

# annual report 2025

## CHASHMA SUGAR MILLS LIMITED

---

Page	CONTENTS
2	Company Profile <b>Governance</b>
3	Company Information
4	Management Committees
7	Vision and Mission Statement
8	Code of Conduct <b>Stakeholders' Information</b>
10	Ten Years' Review
11	Six Year's Performance at a Glance
12	Notice of Annual General Meeting
22	Chairperson's Review Report ( <i>English / Urdu</i> )
22	Directors' Report to the Shareholders ( <i>In English / Urdu</i> )
36	Shareholders' Information
37	Pattern of Shareholding <b>Financial Statements</b>
39	Independent Auditor's Review Report on Statement of Compliance Contained in the Listed Companies (Code of Corporate Governance) Regulations
40	Statements of Compliance with the Code of Corporate Governance
43	Auditors' Report to the Members
48	Statement of Financial Position
49	Statement of Profit or Loss
50	Statement of Other Comprehensive Income
51	Statement of Changes in Equity
52	Statement of Cash Flows
53	Notes to the Financial Statements
118	Consolidated Financial Statements <b>Proxy Form</b>

# **CHASHMA SUGAR MILLS LIMITED**

## **Company Profile**

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

- a) The exclusive object for which the Company was established is to set up and operate an industrial undertaking at Dera Ismail Khan in the Khyber Pakhtoon Khawa province to manufacture, produce, process Compound, prepare and sell sugar and other allied compounds, intermediates and by products thereto.
- b) To appoint agents, sub-agents, attorneys, consultants, brokers, and contractors and connection with the exclusive object but not to act as managing agents.
- c) To receive money on loan and borrow or raise money in such manner as the Company shall think fit in pursuance of the exclusive object, and particular by the issue of debentures, or debenture stock (perpetual or otherwise) and to secure the repayment of any money borrowed raised or owing by mortgage, charge or lien upon all or any of the property or assets of the Company (both present and future), and also by a similar mortgage charge or lien to secure and guarantee the performance by the Company or any other person or Company of any obligation undertaken by the Company or any other person or Company as the case may be , but not act as a finance or banking Company.
- d) To purchase and import equipment, machinery, spare parts, or other articles and chemicals of use required by the Company for the purpose of carrying on the exclusive object and to export the products of the Company.
- e) To employ and remunerate managers and other officers, employees and servants of the Company or any person or firm or Company rendering services to the Company upon such terms as the Company may determine.
- f) To accept or give security, including but not limited to promissory notes, indemnity bonds, guarantees, assignments, receipts, bailments pledges, hypothecations, liens, mortgages and charges, against the credit extended or moneys borrowed in connection with the exclusive object of the Company.
- g) To open, close and operate banking accounts of the Company with any bank or banks financial institutions or co-operative societies and to draw, make, accept, endorse, discount, execute and issue promissory notes bills of exchange, bill of lading, warrants, debentures and other negotiable or transferable instruments, but not act as a finance or banking Company.
- h) Any other business as mentioned in the Memorandum of Association.

# CHASHMA SUGAR MILLS LIMITED

## COMPANY INFORMATION

### **Board of Directors**

Begum Laila Sarfaraz	Chief Executive
Abbas Sarfaraz Khan	Chairman
Ms. Zarmine Sarfaraz	Director
Mr. Iskander Mohammad Khan	Director
Mr. Rizwan Ullah Khan	Director
Ms. Samia Liaqat Ali Khan	Independent Director
Mr. Feisal Kamal Khan	Independent Director

### **Company Secretary**

Mr. Mujahid Bashir

### **Chief Financial Officer**

Mr. Saqib Khan

### **Head of Internal Audit**

Mr. Zaheer Mir

### **Auditors**

M/s. Shinewing Hameed Chaudhri & CO  
Chartered Accountants

### **Tax Consultants**

M/s. Shinewing Hameed Chaudhri & CO  
Chartered Accountants

### **Legal Advisor**

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

### **Shares Registrar**

M/S. Hameed Majeed Associates (Pvt) Limited.  
H. M. House, 7-Bank Square, Lahore.

### **Bankers**

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

# CHASHMA SUGAR MILLS LIMITED

## Management Committees

### Executive Committee

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

Executive Committee is involved in day-to-day operations of the Company and is authorized to conduct every business except the businesses to be carried out by Board of Directors as required by section 183 of the Companies Act, 2017. Executive Committee meets periodically to review operating performance of the Company against pre-defined objectives, commercial business decisions, investments and funding requirements.

### Audit Committee

Ms. Samia Liaquat Ali Khan (Independent Director)	Chairperson
Mr. Iskander M. Khan (Non-Executive Director)	Member
Mr. Zarmine Sarfaraz (Non-Executive Director)	Member
Mr. Mujahid Bashir	Secretary

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

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

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

- b) review of annual and interim financial statements of the Company, prior to their approval by the Board of Directors, focusing on:
    - major judgmental areas;
    - significant adjustments resulting from the audit;
    - going-concern assumption;
    - any changes in accounting policies and practices;
    - compliance with applicable accounting standards;
    - compliance with these regulations and other statutory and regulatory requirements; and
    - all related party transactions.
  - c) review of preliminary announcements of results prior to external communication and publication;
  - d) facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
  - e) review of management letter issued by external auditors and management's response thereto;
  - f) ensuring coordination between the internal and external auditors of the Company;
  - g) review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
  - h) consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
  - i) ascertaining that the internal control system including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
  - j) review of the Company's statement on internal control systems prior to endorsement by the board of directors and internal audit reports;
  - k) instituting special projects, value for money studies or other investigations on any matter specified by the board of directors, in consultation with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body;
  - l) determination of compliance with relevant statutory requirements;
  - m) monitoring compliance with these regulations and identification of significant violations thereof;
  - n) review of arrangement for staff and management to report to audit committee in confidence, concerns, if any about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
-

- o) recommend to the board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements. The board of directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof.
- p) Consideration of any other issue or matter as may be assigned by the Board of Directors.

### **Human Resource and Remuneration Committee**

Ms. Samia Liaquat Ali Khan (Independent Director)	Chairperson
Ms. Zarmine Sarfaraz (Non-Executive Director)	Member
Mr. Iskander M. Khan (Non-Executive Director)	Member
Mr. Mujahid Bashir	Secretary

### **The Committee is responsible for:**

- i) recommend to the board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the board which shall normally include the first layer of management below the chief executive officer level;
- ii) undertaking annually a formal process of evaluation of performance of the board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing name, qualification and major terms of appointment;
- iii) recommending human resource management policies to the board;
- iv) recommending to the board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;
- v) consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and
- vi) where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the Company.

# CHASHMA SUGAR MILLS LIMITED

## VISION STATEMENT

- Efficient organization with professional competence of top order is engaged to remain a market leader in the sugar industry in manufacturing and marketing of white sugar.
- To ensure attractive returns to business associates and optimizing the shareholders' value as per their expectations.

## MISSION STATEMENT

- Quality objectives are designed with a view to enhance customer satisfaction and operational efficiencies.
- To be a good corporate citizen to fulfil the social responsibilities.
- Commitment to building, Safe, Healthy and Environment friendly atmosphere.
- We with professional and dedicated team, ensure continual improvement in quality and productivity through effective implementation of Quality Management System. Be a responsible employer and reward employees according to their ability and performance.
- The quality policy encompasses our long-term **Strategic Goals** and **Core Values**, which are integral part of our business.

## STRATEGIC GOALS

- Providing customer satisfaction by serving with superior quality production of white sugar and industrial alcohol at lowest cost.
- Ensuring security and accountability by creating an environment of security and accountability for employees, production facilities and products.
- Expanding customer base by exploring new national and international markets and undertaking product research and development in sugar industry.
- Ensuring Efficient Resource Management by managing human, financial, technical and infrastructural resources so as to support all strategic goals and to ensure highest possible value addition to stakeholders.

## CORE VALUES

- Striving for continuous improvement and innovation with commitment and responsibility;
- Treating stakeholders with respect, courtesy and competence;
- Practicing highest personal and professional integrity;
- Maintaining teamwork, trust and support with open and candid communication; and
- Ensuring cost consciousness in all decision and operations.

# CHASHMA SUGAR MILLS LIMITED

## Code of Conduct

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

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

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

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

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

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

## **General Principles**

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

The Company's business and activities have to be carried out in a transparent, honest and fair way, in good faith and in full compliance. Any form of discrimination, corruption, forced or child labor is

rejected. Particular attention is paid to the acknowledgment and safeguarding of the dignity, freedom and equality of human beings.



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

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

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

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

## **Statement of Ethical Practices**

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

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

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

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

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

# CHASHMA SUGAR MILLS LIMITED

## TEN YEAR PERFORMANCE AT GLANCE

Particulars	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
(RUPEES IN THOUSANDS)										
Sales- Net	24,899,377	32,274,657	26,375,717	17,094,813	16,037,086	15,929,690	12,420,711	10,383,833	11,332,390	11,206,209
Cost of sales	23,239,598	30,054,086	20,188,453	14,228,117	13,912,324	13,019,259	10,183,656	9,004,826	10,224,316	10,100,778
Operating (loss)/ profit	(166,211)	285,284	4,317,648	1,618,212	993,685	1,646,572	1,386,048	737,524	625,256	716,714
Profit/(Loss) before tax	(3,512,985)	(3,813,820)	1,579,280	505,434	337,348	742,671	636,500	253,164	132,299	215,151
Profit/(Loss) After tax	(2,948,590)	(2,637,248)	1,699,139	43,548	310,381	746,115	578,648	193,623	92,152	297,450
Share capital	286,920	286,920	286,920	286,920	286,920	286,920	286,920	286,920	286,920	286,920
Shareholders' equity	10,211,935	13,142,238	14,538,096	11,115,953	9,011,835	7,690,524	6,321,459	5,805,480	4,065,179	4,075,359
Fixed assets – net	19,668,278	21,545,185	20,371,132	18,016,724	11,833,225	9,892,348	9,223,953	9,531,791	7,789,577	8,169,406
Current assets	12,918,221	8,136,075	9,988,217	5,918,070	4,136,107	4,387,455	4,187,304	4,170,076	2,770,411	1,898,319
Total assets	33,918,974	31,644,900	31,577,766	24,903,577	16,973,448	14,889,960	13,526,341	13,815,725	10,573,906	10,072,321
Long term liabilities	5,116,722	7,349,029	7,102,942	7,004,996	3,670,881	3,177,044	2,672,716	2,825,549	2,792,674	3,370,510
<b>Dividend</b>										
Cash Dividend	0%	0%	50%	0%	50%	50%	50%	15%	15%	45%
<b>Ratios</b>										
<b>Profitability (%)</b>										
Operating (loss)/profit	(0.67)	0.88	16.37	9.47	6.20	10.34	11.16	7.10	5.52	6.40
Profit/ (Loss) before tax	(14.11)	(11.82)	5.99	2.96	2.10	4.66	5.12	2.44	1.17	1.92
Profit/(Loss) after tax	(11.84)	(8.17)	6.44	0.25	1.94	4.68	4.66	1.86	0.81	2.65
<b>Return to Shareholders</b>										
ROE - Before tax	(34.40)	(29.02)	10.86	4.55	3.74	9.66	10.07	4.36	3.25	5.28
ROE - After tax	(28.87)	(20.07)	11.69	0.39	3.44	9.70	9.15	3.34	2.27	7.30
Return on Capital Employed	(1.08)	1.39	19.95	8.93	7.83	15.15	15.41	8.55	9.12	9.63
(Loss)/ Earning per share	(102.77)	(91.92)	59.22	1.52	10.82	26.00	20.17	6.75	3.21	10.37
<b>Activity</b>										
Income to total assets	0.73	1.02	0.84	0.69	0.94	1.07	0.92	0.75	1.07	1.11
Income to fixed assets	1.27	1.50	1.29	0.95	1.36	1.61	1.35	1.09	1.45	1.37
<b>Liquidity / leverage</b>										
Current ratio	0.69	0.73	1.01	0.87	0.96	1.09	0.92	0.80	0.75	0.72
Break up value per share	355.92	458.05	506.70	387.42	314.09	268.04	220.32	202.34	141.68	142.04
Total Liability to equity (Time)	2.32	1.41	1.17	1.24	0.88	0.94	1.14	1.38	1.60	1.47

# CHASHMA SUGAR MILLS LIMITED

## TEN YEARS REVIEW

### PRODUCTION OF SUGAR

YEAR	CANE CRUSHED TONS	RECOVERY %	SUGAR PRODUCED TONS
2016	1,689,633	9.20	155,443
2017	2,224,494	9.16	203,687
2018	2,040,734	9.47	193,323
2019	1,562,413	10.64	166,252
2020	1,432,075	10.55	151,013
2021	1,468,505	9.94	145,987
2022	1,885,437	10.35	195,219
2023	1,963,169	10.80	211,871
2024	1,726,610	9.94	171,591
2025	1,484,965	9.74	144,314

### PRODUCTION OF ETHANOL

YEAR	MOLASES CONSUMED TONS	RECOVERY %	PRODUCTIONS (LITRES)
2016	111,385	18.58	25,870,308
2017	129,384	18.32	26,623,876
2018	184,282	19.37	44,617,163
2019	191,492	18.07	43,260,426
2020	189,471	18.35	43,462,330
2021	189,086	18.66	44,099,770
2022	169,076	19.37	40,933,660
2023	173,139	19.58	42,374,200
2024	176,201	19.55	43,053,990
2025	177,093	19.63	43,448,982

# CHASHMA SUGAR MILLS LIMITED

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** 38th Annual General Meeting of the shareholders of Chashma Sugar Mills Limited will be held on January 28, 2026 at 11:00 AM at the Registered Office of the Company at Nowshera Road, Mardan, for transacting the following business: -

### ORDINARY BUSINESS:

1. To confirm the minutes of the Extra Ordinary General Meeting held on April 03, 2025.
2. To receive, consider and adopt the Audited Financial Statements of the Company together with the Directors' and Auditors' reports for the year ended September 30, 2025.
3. To appoint the Auditors of the Company and to fix their remuneration for the financial year ending September 30, 2026. The present auditors' M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants, Lahore, retire and being eligible offer themselves for re-appointment.
4. To transact any other business of the Company as may be permitted by the Chair.

### SPECIAL BUSINESS:

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

- a) To Convert the Outstanding Receivable from Whole Foods (Private) Limited into equity Investment.

**“RESOLVED THAT** pursuant to the Loan Agreement dated October 1, 2023, as amended on February 26, 2025, and as per the offer and the approval of the Members of Whole Foods (Private) Limited in their Annual General Meeting held on October 27, 2025, an amount of Rs. 772,233,277 outstanding as at September 30, 2025, which, including forecasted amounts, is expected to aggregate to Rs. 880,000,000 up to October 25, 2027, representing the amount payable by Whole Foods (Private) Limited to Chashma Sugar Mills Limited.”

**FURTHER RESOLVED THAT** the Directors and Company Secretary be and are hereby jointly/severally authorized to do all acts, deeds, and things, and execute all documents, agreements, and filings necessary to give effect to this resolution.”

- b) To approve the following resolution regarding related parties' transactions.

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

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

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

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


- C) To consider and approve 10% increase in salaries of working/executive's directors along with ancillary benefits, as approved by the Board on October 03, 2025, with effect from November 01, 2025.

**"RESOLVED THAT** an increase of 10% in salaries of working directors w.e.f. November 01, 2025, as approved by the Board on October 03, 2025, be and is hereby approved".

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

**BY ORDER OF THE BOARD**

Mardan:  
January 05, 2026

  
**(Mujahid Bashir)**  
Company Secretary

Notes:

#### 1. FOR APPOINTING PROXIES

- i. A member eligible to attend, Speak and vote may appoint any other person as his/her proxy to attend, speak and vote on his/her behalf. Proxies must be received at the Registered Office of the Company duly signed not later than 48 hours before the time and holding the meeting. In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
- II. The proxy form shall be witnessed by two persons whose names, addresses and valid CNIC numbers shall be mentioned on the form.
- III. Attested copies of valid CNIC or the passport of the beneficial owners shall be furnished with the proxy form.

- IV. In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
- V. Proxies attending meeting on behalf of members are also required to provide below information in case they will be attending the meeting through video link. Video link detail and login credentials will be shared with proxy after verification.

2. **CHANGE OF ADDRESS**

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

3. **COMPUTERIZED NATIONAL IDENTITY CARD NUMBER /NATIONAL TAX NUMBER**

In compliance with regulatory directives issued from time to time, members who have not yet provided their Computerized National Identity Card (CNIC) Numbers and/or National Tax Numbers (NTN), as the case may be, are requested to kindly provide copies of their valid CNIC and /or NTN certificates at the earliest:

4. **CONSENT OF VIDEO CONFERENCE FACILITY**

The SECP vide circular no 4 of 2021 has advised to provide participation of the members through electronic means. Members interested to participate in the AGM are requested to email their Name, Folio Numbers, Number of Shares held in their name. Cell Number, CNIC Number (along with valid copy of both sides of CNIC) with subject "Registration for Participation in AGM" at mujahid@premiergrouppk.com.

Video link and login credentials shall be shared with only those members whose emails, containing all the required particulars, are received by the close of business hours (till 5:00 pm) on Monday January 26, 2026.

To avail this facility a request is to be submitted to the Company Secretary of the Company on given address:

"The Company Secretary,  
Chashma Sugar Mills Limited, Kings Arcade, 20-A Markaz F-7, Islamabad."

5. **UNCLAIMED DIVIDEND /SHARES**

Shareholders who have not collected their dividend / physical shares are advised to contact our shares registrar to collect / enquire about their unclaimed dividend or shares, if any.

6. **CONVERSION OF PHYSICAL SHARES INTO BOOK ENTRY FORM**

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

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

## **7. CIRCULATION OF ANNUAL AUDITED FINANCIAL STATEMENTS:**

The Securities and Exchange Commission of Pakistan vide SRO No. 389 (I)/2023 dated March 21, 2023, has allowed listed companies to circulate their Annual Audited Financial Statements (i.e the Annual Balance Sheet and Profit or Loss Account, Auditors Report and Directors' Report) to its members through QR Enabled code and web-link, which is given below:  
<https://www.chashmasugarmills.com>



Pursuant to the approval of shareholders, the Annual Audited Financial Statements of the Company for the year ended September 30, 2025, are being circulated to the members through QR enabled code and web-link. The Annual Audited separate and consolidated Financial Statements are being sent to members who have provided their e-mail address. Hard copy of the Annual Report will be provided to the members on demand.

## **8. POSTAL BALLOTING / E-VOTING**

Pursuant to the Companies (Postal Ballot) Regulations, 2018 for any agenda item subject to the requirements of Section 143 and 144 of the Companies Act, 2017 Members will be allowed to exercise their right of vote through postal ballot, in accordance with the requirements and procedures contained in the aforesaid regulations.

### **Procedure for e-Voting**

- a) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on January 26, 2026.
- b) The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS by the Share Registrar (being the e-voting service provider).
- c) Identity of the Members intending to cast vote through e Voting shall be authenticated through electronic signature or authentication for login.
- d) Members shall cast vote online at any time from January 26, 2026, 9:00 a.m. to January 27, 2026. Voting shall close on January 27, 2026, at 5:00 p.m. Once the vote on the resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

### **Procedure for voting through postal ballot paper**

The members shall ensure that duly filled and signed ballot paper along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post on the Company's address at The Company Secretary, Chashma Sugar Mills Limited, Kings Arcade, 20-A Markaz F-7, Islamabad or email at [mujahid@premiergrouppk.com](mailto:mujahid@premiergrouppk.com) one day before the day of poll, during working hours. The signature on the ballot paper shall match with the signature on CNIC.

## 9. STATUTORY CODE OF CONDUCT OF SHAREHOLDERS AT AGM

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

## STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 PERTAINING TO SPECIAL BUSINESS

### Material Facts:

This statement sets out the material facts relating to the special business comprising the items included in the Notice to be transacted at the 38th Annual General Meeting of the Company, scheduled to be held on January 28, 2025. It contains all material information relevant to the said special business.

Agenda item # 5 (a)

Sr. #	NATURE OF INFORMATION REQUIRED TO BE DISCLOSED PURSUANT TO THE COMPANIES (INVESTMENTS IN ASSOCIATED COMPANIES OR UNDERTAKINGS) REGULATIONS, 2017	RELEVANT INFORMATION
-------	--	----------------------

A)		Disclosure for all types of investments (Regulation 3(a))	
	(A)	Regarding associated company or associated undertaking: -	
	I	Name of Investee Company	Whole Foods (Pvt.) Limited (WFPL)
	Ii	Relationship with associated company	Wholly-Owned Subsidiary Company of Chashma Sugar Mills Limited.
	Iii	Earnings per share for the last three years	Year 2023: Rs (11.19) Year 2024: Rs (18.71) Year 2025: Rs (17.64)
	Iv	Breakup Value per share based on latest audited Financial Statements	Rs 45.63 (Adjusted)
			<b>Profit &amp; Loss: Rupees in thousand</b>
			Sales (net) -
			Gross Loss -
			Administrative expenses (87,663)
			Other income -
			Finance cost (107,643)
			Loss after taxation (176,396)



			<b>Financial Position:</b>
			Non-current Assets 681,230
			Current Assets 74,720
			<b>Total Assets 755,950</b>
			Shareholders' Equity -166,338
			Non-current Liabilities 139,597
			Current Liabilities 782,691
			<b>Total Liabilities &amp; Equity 755,950</b>
	vi	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely:	N/A
	<b>(B) General Disclosure: -</b>		
	i	Maximum amount of investment to be made	Aggregate amount up to Rs. 880 million, to be converted into equity shares of Whole Foods (Private) Limited, in addition to the existing equity investment.
	ii	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	Conversion of outstanding payable into equity shares to strengthen the financial position of Whole Foods (Private) Limited, improve its capital structure, and secure recoverability of the outstanding payable of Chashma Sugar Mills Limited. The investment is long-term in nature.
	iii	Source of Funds	Non-cash transaction – conversion of outstanding payable into equity shares; no fresh funds involved.
	iv	Salient features of the agreement(s), if any, with associated company or Holding Company with regards to the proposed investment;	Conversion pursuant to the Loan Agreement dated October 1, 2023, and an addendum dated February 26, 2025, based on mutual understanding, and approved by the Members of Whole Foods (Private) Limited in their AGM held on October 27, 2025.
	v	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	None, except to the extent of shareholding, if any.
	vi	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	Chashma Sugar Mills Limited already holds 10,000,000 ordinary shares of Rs. 10 each in Whole Foods (Private) Limited. No impairment or write-off has been recognized to date during the year September 30, 2025.
<b>B)</b>	<b>In case of Equity Investment: -</b>		

	i	Maximum price at which securities will be acquired;	Rs. 10 per ordinary share (par value).
	ii	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof;	Not applicable, as the shares are unlisted and issued at par value.
	iii	Maximum number of securities to be acquired	88,000,000 ordinary shares of Rs. 10 each of Whole Foods (Private) Limited.
	iv	Number of securities and percentage thereof held before and after the proposed investment;	Before investment: 10,000,000 ordinary shares. After investment: 98,000,000 ordinary shares in total (subject to issuance), representing the aggregate holding post-conversion; percentage to be determined based on total issued and paid-up capital after issuance.
	v	Current and preceding twelve weeks weighted average market price where investment is proposed to be made in listed securities	Not applicable, as the shares are not listed.
	vi	Fair value determined for investments in unlisted securities.	Fair value considered equivalent to or above par value, as the shares are issued against conversion of outstanding payable under mutually agreed terms.
<b>C)</b>	Except to the extent as mentioned above, the Directors of the Company have no direct or indirect interest in the above said special business except to the extent of their shareholding in the Company.		
<b>D)</b>	The audited annual financial information for the year ended September 30, 2025 of Chashma Sugar Mills Limited, can be inspected from 10.00 a.m. to 11.00 a.m. in all working days up-to January 23, 2026 by the shareholders.		

#### Agenda item # 5 (b)

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

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

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

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

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

#### Agenda item # 5 (c)

It has been recommended to increase the remuneration of the working directors by 10% with effect from November 01, 2025, subject to the approval of the shareholders of the Company, taking into account their professional expertise, responsibilities, and the increase in the Company's operational activities.

Accordingly, to provide fair compensation for their services and responsibilities, the Board of Directors, in its meeting held on October 03, 2025, approved and recommended the aforesaid increase and resolution:

The Directors have no other interest to the extent of aforesaid mentioned.

# CHASHMA SUGAR MILLS LIMITED

## CHAIRMAN'S REVIEW REPORT

I am pleased to welcome you to the 38th Annual Report of your Company. It gives me great pleasure to present the Review Report along with the Audited Financial Statements for the year ended September 30, 2025, on behalf of the Board of Directors, on the performance of your Company, as required by Section 192 of the Companies Act, 2017.

As Chairman, I am satisfied that the Board remained fully engaged throughout the year and exercised effective oversight of the Company's affairs. Under my chairmanship, the Board met regularly to review strategy, operational progress, risk management, and compliance matters. The Board continued to emphasize transparency, collective judgment, and accountability while providing clear direction to management in a challenging operating environment.

In compliance with the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board conducted its annual performance evaluation, which confirmed its effective functioning and sound governance practice.

A key strategic development during the year, approved and overseen by the Board under my chairmanship, was the merger of Ultimate Whole Foods (Private) Limited. This merger represents an important step in the Company's long-term strategy of diversification and expansion beyond its traditional business lines. The addition of a flour milling business provides the Company with a broader operating base and supports the Board's vision of building a more balanced and resilient business model. While the integration phase requires careful management, the Board remains confident that this strategic move will contribute positively over time.

The Board remained mindful of the key risks faced by the Company and, as Chairman, I ensured that appropriate systems of internal control, risk management, and compliance remained in place and operated effectively. These frameworks continue to support prudent decision-making and safeguard the interests of stakeholders.

Looking ahead, as Chairman, I remain confident in the Company's fundamentals, its experienced management team, and its strategic direction. The Board will continue to focus on discipline, efficiency, and thoughtful diversification to support long-term sustainability and value creation. Detailed information on the Company's affairs is provided in the Directors' Report and the accompanying Financial Statements for the year ended September 30, 2025.

On behalf of the Board, and as Chairman, I would like to express my sincere appreciation to the Company's employees for their dedication and professionalism. I also thank our business partners, regulators, and stakeholders for their continued support, and extend my gratitude to our shareholders for their continued trust and confidence in the Company.



**(Abbas Sarfaraz Khan)**

Chairman

Mardan: January 05, 2026

# چشمہ شوگر ملز لمیٹڈ

## چیرمین کی جائزہ رپورٹ

مجھے خوشی ہے کہ میں آپ کو آپ کی کمپنی کی 38 ویں سالانہ رپورٹ میں خوش آمدید کہتا ہوں۔ مجھے یہ اعزاز حاصل ہے کہ میں بورڈ آف ڈائریکٹرز کی جانب سے آپ کی کمپنی کی کارکردگی پر جائزہ رپورٹ اور آڈٹڈ مالیاتی بیانات پیش کروں، جو 30 ستمبر 2025 کو ختم ہونے والے سال کے لیے ہیں، جیسا کہ کمپنیز ایکٹ 2017 کے سیکشن 192 کے تحت ضروری ہے۔

بطور چیرمین، میں مطمئن ہوں کہ بورڈ پورے سال مکمل طور پر متحرک رہا اور کمپنی کے امور کی مؤثر نگرانی کرتا رہا۔ میری صدارت میں، بورڈ باقاعدگی سے ملاقاتیں کرتا تھا تاکہ حکمت عملی، آپریشنل پیش رفت، رسک مینجمنٹ، اور تعمیل کے معاملات کا جائزہ لیا جاسکے۔ بورڈ نے شفافیت، اجتماعی فیصلے، اور جوابدہی پر زور دیا اور چیلنجنگ آپریٹنگ ماحول میں انتظامیہ کو واضح رہنمائی فراہم کی۔

کمپنیز ایکٹ، 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی تعمیل میں، بورڈ نے اپنی سالانہ کارکردگی کا جائزہ لیا، جس نے اس کی مؤثر کارکردگی اور درست گورننس پریکٹس کی تصدیق کی۔

سال کے دوران ایک اہم اسٹریٹجک پیش رفت، جس کی منظوری اور نگرانی بورڈ نے میری صدارت میں کی، الٹی میٹ ہول فوڈز (پرائیویٹ) لمیٹڈ کا انضمام تھا۔ یہ انضمام کمپنی کی طویل مدتی حکمت عملی میں ایک اہم قدم ہے جس میں تنوع اور توسیع روایتی کاروباری لائنز سے آگے بڑھ رہی ہے۔ آٹے کی ملنگ کے کاروبار کے اضافے سے کمپنی کو وسیع آپریٹنگ بیس ملتا ہے اور بورڈ کے وزن کو تقویت ملتی ہے کہ وہ ایک زیادہ متوازن اور مضبوط کاروباری ماڈل بناتا ہے۔ اگرچہ انضمام کا مرحلہ محتاط انتظام کا متقاضی ہے، بورڈ پر اعتماد ہے کہ یہ حکمت عملی وقت کے ساتھ مثبت کردار ادا کرے گی۔

بورڈ کمپنی کو درپیش اہم خطرات سے آگاہ رہا اور بطور چیرمین میں نے اس بات کو یقینی بنایا کہ اندرونی کنٹرول، رسک مینجمنٹ، اور تعمیل کے مناسب نظام موجود رہیں اور مؤثر طریقے سے کام کریں۔ یہ فریم ورک دانشمندانہ فیصلہ سازی کی حمایت جاری رکھتے ہیں اور اسٹیک ہولڈرز کے مفادات کا تحفظ کرتے ہیں۔

آگے دیکھتے ہوئے، بطور چیرمین، میں کمپنی کی بنیادی اصول، اس کی تجربہ کار انتظامی ٹیم اور اس کی اسٹریٹجک سمت پر اعتماد رکھتا ہوں۔ بورڈ نظم و ضبط، کارکردگی، اور سوچ سمجھ کر تنوع پر توجہ مرکوز رکھے گا تاکہ طویل مدتی پائیداری اور قدر کی تخلیق کی حمایت کی جاسکے۔ کمپنی کے امور کی تفصیلی معلومات ڈائریکٹرز رپورٹ اور 30 ستمبر 2025 کو ختم ہونے والے سال کے مالی بیانات میں فراہم کی گئی ہیں۔

بورڈ کی جانب سے، اور چیرمین کی حیثیت سے، میں کمپنی کے ملازمین کی لگن اور پیشہ ورانہ مہارت پر دل کی گہرائیوں سے شکریہ ادا کرنا چاہوں گا۔ میں اپنے کاروباری شراکت داروں، ریگولیٹرز اور اسٹیک ہولڈرز کا بھی شکریہ ادا کرتا ہوں جنہوں نے مسلسل تعاون کیا، اور اپنے شیئر ہولڈرز کا کمپنی پر مسلسل اعتماد اور اعتماد کا شکریہ ادا کرتا ہوں۔



(عباس سرفراز خان)

چیرمین

مردان: 05 جنوری، 2026

# CHASHMA SUGAR MILLS LIMITED

## DIRECTORS' REPORT

The Directors of Chashma Sugar Mills Limited are pleased to present the Directors' Report of the Company together with the audited financial statements for the year ended September 30, 2025.

Chashma Sugar Mills Limited ("the Company") was incorporated in Pakistan on May 05, 1988 and commenced its commercial production from October 01, 1992. The Company is principally engaged in manufacturing, production, processing, preparation and sale of sugar, wheat and other allied products.

### 1. **SUMMARISED FINANCIAL RESULTS**

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

	2025	2024
	<u>Rupees in thousand</u>	
(Loss) before revenue tax and income tax	<u>(3,512,985)</u>	<u>(3,813,820)</u>
- Minimum tax – levy	(218,490)	(390,371)
(Loss) before income tax	<u>(3,731,475)</u>	<u>(4,204,191)</u>
- Taxation	782,885	1,566,943
(Loss) after taxation	<u>(2,984,590)</u>	<u>(2,637,248)</u>
	<u>-----Rupees -----</u>	
(Loss) per share - basic and diluted (Rs)	<u>(102.77)</u>	<u>(91.92)</u>

The financial year ended September 30, 2025 remained challenging for the Company, with a net loss after taxation of Rs. 2.95 billion, compared to a loss of Rs. 2.64 billion in FY 2024. The higher loss was mainly due to uncertain government policies, restrictions and delays in sugar exports and related quotas, high sugarcane prices, and continued pressure on selling prices. Although inflation came down and interest rates started to fall during the year, these improvements did not bring much relief to the Company's operations.

Sales declined in all business segments. The Sugar Division reported net sales of Rs. 17.62 billion (FY 2024: Rs. 24.720 billion), less than last year, reflecting lower post-export volumes, delayed export permissions, and volatile domestic pricing. Gross profit marginally declined as sugar continued to be sold at or near production cost due to high cane prices, regional cane shortages, and competitive procurement by neighboring mills and strong competition among mills for cane.

The Ethanol Division recorded net sales of Rs. 6.60 billion (FY 2024: Rs. 8.85 billion), with gross profit decreasing mainly due to lower international ethanol prices, higher input and freight costs, and reduced exchange rate volatility further affected by suspension of GSP+ status for ethanol imports effective June 20, 2025.

The Flour Division contributed net sales of Rs. 1.69 billion but incurred a gross loss of Rs. 95 million, largely due to thin regulated margins, higher procurement/ handling costs and inter-provincial restrictions at Provincial Government level during the post-merger interim period.

The Company reported an operating loss of Rs. 166 million, compared to an operating profit of Rs. 285 million in the previous year. Although other income increased to Rs. 992 million, this mainly came from investments in term deposit receipts rather than from normal business activities. Finance costs reduced to Rs. 3.35 billion from Rs. 4.10 billion, but they remained very high due to heavy reliance on short-term borrowings to manage cash flow pressures and delayed receivables.

Overall, despite some improvement in the wider economy, the Company's business segments continued to face serious challenges due to unpredictable policies, price controls, and high financing costs.

## 2. **REVIEW OF OPERATIONS**

### 2.1- **Operational Highlights**

Description	2024-2025	2023-2024
Date of Crushing Started	<b>November 21, 2024</b>	November 27, 2023
Date of Crushing Closed	<b>March 03, 2025</b>	March 06, 2024
Crushing - M. Tons	<b>1,484,965</b>	1,726,610
Sucrose Recovery	<b>9.74%</b>	9.94%
Sugar Production - M. Tons	<b>144,314</b>	171,591
Ethanol Fuel Plant Production - M. Tons	<b>34,759</b>	34,443
Wheat Production - M. Tons (From June 10, 2025 to September 30, 2025)	<b>23,561</b>	0

### 2.2- **CRUSHING SEASON 2025-26 (ONGOING)**

The sugarcane crushing season for 2025-26 began on November 15, 2025. The mills have crushed 563,491 tons of sugarcane, resulting in the production of 55,618 tons of sugar till January 04, 2026.

The 2025–26 sugar season began with high expectations due to a record overall sugarcane cultivation area of 1.213 million hectares, although flood damage and adverse weather conditions reduced output affecting southern Punjab but Khyber Pakhtunkhwa and northern Punjab remain unaffected. As a result, sugarcane production is estimated at 77–85 million tons, while total sugar production is expected to range between 6.15 and 6.6 million metric tons.

## 3. **SUGAR PRICE**

The sugar sector in Pakistan continues to face serious pricing and policy challenges. Domestic sugar prices have remained high, with retail rates often ranging between Rs 170 and Rs 190 per kg, despite an agreed ex-mill price of Rs 165 per kg announced in mid-2025. Weak enforcement, hoarding, and delayed regulatory actions have limited the effectiveness of price controls, resulting in ongoing market volatility.

During FY 2024–25, the government allowed in phases sugar exports totaling approximately 765,000 metric tons, generating over US\$400 million in foreign exchange. Although exports were initially approved due to perceived surplus and favorable global prices, subsequent restrictions on exports and approvals for imports exposed gaps in policy planning and increased uncertainty for the industry.

Frequent shifts between export permissions, price caps, and import decisions have distorted the market and weakened confidence among both millers and consumers. High sugarcane procurement prices have further increased production costs, placing additional pressure on mill profit margins.

Overall, the current pricing and regulatory framework lacks consistency and long-term direction. Sustainable industry growth will require stable and predictable policies, stronger market regulation, improved yields, and better alignment of export decisions with domestic supply conditions, rather than short-term interventions.

#### **4. FUTURE OUTLOOK**

- The Management is currently **in the process of improving boiler and turbine efficiencies** to enhance the **cane-to-steam ratio** of the facility. These measures are aimed at reducing steam consumption, improving energy utilization, reducing carbon footprint and supporting more efficient operations during the crushing season.
- The management is working on diversifying its ethanol product range to include fuel-grade ethanol, aiming to expand product variety and meet market demand. This initiative is expected to strengthen market position and improve profitability while optimizing the upgraded plant's efficiency.
- The sugar market in Pakistan is currently in a transition phase toward deregulation. A comprehensive deregulation framework has been finalized by the Federal Government and is awaiting formal approval.

#### **5. ECONOMIC OVERVIEW**

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

In October 2024, Pakistan entered in to an IMF reform program that stabilized the economy and boosted confidence. The State Bank of Pakistan cut policy rates from 22% in mid-2024 to 13% by late 2025, reducing business borrowing costs by about 40% and supporting recovery. Quarterly GDP growth also reached over 5% in late FY2025, paving the way for stronger investment in FY 2026.

#### **6. ETHANOL FUEL PLANT AT CHASHMA SUGAR MILL-RAMAK**

The Ethanol Fuel Plant produced 34,759 MT (2024: 34,443 MT) of ethanol during the year and contributed towards the profitability of the Company.

