
Cash flow sensitivity - Variable rate financial instruments	10,423,946	(10,423,946)

c) *Other price risk*

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest / mark up 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 or similar financial instruments traded in the market. As of the reporting date, the Company was not exposed to any other price risk.

38. FAIR VALUE OF ASSETS AND LIABILITIES

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 Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the management recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. However, during the year, there were no transfers between the levels of the fair value hierarchy.

38.1 Fair value hierarchy

Following is the fair value hierarchy of the assets carried at fair value:

	Level 1	Level 2	Level 3	Total
	Rupees			
September 30, 2024				
- Freehold land	**-**	**1,429,893,000**	**-**	**1,429,893,000**
- Factory building	**-**	**208,852,115**	**-**	**208,852,115**
- Non - factory building	**-**	**74,200,124**	**-**	**74,200,124**
- Plant and machinery	**-**	**4,497,108,441**	**-**	**4,497,108,441**
September 30, 2023				
- Freehold land	-	1,429,893,000	-	1,429,893,000
- Factory building	-	226,628,811	-	226,628,811
- Non - factory building	-	78,105,394	-	78,105,394
- Plant and machinery	-	4,665,225,340	-	4,665,225,340

There were no transfers between levels 1, 2 and 3 during the year and there were no changes in valuation techniques during the years.

38.2 Valuation techniques and inputs used to determine fair value

The Company obtains independent valuations for its certain classes of property, plant and equipment. The following table summarizes the inputs used in the fair value measurement:

Description	2024 Rupees	2023 Rupees	Inputs used in fair value measurement
	---- Written down value (WDV) ----		
Freehold land	1,429,893,000	1,429,893,000	The market value of land has been derived using a sales comparison approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input into this valuation approach is price per square foot.
Factory buildings on freehold land	208,852,115	226,628,811	To determine the fair value of the buildings, following significant inputs were used:
Non-factory buildings on freehold land	74,200,124	78,105,394	
	283,052,239	304,734,205	1) Covered area of each building physically inspected by the valuer; 2) Complete specification of civil work on each building; 3) Physical condition of each building; 4) Cost of construction of new similar building;
Plant and machinery	4,497,108,441	4,665,225,340	To determine the fair value of the plant and machinery, following significant inputs are used: 1) Cost of acquisition of similar plant and machinery with similar level of technology keeping in view the make, model, capacity, country of origin and other specification. 2) **Physical condition of the plant and machinery-** To arrive at commensurable value, the new installed values have been depreciated accordingly, keeping in view the present condition of the plant and machinery.;

38.3 Fair value of financial instruments

Financial instruments comprise financial assets and financial liabilities. Fair value of the financial assets and liabilities is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. The Company's financial assets consist of long term deposits, short term investments, trade debts, short term loan to staff, other receivables and bank balances. Its financial liabilities consist of long term finances (including accrued markup), subordinated loan from the Chief Executive, short term borrowings, accrued markup on short term borrowings and trade and other payables. The fair value of above financial assets and liabilities (except non-current portion of long term loans) approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of non-current portion of long term loans is not significantly different from its carrying value as these financial instruments bear interest at floating rates which gets re-priced at regular intervals.

39. CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence, sustain future development of the business, safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board of Directors monitors the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also monitors the level of dividend to ordinary shareholders. There were no changes to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

Following is the quantitative analysis of what the Company manages as capital:

	Note	2024	(Restated) 2023
		---------------- **Rupees**	----------------
Borrowings			
Long term finance		**335,222,245**	414,462,305
Subordinated loan from the Chief Executive		**24,959,713**	24,959,713
		360,181,958	439,422,018
Share capital and reserves			
Issued, subscribed and paid up capital		**172,909,620**	172,909,620
Share premium		**172,909,620**	172,909,620
Revenue reserves		**1,238,641,867**	1,118,513,735
		1,584,461,107	1,464,332,975
		1,944,643,065	1,903,754,993

40. CHANGE IN ACCOUNTING POLICY - Tax

In May 2024, the Institute of Chartered Accountants of Pakistan issued Circular 07/2024 titled as 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes'. The circular clarifies that any taxes whose calculation is not based on **'taxable profit'** (as defined in the International Accounting Standard (IAS) 12 'Income Taxes') do not meet the definition of **'current tax'** as per that standard. Instead, such taxes should be treated as **'levies'** falling within the scope of IFRIC 21 'Levies' and the IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

