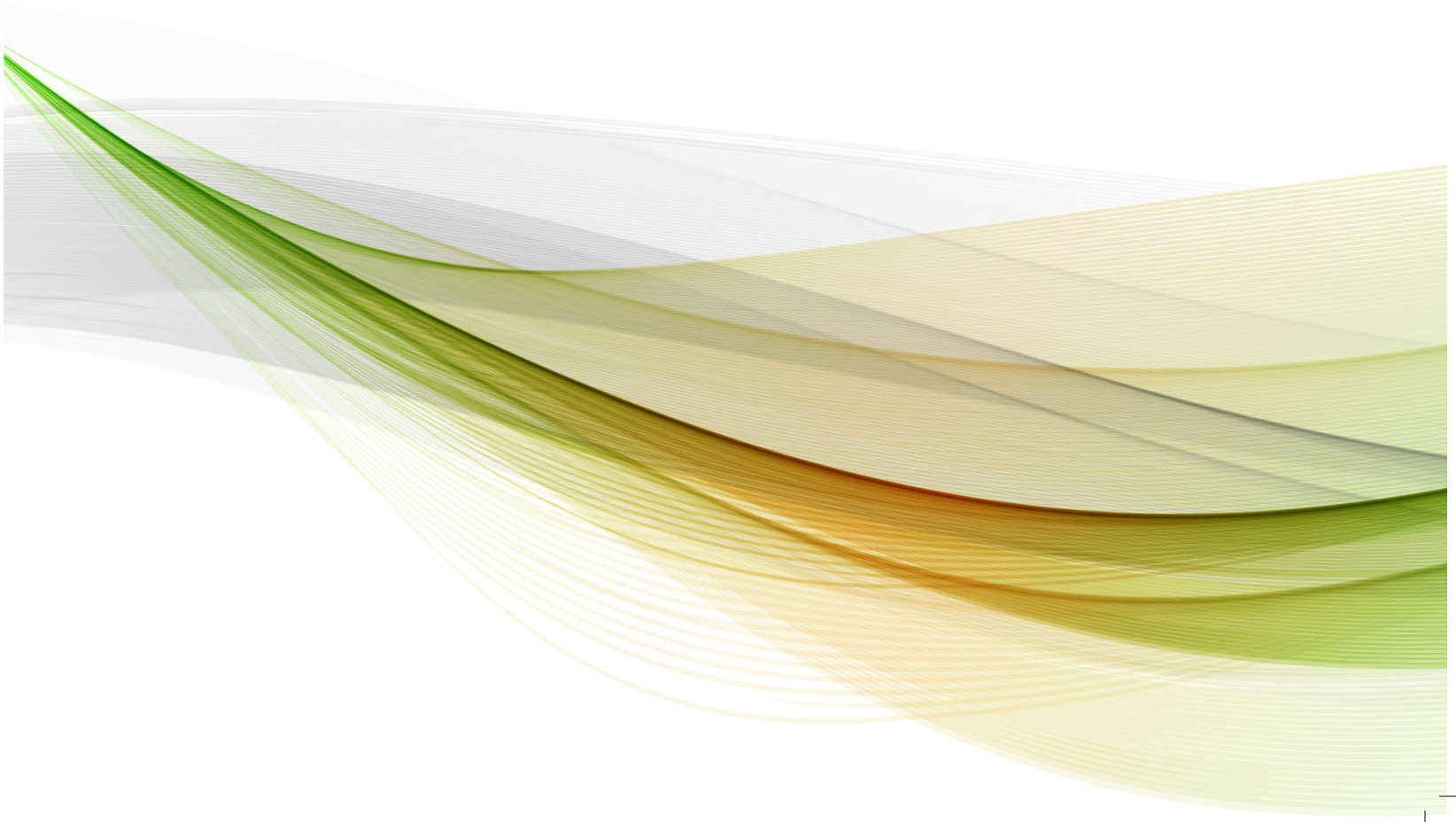




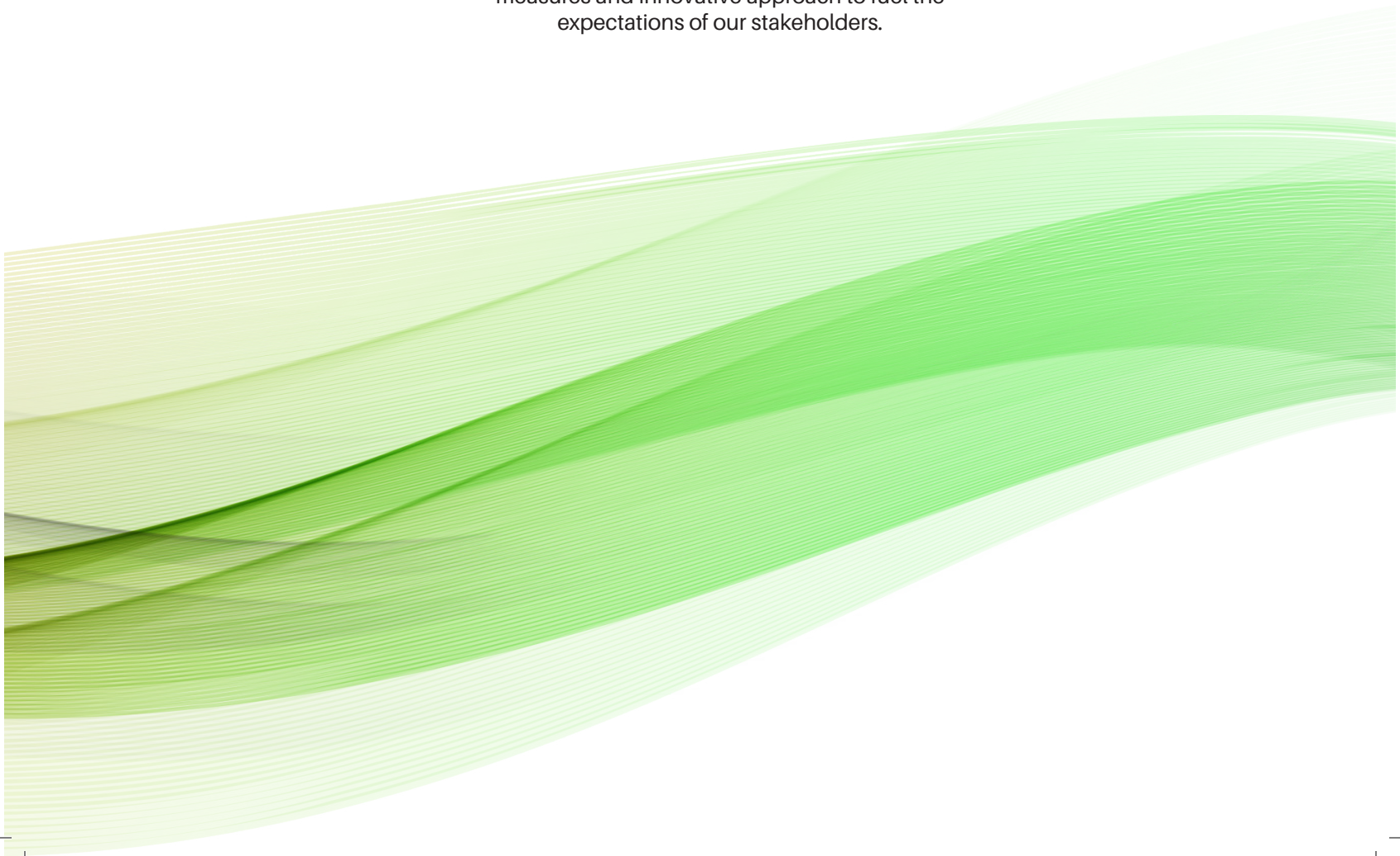
**SOWING PROGRESS  
REAPING PROSPERITY**  
ANNUAL REPORT 2024





## **THE COVER STORY**

The book illustrates the journey of our success beginning from very moment the farmer leaves his home to seeds his crop to the business avenues it opens to every achievement, at every step, a deep sense of responsibility has been reflected by our financial performance, manufacturing excellence, quality control measures and innovative approach to fuel the expectations of our stakeholders.



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# Geographical Location



## Khushab District

Khushab is a combination of two Persian words “Khush” meaning sweet or tasty and “aab” meaning water. A common belief is that the Persian invaders, from the west, first used the word “Khush-aab” in admiration of the sweet and tasty water found in the historical city situated on the bank of Jhelum River. With time the city started to be known as Khushab.

Khushab is a District of Punjab, situated between Sargodha and Mianwali, near river Jhelum. Khushab owns mountains, deserts, luxuriant green harvesting land, lakes and river. People of Khushab are very hardworking and most of them are associated with farming and agriculture.



## Jauharabad

Jauharabad is named after Maulana Muhammad Ali Jauhar, a prominent figure from the Pakistan independence movement. Jauharabad was developed in 1953 under a master plan. Because of its planned design, open spaces and wide avenues, the district headquarters of Khushab District was shifted to Jauharabad from Khushab city. Jauharabad lies at the confluence of the Thal Desert and the Pothohar in flat agricultural territory immediately south of the Salt Range, marking the end of the Pothohar Plateau and the start of the Punjab plains. The Jhelum River passes seven Km southeast of Jauharabad, while canals from Indus River irrigate much of its plains. On the west of Jauharabad lies the Thal Desert and on the east of Jauharabad is the Khushab Reserve Forest.

# Corporate Information

## Board of Directors

Mr. Syed Anwar Hussain Shahid	Chief Executive
Mr. Muhammad Aamir Beg	Independent Director
Ms. Faiza Iftikhar	Independent Director
Mr. Jawad ur Rehman Khan	Independent Director
Mr. Ghias-ul-Hasan	CPL Nominee
Mr. Amjed Javed Aftab	CPL Nominee
Mr. Saif-ur-Rehman	CPL Nominee

## Audit Committee

Mr. Jawad ur Rehman Khan	Chairman
Mr. Muhammad Aamir Beg	Member
Mr. Amjed Javed Aftab	Member

## Human Resource Committee

Mr. Muhammad Aamir Beg	Chairman
Mr. Syed Anwar Hussain Shahid	Member
Mr. Ghias-ul-Hasan	Member

## Nomination Committee

Ms. Faiza Iftikhar	Chairperson
Mr. Ghias-Ul-Hasan	Member

## Risk Management Committee

Mr. Saif-ur-Rehman	Chairman
Mr. Amjed Javed Aftab	Member

## Chief Financial Officer

Mr. Syed Muhammad Usman Afzaal

## Company Secretary

Mr. Al-Yousuf

## Head of Internal Audit

Mr. Kazim Ali

## Auditors

UHY Hassan Naeem & Co.  
(Chartered Accountants)  
193-A, Shah Jamal  
Lahore, Pakistan  
Phone No. 042 35403550  
Fax No. 042 35403599  
E-mail: info@uhy-hnco.com

## Legal Advisor

Siddiqui Bari Kasuri & Co.  
Advocates & Corporate Legal Consultants  
179/180-A, Scotch Corner, Upper Mall, Lahore  
Phone No. 042-35758573-74, Fax No. 042-35758572

## Share Registrar

Corplink (Pvt.) Ltd.  
Wings Arcade, 1-K Commercial Model Town, Lahore  
Phone No. 042 35916714, Fax No. 042 35869037  
E-mail: shares@corplink.com.pk

## Bankers of the Company

Askari Bank Ltd.	Soneri Bank Ltd.
PAIR Investment Company Ltd.	MCB Bank Ltd.
Samba Bank Ltd.	Bank Alfalah Ltd.
National Bank of Pakistan	United Bank Ltd.
Habib Metropolitan Bank Ltd.	Habib Bank Ltd.
Parwaaz Financial services Ltd.	FINCA Bank Ltd.
Pak China Investment Company Ltd.	Allied Bank Ltd.

## Islamic Bankers of the Company

Al Baraka Bank (Pakistan) Ltd.  
MCB Islamic Bank Ltd.  
Saudi Pak Industrial & Agricultural Investment Co. Ltd.  
Faysal Bank Ltd.

## National Tax Number

0225972-9

## Sales Tax Registration Number

0409170300137

## Registered Address

125-B, Quaid-e-Azam Industrial Estate  
Kot Lakhat, Lahore, Punjab, Pakistan  
Phone No. 042 35213491  
Fax No. 042 35213490  
E-mail: secretary@jsml.com.pk

## Mills

Jauharabad, District Khushab,  
Punjab, Pakistan  
Phone No. 0454 720063-6,  
Fax No. 0454 720880

## Company Website

www.jsml.com.pk





# Corporate Profile

Jauharabad Sugar Mills Limited is a Public Limited Company, and has a privilege of being one of the pioneer sugar mills of Pakistan. Initially, in 1953, it was setup by THAL Development Corporation of Pakistan which was later privatized and was listed as on December, 1973 at Pakistan Stock Exchange Limited and has been in operation for the last seventy-one years. Further in March 2013 the current management acquired major shareholding of the Company by taking over its assets and liabilities, paying-off old sponsors and renaming it as Jauharabad Sugar Mills Limited from Kohinoor Sugar Mills Limited.

This takeover enabled the Company to settle previous bank/grower/ creditor debts. A major Balancing, Modernization and Replacement of Machinery has been carried out thus enabling the Company to achieve stated capacity to 9,500 TCD of its currently operating crushing line-II, in addition to non-operating crushing line -I having stated capacity to 3,000 TCD. The name plate capacity of the mill is 12,500 TCD. The new sponsors have shown their commitment by conducting this BMR and repair works through their own resources (interest free loans) and the Company's own cash flows. The Company has successfully consolidated its Sugar Mills operations and financially strengthened its position over period of ten crushing seasons.

The Company is playing its role for developing regional agronomy, generating employment and bringing happiness among the people directly and indirectly associated with it.



# We're a diversifying organization, derived from sugar

## Pioneer

We are among the first sugar companies to commence sugar production since its origin 71 year now.

## Relationships

The Company is playing its role for developing regional agronomy, generating employment and bringing happiness among the people directly and indirectly associated with it.

## Energy

Jauharabad Sugar Mills Limited is one of the leading sugar companies, having 791 KWH energy production through solar besides 21.44 MW bagasse based power plants.

## Capacity

Proud to be placed amongst sizeable manufacturers of sugarcane derivatives in the Country, which includes sugar, power, baggase, molasses & VF cake. Name plate capacity of the mill is 12,500 TCD.



The background of the page is a photograph of an industrial facility, likely a chemical or energy plant. It features a complex network of pipes, walkways with yellow railings, and structural beams. The lighting is somewhat dim, with highlights on the pipes and railings. In the foreground, there is a cluster of bamboo stalks with green leaves, symbolizing sustainability and green energy.

## Vision Statement

To Sustainably produce green energy and chemicals by exploiting locally available raw materials and resources.



## Mission Statement

To continuously help, rise, self-worth of all the associated entities and stakeholders.



## Statement of Ethics and Code of Conduct

Jauharabad Sugar believes that Ethics, Transparency and Accountability are the three basic pillars for its business and the said belief are reflected in Code of Conduct for Directors and Senior Management adopted by the Company. The following principles constitute the code of conduct which all Directors and employees of the Company are required to apply in their daily work and observe the code of conduct of the Company's business. While the Company will ensure that all employees are fully aware of these principles, it is the responsibility of each employee to implement the Company's policies, any contraventions against it will be viewed as misconduct towards the code.

The code emphasizes the need for a high standard of honesty and integrity which are vital for the success of any business.

### Ethical Principles

Directors and employees are expected not to engage in any activity which can cause conflict between their personal interest and the interest of the Company such as interest in an organization supplying goods/services to the Company or purchasing its products. In case a relationship with such an organization exists, the same must be disclosed to the Management.

Dealings with third parties which include Government officials, suppliers, buyers, agents and consultants must always ensure that the integrity and reputation of the Company are not in any way compromised.

Directors and employees are not allowed to accept any favours or kickbacks from any organization dealing with the Company.

Directors and employees are not permitted to divulge any confidential information relating to the Company to any unauthorized person, nor should they, while communicating publicly on matters that involve Company business, presume to speak for the Company unless they are certain that the views that they express are those of the Company and it is the Company's desire that such views be publicly disseminated.

All employees share a responsibility for the Company's good public relations particularly at the community level. Their readiness to help with religious, charitable, educational and civic activities are accordingly encouraged provided it does not create an obligation that interferes with their commitment to the Company's best interests.

The Company has strong commitment to the health and safety of its employees and preservation of the environment and the Company will persevere towards achieving continuous improvement of its Health, Safety and Environment (HSE) performance by reducing potential hazards, preventing pollution and improving awareness. Employees are required to operate the Company's facilities and processes keeping this commitment in view.

Commitment and team work are key elements to ensure that the Company's work is carried out effectively and efficiently. Also, all employees will be equally respected and actions such as sexual harassment and disparaging remarks based on gender, religion, race or ethnicity will be avoided.





# Group Ownership Structure

**Holding Company**  
**Cane Processing (Pvt.) Limited**

Subsidiary  
**Jauharabad Sugar Mills Limited**  
[63.66% Shareholding]

Cane Processing (Pvt) Limited (CPPL) registered under The Companies Act 2017 having its registered office at 125-B, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore, was incorporated as on June 27, 2013. Mrs. Ghazala Amjad, the Chief executive officer, is the key sponsor having 99% of shares of the Company. Business activities of the CPPL includes trading of sugarcane products, sugarcane machinery, sugar mill machinery etc., to act as a holding company and to invest in other companies. Currently CPPL holds 63.66% shares of Jauharabad Sugar Mills Limited.

CPPL (the holding company) acquired Kohinoor Sugar Mills Limited (KSML) by formalizing all SECP requirements as per rules. CPPL advertised in the Daily newspaper on Oct, 11 2013 declaring its intention for acquisition of the Company and its sponsor shares. Approval for transfer of shares was granted by SECP on Nov 28, 2013 thereby shares of KSML were transferred to the new management Company on Jan 1, 2014. Resultantly assets and liabilities of KSML were acquired by CPPL. The Sugar Mill also got itself renamed as Jauharabad Sugar Mills Limited.

# Our Culture & Core Values

We strongly believe that a conducive culture has the ability to express our strategic goals through values and beliefs. It opens the doorways to a more diverse and inclusive environment where employees find their purpose.

We have adopted a culture that imprints our values, and is aligned with our strategy.

## Environment

We believe in producing environment friendly energy for a green future.

## Honesty

We believe honesty is an integral part of our working relationships.

## Teamwork

We believe teamwork empowers our individual strengths.

Our cultural strategy rests on the following pillars of our core values...

## Integrity

We believe integrity is at the heart of our individual and corporate actions.

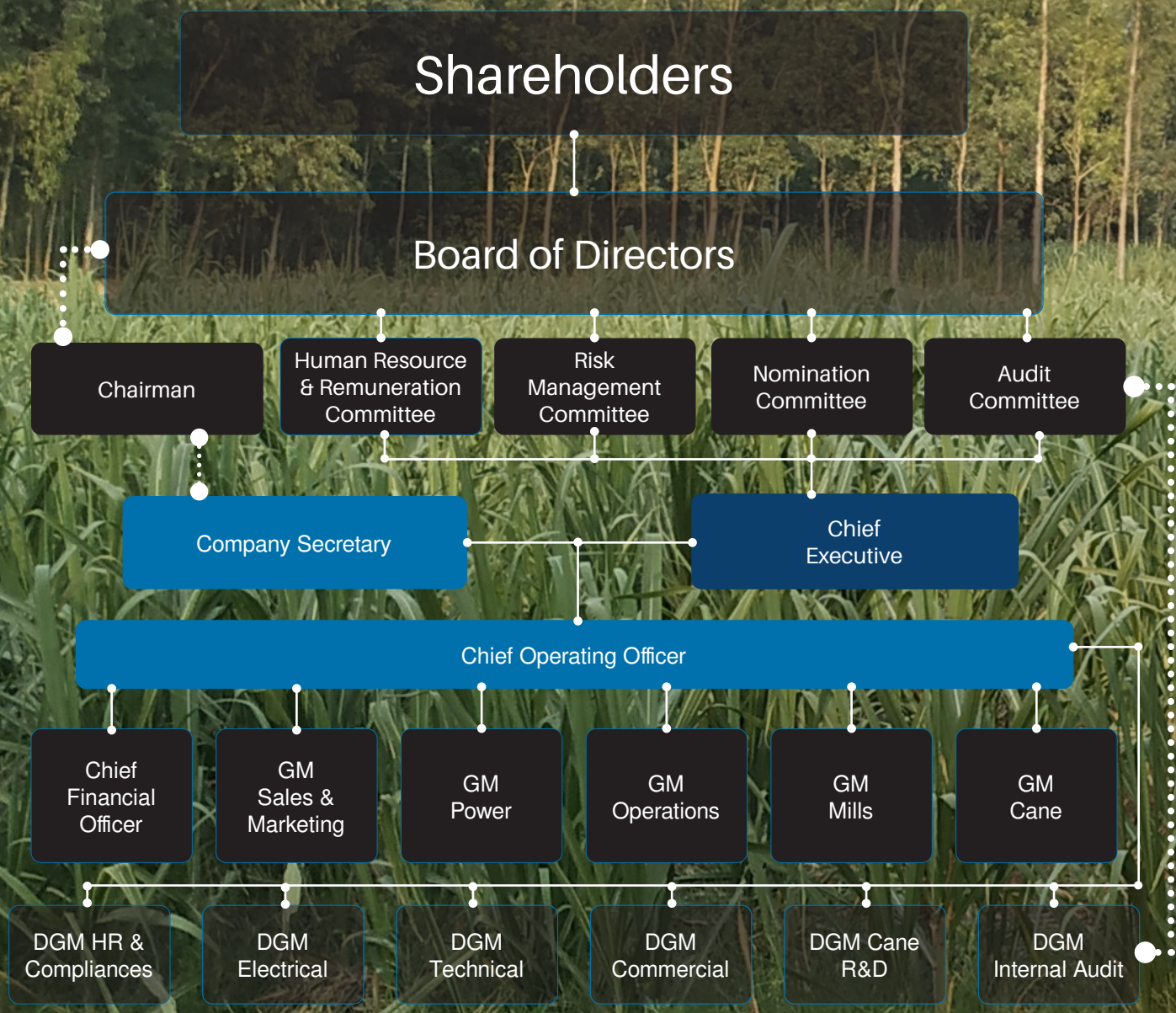
## Safety

We believe safety must be at the forefront of all our decision making.

## Respect

We believe respect to each other will guide us in all our decisions.





Administrative Reporting

Functional Reporting



# Organizational Structure



**STRATEGY &  
RESOURCE ALLOCATION**



## Significant Plans & Decisions

### Strategy to Overcome any Liquidity Problem

The Company's ability of generating sufficient liquidity is its strength. This provides management the flexibility to fund business expansion and invest in cost saving activities. The Company has a strong capital structure which is adequately supported by shareholders' equity. Moreover, the Company utilizes short-term facilities for cane purchase and working capital requirements.

The Company has a legacy of timely payments and there has been no defaults against any payment due to financial institutions, vendors, cane growers and government agencies, etc. The management is confident to successfully manage the liquidity position in future as well.

Due to Strong positions and commitments, the Company enjoys good business relationships with banks and financial institutions on its portfolio. The Company regularly monitors the debt-equity to effectively manage the capital structure and other financing ratios.

### Capital Structure Adequacy

Management believes that there is no inadequacy in capital structure. During the year the Company has raised Rs. 5.4 billion working capital short-term lines and has paid timely, before deadlines. The Company has no long-term liabilities.

### Significant Changes from Prior Years

There is no material change in organization's structure, objective and strategies from the previous year.

# Strategy and Resource Allocation Plan

Sr. No.	Objectives	Nature	Strategies
1.	Improve operational efficiency through cost economisation and enhance synergies among functions	Short term to medium term	Realign and implement policies and procedures for cost optimisation, implement systems and processes to enhance synergy against function.
2.	Sales growth and profitability	Medium to long term	Business growth and profitability initiatives through continued focus through optimization efficiency and capability enhancement.
3.	Optimum product quality to increase customer satisfaction	Short to medium term	Implementation of strong quality assurance policies & guidelines alongwith certifications of Quality Management System QMS ISO 9001:2015. and Food Safety System Certification of FSSC 22000 and Halal Certification (PS 3733).
4.	Maintain highest standards of HSE and environmental sustainability	Long term	Contribute positively to protect the environment by investing in projects to reduce waste, solar power project for mill employees for green energy and conserve water.
5.	Effective human resource management	Long term	Implementation of effective human resource solutions through personnel development, creating proper environment for professional growth of highly skilled professionals, ensuring safe labor environment, competitive staff remuneration and social benefits in accordance with scope and quality of their work.
6.	Risk minimization through business diversification	Short and medium term	The Company continues to explore and evaluate new area to minimize business risk and diversification. The Company has established 15MW environment friendly power plant and has plans to sale electricity to the government.



Resource Allocated	KPI Monitored	Future Relevance of KPI	Value Creation for
<ul style="list-style-type: none"> <li>• Human capital</li> <li>• Manufactured capital</li> <li>• Financial capital</li> <li>• Intellectual capital</li> </ul>	<ul style="list-style-type: none"> <li>• Net profit margins</li> <li>• Return on investment</li> </ul>	KPI shall remain relevant in future	<ul style="list-style-type: none"> <li>• Different business process</li> </ul>
<ul style="list-style-type: none"> <li>• Human capital</li> <li>• Financial capital</li> <li>• Social and relationship capital</li> </ul>	<ul style="list-style-type: none"> <li>• Profitability margins</li> <li>• Sales growth with industry</li> <li>• Improved customer</li> <li>• Satisfaction index</li> </ul>	KPI shall remain relevant in future	<ul style="list-style-type: none"> <li>• Customers</li> <li>• Stakeholders</li> <li>• Economy of country</li> </ul>
<ul style="list-style-type: none"> <li>• Human capital</li> <li>• Financial capital</li> <li>• Intellectual capital</li> <li>• Social and relationship capital</li> </ul>	<ul style="list-style-type: none"> <li>• Product quality survey</li> <li>• Customer satisfaction index</li> </ul>	KPI shall remain relevant in future	<ul style="list-style-type: none"> <li>• Customers</li> </ul>
<ul style="list-style-type: none"> <li>• Human capital</li> <li>• Financial capital</li> <li>• Social and relationship capital</li> </ul>	<ul style="list-style-type: none"> <li>• CSR and sustainability targets</li> </ul>	KPI shall remain relevant in future	<ul style="list-style-type: none"> <li>• Environment &amp; planet</li> </ul>
<ul style="list-style-type: none"> <li>• Human capital</li> <li>• Financial capital</li> <li>• Social and relationship capital</li> </ul>	<ul style="list-style-type: none"> <li>• Employee engagement</li> </ul>	KPI shall remain relevant in future	<ul style="list-style-type: none"> <li>• Employees</li> </ul>
<ul style="list-style-type: none"> <li>• Human capital</li> <li>• Financial capital</li> </ul>	<ul style="list-style-type: none"> <li>• Profitability ratios</li> <li>• Return on capital employed</li> </ul>	KPI shall remain relevant in future	<ul style="list-style-type: none"> <li>• Shareholders, stakeholders and employees</li> </ul>



# Effect of Technological Changes, Societal Issues and Environmental Challenges



## Technological Changes

Productive efficiency has been improved by the development and adoption of new production technologies by Jauharabad Sugar Mills Limited. We focus to develop and manufacture high-quality products that meet all regulatory requirements, and pursue quality beyond compliance in both our products and processes. Therefore, minimal complaints are from our customers. We work regularly to keep updating ourselves with technological advancements to produce under the highest standards and maintain all relevant technical and professional standards. The Company is running SARP system especially designed for sugar industry. The Company is focused on helping the farming community to improve crop yields through employing modern farming techniques and ensuring better returns.



## Societal Issues

Social issues are well taken care at priority by JSML management by investing in technical, administrative and financial assistance to the farmers and people living in surrounding areas. However, outputs to this investment are uncertain, but a clear strategy and program of public interventions is imperative. Without it, the farmers of the region face the prospect of rising poverty and associated social problems. Accordingly, the societal issues relating to education, health and poverty alleviation are part of its strategic plans. While for the employees, the Company has adequate health, safety and environment related policies and procedures; for the society at large, Company takes part in various activities, capacity building programs, vocational training programs, sponsorship of schools, special clinics and other health related initiatives.



## Environmental Challenges

Environmental factors refer to an organization's environmental impact(s) and risk management practices. JSML has strived to work for the betterment of the environment and Investing in environmental, social, and governance (ESG). Priority of JSML's management is to maintain highest standards of HSE, environmental protection and catering the social welfare requirements of the communities inhabiting the area of operations. Every year 500 to 1,000 trees planted in mills area and surrounding to improve shared environment. During the year company has started a new environmentally friendly solar power project of 791KWH for mills labor colony as an initiative of green energy and has plans to enhance to project to 1000 KV. Moreover, the Company has established another environment friendly 15MW power plant works on by-product of sugarcane bagasse, to meet production requirements and to support government by selling green energy in future.

# Specific Processes Used to Make Strategic Decisions

Strategic objectives serve an organization ambition which can be found in its vision and mission statements. These statements together describe the main thrust of the Company and its ultimate goal. At Jauharabad Sugar Mills Limited we have blend of talented management team and Board of Directors as our key to make strategic decisions. In this regard JSML used following process for decision making:

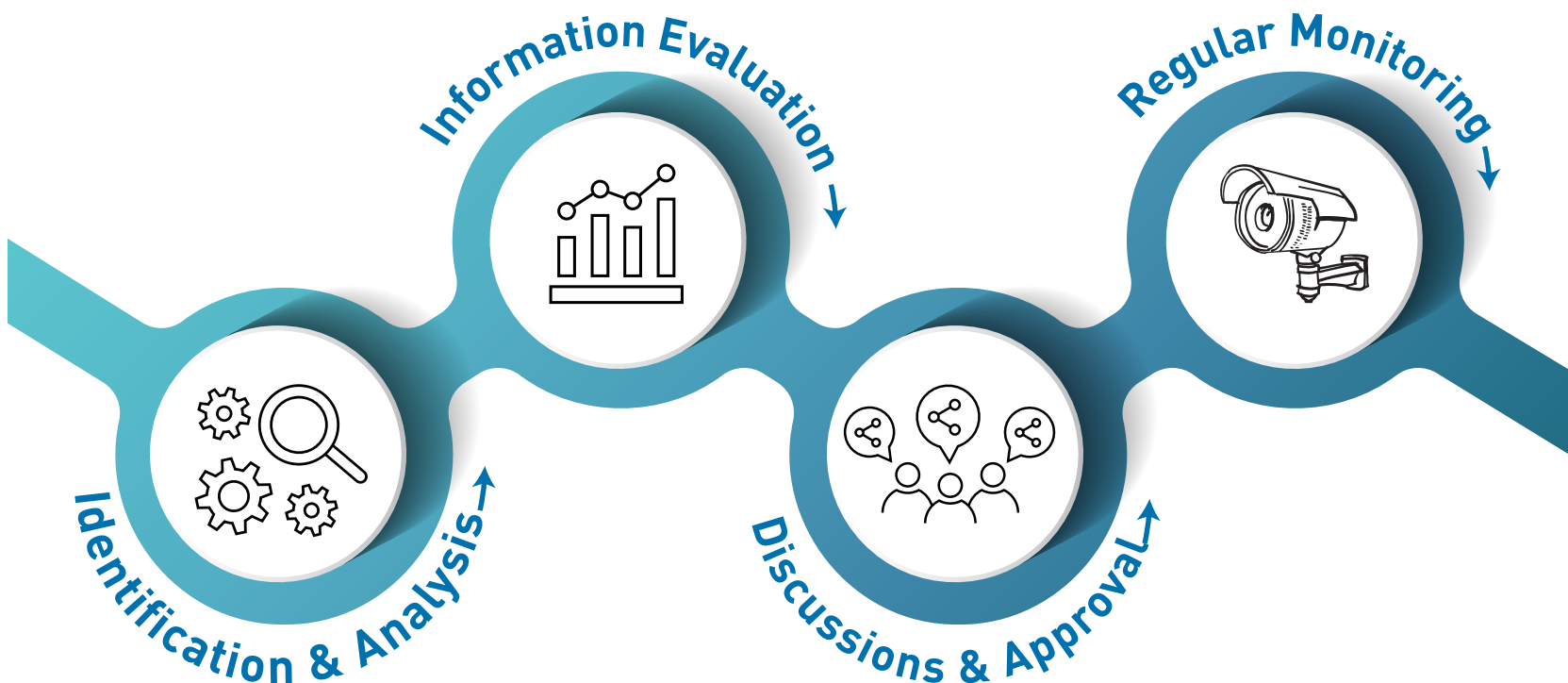
- Identification and analysis of opportunity or threats
- Properly gathering of relevant information from sources
- Third party evaluation and market study, where needed
- Opportunity cost evaluation of alternative options
- Evaluation and discussion for the final options, and approval by the Board of Directors
- Regular monitoring of plan and variance calculation where needed

## How to Establish and Monitor Culture of the Organization

- The cultural framework of any organization defines the company's vision and the guideline it has established to achieve that vision.
- Jauharabad Sugar Mills Limited always emphasizes in building value chain work culture. We believe in developing our valuable workforce, enabling them to deliver their optimal best; helping them collaborate with each other for reliable results and instigating a never give up attitude with a consistent reinforcement of being proactive in dealing with all situations.
- We evaluate our employees' performance against annual goals, achievements & professional developments.

## Company's Attitude to Risk and Mechanisms for Addressing Integrity and Ethical Issues

Jauharabad Sugar Mills Limited believes that ethics and integrity are the part of basic pillars for the culture, business success and the same is reflected in Code of Conduct of the Company. JSML has developed internal procedures to report any misconduct and have whistle blowing policy and conflict of interest policy in place to address integrity and ethical issues.



A close-up photograph of a young bamboo shoot. The shoot has three vibrant green, lanceolate leaves emerging from a reddish-purple stem. The stem is partially buried in dark, rich brown soil. The background is a blurred field of similar soil, suggesting a natural growth environment. The text "Risks and Opportunities" is overlaid in white, bold font across the middle of the image.

# Risks and Opportunities

# S W O T

## STRENGTH

JSML takes pride of possessing state-of-the-art machinery. The Company possesses production lines of 12,500 TCD capacity.

- The Company is certified for quality. It also holds certification of Quality Management System ISO 9001:2015, Food Safety Operations, FSSC 22000 Version 5.1, Halal (PS 3733).

The Company has experienced skilled work force that has been with the Company for years which ensures consistency and loyalty.

JSML has a strong corporate culture and management philosophy to always observe the accepted standard of fair-conduct in dealing with employees, customers, suppliers and others stakeholders.

## WEAKNESS

- Relatively homogeneous product limiting pricing strategies.
- Despite the efforts to educate the growers and to provide them the seeds, advances and loans for cane development Company still has to work on increasing the cane development and availability in the adjoining areas.

## OPPORTUNITIES

Availability of bagasse as a byproduct to produce cheap power which makes new investments viable.

Growing food based business in the country and increasing sugar consumption.

- Due to weaker Pak Rupee value and rise of inflation rate in current year there are good opportunities for export of sugar.

## THREATS

Over regulation of sugar industry.

Inflation, devaluation of currency and rising fuel costs.

Rising cost of imported raw materials.

Fixation of sugarcane price by Government is higher due to political influences.

# Risks and Opportunities Report

The Board of directors of the Company is principally committed to identify and to mitigate all such business risks, well in time by utilizing optimum potential effort. Sugar Industry is carrying significant risk factors that may materially affect the Company's operations, earnings, cash flows and overall performance. Hence the management strives to take all the measures necessary to mitigate and manage the risks while at the same time avail all the opportunities for growth as and when they occur. This principle keeps the Company within its risk appetite and helps to achieve its corporate objectives.

## Approach against Risks & Opportunities

### Risks:

As with sugar industry, the Company is susceptible to various risks. However, through comprehensive planning and an acute business understanding of the management, the Company continues to identify and mitigate risks. The Company maintains an established control framework which determines the Company's level of risk tolerance, comprising clear structures, authority limits and accountabilities, well implemented policies and procedures and budgeting for review processes. Moreover, the Audit Committee is responsible for Internal Controls, review and planning in the Company and to mitigate such risks.

### Opportunities:

The Board of Directors of the Company always focuses to capitalize management's experience and to strategize operations of the Company in line with the Company's stated vision. It also concentrates to utilize existing and potential opportunities confronted by the Company.

Following are the major opportunities and risks which may affect our business operations with mitigating strategies for controlling these risks and plans to materialize opportunities:

Risk Management Framework may cover the following:

- The Board of Directors annually reviews the governance of risk and for determining the company's level of risk tolerance by establishing risk management policies and for this purpose the Board has an overall review of business risks to ensure that the management maintains a sound system of risk identification, risk management and related systems and internal controls to safeguard assets, resources, reputations and interest of the company and shareholders.
- The Board has constituted the risk management committee to carry out a review of effectiveness of risk management procedures and present a report to the Board. The TOR of the committee is approved by the Board.

## Opportunities

Opportunity	Description	Strategy to Materialize
<p><b>Optimum Use of Capacity</b>                      Area of Impact: Manufactured Capital                      Impact Level: Medium to Long Term                      Nature: Short to Medium                      Source: External                      Likelihood: ★★☆☆☆</p>	<p>Sugarcane crushing is based on sugarcane crushed on daily basis and the sugar production is dependent on certain factors that includes sucrose recovery percentage, quality and availability of sugarcane.</p>	<p>Availability of ample irrigated area in the Khushab District to promote sugarcane crop, providing opportunity to the Company, the only sugar mills in the District, to propagate only those varieties having higher recovery potential. Company has a well-planned sugarcane procurement policy to maximize its crushing rate and utilize full crushing capacity.</p>
<p><b>Diversification</b>                      Area of Impact: Manufactured Capital &amp; Financial Capital                      Impact Level: Medium to Long Term                      Nature: Short to Medium                      Source: External                      Likelihood: ★★☆☆☆</p>	<p>Investing in new projects and increasing the productivity of existing ones are key elements for future organic growth.</p>	<p>We strengthened the basis for further growth in the coming years by making selective investment in power business. Aligned with corporate strategy, the Company has invested in power project to lower its reliance on single product.</p>
<p><b>Efficient and congenial work environment</b>                      Area of Impact: Human Capital                      Impact Level: Medium to Long Term                      Nature: Short to Medium                      Source: External                      Likelihood: ★★☆☆☆</p>	<p>Provide congenial work environment where employee feels motivated for work.</p>	<p>The Company is focused to continuously improve skills of the management team through dedicated courses and trainings. Company has provided effective environment without excessive work pressure.</p>

# Risks

Risk	Description	Mitigation Plan
<p><b>Credit Risk</b></p> <p>Area of Impact: Financial Capital Impact Level: Moderate Nature: Short Source: External Likelihood: ★★☆☆☆</p>	<p>Any delay default in settlement of Company's dues by its customers can negatively impact the Company's liquidity situation.</p>	<p>The Company regularly make assessment of the Customers and extends credit accordingly. The Company has formal credit policy in place which bifurcate customers at different levels and credit is allowed on policy basis.</p>
<p><b>Working Capital Management</b></p> <p>Area of Impact: Financial Capital Impact Level: Moderate Nature: Short to Medium Source: External Likelihood: ★★★★★</p>	<p>Any increase in raw material cost or increase in volume of raw material stock or debts may limit the avenues for availability of sufficient working capital.</p>	<p>Management has addressed the risk of shortage of working capital by availing the sufficient credit lines from the diversified financial institutions in order to meet the short-term requirements of the Company.</p>
<p><b>Low Productivity/ Unavailability of Raw Material</b></p> <p>Area of Impact: Financial Capital Impact Level: Moderate Nature: Short to Medium Source: External Likelihood: ★★★★★</p>	<p>Low Productivity / Recovery from sugar cane in the area and replacement of Sugarcane with other crops and orchards.</p>	<p>Company has Specialized data driven cane procurement team and give financial support and educates the growers with latest farming techniques in order to improve the yield which ultimately helps the sector growth as well as availability of raw material. The company in collaboration with other mills in the area is reducing variety CPF 238/ CPF 84 and is propagating varieties such as CPF 240, 246, 70-20-40, 77-79 which have over 10.5 % recovery. These varieties are more resistant to crop diseases.</p>
<p><b>Natural Catastrophe</b></p> <p>Area of Impact: Financial Capital &amp; Human Capital Impact Level: Low to Moderate Nature: Short to Medium Source: External Likelihood: ★☆☆☆☆</p>	<p>Destruction of manufactured facility, equipment and installations due to natural disaster</p>	<p>The Company has comprehensive Insurance cover in case of any catastrophe. Further, the Company has taken safety measures during construction and erection of building and plant. Company has a disaster recovery plan and safety policy in place.</p>
<p><b>Inability to Retain and Develop High Potential Talent</b></p> <p>Area of Impact: Financial Capital &amp; Human Capital Impact Level: Low to Moderate Nature: Short to Medium Source: Internal/External Likelihood: ★★☆☆☆</p>	<p>High potential employees and workers play the most important role in company's performance and are Corporate Assets. Frequent turnover affects Company's operating performance.</p>	<p>Company has a robust human resource plan to promote a culture of employee training and development with opportunities of career growth aided by market competitive compensation.</p>



## POLITICAL

Political factors determine the extent to which a Government may influence the economy or a certain industry. Political uncertainty trembles the business environment.

Description

- Change in Ruling Party
- Political Uncertainty

Significant Changes from Last Year

The Company continuously analyzes and monitors the political situation of the country including changes in duty structures, taxes and other levies to mitigate any unwarranted affect.

Organizational Response



## ECONOMIC

Economic factors refer to the financial state of the country. A strong economy invigorates business and vice versa.

- Increased Inflation
- Devaluation of PKR against USD
- Increase in Raw Material Cost
- Increase in Labor Cost
- Unstable Discount Rate
- Decelerated Economy

Sugarcane is a major raw material for sugar production as manufacturing cost. Sugarcane price is regulated by Provincial Government and higher cost of sugarcane makes the sugar mills less competitive to operate. The Company purchases good quality cane from growers to produce sugar at high recovery. However, devaluation of currency, inflation factor and increased variable costs impact the bottom line. The Company keeps on applying cost effective measures to manage inflationary pressure. Furthermore, it has negotiated competitive rates with various banks for its financing needs.



## SOCIAL

Social responsibility of a company cannot be ignored. The Company must play its role in betterment of society in which it operates. Corporate Social Responsibility factors:

- Providing safe and clean work environment
- Charity and donation
- Supporting the local community in healthcare and education
- Safe and healthy environment
- Demographic change

Make HSE department more rigorous.

The Company always strives to be a part of social causes and for the betterment of society. For this purpose, the Company donates in various social causes including education programs and health & safety of society.

Moreover, the Company has a dedicated team which works for the betterment and welfare of workers at factory and ensures that the SOPs are properly adhered to this purpose.

Organizations are affected by continuously changing external environment. JSML has developed a strategy to ensures that we are best positioned in our external environment to manage the risks and benefits from the opportunities associated with volatility on the political, economic, technological, environmental, legal and social fronts. Few of these factors are enlisted.





## TECHNOLOGY

Technology plays a vital role in success of any company. There is a risk of technological change by competitors and technologically primitive companies often end-up being shut down.

- Up-gradation of network and security measures
- Falling film evaporator
- Boiling tube installation of high pressure boiler injection pumps installation for water temperature control
- Mills gear up-gradation
- Automation of conti pans
- Cybersecurity measures and new technology

The Company has to be equipped with latest technology to face the challenges of dynamic environment. Keeping in view the technological advancements, the Company keeps an eye to latest developments to improve efficiency and build capacity. The Company has latest machinery at its production site and keeps it updated to meet the latest technological standards.



## ENVIRONMENTAL

Almost every manufacturing company has an impact on the environment. Climate changes, natural disaster and water shortage is the major area of concern.

- Implementation of proper HSE and environment standards within an organization
- Inclusion of Solar Power project within the company
- Building of reservoir to store excess water

The Company follows the standard for disposal of liquid effluents as per the Environmental Protection Agency (EPA) guidelines. The only hard form of waste extracted while purification of sugar called Mud which is environment friendly and is used as a fertilizer in farms. Every year trees are planted in mill and surrounding areas to improve shared environment.



## LEGAL

Companies are required to abide by various laws and regulations. Every responsible company must follow all rules and regulations laid by the Government.

- Companies Act, 2017
- Income Tax Ordinance
- Sales Tax Act
- SECP Acts, Rules and Regulations
- Code of Corporate Governance
- Pakistan Stock Exchange (PSX) Regulations
- IFRS Amendments

The Company strongly abides by all the laws enacted by Government. The Company has employed various professionals of respective fields so that the Company would strongly and strictly follow all the laws that are applicable to the Company.

### Seasonality of Business

Sugarcane crushing season started in November and ended in March. Sugar produced in 103 days of the season and sold through the year based on varied demand mostly during the ramadan season in the Country.

# Share Price Sensitivity Analysis

Many factors may result in changes in Company's share price. Following are some key factors that may affect the price of the share in the stock exchange:

## Industry Performance

The share price of the Company will move in correlation with share prices of other companies in the industry with similar performance parameters. The economic and market conditions along with cost and revenue variables, that are regulated through Government influence, generally affect the industry performance. Prices of Sugarcane i.e. key raw material of sugar industry is controlled through support price mechanism by the Provincial Government coupled with regulated exports as allowed by the Federal Government from time to time. Increase in discount rate and inflationary pressure also affect the cost of production of sugar which results in share price variation. Any adverse news related to competitors will benefit the share price.

## Selling Price

The profitability in the sugar industry is highly sensitive to the price of sugar, which eventually has a strong effect on the share price of the Company.

## Raw Material Costs

Manufacturing cost mainly includes sugarcane cost which directly effects the cost of production of sugar. The cost of procurement of sugarcane is directly affected by the minimum support price for the relevant season and also through fair market competition in operational areas of procurement. The fluctuation in sugarcane procurement cost affects the profitability of the Company and resultantly affects the share price.

## Government Policies and Regulations

The policies adopted and regulations promulgated by the Government have a direct association with share prices. Any policy that will result in increased demand, improved tax rates, reducing production costs, the better economic environment may positively influence the share price. Whereas the policies that create hindrances for the sugar industry and for the overall business environment will adversely impact the share price.

## Law and Order

Improved law and order conditions and stable political environment foster the business conditions. Poor law and order conditions disrupt business activities and will have a negative effect on performance. Therefore, these have a direct effect on the share price sensitivity of the Company.

## Economic Conditions

The Company's performance has a direct relationship with economic conditions so as the share price. The factors that contribute to economic conditions include the discount rate, currency devaluation, and inflation. Increased in the discount rate will expose the Company to higher cost of debts. Currency devaluations will benefit the Company in terms of exports however, on the other hand, will result in a higher cost of imported stores and spares and plant and machinery. However, all these factors will improve the performance of the Company if contribute positively to the economic conditions.

## Operational Efficiencies

Employment of cost reduction techniques, stable plant operations, better production planning, taking benefits of synergies of the production facility will have a significant and positive effect on the profitability of the Company and eventually on the share price as well.

## Investor Sentiments

The share price of the Company is also open to the volatility of investor sentiments or confidence in the stock market and macro-economic conditions. In a strong stock market, the investors' confidence is growing and so as the share prices. Whereas in weak stock market investors' sentiments are negative so do the share prices. Stock market's strength is closely associated with economic conditions.