Ethanol prices are anticipated to remain low in the international market for the 2025-26 period, which will likely put pressure on profitability and margins. The European Commission suspended Pakistan's Generalized Scheme of Preferences Plus (GSP+) status for ethanol imports effective June 20, 2025. While this development may impact the Company's ethanol sales and margins for next six months. However, our diversification to production of fuel grade ethanol will hit the international market as the GSP+ status is still valid for fuel grade ethanol.



## **7. FLOUR MILLING PROJECT CONVERTED INTO BUSINESS SEGMENT**

The subsidiary Company, Ultimate Whole Foods (Private) Limited, equipped with state-of-the-art flour mills with a capacity of 285 tons per day (TPD) and located at Ramak, Dera Ismail Khan, was merged with the Company following the approval of the Securities and Exchange Commission of Pakistan (SECP) on September 03, 2025, with effect from June 10, 2025, resulting in the addition of a staple foods business segment, which has contributed to achieve the strategic objective of the Company's operational and financial performance and is expected to provide further benefits in the future through sustainable growth and operational synergies.

## **8. SILOS PROJECT**

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

## **9. RELATIONSHIP WITH STAFF/GROWERS**

- The Management and Labor relations remained cordial during the year. Bonus to employees was paid at the rate of 01 month's salary during the year.
- The Company enjoys cordial relationship with the farmers' community in the form of timely payments through bank.

## **10. PATTERN OF SHAREHOLDING**

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

## **11. CORPORATE AND FINANCIAL REPORTING FRAMEWORK**

- The financial statements, prepared by the management of Chashma Sugar Mills Limited present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account have been maintained.
- All appropriate accounting policies have been consistently applied while preparing financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements.
- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon Company's ability to continue as a 'going concern'.
- The Company has followed corporate governance as detailed in the Listed Companies (CCG) Regulations, 2019.
- Key operating and financial data for the last decade in summarized form is annexed.
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as at September 30, 2025, except for those disclosed in the financial statements.
- The value of investments of staff provident fund, based on audited accounts, was Rs. 531.732 million as at September 30, 2025.

## 12. **TRADING IN SHARES**

During the year, no trade in the shares of the Company were carried-out by the Directors, CFO, Company Secretary and their spouses and minor children except Mr. Abbas Sarfaraz Khan –Director of the Company who purchased 71,872 ordinary shares during the year.

## 13. **ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

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

## 14. **RELATED PARTY TRANSACTIONS**

The Related Parties transactions mentioned in Note 45 to the financial statements were placed before the Board Audit Committee and were approved by the Board. These transactions were in line with the requirements of International Financial Reporting Standards (IFRS) and the Companies Act, 2017. The Company maintains a complete record of all such transactions. All transactions entered into with the related parties will also be placed before shareholders in their AGM for approval purposes. The directors have no interest in any of the transactions, and all transactions are conducted on an arm's length basis.

## 15. **PRINCIPLES RISKS AND UNCERTAINTIES**

The Company is exposed to the following risks and uncertainties:

- Regional cane shortages and sugarcane availability on competitive prices
- Delayed approvals, changing export quotas, and inconsistent government policies create market volatility.
- Regulated domestic sugar prices remain volatile often above agreed ex-mill prices.
- Heavy reliance on short-term borrowings increases finance costs and may strain cash flows.
- Thin regulated margins in wheat operations can affect profitability.
- Suspension of GSP+ status, which may negatively impact ethanol exports and profit margins.

These risks may have a significant impact on the Company's performance and require careful management to mitigate potential negative effects.

## 16. **COMPOSITION OF BOARD AND BOARD MEETINGS**

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

1. Male Directors 4
2. Female Directors 3

During the year, a total of eleven (12) meetings were held and the attendance of each director is shown as follows;

Name of Directors	Board Meetings	Board Committee Meetings	Audit	Human Resource and Remuneration Committee
	Attended	Attended		Attended
<b>Non- Executive Directors</b>				
Ms. Zarmine Sarfaraz	5	5		1
Mr. Iskander M. Khan	6	5		1
Ms. Mehnaz Saigol (Resigned)	1	-		-
Mr. Rizwan Ullah Khan	5	-		-
<b>Executive Directors</b>				
Begum Laila Sarfraz	4	-		-

Mr. Abbas Sarfaraz Khan	5	-	-
<b>Independent Directors</b>			
Ms. Samia Liaquat Ali Khan	4	5	1
Mr. Feisal Kemal Khan	4	-	-

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

## 17. **SUSTAINABILITY**

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

## 18. **ROLE OF SHAREHOLDERS**

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

## 19. **REMUNERATION POLICY**

No fee is paid to Non-Executive and Independent Directors for attending meetings of the Board or its Committees. The remuneration package of the Chief Executive and other Directors is disclosed in Note 46 to the financial statements.

## 20. **GENDER PAY GAP ANALYSIS**

The Company is committed to promoting equal pay and follows a strict gender pay gap policy to ensure fairness and transparency in compensation. We do not tolerate any form of bias in our pay practices and ensure that all employees, regardless of gender, receive equal pay for equal work. The Company regularly reviews its compensation structure to eliminate any discrepancies and ensure that both men and women are compensated fairly for their skills, experience, and performance. By fostering an inclusive and equitable work environment, we aim to support the growth and development of all employees, regardless of gender. Following is the gender pay gap calculated:

- (i) Mean Gender Pay Gap: 23.6%
- (ii) Median Gender Pay Gap: 20.4%

## 21. **CONTRIBUTION TO THE NATIONAL/PROVINCIAL EXCHEQUER**

The Company made a total contribution of Rs. 1,366 million (2024: Rs 947.375 million) to the government treasury in the form of income tax, sales tax, excise duty and levies.

**22. DIVIDEND**

The Directors have not recommended any dividend for the year ended September 30, 2025, due to the financial constraints and losses suffered by the Company during the year.

**23. EXTERNAL AUDITORS**

The present Auditors, **M/s ShineWing Hameed Chaudhri & Co., Chartered Accountants, Lahore**, retire at the conclusion of forthcoming Annual General Meeting and being eligible, have offered themselves for reappointment. As suggested by the Audit Committee in terms of the Code of Corporate Governance, the Board of Directors has recommended their appointment as Auditors of the Company for the year ending September 30, 2026.

**24. STATUS OF THE COMPANY**

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

**25. COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE**

The requirements of the Code of Corporate Governance set out by SECP in Listed Companies (Code of Corporate Governance) Regulations, 2019, relevant for the year ended September 30, 2025 have been duly complied with. A statement to this effect is annexed with the report.

**26. ACKNOWLEDGEMENT**

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

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

**FOR AND ON BEHALF OF THE BOARD**

**DIRECTOR**

**CHIEF EXECUTIVE/DIRECTOR**

**Mardan:**  
January 05, 2026

## چشمہ شوگر ملز لمیٹڈ

### ڈائریکٹرز رپورٹ

چشمہ شوگر ملز لمیٹڈ کے ڈائریکٹرز خوشی سے کمپنی کی ڈائریکٹرز رپورٹ اور 30 ستمبر 2025 کو ختم ہونے والے سال کے آڈٹ شدہ مالیاتی بیانات پیش کر رہے ہیں۔

چشمہ شوگر ملز لمیٹڈ ("کمپنی") پاکستان میں 5 مئی 1988 کو رجسٹرڈ ہوئی اور اس نے اپنی تجارتی پیداوار یکم اکتوبر 1992 سے شروع کی۔ کمپنی بنیادی طور پر چینی، گندم اور دیگر متعلقہ مصنوعات کی تیاری، پیداوار، پروسیسنگ، تیاری اور فروخت میں مصروف ہے۔

### خلاصہ مالی نتائج

1.

اس سال کے لیے کمپنی کے مالی نتائج درج ذیل ہیں:-

2025	2024	
ہزار روپے		(نقصان) ریونیو ٹیکس اور انکم ٹیکس سے پہلے
(3,512,985)	(3,813,820)	- کم از کم ٹیکس - لیوی
(218,490)	(390,371)	(نقصان) انکم ٹیکس سے پہلے
(3,731,475)	(4,204,191)	- ٹیکسیشن
782,885	1,566,943	(نقصان) ٹیکس کے بعد
(2,984,590)	(2,637,248)	(نقصان) فی شیئر - بنیادی اور پتلا (Rs)
----- روپے -----		
(102.77)	(91.92)	

30 ستمبر 2025 کو ختم ہونے والا مالی سال کمپنی کے لیے چیلنجنگ رہا، جس میں ٹیکس کے بعد خالص نقصان 2.95 ارب روپے رہا، جبکہ مالی سال 2024 میں 2.64 ارب روپے کا نقصان تھا۔ زیادہ نقصان بنیادی طور پر غیر یقینی حکومتی پالیسیوں، چینی کی برآمدات اور متعلقہ کوٹوں میں پابندیوں اور تاخیر، گنے کی بلند قیمتیں، اور فروخت کی قیمتوں پر مسلسل دباؤ کی وجہ سے ہوا۔ اگرچہ مہنگائی کم ہوئی اور سال کے دوران شرح سود میں کمی آئی، لیکن ان بہتریوں سے کمپنی کے آپریشنز میں زیادہ بہتری نہ آئی۔

تمام کاروباری شعبوں میں فروخت میں کمی آئی۔ شوگر ڈویژن نے 17.62 ارب روپے (مالی سال 2024: 24.720 ارب روپے) کی خالص فروخت رپورٹ کی، جو گزشتہ سال کے مقابلے میں کم ہے، جو برآمدات کے بعد کی کمی، برآمدی اجازت میں تاخیر، اور ملکی قیمتوں میں اتار چڑھاؤ کی عکاسی کرتی ہے۔ مجموعی منافع میں معمولی کمی آئی کیونکہ چینی کو گنے کی بلند قیمتوں، علاقائی گنے کی قلت، پڑوسی ملوں کی مسابقتی خریداری اور گنے کے لیے ملز کے درمیان سخت مقابلے کی وجہ سے پیداوار کی لاگت پر یا اس کے قریب فروخت کیا جاتا رہا۔

ایتھانول ڈویژن نے 6.60 ارب روپے (مالی سال 2024: 8.85 ارب روپے) کی خالص فروخت ریکارڈ کی، جس میں مجموعی منافع میں کمی بنیادی طور پر بین الاقوامی ایتھانول کی کم قیمتیں، زیادہ ان پٹ اور فریٹ لاگت، اور 20 جون 2025 سے ایتھانول درآمدات کے لیے +GSP کی معطلی کی وجہ سے تبادلہ کی شرح میں کمی واقع ہوئی۔

فلور ٹویژن نے 1.69 ارب روپے کی خالص فروخت میں حصہ ڈالا لیکن 95 ملین روپے کا مجموعی نقصان اٹھایا، جس کی بڑی وجہ انضمام کے بعد کے عبوری عرصے میں کم ریگولیٹڈ مارجن، زیادہ خریداری/ہینڈلنگ اخراجات اور صوبائی حکومت کی سطح پر بین الصوبائی پابندیوں کی وجہ سے ہوا۔

کمپنی نے 166 ملین روپے کا آپریٹنگ نقصان رپورٹ کیا، جو پچھلے سال 285 ملین روپے کے آپریٹنگ منافع کے مقابلے میں تھا۔ اگرچہ دیگر آمدنی 992 ملین روپے تک بڑھ گئی، لیکن یہ زیادہ تر ٹرم ڈپازٹ رسیدوں میں سرمایہ کاری سے آئی، نہ کہ عام کاروباری سرگرمیوں سے۔ مالیاتی اخراجات 4.10 ارب روپے سے کم ہو کر 3.35 ارب روپے رہ گئے، لیکن کیش فلو کے دباؤ اور تاخیر شدہ وصولیوں کے انتظام کے لیے قلیل مدتی قرضوں پر بھاری انحصار کی وجہ سے یہ اخراجات بہت زیادہ رہے۔

مجموعی طور پر، وسیع معیشت میں کچھ بہتری کے باوجود، کمپنی کے کاروباری شعبے غیر متوقع پالیسیوں، قیمتوں پر کنٹرول، اور زیادہ مالیاتی اخراجات کی وجہ سے سنگین چیلنجز کا سامنا کرتے رہے۔

## 2. آپریشنز کا جائزہ

### 2.1 عملی جھلکیاں

2025-2024	2024-2023	تفصیل
21 نومبر، 2024 03 مارچ، 2025 1,484,965 %9.74 144,314 34,759 23,561	27 نومبر، 2023 06 مارچ، 2024 1,726,610 %9.94 171,591 34,443 0	کچلنے کی تاریخ شروع ہوئی کچلنے کی تاریخ بند کرشنگ - ایم۔ ٹونز سوکروز ریکوری چینی کی پیداوار - M. Tons ایتھانول فیول پلانٹ کی پیداوار - M. Tons گندم کی پیداوار - (10 جون 2025 سے M.Ton 30 ستمبر 2025 تک)

### 2.2 کرشنگ سیزن 2025-26 (جاری)

2025-26 کے لیے گنے کے کچلنے کا سیزن 15 نومبر 2025 کو شروع ہوا۔ ان ملوں نے 563,491 ٹن گنا کچل دیا ہے، جس کے نتیجے میں 04 جنوری 2026 تک 55,618 ٹن چینی کی پیداوار جاری ہے۔

2025-26 کا شوگر سیزن بلند توقعات کے ساتھ شروع ہوا، کیونکہ مجموعی طور پر گنے کی کاشت کا ریکارڈ رقبہ 1.213 ملین ہیکٹر تھا، اگرچہ سیلاب کے نقصان اور خراب موسمی حالات نے جنوبی پنجاب کو متاثر کرنے والی پیداوار کو کم کیا، لیکن خیبر پختونخوا اور شمالی پنجاب متاثر نہیں ہوئے۔ نتیجتاً، گنے کی پیداوار کا اندازہ 77-85 ملین ٹن ہے، جبکہ کل چینی کی پیداوار 6.15 سے 6.6 ملین میٹرک ٹن کے درمیان متوقع ہے۔

### شوگر پرائس

پاکستان کا شوگر سیکٹر اب بھی قیمتوں اور پالیسی کے سنگین چیلنجز کا سامنا کر رہا ہے۔ ملکی چینی کی قیمتیں بلند رہی ہیں، جہاں ریٹیل ریش اکثر 170 سے 190 روپے فی کلوگرام کے درمیان رہتی ہے، حالانکہ 2025 کے وسط میں ایکس مل قیمت 165 روپے فی کلوگرام کا اعلان کیا گیا تھا۔ کمزور نفاذ، ذخیرہ اندوزی اور تاخیر سے ضابطہ جاتی اقدامات نے قیمتوں پر کنٹرول کی موثریت کو محدود کر دیا ہے، جس کے نتیجے میں مارکیٹ میں مسلسل اتار چڑھاؤ پیدا ہوا ہے۔

مالی سال 2024-25 کے دوران، حکومت نے مرحلہ وار تقریباً 765,000 میٹرک ٹن چینی کی برآمدات کی اجازت دی، جس سے 400 ملین امریکی ڈالر سے زائد غیر ملکی زرمبادلہ پیدا ہوا۔ اگرچہ برآمدات کو ابتدائی طور پر اضافی اور عالمی قیمتوں کے مطابق منظور کیا گیا تھا، لیکن برآمدات پر بعد میں پابندیوں اور درآمدات کی منظوری نے پالیسی منصوبہ بندی میں خلا اور صنعت کے لیے غیر یقینی صورتحال کو بڑھا دیا۔

برآمدی اجازت، قیمتوں کی حدوں، اور درآمدی فیصلوں کے درمیان بار بار تبدیلیوں نے مارکیٹ کو بگاڑ دیا ہے اور ملر اور صارفین دونوں کے اعتماد کو کمزور کیا ہے۔ گئے کی بلند خریداری کی قیمتوں نے پیداواری لاگت میں مزید اضافہ کیا ہے، جس سے مل کے منافع پر مزید دباؤ پڑا ہے۔

مجموعی طور پر، موجودہ قیمتوں اور ضابطہ کاری کے فریم ورک میں تسلسل اور طویل مدتی سمت کی کمی ہے۔ پائیدار صنعت کی ترقی کے لیے مستحکم اور قابل پیش گوئی پالیسیاں، مضبوط مارکیٹ ریگولیشن، بہتر پیداوار، اور برآمدی فیصلوں کو ملکی فراہمی کی شرائط کے ساتھ بہتر ہم آہنگی کی ضرورت ہوگی، نہ کہ قلیل مدتی مداخلتیں۔

#### مستقبل کا نظریہ

4.

- انتظامیہ اس وقت بوائٹلر اور ٹربائن کی کارکردگی کو بہتر بنانے کے عمل میں ہے تاکہ سہولت کے گئے اور بھاپ کے تناسب کو بہتر بنایا جاسکے۔ یہ اقدامات بھاپ کے استعمال کو کم کرنے، توانائی کے استعمال کو بہتر بنانے، کاربن فٹ پرنٹ کو کم کرنے اور کرشنگ سیزن کے دوران زیادہ مؤثر آپریشنز کی حمایت کے لیے بنائے گئے ہیں۔
- انتظامیہ اپنی ایتھانول مصنوعات کی رینج کو متنوع بنانے پر کام کر رہی ہے تاکہ فیول گریڈ ایتھانول کو شامل کیا جاسکے، جس کا مقصد مصنوعات کی اقسام کو بڑھانا اور مارکیٹ کی طلب کو پورا کرنا ہے۔ اس اقدام سے مارکیٹ کی پوزیشن مضبوط ہوگی اور منافع میں بہتری آئے گی، جبکہ اپ گریڈ شدہ پلانٹ کی کارکردگی کو بہتر بنایا جائے گا۔
- پاکستان کی چینی کی مارکیٹ اس وقت ڈی ریگولیشن کی طرف منتقلی کے مرحلے میں ہے۔ وفاقی حکومت نے ایک جامع ڈی ریگولیشن فریم ورک کو حتمی شکل دی ہے اور اس کی رسمی منظوری کا انتظار ہے۔

#### اکانومک کا جائزہ

5.

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

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

#### چشمہ شوگر مل-رامک میں ایتھانول فیول پلانٹ

6.

ایتھانول فیول پلانٹ نے سال کے دوران 34,759 میٹرک ٹن (2024: 34,443 میٹرک ٹن) ایتھانول پیدا کیا اور کمپنی کی منافع بخشیت میں حصہ ڈالا۔

2025-26 کے عرصے میں بین الاقوامی مارکیٹ میں ایتھانول کی قیمتیں کم رہنے کی توقع ہے، جو منافع اور منافع پر دباؤ ڈالے گی۔ یورپی کمیشن نے پاکستان کی جنرلائزڈ اسکیم آف پریفرنس پلس (GSP+) اسٹیٹس کو 20 جون 2025 سے معطل کر دیا ہے۔ اگرچہ یہ پیش رفت کمپنی کی ایتھانول کی فروخت اور اگلے چھ ماہ کے مارجن پر اثر انداز ہو سکتی ہے۔ تاہم، فیول گریڈ ایتھانول کی پیداوار میں ہماری تنوع بین الاقوامی مارکیٹ تک پہنچے گی کیونکہ فیول گریڈ ایتھانول کے لیے GSP+ کی حیثیت اب بھی درست ہے۔

#### آٹا پیسنے کا منصوبہ کاروباری شعبے میں تبدیل ہو گیا

7.

ذیلی کمپنی، الٹی میٹ ہول فوٹرز (پرائیویٹ) لمیٹڈ، جو جدید ترین آٹے کے ملز سے لیس ہے جن کی یومیہ صلاحیت 285 ٹن (TPD) ہے اور یہ رمک، ڈیرہ اسماعیل خان میں واقع ہے، کو سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی منظوری کے بعد 3 ستمبر 2025 کو 10 جون 2025 سے نافذ العمل کمپنی کے ساتھ ضم کر دیا گیا۔ جس کے نتیجے میں ایک اہم خوراک کے کاروبار کے شعبے کا اضافہ ہوا ہے، جس نے کمپنی کی آپریشنل اور مالی کارکردگی کے اسٹریٹجک مقصد کے حصول میں مدد دی ہے اور مستقبل میں پائیدار ترقی اور آپریشنل ہم آہنگی کے ذریعے مزید فوائد فراہم کرنے کی توقع ہے۔

## سائیلوس پروجیکٹ

8.

کمرشل آپریشنز کی تاریخ (COD) دونوں سائٹس یعنی نوٹک سینٹر، ضلع بھکر اور ہیڈ ویری سینٹر، ضلع لیہ کے کنسیشن معاہدوں کے مطابق مکمل ہو گئی ہے۔ تاہم، کمپنی کی تجارتی سرگرمیاں ابھی شروع نہیں ہوئیں۔

## عملے/کاشتکاروں کے ساتھ تعلقات

9.

- انتظامیہ اور مزدور تعلقات سال بھر خوشگوار رہے۔ ملازمین کو بونس سال کے دوران 01 ماہ کی تنخواہ کی شرح سے دیا جاتا تھا۔

- کمپنی کسانوں کی کمیونٹی کے ساتھ بینک کے ذریعے بروقت ادائیگیوں کی صورت میں دوستانہ تعلقات رکھتی ہے۔

## شیئر ہولڈنگ کا نمونہ

10.

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

## کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

11.

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

- مناسب حسابات کی کتابیں برقرار رکھی گئی ہیں۔

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

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

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

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

- کمپنی نے لسٹڈ کمپنیز (CCG) ریگولیشنز، 2019 میں تفصیل کے مطابق کارپوریٹ گورننس کی پیروی کی ہے۔

- گزشتہ دہائی کے کلیدی آپریشنز اور مالیاتی اعداد و شمار کو خلاصہ شکل میں شامل کیا گیا ہے۔

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

- آڈٹ شدہ اکاؤنٹس کی بنیاد پر اسٹاف پروویڈنٹ فنڈ کی سرمایہ کاری کی مالیت 30 ستمبر 2025 تک 531.732 ملین روپے تھی۔

## شیئرز کی تجارت

12.

سال کے دوران، ڈائریکٹرز، سی ایف او، کمپنی سیکرٹری اور ان کے شریک حیات اور نابالغ بچوں کے علاوہ کمپنی کے شیئرز کی کوئی تجارت نہیں ہوئی، سوائے مسٹر عباس سرفراز خان - کمپنی کے ڈائریکٹر کے جنہوں نے سال کے دوران 71,872 عام حصص خریدے۔

## اندرونی مالیاتی کنٹرولز کی کفایت

13.

بورڈ نے ایک مؤثر داخلی آڈٹ فنکشن قائم کیا ہے جو اس مقصد کے لیے مناسب اہل اور تجربہ کار سمجھے جاتے ہیں اور کمپنی کی پالیسیوں اور طریقہ کار سے واقف ہوتے ہیں۔ کمپنی کے اندر اندرونی آڈٹنگ کا دائرہ واضح طور پر متعین ہے، جس میں وسیع تر طور پر اس کے اندرونی کنٹرول سسٹمز کا جائزہ اور جائزہ شامل ہے۔

## متعلقہ فریقی لین دین

14.

نوٹ 45 میں مالیاتی بیانات کے حوالے سے متعلقہ فریقین کے لین دین بورڈ آڈٹ کمیٹی کے سامنے پیش کیے گئے اور بورڈ نے ان کی منظوری دی۔ یہ لین دین انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS) اور کمپنیز ایکٹ، 2017 کی شرائط کے مطابق تھے۔ کمپنی ایسے تمام لین دین کا مکمل ریکارڈ رکھتی ہے۔ متعلقہ فریقین کے ساتھ کیے گئے تمام لین دین بھی شیئر ہولڈرز کے AGM میں منظوری کے لیے پیش کیے جائیں گے۔ ڈائریکٹرز کو کسی بھی لین دین میں کوئی دلچسپی نہیں ہوتی، اور تمام لین دین بازو کی بنیاد پر کیے جاتے ہیں۔



## 15. اصول، خطرات اور غیر یقینی صورتحال

- کمپنی درج ذیل خطرات اور غیر یقینی صورتحال سے دوچار ہے:
  - علاقائی گئے کی قلت اور گئے کی دستیابی مسابقتی قیمتوں پر
  - منظوری میں تاخیر، برآمدی کوٹہ میں تبدیلی، اور غیر مستقل حکومتی پالیسیاں مارکیٹ میں اتار چڑھاؤ پیدا کرتی ہیں۔
  - ریگولیٹڈ ملکی چینی کی قیمتیں غیر مستحکم رہتی ہیں، اکثر سابقہ مل قیمتوں سے اوپر۔
  - قلیل مدتی قرضوں پر بھاری انحصار مالی اخراجات میں اضافہ کرتا ہے اور نقد بہاؤ پر دباؤ ڈال سکتا ہے۔
  - گندم کے آپریشنز میں کم ریگولیٹڈ مارجن منافع کو متاثر کر سکتے ہیں۔
  - +GSP اسٹیٹس کی معطلی، جو اینتھنول کی برآمدات اور منافع کے مارجن پر منفی اثر ڈال سکتی ہے۔
- یہ خطرات کمپنی کی کارکردگی پر نمایاں اثر ڈال سکتے ہیں اور ممکنہ منفی اثرات کو کم کرنے کے لیے محتاط انتظام کی ضرورت ہوتی ہے۔

## 16. بورڈ اور بورڈ میٹنگز کی تشکیل

بورڈ میں کل ڈائریکٹرز کی تعداد 7 ہے اور اس کی ترکیب درج ذیل ہے:

- مرد ہدایت کار 4
- خواتین ڈائریکٹرز 3

سال کے دوران، کل گیارہ (12) اجلاس منعقد ہوئے اور ہر ڈائریکٹر کی حاضری درج ذیل ہے؛

ڈائریکٹرز کے نام	اجلاس میں حاضری	آٹھ کمیٹی کے اجلاس میں حاضری	بیومن ریسورس اور ریمونیفیکیشن کے اجلاس میں حاضری
نان ایگزیکٹو ڈائریکٹرز			
محترمہ زرمینہ سرفراز	5	5	1
جناب اسکندر محمد خان	6	5	1
محترمہ مہناز سہگل (ریٹائرڈ)	1	-	-
جناب رضوان اللہ خان	5	-	-
ایگزیکٹو ڈائریکٹرز			
بیگم لیلہ سرفراز	4	-	-
جناب عباس سرفراز خان	5	-	-
آزاد ڈائریکٹرز			
محترمہ سمیعہ لیاقت علی خان	4	5	1
جناب فیصل کمال خان	4	-	-

ان ڈائریکٹرز کو رخصت دی گئی جو کچھ بورڈ میٹنگز میں شرکت نہیں کر سکتے تھے۔

## 17. پائیداری

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

### شینر ہولڈرز کا کردار

.18

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

### معاوضے کی پالیسی

.19

غیر ایگزیکٹو اور آزاد ڈائریکٹرز کو بورڈ یا اس کی کمیٹیوں کی میٹنگز میں شرکت کے لیے کوئی فیس ادا نہیں کی جاتی۔ چیف ایگزیکٹو اور دیگر ڈائریکٹرز کے معاوضے کا پیکیج مالیاتی بیانات کے نوٹ 46 میں ظاہر کیا گیا ہے۔

### صنفی اجرت کے فرق کا تجزیہ

.20

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

- اوسط صنفی اجرت کا فرق: 23.6%
- درمیانی صنفی اجرت کا فرق: 20.4 %

### نیشنل/صوبائی خزانے کے لیے کنٹرول

.21

کمپنی نے حکومت کے خزانے میں انکم ٹیکس، سیلز ٹیکس، ایکسائز ڈیوٹی اور لیویز کی صورت میں کل 1,366 ملین روپے (2024: 947.375 ملین روپے) کا تعاون کیا۔

### ڈیویڈنڈ

.22

ڈائریکٹرز نے 30 ستمبر 2025 کو ختم ہونے والے سال کے لیے کسی بھی ڈیویڈنڈ کی سفارش نہیں کی، کیونکہ سال کے دوران کمپنی کو مالی مشکلات اور نقصانات پیش آئے۔

### بیرونی آڈیٹرز

.23

موجودہ آڈیٹرز، میسرز شانن ونگ حمید چودھری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، لاہور، آئندہ سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو رہے ہیں اور اہل ہونے کی وجہ سے دوبارہ تقرری کے لیے خود کو پیش کر چکے ہیں۔ جیسا کہ آڈٹ کمیٹی نے کارپوریٹ گورننس کے ضابطے کے حوالے سے تجویز کیا ہے، بورڈ آف ڈائریکٹرز نے 30 ستمبر 2026 کو ختم ہونے والے سال کے لیے کمپنی کے آڈیٹرز کے طور پر ان کی تقرری کی سفارش کی ہے۔

### کمپنی کی حیثیت

.24

پاکستان کے سیکورٹیز اینڈ ایکسچینج کمیشن کی ہدایات کے پیش نظر، کمپنی کو مالی سال 2010 سے پریمیئر شوگر ملز اینڈ ڈسٹری کمپنی لمیٹڈ کی ذیلی کمپنی کے طور پر سمجھا گیا ہے۔

## کارپوریٹ گورننس کے ضابطے کی تعمیل

.25

SECP کی جانب سے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں، جو 30 ستمبر 2025 کو ختم ہونے والے سال کے لیے متعلقہ ہیں، کی جانب سے مقرر کردہ کوڈ آف کارپوریٹ گورننس کی شرائط پوری کی گئی ہیں۔ اس حوالے سے ایک بیان رپورٹ کے ساتھ منسلک ہے۔

## شکریہ

.26

ڈائریکٹرز تنظیم کے عملے اور ایگزیکٹوز کی محنت اور لگن اور ہمارے بینکروں کی قیمتی حمایت پر اپنی شکرگزاری کا اظہار کرنا چاہتے ہیں۔

آخر میں، بورڈ معزز شیئر ہولڈرز کا شکریہ ادا کرتا ہے جنہوں نے کمپنی پر اعتماد اور موجودہ مشکل صورتحال میں مسلسل حمایت فراہم کی۔

بورڈ کے لیے اور اس کی طرف سے

چیف ایگزیکٹو/ڈائریکٹر

ڈائریکٹر

مردان:

05 جنوری، 2026

# CHASHMA SUGAR MILLS LIMITED

## Shareholders' Information

### Registered Office

Nowshera Road Mardan,  
Khyber Pakhtunkhwa.  
Tel: 92 937 862051-52  
Fax: 92 937 862989

### Head Office

King's Arcade, 20-A, Markaz F-7, Islamabad.  
Tel: 92 51 2650805-7  
Fax: 92 51 2651285-6

### Shares Registrar

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

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

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

### Listing on Stock Exchange

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

### Listing Fees

The annual listing fee for the financial year 2025-26 has been paid to Pakistan Stock Exchange Limited.

### Statutory Compliance

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

### Stock Code

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

### Book Closure Dates

The Register of Members and Share Transfer books of the Company will remain closed from 18.01.2026 to 28.01.2026.

### Web Presence

Updated information regarding the Company can be accessed at the website [www.chashmasugarmills.com](http://www.chashmasugarmills.com). The website contains the latest financial results of the Company together with Company's profile.

# CHASHMA SUGAR MILLS LIMITED

FORM – 20

## PATTERN OF SHAREHOLDING OF THE SHARES HELD BY THE SHAREHOLDERS

AS AT 30 SEPTEMBER, 2025

SHARE HOLDERS	SHAREHOLDING					TOTAL SHARESHELD
199	From	1	to	100	Shares	12,250
470	From	101	to	500	Shares	223,235
124	From	501	to	1,000	Shares	99,631
120	From	1,001	to	5,000	Shares	323,275
33	From	5,001	to	10,000	Shares	224,518
19	From	10,001	to	20,000	Shares	233,727
14	From	20,001	to	25,000	Shares	249,200
4	From	25,001	to	30,000	Shares	91,000
3	From	30,001	to	35,000	Shares	84,820
7	From	35,001	to	40,000	Shares	248,000
5	From	40,001	to	60,000	Shares	221,686
1	From	60,001	to	70,000	Shares	69,000
5	From	80,001	to	200,000	Shares	605,642
4	From	200,001	to	500,000	Shares	1,330,569
3	From	500,001	to	2,000,001	Shares	3,035,086
3	From	2,000,001	to	above	Shares	21,640,361
<b>1,014</b>						<b>28,692,000</b>

Categories of Shareholders	Numbers	Shares Held	Percentage
Associated Companies, Undertakings and Related Parties	4	19,146,334	66.73
Directors & Relatives	12	6,518,555	22.72
Public Sector Companies, Corporation Banks, and Development Finance Institutions.	10	39,286	0.14
Non-Banking Financial Institutions, Insurance Companies, Modarabas and Mutal Funds.	5	723,121	2.52
Charitable Trusts	3	216,500	0.75
Individuals	980	2,048,204	7.14
	<b>1,014</b>	<b>28,692,000</b>	<b>100.00</b>

Categories of Shareholders	Numbers	Shares Held	Percentage of Paid-up Capital
<b><u>Associated Companies, Undertakings and Related Parties</u></b>	<b>4</b>	<b>19,146,334</b>	<b>66.73</b>
The Premier Sugar Mills & Distillery Co., Ltd.	13,751,000	47.93	
Syntronics Limited	3,590,475	12.51	
Azlak Enterprises (Pvt) Limited	1,497,359	5.22	
Phipson & Co. (Pak) (Pvt.) Limited	307,500	1.07	
<b><u>Directors &amp; Relatives</u></b>	<b>12</b>	<b>6,518,555</b>	<b>22.72</b>
<b><u>Public Sector Companies and Corporations</u></b>	<b>10</b>	<b>39,286</b>	<b>0.14</b>
Asif Mushtaq & Company	1,500	0.01	
Neelum Textile Mills (pvt) Limited.	12,400	0.04	
Shakil Express (pvt) Limited.	17,700	0.06	
Muhammad Ahmed Nadeem Securities (pvt) Limited.	300	0.00	
S.H Bukhari Securities (pvt) Limited.	400	0.00	
Creative Capital (pvt) Limited.	6,000	0.02	
Fikree's (SMS)(pvt) Limited.	986	0.00	
<b><u>Banks, Development Finance Institutions, Non-Banking, Financial Institution's, Insurance Companies, Modarabas and Mutual Funds</u></b>	<b>5</b>	<b>723,121</b>	<b>2.52</b>
National Bank of Pakistan, (Pension Fund).	86,142	0.30	
National Bank of Pakistan, (Emp. Benevolent Fund).	3,023	0.01	
National Bank of Pakistan, Trustee National Investment (unit) Trust	529	0.00	
IDBL (ICP Units)	630,227	2.20	
	3,200	0.01	
<b><u>Charitable Trusts</u></b>	<b>3</b>	<b>216,500</b>	<b>0.75</b>
Trustees of Friends Educational and Medical Trust	197,000	0.69	
Al Abbas Educational and Welfare Society	15,500	0.05	
The Pakistan Memon Woman Educational Society	4,000		
<b><u>Individuals</u></b>	<b>980</b>	<b>2,048,204</b>	<b>7.14</b>
	<b>1,014</b>	<b>28,692,000</b>	<b>100.00</b>
<b><u>Shareholders holding 10% or more voting Interest in the Company</u></b>			
The Premier Sugar Mills & Distillery Co., Limited	13,751,000	47.93	
Abbas Sarfaraz Khan	5,321,256	18.55	
Syntronics Limited	3,590,475	12.51	

# CHASHMA SUGAR MILLS LIMITED

## INDEPENDENT AUDITORS REVIEW REPORT

### TO THE MEMBERS OF CHASHMA SUGAR MILLS LIMITED

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of CHASHMA SUGAR MILLS LIMITED (the Company) for the year ended September 30, 2025 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended September 30, 2025.

*Shinewing Hameed Chaudhri & Co.*

LAHORE; JANUARY 05, 2026  
UDIN: CR2025101046AtulCGTE

SHINEWING HAMEED CHAUDHRI & CO.,  
CHARTERED ACCOUNTANTS

Audit Engagement Partner: Osman Hameed Chaudhri

# CHASHMA SUGAR MILLS LIMITED

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

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

Year ended: September 30, 2025

The Company has complied with the requirements of the regulations in the following manners:

1. The total numbers of Directors are seven as per the following;
  - a. Male 4
  - b. Female 3 (See list in paragraph 2 below)
2. The composition of the Board of Directors (the Board) is as follows:

Category	Names
<b>Independent Director (excluding female director)</b>	Mr. Feisal Kemal Khan
<b>Executive Director (excluding female director)</b>	Mr. Abbas Sarfaraz Khan
<b>Non- Executive Directors</b>	(Mr. Iskander M. Khan) (Mr. Rizwan Ullah Khan)
<b>Female Directors</b>	Ms. Samia Liaqat Ali Khan (Independent Director) Ms. Zarmine Sarfaraz (Non- executive Director) Ms. Laila Sarfaraz (Executive Director)

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

3. The Directors have confirmed that none of them is serving as a director in more than seven listed Companies including this, Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has not ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.



7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
9. All Directors of the Company meet exemption requirement of the Directors' Training Program. One directors appointed during the year will obtain the necessary training within allowed period of one year from date of appointment.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed Committees comprising of members given below:

<b>Audit Committee</b>	<b>HR and Remuneration Committee</b>
Ms. Samia Liaquat Ali Khan (Chairperson)	Ms. Samia Liaquat Ali Khan (Chairperson)
Mr. Iskander M. Khan	Mr. Iskander M. Khan
Ms. Zarmine Sarfaraz	Ms. Zarmine Sarfaraz

13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committees for compliance.
14. The frequency of meetings (quarterly/half yearly/yearly) of the Committees were as per following.
  - a) Audit Committee - Quarterly - 4 meetings held during the year
  - b) HR and Remuneration Committee - On required basis - 1 meeting held during the year.
15. The Board has set-up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory Auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors of the Company.

17. The statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the Auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all the requirements of Regulations 3,6,7,8,27,32,33, and 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 have been complied with.