In light of the guidance provided in, and as required by, the said circular, the Company has changed its accounting policy for current tax whereby only the portion of the income tax charge that is based on the 'taxable income' for a reporting period (as determined in accordance with the provisions of the Income Tax Ordinance, 2001 and the rules made thereunder) is now classified as a 'current tax'. Any excess charge over the said amount (for example, excess of Minimum Tax under section 113 of the Income Tax Ordinance, 2001 over the normal tax charge) is now classified as a 'levy' in the statement of profit or loss. The Company has also changed its accounting policy of calculating deferred tax on proportionate basis as per the requirements of TR-27 IAS 12, Income Taxes (Revised) that has been withdrawn by the Council of the Institute in the mentioned Circular. As the said change in accounting policy also has effect on the accounting for deferred income taxes i.e., the deferred tax liabilities / assets and Surplus on revaluation of property, plant and equipment- net have also been restated.

In these financial statements, the said change in accounting policy has been accounted for retrospectively. If the said change in accounting policy had, however, not been made, the following items in the statement of profit or loss would have been reported as under:

	2024	2023
	---------------- Rupees ----------------	
Operating profit	**711,601,986**	421,665,968
Finance costs	**(561,243,026)**	(278,546,391)
Other income	**23,385,919**	33,319,738
Other operating expenses	**(49,863,905)**	(20,133,118)
	(587,721,012)	(265,359,771)
Profit before levies and taxation	**123,880,974**	156,306,197
Levies	**-**	-
Profit before taxation	**123,880,974**	156,306,197
Taxation - net	**(69,635,280)**	(37,803,110)
Profit after taxation	**54,245,694**	118,503,087
Earnings per share- basic and diluted	**3.14**	6.85

As stated above the aforementioned change in accounting policy has been accounted for retrospectively in accordance with the requirements of the International Accounting Standard (IAS) 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and all the corresponding figures affected thereby have been restated. Further, since these restatements have material effects on the statement of financial position as at the beginning of the earliest period presented (i.e. September 30, 2022), the said statement has also been presented in these financial statements in accordance with the requirements of the IAS 1 'Presentation of Financial Statements'.

The retrospective effects on the corresponding figures presented in these financial statements are as follows:

Effects on the statement of financial position	September 30, 2023			September 30, 2022		
	As previously reported	As restated	Change	As previously reported	As restated	Change
	---------- Rupees ----------					
Deferred liabilities	958,788,704	1,178,728,812	219,940,108	768,619,740	898,507,929	129,888,189
Revenue reserves	1,146,325,477	1,118,513,735	(27,811,742)	988,775,896	951,180,856	(37,595,040)
Surplus on revaluation of property, plant and equipment- net	3,972,855,205	3,780,726,839	(192,128,366)	2,661,730,994	2,569,437,845	(92,293,149)

Effects on the statement of profit or loss		For the year ended September 30, 2023		
		As previously reported	**As restated**	**Change**
		---------- (Rupees) ----------		
Operating profit	*40.1*	413,117,305	421,665,968	8,548,663
Finance costs		(278,546,391)	(278,546,391)	-
Other income		33,319,738	33,319,738	-
Other operating expenses		(11,584,455)	(8,548,663)	3,035,792
		(256,811,108)	(253,775,316)	3,035,792
Profit before levies and taxation		156,306,197	167,890,652	11,584,455
Levies		-	(35,871,690)	(35,871,690)
Profit before taxation		156,306,197	132,018,962	(24,287,235)
Taxation - net		(54,982,487)	(14,502,284)	40,480,203
Profit after taxation		101,323,710	117,516,678	16,192,968
Earnings per share- basic and diluted		5.86	6.80	0.94

40.1 This change represent the effect of change in corresponding figure as disclosed in note 41.3 to the financial statements.