## Sensitivity Analysis of Change in Market Capitalization

Share Price of 30.09.2024 : Rs. 21.85

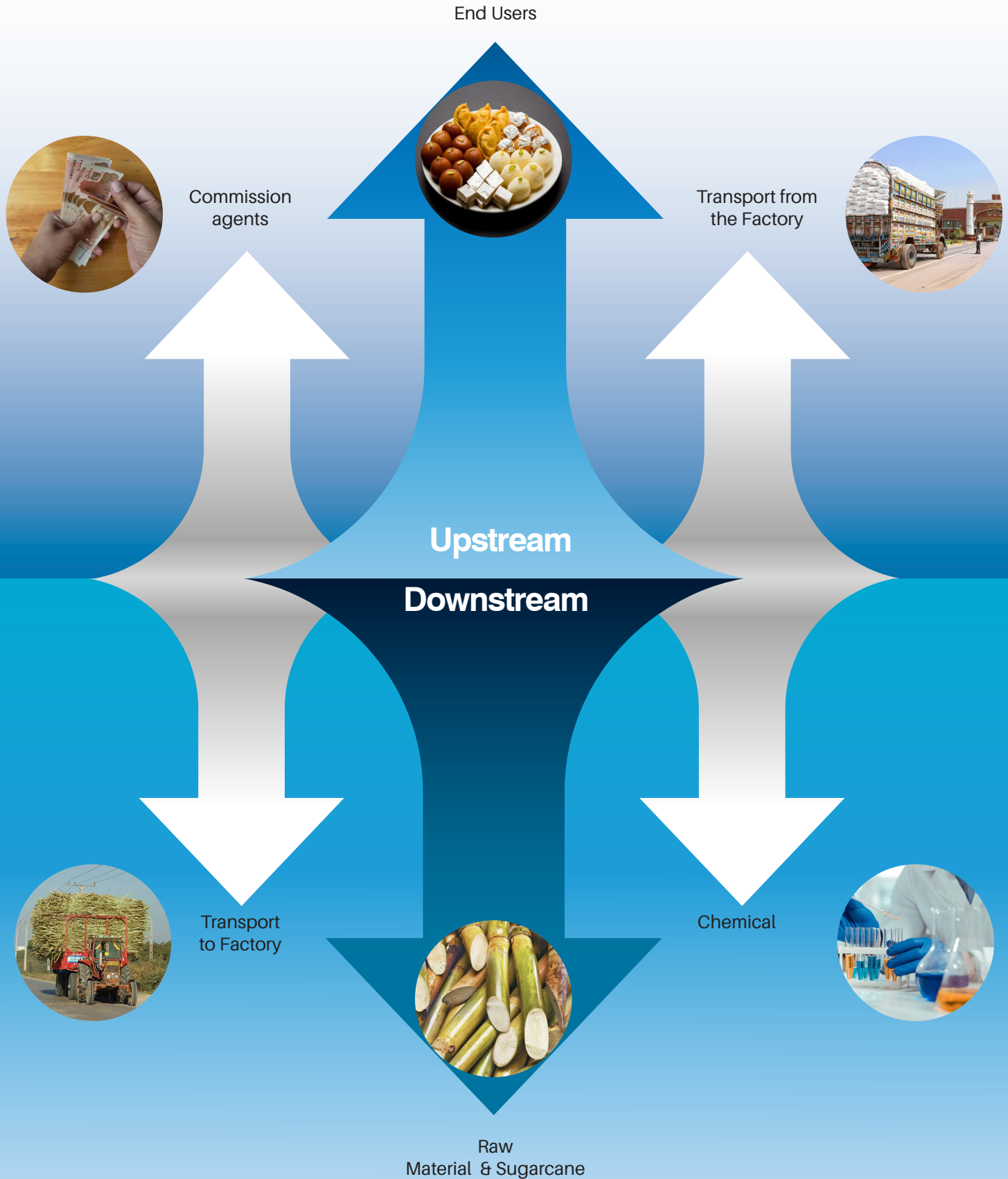
Market Capitalization as of 30.09.2024 : Rs. 745,706,698

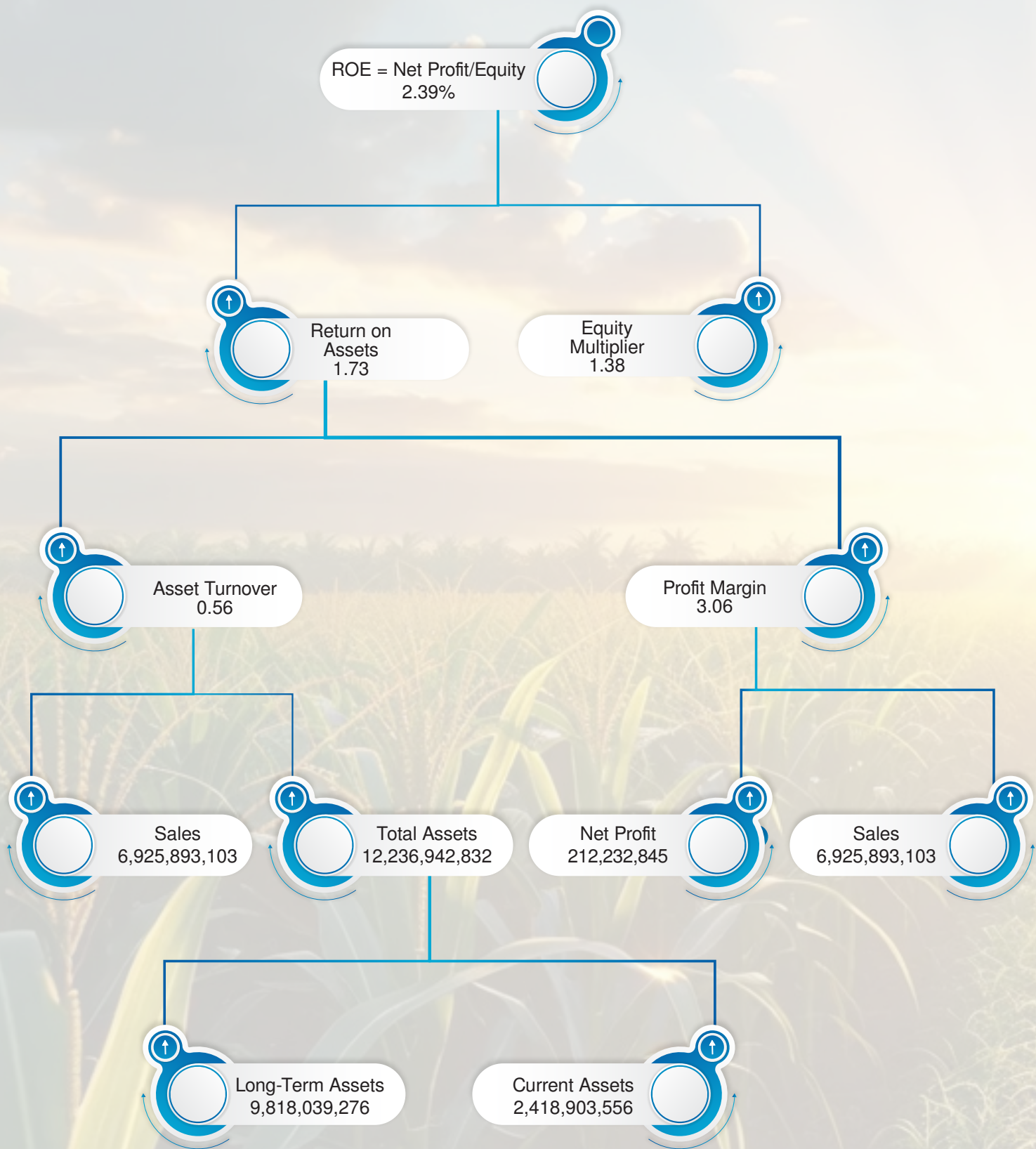
Change in Share Price by : Change in Market Capitalization

+10%   Rs. 74,570,669.8

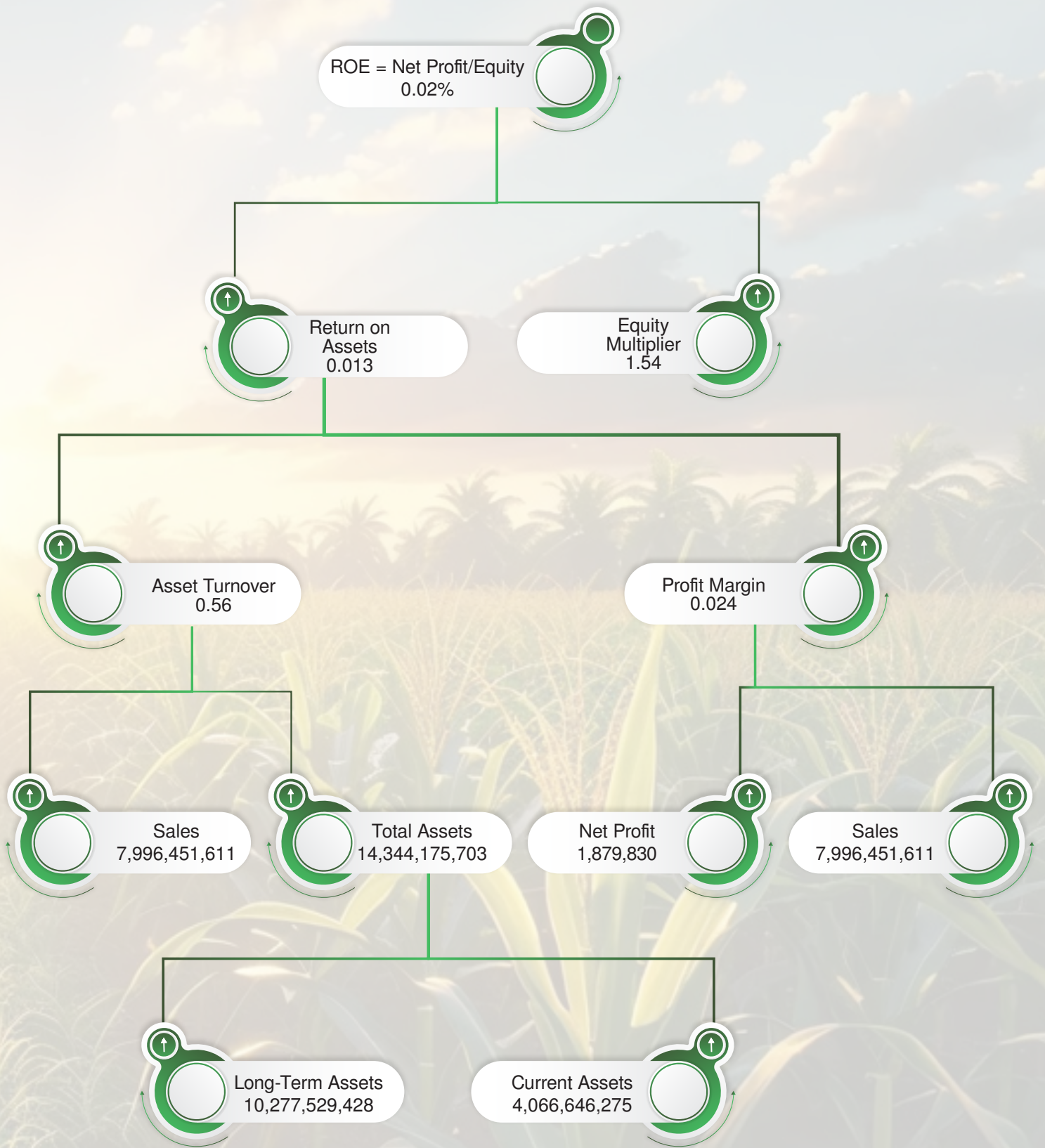
- 10%   Rs.(74,570,669.8)

# Position Within Value Chain





## Dupont Analysis For the Year 2023

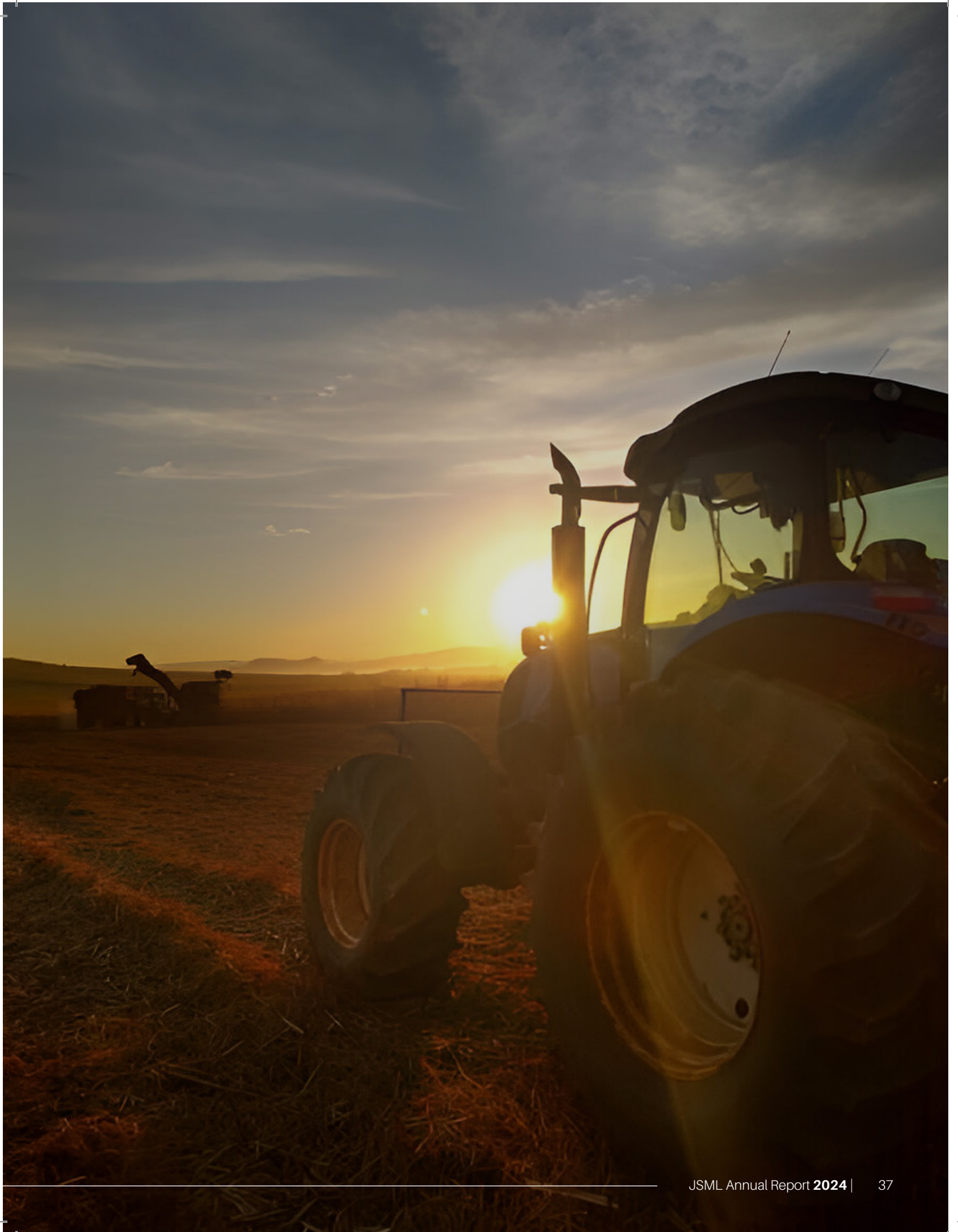


## Dupont Analysis For the Year 2024

# Competitive Landscape & Market Positioning

Jauharabad Sugar Mills Limited (JSML) has a privilege of being one of the pioneer sugar mills of Pakistan and has been in operation for the last seventy one years with the daily crushing capacity of 12,500 MT. Company's focus is to capitalize on strength, explore opportunities while addressing risk and weaknesses.

Power of Suppliers	<p>JSML's continuous and sustainable growth is also attributable to sustainable and dependable suppliers and growers for industrial inputs and raw materials. JSML is proud to have healthy relationship with sugarcane growers in its surrounding areas. A dedicated cane team is deployed to establish healthy relationship with sugarcane growers and suppliers, for smooth and uninterrupted supply of good quality sugarcane during the crushing season.</p> <p>The Company educates the growers with latest farming techniques, disburse loans and advances, in order to improve the yield which ultimately helps the sector growth.</p>
Power of Customers	<p>Jauharabad Sugar Mills is among the top quality sugar producer of Pakistan. Commission agents are also engaged with the Company for several years. Our success and performance is depend upon the loyalty for which JSML has invested significantly over the years.</p>
Competition	<p>Pakistan's sugar sector comprises of competitors of different sizes and capacity but over the years, sugar industry has seen a rise in competition due to certain reasons. Prices are determined by demand and supply as well as through government intervention being a daily consumable product, further the increasing prices of sugarcane makes it difficult for mills to operate in this selling price constraints.</p>
Risk of New Entrants	<p>There is a low risk of new entrant in domestic sugar industry due to the fact that it is capital intensive industry. There is limited availability of sugarcane with already large number of sugar mills in Pakistan makes the market unattractive for new players. The sugar sector production capacity is already under-utilized and new entrants would have to face extensive regulatory requirements / approvals which also make it unattractive for new entrants.</p>
Risk of Substitute Product	<p>Sugar is a commodity item and always remains in demand. The nature of product is such that the risk of substitute products in market is minimal. Although, there are some substitute products of white sugar, e.g. brown sugar, caster sugar, non-sugar sweeteners; but white refined sugar will always be the first choice by consumers.</p>





**Sustainability Reporting and  
Corporate Social Responsibility**





**ESG**



## Environmental, Social and Corporate Governance (ESG) Goals

Jauharabad Sugar Mills Limited

Jauharabad Sugar Mills Limited is committed to integrating Environmental, Social, and Corporate Governance (ESG) principles into its core business strategy, in alignment with International Financial Reporting Standards (IFRS) and national regulatory frameworks. By prioritizing sustainability, ethical governance, and community well-being, the company seeks to foster long-term value creation for its stakeholders while addressing critical global challenges such as climate change, social equity, and responsible resource management. Our ESG goals reflect a forward-thinking approach to innovation, operational excellence, and corporate responsibility, ensuring that we remain resilient, competitive, and accountable in an evolving business landscape.



### Environmental Goals

#### Sustainable Agriculture

- Implement sustainable farming practices in sugarcane procurement by promoting efficient water use, soil health management, and biodiversity protection.
- To enhance sustainability, we have introduced a Grower Development Program, which provides farmers with high-yield, resilient sugarcane varieties at Jauharabad Sugar Mills Limited cost.

#### Air Emission Control

- Air Emissions Control: Installed advanced systems, including Electrostatic Precipitators, Wet Scrubbers, and Cyclones, to ensure boiler emissions are within Prescribed Environmental Quality Standards (PEQS).
- Waste and By-product Management: Maximize the use of by-products (e.g., bagasse for energy generation) and minimize waste generation through recycling, composting, and circular economy practices.

#### Energy Efficiency Enhancement

- Jauharabad Sugar Mills Limited installed condensate water juice heaters and upgraded juice heaters, which improved steam economy, reduced energy consumption, and lowered greenhouse gas emissions.
- The company enhanced vapor headers and introduced a third vapor system, optimizing steam utilization and significantly reducing energy demands.

#### Optimized Operational Flow

- The company improved massecuite transportation and crystallization processes, achieving a reduction in molasses purity and enabling better utilization of raw materials while minimizing waste.

#### Sustainable Waste Management

- Acquired dedicated land for the temporary storage of boiler ash, which is later repurposed as manure for agricultural crops.

#### Carbon Footprint Reduction

- Commit to reducing greenhouse gas emissions by transitioning to renewable energy sources (e.g., biomass, solar) and improving energy efficiency in the production process. As part of this initiative, Jauharabad Sugar Mills Limited (JSML) has successfully commissioned a 791 KWH solar energy system at the mill, exemplifying our dedication to sustainable energy solutions.

#### Water Stewardship

- Reduce water consumption in operations by investing in water-efficient technologies and reusing wastewater where possible, aiming for a net-positive water footprint.

#### Environmental Compliance

- Ensure compliance with national and international environmental regulations (EPA, PEPA) and strive for continuous improvement by conducting regular environmental audits.

## Social Goals

### Employee Development

- The company implemented upgrades that reflected a strong focus on operational efficiency, creating safer, more reliable, and less labor-intensive processes for its workforce.

### Community Impact

- By reducing energy consumption and emissions, the mill contributed to a cleaner environment, positively impacting local communities and supporting better public health outcomes.

### Community Engagement and Development

- Develop strong community relationships by supporting local education, healthcare, and infrastructure development in regions where the company operates, particularly focusing on areas impacted by sugarcane cultivation.

### Fair Labour Practices

- Uphold ethical labor practices by ensuring fair wages, worker rights, safe working conditions, and gender equality. Jauharabad Sugar Mills Limited (JSML) is committed to providing equitable wages and comprehensive benefits to its employees while mandating that contractors strictly adhere to labor laws, ensuring their workers receive legally compliant wages and benefits.

### Human Rights and Supply Chain Transparency

- Promote human rights and ensure ethical practices across the supply chain, focusing on eliminating forced labour, child labour, and exploitation in sugarcane procurement.

### Health and Safety

- Enhance employee health and safety standards by setting ambitious targets for zero workplace injuries, providing safety training, and conducting regular health check-ups.

### Diversity and Inclusion

- Foster a diverse and inclusive workplace by implementing policies that promote gender, ethnic, and cultural diversity at all levels of the organization.



## Corporate Governance Goals

### Board Diversity and Independence

- Ensure the company's board reflects a diverse set of skills, experiences, and backgrounds, with a focus on independence and gender diversity in line with best governance practices.

### Ethical Business Conduct

- Maintain a high standard of ethical behaviour by embedding strong corporate governance frameworks that include anti-corruption policies, conflict-of-interest management, and transparent decision-making processes.

### Risk Management

- Establish comprehensive risk management frameworks to identify, assess, and mitigate environmental, operational, and financial risks. Focus on sustainability and long-term resilience. At Jauharabad Sugar Mills Limited (JSML), we adopt a proactive mindset guided by the principle, "What can go wrong will go wrong," ensuring potential risks are thoroughly identified and addressed to achieve our goal of zero incidents.

### Stakeholder Engagement

- Foster open and transparent communication with all stakeholders, including shareholders, employees, customers, and communities. Implement regular reporting and feedback mechanisms to track ESG performance.

### ESG Reporting and Transparency

- Align with IFRS and national ESG reporting frameworks by adopting standardized and transparent reporting practices that highlight progress on environmental, social, and governance initiatives. Strive for third-party verification and assurance.

## Sustainable Governance

Consistently monitor and evaluate environmental initiatives, such as emissions control and wastewater management, to ensure alignment with PEQS and corporate sustainability goals.

## Implementation Framework

Jauharabad Sugar Mills Limited has adopted this framework to ensure its ESG goals are practical and attainable by establishing specific, measurable targets integrated with its core business objectives and sustainability vision.



JSML aims to achieve the following:

- **Energy Efficiency:** Reduce steam consumption by 15% over the next three years through continued enhancements in juice heaters, vapor systems, and steam utilization technologies.
- **Water Conservation:** Optimize filtration processes to reduce water wastage, targeting a 20% improvement in water recycling efficiency within two years.
- **Waste Reduction:** Decrease mud pol levels to below 2.0% through advanced vacuum filtration system maintenance and upgrades.



JSML has established key sustainability metrics to monitor and drive progress:

- Carbon emissions from operations, measured and reported quarterly.
- Water usage in production processes, tracked for efficiency gains achieved through condensate water juice heaters and vacuum filtration improvements.
- Steam and energy savings from upgrades such as larger vapor headers and optimized masecuite lines, reported annually.
- Workplace safety metrics, including training completion rates and incident reductions.



JSML is committed to:

- Transitioning 50% of its energy consumption to renewable sources (biomass and solar) within the next three years, leveraging its existing infrastructure and new initiatives.
- Achieving a molasses purity reduction through operational improvements by 2026.
- Implementing staff training programs to adapt to new technologies and ensure smooth transitions to updated processes, including the operation of new pumps and centrifugal machines.



JSML aligns sustainability efforts with its core business goals by:

- Maintaining profitability while minimizing the environmental impact of its operations, such as reducing energy demand through improved steam economy.
- Supporting local communities by reducing emissions and ensuring responsible waste management practices.
- Delivering superior product quality, evidenced by the new centrifugal machine improving sugar quality and process efficiency.



JSML commits to achieving the following within specific timelines:

- Conduct annual environmental and energy audits to identify new opportunities for improvements and ensure compliance.
- Achieve energy & water efficiency milestones, including 25% reduction in water usage and 15% energy savings, by 2026.
- Installation & optimization of equipment upgrades, such as additional crystallizers and enhanced vapor systems, by 2026.
- Reach workforce diversity targets & implement enhanced safety protocols by the end of 2026.

## Sustainability-Driven Risks and Opportunities

The Board of JSML assumes full responsibility for ensuring compliance with applicable laws while addressing the pressing need to adopt environmentally friendly practices. A rigorous risk management mechanism has been established to identify potential risks, evaluate their impact using scenario-based analyses, and develop mitigation strategies. This proactive approach ensures the company remains within its risk appetite and achieves its corporate objectives. Through its Audit Committee, the Board continually reviews and enhances the control system to adapt to emerging risks and opportunities, including those presented by ESG considerations. The Board has empowered management to undertake comprehensive planning, establish robust control frameworks with clear structures, defined authority limits, and accountability measures, and enforce well-documented policies and procedures. JSML's management actively monitors the business environment, aligning and adapting policies and procedures to address evolving risks and business dynamics to safeguard the interests of the company and its stakeholders. The following outlines the major risks impacting JSML's business operations and the corresponding strategies for their mitigation.

Risks and Opportunities	Company Strategic Actions & Innovations
<p style="writing-mode: vertical-rl; transform: rotate(180deg);"><b>Energy Challenges</b></p> <ul style="list-style-type: none"> <li>Jauharabad Sugar Mills Limited (JSML) recognizes energy shortages and reliance on non-renewable resources as critical risks under sustainability and ESG frameworks.</li> <li>These challenges, including dependency on fossil fuels, rising energy costs, and the environmental impact of non-renewable energy, remain significant concerns for industrial operations in Pakistan, including JSML. Aligning with IFRS S1 and S2, JSML is committed to integrating sustainable energy practices, such as exploring renewable energy solutions and improving energy efficiency across operations, to mitigate production disruptions and ensure the company meets growing customer demands sustainably.</li> </ul>	<p><b>Steam Turbines for Energy Efficiency</b></p> <p>The company operates steam turbines with a capacity of 18 MW, powered by steam generated through the efficient utilization of bagasse. This approach minimizes environmental impact and promotes steam economy, ensuring a sustainable energy generation process.</p> <p><b>Production Process Optimization</b></p> <p>JSML regularly reviews its production processes to identify opportunities for cost efficiencies and energy savings, ensuring continuous improvement in resource utilization.</p> <p><b>Diversification and Power Generation</b></p> <p>In addition to optimizing energy efficiency within its operations, JSML has established a 15 MW environmentally friendly power plant. The plant is part of the company's broader strategy to diversify its energy sources and reduce business risks. The company is also exploring the opportunity to sell excess electricity to the government, further contributing to sustainability while generating additional revenue streams.</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);"><b>Water Sustainability and Management (Short to Long Term)</b></p> <p>The availability of water is vital for the manufacturing processes at Jauharabad Sugar Mills Limited (JSML), as any delay or shortage can disrupt production operations significantly. Water usage is a critical component of the sugar industry, and scarcity poses risks across the supply chain, particularly in securing raw materials like sugarcane. Overextraction of water resources can contribute to drought conditions, adversely affecting local ecosystems, reducing biodiversity, and degrading natural habitats. Furthermore, the improper discharge of effluents can harm surrounding ecosystems, posing a threat to both environmental and human health. JSML is committed to sustainable water management practices to mitigate these risks and ensure long-term operational stability and environmental preservation.</p>	<p><b>Effluent Treatment</b></p> <p>End-pipe effluent is processed in a state-of-the-art effluent treatment plant using advanced activated sludge and physicochemical and biological processes to ensure compliance with National Environmental Quality Standards (NEQS).</p> <p><b>Water Recycling</b></p> <p>Treated water is recycled and repurposed for agricultural farms, plantation, and horticultural purposes, reducing dependency on freshwater resources.</p> <p><b>Efficient Water Usage</b></p> <p>Water-intensive processes within the production cycle are continuously reviewed and optimized to minimize water wastage and improve efficiency.</p> <p><b>Condensate Recovery</b></p> <p>Condensate generated during the production process is recovered and reused, reducing overall water consumption and enhancing efficiency.</p>

Supply Chain Risks  
(Medium to long-term)

Supply Chain Risks (Medium to long-term) ESG factors play a crucial role in the supply chain at Jauharabad Sugar Mills Limited (JSML). Any disruption at any stage of the supply chain can have a cascading effect, ultimately impacting customer satisfaction. Disruptions can occur at various levels, from raw material suppliers to transporters delivering goods to consumers. Such disruptions may arise due to factors like floods, earthquakes, shortages of critical resources, extreme weather conditions, or worker strikes. In line with IFRS S1 (General Requirement for Disclosure of Sustainability -related financial information) and IFRS S2 (Climate-Related Disclosure), JSML actively integrates sustainability practices across its supply chain, ensuring risk mitigation strategies are in place to maintain operational continuity and meet customer demands while minimizing environmental and social impacts.

Optimized Sugarcane Procurement

- Jauharabad Sugar Mills Limited (JSML) benefits from the availability of ample irrigated land in the Khushab District, which offers significant opportunities for cultivating sugarcane. As the only sugar mill in the district, JSML focuses on promoting high-yielding sugarcane varieties with higher recovery potential. The company has a well-planned sugarcane procurement policy designed to maximize its crushing rate and fully utilize its crushing capacity, further enhancing operational efficiency and supply chain stability.

Comprehensive Sugarcane Procurement Strategy

- Jauharabad Sugar Mills Limited (JSML) has developed a comprehensive sugarcane procurement strategy to address key industry challenges, such as sugarcane availability, regulatory risks, and competition. The company focuses on building strong relationships with local farmers, offering incentives to encourage sugarcane cultivation, and ensuring timely procurement. JSML also monitors factors like climatic conditions, labor availability, and market trends to maintain a consistent supply. By actively managing these factors, the company minimizes the risk of disruptions and ensures efficient utilization of its crushing capacity.

Diversification of Suppliers

- JSML diversifies its supplier base to reduce concentration risk, especially in regions prone to environmental hazards. By purchasing raw materials and consumables from both local and international suppliers and maintaining multiple suppliers for most items, the company reduces the potential for disruptions caused by environmental or geopolitical factors.

Climate Impact & Natural  
Disaster Management

Natural disasters are unpredictable and can have a widespread impact on the operations of Jauharabad Sugar Mills Limited (JSML) if they occur. Such events, including floods, earthquakes, and thunderstorms with lightning, can disrupt the company's production processes, supply chain, and infrastructure, potentially leading to significant operational challenges. JSML is committed to implementing proactive measures to mitigate the risks associated with these natural hazards and minimize their impact on business continuity.

- Jauharabad Sugar Mills Limited (JSML) has implemented stringent safety measures during the construction and installation of its buildings and plants to protect both assets and personnel.
- The company has comprehensive insurance coverage in place to safeguard all its operations, facilities, and equipment.
- JSML has developed a well-established disaster recovery plan, along with robust data backup systems, to address any unforeseen events and ensure business continuity.

Updates to Regulatory  
Framework (Short to medium term)

Governments worldwide are increasingly enacting stringent ESG laws to address climate change, resource depletion, and rising global temperatures. This regulatory shift demands compliance to ensure sustainability. For Jauharabad Sugar Mills Limited, non-compliance can lead to financial penalties, operational challenges, and reputational risks, highlighting the importance of proactive ESG alignment.

- Jauharabad Sugar Mills Limited upholds the spirit of laws to ensure sustainable and ethical operations.
- Our legal team proactively monitors regulations to stay ahead of compliance requirements.
- Contingency plans are regularly updated and promptly executed to safeguard operations.
- We ensure transparent and timely reporting of material information to all stakeholders.
- Regular staff training equips employees to adapt to evolving legal and regulatory changes.

## Climate Related Risks and Opportunities as required in IFRS S2

Jauharabad Sugar Mills Limited (JSML) is firmly committed to sustainability, transparency, and proactive management of climate-related risks and opportunities. In alignment with the IFRS S2 framework, JSML is adopting a robust approach to identify, assess, and address the potential impacts of climate change on its operations and value chain. This framework enables the company to integrate climate considerations into its strategic decision-making processes, ensuring resilience and adaptability to evolving environmental challenges. By leveraging advanced methodologies, analytical tools, and stakeholder engagement, JSML is strengthening its ability to mitigate risks, capitalize on opportunities, and contribute to a sustainable future for the business, its stakeholders, and the broader community.

### Climate-Related Risk

#### Physical Damage and Operational Disruptions

Extreme weather events, such as floods and storms, pose a risk of physical damage to JSML's infrastructure and assets, potentially leading to significant operational disruptions.

#### Transition Challenges

The shift toward lower-carbon mechanisms driven by evolving policies, technologies, and market demands may result in financial and operational challenges for the company.

#### Long-Term Climate Shifts

Gradual changes such as rising temperatures and shifting precipitation patterns could impact resource availability, infrastructure stability, and the long-term sustainability of operations.

#### Agricultural Risks

Changes in climate conditions, such as prolonged droughts or unpredictable rainfall, may reduce sugarcane yield and quality, directly affecting raw material availability and production efficiency.

#### Increased Compliance Costs

Stricter environmental regulations and compliance requirements linked to climate change mitigation could lead to increased costs for adopting sustainable practices and upgrading equipment.

### Climate-Related Opportunities

#### Adoption of Energy-Efficient Processes

Implementing energy-efficient technologies and expanding the use of renewable energy sources, such as bagasse-based power generation, can significantly lower operational costs, enhance profit margins, and reduce the company's carbon footprint.

#### Enhanced Water Management

Optimizing water usage and adopting advanced water recycling techniques can mitigate the risks associated with water scarcity, reduce operational costs, and ensure sustainable resource utilization.

#### Eco-Friendly Packaging Initiatives

Transitioning to environmentally friendly packaging materials can enhance JSML's brand reputation, attract environmentally conscious consumers, and ensure compliance with evolving regulatory standards.

#### Diversified Supply Chain

Sourcing materials from diverse and sustainable suppliers helps mitigate the risks of climate-related supply chain disruptions and ensures business continuity.

#### Carbon Credit Opportunities

Engaging in carbon offset programs and reducing greenhouse gas emissions can open opportunities to generate additional revenue through carbon credit trading, contributing to sustainability goals.

#### Community and Farmer Engagement

Collaborating with local farmers to promote climate-resilient sugarcane varieties and sustainable farming practices can strengthen relationships, ensure raw material stability, and build a resilient agricultural supply chain.



## CSR Vision and Mission

Jauharabad Sugar Mills Limited (JSML) is deeply committed to fulfilling its responsibilities as a corporate citizen of Pakistan and actively contributes as a valued member of society. JSML acknowledges the significance of its employees and emphasizes work-life balance, safety, and security. The Company is equally dedicated to reducing its carbon footprint to foster a healthier environment, implementing community uplift programs for underprivileged groups, ensuring ethical conduct, supporting customers with quality products, and contributing to the national exchequer through responsible business practices. JSML's approach to Corporate Social Responsibility (CSR) is designed to positively influence its customers, employees, shareholders, communities, and the environment. The Company upholds its role as a proactive corporate citizen by initiating and supporting various activities under its philanthropic and non-philanthropic CSR programs. Through these efforts, JSML consistently strives to create meaningful and sustainable impacts, reinforcing its commitment to societal progress and environmental stewardship.





## Commitment to Social Investment and Support Initiatives

The Company has a longstanding tradition of fostering strong community relationships. We firmly believe that investing in our communities is a fundamental aspect of our social commitment, essential for ensuring the Company's sustained success. Our objective is to equip our business and factory with the necessary resources and support to identify and engage in projects, initiatives, and partnerships that create meaningful and lasting impacts within the communities we serve. In alignment with this commitment, wedding ceremonies are organized for underprivileged members of society, reflecting our dedication to supporting social welfare. Additionally, educational scholarships are awarded to deserving students who have demonstrated commendable academic performance, underscoring our focus on nurturing talent and empowering future generations.

## Status of Adoption of CSR Guidelines

The Security Exchange Commission of Pakistan (SECP) Guidelines for CSR 2013 have formally recognized corporations, as critical stakeholders in the nation's development. These guidelines provide a comprehensive framework for compliance, guiding spending and reporting on CSR activities. Jauharabad Sugar Mills Limited's CSR program is actively engaged in improving lives and contributing to environmental sustainability. The Company strives to unlock human potential through innovative outreach and solutions tailored to the specific needs of the people.

Jauharabad Sugar Mills Limited's CSR program is firmly grounded in the belief that all individuals in Pakistan have the right to good health, food, education, and economic mobility. The Company aims to achieve these objectives through collaborative efforts, embracing Public-Private Partnerships, leveraging science and data for groundbreaking solutions, and introducing disruptive ideas to forge a new path towards a resilient future that is co-owned by all stakeholders.

The CSR Committee at Jauharabad Sugar Mills Limited, established in 2013, plays a pivotal role in ensuring transparency, structure, policy adherence, and strategic direction for all welfare initiatives across the country. The Company's commitment extends to maintaining the highest standards of business and operational procedures, aligning with internationally recognized benchmarks and goals.

The Company is continuously focusing on the regulatory guidelines for adaptability of CSR principles to ensure these are followed in true spirit:

- CSR approved by the board along with approval of CSR budget every year
- Monitoring of CSR activities regularly to review the progress of CSR activities and highlighting the importance of CSR to the employees
- Incorporation of CSR related KPI's of the relevant department thereby ensuring that these are part of the business plans and company strategy
- Disclosure and reporting of CSR achievement



# Environmental Responsibility



## Green Energy for Environment Protection

JSML has undertaken a significant initiative to generate green energy by installing 791KWH solar energy panels through the approved vendor, Zero Carbon Private Limited. These panels are expected to have a useful lifespan of over 20 years, providing environmentally friendly electricity. In addition, the generated electricity will be supplied free of charge to low-level workers, alleviating the financial burden they faced in the previous year. In alignment with JSML's vision, this initiative will contribute to improving the lives of hardworking employees who have served the organization across generations, helping to maintain smiles on their faces.



## Environmental Protection Measures

In response to the escalating threat of global warming and its impact on the environment, the Company organizes an annual tree planting initiative to encourage employees to plant trees on the Company's manufacturing grounds and nurture them until they achieve sustainable growth. To support the cultivation of organic agricultural products, the Company also maintains internal nurseries and vegetable farms.

# Ethical Responsibility

## Health and Safety

We are committed to upholding high standards of safety and creating a healthy working environment for our employees. Our health management approach focuses on enhancing the physical, mental, and social well-being of our workforce. A fully equipped medical center has been established on-site to provide comprehensive medical services to employees. In recognition of the importance of occupational health, regular first aid and CPR training programs are conducted to ensure the safety and well-being of all workers.



## Industrial Relations

The Company has established comprehensive procedures, rules, and regulations to provide clear guidance on employment practices. All employees are expected to adhere to these regulations to ensure compliance. The Company fully acknowledges and upholds employee rights, including those represented by the Collective Bargaining Agent (CBA). The Company is firmly committed to providing equal opportunities for all current and prospective employees, ensuring a workplace free from discrimination based on religion, gender, race, age, or any other factor. Additionally, the Company conducts rewards and recognition programs to honor and celebrate the contributions and achievements of its employees.



## Employment of Special Persons

The Company diligently ensures the employment of individuals with disabilities in strict compliance with the regulations established by the Government of Pakistan, adhering to the mandated quota for the inclusion of disabled persons within the total workforce.

# Ethical Responsibility



## Employee Training and Development

At Jauharabad Sugar Mills Limited, we prioritize employee growth through comprehensive training programs across various departments, including operations, maintenance, quality assurance, environmental management, and health and safety. These programs focus on enhancing technical skills, ensuring compliance with international standards like ISO 14001 and ISO 45001, and promoting sustainability. From optimizing production efficiency and machinery maintenance to upholding product quality and fostering a safe working environment through health and safety initiatives, our training efforts empower employees to excel while supporting the company's commitment to ethical and sustainable practices.



## Equal Employee Opportunity

Aligned with the core values of our organization, which emphasize the equality and dignity of every individual, Jauharabad Sugar Mills Limited (JSML) is dedicated to cultivating an inclusive and diverse work environment. We take pride in proactively recruiting and welcoming employees from a wide range of ethnic backgrounds, while unequivocally rejecting all forms of prejudice or bias in our employment practices.



## Security Measures

The management of the Company fully recognizes the critical importance of safety and security in ensuring the seamless operation of the business. Significant investments have been made to safeguard both personnel and assets, including the deployment of dedicated security staff and the installation of an extensive network of CCTV cameras, strategically positioned across multiple locations. These coordinated measures effectively protect the integrity and safety of our employees and resources, while supporting the efficient operation of the business.

## Fire Drills

Regular fire drills are conducted under the supervision of the Deputy General Manager - Human Resources (DGM-HR) to ensure preparedness for emergencies. These drills are irregularly scheduled by the Company to maintain an element of surprise, effectively simulating real-life scenarios. Clear communication protocols are in place to address and respond to any potential mishap, ensuring swift action in case of an emergency. The Company is committed to fostering a culture of safety by implementing robust procedures for emergency evacuation and alarm management. These measures are designed to safeguard the well-being of all personnel and ensure comprehensive preparedness across the organization.



# Social Responsibility



## Educational Patronage

JSML promotes and patronizes multiple activities in the field of education under its CSR program. Children Education Award Scheme is one of such activities where the Company recognizes better educational performance of Employees' Children and awards scholarships. The Company also recognizes the significance of continuous learning and its importance in career development of its employees which eventually lead to benefit the society. Therefore, the Company provides assistance in improvement of educational qualification that outlines the relaxation in working hours to support educational initiatives of its employees.



## Ramadan Dasterkhawan

JSML Maintains his tradition of serving in the holy month of Ramadan by arranging dasterkhawan for visitors, needy people as well as for the Company employees.



## Rural Development Programs

The Company actively promotes rural development initiatives aimed at improving the health and well-being of the rural population, while simultaneously supporting the advancement of infrastructure in these areas.

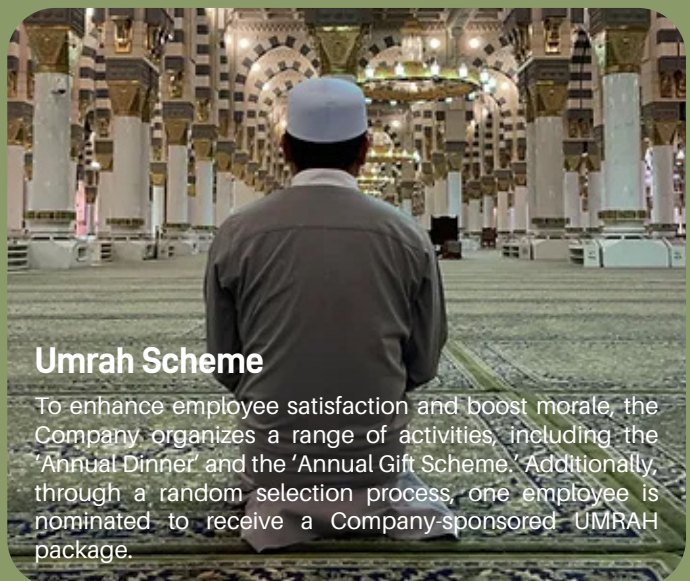
## Corporate Philanthropy

In addition to its commercial activities, the Company has made significant contributions to raising awareness and advancing knowledge within the agriculture sector. This is achieved through sponsorship and active participation in exhibitions, meetings, and providing counseling services to growers.



## Sports at JSML

JSML promotes sports and cultural activities in the region and is a major sponsor of tournaments and events in Jauharabad. The Company held cricket tournament in collaboration with Ideal cricket club featuring leading clubs and teams from Sargodha and Khushab region. JSML maintains a lush green tennis & volley ball court where we regularly arrange tournaments to foster the healthy activities.



## Umrah Scheme

To enhance employee satisfaction and boost morale, the Company organizes a range of activities, including the 'Annual Dinner' and the 'Annual Gift Scheme.' Additionally, through a random selection process, one employee is nominated to receive a Company-sponsored UMRAH package.

# Economic Responsibility



## Fair Price Shop

For the betterment of community, the Company has established a fair price shop at the mills colony where the mills employees as well as local community people can buy sugar at subsidized rates and can avail sugar on credit basis as well. During the last financial year, the Company has provided sugar at fair price shop at a subsidized rate along with other consumables for catering daily needs of employees.

## Financial Support for Growers

Jauharabad Sugar Mills Limited is committed to empowering sugarcane growers through its Financial Support Program, providing interest-free loans amounting to Rs. 200 million annually. These loans are specifically designed to support growers in procuring essential inputs for sugarcane cultivation, including fertilizers, quality seeds, and diesel for land preparation. This initiative not only alleviates financial burdens but also ensures that farmers have access to the resources necessary to enhance crop yield and quality. By fostering sustainable agricultural practices and supporting the economic stability of growers, Jauharabad Sugar Mills Limited reinforces its commitment to the shared growth and prosperity of the sugarcane farming community.



## Grower Technical Support

In alignment with its mission to enhance the self-worth of all associated stakeholders, Jauharabad Sugar Mills Limited (JSML) consistently provides financial support to growers. This support includes supplying high-recovery seeds and offering guidance on advanced agronomy practices in collaboration with the Agricultural University of Faisalabad. During the current financial year, the Company has imported a state-of-the-art harvester to improve the efficiency of cane harvesting, thereby reducing the cycle time from harvesting to milling. Furthermore, JSML is conducting extensive research in partnership with the Agricultural University of Faisalabad to adopt cutting-edge farming techniques and cultivate high-quality produce, maximizing output for both the Mills and the farmers.







“ At Jauharabad Sugar Mills Limited, we are dedicated to Corporate Social Responsibility (CSR) through environmental, ethical, social, and economic initiatives. This year, we advanced environmental protection through green energy solutions and sustainable practices. We upheld ethical responsibility by ensuring equal employment opportunities, fostering industrial harmony, and prioritizing health, safety, and inclusion. Socially, we supported corporate philanthropy, religious programs, community welfare, education, and sports activities. Economically, we empowered sugarcane growers with Rs. 200 million in interest-free loans and operated Fair Price Shops to ease financial burdens. Looking ahead, we remain committed to expanding these efforts for community welfare and sustainable growth. ”

# AWARDS AND ACHIEVEMENTS 2024



## Emission Control Technologies Award 2024

Jauharabad Sugar Mills Limited received the “Emission Control Technologies Award” at the 10th International Awards on Environment, Health, and Safety. This accolade underscores our commitment to sustainable practices and leadership in environmental responsibility.



## Best Corporate Report Award – 2023

The Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP) have recognized Jauharabad Sugar Mills Limited’s commitment to transparency and excellence in reporting, awarding us 2nd Position in the Best Corporate Report Award 2023 within the sugar sector.



**Brand of the Year Award-2023**

Jauharabad Sugar Mills Limited is honored to receive the prestigious "Brand of the Year Award 2023," presented by the Governor of Punjab. This recognition reflects our commitment to excellence and dedication to setting industry benchmarks in quality and innovation.



**Sustainability Innovation Award – 2024**

Jauharabad Sugar Mills Limited was honored with the "Sustainability Innovation Award" at the 13th Corporate Social Responsibility Summit & Awards, highlighting our dedication to sustainable innovation and impactful CSR initiatives.



**Research & Development Excellence Award**

Jauharabad Sugar Mills Limited is proud to receive the Sitara-e-Pakistan Award for 'Research & Development Excellence in Sugarcane Growth and Innovation' recognizing our commitment to advancing sustainable and innovative agricultural practices.



# CERTIFICATIONS

FSSC 22000, ISO 9001: 2015,  
ISO 14001: 2005 EMS,  
ISO 45001: 2018 OHSMS  
& Halal Certified





# Governance



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# Calendar of Major Events - Year 2024



Board of Directors Meeting  
**1st Quarter Results**  
Friday, January 26, 2024



Board of Directors Meeting  
**2nd Quarter Results**  
Monday, May 27, 2024



Board of Directors Meeting  
**3rd Quarter Results**  
Saturday, July 27, 2024



Board of Directors Meeting  
**Annual Results**  
Tuesday, December 24, 2024




**56<sup>th</sup> Annual  
General Meeting**  
Tuesday, January 28, 2025



# Corporate Calendar - Year 2025


Board of Directors Meeting  
**1st Quarter Results**  
Friday, January 24, 2025



Board of Directors Meeting  
**2nd Quarter Results**  
Monday, May 26, 2025



Board of Directors Meeting  
**3rd Quarter Results**  
Monday, July 21, 2025



Board of Directors Meeting  
**Annual Results**  
Wednesday, December 24, 2025



**57<sup>th</sup> Annual  
General Meeting**  
Wednesday, January 28, 2026





## Governance Framework

### The Legislative and Regulatory Environment in which the Organization Operates

The JSML is registered in with SECP and listed at PSX. Therefore for the purpose of legislative and regulatory compliance JSML strictly follow:-

- a) Companies Act, 2017
- b) PSX Rule Book
- c) CCG 2019
- d) Sugar Factories Control Act 1950

Further, JSML is a member of the Pakistan Sugar Mills Association.

### Justification for Independence of Independent Director:

Mr. Muhammad Aamir Beg  
Mr. Jawad Ur Rehman Khan  
Ms. Faiza Iftikhar

As per requirements of Companies Act, 2017 and Code of Corporate Governance 2019, it is mandatory that each listed company shall have at least two or one third members of the Board, whichever is higher, as independent directors.

Independent director is a director; who is not connected or does not have any other relationship, whether pecuniary or otherwise, with the Company etc. and can be reasonably perceived as being able to exercise independent business judgement without being subservient to any form of conflict of interest. At JSML there is an appropriate mix of individuals as independent directors to ensure that there is an overall adequate level of knowledge and expertise for independent directors to effectively carry out their role and functions. All of the Independent directors meet the requirements of Companies Act, 2017.

### Role and Responsibilities of Chairman and Chief Executive Officer

Pursuant to the provisions of section 192(2) of the Companies Act 2017, the Board of Directors of Jauharabad Sugar Mills Limited has designated separate persons for the positions of the Chairman of the Board of Directors and the office of the Chief Executive Officer with clear division of roles and responsibilities. Following is the brief comparison of roles of the Chairman & the Chief Executive Officer.

#### Chairman

The Chairman of the Board has the responsibility to lead the Board and ensure its effective functioning and continuous development. More specifically, the duties and responsibilities of the Chairman are as follows:

1. Acting as a liaison between management and the Board, through the CEO;
2. Ensuring that the Directors are properly informed with sufficient information to enable the Directors to form best and informed decisions;
3. Preparing the review report (to be included with the annual financial statements) on the overall performance and effectiveness of the Board of Directors;
4. Developing and setting the agendas and acting as Chair at meetings of the Board;
5. Ensuring that all relevant information has been made available to the Board;
6. Ensuring that the agenda, notice of meeting along with all relevant material were circulated within stipulated time and the minutes of the Board meetings are kept in accordance with applicable laws;
7. Safeguarding shareholders' interest in the Company;
8. Issuing the letter to the directors at the commencement of each three-year term of the Directors setting out their role, obligations, powers and responsibilities;
9. The chairman ensure that the Board of Directors remains effective in its tasks of setting and implementing the Company's direction and strategy;

10. Develop the agenda and presiding as chairman at every General Meeting of the Company;
11. Recommending to the Board, after consultation with the Directors and management, the appointment of members of the Committees of the Board etc.