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

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

**Mardan:**  
**January 05, 2026**

  
**CHAIRPERSON / DIRECTOR**

# Independent Auditor's Report

## To the Members of Chashma Sugar Mills Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of **Chashma Sugar Mills Limited** (the Company), which comprise the statement of financial position as at September 30, 2025, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2025 and of the loss, other comprehensive income, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

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

#### Key Audit Matters

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

Following are the key audit matters:

S. No.	Description	How the matter was addressed in our audit
1.	<p><b>Merger / amalgamation of Ultimate Whole Foods (Private) Limited (UWFPL) with and into the Company</b></p> <p>Refer note 1.1 to the financial statements.</p> <p>During the year, a Scheme of Arrangement (the Scheme) for merger / amalgamation of UWFPL with and into the Company has been approved by the Board of Directors and thereafter by the members of the Company. The Scheme has also been sanctioned by the Securities and Exchange Commission of Pakistan (SECP) under the provisions of section 284 read with all other enabling provisions of the Companies Act, 2017, and is effective from June 10, 2025, i.e. the date at which all assets and liabilities of UWFPL are vested with the Company.</p> <p>We considered merger / amalgamation of UWFPL with and into the Company to be a key audit matter as this was a significant event occurred during the year.</p>	<p><b>Our procedures in relation to this matter included, amongst others</b></p> <ul style="list-style-type: none"> <li>- Inspected minutes of the meeting of the Board of Directors and shareholders of the Company for the approval of the transaction;</li> <li>- Inspected the approved Scheme of Arrangement of merger / amalgamation, sanction order of SECP, and other relevant documents to obtain an understanding of the transaction, establish transaction date and other key terms;</li> <li>- Analyzed the financial impacts and the related accounting treatment of the transaction in the financial statements;</li> <li>- Conducted audit of UWFPL's financial statements for the period ended June 09, 2025 specially compiled at transaction date for amalgamation purposes;</li> <li>- Traced assets acquired and liabilities assumed with UWFPL's audited financial statements as of the effective date of merger / amalgamation;</li> <li>- Assessed whether appropriate accounting treatment has been applied to the transaction in the financial statements in accordance with Company's accounting policy and the applicable accounting and financial reporting framework; and</li> <li>- Assessed the adequacy and appropriateness of the related disclosures in the financial statements for compliance with the requirement of the applicable financial reporting framework.</li> </ul>

S. No.	Description	How the matter was addressed in our audit
2.	<p><b>Capital expenditures</b></p> <p>Refer note 7 to the financial statements.</p> <p>The Company continued to invest in capital projects with significant capital expenditure incurred during the year ended September 30, 2025. The significant level of capital expenditure requires consideration of the nature of the costs incurred to ensure that their capitalization in property, plant and equipment meets the specific recognition criteria as per the Company's accounting policy.</p> <p>Under IAS-16, the Company follows revaluation model for freehold land, leasehold land, buildings &amp; roads, plant &amp; machinery and electric installations. The fair value of the Company's above assets were assessed by management based on independent valuation performed by an external property valuation expert. The latest assessment of fair value was conducted by the expert on September 30, 2024. The determining of revalued amount of assets require significant judgement as to estimating the revalued amount in terms of their quality, structure, condition and locations.</p> <p>Further, determining which costs meet the criteria for capitalisation, capitalisation of borrowing costs and related expenses and the estimation of economic useful lives and residual values assigned to property, plant and equipment are the areas where management judgement is involved.</p> <p>For these reasons we considered this area to be a key audit matter.</p>	<p><b>Our procedures in relation to this matter included, amongst others</b></p> <ul style="list-style-type: none"> <li>- Obtained an understanding of the design and implementation of management controls over capitalisation and performed tests of controls over authorization of capital expenditure and accuracy of its recording in the system;</li> <li>- Assessed, on a sample basis, costs capitalized during the year by comparing the costs capitalised with the relevant underlying documentation, which included purchase agreements and invoices;</li> <li>- Assessed whether the costs capitalized met the relevant criteria for capitalization as per the applicable financial reporting framework.;</li> <li>- Visited the mills where significant capital projects are ongoing to understand the nature of the projects;</li> <li>- Checked the date of transferring capital work-in-progress to operating fixed assets by examining the completion certificates, on a sample basis;</li> <li>- Obtained a copy of latest valuation report of independent property valuation expert and checked the mathematical accuracy and reasonableness of significant estimates;</li> </ul> <p>Evaluated the competence, capabilities and objectivity of expert engaged by the management;</p> <ul style="list-style-type: none"> <li>- Reviewed the minutes of the Company's Board of Directors and Audit Committee to evaluate the completeness of management's consideration of any events that warranted changes to the useful economic lives; and</li> <li>- The adequacy of the disclosures presented in the financial statements regarding property, plant and equipment was also assessed, based on the applicable accounting standards and requirements of Companies Act, 2017.</li> </ul>

S. No.	Description	How the matter was addressed in our audit
3.	<p><b>Long term Investments</b></p> <p>(Refer note 9 to the financial statements)</p> <p>The Company's investment in a Subsidiary Company Whole Foods (Private) Limited - WFL is stated at cost less impairment loss. The Company carries out impairment assessment, at each reporting period end, of the value of investment where there are indicators of impairment.</p> <p>The Company's management has assessed the recoverable amount of investment in WFL based on the assessment of fair value less cost to sell of WFL's assets in accordance with IAS-36. The valuation of assets at September 30, 2025 is carried out by an independent professional valuer. The estimate of recoverable amount involve significant judgement on key assumptions including the determination of fair value. Fair values were determined using valuation techniques under level (3) fair value hierarchy.</p> <p>We consider this as key audit matter due to significant carrying value and significant judgement involved in estimation of recoverable amount.</p>	<p><b>Our procedures in relation to this matter included, amongst others</b></p> <ul style="list-style-type: none"> <li>- Obtained an understanding of the management process for identification of impairment indicators in, and testing impairment for investment in Subsidiary Company;</li> <li>- Obtained the reports of independent valuers and checked the mathematical accuracy and reasonableness of significant estimates;</li> <li>- Evaluated the competence, capabilities and objectivity of expert engaged by the management;</li> <li>- Obtained working / calculations prepared by the management using the work of independent valuers for assessment of impairment loss of investment; and</li> <li>- Assessed the appropriateness of the disclosure made in the financial statements with respect to the requirements of applicable financial reporting framework.</li> </ul>
4.	<p><b>Valuation of stock-in-trade</b></p> <p>The total value of stock in trade as at the reporting date amounted to Rs.7,103 million, representing 55.01% of the Company's total current assets. Stock in trade as at reporting date included raw material and finished goods. Refer note 12 to the financial statements.</p> <p>The valuation of finished goods at cost has different components, which includes judgment and assumptions in relation to the allocation of labour and other various overheads which are incurred in bringing the inventories to its present location and conditions. Judgement has also been exercised by the management in determining the net realisable value (NRV) of raw material and finished goods and in determining the appropriate value of slow moving and obsolete stocks.</p> <p>We identified this matter as key in our audit due to the judgement and assumption applied by the Company in determining the cost and NRV of stock in trade at the year-end.</p>	<p>We assessed the appropriateness of management assumptions applied in calculating the value of stock in trade and validated the valuation by taking following steps:</p> <ul style="list-style-type: none"> <li>- Assessed whether the Company's accounting policy for inventory valuation is in line with the applicable financial reporting standards; and</li> <li>- Attended the inventory count at the year-end and reconciled the physical inventory with the inventory lists provided to ensure the completeness of the data;</li> <li>- Assessed the historical costs recorded in the inventory valuation by checking purchase invoices on sample basis;</li> <li>- Tested the reasonability of assumptions applied by the management in the allocation of labour and other various overhead costs to the inventories;</li> <li>- Assessed the management determination of NRV of raw material thereon by performing tests on the subsequent purchase price; and</li> <li>- Tested the cost of inventories for finished goods and performed NRV test to assess whether the cost of inventories exceeds their NRV, calculated by detailed review of subsequent sales invoices.</li> </ul> <p>We reviewed the Company's disclosure in the financial statement in respect of stock in trade.</p>

S. No.	Description	How the matter was addressed in our audit
5.	<p><b>Revenue recognition</b></p> <p>Refer notes 5.15 and 30 to the financial statements)</p> <p>The Company is engaged in production and sale of sale of sugar and other allied compound. The Company recognized revenue from the sale of its products amounting to Rs. 24,899 million for the year ended September 30, 2025.</p> <p>We identified recognition of revenue as an area of higher risk as it includes large number of revenue transactions involving a large number of customers spread in various geographical locations. Further, revenue is one of the key performance indicator of the Company. Accordingly, it was considered as a key audit matter.</p>	<p><b>Our procedures in relation to this matter included, amongst others</b></p> <ul style="list-style-type: none"> <li>- Assessed the design, implementation and operating effectiveness of the key internal controls involved in revenue recognition;</li> <li>- Performed testing of revenue transactions on a sample basis with underlying documentation including dispatch documents and sales invoices;</li> <li>- Tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue was recognised in the correct period;</li> <li>- Performed audit procedures to analyse variation in the price and quantity sold during the year;</li> <li>- Performed recalculations of discounts as per the Company's policy on test basis;</li> <li>- Understood and evaluated the accounting policy with respect to revenue recognition; and</li> <li>- Checked that revenue has been recognized in accordance with Company's accounting policy and the applicable accounting and financial reporting framework.</li> </ul>

#### Information Other than the Financial Statements and Auditors' Report thereon

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

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

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

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

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

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

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

## Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

## Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

### Other Matter

The financial statements of the Company for the year ended September 30, 2024 were audited by another Firm of Chartered Accountants who expressed an unmodified opinion on those financial statements on February 07, 2025.

The Engagement partner on the audit resulting in this independent auditors' report is Osman Hameed Chaudhri.

*Shinewing Hameed Chaudhri & Co.*

Lahore: Januray 05, 2026  
UDIN: AR2025101043eRVNmzf6

SHINEWING HAMEED CHAUDHRI & CO.,  
CHARTERED ACCOUNTANTS

**Chashma Sugar Mills Limited**  
**Statement Of Financial Position**  
**As at September 30, 2025**

	Note	2025 ---- Rupees in '000 ----	2024
<b>Assets</b>			
<b>Non current assets</b>			
Property, plant and equipment	7	19,668,278	21,545,185
Right-of-use assets	8	241,967	295,474
Long term investments	9	714,665	1,652,823
Long term loans and deposits	10	375,843	15,343
		<u>21,000,753</u>	<u>23,508,825</u>
<b>Current assets</b>			
Stores and spares	11	1,299,513	732,276
Stock-in-trade	12	7,103,687	3,988,480
Trade debts	13	1,284,887	276,285
Loans and advances	14	1,189,352	1,560,065
Trade deposits and other receivables	15	713,786	285,123
Income tax refundable		533,360	395,063
Cash and bank balances	16	793,636	898,783
		<u>12,918,221</u>	<u>8,136,075</u>
<b>Total assets</b>		<u><u>33,918,974</u></u>	<u><u>31,644,900</u></u>
<b>Equity and Liabilities</b>			
<b>Share capital and reserves</b>			
Authorised capital	17	5,000,000	500,000
Issued, subscribed and paid-up capital	17	286,920	286,920
Reserves	18	(1,045,869)	327,000
Surplus on revaluation of property, plant and equipment	19	8,473,044	8,978,222
Unappropriated profit		2,497,840	3,550,096
<b>Total equity</b>		<u>10,211,935</u>	<u>13,142,238</u>
<b>Non-current liabilities</b>			
Long term finances - secured	20	3,950,480	3,989,793
Loans from related parties - secured	21	104,972	126,222
Lease liabilities	22	141,853	143,011
Deferred taxation	23	844,611	3,018,176
Provision for gratuity	24	47,009	22,132
Deferred government grant	25	27,797	49,695
		<u>5,116,722</u>	<u>7,349,029</u>
<b>Current liabilities</b>			
Trade and other payables	26	4,286,727	1,483,125
Unclaimed dividend		15,172	15,679
Short term borrowings - secured	27	12,875,517	8,325,008
Current maturity of non-current liabilities	28	1,097,404	939,449
Provision for tax levies - net		315,497	390,372
		<u>18,590,317</u>	<u>11,153,633</u>
<b>Total liabilities</b>		<u>23,707,039</u>	<u>18,502,662</u>
<b>Contingencies and commitments</b>	29		
<b>Total equity and liabilities</b>		<u><u>33,918,974</u></u>	<u><u>31,644,900</u></u>

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

  
**Chief Executive Officer**

  
**Director**

  
**Chief Financial Officer**



**Chashma Sugar Mills Limited**  
**Statement Of Profit Or Loss**  
**For the Year Ended September 30, 2025**

		2025	2024
	Note	---- Rupees in '000 ----	
Sales - net	30	24,899,377	32,274,657
Cost of sales	31	(23,239,598)	(30,054,086)
<b>Gross profit</b>		<b>1,659,779</b>	2,220,571
Selling and distribution expenses	32	(1,161,575)	(877,883)
Administrative and general expenses	33	(1,494,329)	(1,198,876)
Net loss allowance on trade debts and subsidy receivables from GoP	13.1 & 15.3	(7,299)	(148,447)
Other income	34	992,356	436,285
Other expenses	35	(155,143)	(146,366)
<b>(Loss) /Profit from operations</b>		<b>(166,211)</b>	285,284
Finance cost	36	(3,346,774)	(4,099,104)
<b>Loss before levies and income tax</b>		<b>(3,512,985)</b>	(3,813,820)
Minimum tax - levy	37	(218,490)	(390,371)
<b>Loss before income tax</b>		<b>(3,731,475)</b>	(4,204,191)
Taxation	38	782,885	1,566,943
<b>Loss after taxation</b>		<b>(2,948,590)</b>	(2,637,248)
		---- Rupees ----	
<b>Loss per share - basic and diluted</b>	39	<b>(102.77)</b>	(91.92)

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



**Chief Executive Officer**



**Director**



**Chief Financial Officer**

**Chashma Sugar Mills Limited**  
**Statement Of Other Comprehensive Income**  
**For the Year Ended September 30, 2025**

	Note	2025 ---- Rupees in '000 ----	2024
<b>Loss after taxation</b>		<b>(2,948,590)</b>	<b>(2,637,248)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to statement of profit or loss</b>			
(Loss) / gain on remeasurement of staff retirement benefit plan	24.5	(872)	2,245
Less: related deferred tax		253	(876)
		<u>(619)</u>	<u>1,369</u>
Surplus on revaluation of property, plant and equipment	19.1	-	2,494,915
Less: deferred tax on surplus on revaluation of property, plant and equipment	19.1	-	(1,111,434)
		-	1,383,481
<b>Total comprehensive loss for the year</b>		<b><u>(2,949,209)</u></b>	<b><u>(1,252,398)</u></b>

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



**Chief Executive Officer**



**Director**



**Chief Financial Officer**

**Chashma Sugar Mills Limited**  
**Statement Of Changes In Equity**  
**For the Year Ended September 30, 2025**

	Reserves					Unappropriated profit	Total
	Share capital	General reserve	Merger reserve	Surplus on revaluation of property, plant and equipment	Sub-total		
	Rupees in '000						
<b>Balance as at October 01, 2023</b>	286,920	327,000	-	8,148,726	8,475,726	5,775,450	14,538,096
<b>Total comprehensive income for the year ended September 30, 2024</b>							
Loss for the year	-	-	-	-	-	(2,637,248)	(2,637,248)
Other comprehensive income	-	-	-	1,383,481	1,383,481	1,369	1,384,850
	-	-	-	1,383,481	1,383,481	(2,635,879)	(1,252,398)
Transfer on account of incremental depreciation - net of deferred taxation	-	-	-	(553,985)	(553,985)	553,985	-
<b>Transactions with owners</b>							
Cash dividend @ Rs. 5.00 per ordinary share for the year ended September 30, 2023	-	-	-	-	-	(143,460)	(143,460)
<b>Balance as at September 30, 2024</b>	<b>286,920</b>	<b>327,000</b>	<b>-</b>	<b>8,978,222</b>	<b>9,305,222</b>	<b>3,550,096</b>	<b>13,142,238</b>
Balance as at October 01, 2024	286,920	327,000	-	8,978,222	9,305,222	3,550,096	13,142,238
Reserve arisen under the scheme of merger (note 1.1)	-	-	(1,372,869)	-	(1,372,869)	-	(1,372,869)
<b>Total comprehensive income for the year ended September 30, 2025</b>							
Loss for the year	-	-	-	-	-	(2,948,590)	(2,948,590)
Other comprehensive loss	-	-	-	-	-	(619)	(619)
	-	-	-	-	-	(2,949,209)	(2,949,209)
Adjustment due to merger (note 1.1)	-	-	-	387,879	387,879	-	387,879
Effect of change in effective tax rate	-	-	-	1,003,896	1,003,896	-	1,003,896
Surplus on revaluation of property, plant and equipment realised during the year (net of deferred taxation) on account of:							
- incremental depreciation	-	-	-	(722,595)	(722,595)	722,595	-
- upon sale of revalued assets	-	-	-	(1,174,358)	(1,174,358)	1,174,358	-
<b>Balance as at September 30, 2025</b>	<b>286,920</b>	<b>327,000</b>	<b>(1,372,869)</b>	<b>8,473,044</b>	<b>7,427,175</b>	<b>2,497,840</b>	<b>10,211,935</b>

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

  
**Chief Executive Officer**

  
**Director**

  
**Chief Financial Officer**

**Chashma Sugar Mills Limited**  
**Statement Of Cash Flows**  
**For the Year Ended September 30, 2025**

	Note	2025 ---- Rupees in '000 ----	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before income taxation		(3,731,475)	(4,204,191)
Adjustments for non-cash and other items:			
Depreciation	7.6 & 8.1	1,826,917	1,615,388
Gain on disposal of operating fixed assets	34	(189,986)	(15,490)
Gain on derecognition of right-of-use assets	34	(5,640)	-
Profit on deposit accounts	34	(1,941)	(5,901)
Mark-up income on loan to related parties	34	(223,067)	(220,704)
Mark-up earned on term depository receipts and T.bills	34	(444,442)	(88,758)
Finance cost		3,321,022	4,072,519
Impairment loss / (reversal) for trade debts	13.1	7,299	(1,290)
Impairment loss for export subsidy		-	149,737
Impairment loss on long term investments		895	130,000
Reversal of provision for obsolete store items	11.1	(12,163)	(15,595)
Reversal of provision for workers' welfare fund		(30,258)	-
Provision for gratuity	24.1	28,514	8,935
Minimum tax - levy		218,490	390,371
		<u>764,165</u>	<u>1,815,021</u>
<b>Changes in working capital</b>			
Decrease / (increase) in current assets:			
- stores and spares		(492,693)	125,029
- stock-in-trade		(2,354,905)	1,189,196
- trade debts		(806,177)	901,925
- loans and advances		408,767	(89,603)
- trade deposits and other receivables		(403,965)	(22,824)
- long term loans and security deposits		(360,500)	-
		<u>(4,009,473)</u>	<u>2,103,723</u>
Increase / (decrease) in trade and other payables		<u>2,638,854</u>	<u>(1,891,827)</u>
<b>Net changes in working capital</b>		<u>(606,454)</u>	<u>2,026,917</u>
Income tax paid / Levies		(511,827)	(488,694)
Gratuity paid	24.1	(5,834)	(5,360)
		<u>(517,661)</u>	<u>(494,054)</u>
<b>Net cash (used in) / generated from operating activities</b>		<u>(1,124,115)</u>	<u>1,532,863</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(392,096)	(218,117)
Sale proceeds of operating fixed assets		3,910,378	46,574
Long term investment in subsidiaries		(938,158)	(594,253)
Profits on bank deposits received	34	1,941	5,901
Interest income on loan provided to related party	34	-	-
Profits on term finance certificates		444,442	88,758
<b>Net cash generated from / (used in) investing activities</b>		<u>3,026,507</u>	<u>(671,137)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term finance - net		(1,353,889)	103,122
Short term borrowings (repaid) / obtained		(3,649,656)	3,925,169
Encashment of TDR	16.1	450,000	-
Loan repaid to related party		(10,625)	(15,618)
Lease obligation repaid	22	(149,534)	(154,773)
Dividends paid		(507)	(142,353)
Finance cost paid		(3,265,746)	(4,094,347)
<b>Net cash (used in) / generated from financing activities</b>		<u>(7,979,957)</u>	<u>(378,800)</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<u>(6,077,565)</u>	<u>482,926</u>
<b>Cash and cash equivalents - at beginning of the year</b>		<u>(2,127,991)</u>	<u>(2,610,917)</u>
<b>Cash and cash equivalents - received upon merger of UWFPL</b>		<u>16,219</u>	<u>-</u>
<b>Cash and cash equivalents - at end of the year</b>		<u>(8,189,337)</u>	<u>(2,127,991)</u>
<b>Cash and cash equivalents comprised of:</b>			
Cash and bank balances	16.1	793,636	444,783
Short term running finance - secured	27	(8,982,973)	(2,572,774)
		<u>(8,189,337)</u>	<u>(2,127,991)</u>


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



Chief Executive Officer



Director



Chief Financial Officer

# Chashma Sugar Mills Limited

## Notes to the Financial Statements

### For the Year Ended September 30, 2025

#### 1. LEGAL STATUS AND OPERATIONS

Chashma Sugar Mills Limited (the Company) was incorporated in Pakistan on May 05, 1988 as a public limited company, under the Companies Ordinance, 1984 (repealed upon enactment of the Companies Act, 2017 on May 30, 2017) and commenced its commercial production from October 01, 1992. The Company has its shares quoted on the Pakistan Stock Exchange Limited. The Company is principally engaged in manufacturing, production, processing, compounding, preparation and sale of sugar, other allied compound, intermediates and allied products. The Company is a subsidiary of The Premier Sugar Mills and Distillery Company Limited (PSM).

Geographical location and addresses of major business units including mills / plant of the Company are as under:

<b>Islamabad</b>	<b>Purpose</b>
King's Arcade, 20-A, Markaz F-7	Head office
<b>Dera Ismail Khan, Khyber Pakhtunkhwa</b>	
University Road	Mill (Sugar Unit - I)
Ramak	Mill (Sugar Unit - II)
Ramak	Ethanol fuel plant
Ramak	Mill (Flour Unit)

#### 1.1 Merger of Ultimate Whole Foods (Private) Limited (UWFPL) with and into the Company

Ultimate Whole Foods (Private) Limited was incorporated in Pakistan as a Private Limited Company under the Companies Act, 2017 on May 17, 2021. The principal business activity of the Company is to run mills for milling wheat, gram, other grains and cereals, dal, besan, maida, atta, semolina, bran and other allied products.

Geographical location and addresses of major business units including mills / plant of the Company were as under:

<b>Dera Ismail Khan, Khyber Pakhtunkhwa</b>	
Indus Highway	Mills / plant
<b>Mardan</b>	
Premier Sugar Mills, Nowshera Road	Registered office

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

#### Accounting policy for merger

As the above amalgamation represents a transaction between commonly controlled entities, the said transaction is outside the scope of IFRS-3 'Business Combinations' and therefore is accounted for as a common control transaction and predecessor accounting has been applied as of the date of amalgamation. Therefore; the Company has adopted the following accounting policy that involves accounting for the assets and liabilities of UWFPL using existing carrying values i.e. the values at the sanctioned date:

(i) - the acquired assets and liabilities have been recorded at their existing carrying values (at the sanctioned date).

(ii) - no goodwill has been recorded.

(iii) - the difference between the carrying amount of the assets and liabilities received from UWFPL (at the sanctioned date), after taking effect of any adjustments due to intercompany balances and cross investments, has been recognised within equity as merger reserve.

(iv) - any intercompany balances and investments have been eliminated.

**Financial effect of merger based on the audited financial statements of UWFPL as at June 09, 2025**

The Company has acquired assets and assumed liabilities of UWFPL as detailed below:

	<b>Carrying Amount as at June 10, 2025 Rupees in '000</b>
<b>Assets</b>	
<b>Non current assets</b>	
Property, plant and equipment	3,294,786
Deferred tax asset	386,531
	<u>3,681,317</u>
<b>Current assets</b>	
Stores, spare parts and loose tools	62,381
Stock-in-trade	760,302
Trade debts	238,961
Loans and advances	38,054
Deposits, prepayments and other receivables	24,698
Bank balances	16,219
	<u>1,140,615</u>
<b>Total assets</b>	<u><u>4,821,932</u></u>
<b>Non current liabilities</b>	
Revaluation surplus	387,879
Long term finances - secured	1,063,735
Lease liabilities	11,800
	<u>1,463,414</u>
<b>Current liabilities</b>	
Trade and other payables	135,218
Contract liabilities	36,471
Short term borrowings	1,527,192
Accrued mark-up	85,180
Current portion of non current liabilities	549,426
Provision for income tax / levies	3,637
	<u>2,337,124</u>
<b>Total liabilities</b>	<u>3,800,538</u>
<b>Net assets acquired</b>	<u>1,021,394</u>
Effect of other merger adjustments due to intercompany balances and investments	2,394,263
<b>Merger Reserve</b>	<u><u>(1,372,869)</u></u>

## **2. BASIS OF PREPARATION**

### **2.1 Statement of compliance**

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

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

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

### **2.2 Basis of measurement**

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

### **2.3 Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees, which is the Company's functional currency. All financial information presented in Pakistan Rupees has been rounded to the nearest thousand of rupees unless otherwise specified.

## **3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES RESULTING FROM NEW / AMENDMENTS IN STANDARDS AND INTERPRETATION DURING THE YEAR**

### **3.1 Standards, amendments to approved accounting standards and interpretations that are effective and have been adopted by the Company**

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

#### **a) IAS 7 Statement of Cashflows and IFRS 7 Financial Instruments; Disclosures      Effective: January 01, 2024**

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

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

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

**b) IFRS 16 Leases****Effective: January 01, 2024**

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

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

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

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

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

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

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

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

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



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

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

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

**IFRS S2 Climate Related Disclosures**

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

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

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

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

**4. ACCOUNTING ESTIMATES, JUDGEMENTS & MEASUREMENT OF FAIR VALUES**

**Use of estimates and judgements**

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

**(a) Estimated useful life of operating assets - note 5.1. 5.2 and 7**

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

**(b) Surplus on revaluation of property, plant and equipment - note 5.1 and 7**

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

**(c) Impairment assessment of non financial assets - note 5.4, 5.5 and 9.3**

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

**(d) Provision for stores and spares - note 5.6 and 11**

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

**(e) Write down of stock in trade to net realizable value - note 5.7 and 12**

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

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

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

**(f) Estimation of impairment loss allowance - note 5.80 and 13**

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

**(g) Provision for employees' defined benefit plans - note 6.1 and 24.3**

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

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

**(h) Provision for taxation and levy - note 5.14, 37 and 38**

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

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

**(i) Provisions and contingencies - notes 5.13 and 29**

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

**(j) Estimation of lease term and incremental borrowing rate for lease liabilities and right of use assets - notes 5.3, 5.11, 8 and 22**

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

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

**5. MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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

**5.1 Property, plant and equipment**

**Owned assets**

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

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

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

Depreciation on operating assets is calculated using the reducing balance method to allocate their cost over their estimated useful life at the rates specified in note 7.1. Depreciation for factory assets is charged to cost of sales while depreciation for other property, plant and equipment is charged to administrative and general expenses and selling and distribution expenses on actual usage basis.

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

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

## **5.2 Capital work-in-progress**

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

## **5.3 Right-of-use assets**

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

The cost comprising the following:

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

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

## **5.4 Impairment of non-financial assets**

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

## **5.5 Long term investments**

### **5.5.1 Investment in subsidiaries**

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

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

### **5.5.2 Investment in associates**

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

## **5.6 Stores and spares**

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

## **5.7 Stock-in-trade**

Basis of valuation are as follows:

<b><u>Particulars</u></b>	<b><u>Mode of valuation</u></b>
Raw materials - molasses:	
- purchased	- at lower of cost and net realisable value
- own produced	- on the basis of average cost of molasses purchased from third parties.
Work-in-process	- at cost
Finished goods - sugar and ethanol	- at the lower of cost and net realisable value
Waste - bagasse	- net realizable value

Cost is determined using the average manufacturing cost method. The cost of finished goods and work in process comprises raw materials, direct labour, other direct costs and related production overheads.

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

#### **5.8 Trade debts**

Trade debts are recognised and carried at the original invoice amounts, being the fair value, less an allowance for uncollectible amounts, if any. As explained in note 5.18 to these financial statements, for measurement of loss allowance for trade debts, the Company applies IFRS 9 simplified approach to measure the expected credit losses.

#### **5.9 Cash and cash equivalents**

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

#### **5.10 Borrowings and borrowing cost**

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

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

#### **5.11 Lease liabilities**

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

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

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

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

#### **5.12 Trade and other payables**

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

### **5.13 Provisions**

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

### **5.14 Taxation**

Income tax comprises of current and deferred tax.

#### **(i) Current**

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

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

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

The Company designates the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognizes it as current income tax expense. The amount calculated not on the basis of taxable income, is recognized as a levy falling under the scope of IFRIC 21/IAS 37.

#### **(ii) Deferred**

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

Deferred tax asset and liability is measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### **5.15 Revenue recognition**

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

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

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

**5.16 Development expenditure**

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

**5.17 Operating segments**

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

**5.18 Financial instruments**

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

**a) Financial Assets**

**Classification**

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

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

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

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

**Recognition and derecognition**

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

**Measurement**

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

**Debt instruments**

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



**i) Amortised Cost**

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

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

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

**iii) Fair value through profit and loss (FVTPL)**

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

**Equity instruments**

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

**Impairment of financial assets**

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

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

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

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

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

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

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

### **Significant increase in credit risk**

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

The following indicators are considered while assessing credit risk:

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

### **Definition of default**

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

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

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

### **Credit - impaired financial assets**

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

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

## ii) Simplified approach for trade debts

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

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; and
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

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

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

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

## Recognition of loss allowance

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

## Write-off

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

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

## **b) Financial Liabilities**

### **Classification, initial recognition and subsequent measurement**

Financial liabilities are classified in the following categories:

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

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

#### **i) Fair value through profit or loss**

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

#### **ii) Other financial liabilities**

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

### **Derecognition of financial liabilities**

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

### **Offsetting financial assets and financial liabilities**

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

## **5.19 Fair value measurement**

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

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

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

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

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

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

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

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

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

## **5.20 Other Income**

The Company recognises following in other income:

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

## **6. SUMMARY OF OTHER ACCOUNTING POLICIES**

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

### **6.1 Employee retirement benefits**

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

#### **Defined contribution plan**

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

#### **Defined benefit plan**

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

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

## **6.2 Foreign currency transactions and translation**

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

## **6.3 Dividend and revenue reserve appropriation**

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

## **6.4 Earnings per share**

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

## **6.5 Deferred government grant**

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

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

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

## **7. PROPERTY, PLANT AND EQUIPMENT**

		2025	2024
	Note	---- Rupees in '000 ----	
Operating fixed assets	7.1	19,521,362	20,683,321
Capital work-in-progress	7.8	146,916	861,864
		<u>19,668,278</u>	<u>21,545,185</u>

## 7.1 Operating fixed assets

7.1 Operating fixed assets	Land		Equipment							
	Freehold	Lease hold	Building and roads	Plant and machinery	Electric installations	Office	Farm	Furniture and fixtures	Vehicles	Total
----- R u p e e s i n '000-----										
As at October 01, 2023										
Cost / revalued amount	1,937,795	3,200,000	2,480,943	10,735,002	786,992	135,407	2,658	79,481	107,615	19,465,893
Accumulated depreciation	-	-	(115,254)	-	(321,992)	(61,106)	(1,057)	(33,186)	(80,147)	(612,742)
Net book value	1,937,795	3,200,000	2,365,689	10,735,002	465,000	74,301	1,601	46,295	27,468	18,853,151
Year ended September 30, 2024										
Opening net book value	1,937,795	3,200,000	2,365,689	10,735,002	465,000	74,301	1,601	46,295	27,468	18,853,151
Additions	-	-	731,044	74,513	8,259	16,812	73	16,586	30,620	877,907
Disposals - note 7.2										
cost	-	-	-	-	-	(1,039)	-	(104)	(81,562)	(82,705)
accumulated depreciation	-	-	-	-	-	472	-	76	51,073	51,621
Transfers from right of use assets to owned	-	-	-	-	-	(567)	-	(28)	(30,489)	(31,084)
cost	-	-	-	-	-	-	-	-	78,784	78,784
accumulated depreciation	-	-	-	-	-	-	-	-	(48,896)	(48,896)
Depreciation charge	-	-	-	-	-	-	-	-	29,888	29,888
Revaluation adjustments:	-	(98,461)	(298,348)	(1,074,819)	(46,891)	(8,522)	(165)	(5,680)	(8,570)	(1,541,456)
Cost or valuation	-	550,000	214,017	124,084	-	-	-	-	-	888,101
Accumulated depreciation	-	98,461	413,602	1,074,819	19,932	-	-	-	-	1,606,814
Cost or valuation	-	648,461	627,619	1,198,903	19,932	-	-	-	-	2,494,915
Closing net book value	1,937,795	3,750,000	3,426,004	10,933,599	446,300	82,024	1,509	57,173	48,917	20,683,321
As at October 01, 2024										
Cost	1,937,795	3,750,000	3,426,004	10,933,599	795,251	151,180	2,731	95,963	135,457	21,227,980
Accumulated depreciation	-	-	-	-	(348,951)	(69,156)	(1,222)	(38,790)	(86,540)	(544,659)
Net book value	1,937,795	3,750,000	3,426,004	10,933,599	446,300	82,024	1,509	57,173	48,917	20,683,321
Year ended September 30, 2025										
Opening net book value	1,937,795	3,750,000	3,426,004	10,933,599	446,300	82,024	1,509	57,173	48,917	20,683,321
Additions	1,560	-	98,923	590,428	117,921	21,328	73	11,571	126,925	968,729
Disposals - note 7.2										
cost	-	(3,750,000)	-	(10,174)	(3,946)	(2,724)	(527)	(1,048)	(81,006)	(3,849,425)
accumulated depreciation	-	79,365	-	436	3,575	1,595	352	687	43,023	129,033
Acquisition of property, plant and equipment pursuant to merger of UWFEPL (note 1.1)	-	(3,670,635)	-	(9,738)	(371)	(1,129)	(175)	(361)	(37,983)	(3,720,392)
cost	86,737	-	1,515,573	1,890,837	131,966	69,106	-	12,516	35,047	3,741,782
accumulated depreciation	-	-	(198,705)	(235,522)	(16,484)	(9,961)	-	(1,738)	(9,863)	(472,273)
Transfers from right of use assets to owned	86,737	-	1,316,868	1,655,315	115,482	59,145	-	10,778	25,184	3,269,509
cost	-	-	-	60,580	-	-	-	-	71,495	132,075
accumulated depreciation	-	-	-	(24,400)	-	-	-	-	(36,490)	(60,890)
Depreciation charge	-	(79,365)	(390,812)	(1,180,820)	(56,330)	(11,443)	(142)	(6,734)	(25,344)	(1,750,990)
Closing net book value	2,026,092	-	4,450,983	12,024,964	623,002	149,925	1,265	72,427	172,704	19,521,362
As at September 30, 2025										
Cost / revalued amount	2,026,092	-	5,040,500	13,465,270	1,041,192	238,890	2,277	119,002	287,918	22,221,141
Accumulated depreciation	-	-	(589,517)	(1,440,306)	(418,190)	(88,965)	(1,012)	(46,575)	(115,214)	(2,699,779)
Net book value	2,026,092	-	4,450,983	12,024,964	623,002	149,925	1,265	72,427	172,704	19,521,362
Annual rate of depreciation (%)	-	3.3	10	10	10	10	10	10	20	

\* These Includes assets valuing Rs.113.866 thousand which is under lien against Diminishing Musharaka arrangements.