41. GENERAL

41.1 Plant capacity and actual production

	2024		2023	
	Quantity (Metric Tons)	**No. of Days**	Quantity (Metric Tons)	No. of Days
Crushing capacity	**2,400,000**	**150**	2,400,000	150
Cane crushed	**684,186**	**104**	590,048	106
Production - sugar	**69,369**	**104**	57,790	106

41.1.1 During the crushing season 2023-24, mill operated 104 days (2022-2023 : 106 days) out of 180 days, therefore the production capacity of the Company remained under utilized mainly due to non-availability of sugar cane.

41.2 Number of employees

	2024	2023
	---------------- Number ----------------	
Total number of employees as at the year end	**485**	479
Average number of employees during the year	**650**	491

41.3 Reclassification of corresponding figures

Corresponding figures have been rearranged and reclassified in these financial statements, wherever necessary, for the purpose of comparison. Major reclassifications are detailed hereunder:

Reclassification from	Reclassification to		Rupees
Other operating expenses *(Workers' profit participation fund)*	Levies *(Workers' profit participation fund)*	*30*	**8,394,533**
Other operating expenses *(Workers' welfare fund)*	Levies *(Workers' welfare fund)*	*30*	**3,189,922**
Administrative expenses *(Charity and donation)*	Other operating expenses *(Charity and donation)*	*29*	**8,548,663**
Stores and spares *(Stores inventory in hand)*	Property, plant and equipment *(Capital Spares)*	*4 & 5*	**20,668,914**

41.4 Non-adjusting event after the reporting date

The Board of Directors in their meeting held on January 6, 2025 has proposed a final cash dividend of Rs. 1.50/- per share (2023: Rs. 3.5/- per share) for approval of the members at the Annual General Meeting to be held on January 28, 2025. These financial statements do not reflect this appropriation.

41.5 Date of authorization of the financial statements for issue

These financial statements have been authorized for issue by the Board of Directors of the Company in their meeting held on January 6, 2025.

41.6 Level of rounding

All the figures in these financial statements have been rounded off to the nearest rupee.

GHULAM AHMED ADAM	OMAR G. ADAM	FAISAL HABIB
Chief Executive	Director	Chief Financial Officer

59th ANNUAL GENERAL MEETING

PROXY FORM

Registered Folio / Participant's
ID No. and A/c No. ____________________
No. of Shares held ____________________

I/We ____

of ____

Being a member of Adam Sugar Mills Limited Holder of ____________________

shares hereby appoint ________________________ of ____________________

(another Member of the Company) of failing him ________________________ as

my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at 11:00 A.M. on Tuesday January 28, 2025 at The Arts Council of Pakistan and at any adjournment there of.

In witness my/our hand this ______________________ day of 2025

Signed by the said ______________ ______________________
(WITNESS'S SIGNATURE)

In the presence of ______________ ______________________
(WITNESS'S SIGNATURE)

Affix Rs. 5/-
Revenue
Stamps

This form of Proxy, duly completed, must be deposited at the Company's Registered Office not less than 48 hurs before the time of the meeting.

اُنسٹھواں سالانہ عام اجلاس

پراکسی فارم

فولیو/CDC اکاؤنٹ نمبر

میں مسمیٰ/مسمّاۃ ________________________________

ساکنہ ________________________________

بحیثیت ممبر آدم شوگر ملز لمیٹڈ، مسمی/مسمّاۃ ________________________________

ساکنہ کو بطور مختار (پراکسی) مقرر کرتا/کرتی ہوں تا کہ وہ میری جگہ اور میری طرف سے کمپنی کے اُنسٹھواں سالانہ اجلاسِ عام جو بتاریخ 28 جنوری 2025 بروز منگل گیارہ بجے آرٹس کونسل میں منعقد ہو رہا ہے میں اور اس کے کسی ملتوی شدہ اجلاس میں ووٹ ڈالے۔

دستخط گواہ: ____________________

نام: ____________________

مطلوبہ ریوینیو ٹکٹ چسپاں کر کے ممبر کے دستخط

دستخط گواہ: ____________________

نام: ____________________

تاریخ: ____________________

مکمل پُر شدہ پراکسی فارم کے رجسٹرڈ آفس میں میٹنگ سے 48 گھنٹے قبل جمع کرایا جانا لازمی ہے۔

Haji Adam Chambers, Altaf Hussain Road,
New Challi, P.O. Box 4274, Karachi.