## Chief Executive Officer

The CEO is primarily responsible for the management of the Company and its procedures in financial and other matters, subject to the oversight and directions of the Board, in accordance with the Companies Act, 2017. In such capacity the CEO's role and responsibilities include;

12. Planning, formulating and implementing strategic policies;
13. Ensuring the achievement of productivity and profitability targets and efficient Company operations;
14. Ensuring that necessary coordination exists between various departments of the Company to achieve smooth operations;
15. Ensuring that the Company's interests and assets are properly protected and maintained and all the required Government obligations are complied with in a timely manner;
16. Maintaining a close liaison with the Government, customers, suppliers and sales offices;
17. Ensuring proper functioning of the Management Committees of the Company of which he is the chairman;
18. Preparing and presenting personally to the Board of Directors reports such as annual business plan, cash flow projections and long term plans, budgets along with variance analysis etc.

The CEO of the Company is to whom all Business and Functional heads directly or indirectly report and is responsible for presentation of the Company's aims and policies to the Government and all stakeholders.

## How the Board Operates and the Matters Delegated to the Management

At the time of appointment of director, the Chairman of the Board communicates a complete set of document of roles, responsibilities and powers as director of the Company. These roles, responsibilities and powers are in accordance with the provisions of applicable and relevant laws.

At JSML the responsibility of management to conduct the routine business operations of the Company in an effective and ethical manner in accordance with the strategies and goals as approved by the Board and to identify and administer the key risks and opportunities which could impact the Company in the ordinary course of execution of its business. Management is also responsible in keeping the Board members updated regarding any changes in the operating environment. It is also the responsibility of management, with the supervision of the Board and its Audit Committee, to prepare financial statements that fairly present the financial position of the Company in accordance with applicable accounting standards and legal requirements.

## Diversity in the Board

The Board of Directors form one of the pillars of a corporate governance framework and over the years, Regulators have placed great emphasis on addressing different matters relating to Diversity on the Board.

Diversified board members are more likely to possess different personal characteristics, which lead to dissimilar leadership, thinking, professional styles and even risk preferences and behaviors. This also provide a more comprehensive oversight to the operations of the Company through a further enhancement of the Company's sensitivity to a wider range of possible risks such as reputation and compliance risks. Diverse board of directors must include a variety of perspectives, skills, ages, genders, cultures, and ethnicities to achieve success. At JSML, we have female representation on the Board along with members who are 'financial literate' and experienced in different industries / sectors.

## Presence of the Audit Committee Members and Chairman at the AGM

Shareholders are invited to all General Meetings and are encouraged to share their concerns and queries. The chairman, certain members of the Board, Chief Executive and other senior management personnel were present at the General Meetings held during the year, to address all concerns and queries raised by the shareholders regarding the financial statements for the year ended 30 September 2024 and Audit Committee's activities and matters within the scope of the Committee's responsibilities.

## Selection of Chairman and Non-Executive Director

No external search consultancy was used for the selection and appointment of the Chairman or any other non-executive directors on JSML's Board.

## Chairman's Significant Commitments and any Changes Thereto

Mr. Muhammad Aamir Beg is serving Jauharabad Sugar Mills Limited as the Chairman of the Board. Apart from his associations as mentioned in Directors' profile, he does not have any significant commitment.

## ERP to Meet Modern Business Essentials

JSML always made sure to match the pace of technological advancement. The Company has an integrated information management system and a stable ERP platform which is able to manage and integrate the functions of core business processes/modules like finance, HR, supply chain and inventory management in a single system. System Analysis and Resource Planning (SARP) software especially designed for sugar sector industry has been implemented within the Company. As far as cost efficiency is considered, it brings together all the analytical and transactional capabilities of a variety of systems onto one location. This enhances the decision making process immensely.

Management of JSML is always concerned about the improved technology and the ERP system of the company is upgraded and reconfigured from time to time as per the changing needs of the company and regular trainings for the staff are conducted internally and outsourced where needed.

The Company had always engaged renowned consultant for its ERP project as per need to manage the control risks and proper guidance to relevant staff where needed. Moreover, there is a robust policy in place for the security of control system; which define the limits of authority, powers and segregations within system to safeguard the sensitive data.

The company is well aware and wants to stay ahead of the curve and make decisions that are future ready as the technology is evolving rapidly therefore keeps the system updated.

## External Oversight on Our Function:

To enhance credibility of internal controls and systems, we have audited and Certified for continued satisfactory operation of the Organization's Management System ISO 9001:2015 and Certificate of continued satisfactory Food Safety operations - FSSC 22000 Version 5.1 by a reputable professional service organization Bureau Veritas and special external specialist are also appointed by the Company who are experts in providing services to enhance credibility of internal control systems.

## Governance Practices Exceeding Legal Requirements

19. Implementation of Directors' Training Program ahead of prescribed timeframe;
20. Implementation of aggressive Health, Safety and Environment Strategies to ensure safety of employees, equipment and surrounding communities;
21. Implementation of various Environmental friendly projects for welfare of the community as part of its Corporate Social Responsibility;
22. Ensured that all material information is communicated to the PSX, the SECP and the Company's shareholders as soon as it becomes available mostly before the deadlines set out by the laws;
23. Disclosure of various financial analysis including ratios, reviews, risk matrices and graphs etc. in the Annual Report;
24. Disclosure of forward looking information, governance practices, history of financial information and its graphic presentation.

# Report of the Audit Committee

Chairman: Mr. Jawad Ur Rehman Khan

Member: Mr. Muhammad Aamir Beg

Member: Mr. Amjad Javed Aftab

The Audit Committee of the Company comprises of one Non-Executive Directors and two Independent Non-Executive Director including the Chairman of the Committee. The Head of Internal Audit attends Audit Committee meetings. The Chief Executive Officer and Chief Financial Officer attend Audit Committee meetings by invitation. The Audit Committee also separately meets the external auditors at least once in a year without the presence of the Management.

The Chairman to the committee has attended all the meetings and replied all queries to the members.

Meetings of the Audit Committee are held at least once every quarter. Four meetings of the Audit Committee were held during the year 2023-2024. Based on reviews and discussions in these meetings, the Audit Committee reports that:

1. The Company has issued a Statement of Compliance with the Code of Corporate Governance which has also been reviewed and certified by the auditors of the Company.
2. The Audit Committee reviewed and approved the quarterly, half yearly and annual financial statements of the Company and recommended them for approval of the Board of Directors. Further, the financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017, and applicable International Accounting Standards and International Financial Reporting Standards notified by SECP.
3. The Audit Committee has reviewed and approved all related party transactions.
4. The Audit Committee takes into account any feedback from the Board of Directors and incorporates for improvement.
5. There were no whistle-blowing incidence reported to the Audit Committee current year.

## Internal Audit and Risk Management

1. For appraisal of internal controls and monitoring compliance, the Company has in place an appropriately staffed, Internal Audit department. The Audit Committee reviewed the resources and performance of the Internal Audit department to ensure that they were adequate for the planned scope of the Internal Audit function. Head of Internal Audit Department has direct access to the Audit Committee.
2. An Internal Audit Risk Assessment document is submitted to the Audit Committee and based on that an Audit Plan is prepared to mitigate the risks involved in the Company's operations. Further, on the basis of this plan, audits are conducted and reports are submitted. The Committee on the basis of the said reports reviews the adequacy of controls and compliance shortcomings in areas audited and discuss corrective actions in the light of management responses. Regular follow ups of these reports are also taken. This ensures the continual evaluation of controls and improved compliance. Minutes of Audit Committee meetings are timely circulated to the Board of Directors.
3. For continuous improvement of internal controls, the Committee also discussed the internal controls and the management letter with the external auditors.

## External Audit

1. The external auditors M/s. UHY Hassan Naeem & Co. Chartered Accountants were allowed direct access to the Audit Committee and necessary coordination with internal auditors was ensured. Major findings arising from audits and any matters that the external auditors wished to highlight were freely discussed with them.
2. The Audit Committee has reviewed and discussed with the external auditors and management, all the Key Audit Matters and other issues identified during the external audit along with the methods used to address the same.
3. Being eligible for reappointment as Auditors of the Company, the Audit Committee has recommended the appointment of M/s. UHY Hassan Naeem & Co. Chartered Accountants as External Auditors of the Company for the year ending September 30, 2024 as it is one of the reputable audit firm and has thorough knowledge of the Company's business and industry due to long association with the Company.
4. The Company also obtains taxation related services from M/s. UHY Hassan Naeem & Co. Chartered Accountants as it is one of the reputed firm in provision of said services and has sound professional policies and procedure to ensure compliance of independence.



Chairman

Mr. Jawad Ur Rehman Khan

Dated: December 24, 2024

# Notice of 56<sup>th</sup> Annual General Meeting

Notice is hereby given that the Fifty Sixth (56th) Annual General Meeting (AGM) of the members of Jauharabad Sugar Mills Limited (the "Company") will be held on Tuesday, January 28, 2025 at 11:00 a.m., at its Register Office 125-B, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore to transact the following business:

## Ordinary Business

1. To receive, consider and adopt the audited annual financial statements of the Company for the year ended September 30, 2024 together with Auditors' Reports and Directors' and Chairman's Review Report thereon.
2. To appoint Auditors for the next financial year ending September 30, 2025 and to fix their remunerations. M/S UHY Hassan Naeem & Co., Chartered Accountants, being eligible, have offered themselves for re-appointment.
3. To transact any other business with the permission of the chair.

By order of the Board




Al Yousuf  
Company Secretary

January 06, 2025  
Lahore

Note:

1. The Annual Audited Financial Statements of the Company for the year ended September 30, 2024 along with Auditors' and Directors' Report and Chairman's Review Report thereon have been placed on the Company's website: [www.jsml.com.pk](http://www.jsml.com.pk), which can be downloaded/ viewed from the following QR code and weblink:

Weblink	QR Code
<a href="https://www.jsml.com.pk/index.php/financial-reports/">https://www.jsml.com.pk/index.php/financial-reports/</a>	

2. The share transfer books of the Company will remain closed from January 21, 2025 to January 28, 2025 (both days inclusive). Transfer received in order by the Company's Share Registrar, M/s Corplink (Private) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore up to the close of business on January 20, 2025 will be treated in time for entitlement to attend the Meeting.
3. A member entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signature of the representative shall be submitted along with Proxy Form of the Company. Proxies, to be affective, must be received at the registered office of the Company 48 hours before the time of holding of the meeting.
4. Those members who have deposited their shares with the Central Depository Company of Pakistan Limited (CDC) are requested to bring their original CNIC, Account and Participation's Numbers. Such members will further have to follow the guidelines as laid down in the Securities and Exchange Commission of Pakistan's Circular No. 1 dated January 26, 2000.
5. The members should quote their folio number in all correspondence with the Company and at the time of attending the Annual General Meeting.
6. Members are requested to notify the change of their registered addresses, Zakat Declaration, and tax exemption status, if any, duly accompanied with its valid certificates, immediately to Company's Share Registrar.
7. The Corporate members having CDC account are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical members should send a copy of their NTN certificate to the Company's Share Registrar.
8. Section 244 of the Companies Act 2017 requires that any Shares/Dividend that remain unclaimed for a period of three years (or more) are to vest with Federal Government. The law requires the Company to deposit any unclaimed or unpaid amount to the credit of the Federal Government, if no claim is made before the Company after giving due notices to the shareholders. Through this notice all shareholders who by any reason could not claim their dividend or shares are advised to immediately collect / enquire about their unclaimed dividend or pending shares/modaraba certificate, if any, with Company's Share Registrar.

Name	CNIC	Folio Number	Contact No.	Email

9. Corporate Analyst Briefing Session as mandated by the Pakistan Stock Exchange according to its notification PSX/N-92 dated January 28, 2019 of Jauharabad Sugar Mills Limited will also be held at its register office 125-B, Quaid-e-Azam Industrial Estate, Kot Lakh Pat, Lahore on Tuesday, January 28, 2025 shortly after the completion of AGM. At the session performance and results for the year ended September 30, 2024 will be explained. The shareholders/investors and analyst, who are interested to attend the session through video link are requested to send their registration at [secretary@jsml.com.pk](mailto:secretary@jsml.com.pk) maximum by 26, January, 2025 at 5:00 p.m. by providing the particulars as follows:

10. Transmission of Annual Financial Statements through email.

The Securities and Exchange Commission of Pakistan vide SRO 787(1)/2014 dated September 08, 2014 has allowed companies to circulate annual balance sheet, profit & loss account, auditor's and Directors' reports and Chairman's Review Report along with notice of annual general meeting to its members through email. Members who have provided their email addresses are being sent the same by email. Members who have not provided their email addresses and wish to avail this facility may send their consent along with email address to the Company. Hard copies of the annual audited accounts will be provided on demand.

11. In accordance with section 132(2) of the Companies Act, 2017, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 7 days prior to date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. The Company will intimate to such shareholder's information regarding venue of video conference facility at least 5 days before the date of the Annual General Meeting to enable them to access to such facility.

12. Deposit of Physical Share into CDC Account:

As per Section 72 of the Companies Act, 2017, the Company is required to replace its physical shares into book-entry form. To ensure full compliance with the provisions of Section 72 of the Companies Act, 2017 and to be benefitted of the facility of holding shares in the Book-Entry-Form, all such members/ shareholders who still hold shares in physical form, requiring them to convert their shares in the Book-Entry-Form.

The Company has placed the notice of AGM along with form of proxy in English and Urdu languages on its website: [www.jsml.com.pk](http://www.jsml.com.pk).

## Directors' Profile



### Mr. Syed Anwar Hussain Shahid

Chief Executive

Syed Anwar Hussain Shahid is a renowned Sugar Technologist having a vast experience of forty one years in the erection and commissioning sugar plants, Technical Supervision indecision about plant expansion, equipment selection and project exposure. He has remarkable success in running sugar plants by introducing Talo Refinery Process, implementing technological development and modification. He is responsible for overseeing technical matters of JSML sugar operations.



### Mr. Muhammad Aamir Beg

Chairman/Independent Director

Muhammad Aamir Beg has thirty seven years of practical experience in the fields of Marketing and new projects development. He is a qualified M.B.A from Liverpool University, England in 1981. He has received certification as project management professional. He has successfully introduced new pioneering trends in the country in the fields of tractors, agricultural equipment, and container glass for the food, beverages and pharmaceutical industries, product packaging industries.



### Mr. Ghias-ul-Hasan

Non-Executive/ CPPL Nominee Director

Mr. Ghias ul Hassan is an entrepreneur with forty four Years' experience, has led number of businesses in Pakistan including Manufacturing, Trading and Advertising. His work experience and Managerial ability is one of the key success factors for the Company His capabilities and competencies will help to apply Strategy, Good Governance, Leadership in Managing the Company as well as to safeguard the Shareholder's interest in the business.



## Mr. Amjad Javed Aftab

Non-Executive/CPPL Nominee Director

He is a seasoned expert of sugar manufacturing process. Professional engineer of PEC & Member of Chemical Institute of Engineers, Pakistan. He is serving sugar industry for last thirty five years in key positions and achievements include Plant Installation & Commissioning, Energy Audits, Planning & Administration. Besides this, he is an Executive Body member of PSST. He has affiliation and certification from ISO making him more capable and proficient in his profession.



## Mr. Saif-ur-Rehman

Executive/CPPL Nominee Director

He is an Electrical Engineer and having thirty years Electrical & MEP Engineering Experience in Sugar Industries, Power Plant, Distillery, Textile, Dairy Plant and High Rise Buildings including Plant installation, Commissioning, Operation & Maintenance. He has Certification from ISO, SKF Bearing Training workshop, PLC & DCS. Member of PSST. Executive Engineering Head of different Industries and Buildings Projects for more than two decades.



## Mr. Jawad ur Rehman Khan

Independent Director

He is a qualified Fellow member of the Association of Chartered Certified Accountants (FCCA) with diverse experience across both national and multinational organizations. He possesses a broad skill set in business management, financial management and restructuring, as well as corporate administration.



## Ms. Faiza Iftikhar

Independent Director

Ms. Faiza Iftikhar holds M.Phil degree in education & development studies and has a diversified working experience of more than eight years with various organizations in human resource, organization restructuring and actively participate in development and execution of business plans



## Chairman's Review

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

I am honored to present the Chairman's Review for the fiscal year ending September 30, 2024, on behalf of the Board of Directors. This report offers a comprehensive analysis of Jauharabad Sugar Mills Limited's (JSML) performance, strategic initiatives, and the steps taken to navigate the challenges posed by Pakistan's current economic conditions.

The year under review was marked by a complex and volatile economic environment in Pakistan. The country faced persistent challenges, including high inflation, fluctuating foreign exchange rates, rising energy costs, uncertain government policies, and supply chain disruptions. These macroeconomic headwinds tested the resilience of businesses across various sectors. However, JSML remained steadfast in its commitment of delivering value to its stakeholders, navigating these testing times with adaptability and prudent resource management.

The Board of Directors, in alignment with JSML's vision and mission, remained focused on achieving sustainable growth and enhancing shareholder wealth. Our strategic direction emphasized diversification, operational efficiency and innovation, enabling us to maintain our competitive edge in the sugar industry. In the area of operational efficiency, we have invested in latest technologies and process improvements to optimize our production processes, reduce energy consumption, and improve yield. These measures have contributed to our improved financial performance and enhanced our environmental sustainability.

JSML achieved commendable financial performance during the year, recording a notable 13.29% increase in revenue compared to the previous year. This accomplishment is particularly significant given the challenging circumstances faced by the sector, which grappled with maintaining stability amid fluctuating market conditions and economic uncertainties. This success reflects our ability to adapt to market dynamics, maintain vigilance in responding to opportunities, and sustain profitability through optimized production processes, consistent sugar recovery rates, and well-executed strategic marketing initiatives. Beyond financial achievements, our efforts have also generated meaningful economic value for the communities in which we operate. This includes creating job opportunities, contributing to tax revenues, and supporting a range of social welfare programs aimed at uplifting local communities.

The Board takes immense pride in upholding a robust governance framework that ensures transparency, accountability, and compliance with all applicable laws and regulations. JSML has consistently adhered to the principles of the Company Act, 2017 and Code of Corporate Governance (CCG), demonstrating our unwavering commitment to ethical practices and sound corporate management.

Effective risk management has remained a fundamental pillar of our governance strategy. The Board has consistently reviewed and refined our risk management framework to address emerging challenges and ensure the continuity of our business operations. These guiding principles have shaped our strategic priorities and business operations, enabling us to navigate the challenges and seize new opportunities. Enhancing internal controls has been a key focus, aimed at protecting assets, preventing fraud, and maintaining the accuracy of our financial reporting. To further reinforce our governance practices, the Board has established independent committees, including the Audit Committee, Human Resource & Remuneration Committee, Nomination Committee and Risk Management Committee, ensuring a robust and transparent governance structure that aligns with the highest standards of corporate accountability.

In accordance with Section 192 of the Companies Act, 2017, the Board conducted its annual self-assessment. The evaluation affirmed that the Board effectively discharged its responsibilities, contributed to strategic decision-making, and maintained high standards of governance. This process provided valuable insights, reinforcing our commitment to continuous improvement and enhancing the Board's effectiveness.

We are proud of the diverse composition of our Board, which brings a rich blend of expertise, perspectives, and experiences. This diversity has been instrumental in driving effective decision-making, fostering innovation, and ensuring a balanced consideration of stakeholder interests.

JSML is firmly committed to identifying new opportunities for growth and innovation to strengthen our position in the market. In addition to our financial successes, we remain focused on generating tangible economic value for the communities in which we operate. Our efforts will center on creating job opportunities, contributing to tax revenues, and supporting a variety of social welfare programs designed to enhance the overall well-being of society.

Lastly, I would like to express my sincere gratitude to all our stakeholders, including employees, shareholders, customers, suppliers, and regulatory authorities, whose invaluable contributions and steadfast support have been essential to our success. Their trust and confidence in JSML have been key drivers behind our accomplishments.



*Muhammad Aamir Beg*

Muhammad Aamir Beg  
Chairman  
Lahore  
Dated: 24 December, 2024

ORGANIZED BY

THE PROFESSIONALS



Mr. Syed Anwar Hussain Shahid  
Chief Executive



## Directors' Review Report

In the name of Allah, The Most Gracious, The Most Merciful. The Directors of the Company are pleased to submit the Annual Report, inclusive of the audited financial statements, for the financial year ending September 30, 2024.

### Global Economy

The global economy continues to grapple with enduring challenges arising from intensified geopolitical tensions, increasing geoeconomic fragmentation, and the prolonged impact of monetary policies designed to control inflation. High levels of sovereign debt have led to the withdrawal of fiscal support in many countries, exacerbating economic vulnerabilities. Additionally, extreme weather events linked to climate change are disrupting food production and energy supplies, driving up prices and creating inflationary pressures. These global issues are mirrored by domestic challenges such as soaring production costs, inconsistent energy availability, and unpredictable weather patterns compromising crop yields and sectoral sustainability. Strategic interventions are crucial to mitigate risks and promote long-term growth in the industry.

### Domestic Economy

Pakistan's economy continues to face significant challenges, including persistent fiscal deficits, high public debt, elevated inflation, and external account imbalances. The exchange rate has depreciated to historic lows, exacerbating inflationary pressures and deterring foreign direct investment. The monetary policy rate remains elevated, constraining credit availability and contributing to a widespread working capital shortage. Economic growth has been apathetic, with downside risks remaining exceptionally high. In September 2024, the International Monetary Fund (IMF) approved a 37-month Extended Fund Facility (EFF) for Pakistan, amounting to approximately US\$7 billion. This arrangement aims to support economic stabilization and implement structural reforms. These substantial debt obligations strain foreign exchange reserves and necessitate stringent import controls, hindering economic recovery. Food inflation, driven by climatic shocks and rising global agrarian product prices, remains a major contributor to the higher Consumer Price Index (CPI). Ensuring stable and affordable food and energy supplies is critical to fostering economic stability and growth in this challenging environment.

### Sugar Industry

Sugar prices remained depressed throughout the year, and the allocation of a restricted export quota further undermined the industry's profitability. In addition, delays in government export decisions exacerbated market instability, leading to significant losses across the sector. Ethanol prices remain weak on the international market, which is expected to reduce the potential revenue contribution from this by-product in 2024-25. For the upcoming season, the Government has not issued a notification for the minimum support price for sugarcane and instead a fair market value based on the prevailing market price is being permitted that could facilitate balanced rewards for both farmers and the industry.

This year, as per Economic Survey of Pakistan 2023/24, agriculture sector contributed 24 percent towards the national GDP growth rate. Sugar industry being the second largest argic-based industry posted 1.55 percent growth towards agriculture sector's contribution in the overall GDP growth of the country. Sugar production accounts for 3.5 percent of agriculture's value addition, 0.8 percent of GDP and alone remained the major source of employment in agricultural labor.

In this crop year, sugarcane was cultivated on approximately 1,250 thousand hectares of land [CY2022/23: 1,319 thousand hectares], showing a decrease of 5.23 percent, resulting in an estimated production of 83,500 million metric tons decrease by approximate eight percent YOY basis. Crushing season 2023-24 turned-out to be a challenging one as, for the last two consecutive years, the Government of Punjab had sharply increased the minimum support price [MSP] of sugarcane by thirty-three [33] percent to Rs. 400 per maund [CY2022/23: Rs. 300 per maund], The sector's per maund cost of sugarcane for season 2023-24 was still significantly above the MSP which was not reflected in the year's selling prices resulting in losses for the sector

Sugar production for this year remained close to 6.85 million tons, roughly equating last year's production of 6.73 million tons. The Government of Pakistan this year has already sanctioned 7.90 million tons of sugar for exports. Furthermore, the [PSMA] has recommended the Government of Pakistan for export of

approximately 0.4 million metric tons of sugar during the 2024-25 crushing season. This decision is expected to contribute significantly to the country's foreign exchange earnings, as domestic production is projected to surpass the average consumption levels of sugar in Pakistan in recent years. The Company is closely monitoring the whole situation and is hopeful to successfully manage through the present scenario.

#### Operational Review

Principle activities of the Company during FY2023/24 remained unchanged i.e., manufacturing and sales of sugar and its allied products. The Company had started crushing season on 25th November 2023 [FY2022/23: 25th November, 2022] in compliance with the directives issued by the Government of Punjab. The comparative summarized operating result of your mills for the FY2023/24 are as follows:

Description	Units	FY 2023/24	FY 2022/23	YOY Change
Working Days	Days	103	103	0.00%
Sugarcane Crushed	M. Tons	657,997	651,476	1.00%
Sugar Produced	M. Tons	64,874	64,198	1.05%
Sugar Recovery	Percentage	9.86%	9.86%	0.00%
Sugar Sold - Domestic	M. Tons	57,712	67,210	(14.13%)
Sugar Sold - International	M. Tons	1,424	2,487	(42.74%)
Sugar Sold - Total	M. Tons	59,136	69,697	(15.15%)
Sugar Closing Stock	M. Tons	24,020	18,282	31.39%
Molasses Produced	M. Tons	26,450	29,630	(10.73%)
Molasses Recovery	Percentage	4.02%	4.55%	(11.65%)

During the current fiscal year, the Company's operated for 103 days, equal days as previous year. Despite the challenges, the Company achieved an average daily crushing of 6,388 metric tons of sugarcane, reflecting a 1 percent increase compared to the previous fiscal year [CY2022/23: 6,325 metric tons]. The enhanced daily crushing can be attributed to efficient milling practices, prompt payment to sugarcane farmers, and the longstanding trust cultivated with growers over the past decade.

The production of white refined sugar stood at 64,874 metric tons, 1.05% increase from the previous year [CY2022/23: 64,198 metric tons]. Additionally, the Company produced 26,450 metric tons of molasses, showing a decline in the recovery rate of 11.65 percent compared to the previous year [CY2022/23: 29,630 metric tons].

During the reported financial year, the Company has undergone a significant transformation by embracing automation in its plant operations. This strategic shift towards automation involved substantial capital investment, amounting to Rs. 702 million. Among the various capitalization initiatives, several upgrades have been implemented to enhance operational efficiency and technological capabilities. Few major additions include refurbishment of mills, addition in solar energy conservation project, RO Plant for water treatment and economizer to improve efficiency of bagasse based power plant.

#### Financial Performance

The Comparison of the key financial results of your organization for the year ended as of 30 September 2024 is as follows:

Description	FY2023/24	FY2022/23	YOY Change
	Rs in "000"	Rs in "000"	Percentage
Sales - Net	7,996,452	6,925,893	15.46%
Cost of Sales	6,987,145	5,851,908	19.40%
<b>Gross Profit</b>	<b>1,009,306</b>	<b>1,073,985</b>	<b>(6.02%)</b>
Selling and Distribution Expenses	24,166	29,748	(18.77%)
Administrative and General Expenses	237,693	211,487	12.39%
<b>Operating Profit</b>	<b>747,447</b>	<b>832,749</b>	<b>(10.24%)</b>
Other Operating income	168,240	(6,375)	2739.06%
Financial Cost	949,094	560,136	69.44%
<b>Profit Before Tax</b>	<b>(33,406)</b>	<b>266,238</b>	<b>(112.55%)</b>
Taxation	35,286	(54,005)	165.34%
<b>Profit After Tax</b>	<b>1,880</b>	<b>212,233</b>	<b>(99.11%)</b>
<b>Earnings Per Share (Rs. /Share)</b>	<b>0.06</b>	<b>6.22</b>	<b>(99.04%)</b>

During the year, the Company achieved a topline of Rs. 7,996 million, [FY2022/23: Rs. 6,926 million], reflecting a year-over-year (YOY) increase of 15.46%. The Topline growth of Rs. 1,071 million was driven by liquidation of 62.97% [FY2022/23: 71.52%] of total sugar stocks. The cost of sales rose to Rs. 6,987 million, up from Rs. 5,852 million in the previous year, marking a YOY increase of 19.40%, primarily due to higher sugarcane prices. Consequently, the gross profit declined by 6.05% to Rs. 1,009 million, compared to Rs. 1,074 million in [FY2022/23]. The Company has recorded bottom line of Rs. 1.8 million [FY2022/23: Rs. 212 million] during this year. Earnings per share for the current financial year remained Rs. 0.06 against Rs. 6.22 in last financial year. Further, during the reporting period 2023-24, the domestic sugar market experienced significant price volatility, with prices declining steadily from the season through the post-season. This downward trend affected the Company's revenue streams.

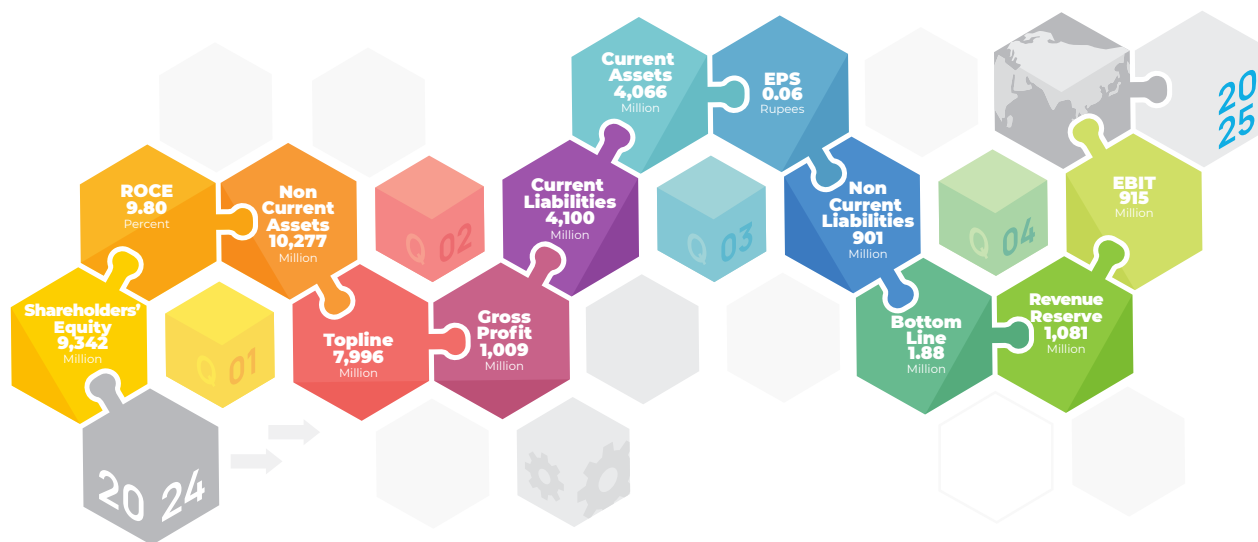
### Future Prospects

Going forward, the industry has entered the crushing year 2024/25 with carryforward stocks, lack of working capital, higher cost of funds, lower yield and sucrose recovery. As per the Ministry of National Food Security and Research on Pakistan's sugar, the forecast is of 6.8 million tons of sugar production for CY2024/25 along with negligible carry forward sugar stocks from CY2023/24. The current production will be sufficient to meet the historic annualized domestic demand of the country. Strategic reserves and pilferage/ market distortion factors are not considered which may create surplus of sugar that may needs to be exported.

The Company aligned with its vision to improve mills efficiency is continuously investing in BMR and maintenance of the plant. Going forward the Company has planned to focus on corporate and retail segment under its marketing strategy. To bring diversification in revenue stream, the Company is focusing to enhance share of by-products to topline and is exploring avenues to export surplus power in absence of EPA with FESCO.

### Credit Rating

Credit rating is an assessment of the credit standing of entities in Pakistan. PACRA has its primary function to evaluate the capacity and ability of an entity to honour its debt obligations. During the year, Pakistan Credit Rating Agency (PACRA) maintained entity ratings of the Company as "BBB+" with respect to long-term bank facilities and "A2" with respect to short-term bank facilities. These ratings denote a low expectation of credit risk and indicate satisfactory capacity for timely repayment of financial commitments. The Company is current with all its short-term obligations. Currently the Company has no long-term obligation as of reporting date.



### Growth

The Company has consistently pursued excellence, prioritizing maximum returns for its stakeholders. Over the past decade, a significant turnaround has occurred, reshaping the approach to rewarding stakeholders.

In the current financial year, substantial investments have been made in upgrading machinery. Anticipating positive outcomes, particularly during the 2024/25 crushing season are expected to deliver improved results for all stakeholders.

### Dividend

For the financial year 2023/24, the Board has not recommend a dividend, as the Company was not able to generate sufficient profit during the year. This decision aligns with the Companies act 2017 and the board's commitment to maintaining financial stability and supporting long-term growth in challenging market conditions.

### Holding Company

Cane Processing (Pvt) Limited, a company registered in accordance with Pakistan's laws and headquartered in Lahore, functions as the holding entity for Jauharabad Sugar Mills Limited, holding a majority ownership of 63.66 percent of shares.

### Statutory Auditors and their Audit Report

UHY Hassan Naeem & Company, Chartered Accountants an "A" category firm included in the State Bank of Pakistan's panel of auditors, serve as the Statutory Auditors of the Company. They will continue in this role until the conclusion of the 56th Annual General Meeting scheduled for 28th January 2025. The Auditors' report on the Financial Statements of the Company for the year ended September 30, 2024, forms part of this Annual Report. The report does not include any qualifications, reservations, adverse remarks, or disclaimers.

Being eligible for reappointment, they have expressed their willingness to continue as Auditors for the next financial year. Following a thorough review, the Audit Committee has recommended their reappointment, which has been endorsed by the Board of Directors for shareholders' approval at the forthcoming Annual General Meeting.

### Quantitative Shariah Screening Criteria Analysis:

The Company, considering the Securities and Exchange Commission of Pakistan (SECP) requirements in term of Shariah Governance Regulations, 2023 (the Regulations), engaged external Shariah advisory firm i.e. Saud & Sons Accountancy and Advisory (Private) Limited for the assessment of Shariah compliance by the Company. The results of analysis of shariah quantitative screening are as following;

Description	Minimum Acceptable Bench Mark	FY 2023	FY 2024
Interest Bearing Debt to Total Asset Ratio	<37%	6.64%	18.84%
Non Shariah Compliant Investment to Total Asset Ratio	<33%	0.12%	0.10%
Non Shariah Compliant Income to Total Revenue Ratio	<5%	0.02%	0.09%
Illiquid Asset to Total Asset Ratio	=>25%	95.13%	93.24%
Market Price Per Share	=> Net Liquid Asset Per Share	16.25	21.85

Thereto the Company has shown satisfactory behavior in terms of shariah screening criteria for the year 2024 as all the required bench marks are within maximum acceptable quantitative tolerance level.

Going forward the Company is advised to proceed for shariah compliant certificate from SECP as per their notice circulated vis SECP/IFD/SCC/2023/351 and in accordance with the Regulations.

### Human Resources

The Company continued to create a productive, learning environment by implementing robust and comprehensive HR processes, fair transparent performance evaluation and taking new initiatives to further align its Human Resource policies to meet the growing needs of its business.

### Change in the Nature of Business

During the year, there was no material change in the nature of the business of the Company.

### Particulars of Loans, Guarantees or Investment

Details of Loans, Guarantees and Investments covered under the provisions of the Companies Act, 2017 are given in the notes to Financial Statements forming part of this annual report.

### Internal Financial Control

The Company's Internal Control system with reference to the financial statements are adequate and commensurate with the nature of its business and the size and complexity of its operations. Periodic Audits and checks are conducted along with the controls to prevent, detect and correct irregularities in the operations have been laid down by the Company.

### Management Discussion and Analysis

The Management Discussion and Analysis Report on the operations of the Company, as required under SECP (Listing Obligations and Disclosure Requirements) is provided in a separate section and forms an integral part of this report.

### Governance of Risk and Internal Control

The Company has a Risk Management Committee to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

### Going Concern

These financial statements are prepared on going concern basis and there is no concern on Company's ability to continue as Going Concern.



### Significant Plans and Decisions

In the near future, there are no plans for any restructuring or discontinuance of operations except for the routine update of production capacities at the manufacturing site of the Company.

### Qualification of CFO and Head of Internal Audit

The Chief Financial Officer and the Head of Internal Audit possess the requisite qualifications and experience as prescribed in the code of Corporate Governance.

### Insider Tradings

The Board has formulated a policy strictly prohibiting insider trading, in compliance with the relevant listing regulations in Pakistan. Throughout the financial year, none of the directors, CEO, CFO, Head of internal audit, and Company Secretary engaged in any trading of the Company's shares.

### Risk Analysis and Mitigation Techniques

As an agricultural industry, sugar mills face additional risks affecting the performance of production processes derived from raw materials due to their seasonal, perishable, bulky, and diverse quality. Therefore, risk management becomes very important. The purpose of this study was to identify, analyze, and define risk mitigation strategies.

### Availability of Sugarcane

The sugar industry faces significant challenges, including the availability of sugarcane, regulatory risks, sugar pricing, and competition among neighboring mills. Sugarcane is the primary raw material, and any disruptions in its timely procurement can adversely affect operations. Factors influencing cane availability include climatic conditions, labor shortages for harvesting, and farmers opting for alternative crops.

Despite this growth, challenges persist. The cost of production for the 2023-24 crop year increased by 12% driven by higher land rents, seed prices, labor costs and rising rates of fertilizers and pesticides. To ensure a consistent supply of quality sugarcane, the Company prioritizes strong relationships with cane growers. Support initiatives include assistance with mechanical and manual harvesting, and the introduction of improved cane varieties. Financial support and timely payments for supplies are also provided. Furthermore, the Company offers transportation services to facilitate the delivery of cane to the mill yard.

These collaborative efforts aim to secure a reliable supply of sugarcane, thereby mitigating risks associated with its availability and contributing to the Company's operational stability.

### Revenue Concentration

Focusing extensively on a singular business segment exposes the company to inherent risks within that specific sector. In order to mitigate these risks, the company adopts a strategic approach by pursuing diversified activities within the current scope of overall management. This decision is based on a comprehensive assessment of the pros and cons associated with each activity. Such a strategy is consistent with the Company's policy, which seeks to enhance business volumes while keeping exposure to undue risks at a minimum.

### Inflation and Cost Structure

The cost of revenues primarily comprises raw materials such as sugarcane, chemicals, stores, repairs and maintenance, and finance costs. Recognizing the inherent inflationary pressures associated with these inputs, the Company has implemented specific procurement policies for sugarcane and allied materials essential for manufacturing to mitigate risks effectively.

At Jauharabad Sugar Mills, cost optimization and reduction initiatives are a strategic priority at the organizational level. These initiatives are rigorously monitored through a budgetary control mechanism, with regular reviews comparing budgeted figures against actual performance. This approach ensures alignment with the Company's financial model. A strong emphasis on cost management has been instilled across the organization, fostering a culture that prioritizes cost reduction and control as key drivers of operational efficiency and financial sustainability.

### Government Policies and Impacts

Provincial government regulates the sugarcane policies and it has a larger control on this industry by determining the raw material price and also influence the sugar mills operational commencement through various statutes. The Federal government regulates the export of sugar. Hence, a sugar company's credit risk profile is vulnerable to government policies. These policies influence cost of production of sugar through regulated sugarcane pricing and revenue through its regulated export / import permissions. However, the management diligently comply with relevant regulations for smooth operations and business growth.

### Legal Risk

Legal risk is the risk in which the Company is exposed to legal action As the Company is governed by various laws and the Company has

to do its business within four walls of law, where the Company is exposed to legal risk exposure.

The Company has an experienced team of professionals, advisors who focus on evaluating the risks involved in a contract, ascertaining our responsibilities under the applicable law of the contract, restricting our liabilities under the contract, and covering the risks involved so that they can ensure adherence to all contractual commitments.

#### Board of Directors and its Committees

The Board of Directors of the Company as of September 30, 2024, consists of:

Total Number of Directors:	
Male	05
Female	01

#### Board Composition

The composition of board of the director is as follow;

Executive Directors	02
Independent Directors	02
Non-Executive Directors	02
Female Directors	01

The names of the directors as at September 30, 2024 are as follows;

Sr. No.	Director	Category	Meetings Attended
1	Mr. Syed Anwar Hussain Shahid	Chief Executive	4/4
2	Mr. Muhammad Aamir Beg	Chairman	4/4
3	Mr. Farhan Ilyas	Independent	4/4
4	Mr. Ghias-ul-Hassan	CPL Nominee/Non-Executive	4/4
5	Mr. Saif-ur-Rehman	CPL Nominee/Executive	4/4
6	Mr. Amjad Javed Aftab	CPL Nominee/Non-Executive	3/4
7	Ms. Faiza Iftikhar	Independent	4/4

Directors who were unable to attend the Board Meeting and had formally requested leave were appropriately granted leave of absence from the meeting by the Board in accordance with legal requirements.

#### Executive Director Serving Other Organization

No executive director concurrently holds a position as a non-executive director in any other company. Likewise, the Company does not remunerate any non-executive director for their service on the Board of Directors.

#### Director Training Program (DTP)

In terms of Regulation 19 of Chapter VI of the Code of Corporate Governance presently, six (6) directors of the Company have already acquired certification under the Director's Training Program. The remaining one (1) director shall obtain certification within stipulated time frame.

#### System Audit by External Specialist

The internal system is certified by bureau veritas, and special external specialist are also appointed by the Company who are experts in providing services to enhance credibility of internal control systems.

#### Security Clearance of Directors

All the director appointed by the Company are Pakistan national, the Company has a special policy for obtaining security clearance of each director before they are being elected by the members of the Company in a meeting called for the appointment of directors.

#### Meeting Held Outside Pakistan

All the meetings held during the year were held at the registered address of the Company in Pakistan.

#### Statement of Compliance

The Company has adhered to the Best Practices of Corporate Governance, as outlined in the Listing Regulations of the Pakistan Stock

Exchange, with no significant deviations noted for the fiscal year ending September 30, 2024.

#### Pattern of Shareholdings

Pattern of Shareholding of the Company in accordance with the Companies Act, 2017 and Code of Corporate Governance as of September 30, 2024, is annexed.

#### Performance Evaluation of CEO, Board of Directors and Committees of the Board

The evaluation of Board's role of oversight and its effectiveness is appraised by the Board itself. The main areas of focus are:

- Achieving corporate goals and objectives as defined in the Company's vision and mission statements.
- Strategy formulation and dissemination of directions to the management for sustainable planning and operation; and
- Evaluation of Board's Committees performance in relation to discharging their responsibilities as per defined TOR's.

The questionnaires have been designed considering pertinent criteria including effectiveness, accountability, planning, leadership, and strategy formulation by the Board and its committees. A distinct questionnaire for evaluating the Chief Executive Officer's performance has also been created. The assessment of the CEO's performance is conducted by the Directors. To enhance transparency, the Company intends to involve third-party Chartered Accountants to compile results and generate a report for the Board of Directors. However, the internal evaluation of the report's contents is conducted, identifying areas that necessitate improvement.

#### Audit Committee

As on date of this report, the Audit Committee include of three Directors, two of whom are independent directors, and one of them is non-executive director viz., Mr. Jawad Ur Rehman Khan Lodhi as Chairman, and Mr. Amjad Javed Aftab and Mr. Muhammad Aamir Beg as Members. The details of terms of reference of the Audit Committee, number and dates of meeting held, attendance, among others are given separately in the attached Corporate Governance Report. Additionally, the board ensures that the Chairman of the audit committee is in attendance at the Annual General Meetings (AGM) and address all queries of shareholders.

#### Human Resource & Remuneration Committee (Hr&R) Committee

The committee is composed of three members, all of whom are non-executive directors, including an independent director. The terms of reference for this committee have been set up in alignment with the guidelines outlined in the Code of Corporate Governance, 2019.

In accordance with its mandate, the Committee convenes to assess and propose all facets of compensation, organizational policies, and employee development policies related to the remuneration of senior executives. Furthermore, the Committee is entrusted with approving all matters pertaining to the remuneration of executive directors and members of the management committee. Throughout the fiscal year 2023/24, the committee conducted one meeting to address these responsibilities.

#### Related Party Transactions

All the transactions carried out with related parties for the year under review were on arm's length basis, which were duly approved by the Audit Committee and are in compliance with the applicable provisions of the Companies Act, 2017 and SECP Listing Regulations.

Policy for Related Party Transactions are prepared in accordance with Rule 3 of The Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 which covers following minimum conditions,

- Information required for the related parties with whom transactions are to be made including nature of related party relationship at the time of approval in board meetings or general meetings.
- Limitations or conditions that may be applicable in case of related party transactions.
- Potential risks of related party transactions and mitigating measures.
- Procedure to be followed in case of failure to present related party transactions for approval by the appropriate forum within prescribed time.
- Pricing policy.

#### Remuneration Policy

The company has implemented a Remuneration Policy applicable to executive and non-executive directors, as well as individuals potentially appointed to Senior Management and Key Managerial positions. This policy, approved by the Board of Directors based on the Nomination and Remuneration Committee's recommendation, determines the remuneration for these roles.

#### Significant Events after Reporting Period

There is no significant event occurred during the year after the reporting period.

### Statement of Unreserved Compliance

The Company's financial statements have been formulated in adherence to the international financial reporting standards stipulated by the International Accounting Standards Board (IASB), as communicated in the Companies Act, 2017.

Additionally, there are specific standards and interpretations that are pending implementation in Pakistan, as outlined in note 4.4.2 of the financial statements. Nevertheless, the management is of the opinion that these forthcoming standards and interpretations will not exert any substantial impact on the Company's financial statements.



Syed Anwar Hussain Shahid  
Chief Executive  
Lahore: December 24, 2024

# Statement of Compliance

Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: Jauharabad Sugar Mills Limited

Year Ended: September 30, 2024

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

- The total number of directors are six as per the following:

Gender	Number
Male	05
Female	01

The Current Board of Directors of the Company was elected on September 07, 2023 and has appropriate skills, experience, independence and knowledge of the Company to discharge its duties and responsibilities effectively. Currently, the total number of directors are six and remaining one director will be elected within stipulated time.

- The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Muhammad Aamir Beg
	Ms. Faiza Iftikhar
Non-Executive Directors	Mr. Ghias-Ul-Hassan
	Mr. Amjed Javed Aftab
Executive Director	Mr. Syed Anwar Hussain Shahid
	Mr. Saif-Ur-Rehman
Female Director	Ms. Faiza Iftikhar

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
- 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.
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ Shareholders as empowered by the relevant provisions of Companies Act 2017 (the Act) and CCG Regulations.
- The meetings of the Board were presided by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
- The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- In terms of Regulation 19 of Chapter VI of the Code of Corporate Governance Presently, all directors of the Company have completed their Directors' Training Program.
- The Board approved appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, as and when the appointments were made, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
- Chief Accountant and Chief Executive duly endorsed the financial statements before approval of the Board. Chief Financial Officer position is vacant.
- The Board has formed committees comprising of members given below:

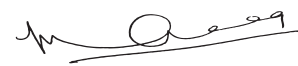
Audit Committee	Chairperson	Ms. Faiza Iftikhar	Independent Director
	Member	Mr. Muhammad Aamir Beg	Independent Director
	Member	Mr. Amjed Javed Aftab	Non-Executive Director
HR & Remuneration Committee	Chairman	Mr. Muhammad Aamir Beg	Independent Director
	Member	Mr. Syed Anwar Hussain Shahid	Chief Executive
	Member	Mr. Ghias-Ul-Hasan	Non-Executive Director

Risk Management Committee	Chairman	Mr. Saif-Ur-Rehman	Executive Director
	Member	Mr. Amjed Javed Aftab	Non-Executive Director
Nomination Committee	Chairperson	Ms. Faiza Iftikhar	Independent Director
	Member	Mr. Ghias-Ul-Hasan	Non-Executive Director

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committee were as per following:

Meetings	Frequency
Audit Committee	Four quarterly meetings held during the financial year ended September 30, 2024
HR & Remuneration Committee	One meeting was held during the financial year ended September 30, 2024
Risk Management Committee	One meeting was held during the financial year ended September 30, 2024
Nomination Committee	One meeting was held during the financial year ended September 30, 2024

15. The Board has set up an effective internal audit function.
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 ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its 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 (ICAP) and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, CCG Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that the Company is compliant with all the mandatory requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the regulation have been complied with.

  
 Muhammad Aamir Beg  
 Chairman

# Independent Auditors' Review Report

To the members of Jauharabad Sugar Mills Limited

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

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

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of the 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 with this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

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

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

Paragraph reference	Description
Chapter VIII Regulation 25	The Company is not in compliance with Regulation 25 of the Regulations, which requires that the Chief Financial Officer (CFO), along with the Chief Executive Officer (CEO), sign the financial statements of a listed company. The position of Chief Financial Officer (CFO) vacant, so the financial statements of the Company have not been signed by a Chief Financial Officer (CFO).
Chapter II Regulation 6	The Company is not in compliance with Regulation 6 of the Regulations, which requires that each listed company shall have at least two or one third members of board, whichever is higher, as independent directors. The Company has two independent directors which is lower than 2.33 (One third of minimum directors as per Section 154 of Companies Act, 2017) and no explanation has been given for rounding down of fraction. Further the Company does not have seven directors as required under Section 154 of Companies Act, 2017.

Place: Lahore  
Date: January 06, 2025

UDIN: CR202410300QOXigTeKh



UHY Hassan Naeem & Co.  
Chartered Accountants  
(Mr. Ibne Hassan)



# Policies





## Diversity Policy

The Company has a diverse and balanced Board, which not only represents the shareholders but also provides a mix of professional expertise in leadership, finance, legal, regulatory and business management skills and experiences covering adequately all areas of JSML's business undertakings. Furthermore, in compliance with requirements of Code of Corporate Governance, a female director is also present on the Board of Directors.

The Board has also approved a gender diversity policy to provide a framework for governance of procedures and practices relating to enhancement of Gender Diversity within the Organization.

The Board has given categorical instructions that the Company shall pursue high standards of Human Resource Management practices to encourage participation in workforce from diverse groups, assist them in developing in-demand skills and create opportunities for them to advance into leadership roles within the Company.