## 7.2 The details of operating fixed assets disposed-off is as follows:

Particulars of assets	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Sold to:
..... Rupees in '000 .....							
<b>Assets having net book value exceeding Rs.500,000 each</b>							
<b>Land</b>							
Lease hold land	3,750,000	79,365	3,670,635	3,850,000	179,365	Negotiation	M/s. Bestway Cement Limited
<b>Plant &amp; Machinery</b>							
Perkins Diesel Engine	4,847	121	4,726	861	(3,865)	Negotiation	M/s. Asian Company Lahore
Shinko Turbine power	4,330	289	4,041	2,781	(1,260)	Negotiation	M/s. Hussaini S.S. Mart
Diesel Generator Dyno	963	24	939	17	(922)	Negotiation	M/s. Asian Company Lahore
	<b>10,140</b>	<b>434</b>	<b>9,706</b>	<b>3,659</b>	<b>(6,047)</b>		
<b>Vehicles</b>							
Toyota Camry	5,154	3,709	1,445	6,700	5,255	Negotiation	Mr. Sajjad Haider Abassi
Toyota Corolla	2,970	1,895	1,075	1,485	410	Company Policy	Mr. Naseem Hussain Hashmi
Toyota Corolla	2,970	1,896	1,074	1,578	504	Company Policy	Mr. Khaleel Ahmad
Toyota Corolla	3,365	1,499	1,866	2,280	414	Company Policy	Mr. Saeed Akbar Sajjad Khan
Suzuki Cultus	2,025	1,176	849	1,013	164	Company Policy	Mr. Sharafat Ali
Toyota Yaris	2,831	1,623	1,208	1,416	208	Company Policy	Mr. Zia Ullah
Kia Sportage	4,537	2,760	1,777	2,416	639	Company Policy	Mr. Mirza Nadeem Ahmad
Honda Civic	4,233	2,575	1,658	2,117	459	Company Policy	Muhammad Zaheer Ud Din Babur
Toyota Corolla	7,006	2,143	4,863	6,000	1,137	Insurance Claim	M/s. IGI General Insurance Limited
Toyota Yaris	2,831	1,804	1,027	1,416	389	Company Policy	Muhammad Yasin Qureshi
Toyota Yaris	2,749	1,752	997	1,375	378	Company Policy	Mr. Zaka Ullah Khan Niazi
Kia Picanto	3,507	1,400	2,107	3,507	1,400	Company Policy	Mr. Mughees Bin Maroof
Toyota Corolla	4,032	1,985	2,047	2,688	641	Company Policy	Mr. Ammar Khurshid Khan
Suzuki Cultus	2,071	1,215	856	1,036	180	Company Policy	Muhammad Salaar Janjua
Suzuki Cultus	2,072	1,200	872	1,036	164	Company Policy	Mr. Mumtaz Ali Wazir
Honda City	2,786	1,674	1,112	1,393	281	Company Policy	Mr. Shahid Munir
Honda City	2,782	1,672	1,110	1,392	282	Company Policy	Mr. Zahir Shah
Kia Picanto	1,991	1,153	838	995	157	Company Policy	Mr. Ahmad Fiaz
Suzuki Cultus	2,016	1,138	878	1,008	130	Company Policy	Mr. Naveed Jafar
Toyota Corolla	4,791	1,968	2,823	3,244	421	Company Policy	Mr. Rizwan Ullah Khan
Suzuki Cultus	2,610	1,189	1,421	1,910	489	Company Policy	Mr. Aurangzeb
Changan Alsvin	4,245	1,407	2,838	4,245	1,407	Negotiation	Mr. Waheed Ali
Suzuki Cultus	3,075	1,367	1,708	3,223	1,515	Company Policy	Mr. Jam Ghulam Hazir
	<b>76,649</b>	<b>40,200</b>	<b>36,449</b>	<b>53,473</b>	<b>17,024</b>		
<b>Various assets having net book value upto Rs.500,000 each</b>							
	12,636	9,034	3,602	3,246	(356)	Negotiation	Various Parties
<b>2025</b>	<b>3,849,425</b>	<b>129,033</b>	<b>3,720,392</b>	<b>3,910,378</b>	<b>189,986</b>		
<b>2024</b>	<b>82,705</b>	<b>51,621</b>	<b>31,084</b>	<b>46,574</b>	<b>15,490</b>		



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

	2025	2024
	---- Rupees in '000 ----	
Freehold land	320,992	239,234
Leasehold land	-	2,599,760
Buildings and roads	2,552,210	1,426,711
Plant and machinery	4,472,196	2,968,741
Electric installations	542,225	390,445
	<b>7,887,623</b>	<b>7,624,891</b>

- 7.4** The latest valuation of the Company's operating fixed assets was carried out during the year ended September 30, 2024. The Category wise forced sale values, as at that date, are given below:

	2025	2024
	---- Rupees in '000 ----	
Freehold land	1,647,126	1,647,126
Leasehold land	-	3,000,000
Buildings and roads	2,689,974	2,689,974
Plant and machinery	8,200,198	8,200,198
Electric installations	334,725	334,725
	<b>12,872,023</b>	<b>15,872,023</b>

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

Location	Usage of immovable property	Total area	Covered area
		----- Kanals -----	
CSM-1, D.I.Khan	Factory Building	1,111.25	98.86
CSM-2, Ramak, D.I.Khan	Factory Building	1,621.15	174.66
CSM-FD, Ramak, D.I.Khan	Factory Building	128.10	20.67
Kings Arcade, Plot # 20-A, F-7 Markaz, Islamabad	Office Premises 2nd & 3rd Floor	2.49	2.49

- 7.6** Depreciation for the year has been allocated as under:

	2025	2024
	---- Rupees in '000 ----	
Cost of sales	1,629,256	1,459,485
Administrative and general expenses	121,734	81,971
	<b>1,750,990</b>	<b>1,541,456</b>

## 7.7 Security

Property plant and equipment with aggregate carrying value of Rs.12.019 billion (2024: Rs. 13.562 billion) are subject to first joint pari passu charge as defined in note 20. The Company is restricted to pledge these assets as security for other borrowings or sell them to another entity subject to approval.

## 7.8 Capital work-in-progress

	October 01, 2024	Additions during the year / acquisition as a result of merger	Capitalized / expensed out during the year	September 30, 2025
----- Rupees in '000 -----				
Land and building	136,278	121,227	210,991	46,514
Plant and Machinery	570,941	29,409	588,494	11,856
Electric installations	103,613	11,996	115,609	-
Owned vehicles	234	25,952	3,575	22,611
Vehicles - leased	34,165	209,155	206,273	37,047
Advance payments to Contractors	6,133	8,755	-	14,888
Advance payments against land and buildings	10,500	3,500	-	14,000
	<b>861,864</b>	<b>409,994</b>	<b>1,124,942</b>	<b>146,916</b>
----- Rupees in '000 -----				
	October 01, 2023	Additions during the year	Capitalized during the year	September 30, 2024
Land and building	232,073	44,400	140,195	136,278
Plant and Machinery	616,308	29,146	74,513	570,941
Electric installations	86,128	25,744	8,259	103,613
Owned vehicles	-	6,914	6,680	234
Vehicles - leased	29,374	101,880	97,089	34,165
Advance payments to Contractors	6,133	-	-	6,133
Advance payments against land and buildings	547,965	12,500	549,965	10,500
	<b>1,517,981</b>	<b>220,584</b>	<b>876,701</b>	<b>861,864</b>

## 8. RIGHT-OF-USE ASSETS

2025				
	Vehicles	Plant and Machinery	Building and tanks	Total
----- Rupees in '000 -----				
Net book value at beginning of the year	241,537	37,427	16,510	295,474
Additions	92,407	-	-	92,407
Transfer of right-of-use assets pursuant to merger of UWFPL (note 1.1)				
Cost	8,188	-	23,217	31,405
Accumulated depreciation	(4,512)	-	(10,377)	(14,889)
	3,676	-	12,840	16,516
Transferred to owned assets / derecognised during the year				
Cost	(79,683)	(60,580)	(23,217)	(163,480)
Accumulated depreciation	41,636	24,400	10,941	76,977
	(38,047)	(36,180)	(12,276)	(86,503)
Depreciation charge	(57,606)	(1,247)	(17,074)	(75,927)
Net book value at end of the year	241,967	-	-	241,967
As at September 30,				
Cost / revalued amount	385,268	-	-	385,268
Accumulated depreciation	(143,301)	-	-	(143,301)
Net book value	241,967	-	-	241,967
Annual rate of depreciation (%)	20	10	20-50	
2024				
	Vehicles	Plant and Machinery	Building and tanks	Total
----- Rupees in '000 -----				
Net book value at beginning of the year	226,655	41,586	27,883	296,124
Additions	97,089	-	-	97,089
Remeasurement during the year	-	-	6,081	6,081
Transferred to owned assets				
Cost	(78,784)	-	-	(78,784)
Accumulated depreciation	48,896	-	-	48,896
	(29,888)	-	-	(29,888)
Depreciation charge	(52,319)	(4,159)	(17,454)	(73,932)
Net book value at end of the year	241,537	37,427	16,510	295,474
As at September 30,				
Cost	364,356	60,580	138,438	563,374
Accumulated depreciation	(122,819)	(23,153)	(121,928)	(267,900)
Net book value	241,537	37,427	16,510	295,474
Annual rate of depreciation (%)	20	10	20-50	

8.1	Depreciation for the year has been allocated as under:	Note	2025 ---- Rupees in '000 ----	2024
	Cost of sales		1,247	4,159
	Selling and distribution expenses		16,511	17,453
	Administrative and general expenses		58,169	52,320
			<u>75,927</u>	<u>73,932</u>

## 9. LONG TERM INVESTMENTS

### Investment in subsidiaries - unquoted

Investment in shares of Whole Foods (Private) Limited (WFL) - at cost  
Shareholding held: 100% (2024: 100%)  
10,000,000 (2024: 10,000,000) fully paid ordinary shares

Advance for equity contribution

Mark-up charged during the year

	100,000	100,000
	619,466	619,466
	89,947	-
9.1	809,413	719,466

Investment in shares of Ultimate Whole Foods (Private) Limited (UWFPL) - at cost  
Shareholding held: Nil (2024: 84%)  
Nil shares (2024: 50,400,000 fully paid ordinary shares)

9.2 - 1,029,000

Difference in fair value and present value on initial recognition of interest free loan

9.3 119,964 119,964

929,377 1,868,430

Less : Impairment recognised on subsidiary  
-Whole Foods (Private) Limited

9.1.1 214,712 215,607

714,665 1,652,823

- 9.1 WFL was incorporated in Pakistan on October 26, 2017. The principal activity of WFL is to setup, manage, supervise and control the storage facilities for agricultural produce. WFL is yet to commence its operations. During previous financial year, the Company and WFL entered into an agreement to convert outstanding balance of receivables including mark-up receivable from WFL into equity. During the current year, the legal formalities required for the issuance of shares could not be completed; therefore, the shares were not issued by WFL and the Company has charged mark-up amounting to Rs.89,947 thousand, charged at the rate of 3-month KIBOR plus spread i.e. 14.52% on this balance. The Company presently hold 10,000,000 shares (2024:10,000,000) at par value of Rs.10 (2024: Rs.10) each.

**9.1.1** As at September 30, 2025, the management assessed the investment in WFL for impairment in respect of triggering events as specified by IAS 36 applicable to the non-current assets. Based on the below indicators, an impairment test has been carried out by the management to determine the recoverable amount of WFL:

- Lack of start of operations as per plan envisaged in the agreement between Punjab Foods Department, Government of Punjab and Whole Foods (Private) Limited;□
- Notice of intent to terminate agreement between Punjab Foods Department, Government of Punjab to Whole Foods Limited (WFL) during 2023 which has been contested by the management of WFL and
- Management plans to consider other options.

The Company, keeping in view the requirements of IAS 36, has performed an assessment of recoverable amount of its investment in WFL using a model, known as the Market Value of Net Assets Approach. The fair market valuation of net assets of WFL is carried out by an independent valuer M/s. A.B.M & Co. Chartered Accountants - a QCR rated firm, engaged by the management. The fair value of the WFL's operating fixed assets was assessed by the valuer based on independent valuation performed by an external property valuation expert. The movement in impairment recognised on investment in WFL is as follows:

	2025	2024
	---- Rupees in '000 ----	
Balance as at October 01,	215,607	85,607
Impairment (reversed) / charged during the year	(895)	130,000
Balance as at September 30,	<u>214,712</u>	<u>215,607</u>

**9.2** UWFPL was incorporated in Pakistan on May 17, 2021. The objective of UWFPL is to set up mills for milling wheat, gram, other grains, other allied products and by-products from flours. UWFPL commenced its operations in October 2023. During the year, UWFPL was merged / amalgamated with and into the Company pursuant to the approved scheme of amalgamation. Prior to merger / amalgamation, on April 03, 2025, the Company acquired an additional 19,600,000 shares of UWFPL for a total consideration of Rs.196 million, thereby increasing its shareholding to 100% (2024: 84%) and making UWFPL a wholly owned subsidiary of the Company. As a result of merger, the investment has been eliminated upon amalgamation. (note 1.1)

**9.3** This represent the difference between fair value and present value of the loan proceed provided by the Company to WFL in the prior years. Owing to the substance of loan at non-market interest rate (nil in this case), the difference between present value and loan proceeds has been recognized as an investment in the Subsidiary Company (WFL).

<b>10. LONG TERM LOANS AND DEPOSITS - considered good</b>	<b>Note</b>	2025	2024
		---- Rupees in '000 ----	
Long term security deposits		15,343	15,343
Loan to holding company - PSM	10.1	360,500	-
		<u>375,843</u>	<u>15,343</u>

**10.1** The Company has provided loan facility of Rs.500 million to PSM (the Holding company). The loan carries mark-up at the rate of 3-Months KIBOR+1% per annum, subject to a minimum of the Company's borrowing cost. The loan is repayable within three years, with the option for early repayment. The loan is secured against demand promissory note from the Holding Company. The members of the Company, in the Annual General Meeting held on February 26, 2025, approved the loan limit of Rs.500 million to the Holding Company.

11.	STORES AND SPARES	Note	2025	2024
			---- Rupees in '000 ----	----
	Stores and spares		1,325,735	770,661
	Less: provision for obsolete items	11.1	26,222	38,385
			<u>1,299,513</u>	<u>732,276</u>
11.1	Movement in provision for obsolete items is as follows:			
	Opening balance		38,385	53,980
	Reversal of provision during the year		(12,163)	(15,595)
	Closing balance		<u>26,222</u>	<u>38,385</u>
11.2	Stores and spares include items which may result in fixed capital expenditure but are not yet distinguishable.			
12.	STOCK-IN-TRADE	Note	2025	2024
			---- Rupees in '000 ----	----
	Raw material			
	- wheat	12.1	1,227,350	-
	Finished goods			
	- sugar	12.4	3,834,384	1,787,519
	- molasses	12.2	893,078	1,117,556
	- ethanol		1,017,581	954,434
	- bagasse	12.2	74,418	107,203
	- wheat flour		29,206	-
			<u>5,848,667</u>	<u>3,966,712</u>
	Work-in-process		27,670	21,768
		12.3	<u>7,103,687</u>	<u>3,988,480</u>
12.1	The closing stock of wheat, net of 10% to 15% margin, having carrying value of Rs. 1,227,350 thousand (2024: Rs. Nil) has been pledged against cash finance obtained from commercial and Islamic banks.			
12.2	Molasses and bagasse are used both for internal consumption as well as for sales to external parties.			
12.3	Certain short term and long term borrowings of the Company are secured by way of collateral charge on stock-in-trade.			
12.4	The closing stock of sugar, net of 10% to 15% margin, having carrying value of Rs. 3,163,940 thousand (2024: Rs.220,000 thousand) has been pledged against cash finance obtained from commercial and Islamic banks.			
13.	TRADE DEBTS - unsecured	Note	2025	2024
			---- Rupees in '000 ----	----
	Export debtors - considered good		937,013	148,265
	Local debtors			
	Considered good		347,874	128,020
	Considered doubtful		38,579	2,043
			<u>386,453</u>	<u>130,063</u>
	Less: loss allowance	13.1	38,579	2,043
			<u>1,284,887</u>	<u>276,285</u>

13.1	Movement in loss allowance	Note	2025 ---- Rupees in '000 ----	2024 ---- Rupees in '000 ----
	Opening balance		2,043	3,333
	Carrying value of loss allowance of UWFPL		29,237	-
	Provision / (reversal) for the year		7,299	(1,290)
	Closing balance		<u>38,579</u>	<u>2,043</u>
14.	<b>LOANS AND ADVANCES</b>			
	Advances to:			
	Employees - secured	14.1	19,678	11,851
	Suppliers and contractors - unsecured		1,109,200	1,032,368
			<u>1,128,878</u>	<u>1,044,219</u>
	Short term loans to related parties	14.2	<u>58,614</u>	<u>506,049</u>
	Letters of credit - secured		<u>31,603</u>	<u>39,540</u>
			<u>90,217</u>	<u>545,589</u>
			<u>1,219,095</u>	<u>1,589,808</u>
	Less:			
	Provision for doubtful advances		<u>28,838</u>	<u>28,838</u>
	Loss allowance	14.3	<u>905</u>	<u>905</u>
			<u>29,743</u>	<u>29,743</u>
			<u>1,189,352</u>	<u>1,560,065</u>

**14.1** These include balances of Rs.19,678 thousand (2024: Rs.11,851 thousand) secured against retirement benefits of respective employees.

**14.2 This represents short term loan due from the following related parties:**

	Note	2025 ---- Rupees in '000 ----	2024 ---- Rupees in '000 ----
<b>Due from subsidiary companies:</b>			
Whole Foods (Private) Limited (WFL)	14.2.2	58,614	-
Ultimate Whole Foods (Private) Limited		-	506,049
		<u>58,614</u>	<u>506,049</u>

**14.2.1** Maximum aggregate amount outstanding in respect of related parties at any month-end during the year was Rs.58,614 thousand (2024: Rs.506,049 thousand).

**14.2.2** During the year, the Company extended finances to meet the debt servicing and working capital requirements of WFL vide addendum made by the Company and WFL on February 26, 2025 to the previous loan agreement dated October 01, 2023 to convert the closing balance including mark-up as at September 30, 2025 into equity after members' approval in the upcoming 38th annual general meeting. The Company and WFL will complete the procedural formalities in the ensuing period for issuance of share capital there against. However, till members' approval and issuance of shares by WFL, the Company has charged interest on this balance at a Company's borrowing cost of 3-month KIBOR plus spread i.e. 14.52% per annum.

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

	2025 ---- Rupees in '000 ----	2024 ---- Rupees in '000 ----
Upto 6 months	26,410	-
More than 6 months	32,204	506,049
	<u>58,614</u>	<u>506,049</u>

<b>14.3 Movement in loss allowance during the year is as follows:</b>			<b>2025</b>	<b>2024</b>
	<b>Note</b>		<b>---- Rupees in '000 ----</b>	
Opening balance			<b>905</b>	905
Loss allowance for the year			-	-
Closing balance			<b>905</b>	905
<b>15. TRADE DEPOSITS AND OTHER RECEIVABLES</b>				
Prepayments			<b>41,100</b>	10,353
Export subsidy receivable			<b>305,519</b>	305,519
Accrued mark-up on term deposit receipts			-	50,801
Accrued mark-up on loans and advances to the related parties	<b>15.1</b>		<b>19,098</b>	109,829
Due from the related parties	<b>15.2</b>		<b>648,329</b>	101,216
Others			<b>5,259</b>	12,924
			<b>1,019,305</b>	590,642
Less: loss allowance against export subsidy receivable	<b>15.3</b>		<b>305,519</b>	305,519
			<b>713,786</b>	285,123
<b>15.1</b> This includes Rs.14.875 million receivable from PSM (the Holding Company) and Rs.4.223 million receivable from WFL as mark-up accrued on loans provided. Preceding year represents Rs.109.829 million receivable from UWFPL, which has been eliminated as a result of merger.				
<b>15.2 This represents amounts due from the following related parties and are interest free:</b>			<b>2025</b>	<b>2024</b>
	<b>Note</b>		<b>---- Rupees in '000 ----</b>	
The Premier Sugar Mills and Distillery Company Limited			<b>648,329</b>	98,126
Premier Grain Ethanol Limited			-	3,090
			<b>648,329</b>	101,216
<b>15.3 Movement in loss allowance of export subsidy during the year is as follows:</b>				
Opening balance			<b>305,519</b>	155,782
Impairment loss for the year			-	149,737
Closing balance			<b>305,519</b>	305,519
<b>16. CASH AND BANK BALANCES</b>				
<b>Cash at bank in</b>				
- current account	<b>16.2</b>		<b>770,714</b>	429,639
- savings accounts	<b>16.3</b>		<b>22,922</b>	19,144
- deposit accounts			-	450,000
			<b>793,636</b>	898,783
<b>16.1</b> Bank balances that are included in cashflow are as follows:			<b>2025</b>	<b>2024</b>
	<b>Note</b>		<b>---- Rupees in '000 ----</b>	
Cash and bank balances			<b>793,636</b>	898,783
Bank balances under lien	<b>16.4</b>		-	(454,000)
			<b>793,636</b>	444,783



- 16.2** These include dividend account balance of Rs 1,225 thousand (2024: Rs.1,225 thousand). These balances are maintained in separate non interest bearing current bank accounts.
- 16.3** These carry profit at the rates ranging from 9.50% to 16.00% (2024: 19.00% to 20.50%) per annum.
- 16.4** During the previous financial year, lien was marked on bank balances for an amount of Rs.454,000 thousand in respect of the various guarantees extended by the banks.

## **17. SHARE CAPITAL**

### **17.1 Authorised share capital**

2025	2024		2025	2024
----- Numbers -----			---- Rupees in '000 ----	
<u>500,000,000</u>	<u>50,000,000</u>	Ordinary shares of Rs.10 each	<u>5,000,000</u>	<u>500,000</u>

- 17.1.1** During the year, the members of the Company in their extra ordinary general meeting held on April 03, 2025 resolved to increase the authorised capital of the Company from 50 million ordinary shares to 500 million ordinary shares.

### **17.2 Issued, subscribed and paid up capital**

2025	2024		2025	2024
----- Numbers -----			---- Rupees in '000 ----	
<u>28,692,000</u>	<u>28,692,000</u>	Ordinary shares of Rs.10 each fully paid in cash	<u>286,920</u>	<u>286,920</u>

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

	2025	2024
	---- Number ----	
<b>Holding company</b>		
The Premier Sugar Mills & Distillery Company Limited	13,751,000	13,751,000
<b>Associated companies</b>		
Azlak Enterprises (Private) Limited	1,497,359	1,497,359
Phipson & Co. Pakistan (Private) Limited	307,500	307,500
Syntronics Limited	3,590,475	3,590,475
	<u>19,146,334</u>	<u>19,146,334</u>

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

## **18. RESERVES**

	Note	2025	2024
		---- Rupees in '000 ----	
General reserves	18.1	327,000	327,000
Merger reserves - Capital reserve	18.2	(1,372,869)	-
		<u>(1,045,869)</u>	<u>327,000</u>

- 18.1** These represent amounts appropriated by the Board of Directors of the Company from 1993 to 2005 to a separate reserve available for distribution to shareholders by way of dividend.
- 18.2** This represents merger reserve arisen upon merger of UWFPL with and into the Company on June 10, 2025. This also include the effect of merger adjustments, elimination of inter company balances and cross investments.

## 19. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

19.1 The Company follows revaluation model for freehold land, leasehold land, buildings & roads, plant & machinery and electric installations. The fair value of the Company's free hold land, leasehold land, buildings & roads, plant & machinery and electric installations were assessed by management based on independent valuation performed by an external property valuation expert. The latest assessment of fair value was conducted by the expert during the year ended September 30, 2024. For valuation of these items, the current market price or depreciated replacement cost method was used, whereby, current purchase / construction cost of similar items in similar locations was adjusted using suitable depreciation rates to arrive at present market value. This technique requires significant judgment as to estimating the revalued amount in terms of their quality, structure, layout and locations. Movement during the year is as follows:

	2025 - - - - Rupees in '000 - - - -	2024 - - - -
Balance at the beginning of the year	12,886,023	11,299,280
Add: surplus on revaluation carried-out during the year	-	2,494,915
Add: surplus on revaluation recognised as a result of merger of UWFPL	546,308	-
Less: effect of disposal of operating fixed assets during the year	1,177,176	-
Less: incremental depreciation for the year	1,017,739	908,172
	<b>11,237,416</b>	<b>12,886,023</b>
Less: deferred tax on:		
opening balance of surplus	3,907,801	3,150,554
surplus during the year	-	1,111,434
surplus recognised as a result of merger	158,429	-
disposal during the year	(2,818)	-
incremental depreciation for the year	(295,144)	(354,187)
Effect of change in effective tax rate	(1,003,896)	-
	<b>2,764,372</b>	<b>3,907,801</b>
	<b>8,473,044</b>	<b>8,978,222</b>

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

20. LONG TERM FINANCES - SECURED

Lending institutions	Interest rate (per annum)	2025			2024			Collateral
		Total available facility	Long term portion	Current portion	Total outstanding amount	Total outstanding amount		
----- R u p e e s i n ' 0 0 0 -----								
Al Baraka Bank (Pakistan) Limited	6 month KIBOR + 1.50%	450,000	112,769	111,063	223,832	334,646	- Secured against first joint pari-passu charge on present and future fixed assets of the Company for Rs. 600,000 thousand. - Specific charge of Rs. 450,000 thousand on specific plant and machinery items.	
	6 month KIBOR + 1% to 1.5%	678,287	211,355	123,421	334,776	458,197		
	SBP rate 5% p.a (TERF)	210,399	109,006	91,201	200,207	269,510		
MCB Bank Limited	3 month KIBOR + 1.1%	559,546	309,738	103,754	413,492	-	- Secured against first joint pari-passu charge on present and future fixed of the Company for Rs. 801,000 thousand.	
Soneri Bank Limited	3 month KIBOR + 1.85%	1,500,000	1,208,333	208,333	1,416,666	110,713		
United Bank Limited	3 month KIBOR + 1.75% 3 month KIBOR + 2.5%	1,900,000	1,750,000	100,000	1,850,000	3,365,625		
National Bank of Pakistan	6 month KIBOR + 1.75%	100,000	65,491	19,577	85,068	-		
MCB Islamic Bank Limited	3 month KIBOR + 1.65%	100,000	11,726	5,833	17,559	-	- 10% Down Payment - HPA marked on the Assets  - 15% Down Payment - HPA marked on Assets  - Secured against first joint pari-passu charge on present and future fixed of the Company for Rs. 533,334 thousand.	
The Bank of Khyber	SBP rate + 1.5% 3 month KIBOR + 1.75%	400,000	172,062	84,301	256,363	-		
Total			3,950,480	847,483	4,797,963	4,538,691		
Accrued mark-up					91,587	211,749		
					4,889,550	4,750,440		
Less: amount payable within next 12 months								
Principal					847,483	548,898		
Accrued mark-up					91,587	211,749		
					939,070	760,647		
Amount due after September 30, 2026					3,950,480	3,989,793		

21.	LOANS FROM RELATED PARTIES - secured	Note	2025 ----- Rupees in '000 -----	2024
	Associated companies			
	Premier Board Mills Limited	21.1	37,472	37,472
	Arpak International Investments Limited	21.2	25,000	25,000
	Azlak Enterprises (Private) Limited	21.3	74,375	85,000
	Accrued mark-up		63,242	72,607
			200,089	220,079
	Less: amount payable within next 12 months			
	Principal		31,875	21,250
	Accrued mark-up		63,242	72,607
			95,117	93,857
			104,972	126,222

**21.1** The long term finance facility had been renewed on November 22, 2024. The principal is repayable in 4 semi annual installments commencing from November 2028. The rate of mark-up is 1 month KIBOR + 1.25%, provided the mark-up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Company.

**21.2** The long term finance facility had been renewed on November 22, 2024. The principal is repayable in 4 semi annual installments commencing from November 2028. The rate of mark-up is 1 month KIBOR + 1.25%, provided the mark-up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Company.

**21.3** The long term finance facility had been renewed on January 3, 2022. The principal is repayable in 8 semi annual installments commencing from December 2024. The rate of mark-up is 1 month KIBOR + 1.25%, provided the mark-up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Company.

22. LEASE LIABILITIES	2025	2024
	---- Rupees in '000 ----	
Balance at beginning of the year	227,956	225,593
Transfer of liability pursuant to merger of UWFPL with and into the Company	15,116	-
Additions during the year	93,389	100,762
Unwinding of interest on lease liabilities	32,961	50,293
Payments made during the year	(149,534)	(154,773)
Remeasurement gain	-	6,081
Early termination of lease liabilities	(14,818)	-
Balance at end of the year	<b>205,070</b>	<b>227,956</b>
Less: current portion of long term lease liabilities	<b>63,217</b>	<b>84,945</b>
	<b>141,853</b>	<b>143,011</b>

**22.1 Maturity analysis of undiscounted lease payments need to be made after the reporting period:**

	2025	2024
	---- Rupees in '000 ----	
Upto one year	86,574	124,165
From one to five years	167,089	189,930
	<u>253,663</u>	<u>314,095</u>
Less: finance cost allocated to future periods	48,594	86,138
	<u>205,069</u>	<u>227,957</u>

**22.2** The Company has acquired vehicles under finance lease from commercial banks. The financing is repayable in equal monthly installments over a period ranging between four to five years and carries finance charge ranging from 12.01% to 23.08% (2024: 17.36% to 26.19%) per annum.

**23. DEFERRED TAXTION**

	2025	2024
	---- Rupees in '000 ----	
Taxable temporary differences arising in respect of :		
- accelerated tax depreciation allowance	698,852	656,961
- surplus on revaluation of property, and equipment	2,764,372	3,907,801
- right-of-use assets	70,170	115,235
	<u>3,533,394</u>	<u>4,679,997</u>
Deductible temporary differences arising in respect of :		
- lease liabilities	(59,470)	(88,903)
- provision for doubtful advances	(19,813)	(11,600)
- provision for obsolete items	(7,604)	(14,970)
- impairment losses	(150,867)	(796)
- provision for gratuity	(13,633)	(8,631)
- minimum tax and tax losses recoverable against future taxable profits	(2,437,396)	(1,536,921)
	<u>(2,688,783)</u>	<u>(1,661,821)</u>
	<u>844,611</u>	<u>3,018,176</u>

**24. PROVISION FOR GRATUITY**

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

**24.1 Movement in net liability recognised**

	2025	2024
	---- Rupees in '000 ----	
Opening net liability	22,132	19,965
Expense for the year recognized in statement of profit or loss	28,514	8,935
Remeasurement loss / (gain) recognized in statement of other comprehensive income	872	(2,245)
Benefits paid	(5,834)	(5,360)
Benefits payable to outgoing employees transferred to trade and other payables	-	837
Liability transferred from other group company	1,325	-
Closing net liability	<u>47,009</u>	<u>22,132</u>

24.2 Expense for the year	2025	2024
	---- Rupees in '000 ----	
Current service cost	26,256	6,040
Interest cost	2,258	2,895
	<u>28,514</u>	<u>8,935</u>
24.3 Changes in present value of defined benefit obligation		
Opening defined benefit obligation	22,132	19,965
Current service cost	26,256	6,040
Interest cost	2,258	2,895
Benefits paid	(5,834)	(5,360)
Benefits payable to outgoing employees transferred to trade and other payables	-	837
Liability transferred from other group company	1,325	-
Remeasurement loss / (gain) on defined benefit obligation	872	(2,245)
Balance at end of the year	<u>47,009</u>	<u>22,132</u>
24.4 Principal actuarial assumptions used in the actuarial valuation		
The "Projected Unit Credit Method" using the following significant assumptions was used for the valuation of the scheme:		
	2025	2024
Discount rate used for interest cost	11.75%	16.75%
Discount rate used for year end obligation	11.75%	11.75%
Salary increase rate - long term	11.75%	11.75%
Salary increase rate - short term	11.75%	11.75%
Demographic assumptions		
Mortality rates (for death in service)	SLIC (2001-05)	SLIC (2001-05)
Retirement assumption (age based)	60	60
During the year 2026, the Company expects to contribute Rs.16,090 thousand to its gratuity scheme.		
24.5 Remeasurements recognized in OCI during the year	2025	2024
	---- Rupees in '000 ----	
Actuarial losses / (gains) from changes in financial assumptions	-	(170)
Experience adjustments	872	(2,075)
Remeasurement loss / (gain) on defined benefit obligation	<u>872</u>	<u>(2,245)</u>
Distribution timing of gratuity payments:		
1 year	2,526	1,550
2 years	3,439	2,651
3 years	4,213	2,494
4 years	6,478	3,166
5 years	3,563	2,922
6 years onward	1,169,200	798,699

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

<b>Plan duration</b>	<b>Years</b>
September 30, 2025	9
September 30, 2024	10

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

	<b>2025</b>	
	<b>Effect of 1% increase</b>	<b>Effect of 1% decrease</b>
	<b>----- Rupees in '000 -----</b>	
Discount rate	<b>(42,957)</b>	<b>51,739</b>
Future salary growth	<b>51,758</b>	<b>(42,866)</b>
	<b>2024</b>	
	<b>Effect of 1% increase</b>	<b>Effect of 1% decrease</b>
	<b>----- Rupees in '000 -----</b>	
Discount rate	(20,029)	24,615
Future salary growth	24,627	(19,979)

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

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

**Final salary risks:**

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

**Withdrawal risks:**

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

**Mortality risks:**

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

**Discount rate fluctuation:**

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

25. DEFERRED GOVERNMENT GRANT	2025	2024
	---- Rupees in '000 ----	
Opening balance	49,695	76,280
Amortization during the year	(21,898)	(26,585)
Closing Balance	<u>27,797</u>	<u>49,695</u>

- 25.1** This represent deferred government grant in respect of term finance facility obtained under SBP temporary economic refinance facility (TERF). The Company had entered into an arrangement with Bank Al Habib Limited for obtaining term finance facility under State Bank of Pakistan (SBP) TERF scheme to facilitate retirement of import / shipping documents received against LCs (foreign and local / inland), up to a maximum of Rs.505 million. The principal amount of loan is repayable in 10 equal semi annual installments commenced from September 30, 2023. Mark-up rate is 5% on this facility and is also repayable on semi annual basis. The availed facility at September 30, 2025 was Rs.200,207 thousand. The facility will expire on September 30, 2027. There are no unfulfilled conditions or other contingencies attaching to this grant.

26. TRADE AND OTHER PAYABLES	Note	2025	2024
		---- Rupees in '000 ----	
Creditors		598,086	331,480
Due to related parties	26.1	409,389	150,147
Accrued expenses		157,448	130,561
Retention money		30,587	16,072
Security deposits	26.2	1,299	1,299
Advance payments from customers - contract liability	26.3	2,063,943	179,205
Sales tax payable		393,041	344,116
Income tax deducted at source		498,181	194,989
Payable for workers' welfare fund	26.4	-	30,258
Payable to employees		109,918	84,812
Payable to provident fund		20,899	9,574
Others		3,936	10,612
		<u>4,286,727</u>	<u>1,483,125</u>

- 26.1** This represents amounts due to the following related parties and are interest free and payable on demand / except as disclosed.

	Note	2025	2024
		---- Rupees in '000 ----	
<b>Associated Companies</b>			
Syntronics Limited		12,659	11,993
Syntron Limited		41,637	
Azlak Enterprises (Private) Limited		59,103	38,154
Director	26.1.1	295,990	100,000
		<u>409,389</u>	<u>150,147</u>



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

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

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

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

<b>26.4 Payable for workers' welfare fund</b>	<b>Note</b>	<b>2025</b>	<b>2024</b>
		<b>---- Rupees in '000 ----</b>	
Balance at beginning of the year		<b>30,258</b>	30,258
Reversal for the year		<b>(30,258)</b>	-
		<u>-</u>	<u>30,258</u>
Less: payments made during the year		-	-
Balance at end of the year		<u>-</u>	<u>30,258</u>
<b>27. SHORT TERM BORROWINGS - secured</b>			
Cash / running finance		<b>8,982,973</b>	2,572,774
Export re-finance		<b>3,326,600</b>	5,449,064
		<u><b>12,309,573</b></u>	<u>8,021,838</u>
Accrued mark-up		<b>565,944</b>	303,170
	<b>27.1</b>	<u><b>12,875,517</b></u>	<u>8,325,008</u>

27.1 SHORT TERM BORROWINGS- SECURED

Lending institutions	Interest rate (per anum)	2025			2024	
		Total available facility	Total outstanding amount	Total outstanding amount	Collateral	
		----- Rupees in '000 -----				
Askari Bank Limited	3 month KIBOR + 0.90%	900,000	-	131,904	- Letter of Pledge amounting Rs. 933,333 thousand on sugar stocks (inclusive of 15% margin). - Pledge of sugar bags (15% margin on market price). - Lien on export documents / firm contracts. - Joint pari-passu charge over current assets of the Company for Rs. 267,000 thousand (inclusive of 25% margin).	
Bank Al Falah Limited	3 month KIBOR + 1.25% SBP Rate +1.25%	1,300,000	600,000	385,000	- Pledge of fresh sugar of current season with 15% margin for Rs. 1,171,471 thousand. - Pledge of sugar bags (15% margin on market price). - Ranking Hypothecation Charge of Rs. 400,000 Million on all present & Future Current Assets of the Company with 25% Margin. - Ranking Hypothecation charge over all present and future current assets of the Company for Rs. 533,340 thousand (inclusive of 25% margin). - Lien on export documents / firm contracts. - Pledge of wheat stock in Silos with 15% margin.	
Bank Al-Habib Limited	3 month KIBOR + 1% 6 month KIBOR + 3% 3 month KIBOR + 1.25%	3,900,000	1,794,808	1,995,932	- Registration of Charge in SECP over refined sugar stock under bank pledge with 15% margin amounting to Rs 2,353,000 thousand. - Pledge on sugar stock with 25% margin on market price. - Joint pari-passu charge over all present and future current assets of the Company for Rs. 1,867,000 thousand (inclusive of 25% margin). - Lien on export documents / firm contracts. - Pledge of wheat stock in Silos with Nil Margin.	
Bank of Khyber	3 month KIBOR + 1% 6 month KIBOR +1.25%	750,000	500,000	-	- Pledge of fresh sugar of current season with 15% margin for Rs. 589,000 thousand. - Pledge of sugar bags (15% margin on market price).	
Bank of Punjab	3 month KIBOR + 1.10%	1,750,000	500,000	750,000	- Pledge on sugar stock with 15% margin for Rs. 1,177,000 thousand. - Pledge of sugar bags (15% margin on market price). - Joint pari-passu charge over current assets of the Company with 25% margin for Rs 667,000 thousand. - Ranking Hypothecation Charge of Rs. 334,000 Thousand over all present & Future Current Assets of the Company with 25% Margin - Lien on export LCs / contracts.	