The Company assign gender diversity targets to its senior management and incorporate these into their Key Performance Indicators (KPIs). The Human Resource Department will share workforce diversity trackers with senior management from time to time so they are fully aware of the progress and take appropriate actions, when required and will conduct Gender Pay Gap Analysis relevant to the industry, in order to bridge any gender, pay gap.



## Quality Assurance Policy

Jauharabad Sugar Mills Limited is dedicated to producing premium-grade sugar through the implementation of a robust, integrated Quality and Food Safety Management System. Leveraging new sugarcane varieties introduced by Government Research Institutions, the Company is committed to transforming agronomic practices among farmers in the Khushab region. The Cane Research and Development Department regularly organizes seminars, in collaboration with Government Research Institutions, fertilizer companies, and pesticide firms, to educate farmers on advanced harvesting techniques, such as pit farming, and provide guidelines on optimizing cane yield while minimizing losses. In order to ensure the sustainability of specific crop varieties and reduce reliance on unnecessary pesticides, the Company's Bio-Laboratory distributes Trichogramma Cards to farmers as a natural method to prevent pest infestations. During the crop season, the Cane Team focuses on stringent Quality Control and Assurance measures, emphasizing reduced field-to-mill transit times post-harvest and ensuring comprehensive testing of sugarcane upon arrival through the Online Cane Laboratory.

The Company is firmly committed to consistently meeting sugar standard requirements while driving continuous improvement in its quality management system to enhance production, operational, and organizational efficiencies. This dedication is encapsulated in the Company's quality policy, which pledges to fulfill the requirements and expectations of its customers and stakeholders. Quality assurance oversees all operational activities by monitoring process parameters and product attributes, with a focus on stability studies, validations, addressing customer complaints, and investigating deviations in coordination with the main laboratory, process, and mill house teams. During the crushing season, sugar monitoring and testing are conducted in adherence to Good Laboratory Practices (GLP) guidelines, aligned with the high-quality standards established by the Pakistan Standard and Quality Control Authority (PSQCA) and Punjab Food Authority (PFA). Furthermore, the Company aims to obtain ISO certifications to reinforce its commitment to excellence.

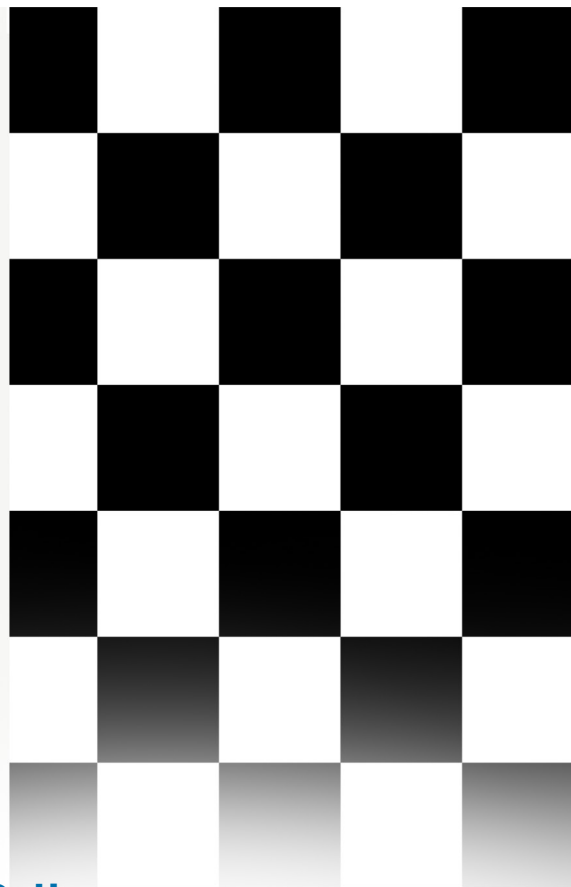
The Company's quality management policies encompass documented protocols, detailed flowchart processes, comprehensive work instructions, periodic internal audit follow-ups, and related quality records. Quality control policies and procedures, along with assurance measures, oversee the entire process from the field to the market. These quality management practices contribute to substantial improvements in financial performance, address customer needs by delivering high-quality products, consistently enhance operational capabilities, and, most importantly, ensure a safe working environment.



## Performance Management Policy

The Company is committed to build strong corporate culture that is shaped by motivated team who demonstrate deep believe in company's vision and values. Success of the Company undoubtedly lies in the tired-less efforts of its human resources. The Company has developed a performance review process, based on following objectives, in order to recognize employees' contributions and right compensation.

- To establish clarity in job description through employee recruitment plan to make efficient out from human resource.
- To give a sense of direction and challenge to the individual and their team through role clarity.
- To determine continuous critical analysis of objectives and performance standard of each job.
- To provide effective employee orientation and integrate with culture of organization.
- To ensure aligning of employee's personal goal with organizational goal to enhance productivity and profitability.
- To help different functions and departments to go beyond targets and benchmarks and take quantum jumps.
- To achieve targets and bench marks, develop culture of cross-functional meetings.
- To build open communication culture through regular feedback.
- To create supportive and empowering corporate culture in the organization.
- To Identify talent for succession planning.
- To Identify employees with long term growth potential.
- To Identify employees performing below expectation and what inputs are required to improve their performance.
- To provide on-going training to improve low performers as needed.
- To ensure growth of employees for organizational perpetuity.
- To creating total quality environment by enhancing the commitment of people in terms of productivity, quality, technology, structure and systems.
- To assure effective reward mechanism to boost employee performance, individual performance is not linked to group performance.



## Conflict of Interest Policy

Jauharabad Sugar Mills Limited recognizes the importance of conducting business with honesty, transparency, and sound corporate governance. To uphold these principles, the Company has established a Conflict-of-Interest Policy to prevent directors and employees from engaging in Company matters where they may have personal, financial, or other interests. This policy applies to all prospective and current employees, independent contractors, and individuals acting on behalf of the Company. The Board of Directors emphasizes the duty of confidentiality (protecting insider information), the duty of loyalty (prioritizing board responsibilities over external interests), and fiduciary responsibilities in financial and legal matters. Under the policy, board members are prohibited from participating in discussions, reports, or votes on issues in which they have any interest, except when their interest solely arises from their role as a director. Additionally, directors are restricted from trading in the Company's shares and must report any share trades conducted by their dependents or associated entities that come to their knowledge. The Board is committed to adhering to defined policies and procedures to avoid actual or perceived conflicts of interest that may arise during business operations.

### Disclosure of Interest by Directors

Every director of the Company, including their spouse and minor children, must disclose any direct or indirect interest or involvement in a contract or arrangement entered into, or proposed to be entered into, by or on behalf of the Company. The nature of such interest must be disclosed at a Board meeting.

### Abidance of Laws/Rules

Conform to and abide by all the legal and standing requirements and Code of Corporate Governance while performing their duties and obey all lawful orders and directives. All Board members shall comply with and observe all applicable related statutory requirements, regulatory directives and JSML policies.

### Integrity

Board members shall adhere to all legal and standing requirements, as well as the Code of Corporate Governance, while performing their duties. They are required to obey all lawful orders and directives issued in the course of their responsibilities. Additionally, all Board members must comply with applicable statutory requirements, regulatory directives, and the policies of Jauharabad Sugar Mills Limited (JSML).

### Confidentiality

Board members shall maintain the privacy and confidentiality of all information obtained in their capacity as Directors or otherwise acquired during their tenure. Such information must not be disclosed unless required by law, statutory authorities, or the Company's policies. This information is entrusted to them and shall only be used for its intended purpose, not for personal gain. Additionally, inside information regarding Jauharabad Sugar Mills Limited (JSML) must not be used, directly or indirectly, for their own benefit or that of others.



## Supply Chain Management Policy

Supply chain management is the active management of supply chain activities to maximize customer value and achieve a sustainable competitive advantage. Sugar Industry is one of major agro processing sector. Delegation and competitiveness in agro based industries require new forms of coordination between farmers and other stakeholders, to maximize sugar production with minimum overheads a good network of all resources is in place. The challenge of greater competitiveness in field aggregating cane from thousands of growers at a particular factory increases the significance of supply chain management in agro business. Although mills economic zone consists of average small farm size. The Company maintains that the smaller farmer is a valuable part of the cane growers base in the region. This underlies the importance of incentivize them like sharing of agri tolls and technology.

### Sugarcane Management

Cane management is the most critical function in the sugar sector. The kind of seeds the cane growers use, their plantation techniques, prudent use of fertilizers and robust ratoon management are essential in farmers being able to deliver superior cane quality.

### Seed Management and Development

The Company focused on the development of new cane varieties demonstrating superior strains (high recovery and yield). The Company entered into collaborations with Faisalabad research institution various research institutes with a track record in the development of superior seeds. These seeds were showcased through experiments on the Company's demonstration plots; once deemed successful, these seeds were shifted for use in commercial farms.

### Ratoon Management

Cane growers, especially those in Khushab Zone, the Company conducted workshops to popularize ratoon management, engaged tractors mounted with insecticidal and fertilizer sprayers (to safeguard ratoon from black bugs that cause yellowing and malnutrition), gap-filling and irrigation followed by fertilizer spraying.

### Innovative Planting Techniques

The Company's cane management team trained farmers in innovative planting methods (trench planting, wide row spacing, intercropping and twin row planting) to enhance yield, recovery and cane quality.

### Soil Testing and Improvement

The Jauharabad plant is equipped with soil testing laboratories to analyze soil quality in command areas. Soil samples were collected from different villages, tested for fertility and fertilizers recommended, improving nutrient content. The fertilizers were subsidized for farmers.



## Insider Trading Policy

The Company has a stringent policy on insider trading and securities transactions, which is periodically circulated to all employees. This policy prohibits employees from using inside information for direct or indirect transactions in the Company's shares. Trading in Company shares is not permitted during closed periods. Trading is only allowed during open periods, typically within two weeks following the announcement of quarterly, half-yearly, or annual results. Employees must provide prior written notification to the Company Secretary before executing any transactions. After completing the transaction, they must report it to the Company Secretary within two days, including details of the purchase or sale of shares. Furthermore, no opposite transactions are allowed within six months. For example, if someone buys shares, they cannot sell them within six months to profit from the transaction.

Directors are prohibited from trading, either directly or indirectly, in the Company's securities, whether on their own account or their relative's account, if they possess any unpublished price-sensitive information. Directors who hold such information must not communicate it, either directly or indirectly, to others who may trade based on it.

If a director or their spouse buys, sells, or takes any beneficial position in the Company's shares, they must immediately notify the Company Secretary in writing. The director must provide detailed information, including the price, number of shares, form of share certificates (whether physical or electronic within the Central Depository System), and the nature of the transaction. Additionally, no director is allowed to trade in the Company's shares, directly or indirectly, during the closed period as determined by the Board of Directors.



## Integrated Management System Policy

Jauharabad Sugar Mills Limited (JSML) is committed to achieving excellence in quality and food safety. This commitment is the shared responsibility of both management and employees across all functions. JSML aims to create a safe and healthy working environment, while minimizing any negative impact on the environment and local communities. The company is dedicated to offering high-quality, halal, and safe products at affordable prices.

The Company is also committed to:

- Understanding and addressing the organization's context while working to achieve high customer satisfaction by consistently delivering quality, safe, and halal products through ongoing improvement of its Integrated Management System.
- Adhering to all relevant national and international legal and regulatory requirements concerning its products and activities, as well as the Integrated Management System requirements and customer agreements related to finished product specifications.
- Identifying goals and training needs by regularly reviewing and monitoring processes and activities to ensure the competencies required for the Integrated Management System.
- Protecting and enhancing the white refined sugar market, as well as improving product quality and food safety, through the effective implementation of the Integrated Management System.
- Continuously enhancing the performance of the Integrated Management System, products, processes, infrastructure, operational environment, and human resources through ongoing review and monitoring.



## Safety of Records Policy

Jauharabad Sugar Mills Limited, in accordance with corporate requirements related to day-to-day business operations and administrative controls, generates increasing volumes of records. To efficiently manage these records, the Company is implementing a comprehensive policy for their creation, management, retention, security, and disposal (including both paper and electronic records) in line with the timeframe specified under Section 220 of the Companies Act 2017. Without a robust policy and protocols addressing key aspects such as: i) which records to retain, ii) where to store records, iii) who is responsible for maintaining records, and iv) when to retain them, the Company risks exposure to potential penalties and legal consequences. To mitigate these risks, the Company has developed a comprehensive records management policy focused on achieving clear objectives of governance transparency, data protection, regulatory compliance, and cost reduction.

- Ensure staff can perform consistently, with full awareness of the processes, decisions, and actions that drive the business.
- Provide a comprehensive freedom of information service across the Company to foster collegiality and knowledge sharing.
- Ensure the availability of credible and authoritative evidence to safeguard the rights of the Company, its staff, and any other parties impacted by its activities.
- Establish that records are owned by the Company, not by individuals or specific teams.
- Preserve corporate memory, ensuring that the passage of time does not affect access to or availability of corporate knowledge resources.
- Demonstrate accountability by providing the necessary evidence and information for any internal or external audit.
- Ensure that records are retained only as long as necessary and disposed of in accordance with the records management policy.





## Disaster Recovery Plan

The disaster recovery strategy ensures that every reasonable measure has been taken to identify and mitigate potential risks within the processing environment. Through dynamic planning, clear communication, and robust risk management, the Company is well-equipped to manage the most critical aspects of the recovery plan smoothly. Key elements include:

- Ensuring business continuity in the Company's production operations.
- Ensuring workers understand the shutdown process with a positive, neutral approach.
- Protecting the Company's brand image in the market.
- Sending early warnings to the Board or corporate office when necessary.
- Preparing a crisis management team to respond effectively in emergencies.
- Managing crises in an organized and efficient manner.
- Providing training for personnel directly involved in executing the recovery plan.

The Company has adopted a Disaster Recovery Plan to ensure the continuity of infrastructure and applications, utilizing all possible resources in the event of a disaster. Whether natural or human-induced, it is essential to assess the situation quickly and accurately. If identified as a disaster, the emergency should be declared as soon as possible. The emergency may involve the entire unit or a specific section, depending on the nature of the disaster. The shift in-charge will also activate the alarm bell in each section, as appropriate.

In such situations, the shift in-charge or a higher authority, such as the General Manager, will take control. Actions taken will include:

- Evacuating all personnel from the affected area who are not required to manage the situation.
- Quickly assessing the severity of the hazard and issuing instructions to the teams to take appropriate action.
- In the event of a fire, immediately calling upon the fire brigade and activating trained personnel.
- Ensuring that all critical applications, equipment, and documents are backed up and maintained.



## Occupational Health & Safety Management Policy

Jauharabad Sugar Mills Limited is committed to developing, promoting, and achieving the highest standards of Health, Safety, and Environment (HSE) operations. Ensuring health and safety requires active involvement and commitment from both management and employees. The Company encourages open communication between employees and higher-level administrators to better integrate the safety, health, and environmental policies into daily operations. This approach has led to a significant reduction in the number of incidents per machine-hour.

The Company's primary goal is to minimize adverse environmental and health impacts arising from its operations, conserve resources, and adhere to all legal regulations. Continuous efforts are made to mitigate accidental risks by providing safety equipment, fire management tools, and air emission monitoring systems. To enhance understanding among employees, particularly those at lower levels, the Company conducts presentations highlighting risks associated with machinery and the importance of using protective equipment. Safety measures and instructions are also communicated in vernacular languages to ensure clarity and comprehension.

Management prioritizes the elimination of hazards and reduction of risk factors through systematic planning and clear objectives. Health and safety are central to every in-house and senior management meeting agenda. Additionally, these concerns are incorporated into the SMART goals of department heads and senior leaders. A strong commitment to policy compliance has resulted in the conclusion of the year with no reportable occupational illnesses.

The Company conducts regular health-focused inspections of plant equipment and facilities, alongside routine monitoring of employee health. Health awareness sessions on essential topics such as basic lifesaving techniques, medical emergency response, and first aid are organized at the factory and head office. Training in Basic Life Support equips individuals to recognize and respond to life-threatening emergencies effectively.

Maintaining health and safety standards at all mills and offices remains a top priority for Jauharabad Sugar Mills Limited. The Company actively manages health and safety risks and continually improves procedures to reduce, remove, or control risks associated with fires, accidents, or injuries, ensuring the safety of both employees and visitors.

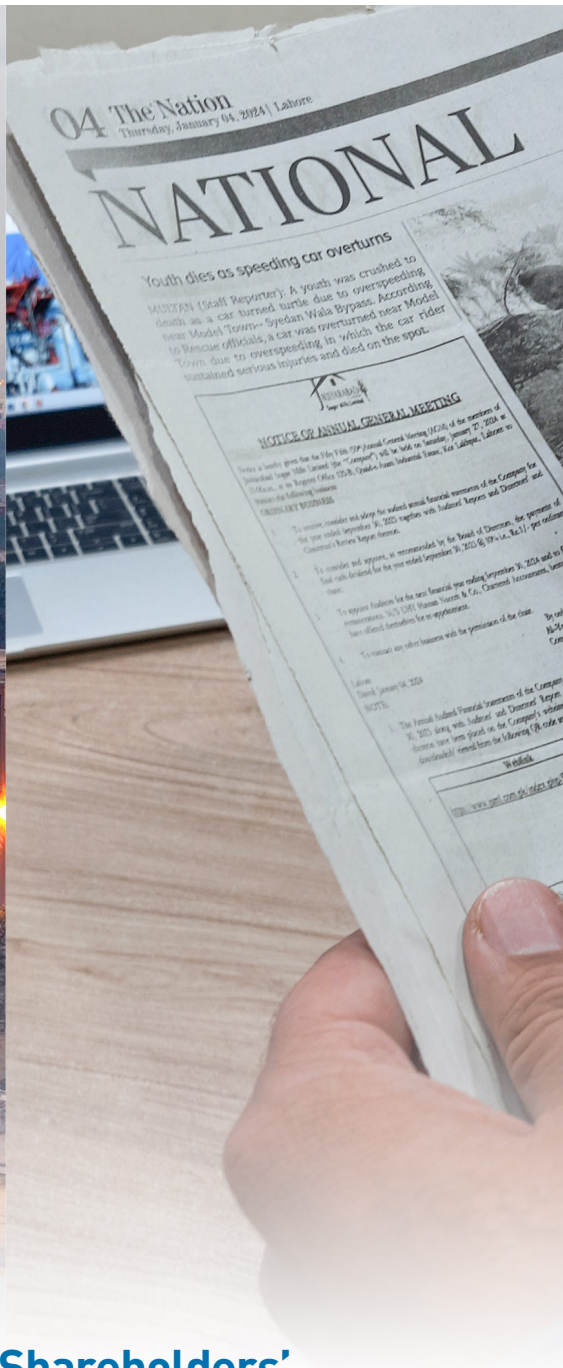
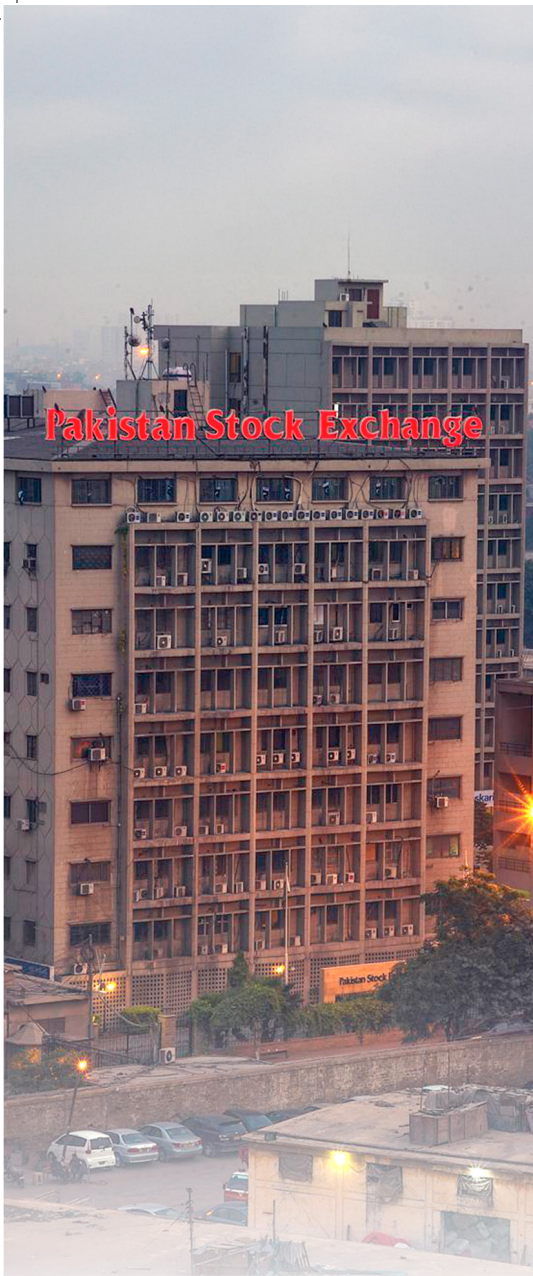


## Social & Environmental Responsibility

Human resources are the cornerstone of any organization, particularly in a knowledge-driven economy. Jauharabad Sugar Mills Limited is dedicated to creating an environment that nurtures talent, fosters enterprise, and promotes growth within an open and supportive culture, aligned with its "HR Vision." Sustainable human resource management focuses on efficient recruitment processes that balance individual skill enhancement with organizational competitiveness. Human Resource Management (HRM) is an integral part of the Company's business strategy, fostering leadership, individual accountability, and teamwork. The Company recognizes that its success depends on the quality of its human resources, the most valuable asset contributing to sustained growth.

As a pioneer in Pakistan's sugar sector, the Company employs a diverse range of skilled professionals, many of whom are affiliated with prestigious local and international universities. To safeguard employee rights, the Company provides healthcare, a safe and secure work environment, and fair compensation. The HRM policy aims to achieve the following objectives:

- Candidates undergo a comprehensive recruitment and selection process to ensure the right individual with the appropriate experience is hired at the right time and offered a competitive compensation package.
- Management develops philosophies and practices aimed at promoting motivation and retaining the most talented employees in the organization.
- Regular skill enhancement workshops and seminars are conducted for hardworking and motivated employees to further refine their abilities and strengthen their contributions to the team.
- An annual recognition event is held to reward employees who have made significant contributions, fostering motivation and encouraging continuous improvement and innovation within teams.
- Recognizing the challenges faced by individuals with disabilities, the Company maintains a defined ratio for employing persons with disabilities, contributing to a sustainable improvement in their quality of life.



## Policy to Encourage Shareholders' Participation in Annual General Meeting

The Company ensures that the interest of the Shareholders is protected. In order to ensure their participation in general meetings, JSML management takes many steps including:

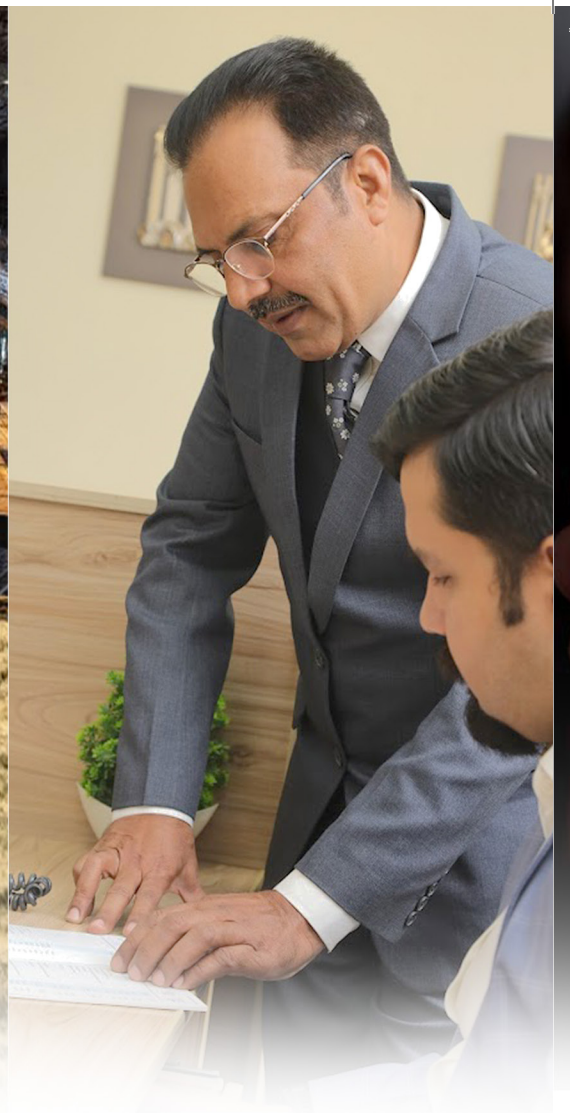
- All notices related to the Shareholders' meetings are being announced timely through Pakistan Stock Exchange and also published in newspapers in English and Urdu language as per the specified timeline and requirements.
- All notices of the Shareholders' meetings are dispatched at the registered addresses of the Shareholders available with the Company as per regulatory requirement to acquaint them with the agenda of the meeting.
- Annual Report is being sent to each member of the Company before the AGM in electronic form and in hard copy form who asked for the same.
- Shareholders are facilitated and encouraged in appointing proxies in case they are unable to attend the AGM in person. For this purpose, proxies in English and Urdu Language is sent to the members along with the notices and also available on our website.
- Shareholders are encouraged to comment, raise queries and provide feedback in the meeting.
- It is also ensured to comply with all the regulatory requirements and takes all possible steps to encourage attendance of minority shareholders in general meetings.



## Stakeholders' Engagement/Grievance Policy

Jauharabad Sugar Mills Limited strives to develop and maintain trustworthy relations with its stakeholders, including shareholders and investors. In this relation a policy has also been in place and approved by the Board of Directors. It emphasizes timely and clear disclosure of all material information to them, without advantage to any particular investor, in order to enable them to make informed decisions. Further, all information disclosed to the public is in accordance with the Rule Book of the Pakistan Stock Exchange Limited ("PSX"), as well as the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The Company also gives its shareholder the option to express their grievances and any other enquiries to Corporate department and in General Meetings which are addressed by company secretary. Moreover, as per PSX requirement the JSML organizes every year a corporate briefing for all stakeholders to take their concerns and discuss the direction of the company. Main principles of the Investors Grievance Policy are to deal all complaints raised by investors with courtesy, fairness, in a timely manner and to treat all the investors fairly and equally at all times.



## Human Resource Management Policy

Human resources are the cornerstone of any organization, particularly in a knowledge-driven economy. Jauharabad Sugar Mills Limited is dedicated to creating an environment that nurtures talent, fosters enterprise, and promotes growth within an open and supportive culture, aligned with its "HR Vision." Sustainable human resource management focuses on efficient recruitment processes that balance individual skill enhancement with organizational competitiveness. Human Resource Management (HRM) is an integral part of the Company's business strategy, fostering leadership, individual accountability, and teamwork. The Company recognizes that its success depends on the quality of its human resources, the most valuable asset contributing to sustained growth.

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- Candidates undergo a comprehensive recruitment and selection process to ensure the right individual with the appropriate experience is hired at the right time and offered a competitive compensation package.
- Management develops philosophies and practices aimed at promoting motivation and retaining the most talented employees in the organization.
- Regular skill enhancement workshops and seminars are conducted for hardworking and motivated employees to further refine their abilities and strengthen their contributions to the team.
- The Company actively encourages young talent and recent graduates to join its workforce.
- A six-week paid internship program is offered to bridge the gap between theoretical knowledge and practical application.
- An annual recognition event is held to reward employees who have made significant contributions, fostering motivation and encouraging continuous improvement and innovation within teams.
- A culture of open communication between management and employees is fostered to build trust and enhance collaboration across all levels of the organization.
- Recognizing the challenges faced by individuals with disabilities, the Company maintains a defined ratio for employing persons with disabilities, contributing to a sustainable improvement in their quality of life.
- Every effort is made to support employees in achieving a high-quality work-life balance, ensuring their overall well-being.



## Whistle Blower Policy

Jauharabad Sugar Mills Limited has implemented a whistleblower mechanism to facilitate the reporting of concerns related to unethical behavior, actual or suspected fraud, or violations of the Company's Code of Conduct or Ethics Policy. This mechanism ensures adequate safeguards to protect individuals from victimization. To mitigate the risk of unethical practices or misconduct, the Company provides direct access to the Chairperson of the Audit Committee. Additionally, a comprehensive whistleblowing policy has been established with the following core objectives;

- Every individual, including directors, employees, and stakeholders, is obligated to report any actual or suspected violations of the organization's Code of Conduct.
- Concerns must be raised without fear of retaliation and will be handled fairly, even if found to be unsubstantiated.
- The confidentiality of the whistleblower will be maintained, ensuring the subject matter is appropriately addressed and accountability is upheld.
- Whistleblowers will be protected from adverse employment actions, such as termination, reduction in compensation, or threats of physical harm.

The Company's whistleblowing policy encourages all team members to report suspected wrongdoing, including violations of Company policies and procedures, breaches of legal requirements, general malpractice, gross misconduct, breaches of audit regulations, unethical or immoral behavior, and victimization. The policy provides clear guidelines for raising such concerns while ensuring confidentiality and protection for disclosures. Its scope is focused on addressing issues related to money laundering, bribery, harassment, budget grievances, or disciplinary proceedings.



# Disclosure on IT Governance & Cybersecurity





DATA PROTECH

## IT Governance & Cybersecurity Policy

### Board's Risk Oversight Function for Cybersecurity

JSML considers information as one of the most valued business asset and place great emphasis on safe custody, transmission and storage of its financial and non-financial information. The regulatory requirement applicable to the Company does not enforces Board responsibility in case of any cybersecurity risk, however, the Company has aligned its policies and procedures to efficient use of IT resources with the business requirements, smoothening the decision-making process used to define actions for achieving strategic goals of the Company.

Company has formed IT surveillance committee with a mandate to oversee the IT governance and cybersecurity related matters of the Company. In order to mitigate the cyber security risk, prudent assessment is made and forwarded along with the findings and recommendations to IT surveillance committee.

### IT Governance Policy

There are no specific requirements impose through regulatory framework in which the Company operates related to cybersecurity risk. However, The Company has a implemented IT Governance Policy which ensure value creation through benefits realization and resource optimization, the Company has IT governance framework which governs to achieve excellence in IT risk management structure, development of internal controls, automation of business functions and structured decision making.

### Cybersecurity Policy

The purpose of Cybersecurity framework is to define strategies which protect the data and integrity of computing assets belonging to or connecting to an organization's network. Its purpose is to defend those assets against all threat actors throughout the entire life cycle of a cyber-attacks. This helps to ensure that all internet connected assets and information are secured from cyber-threats.

Core functions of this framework is here under: |



### Identification of threat

The activities in the Identification function are foundational for effective use of the framework. Understanding the business context and the related cybersecurity risks enables an organization to focus and prioritize its efforts, consistent with its risk management strategy and business needs.

### Protect

The Protect function supports the ability to limit or contain the impact of a potential cybersecurity event. Examples of outcome categories within this function include access Control, training and employee awareness sessions.

### Detect

This function enables timely discovery of cybersecurity events. Examples of outcome categories within this function include anomalies and events, security continuous monitoring and detection processes

### Respond

This function supports the ability to contain the impact of a potential cybersecurity incident. Examples of outcome categories within this function include response planning, mitigation techniques and improvements.

### Recover

The recover function supports timely recovery to normal operations to reduce the impact from a cybersecurity incident. Examples of outcome categories within this function include disaster recovery mechanisms and contingency plans.

### Cybersecurity Risk Oversight Function and Engagement

Data security and risk management is on top-priority of the company. Board is engaged in indirect oversight through the IT surveillance committee and internal audit to have an update on cybersecurity matters. Internal Audit department regularly performs network and cyber security audits, the results of which are presented to the Board’s Audit Committee.

### Controls and Procedures Related to Cybersecurity Risks

The cybersecurity program of the Company comprises of several different sections which are crucial to success of our cybersecurity framework. The Company has deployed multiple controls and procedures to manage its core IT functionalities and to mitigate different security threats. Some of controls and procedures are as follows:

- Internet access management;
- Email security gateway;
- Disaster Recovery Plan;
- Network and web application firewall;
- End point security systems;
- Server Patch Management;
- Physical Security.



### IT Compliance & Cybersecurity Audit

JSML’s IT department has a dedicated section for IT related compliance and security. Every year, external information risk assessment is carried out and its findings are also well incorporated in respective areas procedures and controls. Third party experts are also hired upon requirements.

### Disaster Recovery Plan and IT Infrastructure

The Company has its production server facility at Jauharabad with backup server facility at Lahore Office and procedures in place to keep backups. In case of any disaster, the Company would be able to continue its operations smoothly. Availability of servers at such distant locations enables the Company to perform its IT functions without any interruptions in case of any infrastructural damage at any one location.

### Digital Transformation of IT

The fourth industrial revolution, known as Industry 4.0, has emerged in past few decades. Industry 4.0 places the emphasis on digital technology, interconnectivity, access to real-time data, and the introduction of cyber-physical systems. Currently System Analysis and Resource Planning (SARP) software especially designed for sugar sector industry has been implemented within the Company and a state of the art information management systems to improve organizational efficiency, accelerate responsiveness, shrink time to market cycles, control costs and deliver sustainable business solutions. However, the Company is proactively looking for opportunities for advancement of its core business function through cut-to-edge IT technologies. Digital Transformation is also part of IT department’s objectives.

### Staff Trainings on Cybersecurity Risks

JSML’s IT team regularly organizes training for the staff to follow best standard practices to avoid any cybersecurity threats & risks. The purpose of security awareness is to focus attention on security and recognition of the need to protect data, information and systems. An effective awareness training program addresses the cybersecurity mistakes that employees may make when using email, web and company servers.

### Manufacturing Facilities

Jauharabad Sugar Mills Limited, situated in Jauharabad, District Khushab, Punjab Province of Pakistan, boasts a manufacturing facility characterized by its fire resilience and state-of-the-art firefighting equipment. The facility meticulously adheres to all levels of Health, Safety, and Environment (HSE) requirements, ensuring a secure operational environment.

Despite these robust safety measures, the company has proactively secured insurance coverage at the maximum level. This strategic decision provides a comprehensive safety net in the event of any natural disaster, safeguarding the company’s financial interests and enabling a swift recovery. Consequently, any potential partial losses are mitigated through the robust insurance coverage, ensuring minimal impact on the company’s day-to-day operations.

In essence, Jauharabad Sugar Mills Limited’s commitment to stringent safety standards, coupled with extensive insurance coverage and contingency planning, underscores its dedication to ensuring business continuity and minimizing the impact of unforeseen events on its operations.

The image shows a close-up of a wooden surface, likely a table or desk, with a prominent wood grain. The wood is a warm, medium-brown color. In the upper right corner, there are several pieces of a bright yellow, cylindrical object, possibly a pencil or a piece of wood, stacked together. The text "PERFORMANCE AND POSITION" is centered on the page in a bold, white, sans-serif font.

**PERFORMANCE  
AND POSITION**



# Financial Highlights

**Topline**

**Rs. 8.00  
Billion**

**Bottom line**

**Rs. 1.88  
Million**

**Gross Profit**

**12.62 %**

**Net Profit**

**0.02 %**

**Acid Test**

**0.28  
Times**

**Market Value Per Share**

**RS. 21.85**

**Price Earning**

**396.43  
Times**

**ROCE**

**9.80  
Perent**

# Key Performance Indicators

**Rs. 8.00  
Billion**

**Sales**

**15.46%**

**Rs. 1.01  
Billion**

**Gross Profit**

**(6.02%)**

**0.54  
Times**

**Financial  
Leverage**

**40.77%**

**Rs. 1.88  
Millions**

**Profit  
After Tax**

**99.11%**

**Rs. 0.06**

**Earning  
Per Share**

**99.11%**

**Rs. 93.14**

**Breakup Value  
Per Share**

**22.81%**

**Rs. 14.34  
Billions**

**Total  
Assets**

**17.22%**

**Rs. 992.83  
Millions**

**Cash used in  
Operating Activities**

**263.29%**

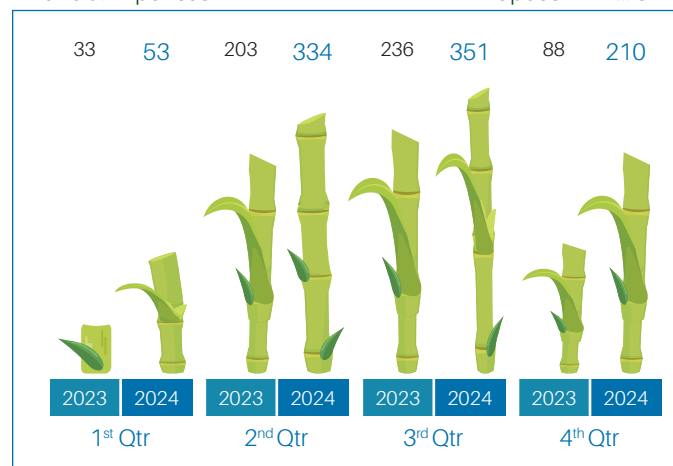
## Quarterly Performance Analysis

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Sales - net	2,456,044	1,671,309	776,889	3,092,210	7,996,452
Cost of sales	(2,248,482)	(1,157,649)	(503,746)	(3,077,269)	(6,987,146)
Gross profit	207,562	513,660	273,143	14,941	1,009,306
Distribution cost	(3,660)	(6,271)	(820)	(13,415)	(24,166)
Administrative expenses	(55,097)	(93,952)	(33,842)	(54,802)	(237,693)
Operating profit	148,805	413,437	238,481	(53,276)	747,447
Finance cost	(53,200)	(334,146)	(351,287)	(210,461)	(949,094)
Other income/expenses	(2,911)	18,125	15,294	137,733	168,241
Profit before taxation	92,694	97,416	(97,512)	(126,004)	(33,407)
Taxation	(36,263)	24,521	29,906	17,122	35,286
Profit after taxation	56,431	121,937	(67,606)	(108,882)	1,880

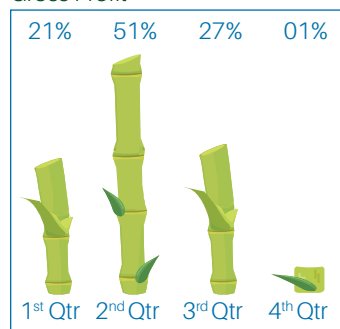
Sales-Net Rupees in million



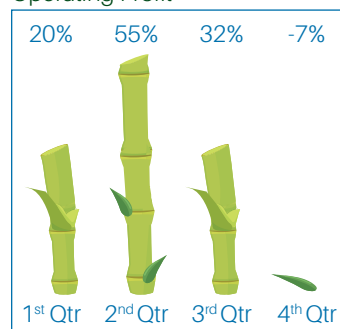
Financial Expenses Rupees in million



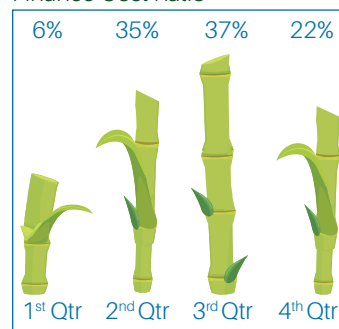
Gross Profit



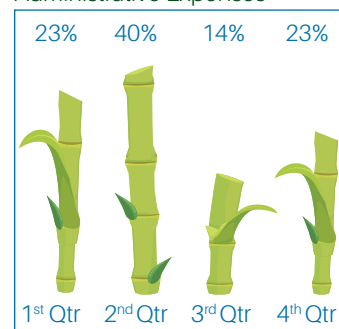
Operating Profit



Finance Cost Ratio



Administrative Expenses





## Comments on Quarterly Performance



- This Quarter Sales Contributed 30.7% to the total annual sales, driven by higher sugar prices.
- Gross profit was 20.6% of the annual total, with a gross margin of 8.5%, due to lower cost of carry forward stock and subsequent price increases.
- Finance costs were minimal at 5.6% of the annual total, reflecting limited borrowing needs.
- Achieved a net profit due to robust revenues, effective resource utilization, and controlled expenses.



- Sales declined by 31.9% compared to Q1, contributing 20.9% to the annual total, due to reduction in sugar prices.
- Gross profit increased to 50.9% of the annual total, with a gross margin of 30.7%, driven by higher by-product sales and contributions.
- Finance cost rose to 35.2% of the annual total, increasing 528.2% compared to Q1, due to availment of short-term borrowings for cane purchases and substantial increase in interest rates.
- Net profit achieved in Q2, alongside Q1, was supported by strong by-product contributions.



- Sales further declined by 53.5% compared to Q2, contributing only 9.7% to the annual sales, due to depressed sugar prices.
- Gross profit dropped by 46.8% compared to Q2, contributing 27.1% of the annual total, with a gross margin of 35.2%.
- Finance cost remained high, contributing 37.0% of the annual cost, as short-term borrowings peaked to sustain working capital needs.
- The quarter ended with a net loss of PKR -67.6 million, erasing earlier profitability due to high costs and reduced revenue.



- Sales rebounded by 297.9% compared to Q3, contributing 38.7% to the annual sales, driven by post-harvest demand and export of sugar.
- Gross profit contributed only 1.5% to the annual total, with a gross margin of 0.5%, reflecting lower sugar prices.
- Finance cost decreased by 40.1% compared to Q3, contributing 22.2% to the annual finance cost, due to timely repayment of short-term borrowings.
- Ended with a net loss of PKR -108.9 million, as compressed margins and higher fixed costs further impacted profitability.
- The Company accumulated net profit was decreased to Rs 1.88 M which was due to low sugar prices in second half of the year.

## Horizontal & Vertical Analysis

Statement of Financial Position & Cash Flows

Horizontal Analysis	2024		FY 2023		FY 2022		FY 2021		FY 2020		FY 2019		FY 2018	
	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%
<b>Equity &amp; Liabilities</b>														
Shareholders equity	9,341,918	5.38	8,864,928	4.03	8,521,273	78.94	4,762,174	1.40	4,696,282	61.94	2,899,934	5.64	2,744,983	5.83
Non-current liabilities	901,435	(11.62)	1,019,943	(3.69)	1,059,043	174.39	385,960	(23.15)	502,237	32.04	380,357	(25.31)	509,236	2.33
Current liabilities	4,100,823	74.35	2,352,071	5.94	2,220,250	279.92	584,398	(13.79)	677,845	(37.28)	1,080,800	(24.69)	1,435,214	73.04
	14,344,176	17.22	12,236,943	3.70	11,800,566	105.85	5,732,532	(2.45)	5,876,365	34.75	4,361,091	(7.00)	4,689,433	19.60
<b>Assets</b>														
Non-current assets	10,277,529	4.68	9,818,039	3.16	9,517,500	85.70	5,125,275	(0.05)	5,128,055	56.51	3,276,400	1.10	3,240,663	5.10
Current assets	4,066,646	68.12	2,418,904	5.95	2,283,066	275.96	607,257	(18.85)	748,310	(31.01)	1,084,691	(25.13)	1,448,770	72.99
	14,344,176	17.22	12,236,943	3.70	11,800,566	105.85	5,732,532	(2.45)	5,876,365	34.75	4,361,091	(7.00)	4,689,433	19.60
<b>Statement of Cash Flows</b>														
Cash flow from operating activities	(992,834)	(263.29)	608,025	(199.42)	(611,580)	(582.30)	126,805	(78.79)	597,801	(37.59)	957,814	(226.54)	(756,922)	564.07
Cash flow from investing activities	(765,011)	26.83	(603,169)	75.56	(343,577)	154.39	(135,061)	(18.79)	(166,315)	47.86	(112,480)	(54.03)	(244,664)	(38.23)
Cash flow from financing activities	1,898,816	4,293.78	43,216	(95.30)	919,161	(659.56)	(164,265)	(38.36)	(266,507)	(68.01)	(832,999)	(181.59)	1,020,992	97.25
	140,970	193.25	48,072	(233.55)	(35,996)	(79.14)	(172,521)	(204.57)	164,979	1,237.43	12,336	(36.44)	19,407	156.21
<b>Vertical Analysis</b>														
<b>Equity &amp; Liabilities</b>														
Shareholders equity	9,341,918	65.13	8,864,928	72.44	8,521,273	72.21	4,762,174	83.07	4,696,282	79.92	2,899,934	66.50	2,744,983	58.54
Non-current liabilities	901,435	6.28	1,019,943	8.33	1,059,043	8.97	385,960	6.73	502,237	8.55	380,357	8.72	509,236	10.86
Current liabilities	4,100,823	28.59	2,352,071	19.22	2,220,250	18.81	584,398	10.19	677,845	11.54	1,080,800	24.78	1,435,214	30.61
	14,344,176	100.00	12,236,943	100.00	11,800,566	100.00	5,732,532	100.00	5,876,365	100.00	4,361,091	100.00	4,689,433	100.00
<b>Assets</b>														
Non-current assets	10,277,529	71.65	9,818,039	80.23	9,517,500	80.65	5,125,275	89.41	5,128,055	87.27	3,276,400	75.13	3,240,663	69.11
Current assets	4,066,646	28.35	2,418,904	19.77	2,283,066	19.35	607,257	10.59	748,310	12.73	1,084,691	24.87	1,448,770	30.89
	14,344,176	100%	12,236,943	100.00	11,800,566	100.00	5,732,532	100.00	5,876,365	100.00	4,361,091	100.00	4,689,433	100.00
<b>Statement of Cash Flows</b>														
Cash flow from operating activities	(992,834)	(704.29)	608,025	1,264.83	(611,580)	1,699.01	126,805	(73.50)	597,801	362.35	957,814	7,764.69	(756,922)	(3,900.32)
Cash flow from investing activities	(765,011)	(542.68)	(603,169)	(1,254.73)	(343,577)	954.48	(135,061)	78.29	(166,315)	(100.81)	(112,480)	(911.84)	(244,664)	(1,260.72)
Cash flow from financing activities	1,898,816	1,346.96	43,216	89.90	919,161	(2,553.48)	(164,265)	95.21	(266,507)	(161.54)	(832,999)	(6,752.85)	1,020,992	5,261.04
	140,970	100.00	48,072	100.00	(35,996)	100.00	(172,521)	100.00	164,979	100.00	12,336	100.00	19,407	100.00

## Horizontal & Vertical Analysis

Statement of Profit or Loss

Horizontal Analysis	2024		FY 2023		FY 2022		FY 2021		FY 2020		FY 2019		FY 2018	
	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%
Sales - net	7,996,452	15.46	6,925,893	33.69	5,180,431	5.21	4,924,089	40.57	3,502,837	1.78	3,441,483	56.78	2,195,040	(14.99)
Cost of sales	(6,987,146)	19.40	(5,851,908)	34.47	(4,351,867)	0.14	(4,345,578)	49.91	(2,898,771)	3.98	(2,787,754)	29.70	(2,149,334)	(5.81)
Gross profit	1,009,306	(6.02)	1,073,985	29.62	828,564	43.22	578,511	(4.23)	604,065	(7.60)	653,729	1,330.29	45,706	(84.77)
Selling Expenses	(24,166)	(18.77)	(29,748)	57.04	(18,943)	22.67	(15,442)	9.20	(14,141)	(69.14)	(45,828)	306.84	(11,264)	24.68
Admin. & general expenses	(237,693)	12.39	(211,487)	5.27	(200,903)	14.31	(175,751)	11.90	(157,059)	12.25	(139,924)	10.16	(127,021)	18.44
Other operating income	168,241	(2,739.07)	(6,375)	60.29	(3,977)	(857.54)	525	(109.91)	(5,296)	5.32	(5,029)	(101.89)	266,608	5,129.64
Operating profit	915,688	10.81	826,375	36.65	604,741	55.92	387,843	(9.29)	427,569	(7.64)	462,948	166.02	174,028	(7.89)
Financial cost	(949,094)	69.44	(560,136)	67.79	(333,829)	52.05	(219,555)	(5.03)	(231,178)	12.40	(205,679)	48.98	(138,061)	10.94
Profit before tax	(33,406)	(112.55)	266,238	(1.73)	270,912	60.98	168,288	(14.31)	196,391	(23.66)	257,269	615.29	35,967	(44.23)
Taxation	35,286	(165.34)	(54,005)	(62.28)	(143,191)	115.20	(66,538)	(492.84)	16,938	(122.72)	(74,552)	141.65	(30,851)	(5.47)
Profit after tax	1,880	(99.11)	212,233	66.17	127,721	25.52	101,750	(52.30)	213,329	16.75	182,717	3,471.65	5,116	(83.94)
Vertical Analysis														
Sales - net	7,996,452	100.00	6,925,893	100.00	5,180,431	100.00	4,924,089	100.00	3,502,837	100.00	3,441,483	100.00	2,195,040	100.00
Cost of sales	(6,987,146)	(87.38)	(5,851,908)	(84.49)	(4,351,867)	(84.01)	(4,345,578)	(88.25)	(2,898,771)	(82.75)	(2,787,754)	(81.00)	(2,149,334)	(97.92)
Gross profit	1,009,306	12.62	1,073,985	15.51	828,564	15.99	578,511	11.75	604,065	17.25	653,729	19.00	45,706	2.08
Selling Expenses	(24,166)	(0.30)	(29,748)	(0.43)	(18,943)	(0.37)	(15,442)	(0.31)	(14,141)	(0.40)	(45,828)	(1.33)	(11,264)	(0.51)
Admin. & general expenses	(237,693)	(2.97)	(211,487)	(3.05)	(200,903)	(3.88)	(175,751)	(3.57)	(157,059)	(4.48)	(139,924)	(4.07)	(127,021)	(5.79)
Other operating income	168,241	2.10	(6,375)	(0.09)	(3,977)	(0.08)	525	0.01	(5,296)	(0.15)	(5,029)	(0.15)	266,608	12.15
Operating profit	915,688	11.45	826,375	11.93	604,741	11.67	387,843	7.88	427,569	12.21	462,948	13.45	174,028	7.93
Financial cost	(949,094)	(11.87)	(560,136)	(8.09)	(333,829)	(6.44)	(219,555)	(4.46)	(231,178)	(6.60)	(205,679)	(5.98)	(138,061)	(6.29)
Profit before tax	(33,406)	(0.42)	266,238	3.84	270,912	5.23	168,288	3.42	196,391	5.61	257,269	7.48	35,967	1.64
Taxation	35,286	0.44	(54,005)	(0.78)	(143,191)	(2.76)	(66,538)	(1.35)	16,938	0.48	(74,552)	(2.17)	(30,851)	(1.41)
Profit after tax	1,880	0.02	212,233	3.06	127,721	2.47	101,750	2.07	213,329	6.09	182,717	5.31	5,116	0.23