Lending institutions		2025			2024		Collateral
Interest rate (per anum)	Total available facility	Total outstanding amount	Total outstanding amount				
----- Rupees in '000 -----							
Bank Islami Pakistan Limited	6 month KIBOR + 1.20%	1,400,000	-	720,000		- Pledge of refined sugar stock of current season with 15% margin (Rs. 470,588 thousand). - Pledge of sugar bags (15% margin on market price). - Ranking Hypothecation charge over all present and future current assets of the Company with 25% margin (Rs. 667,000 thousand). - Lien on export documents / firm contracts. - Pledge of Wheat stock in Silo with 20% margin - Ranking Charge of Rs. 333.34 Million over Current Assets of the Company; - Ranking charge of Rs. 333.34 Million over Fixed Assets of the Company.	
	9 month KIBOR + 1.20%						
Dubai Islamic Bank Pakistan Limited	6 month KIBOR + 1.25%	1,000,000	780,600	200,000		- Pledge on sugar stock with 10% margin for Rs. 603,000 thousand. - Pledge of sugar bags (10% margin on market price). - Lien over export LC / contract. - First joint pari-passu charge on present and future current assets of the Company for Rs 267,000 thousand, inclusive of 25% Margin. - Ranking Hypothecation Charge of Rs. 533,000 thousand over all present & Future Current Assets of the Company with 25% Margin.	
	9 month KIBOR + 1.50%						
Habib Metropolitan Bank Limited	3 month KIBOR + 0.90%	1,050,000	300,000	300,000		- Pledge on crystallized sugar in bags with 15% margin for Rs. 882,353 thousand. - Pledge of sugar bags (15% margin on market price). - Lien over export LC / contract. - Joint pari-passu charge on current assets of the Company for Rs 400,000 thousand registered with SECP with 25% Margin. - Lien over export documents.	
	3 month KIBOR + 1.00%						
MCB Bank Limited	3 month KIBOR + 1.10%	1,800,000	1,067,753	874,350		- Pledge on white refined sugar stock for Rs. 889,890 thousand - Pledge of sugar bags (15% margin on market price). - Lien over export LC / contract. - joint pari-passu charge on present and future current assets of the Company for Rs. 534,000 thousand. - Ranking Hypothecation Charge of Rs. 332,667 million over all present & Future Current Assets of the Company with 25% Margin - Ranking hypothecation charge on present and future current assets of the Company for Rs. 667,000 thousand. - Corporate guarantee of the Company in favour of MCB for unconditional payment on demand.	

Lending institutions	Interest rate (per anum)	2025		2024		Collateral
		Total available facility	Total outstanding amount	Total outstanding amount		
----- Rupees in '000 -----						
MCB Islamic Bank Limited	3 month KIBOR + 1.40% 3 month KIBOR +1.25%	5,800,000	2,995,455	499,996	- Pledge on white refined sugar stock for Rs. 2,942,000 thousand - Pledge of sugar bags (15% margin on market price). - Lien over export LC / contract. - Ranking Hypothecation Charge of Rs. 3,334,000 thousand over all present & future Current Assets of the Company with 25% Margin. - Ranking Hypothecation Charge of Rs. 332,667 thousand over all present & Future Current Assets of the Company with 25% Margin - Ranking hypothecation charge on present and future current assets of the Company for Rs. 667,000 thousand. - Corporate guarantee of the Company in favour of MCB for unconditional payment on demand.	
	3 month KIBOR + 1.20% 6 month KIBOR + 1.20%	1,450,000	-	464,656	- Pledge on white refined sugar stock for Rs. 1,531,000 thousand - Pledge of sugar bags (15% margin on market price). - Lien over export LC / contract. - Ranking Hypothecation Charge of Rs. 666,667 thousand over all present future Current Assets of the Company with 25% Margin. - Ranking Hypothecation Charge of Rs. 200,000 Thousand over all present & Future Current Assets of the Company with 25% Margin - Corporate guarantee of the Company in favour of MZBL for unconditional payment on demand.	
National Bank of Pakistan	9 month KIBOR + 1%	1,200,000	438,000	-	- Pledge on white refined sugar stock with 15% margin for Rs. 1,176,471 thousand. - Pledge of sugar bags (15% margin on market price). - Pledge of Wheat stock in Silo with 25% margin.	
Samba Bank Limited	1 month KIBOR + 1%	600,000	599,990	-	- Exclusive charge over refined sugar bags of Rs. 707,000 thousand registered with SECP. - Pledge of sugar bags (15% margin on market price).	
Soneri Bank Limited	3 month KIBOR + 1.50%	1,000,000	1,401,257	1,000,000	- Pledge of Sugar backed by Specific/Exclusive charge of Rs 1,176,471 thousand over stocks of refined white sugar with SECP with 15% margin. - Pledge of sugar bags (15% margin on market price). - Lien over export LC / contract. - joint pari-passu charge on present and future current assets of the Company for Rs. 666,667 thousand. - Ranking Hypothecation Charge of Rs. 666,667 thousand over all present & Future Current Assets of the Company with 25% Margin.	

		2025		2024	
Lending institutions	Interest rate (per anum)	Total available facility	Total outstanding amount	Total outstanding amount	Collateral
----- R u p e s in '000 -----					
United Bank Limited	3 month KIBOR+2.50% 1 month KIBOR + 2.50%	5,600,000	1,331,710	700,000	- Pledge of sugar stock with 15% margin under effective control and custody of UBL appointed Mucaddam. - Pledge of sugar bags (15% margin on market price). -1st Pledge of wheat stock at factory premises with 20% margin under effective control and custody of UBL appointed Mucaddam - Pledge of wheat stock in Silo with 20% margin.
<b>Total</b>			<b>12,309,573</b>	8,021,838	
Accrued mark-up			<b>565,944</b>	211,749	
			<b>12,875,517</b>	8,233,587	

**27.2** These include short term financial exposure of UWFPL assumed by the Company under the scheme of merger.

<b>28. CURRENT MATURITY OF NON-CURRENT LIABILITIES</b>	<b>Note</b>	<b>2025</b>	<b>2024</b>
		<b>---- Rupees in '000 ----</b>	
Long term finances	<b>20</b>	<b>939,070</b>	760,647
Loans from related parties	<b>21</b>	<b>95,117</b>	93,857
Lease liabilities	<b>22</b>	<b>63,217</b>	84,945
		<b>1,097,404</b>	939,449

## **29. CONTINGENCIES AND COMMITMENTS**

### **29.1 Contingencies**

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

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

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

**29.1.4** The Competition Commission of Pakistan (CCP) issued a show cause notice dated November 4, 2020 to sugar mills with respect to artificial price hike and alleged cartelization. The Company submitted its reply dated December 25, 2020. However CCP passed an order dated August 13, 2021 and on the basis of revenues of financial year 2019 imposed a penalty of Rs.650,000 thousand on the Company. Against the said order of CCP, the Company has filed an appeal before the CCP Appellate tribunal. The CCP Appellate tribunal has granted stay order against the CCP's order dated August 13, 2021. The case is pending adjudication. During the financial year, Tribunal assailed the previous stay order through the impugned judgement on May 21, 2025. The Company preferred an appeal before the Supreme Court of Pakistan (SCP) against the said judgement. The SCP from its order dated September 18, 2025, set aside the judgement of Tribunal and remanded the case back to Tribunal to decide the same afresh, which is pending adjudication.

**29.1.5** The Company has letter of guarantee facilities aggregating Rs.50 million (2024: Rs 50 million) available from Bank Al Habib. The amount availed on these facilities as at September 30, 2025 is Rs.4 million (2024: Rs 4 million). These facilities are secured by master counter guarantee and 100% cash margin.

**29.1.6** The Company has obtained letter of credit facilities aggregating Rs.230 million (2024: Rs.415 million) from various banks. The amount availed on these facilities as at September 30, 2025 is Rs.121.953 million (2024: Rs.249 million). These facilities are secured by lien on shipping documents.

- 29.1.7** The Company has cash finance facility available from various banks aggregating to Rs. 25,800 million (2024: Rs 17,550 million), out of which Rs 8,983 million (2023: Rs.2,573 million) has been availed by the Company as at September 30, 2025. These facilities are secured against pledge charge over crystalline sugar inclusive of margin of 10 - 25%.
- 29.1.8** The Company has Export Re Finance/Finance Against Packing Credit (ERF / FAPC) facility from various commercial banks for Rs.3,700 million (2024: Rs.5,900 million), out of which Rs.3,327 million (2024: Rs.5,449 million) has been availed by the Company as at September 30, 2025. These facilities are secured by the joint pari passu hypothecation charge over current assets of the Company and lien over export documents.
- 29.1.9** The Company is defending its stance before the courts of law against various parties including individuals, corporate entities, federal and provincial revenue / regulatory authorities etc. The management of the Company is of the view that the ultimate outcome of these cases are expected to be favourable and a liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made in the financial statements in this regard.
- 29.1.10** During the year, the Company has issued further corporate guarantees aggregating to Rs. 3,900 million in favour of various financial institution against financing arrangements with these financial institution entered into by PSM (holding company). The financing facility is expected to be settled by December 31, 2027 and accordingly, the guarantee issued by the Company will be released by December 31, 2027.

**29.2 Commitments**

**2025                      2024**  
**---- Rupees in '000 ----**

Commitments in respect of :

- foreign letter of credit for purchase of plant and machinery	<u><u>127,482</u></u>	<u><u>140,663</u></u>
- capital expenditure other than letters of credit	<u><u>4,000</u></u>	<u><u>14,386</u></u>

- 29.3** The Company has entered into Ijarah arrangements for lab equipments with OLP Modaraba. Aggregate commitments for rentals under Ijarah arrangements as at September 30, 2025 was as follows:

<b>Note</b>	<b>2025</b>	<b>2024</b>
	<b>---- Rupees in '000 ----</b>	
Not later than one year	<u><u>16,535</u></u>	<u><u>-</u></u>
Later than one year but not later than five years	<u><u>29,676</u></u>	<u><u>-</u></u>

**30. SALES - net**

Local		<b>21,269,773</b>	29,976,633
Export	<b>30.1</b>	<u><u>6,918,263</u></u>	<u><u>6,847,464</u></u>
		<b>28,188,036</b>	36,824,097
Less: sales tax, other government levies and discounts	<b>30.2</b>	<u><u>3,288,659</u></u>	<u><u>4,549,440</u></u>
		<u><u>24,899,377</u></u>	<u><u>32,274,657</u></u>

**30.1 Export sales comprise of the sugar and ethanol sales, made in the following regions:**

Singapore	-	561,377
Spain	<b>1,953,137</b>	2,427,827
Hong Kong	<b>513,305</b>	373,715
Switzerland	<b>2,263,427</b>	2,675,212
Afghanistan	<b>502,437</b>	-
Tajikistan	<b>157,796</b>	-
Indonesia	<b>236,876</b>	396,691
United Arab Emirates	<b>1,291,285</b>	412,642
	<u><u>6,918,263</u></u>	<u><u>6,847,464</u></u>

30.2	Sales tax, other government levies and discounts	Note	2025	2024
			---- Rupees in '000 ----	
	Indirect taxes		3,278,840	4,535,928
	Discounts and commissions		9,819	13,512
			<u>3,288,659</u>	<u>4,549,440</u>
<b>31.</b>	<b>COST OF SALES</b>			
	Raw material consumed		21,273,656	25,201,351
	Chemicals and stores consumed		463,085	520,323
	Salaries, wages and benefits	31.1	1,048,670	919,538
	Power and fuel		164,212	169,725
	Repair maintenance and others		474,383	539,416
	Insurance		45,063	50,893
	Depreciation - property, plant and equipment	7.6	1,629,256	1,459,485
	Depreciation - right of use asset	8.1	1,247	4,159
	Ijarah rentals		3,844	-
			<u>25,103,416</u>	<u>28,864,890</u>
	<b>Adjustment of work-in-process:</b>			
	Opening		21,768	16,293
	Closing		(27,670)	(21,768)
			<u>(5,902)</u>	<u>(5,475)</u>
	Cost of goods manufactured		<u>25,097,514</u>	<u>28,859,415</u>
	<b>Adjustment of finished goods:</b>			
	Opening stock		3,966,712	5,161,383
	Transfer pursuant to merger of UWFPL		24,039	-
	Closing stock		(5,848,667)	(3,966,712)
			<u>(1,857,916)</u>	<u>1,194,671</u>
			<u>23,239,598</u>	<u>30,054,086</u>
<b>31.1</b>	Salaries, wages and benefits include Rs.28,485 thousand (2024: Rs.25,253 thousand) in respect of retirement benefits.			
<b>32.</b>	<b>SELLING AND DISTRIBUTION EXPENSES</b>			
		Note	2025	2024
			---- Rupees in '000 ----	
	Salaries, wages and benefits	32.1	32,515	22,618
	Loading and stacking		23,917	26,760
	Export development surcharge		14,634	19,106
	Export sales commission		303,153	331,211
	Freight and other expenses		760,045	460,735
	Rental expense		10,800	-
	Depreciation - right of use asset	8.1	16,511	17,453
			<u>1,161,575</u>	<u>877,883</u>



**32.1** Salaries, wages and benefits include Rs.791 thousand (2024: Rs.658 thousand) in respect of retirement benefits.

<b>33. ADMINISTRATIVE AND GENERAL EXPENSES</b>		<b>2025</b>	<b>2024</b>
	<b>Note</b>	<b>---- Rupees in '000 ----</b>	
Salaries, wages and benefits	<b>33.1</b>	<b>795,017</b>	599,428
Travelling and conveyance		<b>117,729</b>	89,396
Vehicles running and maintenance		<b>47,790</b>	49,842
Rent, rates and taxes		<b>10,228</b>	9,202
Communication		<b>22,377</b>	28,130
Printing and stationery		<b>16,701</b>	14,016
Insurance		<b>13,359</b>	8,625
Repair and maintenance		<b>97,595</b>	112,528
Fees and subscription		<b>35,937</b>	11,234
Depreciation - property, plant and equipment	<b>7.6</b>	<b>121,734</b>	81,971
Depreciation - right of use asset	<b>8.1</b>	<b>58,169</b>	52,320
Auditors' remuneration	<b>33.2</b>	<b>5,041</b>	5,555
Legal and professional charges		<b>22,888</b>	15,144
Entertainment		<b>89,719</b>	85,795
Others		<b>40,045</b>	35,690
		<b>1,494,329</b>	1,198,876

**33.1** Salaries, wages and benefits include Rs.43,905 thousand (2024: Rs.21,250 thousand) in respect of retirement benefits.

<b>33.2 Auditors' remuneration:</b>		<b>2025</b>	<b>2024</b>
		<b>---- Rupees in '000 ----</b>	
- statutory audit fee		<b>3,383</b>	3,222
- half year review fee		<b>762</b>	762
- code of corporate governance review fee		<b>174</b>	169
- prior year under provision		<b>117</b>	-
- other certification / services		<b>150</b>	332
- consolidation		<b>355</b>	338
- group reporting		<b>-</b>	227
- out-of-pocket expenses		<b>100</b>	505
		<b>5,041</b>	5,555

**34. OTHER INCOME**

**Income from financial assets**

Profit on bank deposits	<b>1,941</b>	5,901
Mark-up income on loans receivable from subsidiaries	<b>223,067</b>	220,704
Mark-up earned on term depository receipts and treasury bills	<b>444,442</b>	88,758
	<b>669,450</b>	315,363

Income from assets other than financial assets		2025	2024
		----- Rupees in '000 -----	
	Note		
Sale of press mud - net of sales tax		6,208	7,218
Sale of fusel oil - net of sales tax		5,264	3,101
Gain on disposal of operating fixed assets	7.2	189,986	15,490
Gain on derecognition of right of use assets		5,640	-
Scrap sales - net of expenses		46,625	52,818
Rental income		115	115
Amortization of deferred government grant	25	21,898	26,585
Reversal of Workers' welfare fund charge	26.4	30,258	-
Exchange gain - net		3,854	-
Reversal of impairment on long term investment - WFL	9.1.1	895	-
Reversal of provision for obsolete stores	11.1	12,163	15,595
		322,906	120,922
		992,356	436,285
<b>35. OTHER EXPENSES</b>			
Impairment charged on long term investment - WFL	9.1.1	-	130,000
Donations	35.1	4,633	1,039
Others	35.2	150,510	15,327
		155,143	146,366
<b>35.1</b>	This includes donation made to Al-Siraj Welfare Foundation amounting to Rs.4,000 thousand (2024: Rs.1,000 thousand). Non of the directors are interested in the donation made during the year.		
<b>35.2</b>	These mainly includes an amount of Rs.150,509 thousand relating to different expenses incurred relating to leasehold land disposed of during the year. These expenses were incurred during the preceding years and did not meet the capitalization criteria.		
<b>36. FINANCE COST - net</b>		2025	2024
	Note	----- Rupees in '000 -----	
<b>Mark-up on:</b>			
Long term finances		713,460	927,001
Loans from related parties		20,335	34,447
Short term borrowings		2,535,925	3,028,602
		3,269,720	3,990,050
Unwinding of interest on lease liabilities	22	32,961	50,293
Interest on workers' profit participation fund		-	7,418
Bank charges		44,093	14,159
Exchange loss - net		-	37,184
		3,346,774	4,099,104
<b>37. MINIMUM TAX - LEVY</b>			
<b>Levy:</b>			
- for the year	37.1	295,018	390,371
- for prior year		(76,528)	-
		218,490	390,371

**37.1** This represents minimum taxes payable under section 113 of Income Tax Ordinance, 2001 (ITO), representing levy in terms of requirements of IFRIC 21/IAS 37.

**37.2 Reconciliation of current tax charge charged as per income tax laws for the year, with current tax recognised in the profit and loss account, is as follows:**

	2025	2024
	---- Rupees in '000 ----	
Current tax liability for the year as per applicable tax laws	295,018	390,371
Portion of current tax liability as per tax laws, representing income tax under IAS 12	-	-
Portion of current tax liability as per tax laws, representing levy in terms of requirements of IFRIC 21 / IAS 37	295,018	390,371
Difference	<u>-</u>	<u>-</u>

**37.3** The aggregate of final tax and minimum tax, amounting to Rs.295,018 thousand (2024: Rs.390,371 thousand) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance 2001.

	2025	2024
	---- Rupees in '000 ----	
<b>38. Taxation</b>		
<b>Current tax</b>		
- for the year	-	-
<b>Deferred</b>		
- on account of temporary differences	(782,885)	(1,566,943)
	<u>(782,885)</u>	<u>(1,566,943)</u>

**38.1** No numeric tax rate reconciliation has been presented in these financial statements as provisions made during year mainly represent minimum tax payable under section 113 the Ordinance.

### **39. LOSS PER SHARE**

	2025	2024
	---- Rupees in '000 ----	
<b>39.1 Basic loss per share</b>		
Loss after taxation attributable to ordinary shareholders	<u>(2,948,590)</u>	<u>(2,637,248)</u>
	--- No. of shares in '000 ---	
Weighted average number of shares outstanding during the year	<u>28,692</u>	<u>28,692</u>
	----- Rupees -----	
Loss per share	<u>(102.77)</u>	<u>(91.92)</u>

**39.2** There is no dilutive effect on basic earnings per share.

#### 40. SEGMENT INFORMATION

The Group's reportable segments are as follows:

- Sugar division;
- Ethanol division; and
- Flour division.

	Sugar Division		Ethanol Division		Flour Division		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
----- Rupees in '000 -----								
<b>Sales:</b>								
- External Customers	19,797,466	27,616,313	6,693,378	9,207,784	1,697,192	-	28,188,036	36,824,097
- Inter segment	1,016,192	1,290,555	-	-	-	-	1,016,192	1,290,555
	20,813,658	28,906,868	6,693,378	9,207,784	1,697,192	-	29,204,228	38,114,652
Less : sales tax & others	3,192,447	4,186,910	93,186	362,530	3,026	-	3,288,659	4,549,440
Sales - net	17,621,211	24,719,958	6,600,192	8,845,254	1,694,166	-	25,915,569	33,565,212
<b>Segment expenses:</b>								
Cost of Sales	(16,890,700)	(23,926,314)	(4,562,419)	(6,127,772)	(1,786,479)	-	(23,239,598)	(30,054,086)
Inter segment cost	-	-	(1,016,192)	(1,290,555)	-	-	(1,016,192)	(1,290,555)
	(16,890,700)	(23,926,314)	(5,578,611)	(7,418,327)	(1,786,479)	-	(24,255,790)	(31,344,641)
Gross profit	730,511	793,644	1,021,581	1,426,927	(92,313)	-	1,659,779	2,220,571
Selling and distribution expenses	(154,442)	(44,058)	(965,862)	(833,825)	(41,271)	-	(1,161,575)	(877,883)
Administrative and general expenses	(1,102,431)	(921,320)	(323,997)	(277,556)	(67,901)	-	(1,494,329)	(1,198,876)
Net impairment losses on financial assets	(7,299)	(148,447)	-	-	-	-	(7,299)	(148,447)
	(1,264,172)	(1,113,825)	(1,289,859)	(1,111,381)	(109,172)	-	(2,663,203)	(2,225,206)
Profit from operations	(533,661)	(320,181)	(268,278)	315,546	(201,485)	-	(1,003,424)	(4,635)
Other income	978,410	404,665	7,081	5,035	6,865	-	992,356	409,700
Other expenses	(155,143)	(146,366)	-	-	-	-	(155,143)	(146,366)
	823,267	258,299	7,081	5,035	6,865	-	837,213	263,334
Segment results	289,606	(61,882)	(261,197)	320,581	(194,620)	-	(166,211)	258,699
Finance cost							(3,346,774)	(4,072,519)
Loss before levy and income tax							(3,512,985)	(3,813,820)
Minimum tax - levy							(218,490)	(390,371)
Loss before income tax							(3,731,475)	(4,204,191)
Taxation							782,885	1,566,943
Loss for the year							(2,948,590)	(2,637,248)

	2025		2024	
	Assets	Liabilities	Assets	Liabilities
	----- Rupees in '000 -----			
Sugar	21,576,871	13,577,454	25,346,055	8,339,215
Ethanol	6,967,326	3,857,889	6,298,845	6,122,538
Flour	5,374,777	3,844,202	-	-
Total for reportable segment	33,918,974	21,279,545	31,644,900	14,461,753
Others	-	2,427,494	-	4,040,909
Total assets / liabilities	33,918,974	23,707,039	31,644,900	18,502,662

## 41. FINANCIAL INSTRUMENTS

### 41.1 Financial assets and liabilities

	2025	2024
	----- Rupees in '000 -----	
<b>41.1.1 Financial assets:</b>		
<b>Maturity upto one year - at amortised cost</b>		
Trade debts - net of loss allowance	1,284,887	276,285
Loans and advances	48,549	699,202
Trade deposits and other receivables - net of loss allowance	672,686	63,725
Cash and bank balances	793,636	898,783
	2,799,758	1,937,995
<b>Maturity after one year - at fair value through profit or loss</b>		
Long term security deposits	375,843	15,343
	3,175,601	1,953,338
<b>41.1.2 Financial liabilities:</b>		
<b>Other financial liabilities - at amortised cost</b>		
<b>Maturity upto one year</b>		
Trade and other payables	1,331,562	734,557
Unclaimed dividends	15,172	15,679
Current maturity of non current liabilities	1,034,187	854,504
Short term running finance	12,875,517	8,325,008
Lease liabilities	63,217	84,945
	15,319,655	10,014,693
<b>Maturity after one year</b>		
Long term finances - secured	3,950,480	3,989,793
Loans from related parties - secured	104,972	126,222
Lease liabilities	141,853	143,011
	4,197,305	4,259,026
	19,516,960	14,273,719

## 42. FINANCIAL RISK MANAGEMENT

### 42.1 Financial risk factors

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

- credit risk;
- liquidity risk; and
- market risk

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of the Company oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

#### (a) Credit risk

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

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

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

The Company recognises ECL for trade debts using the simplified approach as explained in note 5.18. As per the aforementioned approach, the loss allowance was determined as follows:

	1-180 days	181-365 days	More than 365 days	Total
	----- Rupees in '000 -----			
<b>September 30, 2025</b>				
Gross carrying value	<b>1,290,950</b>	<b>18,067</b>	<b>14,449</b>	<b>1,323,466</b>
Loss allowance	<b>7,951</b>	<b>16,678</b>	<b>13,950</b>	<b>38,579</b>

	1-180 days	181-365 days	More than 365 days	Total
	----- Rupees in '000 -----			
<b>September 30, 2024</b>				
Gross carrying value	276,599	-	1,729	278,328
Loss allowance	314	-	1,729	2,043

ECL on other receivables is calculated using general approach (as explained in note 5.18). As at the reporting date, Company envisages that default risk on account of non-realisation of other receivables is minimal and thus based on historical trends adjusted to reflect current and forward looking information loss allowance has been estimated by the Company using a range of probable recovery pattern of related other receivables and assigning a time value of money to same. As per the aforementioned approach, the loss allowance for other receivables as at September 30, 2025 and September 30, 2024 is determined as follows:

	2025	2024
	---- Rupees in '000 ----	
Gross carrying value	<u>48,549</u>	<u>699,202</u>
Loss allowance	<u>(905)</u>	<u>(905)</u>

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

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

	2025	2024
	---- Rupees in '000 ----	
Loss allowance / (reversal) for doubtful trade debts	7,299	(1,290)
Loss allowance for export subsidy	-	149,737
Net impairment losses on financial assets	<u>7,299</u>	<u>148,447</u>

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

<b>Counterparties without external credit rating</b>	2025	2024
	---- Rupees in '000 ----	
Trade debts	1,284,887	276,285
Loans and advances	48,549	699,202
Trade deposits and other receivables	672,686	63,725
	<u>2,006,122</u>	<u>1,039,212</u>
<b>Counterparties with external credit rating</b>		
Bank balances with A-1+ rated banks	636,392	894,287
Bank balances with A-1 rated banks	157,244	4,496
	<u>793,636</u>	<u>898,783</u>

**(b) Liquidity risk**

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

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

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	5 years and above
----- Rupees in '000-----					
<b>September 30, 2025</b>					
Long term finance - secured	4,889,550	6,344,637	1,397,152	4,947,485	-
Loans from related parties	200,089	200,089	95,117	104,972	-
Lease liabilities	205,070	211,514	63,217	148,297	-
Trade and other payables	1,331,562	1,331,562	1,331,562	-	-
Unclaimed dividend	15,172	15,172	15,172	-	-
Short term running finance	12,309,573	12,875,517	12,875,517	-	-
	<b>18,951,016</b>	<b>20,978,491</b>	<b>15,777,737</b>	<b>5,200,754</b>	<b>-</b>
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	5 years and above
----- Rupees in '000-----					
<b>September 30, 2024</b>					
Long term finance - secured	4,750,440	4,750,440	760,647	3,989,793	-
Loans from related parties	220,079	220,079	93,857	126,222	-
Lease liabilities	227,956	227,956	84,945	143,011	-
Trade and other payables	734,557	734,557	734,557	-	-
Unclaimed dividend	15,679	15,679	15,679	-	-
Short term running finance	8,325,008	8,325,008	8,325,008	-	-
	<b>14,273,719</b>	<b>14,273,719</b>	<b>10,014,693</b>	<b>4,259,026</b>	<b>-</b>

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

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



**(c) Market risk**

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

**i) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. Financial liabilities include Rs.2,377.46 thousand (2024: Rs.44,112 thousand) which were subject to currency risk.

<b>Rupees per USD</b>	<b>2025</b>	<b>2024</b>
Average rate	<b>281.51</b>	283.33
Reporting date rate	<b>281.75</b>	278.05

**Sensitivity analysis**

As at September 30, 2025, if the currency had weakened/strengthened by 10% against US dollar with all other variables held constant, loss before tax for the year would have been Rs.237,746 thousand (2024: Rs.4,411 thousand) lower/ higher.

**ii) Interest rate risk**

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no long term interest bearing financial assets whose fair value or future cash flows will fluctuate because of changes in market interest rates. Financial assets and liabilities include balances of Rs.442,036 thousand (2024: Rs.717,094 thousand) and Rs.17,244,383 thousand (2024: Rs.12,935,957 thousand) respectively, which are subject to interest rate risk. Applicable interest rates for financial assets and liabilities have been indicated in respective notes.

**Sensitivity analysis**

As at September 30, 2025, if interest rates had been 1% higher/ lower with all other variables held constant, loss after tax for the year would have been Rs.119,296 thousand (2024: Rs.86,754 thousand) higher/ lower, mainly as a result of higher/ lower interest income / expense from these financial assets and liabilities.

**ii) Price risk**

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

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

**42.2 Capital risk management**

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

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

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

	2025	2024
	- - - - Rupees in '000 - - - -	
Long term finances - secured	4,889,550	4,750,440
Loans from related parties - secured	200,089	220,079
Lease liabilities	205,070	227,956
<b>Total debt</b>	<b>5,294,709</b>	<b>5,198,475</b>
Issued, subscribed and paid-up capital	286,920	286,920
Capital reserve	(1,045,869)	327,000
Revenue reserve	2,497,840	3,550,096
<b>Total capital</b>	<b>1,738,891</b>	<b>4,164,016</b>
Capital and net debt	7,033,600	9,362,491
	<b>75%</b>	<b>56%</b>

#### 43. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

##### 43.1 Accounting classifications and fair values

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

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

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

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

**Level 1:** Quoted prices (unadjusted) in active market for identical assets/ liabilities.

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

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

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

##### 43.2 Fair value measurement of Property, Plant and equipment

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

**44. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOW ARISING FROM FINANCING ACTIVITIES**

	Liabilities						Total
	Long term finance	Loans from related parties	Lease liabilities	Accrued mark-up	Short term running finance	Unclaimed dividend	
	----- Rupees in '000 -----						
Balance at October 1, 2024	4,538,691	147,472	227,956	587,526	5,449,064	15,679	10,966,388
Cash flows	259,272	(10,625)	(164,352)	(3,180,566)	(2,122,464)	(507)	(5,219,242)
Additions and unwinding of interest on lease liabilities during the year	-	-	141,466	-	-	-	141,466
Mark-up charged during the year	-	-	-	3,269,720	-	-	3,269,720
Bank charges	-	-	-	44,093	-	-	44,093
Balance at September 30, 2025	<u>4,797,963</u>	<u>136,847</u>	<u>205,070</u>	<u>720,773</u>	<u>3,326,600</u>	<u>15,172</u>	<u>9,202,425</u>

**45. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

- 45.1** The Premier Sugar Mills & Distillery Company Limited holds 47.93% (2024: 47.93%) shares of the Company at the year end. Therefore, all subsidiaries and associated undertakings of The Premier Sugar Mills & Distillery Company Limited are related parties of the Company. The related parties also comprise of directors, major shareholders, key management personnel, entities over which the directors are able to exercise significant influence on financial and operating policy decisions and employees' funds. Amount due from and due to these undertakings are shown under receivables and payables. The remuneration of Chief Executive, Directors and Executives is disclosed in note 46 to the statement of financial statements.

	2025	2024
	----- Rupees in '000 -----	
<b>The Premier Sugar Mills and Distillery Company Limited</b>		
Sales	609,990	-
Sale of store items	45,416	9,208
Amount paid against purchase of building	-	50,885
Expenses paid by the Company	222,769	60,287
Expenses paid on behalf of the Company	13,199	5,438
Dividend paid	-	68,755
Rent income	115	115
Loan provided	360,500	-
Markup charged by the company on loan	40,886	-
<b>Syntron Limited</b>		
Purchase of store items	303,040	220,513

	2025	2024
	----- Rupees in '000 -----	
<b>Syntronics Limited</b>		
Purchase of store items	24,899	11,993
Dividend paid	-	17,952
<b>Azlak Enterprises (Private) Limited</b>		
Services on behalf of the Company	57,132	48,780
Mark-up charged to the Company	11,409	19,507
Expenses paid on behalf of the Company	8,287	3,385
Dividend paid	-	7,487
<b>Phipson &amp; Company Pakistan (Private) Limited</b>		
Expenses paid on behalf of the Company	-	32
Dividend paid	-	1,538
<b>Arpak International Investments Limited</b>		
Mark-up charged to the Company	3,572	5,979
<b>Premier Board Mills Limited</b>		
Mark-up charged to the Company	5,354	8,961
<b>Whole Foods (Pvt.) Limited</b>		
Expenses paid by the Company	7,014	8,253
Funds transferred	51,600	61,000
Mark-up charged by the Company	90,280	111,360
<b>Ultimate Whole Foods (Private) Limited *</b>		
Expenses paid by the Company	227,055	372,035
Investment in subsidiary company	-	525,000
Loan provided	-	150,000
Mark-up charged by the Company on loan	84,188	109,344
* effective from June 10, 2025 Ultimate Whole Foods (Private) Limited has been merged with in / into the Company.		
<b>Premier Grain Ethanol Limited</b>		
Expenses paid by the Company	-	3,090
<b>Provident fund</b>		
Contribution to provident fund	44,473	38,884
<b>Key Management Personnel</b>		
Remuneration and other benefits	189,396	149,909
Sale of assets	3,244	13,716
<b>Directors</b>		
Dividends paid	-	28,721

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

<b>Company Name</b>	<b>Basis of Association</b>	<b>Percentage of shareholding</b>
The Premier Sugar Mills and Distillery Company Limited	Holding Company	47.93%
Premier Board Mills Limited	Common directorship	-
Azlak Enterprises (Private) Limited	Common directorship	5.15%
Arpak International Investments Limited	Common directorship	-
Phipson & Company Pakistan (Private) Limited	Common Holding Company	1.07%
Syntronics Limited	Common directorship	12.51%
The Frontier Sugar Mills & Distillery Limited	Common directorship	-
Syntron Limited	Common directorship	-
Premier Construction and Housing Limited	Common directorship	-
Earth Securities (Private) Limited	Common directorship	-
Whole Foods (Private) Limited	Subsidiary Company	100%

**46. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

<b>Particulars</b>	<b>Chief Executive</b>		<b>Directors</b>		<b>Executives</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>----- Rupees in '000-----</b>					
Managerial remuneration	38,114	34,914	48,731	34,914	85,568	67,235
Bonus	3,200	-	4,436	-	11,544	-
Housing and utilities	2,311	6,624	18,567	6,136	57,046	44,823
Company's contribution to provident fund	-	-	1,149	-	4,901	3,545
Medical	9,068	4,781	620	-	859	763
Other expenses	51	3,073	52,977	38,027	-	-
	<b>52,744</b>	<b>49,392</b>	<b>126,480</b>	<b>79,077</b>	<b>159,918</b>	<b>116,366</b>
Number of persons	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>38</b>	<b>26</b>

- 46.1** In addition to above, the Chief Executive and Executives were provided with the Company maintained cars for official and personal use. All the Executives based at factory compounds are also provided with free housing with the Company's generated electricity, telephone and certain household items in the residential colony within the factory compound.
- 46.2** Mr. Abbas Sarfraz Khan, Directors of the Company, hold office of profit for performing extra services, for which approval was obtained vide Extraordinary general meeting dated June 21, 2019 under section 171 of the Companies Act, 2017. His remuneration includes monthly salary, bonus as per company policy, company maintained vehicle and reimbursement of all travelling and medical expenses. The Board of Directors are also entitled to reimbursement of all travelling, telephone and medical expenses, as approved vide 31st annual general meeting of members dated March 29, 2019. The remuneration of Director was increased vide Extraordinary General Meeting (EOGM) dated August 25, 2023.
- 46.3** Mr. Rizwan Ullah Khan, previously working as Chief Financial Officer of the Company, was appointed as director on October 11, 2024 to fill the casual vacancy created on Board due to resignation of a director. His remuneration includes monthly salary, gratuity, bonus as per Company policy, Company maintained vehicle and reimbursement of all travelling and medical expenses. No additional remuneration/ benefit has been awarded to him as part of his directorship.

**47. DISCLOSURE IN RELATION TO SHARIAH COMPLIANCE**

Below is the disclosure as required by the paragraph VII of the 4th Schedule to the Companies Act, 2017:

<b>Disclosures in relation to the Statement of Financial Position - Liability Side</b>	<b>2025</b>	<b>2024</b>
	<b>- - - - Rupees in '000 - - - -</b>	
<b>Financing obtained as per Islamic mode</b>		
Long term	<b>1,826,381</b>	334,646
Short term	<b>4,214,055</b>	1,884,652
Lease financing	<b>6,908</b>	8,828
Interest or mark-up accrued on any conventional loan or advance	<b>465,566</b>	460,151
<b>Disclosures in relation to the Statement of Financial Position - Asset Side</b>		
Shariah-compliant bank deposits, bank balances, and TDRs	<b>554,651</b>	164,817
<b>Disclosures in relation to the Statement of profit or loss and other comprehensive income</b>		
Revenue earned from a Shariah-compliant business segment	<b>18,299,184</b>	25,049,780
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs	<b>264</b>	3
Exchange gain / (loss) earned from actual currency	<b>3,854</b>	(37,184)
Profit paid on Islamic mode of financing	<b>659,671</b>	703,534
Total Interest earned on any conventional loan or advance	<b>669,681</b>	315,360
<b>Source and detailed breakup of other income:</b>		
<b>Shariah compliant income:</b>		
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs	<b>264</b>	3
Sale of press mud - net of sales tax	<b>6,208</b>	7,218
Sale of fusel oil - net of sales tax	<b>5,264</b>	3,101
Gain on disposal of operating fixed assets	<b>189,986</b>	15,490
Gain on derecognition of right of use assets	<b>5,640</b>	-
Scrap sales - net of expenses	<b>46,625</b>	52,818
Rental income	<b>115</b>	115

<b>Non-Shariah compliant income:</b>	<b>2025</b>	<b>2024</b>
	<b>----- Rupees in '000 -----</b>	
Mark-up earned on bank deposits, bank balances, or TDRs	<b>446,119</b>	94,656
Mark-up earned on loan to a related party	<b>223,067</b>	220,704

#### **Other Disclosure**

Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows:

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

<b>48. CAPACITY AND PRODUCTION</b>	<b>2025</b>	<b>2024</b>
<b>Sugar plants</b>	<b>----- M. Tons -----</b>	
Rated crushing capacity per day	<b>18,000</b>	18,000
On the basis of average number of 98 days (2024: 99 days)	<b>1,764,000</b>	1,782,000
Actual cane crushed	<b>1,484,965</b>	1,726,610
Sugar produced	<b>144,654</b>	171,591
<b>Ethanol fuel plant</b>	<b>----- Litres -----</b>	
Rated production capacity per day	<b>125,000</b>	125,000
On the basis of average number of 351 days (2024: 347 days)	<b>43,875,000</b>	43,375,000
Actual production	<b>43,448,982</b>	43,053,990

#### **Flour Division**

The flour division of the Company has a daily production capacity of 270,000 kgs for the Flour Mill and 15,000 kgs for the Al-Pesa Mill. If operated continuously throughout the year, these facilities can produce a combined annual total of 102,600,000 kgs of wheat products such as maida, atta, semolina, bran and other allied products.

Whereas Actual production during the period was 23,561,085 kgs of wheat products such as maida, atta, semolina, bran and other allied products.

	<b>June 10, 2025 to September 30, 2025</b>
	<b>--- Kgs ---</b>
Maida	<b>4,997,000</b>
Fine Danedar	<b>4,936,420</b>
Semolina	<b>59,575</b>
Special Atta	<b>8,534,170</b>
Whole Wheat Atta	<b>341,610</b>
Bran	<b>4,692,310</b>
	<b>23,561,085</b>

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

49. NUMBER OF EMPLOYEES	2025	2024
	---- Number- ----	
<b>Number of employees at September 30,</b>		
Permanent	1,095	1,041
Contractual	1,052	1,037
	<u>2,147</u>	<u>2,078</u>
<b>Average number of employees during the year</b>		
Permanent	1,108	1,035
Contractual	1,375	1,397
	<u>2,483</u>	<u>2,432</u>

50. **PROVIDENT FUND**

The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2013 and the rules formulated for this purpose.

51. **CORRESPONDING FIGURES**

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

- Accrued markup on loans to related parties amounting Rs.109.829 million has been reclassified from loans and advances to trade deposits and other receivables. Refer note 14 and 15 to the financial statements.
- Due from related parties under normal course of business amounting Rs.101.216 million has been reclassified from loans and advances to trade deposits and other receivables. Refer note 14 and 15 to the financial statements.
- Amortization of deferred government grant amounting Rs.26.585 has been reclassified from finance cost to other income. The amount was netted-off against finance cost in prior year.

Further, refer to note 1.1 to the financial statements, the corresponding figures of statement of profit and loss for the prior year represents results of operations of the Company only, however, current year figures represents results of operations of the Company and UWFPL for the period from June 10, 2025 to September 30, 2025 (merged into Company) during the year; hence, they are not comparable.

52. **DATE OF AUTHORIZATION FOR ISSUE**


These financial statements have been authorised for issue by the Board of Directors of the Company on January 05, 2026.



Chief Executive Officer



Director



Chief Financial Officer



**CHASHMA SUGAR MILLS LIMITED**  
**AUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

## CHASHMA SUGAR MILLS LIMITED

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

#### Report on the Audit of Consolidated Financial Statements

#### Opinion

We have audited the annexed consolidated financial statements of **Chashma Sugar Mills Limited** and its subsidiary (the Group), which comprise the consolidated statement of financial position as at September 30, 2025, and the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at September 30, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

#### Basis for Opinion

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

#### Key Audit Matters

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

Following are the key audit matters:

S. No.	Description	How the matter was addressed in our audit
1.	<p><b>Capital expenditures</b></p> <p>Refer note 7 to the consolidated financial statements.</p> <p>The Group continued to invest in capital projects with significant capital expenditure incurred during the year ended September 30, 2025. The significant level of capital expenditure requires consideration of the nature of the costs incurred to ensure that their capitalization in property, plant and equipment meets the specific recognition criteria as per the Group's accounting policy.</p> <p>Under IAS-16, the Group follows revaluation model for freehold land, leasehold land, buildings &amp; roads, plant &amp; machinery and electric installations. The fair value of the Group's above assets were assessed by management based on independent valuation performed by an external property valuation expert. The determining of revalued amount of assets require significant judgement as to estimating the revalued amount in terms of their quality, structure, condition and locations.</p> <p>Further, determining which costs meet the criteria for capitalisation, capitalisation of borrowing costs and related expenses and the estimation of economic useful lives and residual values assigned to property, plant and equipment are the areas where management judgement is involved.</p> <p>For these reasons we considered this area to be a key audit matter.</p>	<p><b>Our procedures in relation to this matter included, amongst others</b></p> <ul style="list-style-type: none"> <li>- Obtained an understanding of the design and implementation of management controls over capitalisation and performed tests of controls over authorization of capital expenditure and accuracy of its recording in the system;</li> <li>- Assessed, on a sample basis, costs capitalized during the year by comparing the costs capitalised with the relevant underlying documentation, which included purchase agreements and invoices;</li> <li>- Assessed whether the costs capitalized met the relevant criteria for capitalization as per the applicable financial reporting framework.;</li> <li>- Visited the mills where significant capital projects are ongoing to understand the nature of the projects;</li> <li>- Checked the date of transferring capital work-in-progress to operating fixed assets by examining the completion certificates, on a sample basis;</li> <li>- Obtained a copy of latest valuation report of independent property valuation expert and checked the mathematical accuracy and reasonableness of significant estimates;</li> </ul> <p>Evaluated the competence, capabilities and objectivity of expert engaged by the management;</p> <ul style="list-style-type: none"> <li>- Reviewed the minutes of the Board of Directors and Audit Committee to evaluate the completeness of management's consideration of any events that warranted changes to the useful economic lives; and</li> <li>- The adequacy of the disclosures presented in the financial statements regarding property, plant and equipment was also assessed, based on the applicable accounting standards and requirements of Companies Act, 2017.</li> </ul>

S. No.	Description	How the matter was addressed in our audit
2.	<p><b>Valuation of stock-in-trade</b></p> <p>The total value of stock in trade as at the reporting date amounted to Rs.7,103 million. Stock in trade as at reporting date included raw material and finished goods. Refer note 11 to the financial statements.</p> <p>The valuation of finished goods at cost has different components, which includes judgment and assumptions in relation to the allocation of labour and other various overheads which are incurred in bringing the inventories to its present location and conditions. Judgement has also been exercised by the management in determining the net realisable value (NRV) of raw material and finished goods and in determining the appropriate value of slow moving and obsolete stocks.</p> <p>We identified this matter as key in our audit due to the judgement and assumption applied by the Group in determining the cost and NRV of stock in trade at the year-end.</p>	<p>We assessed the appropriateness of management assumptions applied in calculating the value of stock in trade and validated the valuation by taking following steps:</p> <ul style="list-style-type: none"> <li>- Assessed whether the Group's accounting policy for inventory valuation is in line with the applicable financial reporting standards; and</li> <li>- Attended the inventory count at the year-end and reconciled the physical inventory with the inventory lists provided to ensure the completeness of the data;</li> <li>- Assessed the historical costs recorded in the inventory valuation by checking purchase invoices on sample basis;</li> <li>- Tested the reasonability of assumptions applied by the management in the allocation of labour and other various overhead costs to the inventories;</li> <li>- Assessed the management determination of NRV of raw material thereon by performing tests on the subsequent purchase price; and</li> <li>- Tested the cost of inventories for finished goods and performed NRV test to assess whether the cost of inventories exceeds their NRV, calculated by detailed review of subsequent sales invoices.</li> </ul> <p>We reviewed the Group's disclosure in the consolidated financial statement in respect of stock in trade.</p>
3.	<p><b>Revenue recognition</b></p> <p>Refer notes 29 to the consolidated financial statements</p> <p>The Group is engaged in production and sale of sugar, flour and other allied compound. The Group recognized revenue from the sale of its products amounting to Rs. 28,535 million for the year ended September 30, 2025.</p> <p>We identified recognition of revenue as an area of higher risk as it includes large number of revenue transactions involving a large number of customers spread in various geographical locations. Further, revenue is one of the key performance indicator of the Group. Accordingly, it was considered as a key audit matter.</p>	<p><b>Our procedures in relation to this matter included, amongst others</b></p> <ul style="list-style-type: none"> <li>- Assessed the design, implementation and operating effectiveness of the key internal controls involved in revenue recognition;</li> <li>- Performed testing of revenue transactions on a sample basis with underlying documentation including dispatch documents and sales invoices;</li> <li>- Tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue was recognised in the correct period;</li> <li>- Performed audit procedures to analyse variation in the price and quantity sold during the year;</li> <li>- Performed recalculations of discounts as per the Group's policy on test basis;</li> <li>- Understood and evaluated the accounting policy with respect to revenue recognition; and</li> <li>- Checked that revenue has been recognized in accordance with Group's accounting policy and the applicable accounting and financial reporting framework.</li> </ul>

**Information Other than the Consolidated Financial Statements and Auditors' Report thereon**

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon.

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

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

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

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

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

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

**Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

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

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

**Other Matter**

The consolidated financial statements of the Group for the year ended September 30, 2025 were audited by another Firm of Chartered Accountants who expressed an unmodified opinion on those consolidated financial statements on February 07, 2025.

The Engagement partner on the audit resulting in this independent auditors' report is Osman Hameed Chaudhri.



Lahore: January 05, 2026  
UDIN: AR202510104VLg6DliA1

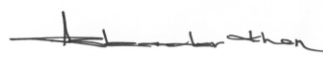
SHINEWING HAMEED CHAUDHRI & CO.,  
CHARTERED ACCOUNTANTS

**Chashma Sugar Mills Limited**  
**Consolidated Statement Of Cash Flows**  
**As at September 30, 2025**

	Note	2025 ---- Rupees in '000 ----	2024
<b>Assets</b>			
<b>Non current assets</b>			
Property, plant and equipment	7	20,275,302	25,693,313
Right-of-use assets	8	241,967	316,081
Long term loans and deposits	9	375,843	15,343
Deferred tax assets		-	192,100
		<u>20,893,112</u>	<u>26,216,837</u>
<b>Current assets</b>			
Stores and spares	10	1,299,513	784,565
Stock-in-trade	11	7,103,687	4,751,694
Trade debts	12	1,284,887	440,419
Loans and advances	13	1,131,307	1,088,129
Trade deposits and other receivables	14	730,275	212,159
Income tax refundable		579,294	442,732
Bank balances	15	797,576	1,049,136
		<u>12,926,539</u>	<u>8,768,834</u>
<b>Total assets</b>		<u><u>33,819,651</u></u>	<u><u>34,985,671</u></u>
<b>Equity and Liabilities</b>			
<b>Share capital and reserves</b>			
Authorised capital	16	<u>5,000,000</u>	<u>500,000</u>
Issued, subscribed and paid-up capital	16	<u>286,920</u>	<u>286,920</u>
Reserves	17	<u>327,000</u>	<u>327,000</u>
Surplus on revaluation of property, plant and equipment	18	<u>8,703,734</u>	<u>9,575,365</u>
Unappropriated profit		<u>553,754</u>	<u>2,398,917</u>
<b>Equity attributable to owners of the parent</b>		<u>9,871,408</u>	<u>12,588,202</u>
<b>Non-controlling Interest</b>		<u>-</u>	<u>210,190</u>
		<u>9,871,408</u>	<u>12,798,392</u>
<b>Non-current liabilities</b>			
Long term finances - secured	19	<u>3,950,480</u>	<u>5,426,839</u>
Loans from related parties - secured	20	<u>129,972</u>	<u>148,097</u>
Lease liabilities	21	<u>141,853</u>	<u>159,979</u>
Deferred taxation	22	<u>1,020,664</u>	<u>3,174,679</u>
Provision for gratuity	23	<u>47,009</u>	<u>22,132</u>
Deferred government grant	24	<u>27,797</u>	<u>49,695</u>
		<u>5,317,775</u>	<u>8,981,421</u>
<b>Current liabilities</b>			
Trade and other payables	25	<u>4,289,875</u>	<u>1,875,443</u>
Unclaimed dividend		<u>15,172</u>	<u>15,679</u>
Short term borrowings - secured	26	<u>12,875,517</u>	<u>9,514,950</u>
Current maturity of non-current liabilities	27	<u>1,134,407</u>	<u>1,409,414</u>
Provision for tax levies - net		<u>315,497</u>	<u>390,372</u>
		<u>18,630,468</u>	<u>13,205,858</u>
<b>Total liabilities</b>		<u>23,948,243</u>	<u>22,187,279</u>
<b>Contingencies and commitments</b>	28		
<b>Total equity and liabilities</b>		<u><u>33,819,651</u></u>	<u><u>34,985,671</u></u>

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

  
**Chief Executive Officer**

  
**Director**

  
**Chief Financial Officer**

**Chashma Sugar Mills Limited**  
**Consolidated Statement Of Cash Flows**  
**For the Year Ended September 30, 2025**

		2025	2024
	Note	---- Rupees in '000 ----	
Sales - net	29	28,535,436	37,990,765
Cost of sales	30	(26,903,478)	(36,113,659)
<b>Gross profit</b>		<b>1,631,958</b>	1,877,106
Selling and distribution expenses	31	(1,279,513)	(938,248)
Administrative and general expenses	32	(1,719,466)	(1,500,244)
Net loss allowance on trade debts and subsidy receivables from GoP	12 & 14	(17,567)	(179,828)
Other income	33	852,965	220,968
Other expenses	34	(155,143)	(16,389)
<b>Loss from operations</b>		<b>(686,766)</b>	(536,635)
Finance cost	35	(3,685,611)	(4,622,878)
<b>Loss before levies and income tax</b>		<b>(4,372,377)</b>	(5,159,513)
Minimum tax - levy	36	(227,588)	(404,661)
<b>Loss before income tax</b>		<b>(4,599,965)</b>	(5,564,174)
Income tax	37	960,017	1,930,800
<b>Loss after taxation</b>		<b>(3,639,948)</b>	(3,633,374)
<b>Attributable to:</b>			
Owners of the parent company		(3,566,328)	(3,472,340)
Non-controlling interest		(73,620)	(161,034)
		<b>(3,639,948)</b>	(3,633,374)
		---- Rupees ----	
<b>Loss per share - basic and diluted</b>	38	<b>(124.30)</b>	(121.02)

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



**Chief Executive Officer**



**Director**



**Chief Financial Officer**

**Chashma Sugar Mills Limited**  
**Consolidated Statement Of Cash Flows**  
**For the Year Ended September 30, 2025**

	Note	2025 ---- Rupees in '000 ----	2024
<b>Loss after taxation</b>		<b>(3,639,948)</b>	<b>(3,633,374)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to statement of profit or loss</b>			
(Loss) / gain on remeasurement of staff retirement benefits plans	23.5	(872)	2,245
Less: deferred tax on remeasurement (loss) / gain on staff retirement plans		253	(876)
		<u>(619)</u>	<u>1,369</u>
Surplus on revaluation of property, plant and equipment	18.1	-	3,161,518
Less: deferred tax on surplus on revaluation of property, plant and equipment	18.1	-	(1,304,150)
		-	1,857,368
<b>Total comprehensive loss for the year</b>		<b><u>(3,640,567)</u></b>	<b><u>(1,774,637)</u></b>
<b>Attributable to:</b>			
Owners of the parent company		(3,566,947)	(1,680,331)
Non-controlling interest		(73,620)	(94,306)
		<b><u>(3,640,567)</u></b>	<b><u>(1,774,637)</u></b>

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



**Chief Executive Officer**



**Director**



**Chief Financial Officer**



**Chashma Sugar Mills Limited**  
**Consolidated Statement Of Cash Flows**  
**For the Year Ended September 30, 2025**

	Attributable to equity holders of the Holding					
	Share capital	General reserve	Surplus on revaluation of property, plant and equipment	Sub-total	Non-controlling interest	Total
	----- R u p e e s i n '000 -----					
Balance as at October 01, 2023	286,920	327,000	8,382,950	14,423,842	181,631	14,605,473
Total comprehensive loss for the year ended September 30, 2024						
Loss for the year	-	-	-	(3,472,340)	(161,034)	(3,633,374)
Other comprehensive income	-	-	1,790,640	1,792,009	66,728	1,858,737
	-	-	1,790,640	(1,680,331)	(94,306)	(1,774,637)
Share capital subscribed by non - controlling interest	-	-	-	-	111,016	111,016
Acquisition of non controlling interest	-	-	-	(11,849)	11,849	-
Transfer from surplus on revaluation of property, plant and equipment - net of deferred taxation	-	-	(598,225)	-	-	-
Transactions with owners						
Cash dividend @ Rs. 5.00 per ordinary share for the year ended September 30, 2023	-	-	-	(143,460)	-	(143,460)
Balance as at September 30, 2024	286,920	327,000	9,575,365	12,588,202	210,190	12,798,392
Balance as at October 01, 2024	286,920	327,000	9,575,365	12,588,202	210,190	12,798,392
Total comprehensive loss for the year ended September 30, 2025						
Loss for the year	-	-	-	(3,566,328)	(73,620)	(3,639,948)
Other comprehensive income	-	-	-	(619)	-	(619)
	-	-	-	(3,566,947)	(73,620)	(3,640,567)
Acquisition of non controlling interest	-	-	66,728	(153,743)	(42,257)	(196,000)
Change in effective tax rate	-	-	1,003,896	1,003,896	-	1,003,896
Adjustment due to winding-up of PGEL	-	-	-	-	(94,313)	(94,313)
Surplus on revaluation of property, plant and equipment realised during the year (net of deferred taxation) on account of:						
- incremental depreciation	-	-	(767,897)	-	-	-
- upon sale of revalued assets	-	-	(1,174,358)	-	-	-
Balance as at September 30, 2025	286,920	327,000	8,703,734	9,871,408	-	9,871,408

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

  
**Chief Executive Officer**

  
**Director**

  
**Chief Financial Officer**

**Chashma Sugar Mills Limited**  
**Consolidated Statement Of Cash Flows**  
**For the Year Ended September 30, 2025**

	Note	2025 ---- Rupees in '000 ----	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before taxation		(4,599,965)	(5,564,174)
Adjustments for non-cash and other items:			
Depreciation	7.6 & 8.1	2,133,404	1,931,730
Gain on disposal of operating fixed assets	33	(189,986)	(15,729)
Gain on derecognition of right-of-use assets	33	(5,640)	-
Profit on deposit accounts	33	(34,911)	(9,231)
Mark-up earned on term depository receipts and T-bills	33	(445,337)	(88,758)
Finance cost		3,659,859	4,596,293
Impairment loss for trade debts	12	7,299	17,679
Impairment loss for export subsidy		-	149,737
Written down value of raw material to net realisable value	11	-	284,742
Reversal of provision for obsolete store items	10.1	(12,163)	(15,595)
Reversal of provision for workers' welfare fund		(30,258)	-
Provision for gratuity	23.1	28,514	8,935
Minimum tax - levy		227,588	404,661
		<u>738,404</u>	<u>1,700,290</u>
<b>Changes in working capital</b>			
Decrease / (increase) in current assets:			
- stores and spares		(502,785)	73,049
- stock-in-trade		(2,351,993)	342,007
- trade debts		(862,035)	718,822
- loans and advances		(43,178)	(163,693)
- trade deposits and other receivables		(518,116)	(259)
- long term loans and security deposits		(360,500)	(36,961)
		<u>(4,638,607)</u>	<u>932,965</u>
Increase / (decrease) in trade and other payables		2,344,403	(1,624,698)
		<u>(1,555,800)</u>	<u>1,008,557</u>
<b>Net changes in working capital</b>			
Income tax paid / Levies		(515,553)	(493,167)
Gratuity paid	23.1	(4,509)	(5,360)
		<u>(520,062)</u>	<u>(498,527)</u>
<b>Net cash (used in) / generated from operating activities</b>		<b>(2,075,862)</b>	<b>510,030</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(355,767)	(603,346)
Sale proceeds of operating fixed assets		3,910,379	52,455
Profits on bank deposits received	33	34,911	9,231
Profits on term finance certificates		445,337	88,758
<b>Net cash generated from / (used in) investing activities</b>		<b>4,034,860</b>	<b>(452,902)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term finance - net		(1,547,201)	390,106
Short term borrowings (repaid) / obtained		(2,122,464)	3,925,169
Encashment of TDR	15.1	450,000	-
Shares subscribed by non-controlling interest		-	111,016
Loan repaid to related party		(10,625)	(15,618)
Lease obligation repaid	21	(172,593)	(160,999)
Dividends paid		(507)	(142,353)
Finance cost paid		(3,637,717)	(4,544,703)
<b>Net cash used in financing activities</b>		<b>(7,041,107)</b>	<b>(437,382)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(5,082,109)</b>	<b>(380,254)</b>
<b>Cash and cash equivalents - at beginning of the year</b>		<b>(3,103,288)</b>	<b>(2,723,034)</b>
<b>Cash and cash equivalents - at end of the year</b>		<b>(8,185,397)</b>	<b>(3,103,288)</b>
<b>Cash and cash equivalents comprised of:</b>			
Cash and bank balances	15.1	797,576	595,136
Short term running finance - secured	26	(8,982,973)	(3,698,424)
		<u>(8,185,397)</u>	<u>(3,103,288)</u>

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



**Chief Executive Officer**



**Director**



**Chief Financial Officer**

# Chashma Sugar Mills Limited

## Notes to the Consolidated Financial Statements

### For the Year Ended September 30, 2025

#### 1. THE GROUP AND ITS OPERATIONS

##### 1.1 Chashma Sugar Mills Limited (the Holding Company)

Chashma Sugar Mills Limited was incorporated in Pakistan on May 05, 1988 as a public limited company, under the Companies Ordinance, 1984 (repealed upon enactment of the Companies Act, 2017 on May 30, 2017) and commenced its commercial production from October 01, 1992. The Holding Company has its shares quoted on the Pakistan Stock Exchange Limited and is principally engaged in manufacturing, production, processing, compounding, preparation and sale of sugar, other allied compound, intermediates and allied products. The Holding Company is a subsidiary of The Premier Sugar Mills and Distillery Company Limited (the Ultimate Holding Company).

Geographical location and addresses of major business units including mills / plant of the Group are as under:

<b>Islamabad</b>	<b>Purpose</b>
King's Arcade, 20-A, Markaz F-7	Head office
<b>Dera Ismail Khan, Khyber Pakhtunkhwa</b>	
University Road	Mill (Sugar Unit - I)
Ramak	Mill (Sugar Unit - II)
Ramak	Ethanol fuel plant
Ramak	Mill (Flour Unit)

##### 1.2 Subsidiary Companies

###### a) Whole Foods (Private) Limited

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

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

Although WFPL has posted loss for the year but the management is confident that as soon as the operations commence, the losses would be recouped and financial position would improve. In addition, the management of WFPL also believes that with the continued support of the Holding Company, it would be able to commence and sustain its business. Please refer note 7.1.1 to the consolidated financial statements also.

###### b) Ultimate Whole Foods (Private) Limited

Ultimate Whole Foods (Private) Limited ("the Subsidiary Company"/ UWFPL) was incorporated in Pakistan as a Private Limited Company under Companies Act, 2017 on May 17, 2021. The UWFPL operates mills for milling wheat, gram, other grains and other allied products and by-products from flours. The operations of the UWFPL started from October 7, 2023. During the year, the percentage holding of the Holding Company in UWFPL increased from 84% to 100%. Effective June 10, 2025, UWFPL has been merged with and into the Holding Company.

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

- 1.3** These consolidated financial statements include financial statements of Chashma Sugar Mills Limited and of its subsidiary Company WFPL.
- 1.4** These consolidated financial statements have been prepared from the information available in the audited separate financial statements of the Holding Company for the year September 30, 2025 and the unaudited financial statements of WFPL as at September 30, 2025 and for the period then ended. Latest available audited financial statements of WFPL were for the year ended June 30, 2025.
- 1.5** For the purpose of these consolidated financial statements, Chashma Sugar Mills Limited and its subsidiary - WFPL are referred to as "the Group".

## **2. BASIS OF PREPARATION**

### **2.1 Statement of compliance**

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

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

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

### **2.2 Basis of measurement**

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

### **2.3 Functional and presentation currency**

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. These consolidated financial statements are presented in Pak Rupees, which is the Group's functional currency. All financial information presented in Pakistan Rupees has been rounded to the nearest thousand of rupees unless otherwise specified.

## **3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES RESULTING FROM NEW / AMENDMENTS IN STANDARDS AND INTERPRETATION DURING THE YEAR**

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

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

**a) IAS 7 Statement of Cashflows and IFRS 7 Financial Instruments; Disclosures** **Effective: January 01, 2024**

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

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

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

**b) IFRS 16 Leases** **Effective: January 01, 2024**

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

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

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

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

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

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

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

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

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

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

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

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

**IFRS S2 Climate Related Disclosures**

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

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

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

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

**4. ACCOUNTING ESTIMATES, JUDGEMENTS & MEASUREMENT OF FAIR VALUES**

**Use of estimates and judgements**

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

**(a) Estimated useful life of operating assets - note 5.1 and 7**

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

**(b) Surplus on revaluation of property, plant and equipment - note 5.1 and 7**

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

**(c) Provision for stores and spares - note 5.5 and 10**

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

**(d) Write down of stock in trade to net realizable value - note 5.6 and 11**

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

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

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

**(e) Estimation of impairment loss allowance - note 5.7 and 12**

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

**(f) Provision for employees' defined benefit plans - note 6.1 and 23.3**

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

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

**(g) Provision for taxation and levy - note 5.13, 36 and 37**

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

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

**(h) Provisions and contingencies - notes 5.12 and 28**

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

**(i) Estimation of lease term and incremental borrowing rate for lease liabilities and right of use assets - notes 5.3, 5.10, 8 and 21**

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

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

**5. MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

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



## **5.1 Property, plant and equipment**

### **Owned assets**

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

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

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

Depreciation on operating assets is calculated using the reducing balance method to allocate their cost over their estimated useful life at the rates specified in note 7.1. Depreciation for factory assets is charged to cost of sales while depreciation for other property, plant and equipment is charged to administrative and general expenses and selling and distribution expenses on actual usage basis.

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

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

## **5.2 Capital work-in-progress**

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

## **5.3 Right-of-use assets**

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

The cost comprising the following:

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

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

#### **5.4 Impairment of non-financial assets**

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

#### **5.5 Stores and spares**

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

#### **5.6 Stock-in-trade**

##### **Sugar and ethanol division**

Basis of valuation are as follows:

<b><u>Particulars</u></b>	<b><u>Mode of valuation</u></b>
Raw materials - molasses:	
- purchased	- at lower of cost and net realisable value
- own produced	- on the basis of average cost of molasses purchased from third parties.
Work-in-process	- at cost
Finished goods - sugar and ethanol	- at the lower of cost and net realisable value
Waste - bagasse	- net realizable value

Cost is determined using the average manufacturing cost method. The cost of finished goods and work in process comprises raw materials, direct labour, other direct costs and related production overheads.

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

## **Flour division**

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

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

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

### **5.7 Trade debts**

Trade debts are recognised and carried at the original invoice amounts, being the fair value, less an allowance for uncollectible amounts, if any. As explained in note 5.17 to these consolidated financial statements, for measurement of loss allowance for trade debts, the Group applies IFRS 9 simplified approach to measure the expected credit losses.

### **5.8 Cash and cash equivalents**

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

### **5.9 Borrowings and borrowing cost**

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

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

### **5.10 Lease liabilities**

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

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

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

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

### **5.11 Trade and other payables**

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

### **5.12 Provisions**

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

### **5.13 Taxation**

Income tax comprises of current and deferred tax.

#### **(i) Current**

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

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

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

The Group designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognize it as current income tax expense. The amount calculated not on the basis of taxable income, is recognized as a levy falling under the scope of IFRIC 21/IAS 37.

#### **(ii) Deferred**

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

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

### **5.14 Revenue recognition**

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

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

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

#### **5.15 Development expenditure**

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

#### **5.16 Operating segments**

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

#### **5.17 Financial instruments**

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

##### **a) Financial Assets**

###### **Classification**

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

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

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

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

###### **Recognition and derecognition**

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

###### **Measurement**

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

###### **Debt instruments**

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

**i) Amortised Cost**

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

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

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

**iii) Fair value through profit and loss (FVTPL)**

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

**Equity instruments**

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

**Impairment of financial assets**

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

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

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

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

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

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

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

### **Significant increase in credit risk**

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

The following indicators are considered while assessing credit risk:

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

### **Definition of default**

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

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

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

### **Credit - impaired financial assets**

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

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;

- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

## ii) **Simplified approach for trade debts**

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

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; and
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

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

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

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

## **Recognition of loss allowance**

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

## **Write-off**

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

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



## **b) Financial Liabilities**

### **Classification, initial recognition and subsequent measurement**

Financial liabilities are classified in the following categories:

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

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

#### **i) Fair value through profit or loss**

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

#### **ii) Other financial liabilities**

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

### **Derecognition of financial liabilities**

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

### **Offsetting financial assets and financial liabilities**

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

## **5.18 Fair value measurement**

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

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

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

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

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

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

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

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

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

#### **5.19 Other Income**

The Group recognises following in other income:

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

### **6. SUMMARY OF OTHER ACCOUNTING POLICIES**

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

#### **6.1 Employee retirement benefits**

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

##### **Defined contribution plan**

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

##### **Defined benefit plan**

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

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

#### **6.2 Foreign currency transactions and translation**

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

### 6.3 Dividend and revenue reserve appropriation

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

### 6.4 Earnings per share

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

### 6.5 Deferred government grant

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

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

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

## 7. PROPERTY, PLANT AND EQUIPMENT

		2025	2024
	Note	- - - - Rupees in '000 - - - -	
Operating fixed assets	7.1	20,171,145	24,853,179
Capital work-in-progress	7.8	104,157	840,134
		<u>20,275,302</u>	<u>25,693,313</u>

## 7.1 Operating fixed assets

	Land		Equipment								Total
	Freehold	Lease hold	Building on roads	Plant and machinery	Electric installations	Office	Farm	Lab	Furniture and fixtures	Vehicles	
----- Rupees in '000' -----											
As at October 01, 2023											
Cost / revalued amount	2,049,719	3,200,000	2,704,385	11,210,638	806,444	169,151	2,658	-	84,019	115,422	20,342,436
Accumulated depreciation	-	-	(120,840)	(11,857)	(327,369)	(64,706)	(1,057)	-	(33,688)	(82,550)	(642,067)
Net book value	2,049,719	3,200,000	2,583,545	11,198,781	479,075	104,445	1,601	-	50,331	32,872	19,700,369
Year ended September 30, 2024											
Opening net book value	2,049,719	3,200,000	2,583,545	11,198,781	479,075	104,445	1,601	-	50,331	32,872	19,700,369
Additions	-	-	2,083,939	1,483,751	8,756	32,609	73	26,490	23,466	65,138	3,724,222
Disposals	-	-	-	-	-	(567)	-	-	(28)	(36,131)	(89,938)
cost accumulated depreciation	-	-	-	-	-	472	-	-	76	52,664	53,212
Transfers from right of use assets to owned	-	-	-	-	-	(567)	-	-	(28)	(36,131)	(36,726)
cost	-	-	21,749	7,364	96,653	-	-	-	-	78,784	204,550
accumulated depreciation	-	-	-	-	-	-	-	-	-	(48,896)	(48,896)
Depreciation charge	-	-	21,749	7,364	96,653	-	-	-	-	29,888	155,654
Revaluation adjustment:	-	(98,461)	(423,907)	(1,236,974)	(56,312)	(13,765)	(165)	(2,477)	(6,255)	(13,541)	(1,851,857)
Cost or valuation	6,539	550,000	277,828	501,352	29,965	-	-	-	-	-	1,365,683
Accumulated depreciation	-	98,461	503,545	1,169,063	24,765	-	-	-	-	-	1,795,834
Net book value	6,539	648,461	781,373	1,670,415	54,730	-	-	-	-	-	3,161,517
Closing net book value	2,056,258	3,750,000	5,046,699	13,123,337	582,902	122,722	1,509	24,013	67,514	78,226	24,853,179
As at October 01, 2024											
Cost	2,056,258	3,750,000	5,087,901	13,203,105	941,818	200,721	2,731	26,490	107,381	170,549	25,546,953
Accumulated depreciation	-	-	(41,202)	(79,768)	(358,916)	(77,999)	(1,222)	(2,477)	(39,867)	(92,323)	(693,774)
Net book value	2,056,258	3,750,000	5,046,699	13,123,337	582,902	122,722	1,509	24,013	67,514	78,226	24,853,179
Year ended September 30, 2025											
Opening net book value	2,056,258	3,750,000	5,046,699	13,123,337	582,902	122,722	1,509	24,013	67,514	78,226	24,853,179
Additions	1,560	-	119,131	616,933	117,938	21,894	73	3,185	12,920	126,925	1,020,559
Disposals	-	(3,750,000)	-	(10,174)	(3,946)	(2,724)	(527)	-	(1,048)	(81,006)	(3,849,425)
cost accumulated depreciation	-	79,365	436	436	3,575	1,595	352	-	687	43,023	129,033
Transfers from right of use assets to owned	-	(3,670,635)	-	(9,738)	(371)	(1,129)	(175)	-	(361)	(37,983)	(3,720,392)
cost	-	-	-	60,580	-	-	-	-	-	71,495	132,075
accumulated depreciation	-	-	-	(24,400)	-	-	-	-	-	(36,490)	(60,890)
Depreciation charge	-	-	-	36,180	-	-	-	-	-	35,005	71,185
Closing net book value	2,057,818	-	4,655,831	12,421,500	634,396	129,624	1,265	25,435	72,564	172,713	20,171,145
As at September 30, 2025											
Cost / revalued amount	2,057,818	-	5,207,032	13,870,444	1,055,810	219,891	2,277	29,675	119,253	287,963	22,850,162
Accumulated depreciation	-	-	(551,201)	(1,448,944)	(421,414)	(90,267)	(1,012)	(4,240)	(46,689)	(115,250)	(2,679,017)
Net book value	2,057,818	-	4,655,831	12,421,500	634,396	129,624	1,265	25,435	72,564	172,713	20,171,145
Annual rate of depreciation (%)	-	3.3	10	10	10	10	10	10	10	20	

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

During the year ended September 30, 2025, management assessed the property, plant and equipment of WFPL for impairment in respect of triggering events as specified by IAS 36 applicable to the non-current assets. An impairment test has been carried out by the management to determine the recoverable amount of non-current assets of the Subsidiary Company, based on the below indicators:

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

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

## **7.2 The details of operating fixed assets disposed-off is as follows:**

Particulars of assets	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Mode of disposal	Sold to:
----- Rupees in '000 -----							
<b>The Parent Company</b>							
<b>Assets having net book value exceeding Rs.500,000 each</b>							
<b>Land</b>							
Lease hold land	3,750,000	79,365	3,670,635	3,850,000	179,365	Negotiation	M/s. Bestway Cement Limited
<b>Plant &amp; Machinery</b>							
Perkins Diesel Engine	4,847	121	4,726	861	(3,865)	Negotiation	M/s. Asian Company Lahore
Shinko Turbine power	4,330	289	4,041	2,781	(1,260)	Negotiation	M/s. Hussaini S.S. Mart
Diesel Generator Dyno	963	24	939	17	(922)	Negotiation	M/s. Asian Company Lahore
	<b>10,140</b>	<b>434</b>	<b>9,706</b>	<b>3,659</b>	<b>(6,047)</b>		
<b>Vehicles</b>							
Toyota Camry	5,154	3,709	1,445	6,700	5,255	Negotiation	Mr. Sajjad Haider Abassi
Toyota Corolla	2,970	1,895	1,075	1,485	410	Company Policy	Mr. Naseem Hussain Hashmi
Toyota Corolla	2,970	1,896	1,074	1,578	504	Company Policy	Mr. Khaleel Ahmad
Toyota Corolla	3,365	1,499	1,866	2,280	414	Company Policy	Mr. Saeed Akbar Sajjad Khan
Suzuki Cultus	2,025	1,176	849	1,013	164	Company Policy	Mr. Sharafat Ali
Toyota Yaris	2,831	1,623	1,208	1,416	208	Company Policy	Mr. Zia Ullah
Kia Sportage	4,537	2,760	1,777	2,416	639	Company Policy	Mr. Mirza Nadeem Ahmad
Honda Civic	4,233	2,575	1,658	2,117	459	Company Policy	Muhammad Zaheer Ud Din Babur
Toyota Corolla	7,006	2,143	4,863	6,000	1,137	Insurance Claim	M/s. IGI General Insurance Limited
Toyota Yaris	2,831	1,804	1,027	1,416	389	Company Policy	Muhammad Yasin Qureshi
Toyota Yaris	2,749	1,752	997	1,375	378	Company Policy	Mr. Zaka Ullah Khan Niazi
Kia Picanto	3,507	1,400	2,107	3,507	1,400	Company Policy	Mr. Mughees Bin Maroof
Toyota Corolla	4,032	1,985	2,047	2,688	641	Company Policy	Mr. Ammar Khurshid Khan
Suzuki Cultus	2,071	1,215	856	1,036	180	Company Policy	Muhammad Salaar Janjua
Suzuki Cultus	2,072	1,200	872	1,036	164	Company Policy	Mr. Mumtaz Ali Wazir
Honda City	2,786	1,674	1,112	1,393	281	Company Policy	Mr. Shahid Munir
Honda City	2,782	1,672	1,110	1,392	282	Company Policy	Mr. Zahir Shah
Kia Picanto	1,991	1,153	838	995	157	Company Policy	Mr. Ahmad Fiaz
Suzuki Cultus	2,016	1,138	878	1,008	130	Company Policy	Mr. Naveed Jafar
Toyota Corolla	4,791	1,968	2,823	3,244	421	Company Policy	Mr. Rizwan Ullah Khan
Suzuki Cultus	2,610	1,189	1,421	1,911	490	Company Policy	Mr. Aurangzeb
Changan Alsvin	4,245	1,406	2,839	4,245	1,406	Negotiation	Mr. Waheed Ali
Suzuki Cultus	3,075	1,367	1,708	3,223	1,515	Company Policy	Mr. Jam Ghulam Hazir
	<b>76,649</b>	<b>40,199</b>	<b>36,450</b>	<b>53,474</b>	<b>17,024</b>		
<b>Various assets having net book value upto Rs.500,000 each</b>							
	12,636	9,035	3,601	3,246	(355)	Negotiation	Various Parties
<b>2025</b>	<b>3,849,425</b>	<b>129,033</b>	<b>3,720,392</b>	<b>3,910,379</b>	<b>189,987</b>		
<b>2024</b>	<b>89,938</b>	<b>53,212</b>	<b>36,726</b>	<b>52,455</b>	<b>15,729</b>		

- 7.3** Had the revalued fixed assets of the Group been recognised under the cost model, the carrying values of these assets would have been as follows:

	<b>2025</b>	<b>2024</b>
	<b>----- Rupees in '000 -----</b>	
Leasehold land	-	2,599,760
Freehold land	<b>347,956</b>	346,396
Buildings and roads	<b>2,667,776</b>	2,823,782
Plant and machinery	<b>4,658,223</b>	4,474,502
Electric installations	<b>542,225</b>	480,457
	<b>8,216,180</b>	<b>10,724,897</b>

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

	<b>2025</b>	<b>2024</b>
	<b>----- Rupees in '000 -----</b>	
Leasehold land	-	3,000,000
Freehold land	<b>1,680,446</b>	1,754,172
Buildings and roads	<b>2,896,077</b>	5,945,754
Plant and machinery	<b>8,561,681</b>	9,901,561
Electric installations	<b>334,725</b>	423,358
	<b>13,472,929</b>	<b>21,024,845</b>

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

<b>Location</b>	<b>Usage of immovable property</b>	<b>Total area</b>	<b>Covered area</b>
		<b>----- Kanals -----</b>	
CSM-1, D.I.Khan	Factory Building	1,111.25	98.86
CSM-2, Ramak	Factory Building	1,621.15	174.66
Kings Arcade, Plot # 20-A, F-7 Markaz, Islamabad	Office Premises 2nd & 3rd Floor	2.49	2.49
Ramak D.I.Khan KPK	Factory Building	64.00	6.00
Ramak D.I.Khan KPK	Factory Building	64.10	14.67
Bhakkar	Storage facility	16.00	2.40
Layyah	Storage facility	16.00	2.40

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

<b>7.6 Depreciation for the year has been allocated as under:</b>	<b>2025</b>	<b>2024</b>
	<b>----- Rupees in '000 -----</b>	
Cost of sales	<b>1,812,932</b>	1,645,344
Administrative and general expenses	<b>240,454</b>	206,513
	<b>2,053,386</b>	<b>1,851,857</b>

## 7.7 Security

Property plant and equipment with aggregate carrying value of Rs.12.019 billion (2024: Rs. 16.098 billion) are subject to first joint pari passu charge as defined in note 19. The Company is restricted to pledge these assets as security for other borrowings or sell them to another entity subject to approval.