## Seven Years at a Glance

	FY2024	FY2023	FY2022	FY2021	FY2020	FY2019	FY2018
<b>Financial Position (Rs. 000)</b>							
Non current assets	10,277,529	9,818,039	9,517,500	5,125,275	5,128,055	3,276,400	3,240,663
Current assets	4,066,646	2,418,904	2,283,066	607,257	748,310	1,084,691	1,448,770
Current liabilities	4,100,823	2,352,071	2,220,250	584,398	677,845	1,080,800	1,435,214
Non current liabilities	901,435	1,019,943	1,059,043	385,960	502,237	380,357	509,236
Shareholders equity	9,341,918	8,864,928	8,521,273	4,762,174	4,696,282	2,899,934	2,744,983
<b>Profit or Loss (Rs. 000)</b>							
Sales - net	7,996,452	6,925,893	5,180,431	4,924,089	3,502,837	3,441,483	2,195,040
Gross profit	1,009,306	1,073,985	828,564	578,511	604,065	653,729	45,706
EBITDA	1,224,127	1,128,420	748,076	523,603	538,627	573,768	282,354
EBIT	915,688	826,375	604,741	387,844	427,569	462,948	174,028
Profit before tax	(33,406)	266,238	270,912	168,289	196,391	257,269	35,967
Profit after tax	1,880	212,233	127,721	101,751	213,329	182,717	5,116
<b>Cash Flows (Rs. 000)</b>							
Cash flows from Operating activities	(992,834)	608,025	(611,580)	126,805	597,801	957,814	(756,922)
Cash flows from Investing activities	(765,011)	(603,169)	(343,577)	(135,061)	(166,315)	(112,480)	(244,664)
Cash flows from Financing activities	1,898,816	43,216	919,161	(164,265)	(266,507)	(832,999)	1,020,992
Cash and bank at the beginning of the year	80,518	32,446	68,442	223,834	58,855	46,519	27,113
Cash and bank at the end of the year	221,488	80,518	380,079	68,442	223,834	58,855	46,519
<b>Capital Structure Ratios</b>							
Debt to capital employed ratio	0.35	0.28	0.28	0.17	0.20	0.34	0.41
Interest coverage ratio	0.96	1.48	1.81	1.77	1.85	2.25	1.26
Financial leverage ratio	0.54	0.38	0.38	0.20	0.25	0.50	0.71
Weighted average cost of debt	23.10%	22.13%	13.68%	10.00%	13.43%	12.70%	9.47%
<b>Non Financial Ratios</b>							
% of plant availability	87.10	86.25	82.02	81.52	77.80	90.84	82.63
Customer satisfaction index	99.99	99.99	99.99	99.99	99.99	99.99	99.99
Net assets per share	273.73	259.75	249.68	139.54	137.61	84.97	80.43
<b>Operational Performance for the Last Seven Years</b>							
Operating days	103	103	146	124	104	96	131
Cane crushed	657,997	651,476	872,378	533,772	425,433	431,121	441,646
Sugar produced	64,874	64,198	85,774	52,925	41,150	44,776	42,846
Sugar recovery	9.86	9.85	9.83	9.91	9.67	10.39	9.70
Molasses produced	26,450	29,630	34,909	22,923	20,180	20,304	21,835
Molasses recovery	4.02	4.55	4.00	4.23	4.74	4.71	4.94
Bagasse produced	191,819	190,744	251,897	160,132	127,630	127,698	133,187
V.F. Cake produced	19,740	19,363	25,946	15,871	12,763	13,494	13,249
<b>Others</b>							
Inventory as % of Assets Cost	1.89	3.04	2.33	1.86	1.79	2.37	2.21
Maintenance Cost as % of operating expenses	9.47	12.39	11.04	16.82	10.28	13.99	32.81

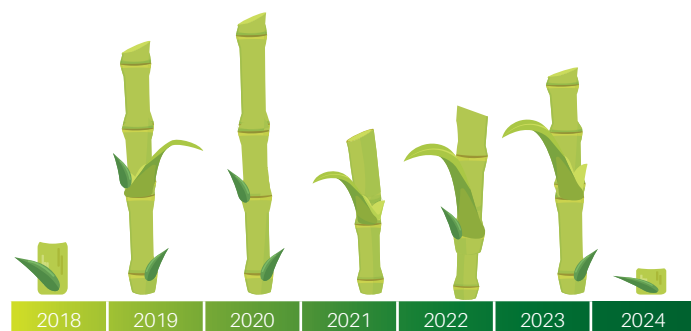
## Seven Years at a Glance

Ratio Analysis	FY2024	FY2023	FY2022	FY2021	FY2020	FY2019	FY2018
<b>Profitability Ratios</b>							
Gross profit to sales	12.62%	15.51%	15.99%	11.75%	17.25%	19.00%	2.08%
Net profit after tax to sales	0.02%	3.06%	2.47%	2.07%	6.09%	5.31%	0.23%
EBITDA to sales	15.31%	16.29%	14.44%	10.63%	15.38%	16.67%	12.86%
Shareholders' funds	9,341,918	8,864,928	8,521,273	4,762,174	4,696,282	2,899,934	2,744,983
Return on Equity	0.02%	2.39%	1.50%	2.14%	4.54%	6.30%	0.19%
Return on Capital Employed	9.80%	9.32%	7.10%	8.14%	9.10%	15.96%	6.34%
Operating leverage ratio	0.70	1.09	10.74	(0.23)	(4.29)	2.92	0.53
<b>Liquidity Ratios</b>							
Current ratio	0.99	1.03	1.03	1.04	1.10	1.00	1.01
Quick ratio	0.28	0.38	0.32	0.88	0.82	0.64	0.48
Cash to current liabilities	5.40%	3.42%	1.46%	11.71%	33.02%	5.45%	3.24%
Cash flow from operations to sales	1.42%	17.75%	(5.40%)	7.59%	25.79%	36.26%	(27.67%)
Cash flow to capital expenditure	(129.18%)	100.43%	(175.93%)	91.19%	355.90%	860.98%	(301.17%)
Cash flow coverage ratio	(36.74%)	47.63%	(52.98%)	60.12%	172.65%	181.30%	(54.74%)
Free cash flow	490,838	468,985	257,252	318,015	387,596	387,969	172
<b>Activity Ratios</b>							
Inventory turnover	3.16	3.78	5.22	30.27	9.93	4.88	3.28
No. of days in Inventory	115.63	96.62	69.90	12.06	36.74	74.86	111.22
Debtor turnover	272.93	1,203.20	1,590.09	5,133.21	25.79	11.52	13.36
No. of days in Receivables	1.34	0.30	0.23	0.07	14.15	31.69	27.33
Creditor turnover	6.78	6.46	7.50	15.02	6.85	7.86	7.15
No. of days in Payables	53.83	56.49	48.66	24.29	53.29	46.44	51.05
Operating Cycle	63.14	40.43	21.47	(12.17)	(2.40)	60.11	87.50
Total assets turnover	0.60	0.58	0.59	0.85	0.68	0.76	0.51
Fixed assets turnover	0.80	0.72	0.71	0.96	0.83	1.06	0.69
<b>Investment Valuation Ratios</b>							
Earnings per share	0.06	6.22	3.74	2.98	6.25	5.35	0.22
Price Earning ratio	396.43	2.61	3.91	7.80	3.54	1.90	204.55
Dividend Yield	0.00%	6.15%	6.84%	4.30%	4.52%	9.86%	2.22%
Dividend Payout ratio	0.00%	16.08%	26.74%	33.56%	16.00%	18.69%	454.55%
Dividend Cover ratio	0.06	6.22	3.74	2.98	6.25	5.35	0.18
Cash Dividend per share	0.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Market value per share	21.85	16.25	14.61	23.24	22.14	10.14	45.00
Market value per share-highest	26.50	17.74	25.45	30.50	25.63	46.70	57.00
Market value per share-lowest	15.00	12.00	14.61	18.43	9.77	8.96	38.31
Break value without revaluation surplus	93.14	75.84	62.46	56.21	52.94	46.84	49.61
Break value with revaluation surplus	273.73	259.75	249.68	139.54	137.61	84.97	80.43
Price to book ratio	0.23	0.21	0.23	0.41	0.42	0.22	0.91
Market capitalization	745,706.70	554,587.36	498,932.04	93,521.22	755,695.75	346,308.70	46,404.84
<b>Employee Productivity Ratios</b>							
Production per employee	78.73	73.37	95.41	66.49	52.15	59.23	53.62
Revenue per employee	9,704.43	7,915.31	5,762.44	6,186.04	4,439.59	4,552.23	2,747.23

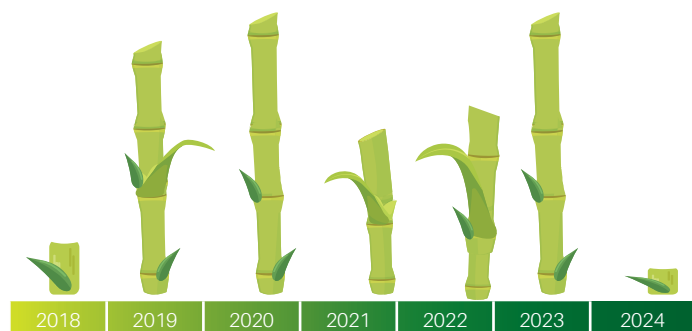
# Graphical Representation

Financial

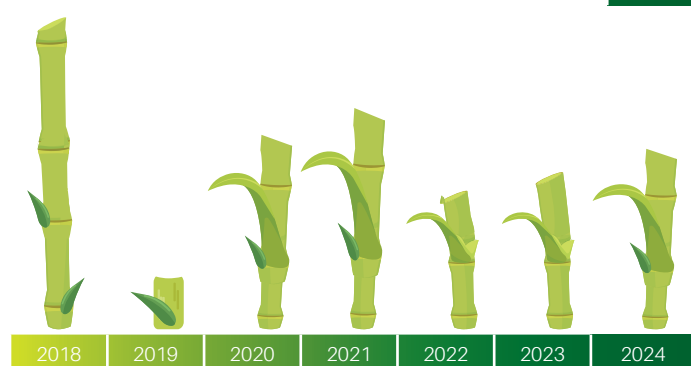
Net Profit After Tax to Sales							in percentage
0.23	5.31	6.09	2.07	2.47	3.06	0.02	



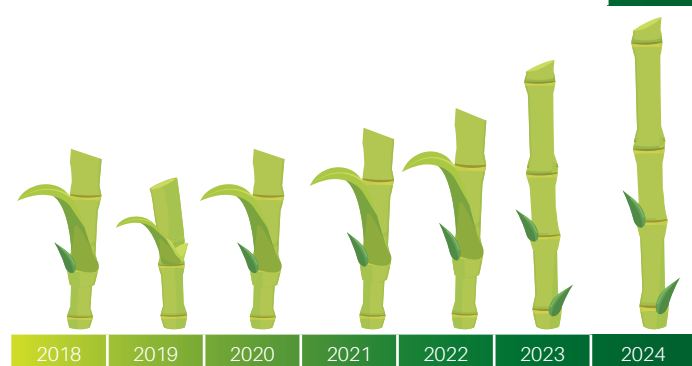
Earning per Share							in rupees
0.22	5.35	6.25	2.98	3.74	6.22	0.06	



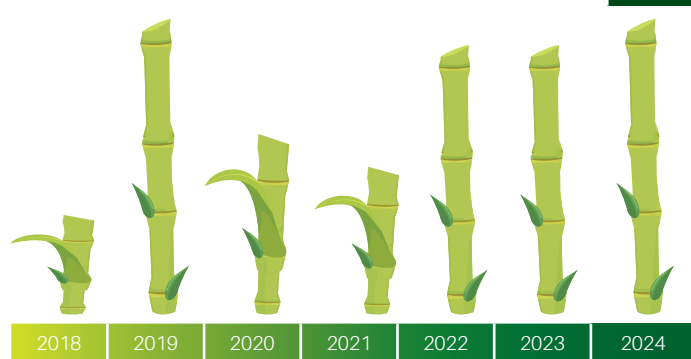
Market Value per Share							in rupees
45.00	10.14	22.14	23.24	14.61	16.25	21.85	



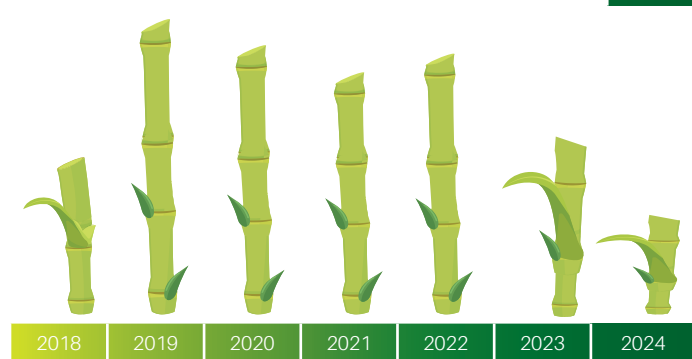
Breakup Value per Share							in rupees
49.61	46.84	52.94	56.21	62.46	75.84	93.14	



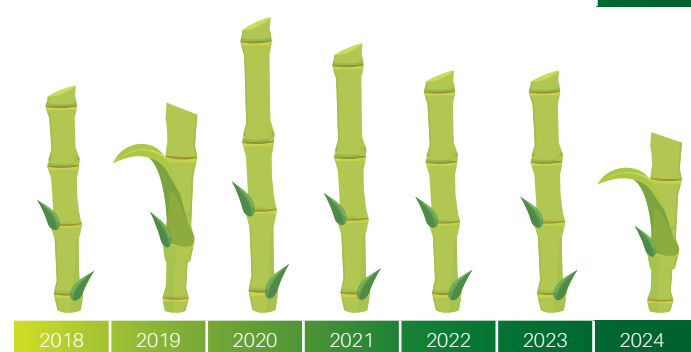
Debt to Capital Employed Ratio							in times
0.10	0.34	0.20	0.17	0.28	0.28	0.34	



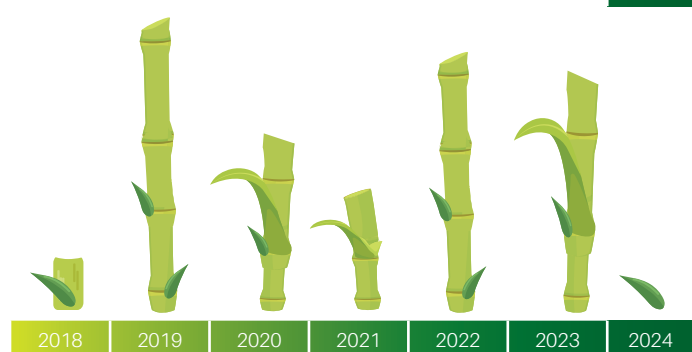
Interest Coverage Ratio							in times
1.26	2.25	1.85	1.77	1.81	1.48	0.96	



Current Ratio							in times
1.01	1.00	1.10	1.04	1.03	1.03	0.99	

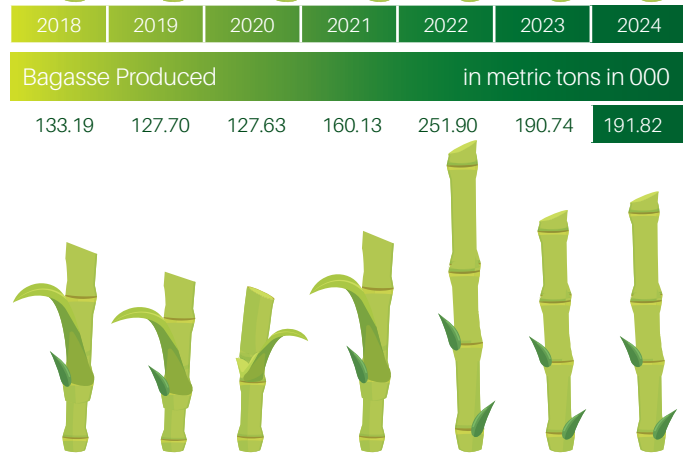
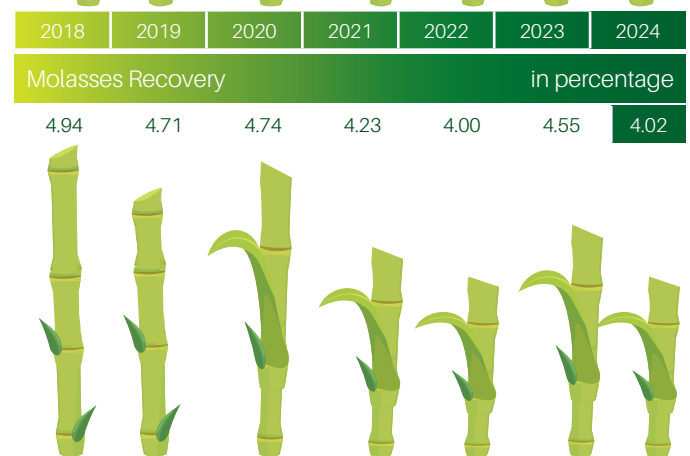
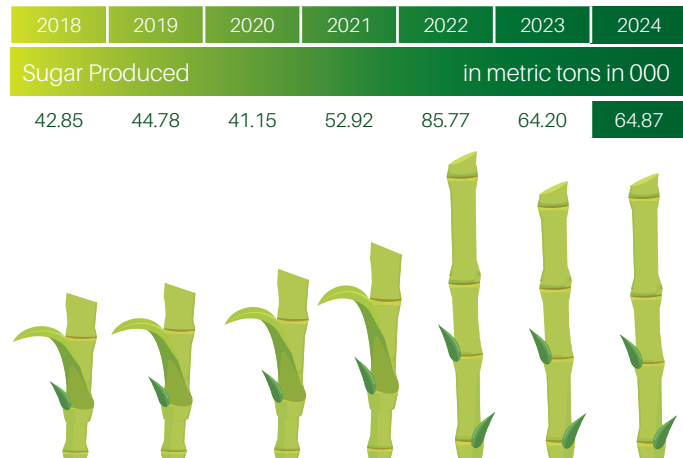
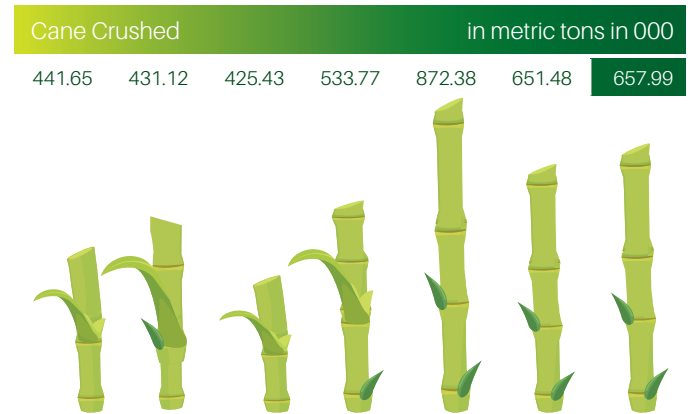
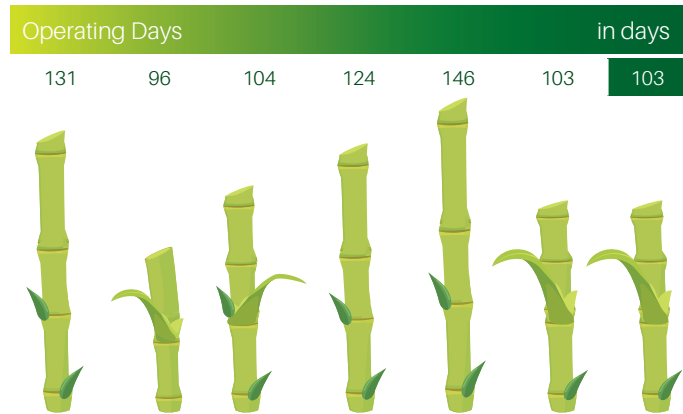


Dividend Yield							in percentage
2.22	9.86	4.52	4.30	6.84	6.15	0	



# Graphical Representation

Operational



## Non-Financial Indicators

	Objective	KPI Monitored	Future Relevance
Manufactured Capital	Product development and innovation	Produce high quality sugar for various industries including FMCG and Pharmaceuticals.	The Company believes in innovation and introducing new varieties of sugar in Pakistan.
	Business Diversification	Analyze various prospects of upstream, parallel and downstream diversification options in Sugar and Allied Industries in order to avail the benefit of excess energy available with Sugar Mill.	Business diversification is our long-term objective.
	Maintain industry leadership and expand sales	Market share, price management and identification of new markets.	Leadership is our continuous endeavor and has to be maintained.
	Enhance operational efficiency and efficient inventory management	Market share, price management and identification of new markets.	Invest in operational efficiency and economies of scale to maintain it in the years to come.
	Economize on costs - eliminating redundancies	Optimization of available resources and better allocation of fixed costs.	KPIs shall be relevant in future.
	Sustainability	Keep a close eye on Current Ratio, Gearing and Interest Cover.	
Human Capital	Health & Safety of workers	Provision of a congenial and clean environment along with safety for smooth work.	We believe in continuously providing environment which harmonize the workers efforts in higher productivity.
	Training and Education	Continuous training of employees and workers. Monitor training need analysis with special focus on health and safety at work.	
Relationship Capital	Shareholder Value	EPS, ROE, Asset Turnover and DPS	We value our relationship with all our stakeholders therefore, we will continue to strive to improve shareholders' value. Improve our customer services and maintain timely payments.
	Stock Value	Analyse market price as a measure of relationship capita	
	Suppliers and Customers Relationships	Assess the payment stream and ensure timely payment. Provide customer with maximum support beyond customer -supplier relationship.	
Intellectual Capital	Highest product strength at lowest cost in industry Maintain industry leadership	Regularly monitor avenues to increase product strength. Produce high quality sugar to facilitate our customers.	We shall continue to innovate products according to the changing needs of Customer and market demand.
Natural Capital	Adopting and promoting environmental good practices	The Company has taken multiple steps to reduce, reuse and recycle waste (3Rs) minimizing natural resource consumption and treat any harmful emissions before they are released to minimize environment footprints.	The Company give core importance to environment protection and will continue to invest for betterment of society.
Financial Capital	Maximizing market share and expanding customer base	Consistent growth in sales revenue and quality control has enabled the Company to increase its share in local market and expanding its customer base.	Continuous efforts regarding financial and technological support of growers will enable the company to procure more cane which will ultimately increase the production and sales volume.



## Financial Indicators

### Budgeted Results

The planned/budgeted sugarcane crushing was of 700,000 MT; however, sugarcane planting of 2023-24 was nearest to previous year but increase in competition among mills and higher sugarcane prices, the company was able to crush only 657,997 MT. Additionally, the planned sucrose recovery rate was 9.87%, but the actual rate was 9.85%, which leads to a slight decrease in production. As a result, the company had to sell fewer quantity of sugar i.e. 59,136 MT with respect to the budgeted 65,000 MT resulting in a decrease in revenue of Rs. 793 million. On a positive note, despite the higher KIBOR rate, efficient working capital management allowed for the early repayment of some short-term borrowings, saving around Rs. 125 million of finance cost.

	2024	
	Actual	Budgeted
	MT	
Sugar sold	59,136	65,000

	2024	
	Actual	Budgeted
	Rs. in "000"	
Net sales	7,996,452	8,889,390
Cost of sales	6,987,146	7,555,000
Gross profit	1,009,306	1,334,390
Expenses and taxes	1,007,426	1,133,056
Net profit	1,880	201,334

### Methods and Assumptions in Compiling Indicators

A Key Performance Indicator (KPI) should immediately inform the reader how the business is performing which in turn should suggest what actions need to be taken. KPIs provide understanding of a company's performance in key areas and measure to analyze current position of the company and likely path the company would follow. KPIs may emerge over time with growth of the Company and more information becomes available. Jauharabad Sugar Mills Limited has identified and updated the above KPIs that are critical to its business. While identifying KPIs, the Company analyzed various indicators, their interpretations and accordingly their extent to which they may correctly and clearly communicate the Company's performance.

# BUSINESS MODEL



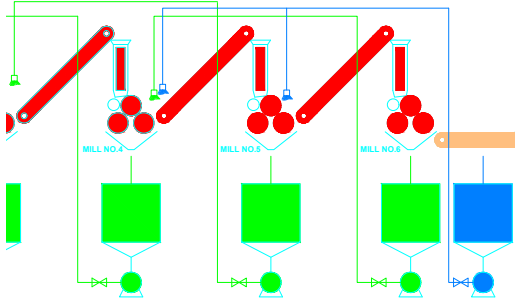


# Jauharabd Sugar Mills Limited

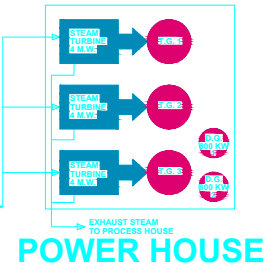
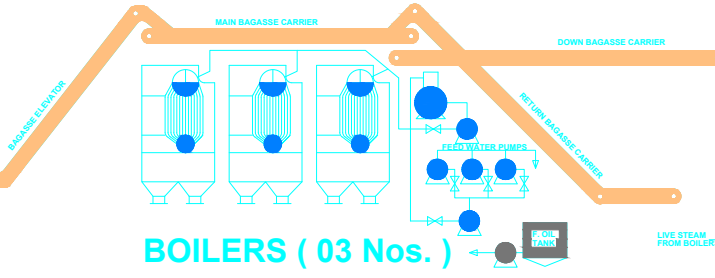
Sugar & By Products Production Process



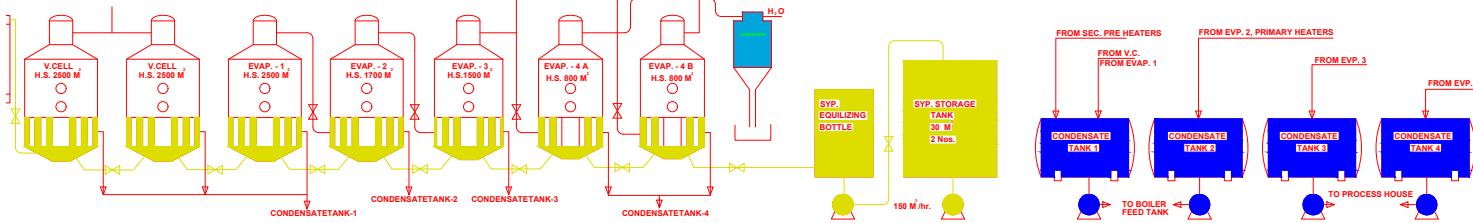
## INTER CARRIERS



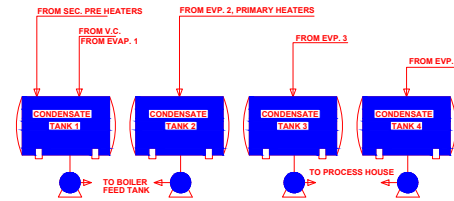
## BAGASSE HANDLING SYSTEM



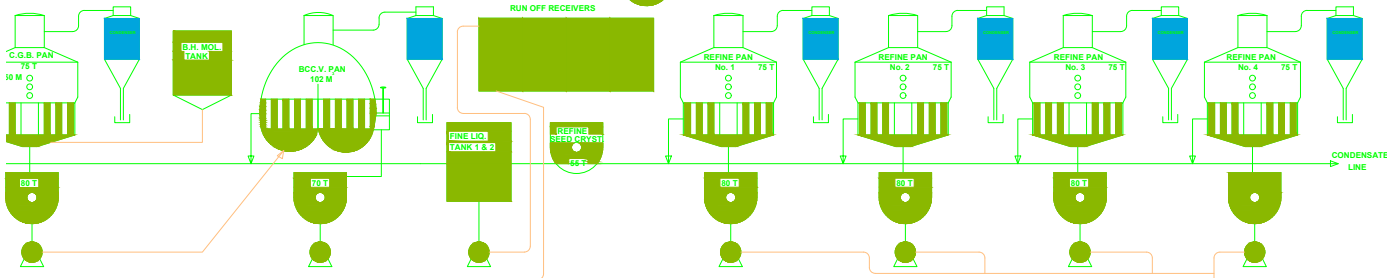
## CLARIFICATION



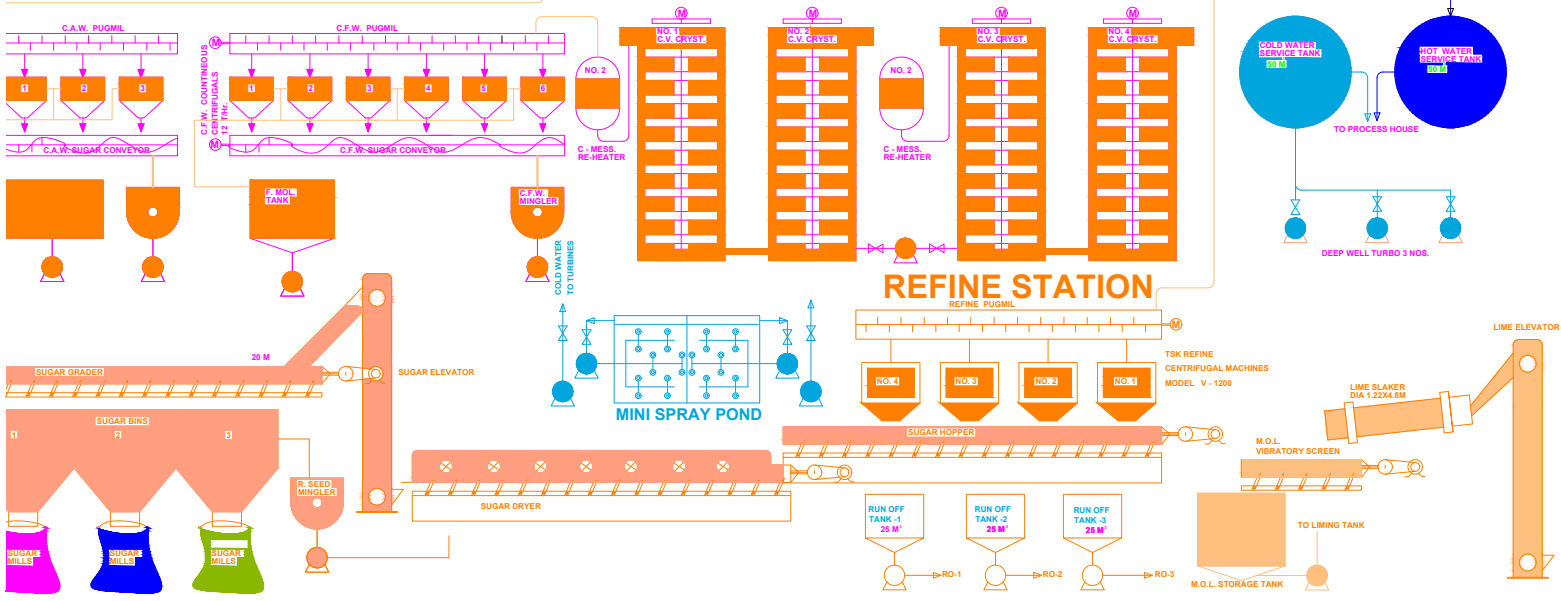
## CONDENSATE TANKS



## PAN STATION



## REFINE STATION



# Our Business Model

There are four key elements of business model of the Company as given below :

## KEY INPUTS

### Human Capital

Our people help deliver our objectives with their scientific and technical knowledge and their expertise in regulation, intellectual property and commercialization.

### Manufactured Capital

- Two crushing line of 3,000 MT & 9,500 MT
- Two independent power generation units of 6 MW & 15 MW
- 657,997 MT sugarcane procured and crushed: costing approx. Rs.7.370 Billion

### Financial Capital

- Total assets Rs. 14.344 billion
- Good credit rating
  - ➔ Long term BBB+
  - ➔ Short term A2
- Working capital lines of Rs. 8.025 billion as at September 2024

### Natural Capital

- 100% self generation of electricity through bagasse based power plants that are environmentally friendly and cost effective
- Planted large number of trees for environment Protection
- Effective utilization of water being used as coolant within the process
- Effluent is being neutralized before being discharged

### Intellectual Capital

- Purest quality refined sugar
- Certifications
  - ➔ Certificate of continued satisfactory operation of the Organization's Management System ISO 9001:2015.
  - ➔ Certificate of continued satisfactory food safety operations - FSSC 22000 Version 5.1.
  - ➔ Halal certification (PS 3733)
- An SQL based system designed for industry by Cosmo Soft Business Solution named SARP is being implement by the Company.

### Social & Relationship Capital

We effectively manage our relationships with regulators, suppliers and third parties. We also have a good corporate reputation which is instrumental in managing these relationships. We have specialized data driven cane procurement team and give financial support to growers for sugarcane farming relationship through reputable local banks by providing corporate guarantee or any specific assistance not being catered by individual growers.

## OUR VALUE CHAIN

A cane procurement team performs a data driven survey throughout the year and take best sugarcane growers onboard for smooth supply in season at reasonable cost. The Company has long association with many growers because of its favorable policies. JSML has a very low employee turnover and takes pride in its accumulated human resource.

### Business Activities/Differentiation

JSML is among the prominent player of Sargodha Division has a capacity to crush 312,500 maund of cane per day. By-products of sugarcane like bagasse, molasses etc. are fully gradually sold throughout the year on the best available prices to obtain maximum output from the sugar making process and minimize costs. At JSML skilled human resource through efficient selection of varietal sugarcane plays key role to obtain a maximum sucrose recovery.

Customer feedback is vital source of information for improvement/development of any product, JSML regularly obtain market feedback through its sales team and strictly address any grievance that may arise. We are more than contented to announce that due to standard of productions no complaint was registered for this crushing year 2023-24.

## KEY OUTPUTS

- Turnover: 7,996 Million
- Net profit: 1.879 Million
- Employees: 824 Average number of Employees
- Solar Power Project: 791 KW

## OUTCOMES

### Human Capital

We employ 824 average number of employee during the year and offer them skill development and career growth opportunities, to attract, retain and motivate the best talent to support our business. We paid a sum of Rs. 411.523 million to employees as remuneration and benefits.

### Manufactured Capital

- Sugar produced: 64,873 tons
- Molasses produced: 26,450 tons

### Financial Capital

- EBIT of Rs. 915.688 million for the year ended Sep 2024.
- Revenue increase by 15.46%

### Intellectual Capital

- Strong and loyal customer base providing premium rates of sugar.
- Secured & advanced remote working techniques.

### Social & Relationship Capital

- Exceptional relationship with growers & farmers.
- Preferred mill by grower to supply sugarcane.
- 24hrs uninterrupted cane supply and production during season.
- New growers and procurement circles.
- Charity and donations.

# FUTURE OUTLOOK







10.30 10.05 10.38 11.15 11.48 12.09 12.51

# Forward Looking Statement

Looking ahead, the Industry enters the challenging 2024/25 crushing season with carryover stocks, limited working capital, higher financing costs, and constant yields and sucrose recovery. According to the Ministry of National Food Security and Research, Pakistan's sugar production forecast for CY2024/25 is 6.8 million tons, with plenty of carryover stocks from CY2023/24. This production is not only expected to meet the country's historical annual domestic demand but also available for export to neighboring countries.

The Company is dedicated to fostering growth and sustainability in the sugar industry by concentrating on crucial factors, such as boosting sugarcane volumes, particularly from established supply areas, and encouraging the use of early-maturing cane varieties that provide more consistent sucrose recovery across the season.

Through ongoing efforts in cane development, timely payments, financial support for growers, and the adoption of advanced sowing and harvesting techniques, the Company will ensure a steady and efficient sugarcane supply throughout the crushing season.

The Sugarcane Department, along with its dedicated development team, consistently conducts various activities, seminars, and workshops throughout the year to maintain strong, healthy relationships with farmers and keep them informed about the latest advancements in the field. The team is working diligently to improve the situation in the sugarcane procurement areas.

The Company's management will leverage the competencies and experience gained over the years to navigate the challenges and uncertainties ahead. At the same time, the Company will continue to create value for shareholders by exploring synergies, diversification, and teamwork.

The external environment including political, economic, social, technological, environmental and legal environment It has been covered in detail in the section "Organizational Overview and External Environment".

## Revenue Projections:

The Company on an annual basis sets sales, crushing, production and other targets in the form of a budget which is duly reviewed by the management. Further, liquidity position of the Company is closely monitored through budgets, cash flow projections and comparison with actual results by the Board of Directors.

Considering the available information and management best judgement, revenue projections for sugar and by-products are as follows:

Year	Revenue-net Rs. in "000"
2024-25	7,736,765
2025-26	7,924,152
2026-27	8,049,195

## Sources of Information used for projections of future revenues

The future projections and forecasts are based on certain assumptions after critically analyzing the current macroeconomic conditions, historical trends, and prospective developments as well as other relevant factors that might have an impact on the sugar Industry. Based on the inputs provided, production, sales and sugarcane procurement plans are developed for the next financial year. The Company also uses data from external sources such as market surveys, Pakistan Sugar Mills Association, Pakistan Economic Survey as well as State Bank's data.

Status of the projects/Upcoming Project

## Power Plant

The Company has installed RO Plant for water treatment and economizer to improve efficiency of bagasse-based power plant which will increase bagasse saving. Further that, in absence of energy purchase agreement with the Government the Company is intended to use excess electricity generated by the power plant to private sector subject to approvals from relevant authorities.

## Solar System

The Company, under its vision to produce green energy, has successfully enhanced its Solar System at mills from 260 KW to 791 KW. Which results in reduction of electricity expenses and less reliance on FESCO in off-season also.

## BMR & Maintenance

The Company has successfully installed/refurbished plant and equipment under BMR and maintenance plan which includes following:

- i. Installation of RO plant and economizer with complete structure to increase the efficiency of power plant.
- ii. Improvement of turbine and replacement of HP boiler tubes with civil work.
- iii. Automation of Mills House and Boiler.

In continuation to the management's vision to enhance the mills productivity and efficiency by bringing in new equipment, the Company has a plan to make following additions in plant and machinery in the upcoming year 2024-25.

- iv. Installation of new vacuum filter, juice heater and crystallizer to increase the retention time of different types of massecuite for proper raw sugar processing.
- v. Improvement of Process House Pumps & Gears, Evaporators, Pans and Juice Clarifiers to improve sugar quality hence resulting in increased revenue.

## Additional Disclosures

### Fair Value and Forced Sales Value of Property, Plant and Equipment

Market value of plant, machinery, building and land is, carried out as at September 30, 2022, Rs. 9.4 billion. Forced sales value of plant, machinery, building and land is Rs. 7.5 billion.

### Significant Material Assets

Significant material assets of the Company are land, building, complete set of mills, Boilers, Steam Turbines, Evaporators, Centrifugal and Diesel Generator Sets and power plant.

### Plant Capacity

The Company has Crushing Capacity of 12,500 MT per day.



# Stakeholders' Relationship and Engagement



## Stakeholders Relationship and Management

JSML, being a responsible organization understands the importance of stakeholder engagement and treat its implications on priority. The Company interact with its stakeholders to seek their opinions and their expectations. This process allows the Company to define a timely and adequate response to the issues they deem important for our business and for our ability to make an impact that matters.

### Identification of Stakeholders

Our management places great focus on identification and engagement with stakeholders. Our sales and marketing department is extensively involved in customer analysis to better connect with our customers, to expand and update our customer base. Our supply chain department actively engages with suppliers and vendors to develop better relationships. Our corporate department makes efforts to make better relationships with our shareholders through direct engagement and corporate briefing sessions. The finance department actively communicates with banks, financial institutions, statutory auditors and authorities. The human resource department is in continuous connection with employees and the talent pool available in the market.

### Stakeholders' Engagement Process

JSML regularly engages and effectively communicates with its stakeholders. The table sets out our key stakeholder groups, some of the ways in which we engage with them, identification of needs/interests and how these relationships are likely to affect the performance and value of the entity and Company's response for that;

Stakeholder Group	Engagement/ Communication Mode	Effect and Value to Company	Frequency	Needs/Interests/ Topics Identified by Stakeholders	Company Response
1 Shareholders/ Investors	<ul style="list-style-type: none"> <li>Annual general meeting</li> <li>Extra ordinary general meeting</li> <li>Company Secretary</li> <li>Corporate briefing sessions</li> </ul>	<ul style="list-style-type: none"> <li>Regular and constructive dialogue with investors and shareholders to communicate performance update in order to build confidence and ensure continued access to capital</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>As per need</li> </ul>	<ul style="list-style-type: none"> <li>Future prospects of the business</li> <li>Capacity enhancements and expansions etc.</li> </ul>	The Company is committed towards transparency of financial and non-financial information, timely communication for sustainable business growth.
2 Employees	<ul style="list-style-type: none"> <li>Routine interactions and meetings and project based collaborations</li> <li>Annual performance appraisals</li> <li>HOD's periodic meetings</li> <li>Whistle blowing option to all employee</li> </ul>	<ul style="list-style-type: none"> <li>Providing a nurturing and friendly work environment that helps the Company to maintain a dedicated and competent workforce</li> <li>Motivated workforce supports effective implementation of strategies</li> </ul>	Regular	<ul style="list-style-type: none"> <li>Career and professional growth</li> <li>Training &amp; development</li> </ul>	The Company gives utmost importance to transparency in employee related affairs; and simultaneously emphasize on capacity / skill development training programs.
3 Customers/ Consumers	<ul style="list-style-type: none"> <li>Customer visits to manufacturing facilities</li> <li>Deploying systems to improve feedback and regular follow-ups with customers</li> <li>Direct balance confirmations from debtors</li> </ul>	<ul style="list-style-type: none"> <li>Feedback from customers in engagements enable us to develop products and advocate for policies that better cater to the our valued customers needs</li> </ul>	Regular	<ul style="list-style-type: none"> <li>Competitive prices, quality of products timely deliveries</li> <li>Compliance of food safety, quality and Halal standards etc.</li> </ul>	Attractive and competitive product offerings, Timely deliveries, Ensuring food safety, quality and Halal related compliance.
4 Banks	<ul style="list-style-type: none"> <li>Meetings and negotiation are held with banks/ financial institutions to discuss working capital and other financing requirements</li> </ul>	<ul style="list-style-type: none"> <li>Access to the financial contracts such as loan facilities at competitive prices</li> </ul>	Regular	<ul style="list-style-type: none"> <li>Payment of principle and interest on time</li> <li>Maintaining different debt covenants</li> </ul>	The Company ensures on-time payment of principal and interest to its money lenders. Debt covenants performance is also closely monitored.

5	Local Community	<ul style="list-style-type: none"> <li>The Company actively played its role toward providing better education &amp; health related activities to our communities</li> <li>Investing in education by sponsoring school and health support programs &amp; initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>Close relationship with local community having long term positive impact for the Company</li> </ul>	Regular	<ul style="list-style-type: none"> <li>Negative impact of manufacturing sites</li> <li>Employment opportunity for neighboring communities</li> <li>Communal services</li> </ul>
6	Government and other Regulatory Bodies	<ul style="list-style-type: none"> <li>Meetings with official according to business needs</li> <li>Submission of data for compliance</li> <li>Filing application for approval and registration</li> </ul>	<ul style="list-style-type: none"> <li>Understanding and ensuring compliance with all legal and regulatory requirements</li> <li>Dialogue with regulatory authorities to address matters impacting business operations and new registrations</li> </ul>	Need Basis	<ul style="list-style-type: none"> <li>Compliance with applicable statutory regulations and laws</li> </ul>
7	Media	<ul style="list-style-type: none"> <li>Different communication mediums including social media used on need basis to apprise the general public about new developments and activities</li> </ul>	<ul style="list-style-type: none"> <li>By informing the media of the developments and activities at JSML, effective awareness is created regarding the Company and the products and activities, indirectly having a positive impact</li> </ul>	Regular	<ul style="list-style-type: none"> <li>Awareness regarding company, its product and its activities</li> </ul>

### Corporate Briefing Sessions

In compliance with PSX requirements, the Company conducted Corporate Briefing Session. The briefing was well attended by analysts, shareholders and potential investors. The Chief Executive Officer (CEO) of the Company presented its financial results, analysis, future prospects and challenges. CEO also discussed all the queries raised by participants at a great length.

### Minority Shareholders

The management of the Company believe, encourage and ensure the equitable treatment of all shareholders including minority shareholders to attend, speak and vote at the general meetings and appoint another member as his/her proxy in his/her absence. The notices of general meetings are circulated by the Company within the regulatory time frames to the registered addresses of the shareholders (including minority shareholders) as well as it is published in Urdu and English newspapers.

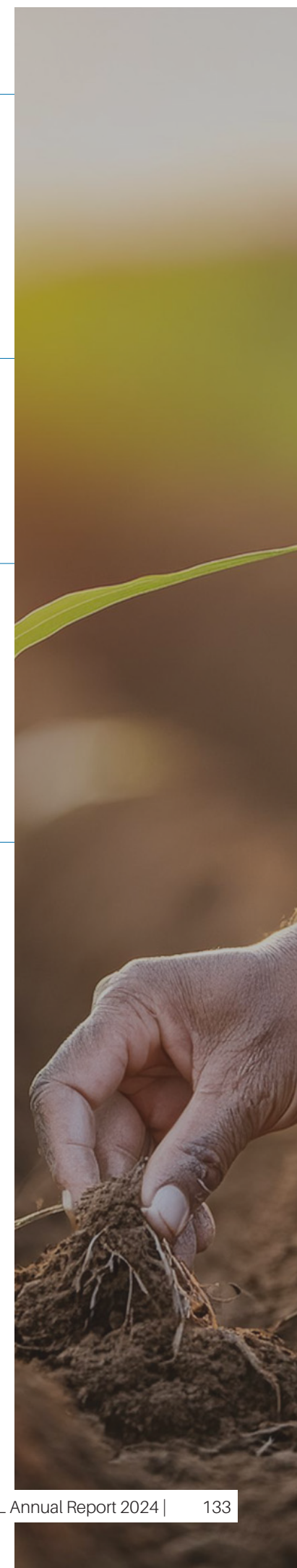
Additionally, minority shareholders are also encouraged to attend online AGM through zoom and are reminded to attend AGM through email. Apart from this they are encouraged to attend Corporate Briefing which is required to be held as per PSX requirement.

### Issues Raised at Last AGM

The last Annual General Meeting had a considerable level of attendance and interactive engagement session was held with shareholders. All the proposed resolutions were duly approved by shareholders. The Annual General Meeting held by the Company, provided an opportunity to put questions to the Board during the formal proceedings, while providing shareholders the chance to meet with the Board of Directors and senior management however, no significant issue was raised during the AGM.

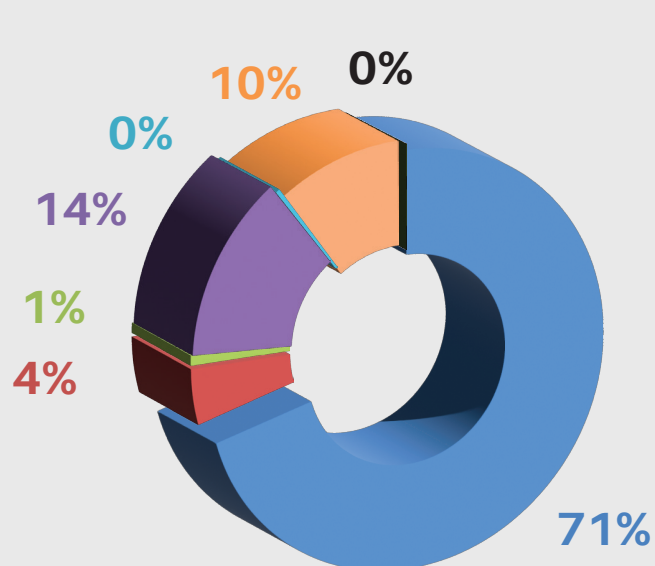
### Redressal of Investors' Complaints

No significant complaint was received from investors during the year ended 30 September 2024.