## 7.8 Capital work-in-progress

	October 01, 2024	Additions during the year	Capitalized / expensed out during the year	September 30, 2025
----- Rupees in '000 -----				
Land and building	110,793	115,914	222,951	3,756
Plant and Machinery	570,940	26,590	585,675	11,855
Electric installations	103,614	11,995	115,609	-
Owned vehicles	234	25,952	3,575	22,611
Vehicles - leased	34,165	209,155	206,273	37,047
Advance payments to Contractors	9,888	5,000	-	14,888
Advance payments against land and buildings	10,500	3,500	-	14,000
	<u>840,134</u>	<u>398,106</u>	<u>1,134,083</u>	<u>104,157</u>
----- Rupees in '000 -----				
	October 01, 2023	Additions during the year	Capitalized / adjusted during the year	September 30, 2024
Land and building	1,225,718	265,777	1,380,702	110,793
Plant and Machinery	1,814,590	247,465	1,491,115	570,940
Electric installations	276,672	44,319	217,377	103,614
Owned vehicles	-	6,914	6,680	234
Vehicles - leased	29,374	101,930	97,139	34,165
Capital stores	59,704	166,266	225,970	-
Advance payments to Contractors	129,078	53,166	172,356	9,888
Advance payments against land and buildings	547,965	12,500	549,965	10,500
	<u>4,083,101</u>	<u>898,337</u>	<u>4,141,304</u>	<u>840,134</u>

**7.9** Additions in land and building includes Rs. Nil (2024: Rs.68.523 million) capitalised in respect of borrowing cost on long term loans obtained for the purpose of construction of building and civil works.

## 8. RIGHT-OF-USE ASSETS

	2025			
	Vehicles	Plant and Machinery	Building and tanks	Total
	----- Rupees in '000 -----			
Net book value at beginning of the year	246,627	37,427	32,027	316,081
Addition	92,407	-	-	92,407
Transferred to owned assets / derecognised during the year				
Cost	(79,683)	(60,580)	(23,217)	(163,480)
Accumulated depreciation	41,636	24,400	10,941	76,977
	(38,047)	(36,180)	(12,276)	(86,503)
Depreciation charge	(59,020)	(1,247)	(19,751)	(80,018)
Net book value at end of the year	241,967	-	-	241,967
<b>As at September 30,</b>				
Cost / revalued amount	385,268	-	138,438	523,706
Accumulated depreciation	(143,301)	-	(138,438)	(281,739)
Net book value	241,967	-	-	241,967
Annual rate of depreciation (%)	20	10	20-50	
	2024			
	Vehicles	Plant and Machinery	Building and tanks	Total
	----- Rupees in '000 -----			
Net book value at beginning of the year	233,799	41,586	47,287	322,672
Additions	97,089	-	-	97,089
Remeasurement during the year	-	-	6,081	6,081
Transferred to owned assets				
Cost	(78,784)	-	-	(78,784)
Accumulated depreciation	48,896	-	-	48,896
	(29,888)	-	-	(29,888)
Depreciation charge	(54,373)	(4,159)	(21,341)	(79,873)
Net book value at end of the year	246,627	37,427	32,027	316,081
<b>As at September 30,</b>				
Cost	372,544	60,580	161,655	594,779
Accumulated depreciation	(125,917)	(23,153)	(129,628)	(278,698)
Net book value	246,627	37,427	32,027	316,081
Annual rate of depreciation (%)	20	10	20-50	



8.1	Depreciation for the year has been allocated as under:	Note	2025 ---- Rupees in '000 ----	2024
	Cost of sales		1,247	4,159
	Selling and distribution expenses		16,511	17,453
	Administrative and general expenses		62,260	58,261
			80,018	79,873
9.	LONG TERM LOANS AND DEPOSITS - considered good			
	Long term security deposits		15,343	15,343
	Loan to the Ultimate Holding Company - PSM	9.1	360,500	-
			375,843	15,343
9.1	The Holding Company has provided loan facility of Rs.500 million to PSM (the Ultimate Holding Company). The loan carries mark-up at the rate of 3-Months KIBOR+1% per annum, subject to a minimum of the Holding Company's borrowing cost. The loan is repayable within three years, with the option for early repayment. The loans are secured against demand promissory note from PSM. The members of the Holding Company, in the Annual General Meeting held on February 26, 2025, approved the loan limit of Rs.500 million to PSM.			
10.	STORES AND SPARES	Note	2025 ---- Rupees in '000 ----	2024
	Stores and spares		1,325,735	822,950
	Less: provision for obsolete items	10.1	26,222	38,385
			1,299,513	784,565
10.1	Movement in provision for obsolete items is as follows:			
	Opening balance		38,385	53,980
	Reversal of provision during the year		(12,163)	(15,595)
	Closing balance		26,222	38,385
10.2	Stores and spares include items which may result in fixed capital expenditure but are not yet distinguishable.			
11.	STOCK-IN-TRADE	Note	2025 ---- Rupees in '000 ----	2024
	Raw material			
	- wheat	11.4	1,227,350	1,010,091
	Finished goods			
	- sugar	11.3	3,834,384	1,787,519
	- molasses	11.1	893,078	1,117,556
	- ethanol		1,017,581	954,434
	- bagasse	11.1	74,418	107,203
	- wheat flour		29,206	37,865
			5,848,667	4,004,577
	Work-in-process		27,670	21,768
	Write down to net realisable value		-	(284,742)
		11.2	7,103,687	4,751,694

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

<b>12. TRADE DEBTS - unsecured</b>	<b>Note</b>	<b>2025</b> ----- Rupees in '000 -----	<b>2024</b>
Export debtors - considered good		<b>937,013</b>	148,265
<b>Local debtors</b>			
Considered good		<b>347,874</b>	292,154
Considered doubtful		<b>38,579</b>	21,012
		<b>386,453</b>	313,166
Less: loss allowance	<b>12.1</b>	<b>38,579</b>	21,012
		<b>1,284,887</b>	440,419

**12.1** During the year, further provision of Rs.17,567 thousand has been booked.

### **13. LOANS AND ADVANCES**

Advances to:

Employees - secured	<b>13.1</b>	<b>19,693</b>	15,471
Suppliers and contractors - unsecured		<b>1,109,754</b>	1,058,872
		<b>1,129,447</b>	1,074,343
Letters of credit - secured		<b>31,603</b>	43,529
		<b>1,161,050</b>	1,117,872
Less:			
Provision for doubtful advances		<b>28,838</b>	28,838
Loss allowance	<b>13.2</b>	<b>905</b>	905
		<b>29,743</b>	29,743
		<b>1,131,307</b>	1,088,129

**13.1** These include balances of Rs.19,678 thousand (2024: Rs.15,471 thousand) secured against retirement benefits of respective employees.

### **13.2 Movement in loss allowance during the year is as follows:**

	<b>2025</b> ----- Rupees in '000 -----	<b>2024</b>
Opening balance	<b>905</b>	905
Loss allowance for the year	-	-
Closing balance	<b>905</b>	905

14.	TRADE DEPOSITS AND OTHER RECEIVABLES	Note	2025	2024
			---- Rupees in '000 ----	----
	Deposits		1,619	17,515
	Prepayments		41,193	12,015
	Export subsidy receivable		305,519	305,519
	Accrued mark-up on term deposit receipts		-	50,801
	Accrued mark-up on loans to Ultimate Holding Company - PSM		14,875	-
	Guarantees issued	14.3	15,000	15,000
	Due from the Ultimate Holding Company	14.1	648,329	98,126
	Others	14.4	9,259	18,702
			<u>1,035,794</u>	<u>517,678</u>
	Less: loss allowance	14.2	305,519	305,519
			<u>730,275</u>	<u>212,159</u>
14.1	<b>This represents amounts due from the Ultimate Holding Company and is interest free:</b>			
	The Premier Sugar Mills and Distillery Company Limited		<u>648,329</u>	<u>98,126</u>
14.2	<b>Movement in loss allowance of export subsidy during the year is as follows:</b>			
	Opening balance		305,519	155,782
	Impairment loss for the year		-	149,737
	Closing balance		<u>305,519</u>	<u>305,519</u>
14.3	This represents Rs.15 million (an amount equivalent to five percent of the total initial project cost) deposited by the Subsidiary Company as security for performance of its obligations under the agreement with the government of Punjab in respect of two sites.			
14.4	This include Rs. 4.00 million deposited by the Subsidiary Company to the government of Punjab along with the bid in accordance with the concession agreement between government of Punjab and the Subsidiary Company in respect of two sites.			
15.	BANK BALANCES	Note	2025	2024
			---- Rupees in '000 ----	----
	- current account	15.2	774,654	480,535
	- savings accounts	15.3	22,922	118,601
	- deposit accounts		-	450,000
			<u>797,576</u>	<u>1,049,136</u>

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

		2025	2024
	Note	----- Rupees in '000 -----	
Cash and bank balances		797,576	1,049,136
Bank balances under lien	15.4	-	(454,000)
		<u>797,576</u>	<u>595,136</u>

**15.2** These include dividend account balance of Rs 1,225 thousand (2024: Rs.1,225 thousand). These balances are maintained in separate non interest bearing current bank accounts.

**15.3** These carry profit at the rates ranging from 9.50% to 16.00% (2024:13.50% to 20.50%) per annum.

**15.4** During the previous financial year, lien was marked on bank balances for an amount of Rs.454,000 thousand in respect of the various guarantees extended by the banks.

**16. SHARE CAPITAL**

**16.1 Authorised share capital**

2025	2024		2025	2024
----- Numbers -----			----- Rupees in '000 -----	
<u>500,000,000</u>	<u>50,000,000</u>	Ordinary shares of Rs.10 each	<u>5,000,000</u>	<u>500,000</u>

**16.1.1** During the year, the members of the Holding Company in their extra ordinary general meeting held on April 03, 2025 resolved to increase the authorised capital of the Holding Company from 50 million ordinary shares to 500 million ordinary shares.

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

2025	2024		2025	2024
----- Numbers -----			----- Rupees in '000 -----	
<u>28,692,000</u>	<u>28,692,000</u>	Ordinary shares of Rs.10 each fully paid in cash	<u>286,920</u>	<u>286,920</u>

**16.3** As at year end, the issued, subscribed and paid-up capital of the Group includes following share capital holdings by the related parties:

	2025	2024
	----- Number -----	
<b>The Ultimate Holding company</b>		
The Premier Sugar Mills & Distillery Company Limited	13,751,000	13,751,000
<b>Associated companies</b>		
Azlak Enterprises (Private) Limited	1,497,359	1,497,359
Phipson & Co. Pakistan (Private) Limited	307,500	307,500
Syntronics Limited	3,590,475	3,590,475
	<u>19,146,334</u>	<u>19,146,334</u>

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

## 17. RESERVES

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

## 18. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

18.1 The Group follows revaluation model for freehold land, leasehold land, buildings & roads, plant & machinery and electric installations. The fair value of the Group's free hold land, leasehold land, buildings & roads, plant & machinery and electric installations were assessed by management based on independent valuation performed by an external property valuation expert as at September 30, 2024 and for WFPL as at June 30, 2024. For valuation of these items, the current market price or depreciated replacement cost method was used, whereby, current purchase / construction cost of similar items in similar locations was adjusted using suitable depreciation rates to arrive at present market value. This technique requires significant judgment as to estimating the revalued amount in terms of their quality, structure, layout and locations. Movement during the year is as follows:

	2025	2024
	----- Rupees in '000 -----	
Balance at the beginning of the year	13,827,316	11,627,185
Add: surplus on revaluation carried-out during the year	-	3,161,518
Less: effect of disposal of operating fixed assets during the year	1,177,176	-
Less: transferred to unappropriated profits	1,092,804	961,387
	<u>11,557,336</u>	<u>13,827,316</u>
Less: deferred tax on:		
opening balance of surplus	4,185,223	3,244,235
surplus during the year	-	1,304,150
disposal during the year	(2,818)	-
incremental depreciation for the year	(324,907)	(363,162)
Effect of change in effective tax rate	(1,003,896)	-
	<u>2,853,602</u>	<u>4,185,223</u>
	<u>8,703,734</u>	<u>9,642,093</u>
<b>Details of surplus on revaluation attributable to NCI and parent company is as follows:</b>		
Surplus attributable to Parent	8,703,734	9,575,365
Surplus attributable to NCI	-	66,728
	<u>8,703,734</u>	<u>9,642,093</u>

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

19. LONG TERM FINANCES - SECURED

Lending institutions	Interest rate (per annum)	2025			2024		Collateral
		Total available facility	Long term portion	Current portion	Total outstanding amount	Total outstanding amount	
----- R u p e e s i n '000 -----							
Al Baraka Bank (Pakistan) Limited	6 month KIBOR + 1.50%	450,000	112,769	111,063	223,832	334,646	- Secured against first joint pari-passu charge on present and future fixed assets of the Group for Rs. 600,000 thousand. - Specific charge of Rs. 450,000 thousand on specific plant and machinery items.
Bank Al-Habib Limited	6 month KIBOR + 1% to 1.5%	678,287	211,355	123,421	334,776	458,198	- Secured against first joint pari-passu charge on present and future fixed assets of the Group for Rs 2,666,667 thousand.
	SBP rate 5% p.a (TERF)	210,399	109,006	91,201	200,207	269,510	
MCB Bank Limited	3 month KIBOR + 1.10%	559,546	309,738	103,754	413,492	519,299	- Secured against first joint pari-passu charge on present and future fixed assets of the Group for Rs. 801,000 thousand.
Soneri Bank Limited	3 month KIBOR + 1.85%	1,500,000	1,208,333	232,646	1,440,979	684,550	- Secured against first joint pari-passu charge on present and future fixed assets of the Group for Rs. 2,868,000 thousand.
United Bank Limited	3 month KIBOR + 1.75%	1,900,000	1,750,000	100,000	1,850,000	3,754,726	- Secured against first joint pari-passu charge on present and future fixed of the Company for Rs. 2,934,000 thousand with 25% margin. - Exclusive / equitable mortgage of Rs. 1,500,000 thousand on agriculture property under the ownership of PBML & PSML. - PSML & PBML Cross Corporate Guarantees of Rs. 1,500,000 thousand in favour of CSML.
	3 month KIBOR + 2.5%						
National Bank of Pakistan	6 month KIBOR + 1.75%	100,000	65,491	19,577	85,068	-	- 10% Down Payment - HPA marked on the vehicles
MCB Islamic Bank Limited	3 month KIBOR + 1.65%	100,000	11,726	5,833	17,559	23,391	- 15% Down Payment - HPA marked on Assets
The Bank of Khyber	SBP rate + 1.5% 3 month KIBOR + 1.75%	400,000	172,062	84,301	256,363	325,157	- Secured against first joint pari-passu charge on present and future fixed of the Company for Rs. 533,334 thousand.
Total			3,950,480	871,796	4,822,276	6,369,477	
Accrued mark-up					92,243	270,836	
					4,914,519	6,640,313	
Less: amount payable within next 12 months							
Principal					871,796	942,638	
Accrued mark-up					92,243	270,836	
					964,039	1,213,474	
Amount due after September 30, 2026					3,950,480	5,426,839	

20.	LOANS FROM RELATED PARTIES - secured	Note	2025	2024
			----- Rupees in '000 -----	
	<b>Associated companies</b>			
	Premier Board Mills Limited	20.1 & 20.2	62,472	62,472
	Arpak International Investments Limited	20.3	25,000	25,000
	Azlak Enterprises (Private) Limited	20.4	74,375	85,000
	Accrued mark-up		75,276	82,065
			<u>237,123</u>	<u>254,537</u>
	Less: amount payable within next 12 months			
	Principal		31,875	24,375
	Accrued mark-up		75,276	82,065
			<u>107,151</u>	<u>106,440</u>
			<u>129,972</u>	<u>148,097</u>
	<b>Subsidiary Company (WFPL)</b>			
20.1	This represent long term finance facility obtained from Premier Board Mills Limited (PBML), a related party for the purpose of acquisition of plant and machinery. The rate of mark-up is on this loan is one month KIBOR + 1.25% per annum, provided the mark-up charged by the associated company is not less than the borrowing cost of lender. The effective markup rates charged by the lender during the year ranged from 12.58% to 22.08% per annum. The Subsidiary Company and the PBML, during the year, have entered into a revised agreement and changed the repayment terms . As per the latest agreement, this loan is now repayable in eight half yearly instalments commencing July, 2027. This loan is secured against promissory note of Rs.44 million.			
	<b>Holding Company</b>			
20.2	The long term finance facility had been renewed on November 22, 2024. The principal is repayable in 4 semi annual installments commencing from November 2028. The rate of mark-up is 1 month KIBOR + 1.25%, provided the mark-up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Holding Company.			
20.3	The long term finance facility had been renewed on November 22, 2024. The principal is repayable in 4 semi annual installments commencing from November 2028. The rate of mark-up is 1 month KIBOR + 1.25%, provided the mark-up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Holding Company.			
20.4	The long term finance facility had been renewed on January 3, 2022. The principal is repayable in 8 semi annual installments commencing from December 2024. The rate of mark-up is 1 month KIBOR + 1.25%, provided the mark-up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Holding Company.			
21.	<b>LEASE LIABILITIES</b>		2025	2024
			----- Rupees in '000 -----	
	Balance at beginning of the year		249,480	248,926
	Additions during the year		93,389	100,762
	Unwinding of interest on lease liabilities		34,794	54,717
	Payments made during the year		(157,775)	(160,999)
	Remeasurement gain		-	6,074
	Early termination of lease liabilities		(14,818)	-
	Balance at end of the year		<u>205,070</u>	<u>249,480</u>
	Less: current portion of long term lease liabilities		63,217	89,501
			<u>141,853</u>	<u>159,979</u>

**21.1 Maturity analysis of undiscounted lease payments need to be made after the reporting period:**

	2025	2024
	----- Rupees in '000 -----	
Upto one year	86,575	145,688
From one to five years	167,089	189,930
	<u>253,664</u>	<u>335,618</u>
Less: finance cost allocated to future periods	48,594	86,138
	<u>205,070</u>	<u>249,480</u>

**21.2** The Group has acquired vehicles under finance lease from commercial banks. The financing is repayable in equal monthly installments over a period ranging between four to five years and carries finance charge ranging from 12.01% to 23.08% (2024: 16.83% to 24.72%) per annum.

**22. DEFERRED TAXTION**

	2025	2024
	----- Rupees in '000 -----	
<b>Deferred tax liability comprises of the following:</b>		
Taxable temporary differences arising in respect of :		
- accelerated tax depreciation allowance	723,409	685,223
- surplus on revaluation of property, and equipment	2,853,602	4,004,223
- right-of-use assets	70,170	115,235
	<u>3,647,181</u>	<u>4,804,681</u>

Deductible temporary differences arising in respect of :

- lease liabilities	(59,470)	(88,903)
- provision for doubtful advances	(19,813)	(11,600)
- provision for obsolete items	(7,604)	(14,970)
- impairment loss on export subsidiary	(88,601)	29,714
- expected credit loss on trade debts	-	(797)
- provision for gratuity	(13,633)	(8,631)
- minimum tax and tax losses recoverable against future taxable profits	(2,437,396)	(1,534,815)
	<u>(2,626,517)</u>	<u>(1,630,002)</u>
	<u>1,020,664</u>	<u>3,174,679</u>

**23. PROVISION FOR GRATUITY**

The Holding Company operates a gratuity scheme and latest actuarial valuation of the employees' defined benefit plan was conducted at September 30, 2025 using the 'Projected Unit Credit Method'. Details of the defined benefit plan are as follows:

**23.1 Movement in net liability recognised**

		2025	2024
		----- Rupees in '000 -----	
Opening net liability		22,132	19,965
Expense for the year recognized in statement of profit or loss account	23.2	28,514	8,935
Remeasurement loss / (gain) recognized in statement of other comprehensive income	23.5	872	(2,245)
Benefits paid		(5,834)	(5,360)
Benefits payable to outgoing employees transferred to trade and other payables		-	837
Liability transferred from other group company		1,325	-
Closing net liability		<u>47,009</u>	<u>22,132</u>



		2025	2024
		----- Rupees in '000 -----	
<b>23.2</b>	<b>Expense for the year</b>		
	Current service cost	26,256	6,040
	Interest cost	2,258	2,895
		<u>28,514</u>	<u>8,935</u>
<b>23.3</b>	<b>Changes in present value of defined benefit obligation</b>		
	Opening defined benefit obligation	22,132	19,965
	Current service cost	26,256	6,040
	Interest cost	2,258	2,895
	Benefits paid	(5,834)	(5,360)
	Benefits payable to outgoing employees transferred to trade and other payables	-	837
	Liability transferred from other group company	1,325	-
	Remeasurement loss / (gain) on defined benefit obligation	872	(2,245)
	Balance at end of the year	<u>47,009</u>	<u>22,132</u>
<b>23.4</b>	<b>Principal actuarial assumptions used in the actuarial valuation</b>		
	The "Projected Unit Credit Method" using the following significant assumptions was used for the valuation of the scheme:		
		2025	2024
	Discount rate used for interest cost	11.75%	16.75%
	Discount rate used for year end obligation	11.75%	11.75%
	Salary increase rate - long term	11.75%	11.75%
	Salary increase rate - short term	11.75%	11.75%
	<b>Demographic assumptions</b>		
	Mortality rates (for death in service)	SLIC (2001-05)	SLIC (2001-05)
	During the year 2026, the Holding Company expects to contribute Rs.16,090 thousand to its gratuity scheme.		
<b>23.5</b>	<b>Remeasurements recognized in OCI during the year</b>	2025	2024
		----- Rupees in '000 -----	
	Actuarial losses / (gains) from changes in financial assumptions	-	(170)
	Experience adjustments	872	(2,075)
	Remeasurement loss / (gain) on defined benefit obligation	<u>872</u>	<u>(2,245)</u>
	<b>Distribution timing of gratuity payments:</b>		
	1 year	2,526	1,550
	2 years	3,439	2,651
	3 years	4,213	2,494
	4 years	6,478	3,166
	5 years	3,563	2,922
	6 years onward	1,169,200	798,699

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

<b>Plan duration</b>	<b>Years</b>
September 30, 2025	<b>9</b>
September 30, 2024	<b>10</b>

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

	<b>2025</b>	
	<b>Effect of 1% increase</b>	<b>Effect of 1% decrease</b>
	<b>----- Rupees in '000 -----</b>	
Discount rate	<b>(42,957)</b>	<b>51,739</b>
Future salary growth	<b>51,758</b>	<b>(42,866)</b>
	<b>2024</b>	
	<b>Effect of 1% increase</b>	<b>Effect of 1% decrease</b>
	<b>----- Rupees in '000 -----</b>	
Discount rate	(20,029)	24,615
Future salary growth	24,627	(19,979)

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

**23.8** The defined benefit obligation exposes the Group to the following risks:

**Final salary risks:**

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

**Withdrawal risks:**

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

**Mortality risks:**

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

**Discount rate fluctuation:**

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

24. DEFERRED GOVERNMENT GRANT		2025	2024
		----- Rupees in '000 -----	
	Opening balance	49,695	76,280
	Amortization during the year	(21,898)	(26,585)
	Closing Balance	<u>27,797</u>	<u>49,695</u>
24.1	This represent deferred government grant in respect of term finance facility obtained under SBP temporary economic refinance facility (TERF). The Holding Company had entered into an arrangement with Bank Al Habib Limited for obtaining term finance facility under State Bank of Pakistan (SBP) TERF scheme to facilitate retirement of import / shipping documents received against LCs (foreign and local / inland), up to a maximum of Rs.505 million. The principal amount of loan is repayable in 10 equal semi annual installments commenced from September 30, 2023. mark-up rate is 5% on this facility and is also repayable on semi annual basis. The availed facility at September 30, 2025 was Rs.200,207 thousand. The facility will expire on September 30, 2027. There are no unfulfilled conditions or other contingencies attaching to this grant.		
25. TRADE AND OTHER PAYABLES		2025	2024
		----- Rupees in '000 -----	
	Note		
Creditors		598,125	620,441
Due to related parties	25.1	409,389	150,147
Accrued expenses		157,615	149,144
Retention money		30,587	30,565
Security deposits	25.2	1,299	1,299
Advance payments from customers - contract liability	25.5	2,063,943	179,205
Sales tax payable		393,041	344,116
Income tax deducted at source		500,375	215,706
Payable for workers' welfare fund	25.3	-	30,258
Payable to employees		109,918	89,117
Payable to provident fund		20,899	9,574
Others		4,684	55,871
		<u>4,289,875</u>	<u>1,875,443</u>
25.1	This represents amounts due to the following related parties and are interest free and payable on demand.		
		2025	2024
		----- Rupees in '000 -----	
Associated Companies			
Syntronics Limited		12,659	11,993
Syntron Limited		41,637	-
Aztrak Enterprises (Private) Limited		59,103	38,154
Directors	25.4	295,990	100,000
		<u>409,389</u>	<u>150,147</u>
25.2	These are repayable on demand and cannot be utilised for the purpose of business in accordance with the terms of written agreements with these parties. No amount in this respect has been kept in separate bank account.		

<b>25.3 Payable for workers' welfare fund</b>		<b>2025</b>	<b>2024</b>
		<b>----- Rupees in '000 -----</b>	
Balance at beginning of the year		<b>30,258</b>	30,258
Reversal for the year		<b>(30,258)</b>	-
		<b>-</b>	<b>30,258</b>
<b>25.4</b> This includes an amount of Rs. 100 million representing a short-term, interest-free loan obtained from Mr. Abbas Sarfraz Khan (Director). During the year, on May 19, 2025, the Holding Company also entered into an agreement to purchase the shares of UWFPL from Mr. Abbas Sarfraz Khan against a consideration of Rs. 195,990 thousand, which is payable within one year and is interest-free.			
<b>25.5</b> These mainly include Rs.1.983 billion received as advance consideration for sale of sugar. Against the above amount revenue aggregating Rs.1.977 billion has been booked in October, 2025 (subsequent to the year-end) upon transfer of goods to the customers as per the terms of the agreements. Further, an amount of Rs.173.135 million (2024: Rs.1,957.55 million) included in contract liabilities at September 30, 2024 has been recognized as revenue during the year.			
<b>25.5.1</b> Advances from customers as at reporting date also include taxes payable to the Government Authorities in respect of sale of sugar and ethanol.			
<b>26. SHORT TERM BORROWINGS - secured</b>		<b>2025</b>	<b>2024</b>
	<b>Note</b>	<b>----- Rupees in '000 -----</b>	
Cash / running finance		<b>8,982,973</b>	3,698,424
Export re-finance		<b>3,326,600</b>	5,449,064
		<b>12,309,573</b>	9,147,488
Accrued mark-up		<b>565,944</b>	367,462
	<b>26.1</b>	<b>12,875,517</b>	9,514,950

# 27.1 SHORT TERM BORROWINGS- SECURED

Lending institutions	Interest rate (per annum)	2025		2024		Collateral
		Total available facility	Total outstanding amount	Total outstanding amount		
		----- R u p e s in '000 -----				
Askari Bank Limited	3 month KIBOR + 0.90%	900,000	-	131,904	<ul style="list-style-type: none"><li>- Letter of Pledge amounting Rs. 933,333 thousand on sugar stocks (inclusive of 15% margin).</li><li>- Pledge of sugar bags (15% margin on market price).</li><li>- Lien on export documents / firm contracts.</li><li>- Joint pari-passu charge over current assets of the Company for Rs. 267,000 thousand (inclusive of 25% margin).</li></ul>	
Bank Al Falah Limited	3 month KIBOR + 1.25% SBP Rate +1.25%	1,300,000	600,000	385,000	<ul style="list-style-type: none"><li>- Pledge of fresh sugar of current season with 15% margin for Rs. 1,171,471 thousand.</li><li>- Pledge of sugar bags (15% margin on market price).</li><li>- Ranking Hypothecation Charge of Rs. 400,000 Million on all present &amp; Future Current Assets of the Company with 25% Margin.</li><li>- Ranking Hypothecation charge over all present and future current assets of the Company for Rs. 533,340 thousand (inclusive of 25% margin).</li><li>- Lien on export documents / firm contracts.</li><li>- Pledge of wheat stock in Silos with 15% margin.</li></ul>	
Bank Al-Habib Limited	3 month KIBOR + 1% 6 month KIBOR + 3% 3 month KIBOR + 1.25%	3,900,000	1,794,808	2,080,446	<ul style="list-style-type: none"><li>- Registration of Charge in SECP over refined sugar stock under bank pledge with 15% margin amounting to Rs 2,353,000 thousand.</li><li>- Pledge on sugar stock with 25% margin on market price.</li><li>- Joint pari-passu charge over all present and future current assets of the Company for Rs. 1,867,000 thousand (inclusive of 25% margin).</li><li>- Lien on export documents / firm contracts.</li><li>- Pledge of wheat stock in Silos with Nil Margin.</li></ul>	
Bank of Khyber	3 month KIBOR + 1% 6 month KIBOR +1.25%	750,000	500,000	-	<ul style="list-style-type: none"><li>- Pledge of fresh sugar of current season with 15% margin for Rs. 589,000 thousand.</li><li>- Pledge of sugar bags (15% margin on market price).</li></ul>	
Bank of Punjab	3 month KIBOR + 1.10%	1,750,000	500,000	750,000	<ul style="list-style-type: none"><li>- Pledge on sugar stock with 15% margin for Rs. 1,177,000 thousand.</li><li>- Pledge of sugar bags (15% margin on market price).</li><li>- Joint pari-passu charge over current assets of the Company with 25% margin for Rs 667,000 thousand.</li><li>- Ranking Hypothecation Charge of Rs. 334,000 Thousand over all present &amp; Future Current Assets of the Company with 25% Margin</li><li>- Lien on export LCs / contracts.</li></ul>	

Lending institutions	Interest rate (per annum)	2025		2024		Collateral
		Total available facility	Total outstanding amount	Total outstanding amount		
----- R u p e s in '000 -----						
Bank Islami Pakistan Limited	6 month KIBOR + 1.20%	1,400,000	-	720,000	<div>- Pledge of refined sugar stock of current season with 15% margin (Rs. 470,588 thousand).</div> <div>- Pledge of sugar bags (15% margin on market price).</div> <div>- Ranking Hypothecation charge over all present and future current assets of the Company with 25% margin (Rs. 667,000 thousand).</div> <div>- Lien on export documents / firm contracts.</div> <div>- Pledge of Wheat stock in Silo with 20% margin</div> <div>- Ranking Charge of Rs. 333.34 Million over Current Assets of the Company;</div> <div>- Ranking charge of Rs. 333.34 Million over Fixed Assets of the Company.</div>	
	9 month KIBOR + 1.20%					
Dubai Islamic Bank Pakistan Limited	6 month KIBOR + 1.25%	1,000,000	780,600	200,000	<div>- Pledge on sugar stock with 10% margin for Rs. 603,000 thousand.</div> <div>- Pledge of sugar bags (10% margin on market price).</div> <div>- Lien over export LC / contract.</div> <div>- First joint pari-passu charge on present and future current assets of the Company for Rs 267,000 thousand ,inclusive of 25% Margin.</div> <div>- Ranking Hypothecation Charge of Rs. 533,000 thousand over all present &amp; Future Current Assets of the Company with 25% Margin.</div>	
	9 month KIBOR + 1.50%					
Habib Metropolitan Bank Limited	3 month KIBOR + 0.90%	1,050,000	300,000	300,000	<div>- Pledge on crystallized sugar in bags with 15% margin for Rs. 882,353 thousand.</div> <div>- Pledge of sugar bags (15% margin on market price).</div> <div>- Lien over export LC / contract.</div> <div>- Joint pari-passu charge on current assets of the Company for Rs 400,000 thousand registered with SECP with 25% Margin.</div> <div>- Lien over export documents.</div>	
	3 month KIBOR + 1.00%					
MCB Bank Limited	3 month KIBOR + 1.10%	1,800,000	1,067,753	874,350	<div>- Pledge on white refined sugar stock for Rs. 889,890 thousand</div> <div>- Pledge of sugar bags (15% margin on market price).</div> <div>- Lien over export LC / contract.</div> <div>- joint pari-passu charge on present and future current assets of the Company for Rs. 534,000 thousand.</div> <div>- Ranking Hypothecation Charge of Rs. 332,667 million over all present &amp; Future Current Assets of the Company with 25% Margin</div> <div>- Ranking hypothecation charge on present and future current assets of the Company for Rs. 667,000 thousand.</div> <div>- Corporate guarantee of the Company in favour of MCB for unconditional payment on demand.</div>	

Lending institutions	Interest rate (per annum)	2025		2024		Collateral
		Total available facility	Total outstanding amount	Total outstanding amount		
		----- R u p e s in '000 -----				
MCB Islamic Bank Limited	3 month KIBOR + 1.40%	5,800,000	2,995,455	998,488	<div>- Pledge on white refined sugar stock for Rs. 2,942,000 thousand - Pledge of sugar bags (15% margin on market price). - Lien over export LC / contract. - Ranking Hypothecation Charge of Rs. 3,334,000 thousand over all present future Current Assets of the Company with 25% Margin. - Ranking Hypothecation Charge of Rs. 332,667 thousand over all present &amp; Future Current Assets of the Company with 25% Margin - Ranking hypothecation charge on present and future current assets of the Company for Rs. 667,000 thousand. - Corporate guarantee of the Company in favour of MCB for unconditional payment on demand.</div>	
	3 month KIBOR + 1.25%					
Meezan Bank Limited	3 month KIBOR + 1.20%	1,450,000	-	464,656	<div>- Pledge on white refined sugar stock for Rs. 1,531,000 thousand - Pledge of sugar bags (15% margin on market price). - Lien over export LC / contract. - Ranking Hypothecation Charge of Rs. 666,667 thousand over all present future Current Assets of the Company with 25% Margin. - Ranking Hypothecation Charge of Rs. 200,000 Thousand over all present &amp; Future Current Assets of the Company with 25% Margin - Corporate guarantee of the Company in favour of MZBL for unconditional payment on demand.</div>	
	6 month KIBOR + 1.20%					
National Bank of Pakistan	9 month KIBOR + 1%	1,200,000	438,000	199,938	<div>- Pledge on white refined sugar stock with 15% margin for Rs. 1,176,471 thousand. - Pledge of sugar bags (15% margin on market price). - Pledge of Wheat stock in Silo with 25% margin.</div>	
Samba Bank Limited	1 month KIBOR + 1%	600,000	599,990	-	<div>- Exclusive charge over refined sugar bags of Rs. 707,000 thousand registered with SECP. - Pledge of sugar bags (15% margin on market price).</div>	
Soneri Bank Limited	3 month KIBOR + 1.50%	1,000,000	1,401,257	1,000,000	<div>- Pledge of Sugar backed by Specific/Exclusive charge of Rs 1,176,471 thousand over stocks of refined white sugar with SECP with 15% margin. - Pledge of sugar bags (15% margin on market price). - Lien over export LC / contract. - joint pari-passu charge on present and future current assets of the Company for Rs. 666,667 thousand. - Ranking Hypothecation Charge of Rs. 666,667 thousand over all present &amp; Future Current Assets of the Company with 25% Margin.</div>	

		2025		2024	
Lending institutions	Interest rate (per annum)	Total available facility	Total outstanding amount	Total outstanding amount	Collateral
		----- R u p e s in '000 -----			
United Bank Limited	3 month KIBOR+2.50%	5,600,000	1,331,710	1,042,706	- Pledge of sugar stock with 15% margin under effective control and custody of UBL appointed Mucaddam. - Pledge of sugar bags (15% margin on market price). -1st Pledge of wheat stock at factory premises with 20% margin under effective control and custody of UBL appointed Mucaddam - Pledge of wheat stock in Silo with 20% margin.
	1 month KIBOR + 2.50%				
Total			12,309,573	9,147,488	
Accrued mark-up			565,944	367,462	
			12,875,517	9,514,950	



- 26.1** These include short term financial exposure of UWFPL assumed by the Group under the scheme of merger.