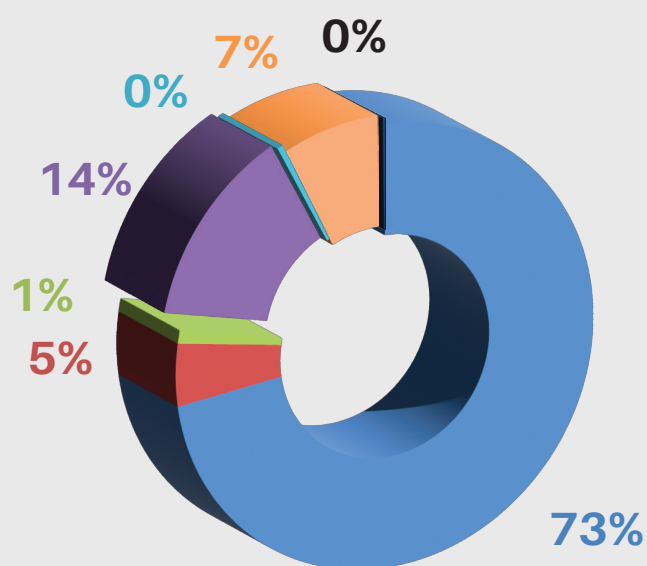


## Statement of Value Addition and Distribution of Wealth

	FY2024		FY2023	
	Rs. 000	%	Rs. 000	%
<b>Wealth Generated</b>				
Gross sales to customers	9,335,335	98.2%	8,017,351	100.1%
Add: Other income and finance income	168,241	1.8%	(6,375)	-0.1%
<b>Total value added</b>	<b>9,503,576</b>	<b>100.0%</b>	<b>8,010,975</b>	<b>100.0%</b>
<b>Distribution of Wealth</b>				
■ Cost of sales (excluding employees' remuneration)	6,760,664	70.6%	5,658,683	72.8%
■ Salaries paid to employees	411,523	4.3%	354,714	4.6%
■ Marketing, selling and administrative expenses	74,248	0.8%	73,654	0.9%
■ Government as levies	1,333,950	13.9%	1,085,835	14.0%
■ Shareholder as dividends	34,128	0.4%	34,128	0.4%
■ Finance cost	948,606	9.9%	558,387	7.2%
■ Workers' welfare	6,546	0.1%	10,871	0.1%
■ Charity and donation	957	0.0%	844	0.0%
■ Providers of long term finance as financial charges	488	0.0%	1,749	0.0%
	9,571,111	100.0%	7,778,866	100.0%
Retained within the business	(67,535)	-0.7%	232,109	2.90%



FY2024



FY2023



## Jauharabad Sugar Mills Limited

Statement of Cash Flows-Direct Method

For the year ended September 30, 2024

	2024 Rupees	2023 Rupees
Cash flow from operating activities		
Cash receipts from customers	8,801,394,203	8,116,697,036
Cash paid to suppliers and employees	(8,701,880,887)	(6,901,517,620)
Cash generated from operations	99,513,316	1,215,179,416
Tax and levy paid	(163,414,548)	(88,309,260)
Finance cost paid	(928,932,920)	(518,845,530)
	(1,092,347,468)	(607,154,790)
Net cash (used in)/generated from operating activities	(992,834,152)	608,024,626
Cash flow from investing activities		
Purchase of property, plant and equipment	(768,575,607)	(605,429,932)
Sale proceeds from disposal of property, plant and equipment	5,730,859	2,551,269
Long term deposits	(2,166,667)	(290,342)
Net cash used in from investing activities	(765,011,415)	(603,169,005)
Cash flow from financing activities		
Repayment of long term finances - net	-	(9,429,947)
Lease rentals paid - net	(2,095,262)	(4,565,070)
Dividend paid	(34,128,453)	(34,128,453)
Proceeds from/(to) Sponsors' loan - net	509,238,040	(34,519,220)
Net cash used in financing activities	473,014,325	(82,642,690)
Net decrease in cash and cash equivalents	(1,284,831,242)	(77,787,069)
Cash and cash equivalents at the beginning of the year	(1,181,054,399)	(1,103,267,330)
Cash and cash equivalents at the end of the year	(2,465,885,641)	(1,181,054,399)
Cash and cash equivalents comprise of following statement of financial position amounts:		
- Short term investments	14,861,932	14,870,771
- Cash and bank balances	221,488,103	80,517,758
- Short term borrowings	(2,702,235,676)	(1,276,442,928)
	(2,465,885,641)	(1,181,054,399)

## Pattern of Shareholding

As on September 30, 2024

1.1 Name of the Company Jauharabad Sugar Mills Limited

2.1. Pattern of holding of the shares held by the shareholders as at September 30, 2024

2.2 No. of Shareholders	From	To	Total Shares Held
670	1	100	16,926
237	101	500	59,349
96	501	1,000	73,960
149	1,001	5,000	361,404
29	5,001	10,000	215,741
8	10,001	15,000	97,046
6	15,001	20,000	107,111
4	20,001	25,000	91,539
1	25,001	30,000	27,589
2	30,001	35,000	66,651
1	35,001	40,000	36,050
3	45,001	50,000	145,549
3	55,001	60,000	177,500
1	65,001	70,000	65,170
1	70,001	75,000	74,305
1	85,001	90,000	85,376
3	95,001	100,000	296,485
1	100,001	105,000	104,000
1	105,001	110,000	107,549
1	120,001	125,000	122,000
1	205,001	210,000	206,336
1	240,001	245,000	244,000
1	315,001	320,000	319,000
1	345,001	350,000	350,000
1	390,001	395,000	394,500
1	580,001	585,000	582,169
1	1,000,001	1,005,000	1,000,582
1	1,045,001	1,050,000	1,047,530
1	1,150,001	1,155,000	1,151,335
1	1,595,001	1,600,000	1,600,000
1	3,175,001	3,180,000	3,175,816
1	21,725,001	21,730,000	21,725,885
1230			34,128,453

2.3 Categories of shareholders	Share held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	3,500	0.010%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	21,725,885	63.659%
2.3.3 NIT and ICP	1,005,239	2.945%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	5,871	0.017%
2.3.5 Insurance Companies	731	0.002%
2.3.6 Modarabas and Mutual Funds	0	0.000%
2.3.7 Shareholders holding 10% or more	21,725,885	63.659%
2.3.8 General Public		
a. Local	7,117,480	20.855%
b. Foreign	690	0.002%
2.3.9 Others (to be specified)		
- Investment Companies	2,425	0.007%
- Joint Stock Companies	4,146,907	12.151%
- Pension Funds	99,459	0.291%
- Others	20,266	0.059%

## Categories of Shareholding

Required under Code of Corporate Governance (CCG)

As on September 30, 2024

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
1	Cane Processing (Pvt.) Limited (CDC)	21,725,885	63.6592%
Mutual Funds (Name Wise Detail)			
Directors, Chief Executive Officer, their Spouse and Minor Children (Name Wise Detail):			
1	Mr. Syed Anwar Hussain Shahid (CPL Nominee)	--	--
2	Mr. Muhammad Aamir Beg	500	0.0015%
3	Mr. Amjad Javed Aftab (CPL Nominee)	--	--
4	Mr. Ghias-ul-Hasan (CPL Nominee)	2,500	0.0073%
5	Mr. Saif-ur-Rehman (CPL Nominee)	--	--
6	Ms. Faiza Iftikhar	500	0.0015%
Executives:		1,603	0.0047%
Public Sector Companies & Corporations:		--	--
Banks, Development Finance Institutions, Non Banking Finance		106,061	0.3108%
Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:			
Shareholders Holding Five Percent or more Voting Intrest in the Listed Company (Name Wise Detail);			
Sr. No.	Name	Holding	Percentage
1	Cane Processing (Pvt.) Limited (CDC)	21725885	63.6592%
2	Mrs. Ghazala Amjad (CDC)	3175816	9.3055%
All Trades in the Shares of the Listed Company, Carried Out by its Directors, Chief Executive Officer, their Spouse and Minor Children shall also be Disclosed:			
Sr. No.	Name	Sale	Purchase
	Nil	-	-

**FINANCIAL  
STATEMENTS**

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## Independent Auditor's Report

To the members of Jauharabad Sugar Mills Limited  
Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of Jauharabad Sugar Mills Limited ("the Company"), which comprise the statement of financial position as at September 30, 2024, and the statement of profit or loss and 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 policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with approved accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

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

### Key Audit Matters

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

Following are the Key audit matters:

S.No.	Key audit matters	How the matter was addressed in our audit
1	<p><b>Additions to Property, Plant &amp; Equipment</b></p> <p>Refer notes 4.8 and 5 to the financial statements. The Company has made significant capital expenditure on sugar machinery parts.</p> <p>We identified additions to property, plant and equipment as a key audit matter because there is a risk that amounts being capitalized may not meet the capitalization criteria with related implications on depreciation charge for the year.</p>	<p>Our audit procedures to assess the addition to property, plant and equipment, amongst others, included the following:</p> <ul style="list-style-type: none"><li>• Obtained an understanding of the design and implementation of management controls over capitalization and testing control over authorization of capital expenditure and accuracy of its recording in the system;</li><li>• Performed testing, on sample basis, the costs incurred with supporting documentation and contracts;</li><li>• Assessed the nature of costs incurred for the capital projects through testing, on sample basis, of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the applicable accounting standards; and</li><li>• Inspected supporting documents for the date of capitalization when plant &amp; machinery was ready for its intended use to assess whether depreciation commenced and further capitalization of costs ceased from that date and assessing the useful life assigned by management including testing the calculation of related depreciation.</li></ul>

S.No.	Key audit matters	How the matter was addressed in our audit
2	<p><b>Valuation of stock-in-trade</b></p> <p>Refer to notes 4.12 and 9 to the financial statements.</p> <p>The balance of stock-in-trade as at September 30, 2024 was Rs. 2,902,289,704 million.</p> <p>We identified valuation of stock-in-trade as a key audit matter as it involves significant management judgement in determining the carrying value of stock-in-trade.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>Assessed the appropriateness &amp; consistency of company's accounting policy for valuation of inventories and compliance of the policy with the requirements of the prevailing accounting standards;</li> <li>Obtained an understanding of internal controls over valuation of inventories and performed test of control on a sample basis, to test the design, implementation and operating effectiveness;</li> <li>Performed substantive procedure over purchases and consumptions;</li> <li>Re-calculated the value of stock in trade by allocating the fixed and variable overheads and reviewed the adequacy of costing methodology;</li> <li>Performed cut-off procedures and subsequent stock count to validate the completeness and existence of closing stock;</li> <li>Assessed reasonableness management's determination of net realizable value (nrv) and the key estimates adopted and compared on sample basis cost of inventories with their respective net realizable value (nrv);</li> <li>Assessed the adequacy of disclosures in the financial statements to be in accordance with the applicable accounting standards.</li> </ul>

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

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended September 30, 2024, but does not include the financial statements and our auditor's report thereon. Other information is expected to be made available to us after the date of this audit report.

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.

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

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

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

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

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

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

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

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

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

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


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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Ibne Hassan.

Place: Lahore  
Date: January 06, 2025  
UDIN: AR202410300p2Qg8tsiq

  
UHY Hassan Naeem & Co.  
Chartered Accountants  
(Mr. Ibne Hassan)



# Statement of Financial Position

As at September 30, 2024

	Note	2024 Rupees	2023 Rupees
<b>Non-current assets</b>			
Property, plant and equipment	5	10,272,237,185	9,814,896,493
Intangible assets	6	34,934	52,141
Long-term deposits	7	5,257,309	3,090,642
		10,277,529,428	9,818,039,276
<b>Current assets</b>			
Stores, spare parts and loose tools	8	194,302,810	298,492,859
Stock-in-trade	9	2,902,289,704	1,524,695,100
Loans and advances	10	315,758,748	294,337,722
Trade debts	11	53,027,788	5,569,558
Trade deposits and short term prepayments	12	155,885,109	83,850,773
Other receivables-unsecured considered good	13	22,220,756	22,220,756
Tax refunds due from the Government	14	186,811,325	94,348,259
Short term investments	15	14,861,932	14,870,771
Cash and bank balances	16	221,488,103	80,517,758
		4,066,646,275	2,418,903,556
<b>Current liabilities</b>			
Trade and other payables	17	1,177,344,911	883,432,757
Unclaimed dividend		1,796,657	1,639,700
Accrued mark-up	18	117,885,795	99,699,786
Short term borrowings	19	2,702,235,676	1,276,442,928
Current portion of:			
-Liabilities against assets subject to lease-secured	20	603,227	726,906
Provision for taxation	21	100,956,359	90,129,350
		4,100,822,625	2,352,071,427
<b>Working capital employed</b>		(34,176,350)	66,832,129
		10,243,353,078	9,884,871,405
<b>Contingencies and commitments</b>			
<b>Non-current liabilities</b>			
Liabilities against assets subject to lease-secured	20	790,445	2,233,444
Deferred liabilities	23	900,644,947	1,017,709,692
		901,435,392	1,019,943,136
<b>Net capital employed</b>		9,341,917,686	8,864,928,269
<b>Represented by:</b>			
<b>Share capital and reserves</b>			
Share capital	24	341,284,530	341,284,530
Capital reserve - share premium		372,402,633	372,402,633
Loan from sponsors	25	1,383,835,718	874,597,678
Revenue reserve - Accumulated profits		1,081,199,128	1,000,143,786
Revaluation surplus on property, plant and equipment - net of tax	26	6,163,195,677	6,276,499,642
		9,341,917,686	8,864,928,269

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

Lahore:  
December 24, 2024



Chief Executive



Director



Chief Financial Officer

Statement of Profit or Loss  
For the year ended September 30, 2024

		2024	2023
	Note	Rupees	Restated Rupees
Sales - net	27	7,996,451,611	6,925,893,103
Cost of sales	28	(6,987,145,562)	(5,851,908,072)
<b>Gross profit</b>		<b>1,009,306,049</b>	<b>1,073,985,031</b>
<b>Operating Expenses</b>			
Distribution cost	29	24,165,731	29,748,210
Administrative expenses	30	237,693,028	211,487,319
		(261,858,759)	(241,235,529)
<b>Operating profit</b>		<b>747,447,290</b>	<b>832,749,502</b>
Finance cost	31	(949,094,324)	(560,136,336)
Other income	32	173,574,207	8,324,997
Other expenses	33	(5,333,597)	(14,700,278)
<b>(Loss)/Profit before taxation and levy</b>		<b>(33,406,424)</b>	<b>266,237,885</b>
Levy	4.3 & 34	(86,087,638)	(57,359,979)
<b>(Loss)/Profit before taxation</b>		<b>(119,494,062)</b>	<b>208,877,906</b>
Taxation	34	121,373,892	3,354,939
<b>Profit after taxation</b>		<b>1,879,830</b>	<b>212,232,845</b>
<b>Earning per share - basic and diluted</b>	35	<b>0.06</b>	<b>6.22</b>

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

Lahore:  
December 24, 2024



Chief Executive



Director



Chief Financial Officer

## Statement of Other Comprehensive Income

For the year ended September 30, 2024

	2024	2023
	Rupees	Restated Rupees
Profit after taxation	1,879,830	212,232,845
Other comprehensive income for the year		
Items that will not be reclassified subsequently to retained earnings account		
Gain on revaluation of land, building and plant & machinery - net of tax	-	-
<b>Total comprehensive income for the year</b>	<b>1,879,830</b>	<b>212,232,845</b>

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

Lahore:  
December 24, 2024



Chief Executive



Director



Chief Financial Officer

Statement of Cash Flows  
For the year ended September 30, 2024

	Note	2024 Rupees	2023 Rupees
<b>Cash flow from operating activities</b>			
(Loss)/Profit before taxation and levy		(33,406,424)	266,237,885
<b>Adjustments for:</b>			
Depreciation	5.1.1	308,438,997	302,045,291
Amortization	6.3	17,207	25,682
Provision for Workers' Welfare Fund (WWF)	33	5,324,758	-
Provision for Workers' Profit Participation Fund	33	-	14,012,520
Finance cost	31	949,094,324	560,136,336
Expected credit loss	30	4,823,935	-
Government grant		-	(1,191,051)
(Gain)/loss on disposal of property, plant and equipment	5.1.5	(2,934,941)	558,530
		1,264,764,280	875,587,308
<b>Operating profit before working capital changes</b>		1,231,357,856	1,141,825,193
<b>Working capital changes</b>			
Stores, spare parts and loose tools		104,190,049	(76,865,142)
Stock-in-trade		1,377,594,604	48,669,953
Loans and advances		(21,421,026)	40,357,967
Trade debts		(52,282,165)	373,356
Trade deposits and short term prepayments		(72,034,336)	(80,522,240)
Trade and other payables		301,153,105	155,840,517
Unclaimed dividend		156,957	(241,643)
		(1,117,832,020)	87,612,768
<b>Cash generated from operations</b>		113,525,836	1,229,437,961
Tax and levy paid		(163,414,548)	(88,309,260)
WPPF paid		(14,012,520)	(14,258,545)
Finance cost paid		(928,932,920)	(518,845,530)
		(1,106,359,988)	(621,413,335)
<b>Net cash (used in)/generated from operating activities</b>		(992,834,152)	608,024,626

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

Lahore:  
December 24, 2024



Chief Executive



Director



Chief Financial Officer

Statement of Cash Flows  
For the year ended September 30, 2024

	Note	2024 Rupees	2023 Rupees
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment		(768,575,607)	(605,429,932)
Sale proceeds from disposal of property, plant and equipment		5,730,859	2,551,269
Long term deposits		(2,166,667)	(290,342)
<b>Net cash used in from investing activities</b>		<b>(765,011,415)</b>	<b>(603,169,005)</b>
<b>Cash flow from financing activities</b>			
Repayment of long term finances - net		-	(9,429,947)
Lease rentals paid - net		(2,095,262)	(4,565,070)
Dividend paid		(34,128,453)	(34,128,453)
Proceeds from/(to) Sponsors' loan - net		509,238,040	(34,519,220)
<b>Net cash used in financing activities</b>		<b>473,014,325</b>	<b>(82,642,690)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(1,284,831,242)</b>	<b>(77,787,069)</b>
Cash and cash equivalents at the beginning of the year		(1,181,054,399)	(1,103,267,330)
<b>Cash and cash equivalents at the end of the year</b>		<b>(2,465,885,641)</b>	<b>(1,181,054,399)</b>
<b>Cash and cash equivalents comprise of following statement of financial position amounts:</b>			
- Short term investments	15	14,861,932	14,870,771
- Cash and bank balances	16	221,488,103	80,517,758
- Short term borrowings	19	(2,702,235,676)	(1,276,442,928)
		<b>(2,465,885,641)</b>	<b>(1,181,054,399)</b>

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


Lahore:  
December 24, 2024



Chief Executive



Director



Chief Financial Officer

## Statement of Changes in Equity

For the year ended September 30, 2024

	Share Capital		Capital Reserves		Revenue Reserve	Loan from sponsors	Total
	Issued subscribed and paid-up capital	Share premium	Revaluation surplus	Accumulated profits			
	----- (Rupees) -----						
<b>Balance as at October 01, 2022</b>	341,284,530	372,402,633	6,389,466,587	709,072,449	709,046,898	8,521,273,097	
Repayment of loan during the year	-	-	-	-	(162,040,220)	(162,040,220)	
Loan received during the year	-	-	-	-	127,521,000	127,521,000	
Loan transferred from short term liability	-	-	-	-	200,070,000	200,070,000	
Dividend paid at Rs. 1/- per share	-	-	-	(34,128,453)	-	(34,128,453)	
Profit after taxation	-	-	-	212,232,845	-	212,232,845	
Other comprehensive income for the year	-	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	212,232,845	-	212,232,845	
Transfer of incremental depreciation (net of tax)	-	-	(112,966,945)	112,966,945	-	-	
<b>Balance as at September 30, 2023</b>	341,284,530	372,402,633	6,276,499,642	1,000,143,786	874,597,678	8,864,928,269	
<b>Balance as at October 01, 2023</b>	341,284,530	372,402,633	6,276,499,642	1,000,143,786	874,597,678	8,864,928,269	
Repayment of loan during the year	-	-	-	-	(61,000,000)	(61,000,000)	
Loan received during the year	-	-	-	-	570,238,040	570,238,040	
Dividend paid at Rs. 1/- per share	-	-	-	(34,128,453)	-	(34,128,453)	
Profit after taxation	-	-	-	1,879,830	-	1,879,830	
Other comprehensive income for the year	-	-	-	-	-	-	
Total comprehensive income for the year	-	-	(113,303,965)	1,879,830	-	1,879,830	
Transfer of incremental depreciation (net of tax)	-	-	113,303,965	113,303,965	-	-	
<b>Balance as at September 30, 2024</b>	341,284,530	372,402,633	6,163,195,677	1,081,199,128	1,383,835,718	9,341,917,686	

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

Lahore:  
December 24, 2024



Chief Executive



Director



Chief Financial Officer

# Notes to the Financial Statements

For the year ended September 30, 2024

## 1 Reporting entity

- 1.1 Jauharabad Sugar Mills Limited "the Company" (formerly known as Kohinoor Sugar Mills Limited) was incorporated in Pakistan in 1968 under the repealed Companies Act 1913 (now Companies Act, 2017). The shares of the Company are listed on the Pakistan Stock Exchange. The registered office of the Company is situated at 125-B, Quaid-e-Azam Industrial Estate, Gate No. 4, Kot Lakhat, Lahore, and the mill is located at Jauharabad, District Khushab, Pakistan. The production plant is located at Industrial Area Jauharabad City District Khushab in the province of Punjab. The principal activity of the Company is manufacturing and sale of sugar and its by-products.

## 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. The accounting and reporting standards applicable in Pakistan comprise:

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

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

### 2.2 Basis of measurement

These financial statements have been prepared under historical cost convention except for the certain property, plant and equipment that are at revalued amounts.

Other areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows.

- Estimation of net realizable value
- Computation of deferred taxation
- Disclosure of contingencies

## 3 Use of estimates and judgements

The preparation of these financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, and the results of which form the basis for making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

### 3.1 Property, plant and equipment

The Company reviews the useful lives and residual values of property, plant and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

### 3.2 Revaluation of property, plant and equipment

Revaluation of property, plant and equipment is carried out by independent professional valuers. Revalued amounts of non depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present depreciated replacement values.

### 3.3 Stores, spare parts and loose tools

The Company reviews the stores, spare parts and loose tools for possible impairment on an annual basis. Any change in estimates in future years might affect the carrying amounts of the respective items of stores, spare parts and loose tools with a corresponding effect on the provision.

### 3.4 Stock-in-trade

The Company reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock-in-trade is adjusted where the net realizable value is below the cost. Net realizable represents the estimated selling price less cost necessarily to be incurred for such sale.

## Notes to the Financial Statements

For the year ended September 30, 2024

### 3.5 Impairment

The management of the Company reviews carrying amounts of its assets and cash generating units for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

### 3.6 Taxation

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

### 3.7 Impairment of trade debts, advances and other receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The expected loss rates are based on the payment profiles of sales over a period of time before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

### 3.8 Provisions and contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on its judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims affect the carrying amounts of the liabilities recognized at the balance sheet date.

### 3.9 Expected credit loss

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

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

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

The Company limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a good credit rating. The Company monitors changes in credit risk by tracking published external credit ratings. 12-month and lifetime probabilities of default are based on historical credit ratings of the issuer.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The Company uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt securities.

## 4 Material Accounting Policies

### 4.1 IFRS 15 - Revenue from Contracts with Customers

IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 'Revenue', IAS 11 'Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition with a comprehensive framework based on core principle that an entity should recognize revenue representing the transfer of promised goods or services under separate performance obligations under the contract to customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those promised goods or services.

Based on the assessment performed by the management, there is no significant impact of the changes laid down by IFRS 15 on these financial statements of the Company.



## Notes to the Financial Statements

For the year ended September 30, 2024

### 4.2 IFRS 16 - Leases

IFRS 16 replaces the previous lease standard IAS 17 Leases. It resulted in almost all leases being recognized in the condensed interim statement of financial position, as the distinction between operating and finance leases has now been eliminated. Under the new standard, an asset and a lease liability to pay rentals are required to be recognized. The only exceptions are short term and low value leases.

#### Impact on financial position of the company

The company has adopted IFRS 16 and it has no material impact on the company's financial position as the only lease appearing is finance lease.

### 4.3 Changes In Accounting Standards, Interpretation And Pronouncement

#### 4.3.1 Standards, interpretation and amendments to approved accounting standards which became effective during the year

There were certain amendments that became applicable for the Company during the year but are not considered to be relevant or did not have any significant effect on the Company's operations and have, therefore, not been disclosed in these financial statements except that during the year certain amendments to IAS 1 'Presentation of Financial Statements' have become applicable to the Company which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments to IAS have been introduced to help entities improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies. During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognize minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognized as 'Income tax'.

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

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	(Rupees)		
<b>Effect on statement of profit or loss</b>			
<b>For the year ended September 30, 2024</b>			
Tax on export sales & turnover tax	-	(86,087,638)	(86,087,638)
<b>Profit before tax</b>	(33,406,424)	(86,087,638)	(119,494,062)
Taxation	35,286,254	86,087,638	121,373,892
<b>Profit after tax</b>	1,879,830	-	1,879,830
<b>For the year ended September 30, 2023</b>			
Tax on export sales, dividend received & turnover tax	-	(57,359,979)	(57,359,979)
<b>Profit before tax</b>	266,237,885	(57,359,979)	208,877,906
Taxation	(54,005,040)	57,359,979	3,354,939
<b>Profit after tax</b>	212,232,845	-	212,232,845

The related changes to the statement of cash flows with respect to the amount of profit before taxation have been made as well. There is no impact on profit after tax.

## Notes to the Financial Statements

For the year ended September 30, 2024

### 4.4 IFRS 9 - Financial instruments

IFRS 9 'Financial instruments' - This standard replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. It also includes an expected credit losses model that replaces the incurred loss impairment model included in IAS 39. The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below

#### 4.4.1 Classification and measurement of financial instruments

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans, receivables and available for sale. Under IFRS 9, on initial recognition, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value either through Other Comprehensive Income (FVOCI), or through profit or loss (FVTPL); and
- those to be measured at amortized cost.

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

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

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

Financial assets at amortized cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain on derecognition is recognized in profit or loss.

Equity investments at fair value through other comprehensive income are measured at fair value. Net gains and losses are recognized in statement of other comprehensive income and dividend income is recognized in statement of profit or loss account.

#### 4.4.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

The following revised International Financial Reporting Standards (IFRS), amendments and improvements with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretations:

Standards or Interpretation	Effective date (beginning on or after)
Lack of exchangeability - Amendments to IAS 21	January 1, 2025
Classification and measurement of financial instruments - Amendments to IFRS 9 and IFRS 7	January 1, 2026
IFRS 18 - Presentation and disclosure in financial statements	January 1, 2027

### 4.5 Staff retirement benefits

#### Defined contribution plan

The Company operates a defined contribution provident fund scheme (the Fund) for its permanent employees. Equal monthly contributions are made to the fund both by the Company and employees at the rate of 10% of basic salary. The Company's contribution is charged to the statement of comprehensive income.

### 4.6 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit and loss account, except to the extent that it relates to items recognized directly in equity or below equity, in which case it is recognized in equity or below equity respectively.

## Notes to the Financial Statements

For the year ended September 30, 2024

### Current

Provision for current taxation is based on taxable income, as adjusted for tax purposes, at the current rate of tax after taking into account all tax credits, rebates and available tax losses determined in accordance with prevailing tax laws. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments made during the year for such years.

### Deferred

Deferred tax is provided, using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses and tax credits to the extent that it is probable that future taxable profits will be available against which deferred tax asset can be utilized, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability that, at the time of transaction, affects neither the accounting nor taxable profits.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax asset and liability is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

### 4.7 Earnings per share ("EPS")

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

### 4.8 Property, plant and equipment

#### 4.8.1 Owned

##### Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land which is stated at revalued amount, building and plant & machinery which is stated at revalued amount less subsequent accumulated depreciation and subsequent impairment losses, if any. Cost includes purchase cost together with any incidental expenses of acquisition. Depreciation on additions is charged from the month when the asset is available for use, while no depreciation is charged for the month in which the asset is disposed off. Depreciation is charged to profit or loss account at the rates specified in Note 5.1 to these financial statements using the reducing balance method unless specifically stated otherwise. Estimate of useful life of depreciable assets is based on assessment of industry trends, technical obsolescence and past experiences. Residual value and useful life of assets are reviewed, at each date of statement of financial position and adjusted expectations differ significantly from previous estimates.

Surplus on revaluation is booked by restating gross carrying amounts of respective assets being revalued, proportionately to the change in their carrying amounts due to revaluation. The accumulated depreciation at the date of revaluation is also adjusted to equal difference between gross carrying amounts and the carrying amounts of the assets after taking into account accumulated impairment losses. The surplus on revaluation of fixed assets to the extent of the annual incremental depreciation based on the revalued carrying amount of the asset and the depreciation based on the assets' original cost is transferred annually to retained earnings net of related deferred tax. Upon disposal, any revaluation reserve relating to the particular assets being sold is transferred to retained earnings. All transfers to / from surplus on revaluation of fixed assets account are net of applicable deferred income tax.

##### Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

### De-recognition

Gain or loss arising from de-recognition of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of an asset and is charged to the profit or loss account.

### Capital work in progress

Capital work in progress is stated at cost less identified impairment loss, if any, and includes the cost of material, labour and appropriate overheads directly relating to the construction, erection or installation of an item of operating fixed assets. These costs are transferred to operating fixed assets as and when related items become available for intended use.

#### 4.8.2 Leased

##### Right of use asset

The Company assesses whether a contract is or contains a lease at the inception of the contract. The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Where the Company determines that the lease term of identified lease contracts is short term in nature i.e. with a lease term of twelve months or less at the commencement date, right of use assets is not recognized and payments made in respect of these leases are expensed in the statement of profit or loss.

##### Lease liability

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### 4.9 Intangibles

##### Recognition and measurement

Intangibles, with finite useful lives, are measured at cost less accumulated amortization and impairment losses, if any. Amortization is charged to profit or loss account using the reducing balance method over its useful life.

##### Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, is charged to profit or loss account as incurred.

##### De-recognition

Gains or losses arising from de-recognition of intangibles are measured as the difference between the net disposal proceeds and the carrying amount of assets and are charged to the profit or loss account.

#### 4.10 Impairment

##### Financial assets

The Company records impairment based on lifetime expected credit loss at the time of initial recognition of financial instrument at a default rate calculated using own historical credit loss experience and forward looking factors. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

##### Non-financial assets

The carrying amount of the Company's non-financial assets is reviewed at each year end to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine

## Notes to the Financial Statements

For the year ended September 30, 2024

the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In the absence of any information about the fair value of a cash-generating unit, the recoverable amount is deemed to be value in use. Impairment losses are recognized as an expense in the statement of other comprehensive income.

### 4.11 Stores, spare parts and loose tools

These are valued at lower of cost and net realizable value. Cost is determined at average running cost. Items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon. Cost is determined at average running cost.

### 4.12 Stock in trade

These are valued at lower of cost and net realizable value (NRV) except molasses, bagasse and VF cake which is valued at NRV. Cost in relation to raw material, work in process and finished goods represents average cost comprising direct material, labour and appropriate manufacturing overheads. NRV represents the estimated selling price less cost necessarily to be incurred for such sale. Cost is determined as follows;

Work-in-process:	At estimated cost
Finished goods - sugar:	Lower of average cost and net realizable value

### 4.13 Revenue recognition

According to the core principle of IFRS 15, the Company recognizes revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those good and services. The Company recognizes revenue in accordance with that core principle by applying the following steps:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract;
- Recognize revenue when the entity satisfies a performance obligation.

Revenue is measured at the fair value of consideration received or receivable, and represents amount receivable for goods supplied. Revenue from sale of goods is recognized when the Company satisfies a performance obligation (at a point of time) by transferring promised goods to customer being when the goods are invoiced and delivered to customers. This criteria of revenue recognition for its timing and amount is consistent with the previously adopted accounting standard therefore, the management concludes that the adoption of IFRS 15 does not have impact on the timing and amount of revenue recognition of the Company.

### 4.14 Borrowings and borrowing costs

Borrowings are recorded at the proceeds received. Finance costs are accounted for on an accrual basis and are included in current liabilities to the extent of the amount remaining unpaid.

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of the borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalized as part of the cost of that asset up to the date of its commissioning.

### 4.15 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past event, and it is probable that an out flow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

### 4.16 Trade debts and other receivables

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

### 4.17 Trade and other payables

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

### 4.18 Dividend

The dividend distribution to the shareholders is recognized as a liability in the period in which it is approved by the board of directors.

### 4.19 Financial instruments

Financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and derecognized when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is included in the profit or loss for the year. All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost as the case may be. The particular measurement methods adopted are disclosed in individual policy statement associated with each item.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

### 4.20 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and bank balances, cheques in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, running finance under mark-up arrangements and short term loans which form an integral part of the Company's cash management.

### 4.21 Foreign currencies transactions

Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rate of exchange prevailing at the balance sheet date, except those covered by forward contracts, which are stated at contracted rates. Foreign currency transactions are translated into Pak Rupees at the rates prevailing at the date of transaction except for those covered by forward contracts, which are translated at contracted rates. Non monetary items are translated into Pak Rupees on the date of transaction or on the date when fair values are determined. Exchange differences are included in income currently.

### 4.22 Related party transactions

All transactions with related parties are carried out as arms' length transactions by the Company using the methods prescribed under the Companies Act, 2017.

### 4.23 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

## Notes to the Financial Statements

For the year ended September 30, 2024

### 5 Property, plant and equipment

		Note	2024	2023
			Rupees	Rupees
Property, plant and equipment		5.1	10,270,443,952	9,813,103,260
Capital work-in-progress		5.2	1,793,233	1,793,233
			10,272,237,185	9,814,896,493

#### 5.1 Property, plant and equipment

Particulars	Owned assets					Leased Assets			Grand Total
	Freehold Land	Building on freehold land	Plant and machinery	Service and other equipment	Furniture and fixture	Office equipment	Vehicles	Vehicles	
<b>Cost</b>									
Balance at October 01, 2022	4,142,226,600	537,304,469	6,211,889,231	10,177,778	13,633,990	12,092,149	88,412,187	8,994,810	11,024,731,214
Revaluation surplus	-	-	-	-	-	-	-	-	-
Additions	-	33,645,969	540,938,001	-	603,592	1,448,500	28,793,870	-	605,429,932
Transfer from CWIP	-	-	4,689,778	-	-	-	-	-	4,689,778
Disposal	-	-	-	-	-	(619,402)	(5,172,903)	-	(5,792,305)
<b>Balance at September 30, 2023</b>	<b>4,142,226,600</b>	<b>570,950,438</b>	<b>6,757,517,010</b>	<b>10,177,778</b>	<b>14,237,582</b>	<b>12,921,247</b>	<b>112,033,154</b>	<b>8,994,810</b>	<b>11,629,058,619</b>
Balance at October 01, 2023	4,142,226,600	570,950,438	6,757,517,010	10,177,778	14,237,582	12,921,247	112,033,154	8,994,810	11,629,058,619
Revaluation surplus	-	-	-	-	-	-	-	-	-
Additions	-	62,848,201	702,428,318	-	236,414	276,917	2,785,757	-	768,575,607
Transfer from CWIP	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	(124,500)	(4,497,405)	(4,621,905)
<b>Balance at September 30, 2024</b>	<b>4,142,226,600</b>	<b>633,798,639</b>	<b>7,459,945,328</b>	<b>10,177,778</b>	<b>14,473,996</b>	<b>13,198,164</b>	<b>114,694,411</b>	<b>4,497,405</b>	<b>12,393,012,321</b>

#### Depreciation

Balance at October 01, 2022	-	175,090,549	1,272,711,031	9,010,652	7,296,438	6,899,689	44,234,993	1,349,222	1,516,592,574
For the year	-	19,317,255	268,319,423	116,713	669,758	638,192	11,454,832	1,529,118	302,045,291
Disposal	-	-	-	-	-	(162,527)	(2,519,979)	-	(2,682,506)
<b>Balance at September 30, 2023</b>	<b>-</b>	<b>194,407,804</b>	<b>1,541,030,454</b>	<b>9,127,365</b>	<b>7,966,196</b>	<b>7,375,354</b>	<b>53,169,846</b>	<b>2,878,340</b>	<b>1,815,955,359</b>

Balance at October 01, 2023	-	194,407,804	1,541,030,454	9,127,365	7,966,196	7,375,354	53,169,846	2,878,340	1,815,955,359
For the year	-	21,340,053	272,666,859	105,041	645,353	556,897	12,207,323	917,471	308,438,997
Disposal	-	-	-	-	-	-	(80,993)	(1,744,994)	(1,825,987)
<b>Balance at September 30, 2024</b>	<b>-</b>	<b>215,747,857</b>	<b>1,813,697,313</b>	<b>9,232,406</b>	<b>8,611,549</b>	<b>7,932,251</b>	<b>65,296,176</b>	<b>2,050,817</b>	<b>2,122,568,369</b>
Carrying value 2023	4,142,226,600	376,542,634	5,216,486,556	1,050,413	6,271,386	5,545,893	58,863,308	6,116,470	9,813,103,260
Carrying value 2024	4,142,226,600	418,050,782	5,646,248,015	945,372	5,862,447	5,265,913	49,398,235	2,446,588	10,270,443,952

#### Rates of depreciation

Freehold Land	0%	Building on freehold land	5%	Plant and machinery	5%	Service and other equipment	10%	Furniture and fixture	10%	Office equipment	10%	Vehicles	20%
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## Notes to the Financial Statements

For the year ended September 30, 2024

### 5.1.1 Depreciation for the year has been allocated as under:

	Note	2024 Rupees	2023 Rupees
Cost of sales	28	302,270,217	296,004,385
Administrative expenses	30	6,168,780	6,040,906
		<u>308,438,997</u>	<u>302,045,291</u>

### 5.1.2 All assets are acquired with the funds of the Company and are held by and in the possession and control of the Company.

### 5.1.3 The latest valuation of the Company's assets was carried out by Tristar International Consultant (Private) Limited as at September 30, 2022 and the forced sale value as at that date is given below:

	Amount in Rupees
Freehold land	3,313,781,280
Building on freehold land	271,660,439
Plant, machinery and equipment	3,951,342,560
	<u>7,536,784,279</u>

### 5.1.4 Buildings, plant and machinery are located at freehold land measuring 497.68 Kanals located at industrial area Jauharabad City District Khushab.

### 5.1.5 Disposal of property, plant and equipment

Particulars	Cost	Net Book Value	Sale proceeds	Gain/ (loss) on disposal	Mode of Disposal	Name of purchaser
----- Amount in Rupees -----						
2024						
<b>Vehicles</b>						
Honda Civic AGU-316	4,497,405	2,752,411	5,580,859	2,828,448	Sale	Amjad Mehmood-Employee
<b>Sub total</b>	4,497,405	2,752,411	5,580,859	2,828,448		
<b>Office equipment</b>						
Having book value less than Rs. 500,000	124,500	43,507	150,000	106,493	Lost	Insurance Claim
<b>Total- 2024</b>	<u>4,621,905</u>	<u>2,795,918</u>	<u>5,730,859</u>	<u>2,934,941</u>		
2023						
<b>Vehicles</b>						
Honda Civic LEE-19-903	3,830,818	2,036,049	1,935,599	(100,450)	Sale	Imran Ilyas-Employee
Suzuki Alto LE 19A 4884	1,342,085	616,875	445,585	(171,290)	Sale	Sikandar Ali-Employee
<b>Sub total</b>	5,172,903	2,652,924	2,381,184	(271,740)		
<b>Office equipment</b>						
Having book value less than Rs. 500,000	619,402	456,875	170,085	(286,790)	Sale	Employees
<b>Total- 2023</b>	<u>5,792,305</u>	<u>3,109,799</u>	<u>2,551,269</u>	<u>(558,530)</u>		



## Notes to the Financial Statements

For the year ended September 30, 2024

5.1.6 If the freehold land, building and plant and machinery were measured using the cost model, the carrying amount would be as follows:

Particulars	Cost	Accumulated depreciation	Net book value
2024 -----(Rupees)-----			
Freehold land	29,414,310	-	29,414,310
Building on freehold land	380,578,666	145,929,178	234,649,488
Plant and machinery	3,976,784,055	1,179,212,701	2,797,571,354
	4,386,777,031	1,325,141,879	3,061,635,152
2023			
Freehold land	29,414,310	-	29,414,310
Building on freehold land	317,730,465	134,241,825	183,488,640
Plant and machinery	3,274,355,737	1,056,476,193	2,217,879,544
	3,621,500,512	1,190,718,018	2,430,782,494

### 5.2 Capital work-in-progress

Description	Opening Balance	Additions During The Year	Transferred To/ (From)	Closing Balance
2024 -----(Rupees)-----				
Plant and machinery	369,883	-	-	369,883
Advances for capital expenditure	1,423,350	-	-	1,423,350
	1,793,233	-	-	1,793,233
2023				
Plant and machinery	490,561	-	(120,678)	369,883
Advances for capital expenditure	5,992,450	-	(4,569,100)	1,423,350
	6,483,011	-	(4,689,778)	1,793,233

	Note	2024 Rupees	2023 Rupees
<b>6 Intangible assets</b>			
Software	6.1	34,934	52,141
<b>6.1 Software</b>			
Cost		1,100,000	1,100,000
Additions during the year		-	-
Disposal during the year		-	-
Accumulated amortization	6.2	(1,065,066)	(1,047,859)
At the end of the year		34,934	52,141
<b>6.2 Amortization rate - % per annum</b>			
At beginning of the year		1,047,859	1,022,177
Amortization for the year	6.3	17,207	25,682
At the end of the year		1,065,066	1,047,859
Amortization rate - % per annum		33%	33%

## Notes to the Financial Statements

For the year ended September 30, 2024

	Note	2024 Rupees	2023 Rupees
<b>6.3 Amortization for the year has been allocated as under:</b>			
Cost of sales	28	16,863	25,168
Administrative expenses	30	344	514
		<u>17,207</u>	<u>25,682</u>

### 7 Long-term deposits

This represents interest free deposits to sub-division canal officer for provision of utilities at plant and are refundable on disconnection of services.

	Note	2024 Rupees	2023 Rupees
<b>8 Stores, spare parts and loose tools</b>			
Stores		112,518,043	207,144,828
Spare parts		78,685,511	88,465,570
Loose tools		3,099,256	2,882,461
		<u>194,302,810</u>	<u>298,492,859</u>

### 9 Stock-in-trade

Work-in-process		5,035,402	5,413,943
Finished goods		2,897,254,302	1,519,281,157
		<u>2,902,289,704</u>	<u>1,524,695,100</u>

### 10 Loans and advances

Advances-considered good-unsecured			
-Suppliers		65,325,144	140,091,809
-LC margin		1,583,570	-
-Employees		1,026,376	20,005,611
-Agricultural loan	10.1	247,823,658	134,240,302
		<u>315,758,748</u>	<u>294,337,722</u>

10.1 This represents interest free advances to sugarcane growers, which are adjustable against supply of sugarcane.

### 11 Trade debts

Local debtors considered good - unsecured		57,851,723	5,569,558
Less: Expected credit loss		(4,823,935)	-
		<u>53,027,788</u>	<u>5,569,558</u>
Export debtors considered good - secured		-	-
		<u>53,027,788</u>	<u>5,569,558</u>
<b>Expected credit loss</b>			
Opening balance		-	-
Charge for the year		4,823,935	-
Closing balance		<u>4,823,935</u>	<u>-</u>

## Notes to the Financial Statements

For the year ended September 30, 2024

	Note	2024 Rupees	2023 Rupees
<b>12 Trade deposits and short term prepayments</b>			
Prepaid expenses	12.1	3,206,712	3,577,050
Bank guarantee	12.2	50,000,000	-
Others	12.3	102,678,397	80,273,723
		<u>155,885,109</u>	<u>83,850,773</u>

12.1 This mainly includes insurance premiums.

12.2 This bank guarantee is issued for supply of refined white sugar in favor of the Director, General Procurement (Army).

12.3 This includes deposit of Rs. 75 million under protest against contended order passed by DGI regarding regularization of crushing capacity.

### 13 Other receivables - unsecured considered good

Excise duty recoverable	13.1	10,500,922	10,500,922
Export fund refund	13.2	2,746,250	2,746,250
Special excise duty refundable	13.3	505,200	505,200
Rebate receivable on export of sugar	13.4	8,323,540	8,323,540
Sales tax refundable	13.5	144,844	144,844
		<u>22,220,756</u>	<u>22,220,756</u>

13.1 This represents refund allowed by the Central Excise Appellate Tribunal, Lahore, in the light of criteria set up by the Supreme Court of Pakistan against Central Excise Duty paid during the season 1988-89. The Company's legal counsel expects that case to be decided in the favour of the Company.

13.2 This represents relief granted by the Lahore High Court against previous years' demand. However the same is still pending for final adjudication. The Company's legal counsel expects that case to be decided in the favor of the Company.

13.3 This represents an amount paid under protest as 1% Special Excise Duty on the goods manufactured prior to Finance Bill 2007, whereas it was leviable on goods manufactured/ imported from July 01, 2007, vide Circular No. 1(3) FED 2007 dated 28th August, 2007. The Company's legal counsel expects that case to be decided in the favour of the Company.

13.4 This represents rebate receivable from Government against export of sugar.

13.5 This represents sales tax amount recoverable against purchase/sale of goods.

	2024 Rupees	2023 Rupees
<b>14 Tax refunds due from the Government</b>		
Opening balance	94,348,259	70,871,122
Add: Tax deducted during the year	163,414,548	88,309,260
Adjustments during the year	-	-
Less: Adjusted against prior year taxes	(70,951,482)	(64,832,123)
	<u>186,811,325</u>	<u>94,348,259</u>

14.1 This represents income tax refundable from government. The assessments of the Company have been completed for and up to financial year ended on September 30, 2023.

## Notes to the Financial Statements

For the year ended September 30, 2024

	Note	2024 Rupees	2023 Rupees
<b>15 Short term investments</b>			
Investment at fair value through profit or loss	15.1	14,861,932	14,870,771
<b>15.1</b>	This represents the investment made in debt securities of Soneri Bank Limited.		
<b>16 Cash and bank balances</b>			
Cash in hand		285,295	46,273
Bank balances - Current accounts		218,415,266	79,396,859
Bank balances - Saving accounts	16.1	2,787,542	1,074,626
		<b>221,488,103</b>	<b>80,517,758</b>
<b>17 Trade and other payables</b>			
Trade Creditors		515,861,269	121,985,173
Salaries and wages payable		28,162,512	25,551,121
Accrued liabilities		33,268,239	26,623,160
Advances from customers	17.1	326,522,614	567,573,140
Income tax deducted at source		2,351,796	4,044,812
Sugarcane cess payable	17.2	3,001,109	3,001,109
Provident fund payable		1,223,665	790,858
Sales tax payable	17.3	228,602,564	101,380,961
Security deposit		30,225,048	17,115,377
Workers' Profit Participation Fund (WPPF)	17.4	1,492,337	14,058,046
Workers' Welfare Fund (WWF)	17.5	5,324,758	-
Other payable	17.6	1,309,000	1,309,000
		<b>1,177,344,911</b>	<b>883,432,757</b>
<b>17.1</b>	This represents advances received from customers for sale of sugar and by-products.		
<b>17.2</b>	This represents sugarcane cess demanded by Cane Commissioner, Lahore against sugarcane purchased from Khyber Pakhtunkhwa.		
<b>17.3</b>	This represents provision against pending cases of sales tax for the year 1999-2000 amounting to Rs. 3.44 million (2023: 3.44 million) and sales tax payable for the month of August and September 2024 amounting to Rs. 224.83 million (2023: Rs. 80.50 million).		
<b>17.4 Workers' Profit Participation Fund (WPPF)</b>			
Balance at beginning of the year		14,058,046	14,304,071
Add: Charge for the year	34	-	14,012,520
Interest on workers' profit participation fund		1,446,811	-
		<b>15,504,857</b>	<b>28,316,591</b>
Less: Payments made to the fund during the year		(14,012,520)	(14,258,545)
Balance at end of the year		<b>1,492,337</b>	<b>14,058,046</b>
<b>17.5 Workers' Welfare Fund (WWF)</b>			
Balance at the beginning of the year		-	-

## Notes to the Financial Statements

For the year ended September 30, 2024

	2024 Rupees	2023 Rupees
Charge for the year	5,324,758	-
Less: Payments made during the year	-	-
Balance at the end of the year	5,324,758	-

17.6 This represents labor colony land at Jauharabad against which a case is pending with Housing and Physical Planning Department (PHATA), Jauharabad. On account of legal proceedings the management expects that the payment against this liability shall arise after September 30, 2024.

### 18 Accrued mark-up

Accrued mark-up on:

- Long term finances from banking companies-secured	21,346	61,452
- Short term borrowings	117,864,449	99,638,334
	<b>117,885,795</b>	<b>99,699,786</b>

	Sanction limit 'Rupees in Million'	Note	2024 Rupees	2023 Rupees
<b>19 Short term borrowings</b>				
<b>Mark-up based borrowings from Conventional Banks</b>				
Running finance	350	19.1	346,237,676	329,460,281
Cash finance	4,400	19.1	1,880,998,000	450,013,238
Term Finance	550	19.1	475,000,000	33,333,333
<b>Islamic mode of financing</b>				
Murabaha/Istisna	1,975	19.2	-	263,651,676
Agric Murabaha/Bai Salam	750	19.2	-	199,984,400
	<b>8,025</b>		<b>2,702,235,676</b>	<b>1,276,442,928</b>

19.1 These facilities have been obtained from various conventional banks to meet working capital requirements and are secured by charge over current and future assets (fixed and current) of the Company, pledge of sugar stock, lien over import documents and personal guarantees of sponsors and corporate guarantee of Cane Processing (Private) Limited (Holding Company).

These facilities carry mark-up at the rates ranging from 3 month KIBOR + 2.00% to 3 months KIBOR + 2.50% per annum payable quarterly.

The aggregate available short term funded facilities amounts to Rs. 5.30 billion (2023: Rs. 3.22 billion).

19.2 These facilities have been obtained from various Islamic banks to meet working capital requirements and are secured by charge over current and future assets (fixed and current) of the Company, pledge of sugar stock, pledge of share of company, lien over import documents, and personal guarantees of sponsors and corporate guarantee of Cane Processing (Private) Limited (Holding Company).

These facilities carry mark-up at the rates ranging from matching KIBOR + 1.75% per annum to matching KIBOR + 2.50% per annum.

The aggregate available short term funded facilities amount to Rs.2.73 billion (2023: Rs. 2.22 billion).

19.3 The loans from sponsors of the Company are subordinated under subordination agreement.

## Notes to the Financial Statements

For the year ended September 30, 2024

	2024	2023
	Rupees	Rupees
<b>20 Liabilities against assets subject to lease - secured</b>		
Opening balance	2,960,350	6,285,096
Add: Assets acquired during the year	-	-
	2,960,350	6,285,096
Less: Payments/adjustments	(1,566,678)	(3,324,746)
	1,393,672	2,960,350
Less: Current portion	(603,227)	(726,906)
Closing balance	790,445	2,233,444

**20.1** The Company had entered into lease agreement with First Habib Modaraba for the two Units Honda Civic Oriol UG. Lease rentals were payable on monthly basis and includes finance cost at the rate of 3 months KIBOR plus 2.25 % per annum, which has been used as discounting factor. The Company had exercised the option and disposed the assets upon completion of lease period.

**20.2** A reconciliation between the total of future minimum lease payments and their present values at year end is as follows:

	2024			2023		
	Minimum Lease Payment	Present Value of Minimum Lease Payment	Financial Chages	Minimum Lease Payment	Present Value of Minimum Lease Payment	Financial Chages
	------(Rupees)-----			------(Rupees)-----		
Due with in one year	810,240	603,227	207,013	1,385,028	726,906	658,122
Due after one year but not later than five years	877,769	790,445	87,324	2,885,475	2,233,444	652,029
Due after five years	-	-	-	-	-	-
	1,688,009	1,393,672	294,337	4,270,503	2,960,350	1,310,151

	Note	2024	2023
		Rupees	Rupees
<b>21 Provision for taxation</b>			
Balance at beginning of the year		90,129,350	64,755,390
Add: Provision for the year	34	86,087,638	90,129,350
		176,216,988	154,884,740
Less: Prior year adjustments/ payments		(75,260,629)	(64,755,390)
Balance at end of the year	21.1	100,956,359	90,129,350

**21.1** Provision for current tax is calculated as per provisions of Income Tax Ordinance, 2001 at the applicable rates.

## 22 Contingencies and commitments

### 22.1 Contingencies

The following are known contingencies as on September 30, 2024.

**22.1.1** Since Federal Excise Duty (FED) is leviable on goods produced or manufactured, therefore, FED is not leviable on sale of sugar produced prior to the Finance Bill, 2011. Hence, FED amounting to Rs. 58.88 million has not been accounted for in these financial statements. The Company has filed a writ petition in the Honorable Lahore High Court against FBR show cause notice dated 19-09-2012 against the demand of Rs. 58.88 million.

## Notes to the Financial Statements

For the year ended September 30, 2024

- 22.1.2** The Company has filed a writ petition against the amendments of Finance Act 2014 on “Alternate Corporate Taxes”, implication on Tax Year 2014 of Company against which a demand of Rs.50.26 million has been established, the said amendments would not be implemented as the income realized was before the said amendments, amendments become applicable after July 1, 2014.
- 22.1.3** The Company has filed an appeal and stay application before Commissioner Inland Revenue (Appeals-I) against demand of Rs. 82.16 million created by Assistant Commissioner Inland Revenue vide order under section 161(1A)/205(3) which is decided in favour of the Company creating the demand of Rs.1.37 million. The Department has filed an appeal before ATIR against the decision.
- 22.1.4** The Additional Deputy Commissioner Inland Revenue has raised demand of Rs. 236.98 million u/s 122 (5A) of the Income Tax Ordinance. The Company filed appeal before CIR (A) on February 01, 2021 and received ordered on August 06, 2021, in which case was remanded back to ADCIR and additions of disallowance of tax credit of Rs. 3.87 million u/s 65B and admissible deduction of Rs. 3.25 million u/s 174 (2) are held illegal. The Company filed appeal before Appellate Tribunal Inland Revenue (ATIR), which is pending for adjudication.
- 22.1.5** The Deputy Commissioner Inland Revenue levied penalty amounting to Rs. 1 million under section 33(25) read with rule 150 ZQT (2) of the Sales Tax Act 1990. The Company has filed an appeal before CIR(A), which is pending for adjudication.
- 22.1.6** The Company has filed an appeal before Commissioner Inland Revenue (Appeals) against the tax demand of Rs. 1,76 million, created vide assessment order under section 122(5A) of the Income Tax Ordinance 2001, which was decided against the Company. The Company then filed appeal before the ATIR who upheld the decision of CIR (A). Therefore, the Company filed appeal to the Lahore High Court. The court remanded the case to the Appellate Tribunal of Inland Revenue (ATIR) for re-adjudication. The ATIR heard the case on 18.05.2023, and the case is pending for adjudication.
- 22.1.7** The Assistant Commissioner Inland Revenue has created tax demand amounting to Rs. 858,105 under section 161(1A)/205(3) of the Income Tax Ordinance, 2001. The Company has requested the Department to adjust the demand against the available refunds.
- 22.1.8** Company had filed case of 2024 before the Honorable LHC, 50% Tax Demand was paid vide Lahore High Court Order. Hence, Proceedings are stayed. Final order of Lahore High Court is still pending. It is company's legal consultant opinion that the Company has a strong case in its favour and there is every likelihood of the appeal being decided in its favour.
- 22.1.9** A case was filed before Lahore High Court and direction was given to pay 1/3rd amount of the tax and a postdated cheques for the 2/3rd was also required to be provided to LHC Registrar. Proceedings are stayed. Final order of Lahore High Court is still pending. It is company's legal consultant opinion that the Company has a strong case in its favour and there is every likelihood of the appeal being decided in its favour.

### 22.2 Commitments

There are no known commitments as on September 30,2024 (2023: Nil).

	Note	2024 Rupees	2023 Rupees
<b>23 Deferred liabilities</b>			
Deferred taxation	23.1	900,644,947	1,017,709,692
Deferred grant from Government	23.2	-	-
		<u>900,644,947</u>	<u>1,017,709,692</u>
<b>23.1 Deferred tax liability on taxable temporary differences arising in respect of:</b>			
Surplus on revaluation of related assets		837,480,537	883,759,622
Accelerated depreciation / amortization		414,149,784	335,109,781
Worker's Profit Participation Fund		3,556,234	58,145
Leased assets		692,412	1,773,776

## Notes to the Financial Statements

For the year ended September 30, 2024

	2024	2023
	Rupees	Rupees
<b>Deferred tax asset on deductible temporary differences arising in respect of:</b>		
Liabilities against assets subject to finance lease	(394,425)	(858,502)
Tax credits / Unused tax losses	(354,839,595)	(202,133,130)
	<u>900,644,947</u>	<u>1,017,709,692</u>
<b>23.1.1 Movement in deferred tax balances is as follows:</b>		
At beginning of the year	1,017,709,692	1,053,910,735
<b>Recognized in statement of profit or loss:</b>		
Accelerated tax depreciation/amortization on fixed assets	79,040,003	68,254,847
Incremental depreciation	(46,279,085)	(48,281,935)
Liabilities against assets subject to finance lease	(617,287)	520,731
Worker's Profit Participation Fund	3,498,089	58,145
Tax credits / unused tax losses	(152,706,465)	(56,752,831)
	<u>(117,064,745)</u>	<u>(36,201,043)</u>
At end of the year	<u>900,644,947</u>	<u>1,017,709,692</u>
<b>23.2 Deferred grant from Government</b>		
Opening balance	-	1,191,051
Recognized during the year	-	-
Grant amortized during the year	-	(1,191,051)
Closing balance	-	-
Less: Current portion shown under current liabilities	-	-
	<u>-</u>	<u>-</u>

## 24 Share capital

2024		2023			
Number	Number	2024	2023	Rupees	Rupees
<b>24.1 Authorized share capital</b>					
70,000,000	70,000,000	Ordinary shares of Rs. 10/- each		700,000,000	700,000,000
<b>24.2 Issued, subscribed and paid-up capital</b>					
873,180	873,180	Shares allotted on reorganization of Kohinoor Industries Limited of Rs.10/- each		8,731,800	8,731,800
125,008	125,008	Shares issued for cash of Rs. 10 each		1,250,080	1,250,080
13,651,899	13,651,899	Shares issued as fully paid bonus shares of Rs. 10/-each		136,518,990	136,518,990
7,905,650	7,905,650	Right shares of Rs. 10/- each		79,056,500	79,056,500
11,572,716	11,572,716	Issue of shares against loan from sponsors		115,727,160	115,727,160
<u>34,128,453</u>	<u>34,128,453</u>			<u>341,284,530</u>	<u>341,284,530</u>

## 25 Loan from sponsors

This represents interest free loan provided to the Company by its sponsors. These loans have been agreed to be repayable/ converted into equity at the Company's discretion. Loan was repaid and received during the year to abridge the working capital requirements of the Company.



## Notes to the Financial Statements

For the year ended September 30, 2024

	Note	2024 Rupees	2023 Rupees
<b>26 Revaluation surplus on property, plant and equipment - net of tax</b>			
Land		4,112,812,290	4,112,812,290
Buildings		249,113,060	249,113,060
Plant and machinery		3,362,805,485	3,362,805,485
		7,724,730,835	7,724,730,835
Add: Addition in revaluation surplus			
Land		-	-
Buildings		-	-
Plant and machinery		-	-
		-	-
Less: Accumulated incremental depreciation		(724,054,621)	(564,471,571)
		7,000,676,214	7,160,259,264
Less: Deferred tax liability			
Opening balance		883,759,622	932,041,557
Tax on incremental depreciation for the year		(46,279,085)	(48,281,935)
		837,480,537	883,759,622
		6,163,195,677	6,276,499,642
<b>27 Sales - net</b>			
Sugar - local		7,937,960,500	6,521,683,250
Sugar - export		241,702,083	329,496,971
		8,179,662,583	6,851,180,221
<b>By-products:</b>			
-Molasses		967,644,998	1,037,167,530
-Bagasse		177,112,434	115,057,488
-Mud		10,915,231	13,945,284
		1,155,672,663	1,166,170,302
		9,335,335,246	8,017,350,523
<b>Less:</b>			
Sales tax		1,333,950,135	1,085,834,920
Commission on sale		4,933,500	5,622,500
		1,338,883,635	1,091,457,420
		7,996,451,611	6,925,893,103
<b>28 Cost of sales</b>			
Sugarcane purchased and consumed		7,370,391,346	5,002,121,170
Salaries, wages and other benefits	28.1	224,919,259	188,146,438
Chemicals and stores consumed		103,953,677	91,467,316
Packing material consumed		64,914,745	54,687,255
Fuel and power		26,649,584	29,616,369
Repairs and maintenance		86,733,960	102,421,631
Workers' welfare expense		1,562,440	5,078,972
Insurance		9,516,668	9,522,478

## Notes to the Financial Statements

For the year ended September 30, 2024

	Note	2024 Rupees	2023 Rupees
Vehicle running and maintenance		17,106,747	16,039,961
Travelling and conveyance		3,637,250	3,633,094
Carriage and freight		239,220	923,900
Rent rate and taxes		600,053	876,041
Printing and stationery		52,154	733,585
Depreciation	5.1.1	302,270,217	296,004,385
Amortization	6.3	16,863	25,168
Other factory expenses		2,038,193	1,940,356
		8,214,602,376	5,803,238,119
Opening work-in-process		5,413,943	3,115,111
Closing work-in-process	9	(5,035,402)	(5,413,943)
		378,541	(2,298,832)
<b>Cost of goods manufactured</b>		8,214,980,917	5,800,939,287
Opening stock of finished goods		1,519,281,157	1,570,249,942
Molasses purchased		150,137,790	-
Closing stock of finished goods	9	(2,897,254,302)	(1,519,281,157)
		(1,227,835,355)	50,968,785
		6,987,145,562	5,851,908,072

28.1 This includes Company's contributions to provident fund amounting to Rs. 3,546,786 (2023: Rs.2,245,728).

### 29 Distribution cost

Salaries, wages and other benefits	29.1	14,928,267	13,325,399
Communication		96,980	117,688
Vehicles running and maintenance		40,640	114,900
Freight and clearing charges on exports		818,506	7,151,660
Miscellaneous	29.2	8,281,338	9,038,563
		24,165,731	29,748,210

29.1 This includes Company's contributions to provident fund amounting to Rs. 192,131 (2023: Rs. 147,758).

29.2 This includes polythene sheets for open godowns.

### 30 Administrative expenses

Salaries, wages and other benefits	30.1	171,675,066	153,242,086
Staff welfare		4,983,483	5,791,830
Legal and professional charges		8,514,372	9,404,417
Rent, rate and taxes		3,430,961	6,245,944
Fuel and power		7,446,867	3,296,044
Vehicles running and maintenance		4,468,498	6,602,671
Travelling and conveyance		825,646	2,005,701
Printing and stationery		392,385	1,053,237
Telecommunication		3,660,571	2,999,374
Repair and maintenance		1,679,307	58,321

## Notes to the Financial Statements

For the year ended September 30, 2024

	Note	2024 Rupees	2023 Rupees
Postage and telegrams		384,648	416,124
Advertisement		439,250	563,000
Auditor's remuneration	30.2	4,371,500	3,402,000
Charity and donations	30.3	957,400	844,347
Depreciation	5.1.1	6,168,780	6,040,906
Amortization	6.3	344	514
Insurance		12,953,987	8,869,859
Expected credit loss		4,823,935	-
Miscellaneous		516,028	650,944
		<u>237,693,028</u>	<u>211,487,319</u>

**30.1** This includes Company's contributions to provident fund amounting to Rs.2,209,512 (2023: Rs. 1,699,223).

### 30.2 Auditor's remuneration

Annual audit fee	1,400,000	945,000
Half yearly review	262,500	157,500
Other services	2,709,000	2,299,500
	<u>4,371,500</u>	<u>3,402,000</u>

**30.3** None of the Directors of the Company or any of their spouse have any interest in charity and donations.

### 31 Finance cost

Mark-up on lease liability	488,478	1,748,962
Mark-up on short term borrowings	937,319,533	546,184,263
Bank commission on exports	4,291,551	5,835,354
Interest on Workers' Profit Participation Fund	17.4	1,446,811
Bank charges	5,547,951	6,367,757
	<u>949,094,324</u>	<u>560,136,336</u>

### 32 Other income

Miscellaneous	32.1	36,944,866	6,555,190
Forfeiture of advances	32.2	119,700,000	-
Scrap sale		13,994,400	-
Government grant	23.2	-	1,191,051
Gain on disposal of property, plant and equipment	5.1.5	2,934,941	-
Foreign currency exchange gain		-	578,756
		<u>173,574,207</u>	<u>8,324,997</u>

**32.1** This comprises of return on short term investment and interest received on saving accounts maintained with banks.

**32.2** The customers' advance payments of 119 million were forfeited due to their refusal to purchase sugar, as market prices were lower than the contracted price, in accordance with the non-refundable terms of the agreement.

## Notes to the Financial Statements

For the year ended September 30, 2024

	Note	2024 Rupees	2023 Rupees
<b>33 Other expenses</b>			
Loss on disposal of property, plant and equipment		-	558,530
Fair value loss on investment		8,839	129,228
Workers' Profit Participation Fund (WPPF)	17.4	-	14,012,520
Other expenses		5,324,758	-
		<b>5,333,597</b>	<b>14,700,278</b>

### 34 Levy and taxation

Income tax			
Current year	34.1	86,087,638	90,129,350
Prior year	34.3	(4,309,147)	76,733
		<b>81,778,491</b>	<b>90,206,083</b>
Deferred tax		(117,064,745)	(36,201,043)
Tax expense including levy		(35,286,254)	54,005,040
Levy		(86,087,638)	(57,359,979)
Tax expense excluding levy		<b>(121,373,892)</b>	<b>(3,354,939)</b>

**34.1** Provision for current taxation is based on minimum tax at the rate of 1.25% of net revenue under section 113 of Income Tax Ordinance, 2001, excess of minimum tax over normal tax liability shall be carry forward for next three years and shall be adjusted against normal tax liability. However, the tax credit for the year 2021 has lapsed.

**34.2** The numerical reconciliation between the average tax rate and the applicable tax rate has not been presented in these financial statements, as the total income of the Company falls under section 113 of the Income Tax Ordinance, 2001, and the deferred tax asset was also recorded on unadjusted tax credit under section 113.

**34.3** The provision for current year tax represents tax on taxable income, net of tax credits. As per management's assessment the provision for tax made in the financial statements is sufficient. Tax assessment for the year 2023 is finalized, a comparison of income tax provision of last three years with tax assessment is presented below:

Years	Tax Provision as per Financial Statements	Tax as per Assessment	Prior Period Adjustment
	Rupees	Rupees	Rupees
2022	64,755,390	64,832,123	76,733
2023	90,129,350	85,820,203	(4,309,147)
2024	<b>86,087,638</b>	<b>-</b>	<b>-</b>

### 35 Earnings per share

		2024 Rupees	2023 Rupees
<b>35.1 Earnings per share - basic</b>			
Profit after taxation attributable to members	Rupees	1,879,830	212,232,845
Weighted average number of ordinary shares	Number	34,128,453	34,128,453
Earnings per share - basic	Rupees	<b>0.06</b>	<b>6.22</b>

### 35.2 Earning per share - diluted

There is no dilutive effect on the basic earnings per share as the Company does not have any convertible instruments in issue as at 30 September 2024 and 30 September 2023.

## Notes to the Financial Statements

For the year ended September 30, 2024

### 36 Remuneration of Chief Executive, Director and Executives

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

	Directors						Executives	
	Chief Executive		Executive Directors		Non - Executive Directors		2024	2023
	2024	2023	2024	2023	2024	2023	2024	2023
	(Rupees)							
Managerial remuneration	3,564,000	3,564,000	3,300,000	3,300,000	-	-	48,801,715	33,504,093
Utilities	-	-	-	-	-	-	-	-
	3,564,000	3,564,000	3,300,000	3,300,000	-	-	48,801,715	33,504,093
Number of key executives /non - executives	1	1	1	1	5	5	26	17

36.1 The Chief Executive does not hold any shares in the Company.

36.2 Executives are employees whose basic salaries exceed Rs. 1.2 million (2023: 1.2 million) in a financial year.

36.3 The Company's contributions to provident fund of Chief Executive, Executive Directors and Executives are amounting to Rs. Nil (2023: Rs. Nil), Rs. 115,500 (2023: Rs. 115,500) and Rs. 1,457,054 (2023: Rs. 997,410) respectively.

### 37 Operating segments

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

37.2 Revenue from sale of sugar represents 89.05% (2023: 84.72%) of the total revenue of the Company.

37.3 The Company sold sugar in Pakistan and Afghanistan (2023: Pakistan, Afghanistan and Tajikistan).

37.4 Sale of sugar includes 97.05% (2023: 94.39%) that relates to customers in Pakistan.

37.5 All assets of the Company as at September 30, 2024 are located in Pakistan.

### 38 Financial risk management

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarized in note 38.5. The main types of risks are credit risk, liquidity risk and market risk.

The Company's risk management is conducted by the Board of Directors. The Company focuses on securing its cash flows & minimizing its exposure to financial markets. The Company does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the company is exposed are described below:

#### 38.1 Credit risk

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

	2024	2023
	Rupees	Rupees
Long term deposits	5,257,309	3,090,642
Trade debts	53,027,788	5,569,558
Loans and advances	250,433,604	154,245,913
Trade deposits and short term prepayments	102,678,397	80,273,723
Short term investments	14,861,932	14,870,771
Bank balances	221,202,808	80,471,485
	647,461,838	338,522,092

## Notes to the Financial Statements

For the year ended September 30, 2024

### Counterparties without external credit ratings

#### 38.1.1 Trade debts - considered good

Majority of the company's revenue are on advance basis and all the trade debts at the statement of financial position date represents domestic parties.

The aging of trade debts at the reporting date is:

	2024	2023
	Rupees	Rupees
Upto 90 days	36,998,027	5,386,622
91 - 180 days	1,548,392	182,936
181 - 365 days	19,045,303	-
Above 365 days	260,001	-
	57,851,723	5,569,558
Allowance for expected credit loss	(4,823,935)	-
	53,027,788	5,569,558

#### 38.1.2 Impairment of financial assets

The Company continually monitors the credit quality of its receivables and provides for any impairment. The Company is not exposed to any substantial credit risk that has not been provided for.

### Counterparties with external credit ratings

Credit risk is considered minimal since the counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

	Rating		Rating Agency	2024	2023
	Short term	Long term		Rupees	Rupees
Al Baraka Bank Pakistan Limited	A1	A+	VIS	1,028,335	5,960,323
Allied Bank Limited	A1+	AAA	PACRA	51,043	27,779
Bank Alfalah Limited	A1+	AA+	PACRA	4,978,785	39,536
Dubai Islamic Bank	A1+	AA	JCR-VIS	636,167	636,168
Faysal Bank Limited	A1+	AA	PACRA-VIS	23,352,985	2,095,921
Habib Bank Limited	A1+	AA+	VIS	33,246,459	1,846
JS Bank Limited	A1+	AA	PACRA	2,478	3,098
MCB Bank Limited	A1+	AAA	PACRA	36,058,761	19,042,728
MCB Islamic Bank Limited	A1	A+	PACRA	58,450,889	35,487,919
Meezan Bank Limited	A1+	AAA	VIS	20,050,819	10,599,999
National Bank Of Pakistan	A1+	AAA	PACRA-VIS	229,609	567,255
Soneri Bank Limited	A1+	AA-	PACRA	8,487,041	486,235
United Bank Limited	A1+	AAA	VIS	29,008,878	3,229,115
Askari Bank Limited	A1+	AA+	PACRA	1,241,640	771,718
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	4,008,680	1,035,678
Summit Bank Limited	-	-	VIS	8,963	9,810
Finca Microfinance Bank Limited	A3	BBB+	PACRA	361,276	476,357
				221,202,808	80,471,485

## Notes to the Financial Statements

For the year ended September 30, 2024

### 38.2 Liquidity risk

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

The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

#### 38.2.1 Exposure to liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at year end.

	2024			
	Carrying amount	Contractual cash flows	Less than 1 year	More than 1 year but less than 5 year
-----Amount in Rupees-----				
Long-term finances	-	-	-	-
Unclaimed dividend	1,796,657	1,796,657	1,796,657	-
Trade and other payables	850,822,297	850,822,297	850,822,297	-
Mark-up accrued	117,885,795	117,885,795	117,885,795	-
Short term borrowings	2,702,235,676	2,702,235,676	2,702,235,676	-
Lease liability	1,393,672	1,688,009	810,240	877,769
	3,674,134,097	3,674,428,434	3,673,550,665	877,769
2023				
Long-term finances	-	-	-	-
Unclaimed dividend	1,639,700	1,639,700	1,639,700	-
Trade and other payables	315,859,617	315,859,617	315,859,617	-
Mark-up accrued	99,699,786	99,699,786	99,699,786	-
Short term borrowings	1,276,442,928	1,276,442,928	1,276,442,928	-
Lease liability	2,960,351	4,240,503	1,385,028	2,855,475
	1,696,602,382	1,697,882,534	1,695,027,059	2,855,475

The Company's current ratio is 0.99 (2023: 1.03). The Company arranged facility from different conventional and Islamic financial institutions to meet its working capital requirements.

### 38.3 Market risk

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

#### 38.3.1 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from sales, purchases and resulting balances that are denominated in a currency other than functional currency. The Company's potential currency exposure comprises of:

- Transactional exposure in respect of non-functional currency monetary items.
- Transactional exposure in respect of non-functional currency revenues.

The potential currency exposures are discussed below:

#### Transactional exposure in respect of non-functional currency monetary items

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Company are periodically restated to rupee equivalent, and the associated gain or loss is taken to the profit and loss account. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

## Notes to the Financial Statements

For the year ended September 30, 2024

### Transactional exposure in respect of non-functional currency revenues

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Company are periodically restated to rupee equivalent, and the associated gain or loss is taken to the profit and loss account. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

### Exposure to currency risk

The Company's exposure to currency risk at the reporting date was as follows:

	2024	2023
	USD	USD
Export debtors considered good - secured	-	-

### Exchange rates applied during the year

The following exchange rate has been applied during the year on transactions involving foreign currency.

	Reporting date rate		Average rate for the year
	Buying	Selling	
	----- PKR/USD -----		
Exchange rate during the year on transactions involving foreign currency		2024	
	278.5	280	279.43
Exchange rate during the year on transactions involving foreign currency		2023	
	288	287.98	287.99

### Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the foreign currencies with all other variables held constant, profit for the year would have been higher by the amount shown below, mainly as a result of net foreign exchange gain on translation of export debtors.

	2024	2023
	Rupees	Rupees
Effect on Profit or Loss	-	-

The weakening of the PKR against foreign currencies would have had an equal but opposite impact on the profit.

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

### 38.3.2 Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of financial instruments will fluctuate due to changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at variable interest rates. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	Effective interest rate		Carrying amount	
	2024	2023	2024	2023
	Percentage	Percentage	Rupees	Rupees
<b>Financial assets</b>				
Fixed rate instruments				
Bank balances - saving accounts	5.00% to 9.50%	4.97% to 15.50%	2,787,542	1,074,626



## Notes to the Financial Statements

For the year ended September 30, 2024

<b>Financial liabilities</b>				
<b>Floating rate instrument</b>				
Long term loans from banking companies - secured	22.49% to 24.91%	3% to 17.79%	-	-
Short term borrowings	21.04% to 25.16%	17.77% to 26.48%	2,702,235,676	1,276,442,928

### Fair value sensitivity analysis for fixed rate instruments

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

### Cash flow sensitivity analysis for floating rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit or (loss) for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss 100 bp	
	Increase	Decrease
	-----Amount in Rupees-----	
<b>As at 30 September 2024</b>		
-Cash flow sensitivity-variable rate financial liabilities	(27,022,357)	27,022,357
<b>As at 30 September 2023</b>		
-Cash flow sensitivity-variable rate financial liabilities	(12,764,429)	12,764,429

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

### Interest rate risk management

The Company manages interest rate risk through risk management strategies where significant changes in gap position can be adjusted. The short term borrowings and loans and advances by the Company have variable rate pricing that is mostly dependent on KIBOR as indicated in respective notes.

#### 38.3.3 Concentration of credit risk

Concentration of credit risk exists when the changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial instruments is broadly diversified and all other transactions are entered into with credit-worthy counterparties there-by mitigating any significant concentrations of credit risk.

#### 38.3.4 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company believes that it is not exposed to other price risk.

### 38.4 Capital risk management

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

The Company's objectives when managing capital are:

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

## Notes to the Financial Statements

For the year ended September 30, 2024

The Company manages its capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt. The Company monitors capital on the basis of the debt-to-equity ratio - calculated as a ratio of long term debt to equity.

The gearing ratio as at 30 September were as follows:

	2024	2023
	Rupees	Rupees
Debt	1,393,672	2,960,350
Equity	9,341,917,686	8,864,928,269
Total capital employed	9,343,311,358	8,867,888,619
<b>Gearing ratio</b>	0.01%	0.03%

The company's gearing ratio is similar to that of the previous year, due to its insignificant long-term borrowings.

### 38.5 Accounting classifications and fair values

September 30, 2024

	Carrying amount			Total	Fair value			Total
	Fair value through profit or loss	Fair value through OCI	At amortized cost		Level 1	Level 2	Level 3	
Amount in Rupees								
<b>Financial assets</b>								
Investment	14,861,932	-	-	14,861,932	14,861,932	-	-	14,861,932
Long term deposits	-	-	5,257,309	5,257,309	-	-	-	-
Trade debts	-	-	53,027,788	53,027,788	-	-	-	-
Loan and advances	-	-	250,433,604	250,433,604	-	-	-	-
Trade deposit and short term prepayments	-	-	102,678,397	102,678,397	-	-	-	-
Cash and bank	-	-	221,488,103	221,488,103	-	-	-	-
	14,861,932	-	632,885,201	647,747,133	14,861,932	-	-	14,861,932
<b>Financial liabilities</b>								
Long term finances	-	-	-	-	-	-	-	-
Liabilities against assets subject to finance lease	-	-	1,393,672	1,393,672	-	-	-	-
Trade and other payables	-	-	850,822,297	850,822,297	-	-	-	-
Unclaimed dividend	-	-	1,796,657	1,796,657	-	-	-	-
Accrued mark-up	-	-	117,885,795	117,885,795	-	-	-	-
Short term borrowings	-	-	2,702,235,676	2,702,235,676	-	-	-	-
	-	-	3,674,134,097	3,674,134,097	-	-	-	-

September 30, 2023

<b>Financial assets</b>								
Investment	14,870,771	-	-	14,870,771	14,870,771	-	-	14,870,771
Long term deposits	-	-	3,090,642	3,090,642	-	-	-	-
Trade debts	-	-	5,569,558	5,569,558	-	-	-	-
Loan and advances	-	-	154,245,913	154,245,913	-	-	-	-
Trade deposit and short term prepayments	-	-	80,273,723	80,273,723	-	-	-	-
Cash and bank	-	-	80,517,758	80,517,758	-	-	-	-
	14,870,771	-	323,697,594	338,568,365	14,870,771	-	-	14,870,771
<b>Financial liabilities</b>								
Long term finances	-	-	-	-	-	-	-	-
Liabilities against assets subject to finance lease	-	-	2,960,350	2,960,350	-	-	-	-
Trade and other payables	-	-	315,859,617	315,859,617	-	-	-	-
Unclaimed dividend	-	-	1,639,700	1,639,700	-	-	-	-
Accrued mark-up	-	-	99,699,786	99,699,786	-	-	-	-
Short term borrowings	-	-	1,276,442,928	1,276,442,928	-	-	-	-
	-	-	1,696,602,381	1,696,602,381	-	-	-	-

## Notes to the Financial Statements

For the year ended September 30, 2024

The aforementioned table presents assets and liabilities carried at fair value by valuation method. The different levels have been defined as follows:

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

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

Level 3 - Inputs for the asset or liability that are not based on observable market data.

	2024	2023
	Number	Number
<b>39 Number of employees</b>		
<b>Average number of employees for the year</b>		
Mills	782	864
Head Office	42	11
	824	875
<b>Total number of employees at year end</b>		
Mills	562	612
Head Office	41	11
	603	623

	2024	2023
	M.Ton	M.Ton
<b>40 Plant capacity and production</b>		
Cane crushing capacity (per day)	12,500	12,500
Line-I (Non-operational)	3,000	3,000
Line-II (Operational)	9,500	9,500

	2024	2023
	M.Ton	M.Ton
Operating days	103	103
Effective crushing days	89	88
Cane crushed	657,997	651,476
Sugar production	64,874	64,198
Recovery ratio	9.85%	9.86%

**40.1** Shortage in capacity utilization is mainly due to the less availability/supply of sugarcane at the start and end of crushing season which limits the operations of Mills below the crushing capacity.

### 41 Related party transactions / balances

The related parties comprise directors of the Company, key employees, provident fund trust, associated undertakings and holding company. Details of transactions with related parties, other than those which have been specially disclosed elsewhere in these financial statements are as follows:

This represents interest free loan provided to the Company by its sponsors. These loans have been agreed to be repayable/converted into equity at the Company's discretion. Loan was repaid and received during the year to abridge the working capital requirements of the Company.

## Notes to the Financial Statements

For the year ended September 30, 2024

Party name	Relationship and percentage of shareholding	Transaction during the year and year end balances	2024 Rupees	2023 Rupees
Cane Processing Private Limited	Holding company holds 63.63 % (2023: 63.63 %) share capital	Loan received during the year	-	-
		Loan repaid during the year	-	1,710,000
		Amount payable at year end	131,302,488	131,302,488
		Dividend paid	21,725,885	21,725,885
Mrs. Ghazala Amjad	Chief Executive officer of holding company (Cane Processing Private Limited)	Loan received during the year	560,238,040	127,500,000
		Loan repaid during the year	61,000,000	160,309,220
		Loan transferred from short term liability	-	200,070,000
		Amount payable at year end	1,252,533,230	743,295,190
		Dividend paid	3,175,816	3,175,816
Employee benefit-Provident Fund Trust	Employee benefit fund	Provident fund contribution	5,948,429	4,092,709
Chief Executive	Key management personnel	Remuneration paid	3,564,000	3,564,000
Mrs. Shahida Mazhar	Immediate family member of sponsor	Amount Payable at year end	-	-
Executive Director	Key management personnel	Remuneration paid	3,300,000	3,300,000
Non-executive Director	Key management personnel	Dividend paid	2,500	2,500

All transactions with related parties have been carried out on commercial terms and conditions.

		2024 Rupees (Un-audited)	2023 Rupees (Audited)
<b>42 Employees Provident Fund Trust</b>			
The following information is based on the financial statements of Provident Fund Trust.			
Size of fund - total assets	Rupees	48,532,631	41,174,279
Cost of investments made	Rupees	26,050,000	26,050,000
Percentage of investments made	Percentage	53.68%	63.27%
Fair value of investment	Rupees	26,050,000	26,050,000

The break-up of cost of investments is as follows:

	2024		2023	
	Rupees	Percentage	Rupees	Percentage
Defence Saving Certificates	26,050,000	100.00%	26,050,000	100.00%
	26,050,000	100.00%	26,050,000	100.00%

The investments of the Provident Fund Trust are in compliance with the provision of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

## Notes to the Financial Statements

For the year ended September 30, 2024

### 43 Shariah screening disclosure

	2024 Rupees Conventional	2024 Rupees Shariah Compliant	2023 Rupees Conventional	2023 Rupees Shariah Compliant
Long term borrowings	-	-	-	-
Short term borrowings	2,702,235,676	-	812,806,852	463,636,076
Bank balances	117,683,613	103,519,195	25,691,155	54,780,330
Short term investment	14,861,932	-	14,870,771	-
Revenue	-	7,996,451,611	-	6,925,893,103
Other income				
-Interest on saving deposits accounts	3,695,823	14,269,983	4,718	1,056,760
-Return on investments	3,688,880	-	1,406,893	-
-Exchange gain earned	-	-	-	578,756
Mark-up paid	721,886,368	215,433,165	321,404,733	184,762,021

### Relationship with shariah compliant banks

Name	Relationship at reporting date	2024 Rupees	2023 Rupees
MCB Islamic Bank Limited	Bank Balance	58,450,889	35,487,919
Faysal Bank Limited	Bank Balance	23,352,985	2,095,921
Dubai Islamic Bank	Bank Balance	636,167	636,168
Al Baraka Bank Pakistan Limited	Bank Balance	1,028,335	5,960,323
Meezan Bank Limited	Bank Balance	20,050,819	10,599,999
		<b>103,519,195</b>	<b>54,780,330</b>

### 44 Date of authorization for issue

These financial statements have been authorized for issue on December 24, 2024 by the Board of Directors of the Company.

### 45 General

45.1 Figures have been rounded off to the nearest Rupee.

Lahore:  
December 24, 2024



Chief Executive



Director



Chief Financial Officer

# Striving for Excellence in Corporate Reporting





 **ICMA** INTERNATIONAL  
 lead strategically

 **CA**  
 PAKISTAN

**Best Corporate Report Award 2023**  
 Presented to: **Jauharabad Sugar Mills Limited**  
 2nd Position - Sector: Sugar  
 October 18, 2024 | Lahore

# Striving for Excellence in Corporate Reporting

Statement of Adherence with International Integrated reporting framework

## Organizational overview and external environment.

This annual report of Jauharabad Sugar Mills Limited (the Company) adheres to the guidelines of the International Integrated Reporting (IR) framework and the Global Reporting Initiative (GRI) Standards. The primary objective is to furnish stakeholders with a high-quality, concise, and transparent overview of the Company's capabilities, positioning, and expertise in generating sustainable value. This information is crucial for understanding the Company's standing, performance, and reporting competencies.

In response to global changes and developments, the Company has adapted its structure and advanced its management processes. The management of Jauharabad Sugar Mills Limited is committed to upholding the spirit of best corporate and governance practices. The pursuit of excellence in all aspects of transparent reporting is a guiding principle for the management, reflecting the Company's dedication to achieving the highest standards.

Furthermore, the Company has attained a commendable level of compliance and emphasizes the importance of strengthening this report for enhanced information connectivity. The report aims to demonstrate the impact of results concerning various capital employed. Jauharabad Sugar Mills Limited views this commitment to transparency and comprehensive reporting as integral to its ongoing success and stakeholder engagement."

## Mission and Contents

This report is meticulously crafted through the Company's active engagement with stakeholders, adherence to the International Integrated Reporting (IR) framework, and incorporation of Global Reporting Initiative (GRI) Standards on sustainability. Its purpose is to furnish high-quality information tailored to the diverse interests of stakeholder groups, shedding light on the impacts of the Company's activities on the economy, market, environment, and society. Moreover, the report delves into the long-term sustainability of the Company's business.

A paramount objective is to present the material in a manner that enhances stakeholders' understanding of these activities. The report strategically links business strategy information directly to both financial and non-financial aspects of the Company's operations, providing stakeholders with a comprehensive view of the synergies between the business strategy and its multifaceted impacts. In addition, the forward-looking statement outlines anticipated future challenges and articulates the Company's proactive plans to address them. This approach underscores the Company's commitment to transparency, strategic planning, and sustainable business practices.

## Approaches

In compiling data, the Company employs fundamental scientific measurements, mathematical calculation methods, accounting principles, actual basis, and various logical approaches. Every effort is made by the Company to ensure the accuracy of both sustainability data and the information provided.

## Board Governance

The Board of Directors plays a pivotal role, as directors are elected by shareholders, and the IR framework serves as a mechanism to ensure long-term value creation and heightened transparency. Active involvement and support from both the Board and Chief Executive are requisite for effective implementation. Consequently, the Company's management is directed towards achieving organizational objectives through advisory, evaluative, and monitoring functions pertaining to business strategies. This involves ensuring the seamless execution and necessary adjustments to these activities.

## Integrating Financial and Non-Financial Disclosures

The report encapsulates a spectrum of information, encompassing both financial and non-financial aspects of the Company, providing a detailed account of its brand, financial structure, operations, performance, insights, risks, opportunities, and outcomes associated with its value creation capabilities.

Aligned with the International Integrated Reporting (IR) framework, the Company aims to offer a holistic overview of its business affairs and philosophy. This involves connecting and presenting financial and non-financial information in a manner that caters to the diverse interests and wide-ranging concerns of stakeholders. The goal is to provide substantial value to the Company and its shareholders.

As part of an ongoing commitment to transparency and clarity, the Company endeavors to enhance the comprehensibility of the information produced. This continuous improvement ensures that stakeholders can better understand and appreciate the intricate details of the Company's financial and non-financial performance.

## Reporting period:

This report of the Company is published annually and covers period beginning from October 01, 2023 till September 30, 2024.

## Our Report:

This report of the Company has included following content elements for the users of this report:

- Organizational overview and external environment
- Risks and opportunities
- Governance
- Strategy and resource allocation



- Analysis of financial position
- IT governance & cybersecurity
- Outlook
- Performance
- Basis of Presentation
- Sustainability and corporate social responsibility
- Business Model
- Excellence in corporate reporting
- Financial Statements

#### Disclosures beyond BCR Criteria

Sr. No	Description of Content	Page Number
1	Disclosure of Policies Beyond BCR Criteria	87 , 88, 92, 97
2	CSR Disclosures Beyond BCR Criteria	52 - 53
3	Awards & Certifications	56 - 59
4	Directors' Report in Urdu, Chairman's Report in Urdu	203 - 204

## BCR Criteria & Cross References

1	Organizational Overview and External Environment	Page Reference
1.01	Mission, vision, code of conduct, ethics and values.	10,11,13
1.02	Profile of the company including Principal business activities, markets (local and international) key brands, products and services.	149
1.03	Geographical location and address of all business units including sales units and plants.	4,5,149
1.04	The legislative and regulatory environment in which the company operates.	21
1.05	Ownership, operating structure and relationship with group companies (i.e. subsidiary, associated undertaking etc.) and number of countries in which the organization operates.	15
1.06	Name and country of origin of the holding company/subsidiary company, if such companies are a foreign company.	N/A
1.07	Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.	15,136
1.08	Organization chart indicating functional and administrative reporting, presented with legends.	18,19
1.09	A general review of the performance of the company, including its subsidiaries, associates, divisions etc., for the year and major improvements from last year.	32,72,76,109
1.10	Description of the performance of the various activities / product(s) / service(s) / segment(s) of the entity and its group entities during the period under review.	32,72,76,109
1.11	Position of the reporting organization within the value chain showing connection with other businesses in the upstream and downstream value chain.	33
1.12	a) Explanation of significant factors effecting the external environment including political, economic, social, technological, environmental and legal environment that is likely to be faced in the short, medium and long term and the organization's response.	31,32
	b) The effect of seasonality on business in terms of production and sales.	31,32
1.13	The legitimate needs, interests of key stakeholders and industry trends.	132,133
1.14	SWOT Analysis of the company.	27
1.15	Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, relative strengths and weaknesses of competitors and customer demand and the intensity of competitive rivalry).	36
1.16	History of major events.	62
1.17	Details of significant events occurred during the year and after the reporting period.	81
2	Strategy and Resource Allocation	
2.01	Short, medium and long-term strategic objectives and strategies in place to achieve these objectives.	22,23
2.02	Resource allocation plans to implement the strategy. Resource mean 'Capitals' including:	
	a) Financial Capital	22,23
	b) Human Capital	22,23
	c) Manufactured Capital	22,23
	d) Intellectual Capital	22,23
	e) Social and Relationship Capital; and	22,23
	f) Natural Capital	22,23
2.03	The capabilities and resources of the company to provide sustainable competitive advantage and as result value created by the business.	22,23
2.04	Company's strategy on market development, product and service development.	77,22
2.05	The effects of the given factors on company strategy and resource allocation:	
	a) Technological Changes;	22,23
	b) Sustainability reporting and challenges;	40,41,42,43
	c) Initiatives taken by the company in promoting and enabling innovation; and	24
	d) Resource shortages (if any).	22,23

2.06	Key performance indicators (KPIs) to measure the achievement against strategic objectives including statement as to whether the indicators used will continue to be relevant in the future.	109
2.07	The linkage of strategic objectives with company's overall mission, vision and objectives.	
2.08	Board's statement on the significant plans and decisions such as corporate restructuring, business expansion, major capital expenditure or discontinuance of operations.	79,25
2.09	a) Information about defaults in payment of any debts with reasons and	25
	b) Board strategy to overcome liquidity problem and its plan to manage repayment of debts and meet operational losses.	25
3	<b>Risks and Opportunities</b>	
3.01	Key risks and opportunities (internal and external) effecting availability, quality and affordability of Capitals.	28,29
3.02	A Statement from Board for determining the following:	79
	a) Company's level of risk tolerance by establishing risk management policies.	28,29
	b) Company's robust assessment of the principal risks being faced, including those that would threaten the business model, future performance and solvency or liquidity.	28,29
3.03	Risk Management Framework covering principal risk and uncertainties facing the company, risk methodology, risk appetite and risk reporting.	29
3.04	Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs.	29
3.05	Disclosure of a risk of supply chain disruption due to an environmental, social or governance incident and company's strategy for monitoring and mitigating these risks (is any).	30,31
4	<b>Sustainability Reporting and Corporate Social Responsibility (CSR)</b>	
4.01	Board's statement for the adoption of CSR best practices including Board's commitment to continuous improvement and implementation updates in the form of periodic reviews to ensure the relevance and effectiveness of CSR practices in business strategies.	48
4.02	Board's statement about the company's strategic objectives and the intended impact on stakeholders on ESG (Environmental, Social and Governance) reporting/ Sustainability Reporting in line with IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information' and IFRS S2 'Climate-related Disclosures'. Weightage will be given to companies who provides following disclosures (as per IFRS S1 and IFRS S2) along with the company specific examples for each factor for the investor's information:	48,40
	a) Disclosures of company specific sustainability-related risks and opportunities and their impact on the financial performance in the short, medium and long term;	43
	b) Disclosures about four-pillars core content (Governance, Strategy, Risk Management and Metrics and Targets), together with the specific metrics designed by the company to demonstrate the performance and progress of the company.	25,64,78
	c) Disclosures of material information about sustainability-related risks and opportunities throughout a company's value chain together with specific examples of initiatives taken by the company.	43,44
	d) Disclosure about company's climate-related risks and opportunities, as required in IFRS S2 including explanation of the specific methodologies and tools used by the company.	45
4.03	A chairman's overview on how the company's sustainable practices can affect their financial performance.	72,73
4.04	Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability and CSR:	55,48,49
	a) Social initiatives such as research and development initiatives, employment generation, community health and education, and health and safety of staff etc.;	53
	b) Environmental initiatives like climate change mitigation etc. by focusing on 3R's (Reduce, Reuse & Recycle) and how does the company reduce pollution, depletion and degradation of natural resources.	50
	c) Technological innovation such as contributing to sustainability (i.e. energy-efficient processes or eco-friendly product designs);	50

	d) Information on consumption and management of materials, energy, water, emissions and waste.	43,44
4.05	a) Status of adoption/compliance of the Corporate Social Responsibility (Voluntary) Guidelines, 2013 issued by the SECP.	48
	b) ISO certifications acquired for best sustainability and CSR practices.	56,57,58,59
5	Governance	
5.01	Board composition:	
	a) Leadership structure of those charged with governance.	18
	b) Name of independent directors indicating justification for their independence.	64
	c) Diversity in the board i.e. competencies, requisite knowledge & skills, and experience.	65
	d) Profile of each director including education, experience and involvement /engagement of in other entities as CEO, Director, CFO or Trustee etc.	70,71,90
	e) No. of companies in which the executive director of the reporting organization is serving as non-executive director.	80
5.02	A brief description about role of the Chairman and the CEO.	64
5.03	A statement of how the board operates, including a high-level statement of which types of decisions are to be taken by the board and which are to be delegated to management.	64,65
5.04	Chairman's Review Report on the overall performance of the board including:	
	a) Effectiveness of the role played by the board in achieving the company's objectives.	72
	b) Chairman's significant commitments, such as strategic, financial, CSR and ESG etc., and any changes thereto from last year;	72
	c) Board statement on the company's structure, processes and outcomes of internal control system and whether board has reviewed the adequacy of the system of internal control.	78
5.05	Board Statement of its commitment to establish high level of ethics and compliance in the company	13
5.06	Annual evaluation of performance, along with description of criteria used for the members of the board including CEO, Chairman and board's committees.	81
5.07	Disclosure if the board's performance evaluation is carried out by an external consultant once in three years.	N/A
5.08	Details of formal orientation courses for directors.	80
5.09	Directors' Training Program (DTP) attended by directors, female executive and head of department from the institutes approved by the SECP and names of those who availed exemptions during the year.	80
5.10	Description of external oversight of various functions like systems audit or internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.	65,66
5.11	Disclosure about related party transactions:	156
	a) Approved policy for related party transactions.	81
	b) Details of all related party transactions, along with the basis of relationship describing common directorship and percentage of shareholding.	39
	c) Contract or arrangement with the related party other than in the ordinary course of business on an arm's length basis, if any along with the justification for entering into such contract or arrangement.	39
	d) Disclosure of director's interest in related party transactions.	39
	e) In case of conflict, disclosure that how such a conflict is managed and monitored by the board.	81
5.12	Disclosure of Board's Policy on the following significant matters:	
	a) Governance of risk and internal controls.	78
	b) Diversity (including gender), any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.	65
	c) Disclosure of director's interest in significant contracts and arrangements.	90
	d) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings.	171,172,81

	e) Retention of board fee by the executive director earned by him against his services as non-executive director in other companies.	80
	f) Security clearance of foreign directors.	N/A
	g) Board meetings held outside Pakistan.	N/A
	h) Human resource management including preparation of succession plan.	89,100
	Preparation of succession plan.	89,100
	Merit based recruitment.	89,100
	Performance based appraisal system.	89,100
	Promotion, reward, and motivation.	100
	Training and development.	89,100
	Gender and race diversity.	89,100
	Appointment of / quota for people with disability; and	89,100
	Employee engagement /feedback.	51
	i) Social and environmental responsibility.	97
	j) Communication with stakeholders.	98,132
	k) Dividend Policy.	77
	l) Investors' relationship and grievances.	132
	m) Employee health, safety, and protection.	96
	n) Whistle blowing policy including mechanism to receive and handle complains in a fair and transparent manner and providing protection to the complainant against victimization and reporting in Audit Committee's report.	101
	o) Safety of records of the company.	94
5.13	Board statement of the organization's business continuity plan or disaster recovery plan.	95
5.14	Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance).	83,84,85
5.15	Disclosure about:	
	a) Shares held by Sponsors / Directors / Executives.	100, 101
	b) Distribution of shareholders (Number of shares as well as category, e.g. Promoter, Directors/Executives or close family member of Directors/Executives etc.) or foreign shareholding (if any).	100,101
5.16	Details about Board meetings and its attendance.	80
5.17	TORs, composition and meeting attendance of the board committees including (Audit, Human Resource, Nomination and Risk management).	80,67,65
5.18	Timely Communication: Date of authorization of financial statements by the board of directors:	179
5.19	Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include:	
	a) Composition of the committee with at least one member qualified as "financially literate and all members are non-executive / Independent directors including the Chairman of the Audit Committee.	67
	b) Committee's overall role in discharging its responsibilities for the significant issues in relation to the financial statements, and how these issues were addressed.	67
	c) Committee's overall approach to risk management and internal control, and its processes, outcomes and disclosure.	67
	d) Role of Internal Audit to risk management and internal control, and approach to Internal Audit to have direct access to Audit Committee and evaluation of Internal Auditor's performance.	67
	e) 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 recommended instituting remedial and mitigating measures.	67

	f) An explanation as to how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor; and if the external auditor provides non-audit services, an explanation as to how auditor's objectivity and independence is safeguarded.	67
	g) If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported.	N/A
	h) The Audit Committee's views whether the Annual Report was fair, balanced and understandable and also whether it provided the necessary information to shareholders to assess the company's position and performance, business model and strategy.	67
	i) Results of the self-evaluation of the Audit Committee carried out of its own performance.	67
	j) Disclosure of the number of whistle-blowing incidences reported to the Audit Committee during the year.	67
5.20	Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee's activities / matters that are within the scope of the Audit Committee's responsibilities.	65
5.21	Board disclosure on Company's use of Enterprise Resource Planning (ERP) software including:	103
	a) how it is designed to manage and integrate the functions of core business processes/ modules like finance, HR, supply chain and inventory management in a single system;	103
	b) management support in the effective implementation and continuous update;	103,105
	c) details about user training of ERP software;	103, 105
	d) how the company manages risks or control risk factors on ERP projects;	104
	e) how the company assesses system security, access to sensitive data and segregation of duties.	103,104
5.22	Disclosure about the Government of Pakistan policies related to company's business / sector in Directors' Report and their impact on the company business and performance.	75
5.23	Information on company's contribution to the national exchequer (in terms of payment of duties, taxes and levies) and to the economy (measured in terms of GDP contribution, new jobs creation, increase in exports, contributions to society & environment and community development etc.)	150,152,161,164
<b>6</b>	<b>Analysis of the Financial Information</b>	
6.01	Analysis of the financial and non-financial performance using both qualitative and quantitative indicators showing linkage between:	118,119
6.01	a) Past and current performance;	118
	b) Performance against targets /budget; and The analysis should cover significant deviations from previous year in operating results and the reasons for loss, if incurred and future prospects of profits.	119
6.02	a) Analysis of financial ratios (Annexure I) with graphical presentation and disclosure of methods and assumptions used in compiling the indicators.	114,115,116,117
	b) Explanation of negative change in the performance against prior year.	N/A
6.03	Vertical and horizontal analysis of Balance Sheet, Profit and Loss Account and summary of Cash Flow Statement for last 6 years. Weightage to be given to graphical presentation.	112,113,116,117
6.04	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	135
6.05	a) Information about business segment and non-business segment; and	N/A
	b) Segmental analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities.	N/A
6.06	Share price sensitivity analysis using key variables (i.e. selling price, raw material cost, interest rate and currency) with the consequent impact on the company's earning.	32
6.07	Composition of local versus imported material and sensitivity analysis in narrative form due to foreign currency fluctuations.	174
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6.1	Statement of Economic value added (EVA) [EVA = NOPAT - WACC x TC, where NOPAT is Net Operating Profit After Tax, WACC is Weighted Average Cost of Capital, and TC is Total Invested Capital]	-
6.11	CEO presentation video on the company's business performance of the year covering the company business strategy to improve and future outlook. (Please provide relevant webpage link of the video in the company's annual report).	<a href="http://www.Jsml.com.pk/ndex.php/corporate-analyst-briefings/">http://www.Jsml.com.pk/ndex.php/corporate-analyst-briefings/</a>
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	f) Local committees; and	132,133
	g) Analysts.	132,133
10.03	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	133
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13.01	Overall quality of information contained in the annual report based on the following qualitative factors:	
	a) Clarity, simplicity and lucidity in presentation of Financial Statements	
	b) Theme on the cover page.	
	c) Effective use of presentation tools, particularly, effective use of diagrams, graphs, charts, smart arts, icons, tables and infographics in the annual report.	
	d) Effectiveness and relevance of photos and graphs	
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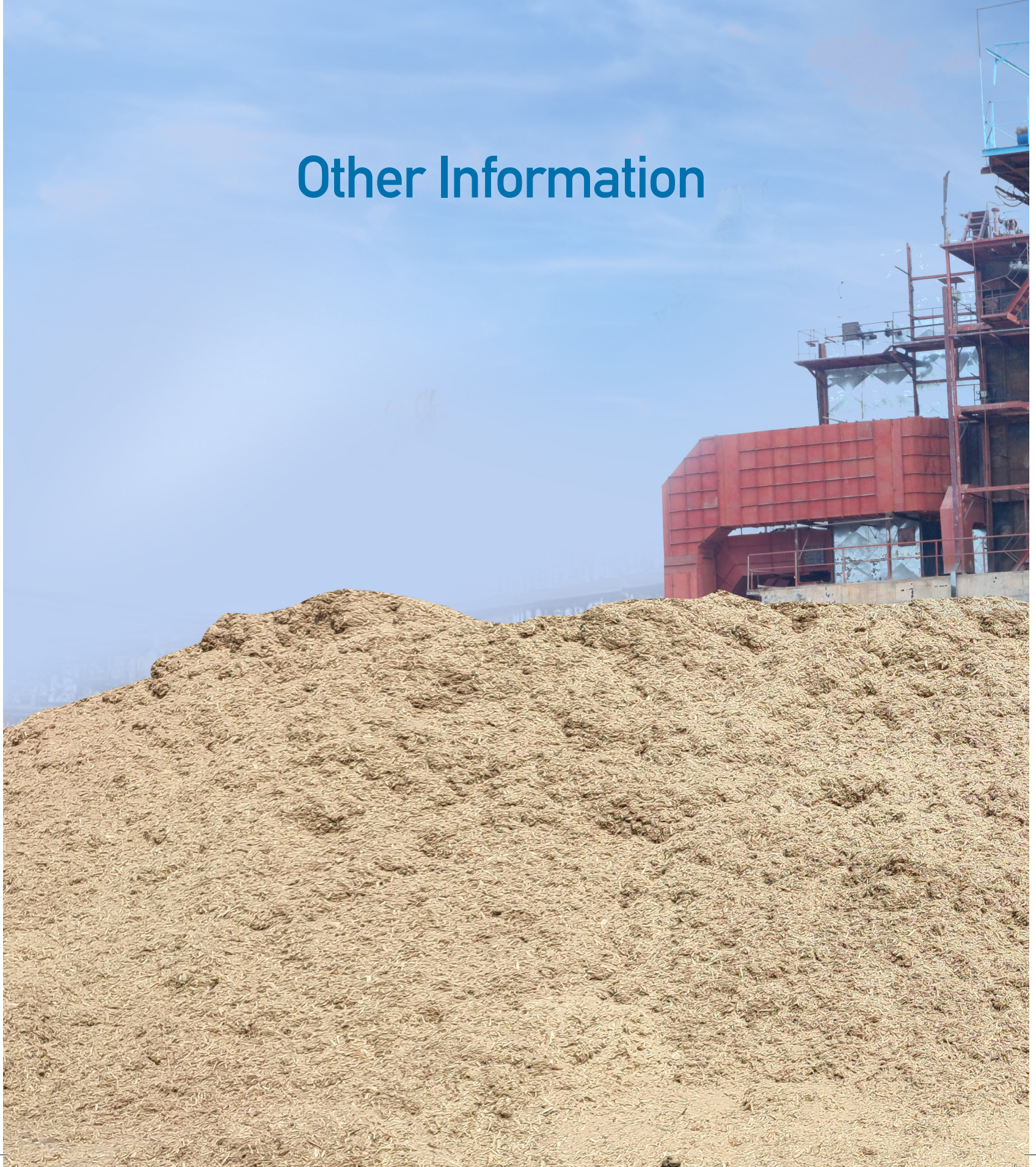