<b>27. CURRENT MATURITY OF NON-CURRENT LIABILITIES</b>	<b>Note</b>	<b>2025</b>	<b>2024</b>
		<b>--- Rupees in '000 ---</b>	
Long term finances	<b>19</b>	<b>964,039</b>	1,213,474
Loans from related parties	<b>20</b>	<b>107,151</b>	106,440
Lease liabilities	<b>21</b>	<b>63,217</b>	89,500
		<b>1,134,407</b>	<b>1,409,414</b>

## **28. CONTINGENCIES AND COMMITMENTS**

### **28.1 Contingencies**

- 28.1.1** The Commissioner Inland Revenue (CIR), Peshawar vide order dated May 26, 2015 alleged that the Holding Company has not undertaken appropriate stock taking and raised a demand of Rs 10 million in respect of FED on the alleged differential stock. The Holding Company preferred an appeal before Appellate Tribunal Inland Revenue (ATIR) which was accepted vide order dated January 25, 2016. In this respect, the tax department filed reference before the Honorable Peshawar High Court which is yet to be decided.
- 28.1.2** In respect of super tax demand under section 4C of Income Tax Ordinance, 2001 for the tax year 2021 @ 10% of taxable income, the Holding Company had filed writ petition before Peshawar High Court, and an interim relief was granted, directing the Company to 50% of the tax demanded. However, during the year, The Federal Board of Revenue (FBR) sent a notice to the Holding Company directing it to pay super tax @ 4%, based on Supreme Court's order in respect of other companies wherein the Supreme Court of Pakistan granted an interim relief against demand of super tax at the rate of 10% and directed FBR to recover the tax @ 4%. Management has recorded a current tax charge of Rs 41.9 million in respect of super tax @ 4% out of which Rs. 24.9 million was paid during the prior year. The Holding Company and its legal counsel are confident that based on Supreme Court's order maximum exposure of the Holding Company in respect of super tax for tax year 2021 is 4% and no further provision needs to be recognized in these consolidated financial statements.
- 28.1.3** The Federal government through SRO No. 1062(I)/2021 dated April 28, 2021 fixed the Ex-Mill and Retail prices of Sugar u/s 6 of the Price Control and Prevention of Profiteering and Hoarding Act, 1997 at Rs.95.57/kg and Rs.98.82/kg. The Holding Company has filed a writ petition in Peshawar High court against the above direction of Federal Government on April 20, 2023 Peshawar High Court granted stay on the case vide order dated 6 June, 2023 and the case is currently pending adjudication as at year end.
- 28.1.4** The Competition Commission of Pakistan (CCP) issued a show cause notice dated November 4, 2020 to sugar mills with respect to artificial price hike and alleged cartelization. The Holding Company submitted its reply dated December 25, 2020. However CCP passed an order dated August 13, 2021 and on the basis of revenues of financial year 2019 imposed a penalty of Rs.650,000 thousand on the Holding Company. Against the said order of CCP, the Holding Company has filed an appeal before the CCP Appellate tribunal. The CCP Appellate tribunal has granted stay order against the CCP's order dated August 13, 2021. The case is pending adjudication. During the financial year, Tribunal assailed the previous stay order through the impugned judgement on May 21, 2025. The Holding Company preferred an appeal before the Supreme Court of Pakistan (SCP) against the said judgement. The SCP from its order dated September 18, 2025, set aside the judgement of Tribunal and remanded the case back to Tribunal to decide the same afresh, which is pending adjudication.

- 28.1.5** The Holding Company has letter of guarantee facilities aggregating Rs.50 million (2024: Rs 50 million) available from Bank Al Habib. The amount availed on these facilities as at September 30, 2025 is Rs.4 million (2024: Rs 4 million). These facilities are secured by master counter guarantee and 100% cash margin.
- 28.1.6** The Holding Company has obtained letter of credit facilities aggregating Rs.230 million (2024: Rs.415 million) from various banks. The amount availed on these facilities as at September 30, 2025 is Rs.121.953 million (2024: Rs.249 million). These facilities are secured by lien on shipping documents.
- 28.1.7** The Holding Company has cash finance facility available from various banks aggregating to Rs. 25,800 million (2024: Rs 17,550 million), out of which Rs 8,983 million (2024: Rs.2,573 million) has been availed by the Holding Company as at September 30, 2025. These facilities are secured against pledge charge over crystalline sugar inclusive of margin of 10 - 25%.
- 28.1.8** The Holding Company has Export Re Finance/Finance Against Packing Credit (ERF / FAPC) facility from various commercial banks for Rs.3,700 million (2024: Rs.5,900 million), out of which Rs.3,327 million (2024: Rs.5,449 million) has been availed by the Company as at September 30, 2025. These facilities are secured by the joint Pari passu hypothecation charge over current assets of the Holding Company and lien over export documents.
- 28.1.9** The Holding Company is defending its stance before the courts of law against various parties including individuals, corporate entities, federal and provincial revenue / regulatory authorities etc. The management of the Holding Company is of the view that the ultimate outcome of these cases are expected to be favorable and a liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made in the consolidated financial statements in this regard.
- 28.1.10** During the year, the Holding Company has issued further corporate guarantees aggregating to Rs. 3,900 million in favour of various financial institution against financing arrangements with these financial institution entered into by PSM (the Ultimate Holding Company). The financing facility is expected to be settled by December 31, 2027 and accordingly, the guarantee issued by the Holding Company will be released by December 31, 2027.

**28.2 Commitments**

**2025**                      **2024**  
**----- Rupees in '000 -----**

The Group has following Commitments in respect of :

- foreign letter of credit for purchase of plant and machinery	<b>127,482</b>	<b>285,663</b>
- capital expenditure other than letters of credit	<b>4,000</b>	<b>25,515</b>

- 28.3** The Group has entered into Ijarah arrangements for lab equipments with OLP Modaraba. Aggregate commitments for rentals under Ijarah arrangements as at September 30, 2025 was as follows:

Note	<b>2025</b>	<b>2024</b>
	<b>----- Rupees in '000 -----</b>	
Not later than one year	<b>16,535</b>	-
Later than one year but not later than five years	<b>29,676</b>	-

**29. SALES - net**

Local		<b>24,911,595</b>	35,704,043
Export	<b>29.1</b>	<b>6,918,263</b>	6,847,464
		<b>31,829,858</b>	42,551,507
Less: sales tax, other government levies and discounts	<b>29.2</b>	<b>3,294,422</b>	4,560,742
		<b>28,535,436</b>	37,990,765

29.1	Export sales comprise of the sugar and ethanol sales, made in the following regions:	Note	2025	2024
			---- Rupees in '000 ----	----
	Singapore		-	561,377
	Spain		1,953,137	2,427,827
	Hong Kong		513,305	373,715
	Switzerland		2,263,427	2,675,212
	Afghanistan		502,437	-
	Tajikistan		157,796	-
	Indonesia		236,876	396,691
	United Arab Emirates		1,291,285	412,642
			<b>6,918,263</b>	<b>6,847,464</b>
<b>29.2 Sales tax, other government levies and discounts</b>				
	Indirect taxes		3,278,840	4,535,928
	Discounts and commissions		15,582	24,814
			<b>3,294,422</b>	<b>4,560,742</b>
<b>30. COST OF SALES</b>				
	Raw material consumed		24,601,753	30,882,934
	Chemicals and stores consumed		536,871	617,474
	Salaries, wages and benefits	30.1	1,089,248	983,709
	Power and fuel		180,816	225,698
	Repair maintenance and others		483,545	542,553
	Insurance		44,958	54,375
	Depreciation - property, plant and equipment	7.6	1,812,932	1,645,344
	Depreciation - right of use asset	8.1	1,247	4,159
	Ijarah rentals		8,077	105
			<b>28,759,447</b>	<b>34,956,351</b>
<b>Adjustment of work-in-process:</b>				
	Opening		21,768	16,293
	Closing		(27,670)	(21,768)
			<b>(5,902)</b>	<b>(5,475)</b>
	Cost of goods manufactured		<b>28,753,545</b>	<b>34,950,876</b>
<b>Adjustment of finished goods:</b>				
	Opening stock		3,998,600	5,161,383
	Closing stock		(5,848,667)	(3,998,600)
			<b>(1,850,067)</b>	<b>1,162,783</b>
			<b>26,903,478</b>	<b>36,113,659</b>
<b>30.1 Salaries, wages and benefits include Rs.28,485 thousand (2024: Rs.25,253 thousand) in respect of retirement benefits.</b>				

<b>31. SELLING AND DISTRIBUTION EXPENSES</b>		<b>2025</b>	<b>2024</b>
	<b>Note</b>	<b>----- Rupees in '000 -----</b>	
Salaries, wages and benefits	<b>31.1</b>	<b>50,895</b>	30,824
Loading and stacking		<b>39,551</b>	43,366
Export development surcharge		<b>14,634</b>	19,106
Export sales commission		<b>303,153</b>	331,211
Freight and other expenses		<b>843,969</b>	496,288
Rental expense		<b>10,800</b>	-
Depreciation - right of use asset	<b>8.1</b>	<b>16,511</b>	17,453
		<b>1,279,513</b>	<b>938,248</b>
<b>31.1</b> Salaries, wages and benefits include Rs.791 thousand (2024: Rs.658 thousand) in respect of retirement benefits.			
<b>32. ADMINISTRATIVE AND GENERAL EXPENSES</b>		<b>2025</b>	<b>2024</b>
	<b>Note</b>	<b>----- Rupees in '000 -----</b>	
Salaries, wages and benefits	<b>32.1</b>	<b>855,283</b>	702,677
Travelling and conveyance		<b>119,763</b>	93,381
Vehicles running and maintenance		<b>54,615</b>	59,660
Rent, rates and taxes		<b>13,779</b>	14,031
Communication		<b>24,565</b>	30,473
Printing and stationery		<b>18,012</b>	17,274
Insurance		<b>16,584</b>	13,422
Repair and maintenance		<b>104,616</b>	120,854
Fees and subscription		<b>40,011</b>	18,053
Depreciation - property, plant and equipment	<b>7.6</b>	<b>240,454</b>	206,513
Depreciation - right of use asset	<b>8.1</b>	<b>62,260</b>	58,261
Auditors' remuneration	<b>32.2</b>	<b>7,169</b>	9,275
Legal and professional charges		<b>24,394</b>	19,871
Meal and entertainment		<b>92,920</b>	2,846
Utilities		<b>3,762</b>	9,158
Others		<b>41,279</b>	124,495
		<b>1,719,466</b>	<b>1,500,244</b>
<b>32.1</b> Salaries, wages and benefits include Rs.43,905 thousand (2024: Rs.21,250 thousand) in respect of retirement benefits.			
<b>32.2 Auditors' remuneration:</b>		<b>2025</b>	<b>2024</b>
		<b>----- Rupees in '000 -----</b>	
- statutory audit fee		<b>3,383</b>	3,222
- statutory audit fee - subsidiaries		<b>2,128</b>	2,908
- half year review fee		<b>762</b>	762
- code of corporate governance fee		<b>174</b>	-
- prior year under provision		<b>117</b>	-
- consolidation		<b>355</b>	338
- other certification / services		<b>150</b>	1,361
- out-of-pocket expenses		<b>100</b>	684
		<b>7,169</b>	<b>9,275</b>

33.	OTHER INCOME	Note	2025	2024
			---- Rupees in '000 ----	----
	<b>Income from financial assets</b>			
	Return on bank deposits		34,911	9,231
	Mark-up earned on term depository receipts (TDR) and T-Bills		445,337	88,758
	Mark-up on loan to PSM (the Ultimate Holding Company)		44,709	-
			<b>524,957</b>	<b>97,989</b>
	<b>Income from assets other than financial assets</b>			
	Sale of press mud - net of sales tax		6,208	7,218
	Sale of fusel oil - net of sales tax		5,264	3,101
	Gain on disposal of operating fixed assets		189,986	15,729
	Gain on derecognition of right of use assets		5,640	-
	Scrap sales - net of expenses		52,622	52,818
	Rental income		115	115
	Amortization of deferred government grant	24	21,898	26,585
	Reversal of Workers' welfare fund charge	25.3	30,258	-
	Exchange gain - net		3,854	-
	Reversal of provision for obsolete stores		12,163	17,413
			<b>328,008</b>	<b>122,979</b>
			<b>852,965</b>	<b>220,968</b>
	<b>OTHER EXPENSES</b>			
	Donations - without directors' interest		4,633	1,039
	Others	34.2	150,510	15,350
			<b>155,143</b>	<b>16,389</b>
34.1	This includes donation made to Al-Siraj Welfare Foundation amounting to Rs.4,000 thousand (2024: Rs.1,000 thousand). None of the directors are interested in the donation made during the year.			
34.2	These mainly includes an amount of Rs.150,509 thousand relating to different expenses incurred relating to leasehold land disposed of during the year by the Holding Company. These expenses were incurred during the preceding years and did not meet the capitalization criteria.			
35.	<b>FINANCE COST - net</b>		2025	2024
		Note	---- Rupees in '000 ----	----
	<b>Mark-up on:</b>			
	Long term finances		892,887	1,223,112
	Loans from related parties		23,910	40,195
	Short term borrowings		2,688,574	3,239,332
			<b>3,605,371</b>	<b>4,502,639</b>
	Unwinding of interest on lease liabilities	21	34,794	54,710
	Interest on workers' profit participation fund		-	7,418
	Bank charges		45,446	20,927
	Exchange loss - net		-	37,184
			<b>3,685,611</b>	<b>4,622,878</b>

36.	MINIMUM TAX - LEVY	Note	2025	2024
			---- Rupees in '000 ----	
	Levy:			
	- for the year	36.1	304,116	404,661
	- for prior year		(76,528)	-
			<u>227,588</u>	<u>404,661</u>
36.1	This represents the minimum taxes and final taxes payable / paid under Income Tax Ordinance, 2001 (ITO), representing levy in terms of requirements of IFRIC 21/IAS 37.			
36.2	Reconciliation of current tax charge charged as per income tax laws for the year, with current tax recognised in the profit and loss account, is as follows:			
			2025	2024
			---- Rupees in '000 ----	
	Current tax liability for the year as per applicable tax laws		304,116	404,661
	Portion of current tax liability as per tax laws, representing income tax under IAS 12		-	-
	Portion of current tax liability as per tax laws, representing levy in terms of requirements of IFRIC 21 / IAS 37		304,116	404,661
	Difference		<u>-</u>	<u>-</u>
36.3	The aggregate of final tax and minimum tax, amounting to Rs.304,116 thousand (2024: Rs.404,661 thousand) represents tax liability of the Group calculated under the relevant provisions of the Income Tax Ordinance 2001.			
37.	INCOME TAX		2025	2024
			---- Rupees in '000 ----	
	Current tax			
	- for the year		-	-
	Deferred			
	- on account of temporary differences		(960,017)	(1,930,800)
			<u>(960,017)</u>	<u>(1,930,800)</u>
38.	LOSS PER SHARE			
38.1	Basic earnings per share			
	Loss after taxation attributable to ordinary shareholders		<u>(3,566,328)</u>	<u>(3,472,340)</u>
			--- No. of shares in '000 ---	
	Weighted average number of shares outstanding during the year		<u>28,692</u>	<u>28,692</u>
			----- Rupees -----	
	Loss per share		<u>(124.30)</u>	<u>(121.02)</u>
38.2	There is no dilutive effect on basic earnings per share.			

### 39. SEGMENT OPERATING RESULTS FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Sugar Division		Ethanol Division		Flour Division		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
----- Rupees in '000 -----								
Sales:								
- External Customers	19,797,466	26,325,758	6,693,378	9,207,784	5,339,014	5,727,410	31,829,858	41,260,952
- Inter segment	1,016,192	1,290,555	-	-	-	-	1,016,192	1,290,555
	20,813,658	27,616,313	6,693,378	9,207,784	5,339,014	5,727,410	32,846,050	42,551,507
Less : sales tax & others	3,192,447	4,186,892	93,186	362,530	8,789	11,320	3,294,422	4,560,742
Sales - net	17,621,211	23,429,421	6,600,192	8,845,254	5,330,225	5,716,090	29,551,628	37,990,765
Segment expenses:								
Cost of Sales	(16,890,700)	(22,635,760)	(4,562,419)	(6,127,772)	(5,450,359)	(6,059,572)	(26,903,478)	(34,823,104)
Inter segment cost	-	-	(1,016,192)	(1,290,555)	-	-	(1,016,192)	(1,290,555)
	(16,890,700)	(22,635,760)	(5,578,611)	(7,418,327)	(5,450,359)	(6,059,572)	(27,919,670)	(36,113,659)
Gross profit	730,511	793,661	1,021,581	1,426,927	(120,134)	(343,482)	1,631,958	1,877,106
Selling and distribution expenses	(154,442)	(44,058)	(965,862)	(833,825)	(159,209)	(60,365)	(1,279,513)	(938,248)
Administrative and general expenses	(1,102,431)	(929,694)	(323,997)	(277,556)	(207,982)	(202,585)	(1,634,410)	(1,409,835)
Net impairment losses on financial assets	(17,567)	(160,860)	-	-	-	(18,968)	(17,567)	(179,828)
Others	-	-	-	-	-	-	(85,056)	(90,409)
	(1,274,440)	(1,134,612)	(1,289,859)	(1,111,381)	(367,191)	(281,918)	(3,016,546)	(2,618,320)
Profit from operations	(543,929)	(340,951)	(268,278)	315,546	(487,325)	(625,400)	(1,384,588)	(741,214)
Other income	800,010	188,405	7,123	5,035	45,832	943	852,965	194,383
Other expenses	(144,875)	(16,389)	-	-	(10,268)	-	(155,143)	(16,389)
	655,135	172,016	7,123	5,035	35,564	943	697,822	177,994
Segment results	111,206	(168,935)	(261,155)	320,581	(451,761)	(624,457)	(686,766)	(563,220)
Finance cost							(3,685,611)	(4,596,293)
Loss before levy and income tax							(4,372,377)	(5,159,513)
Minimum tax - levy							(227,588)	(404,661)
Loss before income tax							(4,599,965)	(5,564,174)
Taxation							960,017	1,930,800
Loss for the year							(3,639,948)	(3,633,374)

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

#### 40. FINANCIAL INSTRUMENTS

##### 40.1 Financial assets and liabilities

	2025	2024
	- - - - Rupees in '000 - - - -	
<b>40.1.1 Financial assets:</b>		
<b>Maturity upto one year - at amortised cost</b>		
Trade debts - net of loss allowance	1,284,887	440,419
Loans and advances	51,296	127,383
Trade deposits and other receivables - net of loss allowance	689,082	102,018
Cash and bank balances	797,576	1,049,136
	2,822,841	1,718,956
<b>Maturity after one year - at fair value through profit or loss</b>		
Long term security deposits	375,843	15,343
	3,198,684	1,734,299
<b>40.1.2 Financial liabilities:</b>		
<b>Other financial liabilities - at amortised cost</b>		
<b>Maturity upto one year</b>		
Trade and other payables	1,332,516	1,106,158
Unclaimed dividends	15,172	15,679
Current maturity of non current liabilities	1,071,190	1,319,913
Short term running finance	12,875,517	9,514,950
Lease liabilities	63,217	89,501
	15,357,612	12,046,201
<b>Maturity after one year</b>		
Long term finances - secured	3,950,480	5,426,839
Loans from related parties - secured	129,972	148,097
Lease liabilities	141,853	159,979
	4,222,305	5,734,915
	19,579,917	17,781,116

#### 41. FINANCIAL RISK MANAGEMENT

##### 41.1 Financial risk factors

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

- credit risk;
- liquidity risk; and
- market risk

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

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. the Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.



The Board oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

**(a) Credit risk**

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

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

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

The Group recognises ECL for trade debts using the simplified approach as explained in note 5.17. As per the aforementioned approach, the loss allowance was determined as follows:

	1-180 days	181-365 days	More than 365 days	Total
	----- Rupees in '000 -----			
<b>September 30, 2025</b>				
Gross carrying value	<u>1,290,950</u>	<u>18,067</u>	<u>14,449</u>	<u>1,323,466</u>
Loss allowance	<u>7,951</u>	<u>16,678</u>	<u>13,950</u>	<u>38,579</u>
	1-180 days	181-365 days	More than 365 days	Total
	----- Rupees in '000 -----			
<b>September 30, 2024</b>				
Gross carrying value	<u>448,457</u>	<u>2,481</u>	<u>10,493</u>	<u>461,431</u>
Loss allowance	<u>9,179</u>	<u>1,340</u>	<u>10,493</u>	<u>21,012</u>

ECL on other receivables is calculated using general approach (as explained in note 5.18). As at the reporting date, Company envisages that default risk on account of non-realisation of other receivables is minimal and thus based on historical trends adjusted to reflect current and forward looking information loss allowance has been estimated by the Group using a range of probable recovery pattern of related other receivables and assigning a time value of money to same. As per the aforementioned approach, the loss allowance for other receivables as at September 30, 2025 and September 30, 2024 is determined as follows:

	2025	2024
	----- Rupees in '000 -----	
Gross carrying value	<u>51,296</u>	<u>127,383</u>
Loss allowance	<u>(905)</u>	<u>(905)</u>

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

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

	2025	2024
	----- Rupees in '000 -----	
Loss allowance / (reversal) for doubtful trade debts	17,567	17,679
Loss allowance for export subsidy	-	149,737
Loss allowance for doubtful advances	-	12,412
Net impairment losses on financial assets	<u>17,567</u>	<u>179,828</u>

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

<b>Counterparties without external credit rating</b>	2025	2024
	----- Rupees in '000 -----	
Trade debts	1,284,887	440,419
Loans and advances	51,296	127,383
Trade deposits and other receivables	689,082	102,018
	<u>2,025,265</u>	<u>669,820</u>
<b>Counterparties with external credit rating</b>		
Bank balances with A-1+ rated banks	636,392	942,535
Bank balances with A-1 rated banks	161,184	4,750
	<u>797,576</u>	<u>947,285</u>

**(b) Liquidity risk**

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

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

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	5 years and above
----- Rupees in '000-----					
<b>September 30, 2025</b>					
Long term finance - secured	4,914,519	6,369,607	1,422,122	4,947,485	-
Loans from related parties	237,123	237,123	107,151	129,972	-
Lease liabilities	205,070	211,514	63,217	148,297	-
Trade and other payables	1,332,516	1,332,516	1,332,516	-	-
Unclaimed dividend	15,172	15,172	15,172	-	-
Short term running finance	12,309,573	12,875,517	12,875,517	-	-
	<b>19,013,973</b>	<b>21,041,449</b>	<b>15,815,695</b>	<b>5,225,754</b>	<b>-</b>
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	5 years and above
----- Rupees in '000-----					
<b>September 30, 2024</b>					
Long term finance - secured	6,640,313	6,640,313	1,213,474	5,426,839	-
Loans from related parties	254,537	254,537	106,440	148,097	-
Lease liabilities	249,480	249,480	89,501	159,979	-
Trade and other payables	1,106,158	1,106,158	1,106,158	-	-
Unclaimed dividend	15,679	15,679	15,679	-	-
Short term running finance	9,514,950	9,514,950	9,514,950	-	-
	<b>17,781,117</b>	<b>17,781,117</b>	<b>12,046,202</b>	<b>5,734,915</b>	<b>-</b>

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

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

**(c) Market risk**

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

**i) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. Financial include Rs.2,377,459 thousand (2024: Rs.44,112 thousand) which were subject to currency risk.

<b>Rupees per USD</b>	<b>2025</b>	<b>2024</b>
Average rate	<b>281.51</b>	283.33
Reporting date rate	<b>281.75</b>	278.05

### **Sensitivity analysis**

As at September 30, 2025, if the currency had weakened/strengthened by 10% against US dollar with all other variables held constant, loss before tax for the year would have been Rs.237,746 thousand (2024: Rs.4,411 thousand) lower/ higher.

#### **ii) Interest rate risk**

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. the Group has no long term interest bearing financial assets whose fair value or future cash flows will fluctuate because of changes in market interest rates. Financial assets and liabilities include balances of Rs.383,422 thousand (2024: Rs.816,551 thousand) and Rs.17,293,696 thousand (2024: Rs.16,019,002 thousand) respectively, which are subject to interest rate risk. Applicable interest rates for financial assets and liabilities have been indicated in respective notes.

### **Sensitivity analysis**

As at September 30, 2025, if interest rates had been 1% higher/ lower with all other variables held constant, loss after tax for the year would have been Rs.120,063 thousand (2024: Rs.107,937 thousand) higher/ lower, mainly as a result of higher/ lower interest income/ expense from these financial assets and liabilities.

#### **ii) Price risk**

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

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

## **41.2 Capital risk management**

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

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

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

	2025	2024
	- - - - Rupees in '000 - - - -	
Long term finances - secured	4,914,519	6,640,313
Loans from related parties - secured	237,123	254,537
Lease liabilities	205,070	249,480
<b>Total debt</b>	<b>5,356,712</b>	<b>7,144,330</b>
Issued, subscribed and paid-up capital	286,920	286,920
Capital reserve	327,000	327,000
Revenue reserve	553,754	2,398,917
<b>Total capital</b>	<b>1,167,674</b>	<b>3,012,837</b>
Capital and net debt	6,524,386	10,157,167
	82%	70%

#### 42. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

##### Financial risk factors

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

**Level 1:** Quoted prices (unadjusted) in active market for identical assets/ liabilities.

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

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

#### 43. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOW ARISING FROM FINANCING ACTIVITIES

	Liabilities					
	Long term finance	Loans from related parties	Lease liabilities	Accrued mark-up	Short term running finance	Unclaimed dividend
	Rupees in '000					
Balance at October 1, 2024	6,369,477	172,472	249,480	720,364	5,449,064	15,679
Cash flows	(1,547,201)	(10,625)	(172,593)	(3,637,717)	(2,122,464)	(507)
Additions and unwinding of interest on lease liabilities during the year	-	-	128,184	-	-	-
Mark-up charged during the year	-	-	-	3,605,371	-	-
Bank charges	-	-	-	45,445	-	-
Balance at September 30, 2025	4,822,276	161,847	205,071	733,463	3,326,600	15,172

**44. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

**44.1** The Premier Sugar Mills & Distillery Company Limited (PSM) holds 47.93% (2024: 47.93%) shares of the Holding Company at the year end. Therefore, all subsidiaries and associated undertakings of PSM are related parties of the Group. The related parties also comprise of directors, major shareholders, key management personnel, entities over which the directors are able to exercise significant influence on financial and operating policy decisions and employees' funds. Amount due from and due to these undertakings are shown under receivables and payables. The remuneration of Chief Executive, Directors and Executives is disclosed in note 45 to the statement of consolidated financial statements.

	2025	2024
	----- Rupees in '000 -----	
<b>The Premier Sugar Mills and Distillery Company Limited (the Ultimate Holding Company)</b>		
Sales	609,990	-
Issuance of store items	45,416	9,208
Advance for purchase of building	-	50,885
Expenses paid by the Group	222,769	60,287
Expenses paid on behalf of the Group	13,199	5,438
Dividend paid	-	68,755
Rent income	115	115
Loan provided by the Group	360,500	-
Markup charged on loan	44,709	-
<b>Syntron Limited</b>		
Purchase of store items	303,040	220,513
<b>Syntronics Limited</b>		
Purchase of store items	24,899	11,993
Dividend paid	-	17,952
<b>Azlak Enterprises (Private) Limited</b>		
Services on behalf of the Group	57,132	48,780
Mark-up charged to the Group	11,409	19,507
Expenses paid on behalf of the Group	8,287	3,385
Dividend paid	-	7,487
<b>Phipson &amp; Company Pakistan (Private) Limited</b>		
Expenses paid on behalf of the Group	-	32
Dividend paid	-	1,538
<b>Arpak International Investments Limited</b>		
Mark-up charged to the Group	3,572	5,979
<b>Premier Board Mills Limited</b>		
Mark-up charged to the Group	8,929	14,860
<b>Provident fund</b>		
Contribution to provident fund	44,473	38,884
<b>Directors</b>		
Dividends paid	-	28,721

- 44.2** Following are the related parties with whom the Group had entered into transactions or have arrangement/agreement in place.

<b>Company Name</b>	<b>Basis of Association</b>	<b>Percentage of shareholding</b>
The Premier Sugar Mills and Distillery Company Limited	Ultimate Holding Company	47.93%
Premier Board Mills Limited	Common directorship	-
Azlak Enterprises (Private) Limited	Common directorship	5.15%
Arpak International Investments Limited	Common directorship	-
Phipson & Company Pakistan (Private) Limited	Common Holding Company	1.07%
Syntronics Limited	Common directorship	12.51%
The Frontier Sugar Mills & Distillery Limited	Common directorship	-
Syntron Limited	Common directorship	-
Premier Construction and Housing Limited	Common directorship	-
Earth Securities (Private) Limited	Common directorship	-

**45. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

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

- 45.1** In addition to above, the Chief Executive and Executives were provided with the Holding Company maintained cars for official and personal use. All the Executives based at factory compounds are also provided with free housing with the Group's generated electricity, telephone and certain household items in the residential colony within the factory compound.
- 45.2** Mr. Abbas Sarfraz Khan, Director of the Holding Company, holds office of profit for performing extra services, for which approval was obtained vide Extraordinary general meeting dated June 21, 2019 under section 171 of the Companies Act, 2017. His remuneration includes monthly salary, bonus as per company policy, company maintained vehicle and reimbursement of all travelling and medical expenses. The Board of Directors are also entitled to reimbursement of all travelling, telephone and medical expenses, as approved vide 31st annual general meeting of members dated March 29, 2019. The remuneration of Directors was increased vide Extraordinary General Meeting (EOGM) dated August 25, 2023.
- 45.3** Mr. Rizwan Ullah Khan, previously working as Chief Financial Officer of the Holding Company, was appointed as director on October 11, 2024 to fill the casual vacancy created due to resignation. His remuneration includes monthly salary, gratuity, bonus as per Company policy, Company maintained vehicle and reimbursement of all travelling and medical expenses. No additional remuneration/ benefit has been awarded to him as part of his directorship.

**46. DISCLOSURE IN RELATION TO SHARIAH COMPLIANCE**

Below is the disclosure as required by the paragraph VII of the 4th Schedule to the Companies Act, 2017 determined by Shariah expert appointed by the Group:

<b>Disclosures in relation to the Statement of Financial Position - Liability Side</b>	<b>2025</b>	<b>2024</b>
	<b>- - - - Rupees in '000 - - - -</b>	
<b>Financing obtained as per Islamic mode</b>		
Long term	<b>1,826,381</b>	358,037
Short term	<b>4,214,055</b>	2,583,081
Lease financing	<b>6,908</b>	8,828
Interest or mark-up accrued on any conventional loan or advance	<b>466,222</b>	547,364
<b>Disclosures in relation to the Statement of Financial Position - Asset Side</b>		
Shariah-compliant bank deposits, bank balances, and TDRs	<b>554,651</b>	179,603
<b>Disclosures in relation to the Statement of profit or loss and other comprehensive income</b>		
Revenue earned from a Shariah-compliant business segment	<b>21,935,243</b>	30,765,888
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs	<b>264</b>	2,057
Exchange gain / (loss) earned from actual currency	<b>3,854</b>	(37,184)
Profit paid on Islamic mode of financing	<b>659,671</b>	831,789
Total Interest earned on any conventional loan or advance	<b>490,828</b>	96,698
<b>Source and detailed breakup of other income:</b>		
<b>Shariah compliant income:</b>		
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs	<b>264</b>	2,057
Sale of press mud - net of sales tax	<b>6,208</b>	7,218
Sale of fusel oil - net of sales tax	<b>5,264</b>	3,101
Gain on disposal of operating fixed assets	<b>189,986</b>	15,729
Gain on derecognition of right of use assets	<b>5,640</b>	-
Scrap sales - net of expenses	<b>52,622</b>	52,818
Rental income	<b>115</b>	115
<b>Non-Shariah compliant income:</b>		
Mark-up earned on bank deposits, bank balances, or TDRs	<b>446,119</b>	96,698
Mark-up earned on loan to Ultimate Holding Company	<b>44,709</b>	-

**Other Disclosure**

Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows:

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



<b>47. CAPACITY AND PRODUCTION</b>	<b>2025</b>	<b>2024</b>
<b>Sugar plants</b>	<b>----- M. Tons -----</b>	
Rated crushing capacity per day	<b>18,000</b>	18,000
On the basis of average number of 98 days (2024: 99 days)	<b>1,764,000</b>	1,782,000
Actual cane crushed	<b>1,484,965</b>	1,726,610
Sugar produced	<b>144,654</b>	171,591
<b>Ethanol fuel plant</b>	<b>----- Litres -----</b>	
Rated production capacity per day	<b>125,000</b>	125,000
On the basis of average number of 351 days (2024: 347 days)	<b>43,875,000</b>	43,375,000
Actual production	<b>43,448,982</b>	43,053,990
<b>Flour Division</b>		
Production capacity (Tones)	<b>102,600</b>	102,600
Actual Production (Tones)	<b>70,927</b>	58,481

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

<b>48. NUMBER OF EMPLOYEES</b>	<b>2025</b>	<b>2024</b>
	<b>----- Number-----</b>	
<b>Number of employees at September 30</b>		
Permanent	<b>1,109</b>	1,242
Contractual	<b>1,052</b>	1,037
	<b>2,161</b>	2,279
<b>Average number of employees for the year</b>		
Permanent	<b>1,123</b>	1,200
Contractual	<b>1,375</b>	1,397
	<b>2,498</b>	2,597

#### **49. PROVIDENT FUND**

Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.

#### **50. CORRESPONDING FIGURES**

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

- Due from related party under normal course of business amounting Rs.98.126 million has been reclassified from loans and advances to trade deposits and other receivables. Refer note 13 and 14 to the consolidated financial statements.
- Amortization of deferred government grant amounting Rs.26.585 has been reclassified from finance cost to other income. The amount was netted-off against finance cost in prior year.

**51. DATE OF AUTHORIZATION FOR ISSUE**

These consolidated financial statements have been authorised for issue by the Board of Directors of the Holding Company on January 05, 2026.



**Chief Executive Officer**



**Director**



**Chief Financial Officer**

# CHASHMA SUGAR MILLS LIMITED

## Annexure II

### Regulation 10 and 11A

#### Results of Voting on Resolutions / Execution Report

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

<b>Resolutions (Agenda Item no. 1)</b>	<b>"RESOLVED THAT</b> pursuant to the Loan Agreement dated October 1, 2023, as amended on February 26, 2025, and as per the offer and the approval of the Members of Whole Foods (Private) Limited in their Annual General Meeting held on October 27, 2025, an amount of Rs. 772,233,277 outstanding as at September 30, 2025, which, including forecasted amounts, is expected to aggregate to Rs. 880,000,000 up to October 25, 2027, representing the amount payable by Whole Foods (Private) Limited to Chashma Sugar Mills Limited."
<b>(Agenda Item no. 2)</b>	<b>"RESOLVED THAT</b> the transactions conducted in the ordinary course of business with Related Parties during the financial year ended September 30, 2025 be and are hereby ratified, approved and confirmed.
<b>(Agenda Item no. 3)</b>	<b>"RESOLVED THAT</b> an increase of 10% in salaries of working directors w.e.f. November 01, 2025, as approved by the Board on October 03, 2025, be and is hereby approved".

#### Vote casted in person:

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

#### Vote casted through proxy:

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

# CHASHMA SUGAR MILLS LIMITED

## Vote casted through e-voting:

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

## Vote casted through Post:

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

## Consolidated Results of Voting:

S. No	Resolutions	Total No. of Shares / Votes Held	Total No. of Vote Casted	Total No of Invalid Votes	No of Votes Casted in Favor	No of Votes Casted Against	Percentage of Votes Casted in Favor	Percentage of Votes Casted Against	Remarks
1	Agenda 1								
2	Agenda 2								
3	Agenda 3								

## Signature of Chaiman of the Meeting

Place: Islamabad      Date: January 28, 2026

# CHASHMA SUGAR MILLS LIMITED

Nowshera Road, Mardan

## PROXY FORM 38<sup>th</sup> Annual General Meeting

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

Revenue Stamp  
Signature (Rs. 5.00)

Signature of Shareholder

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

Dated this ..... day of ..... 2026.

Signature of Proxy .....

### 1. Witness:

Name: .....

Signature: .....

Address: .....

CNIC No: .....

### 2. Witness:

Name: .....

Signature: .....

Address: .....

CNIC No: .....

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

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

## چشمہ شوگر ملز لمیٹڈ

نوشہرہ روڈ، مردان

### پراکسی فارم 38 ویں سالانہ اجلاس عام

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

Revenue Stamp  
Signature (Rs. 5.00)

Revenue Stamp  
Signature (Rs. 5.00)

شئرز ہولڈرز کے دستخط

(دستخط کمپنی کے رجسٹرڈ نمونے سے متفق ہونا چاہیے)

اس کی تاریخ ..... دن ..... 2026۔

پراکسی کے دستخط

گواہ:

گواہ:

نام: \_\_\_\_\_

نام: \_\_\_\_\_

دستخط: \_\_\_\_\_

دستخط: \_\_\_\_\_

پتہ: \_\_\_\_\_

پتہ: \_\_\_\_\_

CNIC نمبر: \_\_\_\_\_

CNIC نمبر: \_\_\_\_\_

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

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