6	Disclosure requirements for common control transactions as specified under the Accounting Standard on 'Accounting for common control transactions' developed by ICAP and notified by SECP (through SECP S.R.O. 53 (I)/2022 dated January 12, 2022)	N/A
7	Disclosure about Human Resource Accounting (includes the disclosure of process of identifying and measuring the cost incurred by the company to recruit, select, hire, train, develop, allocate, conserve, reward and utilize human assets).	179
8	In financial statements issued after initial or secondary public offering(s) of securities or issuance of debt instrument(s) implementation of plans as disclosed in the prospectus/ offering document with regards to utilization of proceeds raised till full implementation of such plans.	N/A
9	Where any property or asset acquired with the funds of the company and is not held in the name of the company or is not in the possession and control of the company, this fact along with reasons for the property or asset not being in the name of or possession or control of the company shall be stated; and the description and value of the property or asset, the person in whose name and possession or control it is held shall be disclosed.	N/A



Scan to View CEO Message  
On JSML Youtube Channel

# Other Information







## ہیومن ریسورس اینڈ ریوژنیشن کمیٹی (HR&R) کمیٹی

کمیٹی تین ممبران پر مشتمل ہے، جن میں سے سبھی نان ایگزیکٹو ڈائریکٹرز ہیں، بشمول ایک آزاد ڈائریکٹر۔ اس کمیٹی کے لیے ٹرمز آف ریفرنس کوڈ آف کارپوریٹ گورننس، 2019 میں بیان کردہ رہنما خطوط کے مطابق ترتیب دیا گیا ہے۔

اپنے مینڈیٹ کے مطابق، کمیٹی معاوضے کے تمام پہلوؤں، تنظیمی پالیسیوں، اور سینئر ایگزیکٹوز کے معاوضے سے متعلق ملازمین کی ترقی کی پالیسیوں کا جائزہ لینے اور تجویز کرنے کے لیے ہوتی ہے۔ مزید برآں، کمیٹی کو انتظامی کمیٹی کے ایگزیکٹو ڈائریکٹرز اور ممبران کے معاوضوں سے متعلق تمام امور کی منظوری دینے کی ذمہ داری سونپی گئی ہے۔ مالی سال 2023/24 کے دوران، کمیٹی نے ان ذمہ داریوں سے نمٹنے کے لیے ایک میٹنگ کی۔

## متعلقہ پارٹی لین دین

زیر جائزہ سال کے لیے متعلقہ فریقوں کے ساتھ کیے گئے تمام لین دین بازو کی لمبائی کی بنیاد پر تھے، جن کی آڈٹ کمیٹی نے باقاعدہ منظوری دی تھی اور کمپنیز ایکٹ 2017 اور ایس ای سی پی لسٹنگ ریگولیشنز کے قابل اطلاق شقوں کے مطابق ہیں۔

متعلقہ پارٹی ٹرانزیکشنز کے لیے پالیسی کمپنیز (متعلقہ پارٹی ٹرانزیکشنز اور مینجمنٹ آف ریلینڈریکارڈز) ریگولیشنز، 2018 کے رول 3 کے مطابق تیار کی گئی ہے جو درج ذیل کم از کم شرائط کا احاطہ کرتی ہے، متعلقہ فریقوں کے لیے ضروری معلومات جن کے ساتھ لین دین کیا جانا ہے بشمول بورڈ میٹنگز یا جنرل میٹنگز میں منظوری کے وقت متعلقہ پارٹی کے تعلقات کی نوعیت۔

• حدود یا شرائط جو متعلقہ فریق کے لین دین کی صورت میں لاگو ہو سکتی ہیں۔

• متعلقہ فریق کے لین دین کے ممکنہ خطرات اور تخفیف کے اقدامات۔

• مقررہ وقت کے اندر متعلقہ فریق کے لین دین کو مناسب فورم کے ذریعے منظوری کے لیے پیش کرنے میں ناکامی کی صورت میں عمل کیا جائے گا۔

• قیمتوں کا تعین کرنے کی پالیسی۔

## معاوضے کی پالیسی

کمپنی نے ایک معاوضے کی پالیسی نافذ کی ہے جو ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے ساتھ ساتھ مکمل طور پر سینئر مینجمنٹ اور کلیدی انتظامی عہدوں پر تعینات افراد پر لاگو ہوتی ہے۔ نامزدگی اور معاوضہ کمیٹی کی سفارش کی بنیاد پر بورڈ آف ڈائریکٹرز کی طرف سے منظور شدہ یہ پالیسی ان کرداروں کے لیے معاوضے کا تعین کرتی ہے۔

## رپورٹنگ کی مدت کے بعد اہم واقعات

رپورٹنگ کی مدت کے بعد سال کے دوران کوئی اہم واقعہ پیش نہیں آیا۔

## غیر محفوظ شکایات کا بیان

کمپنی کے مالی بیانات انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز بورڈ (IASB) کی طرف سے مقرر کردہ بین الاقوامی مالیاتی رپورٹنگ کے معیارات کے مطابق بنائے گئے ہیں، جیسا کہ کمپنیز ایکٹ، 2017 میں بتایا گیا ہے۔

مزید برآں، کچھ مخصوص معیارات اور تشریحات ہیں جن پر پاکستان میں عمل درآمدزیرالتواء ہے، جیسا کہ مالیاتی بیانات کے نوٹ 4.4.2 میں بیان کیا گیا ہے۔ اس کے باوجود، انتظامیہ کی رائے ہے کہ یہ آنے والے معیارات اور تشریحات کمپنی کے مالی بیانات پر کوئی خاطر خواہ اثر نہیں ڈالیں گے۔



سید انوار حسین شاہد

چیف ایگزیکٹو

لاہور: 24 دسمبر 2024

## ڈائریکٹرز ٹینگ پروگرام

کوڈ آف کارپوریٹ گورننس کے باب VI کے ضابطہ 19 کے مطابق اس وقت کمپنی کے چھ (6) ڈائریکٹرز پہلے ہی ڈائریکٹرز ٹینگ پروگرام کے تحت سرٹیفیکیشن حاصل کر چکے ہیں۔ باقی ایک (1) ڈائریکٹر مقررہ مدت کے اندر سرٹیفیکیشن حاصل کرے گا۔

## بیرونی ماہر کے ذریعے سسٹم آڈٹ

اندرونی نظام بیورویریٹاس کے ذریعے تصدیق شدہ ہے، اور کمپنی کی طرف سے خصوصی بیرونی ماہر بھی مقرر کیے جاتے ہیں جو اندرونی کنٹرول کے نظام کی سادھ کو بڑھانے کے لیے خدمات فراہم کرنے کے ماہر ہوتے ہیں۔

## ڈائریکٹرز کی سکیورٹی کلیئرنس

کمپنی کی طرف سے مقرر کیے گئے تمام ڈائریکٹرز پاکستانی شہری ہیں، کمپنی کے پاس ڈائریکٹرز کی تقرری کے لیے بلائی گئی میٹنگ میں کمپنی کے ممبران کے منتخب ہونے سے پہلے ہر ڈائریکٹر کی سکیورٹی کلیئرنس حاصل کرنے کے لیے خصوصی پالیسی ہے۔

## پاکستان سے باہر منعقدہ اجلاس

سال کے دوران ہونے والی تمام میٹنگز پاکستان میں کمپنی کے رجسٹرڈ ایڈریس پر ہوں گی۔

## تعمیل کا بیان

کمپنی نے کارپوریٹ گورننس کے بہترین طریقوں پر عمل کیا ہے، جیسا کہ پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز میں بیان کیا گیا ہے، جس میں 30 ستمبر 2024 کو ختم ہونے والے مالی سال کے لیے کوئی خاص انحراف کا ذکر نہیں کیا گیا ہے۔

## شیئر ہولڈنگز کا پیٹرن

کمپنیز ایکٹ، 2017 اور 30 ستمبر 2024 کے کوڈ آف کارپوریٹ گورننس کے مطابق کمپنی کے شیئر ہولڈنگ کا پیٹرن منسلک ہے۔

## بورڈ آف ڈائریکٹرز/سی ای او اور بورڈ کی کمیٹیوں کی کارکردگی کا جائزہ

بورڈ کے گمراہی کے کردار اور اس کی تاثیر کا اندازہ بورڈ خود کرتا ہے۔ توجہ کے اہم شعبے ہیں:

- کارپوریٹ اہداف اور مقاصد کو حاصل کرنا جیسا کہ کمپنی کے وژن اور مشن کے بیانات میں بیان کیا گیا ہے۔
- پائیدار منصوبہ بندی اور آپریشن کے لیے انتظامیہ کو حکمت عملی کی تشکیل اور ہدایات کی تقسیم؛ اور
- طے شدہ ٹی او آر کے مطابق اپنی ذمہ داریاں نبھانے کے سلسلے میں بورڈ کی کمیٹیوں کی کارکردگی کا جائزہ۔

سوالنامے بورڈ اور اس کی کمیٹیوں کی جانب سے مؤثریت، جوابدہی، منصوبہ بندی، قیادت اور حکمت عملی کی تشکیل سمیت متعلقہ معیارات پر غور کرتے ہوئے ڈیزائن کیے گئے ہیں۔ چیف ایگزیکٹو آفیسر کی کارکردگی کا جائزہ لینے کے لیے ایک الگ سوالنامہ بھی بنایا گیا ہے۔ سی ای او کی کارکردگی کا جائزہ ڈائریکٹرز کرتے ہیں۔ شفافیت کو بڑھانے کے لیے، کمپنی تیسرے فریق کے چارٹرڈ اکاؤنٹنٹس کو نتائج مرتب کرنے اور بورڈ آف ڈائریکٹرز کے لیے ایک رپورٹ تیار کرنے کے لیے شامل کرنے کا ارادہ رکھتی ہے۔ تاہم، رپورٹ کے مندرجات کا اندرونی جائزہ لیا جاتا ہے، ان شعبوں کی نشاندہی کرتے ہوئے جن میں بہتری کی ضرورت ہے۔

## آڈٹ کمیٹی

اس رپورٹ کی تاریخ تک، آڈٹ کمیٹی میں تین ڈائریکٹرز شامل ہیں، جن میں سے دو آزاد ڈائریکٹرز ہیں، اور ان میں سے ایک نان ایگزیکٹو ڈائریکٹر یعنی جناب جواد الرحمان خان لودھی بطور چیئر مین، اور جناب امجد جاوید آفتاب ہیں۔ اور جناب محمد عامر بیگ بطور ممبر۔ منسلک کارپوریٹ گورننس رپورٹ میں آڈٹ کمیٹی کے ڈیزائن، میٹنگ کی تعداد اور تاریخیں، حاضری وغیرہ کی تفصیلات الگ سے دی گئی ہیں۔ مزید برآں، بورڈ اس بات کو یقینی بناتا ہے کہ آڈٹ کمیٹی کے چیئر مین سالانہ جنرل میٹنگز (AGM) میں حاضر ہوں اور شیئر ہولڈرز کے تمام سوالات کو حل کریں۔

## قانونی خطرہ

قانونی خطرہ وہ خطرہ ہے جس میں کمپنی کو قانونی کارروائی کا سامنا کرنا پڑتا ہے جیسا کہ کمپنی مختلف قوانین کے تحت چلتی ہے اور کمپنی کو قانون کی چار دیواری کے اندر اپنا کاروبار کرنا ہوتا ہے، جہاں کمپنی قانونی خطرے سے دوچار ہوتی ہے۔

کمپنی کے پاس پیشہ ورافراد، مشیروں کی ایک تجربہ کار ٹیم ہے جو معاہدے میں شامل خطرات کا جائزہ لینے، معاہدے کے قابل اطلاق قانون کے تحت ہماری ذمہ داریوں کا پتہ لگانے، معاہدے کے تحت ہماری ذمہ داریوں کو محدود کرنے، اور اس میں شامل خطرات کا احاطہ کرنے پر توجہ مرکوز کرتی ہے تاکہ وہ اس کی پابندی کو یقینی بنا سکیں۔ تمام معاہدے کے وعدوں پر۔

## بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں

30 ستمبر 2024 تک کمپنی کے بورڈ آف ڈائریکٹرز پر مشتمل ہے:

ڈائریکٹرز کی کل تعداد:	
مرد	05
خاتون	01

## بورڈ کی تشکیل

ڈائریکٹر بورڈ کی تشکیل حسب ذیل ہے۔

ایگزیکٹو ڈائریکٹرز	02
آزاد ڈائریکٹرز	02
نان ایگزیکٹو ڈائریکٹرز	02
خواتین ڈائریکٹرز	01

30 ستمبر 2024 کو ختم ہونے والے سال کے ڈائریکٹرز کے نام درج ذیل ہیں۔

سینئر نمبر	ڈائریکٹر	کمپنی	مینگلڈ میں شرکت کی۔
1	سید انوار حسین شاہد	چیف ایگزیکٹو	4/4
2	جناب محمد عامر بیگ	چیئر مین	4/4
3	فرحان الیاس	آزاد	4/4
4	مسٹر غیاث الحسن	سی پی ایل کے نامزد/ نان ایگزیکٹو	4/4
5	محترمہ فائزہ افتخار	آزاد	4/4
6	جناب سیف الرحمان	سی پی ایل کے نامزد/ ایگزیکٹو	4/4
7	جناب امجد جاوید آفتاب	سی پی ایل کے نامزد/ نان ایگزیکٹو	3/4

وہ ڈائریکٹرز جو بورڈ مینگلڈ میں شرکت کرنے سے قاصر تھے اور انہوں نے رسمی طور پر چھٹی کی درخواست کی تھی، انہیں قانونی تقاضوں کے مطابق بورڈ کی جانب سے مینگلڈ سے غیر حاضری کی چھٹی دی گئی۔

ایگزیکٹو ڈائریکٹر دوسری تنظیم کی خدمت کر رہے ہیں۔

کوئی بھی ایگزیکٹو ڈائریکٹر بیک وقت کسی دوسری کمپنی میں نان ایگزیکٹو ڈائریکٹر کے عہدے پر فائز نہیں ہوتا۔ اسی طرح، کمپنی کسی بھی نان ایگزیکٹو ڈائریکٹر کو بورڈ آف ڈائریکٹرز میں ان کی خدمات کا معاوضہ نہیں دیتی۔

## اندرونی مالیاتی کنٹرول

کمپنی کا اندرونی کنٹرول سسٹم، جیسا کہ یہ مالیاتی گوشواروں سے متعلق ہے، اپنے کاروباری آپریشنز کی نوعیت، سائز اور پیچیدگی کے لحاظ سے مناسب اور مناسب ہے۔ ان کنٹرولز کی تاثیر کو یقینی بنانے کے لیے باقاعدہ آڈٹ اور چیک کیے جاتے ہیں، جو آپریشنز میں کسی بھی بے ضابطگی کو روکنے، ان کا پتہ لگانے اور ان سے نمٹنے کے لیے بنائے گئے ہیں۔

## رسک اور اندرونی کنٹرول کی حکمرانی

کمپنی نے ایک رسک مینجمنٹ کمیٹی قائم کی ہے جو اہم کاروباری مقاصد کو متاثر کرنے والے خطرات کی نشاندہی، تشخیص، نگرانی اور ان کو کم کرنے کے لیے ذمہ دار ہے۔ بڑے خطرات کو منظم طریقے سے جاری تخفیف کی حکمت عملیوں کے ذریعے حل کیا جاتا ہے اور آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز کے اجلاسوں کے دوران ان کا باقاعدگی سے جائزہ لیا جاتا ہے۔

## تشویش میں جانا

یہ مالی بیانات جاری تشویش کی بنیاد پر تیار کیے گئے ہیں اور کمپنی کی گونگ کنسرن کے طور پر جاری رکھنے کی صلاحیت پر کوئی تشویش نہیں ہے۔

## اہم منصوبے اور فیصلے

کمپنی کی مینوفیکچرنگ سائٹ پر پیداواری صلاحیتوں کو معمول کے مطابق اپ ڈیٹ کرنے کے علاوہ کسی بھی تنظیم نو یا آپریشن کو بند کرنے کا کوئی منصوبہ نہیں ہے۔

## سی ایف او اور ہیڈ آف انٹرنل آڈٹ کی اہلیت

چیف فنانشل آفیسر/چیف اکاؤنٹنٹ اور ہیڈ آف انٹرنل آڈٹ مطلوبہ قابلیت اور تجربہ رکھتے ہیں جیسا کہ کوڈ آف کارپوریٹ گورننس میں بیان کیا گیا ہے۔

## داخلی تجارت

بورڈ نے پاکستان میں اسٹاک کے متعلقہ ضوابط کی تعمیل کرتے ہوئے اندرونی تجارت پر سختی سے ممانعت کی پالیسی بنائی ہے۔ پورے مالی سال کے دوران، کسی بھی ڈائریکٹر، سی ای او، سی ایف او، ہیڈ آف انٹرنل آڈٹ، اور کمپنی سیکرٹری نے کمپنی کے حصص کی کسی بھی تجارت میں مشغول نہیں کیا۔

## گنے کی دستیابی

چینی کی صنعت کو گنے کی دستیابی، ریگولٹری خطرات، چینی کی قیمتوں کا تعین، اور پڑوسی ملکوں کے درمیان مسابقت سمیت اہم چیلنجز کا سامنا ہے۔ گنے بنیادی خام مال ہے، اور اس کی بروقت خریداری میں کسی قسم کی رکاوٹ کاموں کو بری طرح متاثر کر سکتی ہے۔ گنے کی دستیابی کو متاثر کرنے والے عوامل میں موسمی حالات، کٹائی کے لیے مزدوروں کی کمی، اور متبادل فصلوں کا انتخاب کرنے والے کسان شامل ہیں۔

ان مشترکہ کوششوں کا مقصد گنے کی قابل اعتماد فراہمی کو محفوظ بنانا ہے، اس طرح اس کی دستیابی سے وابستہ خطرات کو کم کرنا اور کمپنی کے آپریشنل استحکام میں تعاون کرنا ہے۔

## ریویو کا ارتکاز

ایک واحد کاروباری طبقے پر بڑے پیمانے پر توجہ مرکوز کرنے سے کمپنی کو اس مخصوص شعبے میں موروثی خطرات کا سامنا کرنا پڑتا ہے۔ ان خطرات کو کم کرنے کے لیے، کمپنی مجموعی انتظام کے موجودہ دائرہ کار کے اندر متنوع سرگرمیوں کی پیروی کرتے ہوئے ایک حکمت عملی اپناتی ہے۔ یہ فیصلہ ہر ایک سرگرمی سے وابستہ فوائد اور نقصانات کے جامع جائزے پر مبنی ہے۔ اس طرح کی حکمت عملی کمپنی کی پالیسی سے مطابقت رکھتی ہے، جو کہ کم سے کم غیر ضروری خطرات سے نمٹنے کے ساتھ ساتھ کاروباری حجم کو بڑھانے کی کوشش کرتی ہے۔

## افراط زر اور لاگت کا سٹرکچر

محصولات کی لاگت بنیادی طور پر خام مال جیسے گنے، کیمیکلز، اسٹورز، مرمت اور دیکھ بھال اور مالیاتی اخراجات پر مشتمل ہوتی ہے۔ ان پٹس کے ساتھ جڑے موروثی افراط زر کے دباؤ کو تسلیم کرتے ہوئے، کمپنی نے خطرات کو مؤثر طریقے سے کم کرنے کے لیے گنے اور مینوفیکچرنگ کے لیے ضروری مواد کے لیے مخصوص پروکیورمنٹ پالیسیاں نافذ کی ہیں

جوہر آباد شوگر ملز میں لاگت کی اصلاح اور کمی کے اقدامات تنظیمی سطح پر ایک سٹرٹیجک ترجیح ہیں۔ ان اقدامات کی کڑی نگرانی بجٹ کے کنٹرول کے طریقہ کار کے ذریعے کی جاتی ہے، باقاعدہ جائزوں کے ساتھ بجٹ کے اعداد و شمار کا اصل کارکردگی سے موازنہ کیا جاتا ہے۔ یہ نقطہ نظر کمپنی کے مالیاتی ماڈل کے ساتھ ہم آہنگی کو یقینی بناتا ہے۔ لاگت کے انتظام پر ایک مضبوط زور پوری تنظیم میں ڈالا گیا ہے، ایک ایسے کلچر کو فروغ دیا گیا ہے جو آپریشنل کارکردگی اور مالی استحکام کے کلیدی محرکات کے طور پر لاگت میں کمی اور کنٹرول کو ترجیح دیتا ہے۔



## کریڈٹ ریٹنگ

کریڈٹ ریٹنگ پاکستان میں اداروں کے کریڈٹ سٹینڈنگ کا اندازہ ہے۔ PACRA کا بنیادی کام یہ ہے کہ وہ اپنے قرض کی ذمہ داریوں کو پورا کرنے کے لیے کسی ادارے کی صلاحیت اور اہلیت کا جائزہ لے۔ سال کے دوران، پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے طویل مدتی بینک سہولیات کے حوالے سے کمپنی کی ہستی کی درجہ بندی "BBB+" اور مختصر مدتی بینک سہولیات کے حوالے سے "A2" برقرار رکھی۔ یہ ریٹنگ کریڈٹ رسک کی کم توقع کی نشاندہی کرتی ہیں اور مالی وعدوں کی بروقت ادائیگی کی تسلی بخش صلاحیت کی نشاندہی کرتی ہیں۔ کمپنی اپنی تمام قلیل مدتی ذمہ داریوں کے ساتھ موجودہ ہے۔ فی الحال رپورٹنگ کی تاریخ کے مطابق کمپنی کی کوئی طویل مدتی ذمہ داری نہیں ہے۔

## نمو

کمپنی نے اپنے اسٹیک ہولڈرز کے لیے زیادہ سے زیادہ منافع کو ترجیح دیتے ہوئے مسلسل عموگی کی پیروی کی ہے۔ پچھلی دہائی کے دوران، ایک اہم تبدیلی واقع ہوئی ہے، جس نے اسٹیک ہولڈرز کو انعام دینے کے نقطہ نظر کو نئی شکل دی ہے۔

موجودہ مالی سال میں مشینری کو اپ گریڈ کرنے میں خاطر خواہ سرمایہ کاری کی گئی ہے۔ مثبت نتائج کی توقع، خاص طور پر 2024/25 کے کرشنگ سیزن کے دوران تمام اسٹیک ہولڈرز کے لیے بہتر نتائج کی توقع ہے۔

## ڈیویڈنڈ

مالی سال 2023/24 کے لیے، بورڈ نے ڈیویڈنڈ کی سفارش نہیں کی ہے، کیونکہ کمپنی سال کے دوران خاطر خواہ منافع کمانے کے قابل نہیں تھی۔ یہ فیصلہ کمپنیز ایکٹ 2017 اور مالیاتی استیقام کو برقرار رکھنے اور مارکیٹ کے چیلنجز حالات میں طویل مدتی ترقی کی حمایت کرنے کے بورڈ کے عزم سے ہم آہنگ ہے۔

## ہولڈنگ کمپنی

کیمن پروسیسنگ کمپنی (پرائیویٹ) لمیٹڈ، ایک کمپنی جو پاکستان کے قوانین کے مطابق رجسٹرڈ ہے اور جس کا صدر دفتر لاہور میں ہے، جو ہر آباد شوگر ملز لمیٹڈ کے لیے ہولڈنگ ادارے کے طور پر کام کرتا ہے، جس کے پاس 63.66 فیصد حصص کی اکثریت ہے۔

## قانونی آڈیٹرز اور ان کی آڈٹ رپورٹ:

UHY حسن نعیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس جو کہ اسٹیٹ بینک آف پاکستان کے آڈیٹرز کے پینل میں شامل ایک "A" کیٹیگری کی فرم ہے، کمپنی کے قانونی آڈیٹرز کے طور پر کام کرتی ہے۔ وہ 28 جنوری 2025 کو طے شدہ 56 ویں سالانہ جنرل میٹنگ کے اختتام تک اس کردار کو جاری رکھیں گے۔ 30 ستمبر 2024 کو ختم ہونے والے سال کے لیے کمپنی کے مالی بیانات پر آڈیٹرز کی رپورٹ، اس سالانہ رپورٹ کا حصہ ہے۔ رپورٹ میں کوئی قابلیت، تحفظات، منفی تبصرے، یا دستبرداری شامل نہیں ہے۔

دوبارہ تقرری کے اہل ہونے کی وجہ سے، انہوں نے اگلے مالی سال کے لیے آڈیٹرز کے طور پر کام جاری رکھنے پر آمادگی ظاہر کی ہے۔ مکمل جائزہ لینے کے بعد، آڈٹ کمیٹی نے ان کی دوبارہ تقرری کی سفارش کی ہے، جس کی توثیق بورڈ آف ڈائریکٹرز نے آئندہ سالانہ جنرل میٹنگ میں شیئر ہولڈرز کی منظوری کے لیے کی ہے۔

## انسانی وسائل

کمپنی مضبوط اور جامع HR عمل کے نفاذ کے ذریعے ایک نتیجہ خیز اور متحرک تعلیمی ماحول کو فروغ دینے کے لیے پرعزم ہے۔ اس میں منصفانہ اور شفاف کارکردگی کے جائزوں کو یقینی بنانا اور انسانی وسائل کی پالیسیوں کو کاروبار کی ابھرتی ہوئی ضروریات کے ساتھ ہم آہنگ کرنے کے لیے نئے اقدامات متعارف کرانا شامل ہے۔

## کاروبار کی نوعیت میں تبدیلی

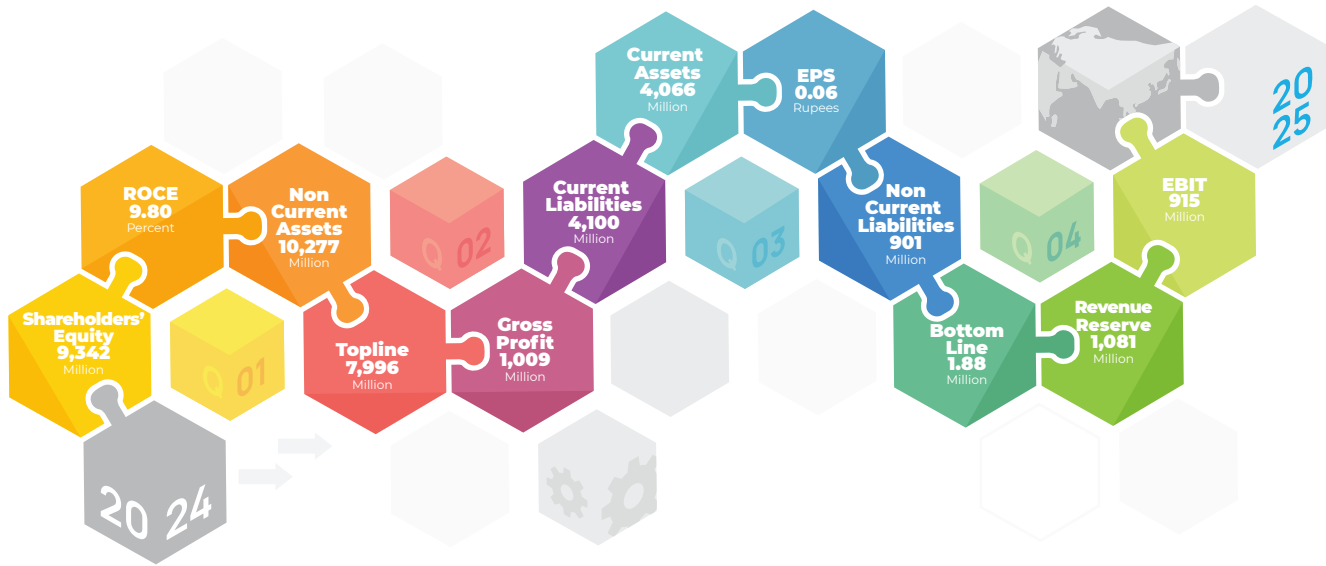
سال کے دوران، کمپنی کے کاروبار کی نوعیت میں کوئی مادی تبدیلی نہیں آئی۔

## قرضوں، ضمانتوں یا سرمایہ کاری کی تفصیلات

کمپنیز ایکٹ، 2017 کی دفعات کے تحت قرضوں، ضمانتوں اور سرمایہ کاری کی تفصیلات اس سالانہ رپورٹ کا حصہ بننے والے مالیاتی بیانات کے نوٹس میں دی گئی ہیں۔

آپریٹنگ منافع	747,447	832,749	(10.24%)
دیگر آپریٹنگ آمدنی	168,240	(6,375)	2739.06%
مالیاتی اخراجات	949,094	560,136	69.44%
ٹیکس سے قبل منافع	(33,406)	266,238	(112.55%)
ٹیکس	35,286	(54,005)	165.34%
ٹیکس کے بعد منافع	1,880	212,233	(99.11%)
آمدنی فی شیئر (روپے یا شیئر)	0.06	6.22	(99.04%)

سال کے دوران، کمپنی نے روپے کی ٹاپ لائن حاصل کی۔ 7,996 ملین، [CY 2022/23: 6,926 ملین] روپے، سال بہ سال (YOY) کے اضافے کی عکاسی کرتا ہے۔ روپے کی ٹاپ لائن نمونہ 1,071 ملین چینی کے کل اسٹاک کے 162.97% (FY 2022/23: 71.52%) کے لیکویڈیشن سے چلائے گئے۔ فروخت کی لاگت روپے تک بڑھ گئی۔ 6,987 ملین روپے سے زیادہ پچھلے سال میں 5,852 ملین، بنیادی طور پر گنے کی زیادہ قیمتوں کی وجہ سے، 19.40% کے YOY اضافے کی نشاندہی کرتا ہے۔ نتیجتاً، مجموعی منافع 6.05 فیصد کم ہو کر روپے ہو گیا۔ 1,009 ملین روپے کے مقابلے میں [FY 2022/23] میں 1,074 ملین۔ کمپنی نے روپے کی ہائٹ لائن ریکارڈ کی ہے۔ 1.8 ملین [FY 2022/23: 212 ملین] روپے اس سال کے دوران۔ رواں مالی سال کے لیے فی حصص آمدنی روپے رہی۔ روپے کے مقابلے میں 0.06 گزشتہ مالی سال میں 6.22۔ مزید، پورٹنگ کی مدت 2023-24 کے دوران، چینی کی مقامی منڈی نے قیمتوں میں نمایاں اتار چڑھاؤ کا تجربہ کیا، جس کے بعد سیزن سے لے کر سیزن کے بعد قیمتوں میں مسلسل کمی واقع ہوئی۔ اس گراؤ کے رجحان نے کمپنی کی آمدنی کے سلسلے کو متاثر کیا۔



## مستقبل کے امکانات

آگے بڑھتے ہوئے، صنعت کیری فارورڈ اسٹاک، ورکنگ کپٹیل کی کمی، فنڈز کی زیادہ لاگت، کم پیداوار اور سوکروز کی بحالی کے ساتھ کریننگ سال 2024/25 میں داخل ہوگی ہے۔ پاکستان کی چینی پر قومی غذائی تحفظ اور تحقیق کی وزارت کے مطابق، 2024/25 CY کے لیے چینی کی پیداوار 6.8 ملین ٹن کے ساتھ ساتھ 2023/24 CY سے نہ ہونے کے برابر چینی کے ذخیرے کی پیش گوئی ہے۔ موجودہ پیداوار ملک کی تاریخی سالانہ گھریلو طلب کو پورا کرنے کے لیے کافی ہوگی۔ سٹریٹجک ذخائر اور چوری/مارکیٹ کو منسوخ کرنے والے عوامل پر غور نہیں کیا جاتا جو چینی کا فاضل بن سکتا ہے جسے برآمد کرنے کی ضرورت پڑ سکتی ہے۔

کمپنی ملوں کی کارکردگی کو بہتر بنانے کے اپنے وژن کے ساتھ منسلک ہے، BMR اور پلانٹ کی دیکھ بھال میں مسلسل سرمایہ کاری کر رہی ہے۔ آگے بڑھتے ہوئے کمپنی نے اپنی مارکیٹنگ حکمت عملی کے تحت کارپوریٹ اور ریٹیل طبقہ پر توجہ مرکوز کرنے کا منصوبہ بنایا ہے۔ آمدنی کے سلسلے میں تنوع لانے کے لیے، کمپنی ضمنی مصنوعات کے حصہ کو ٹاپ لائن پر بڑھانے پر توجہ مرکوز کر رہی ہے اور FESCO کے ساتھ EPA کی غیر موجودگی میں اضافی بجلی برآمد کرنے کے راستے تلاش کر رہی ہے۔

## آپرشل جائزہ

مالی سال 2023/24 کے دوران کمپنی کی اصولی سرگرمیاں بدستور برقرار رہیں یعنی چینی اور اس سے منسلک مصنوعات کی تیاری اور فروخت۔ کمپنی نے حکومت پنجاب کی طرف سے جاری کردہ ہدایات کی تعمیل میں 25 نومبر 2023 [25th November, 2022 : FY2022/23] کو کرشننگ سیزن شروع کیا تھا۔ FY2023/24 کے لیے آپ کی ملوں کا تقابلی خلاصہ آپرینٹنگ نتیجہ حسب ذیل ہے:

تفصیلات	اکائیاں	مالی سال 2023/24	مالی سال 2022/23	YOY تبدیلی
کام کے ایام	دن	103	103	0.00%
گنے کی کرشننگ	میٹرک ٹن	657,997	651,476	1.00%
چینی کی پیداوار	میٹرک ٹن	64,874	64,198	1.05%
چینی کی ریکوری	فیصد	9.86%	9.86%	0.00%
چینی کی فروخت - مقامی	میٹرک ٹن	57,712	67,210	(14.13%)
چینی کی فروخت - بین الاقوامی	میٹرک ٹن	1,424	2,487	(42.74%)
چینی کی فروخت - کل	میٹرک ٹن	59,136	69,697	(15.15%)
چینی کا گلوکوزنگ اسٹاک	میٹرک ٹن	24,020	18,282	31.39%
مولاسس کی پیداوار	میٹرک ٹن	26,450	29,630	(10.73%)
مولاسس کی ریکوری	فیصد	4.02%	4.55%	(11.65%)

موجودہ مالی سال کے دوران، کمپنی نے 103 دن کام کیا، پچھلے سال کے برابر دن۔ چیلنجوں کے باوجود، کمپنی نے گنے کی روزانہ اوسطاً 6,388 میٹرک ٹن کرشننگ حاصل کی، جو پچھلے مالی سال [CY 2022/23 : 6,325 میٹرک ٹن] کے مقابلے میں 1 فیصد اضافہ کو ظاہر کرتا ہے۔ روزانہ کی بڑھتی ہوئی کرشننگ کو موثر ملنگ کے طریقوں، گنے کے کاشتکاروں کو فوری ادائیگی، اور گزشتہ دہائی کے دوران کاشتکاروں کے ساتھ کاشت کیے گئے دیرینہ اعتماد سے منسوب کیا جاسکتا ہے۔

سفید ریفاائنڈ چینی کی پیداوار 64,874 میٹرک ٹن رہی، جو پچھلے سال [CY 2022/23 : 64,198 میٹرک ٹن] سے 1.05 فیصد زیادہ ہے۔ مزید برآں، کمپنی نے 26,450 میٹرک ٹن گڑ کی پیداوار کی، جو پچھلے سال [CY 2022/23 : 29,630 میٹرک ٹن] کے مقابلے میں 11.65 فیصد کی وصولی کی شرح میں کمی کو ظاہر کرتا ہے۔

رپورٹ کردہ مالی سال کے دوران، کمپنی نے اپنے پلانٹ کے آپریشنز میں آٹومیشن کو اپناتے ہوئے ایک اہم تبدیلی کی ہے۔ آٹومیشن کی طرف اس اسٹریٹجک تبدیلی میں خاطر خواہ سرمایہ کاری شامل ہے، جس کی رقم روپے ہے۔ 702 ملین کیپٹل سٹریٹجی کے مختلف اقدامات میں، آپریشنل کارکردگی اور تکنیکی صلاحیتوں کو بڑھانے کے لیے کئی اپ گریڈ کیے گئے ہیں۔ چند بڑے اضافے میں ملوں کی تزئین و آرائش، سٹشی توانائی کے تحفظ کے منصوبے میں اضافہ، پانی کی صفائی کے لیے آراو پلانٹ اور بیگاس پمپنی پاور پلانٹ کی کارکردگی کو بہتر بنانے کے لیے اکانو ماٹرز شامل ہیں۔

## مالی کارکردگی

30 ستمبر 2024 کو ختم ہونے والے سال کے اہم مالیاتی نتائج کا موازنہ حسب ذیل ہے:

تفصیلات	مالی سال 2023/24	مالی سال 2022/23	YOY تبدیلی
	روپے میں "000"	روپے میں "000"	
فروخت - خالص	7,996,452	6,925,893	15.46%
فروخت کی لاگت	6,987,145	5,851,908	19.40%
مجموعی منافع	1,009,306	1,073,985	(6.02%)
فروخت اور تقسیم کے اخراجات	24,166	29,748	(18.77%)
انتظامی اور عمومی اخراجات	237,693	211,487	12.39%

ORGANIZED BY

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# ڈائریکٹر رپورٹ

اللہ کے نام سے جو بڑا مہربان نہایت رحم والا ہے۔

کمپنی کی ڈائریکٹر 30 ستمبر 2024 کو ختم ہونے والے مالی سال کے لیے آڈٹ شدہ مالیاتی گوشواروں سمیت سالانہ رپورٹ جمع کرانے پر خوش ہیں۔

## عالمی معیشت

عالمی معیشت شدید جغرافیائی سیاسی تناؤ، بڑھتی ہوئی جغرافیائی اقتصادی تقسیم، اور افراط زر کو کنٹرول کرنے کے لیے وضع کردہ مالیاتی پالیسیوں کے طویل اثرات سے پیدا ہونے والے پائیدار چیلنجوں سے نمٹنا جاری رکھے ہوئے ہے۔ خود مختار قرضوں کی بلند سطح نے بہت سے ممالک میں مالی معاونت کی واپسی کا باعث بنی ہے، جس سے معاشی کمزوریوں میں اضافہ ہوا ہے۔ مزید برآں، موسمیاتی تبدیلی سے منسلک انتہائی موسمی واقعات خوراک کی پیداوار اور توانائی کی فراہمی میں خلل ڈال رہے ہیں، قیمتوں میں اضافہ کر رہے ہیں اور افراط زر کے دباؤ کو جنم دے رہے ہیں۔ یہ عالمی مسائل گھریلو چیلنجوں جیسے کہ بڑھتی ہوئی پیداواری لاگت، توانائی کی عدم دستیابی، اور فصلوں کی پیداوار اور شعبہ جاتی پائیداری پر سمجھوتہ کرنے والے موسم کے غیر متوقع نمونوں کی عکاسی کرتے ہیں۔ خطرات کو کم کرنے اور صنعت میں طویل مدتی ترقی کو فروغ دینے کے لیے اسٹریٹجک مداخلتیں بہت اہم ہیں۔

## ملکی معیشت

پاکستان کی معیشت کو مسلسل مالیاتی خسارے، بلند عوامی قرض، بلند افراط زر، اور بیرونی کھاتوں کا عدم توازن سمیت اہم چیلنجز کا سامنا ہے۔ زرمبادلہ کی شرح تازہ ترین کم ترین سطح پر پہنچ گئی ہے، افراط زر کے دباؤ کو بڑھا رہا ہے اور براہ راست غیر ملکی سرمایہ کاری کو روک رہا ہے۔ مائیکرو پالیسی کی شرح بلند رہتی ہے، کریڈٹ کی دستیابی محدود کرتی ہے اور کام کرنے والے سرمائے کی وسیع قلت میں حصہ ڈالتی ہے۔ اقتصادی ترقی بے حس رہی ہے، چینی پھلو کے خطرات غیر معمولی حد تک زیادہ ہیں۔ ستمبر 2024 میں، بین الاقوامی مالیاتی فنڈ (IMF) نے پاکستان کے لیے 37 ماہ کی توسیعی فنڈ سہولت (EFF) کی منظوری دی، جس کی رقم تقریباً 7 بلین امریکی ڈالر ہے۔ اس انتظام کا مقصد اقتصادی استحکام میں مدد اور ساختی اصلاحات کو نافذ کرنا ہے۔ قرضوں کی یہ خاطر خواہ ذمہ داریاں زرمبادلہ کے ذخائر کو دباتی ہیں اور سخت درآمدی کنٹرول کی ضرورت ہوتی ہے، جس سے معاشی بحالی میں رکاوٹ پیدا ہوتی ہے۔ موسمیاتی چیلنجوں اور بڑھتی ہوئی زرعی مصنوعات کی قیمتوں کے باعث خوراک کی افراط زر اعلیٰ صارف قیمت اشاریہ (CPI) میں ایک بڑا حصہ دار ہے۔ اس مشکل ماحول میں معاشی استحکام اور ترقی کو فروغ دینے کے لیے مستحکم اور سستی خوراک اور توانائی کی فراہمی کو یقینی بنانا بہت ضروری ہے۔

## شوگر انڈسٹری

چینی کی قیمتیں سال بھر مندی کا شکار رہیں، اور برآمدی کوٹے کے محدود ہونے سے صنعت کے منافع کو مزید نقصان پہنچا۔ مزید برآں، حکومت کے برآمدی فیصلوں میں تاخیر نے مارکیٹ کے عدم استحکام کو بڑھا دیا، جس سے پورے شعبے میں نمایاں نقصان ہوا۔ بین الاقوامی منڈی میں استھول کی قیمتیں کمزور ہیں، جس سے 2024-25 میں اس ضمنی مصنوعات سے ممکنہ آمدنی میں کمی کی توقع ہے۔ آئندہ سیزن کے لیے، حکومت نے گنے کی کم از کم امدادی قیمت کا نوٹیفیکیشن جاری نہیں کیا ہے اور اس کے بجائے موجودہ مارکیٹ قیمت پر مبنی منصفانہ قیمت کی اجازت دی جا رہی ہے جو کسانوں اور صنعت دونوں کے لیے متوازن انعامات کی سہولت فراہم کر سکتی ہے۔

اس سال، پاکستان کے اقتصادی سروے 2023/24 کے مطابق، زراعت کے شعبے نے قومی جی ڈی پی کی شرح نمو میں 24 فیصد حصہ ڈالا۔ چینی کی صنعت دوسری سب سے بڑی آرکٹک پڑتی صنعت ہے جس نے ملک کی مجموعی جی ڈی پی نمو میں زراعت کے شعبے کی شراکت میں 1.55 فیصد اضافہ کیا۔ چینی کی پیداوار زراعت کی ویلویو ایڈیشن کا 3.5 فیصد، جی ڈی پی کا 0.8 فیصد ہے اور صرف زرعی مزدوری میں روزگار کا بڑا ذریعہ بنی ہوئی ہے۔

اس فصلی سال میں، تقریباً 1,250 ہزار ہیکٹر اراضی (1,319 ہزار ہیکٹر) پر گنے کی کاشت کی گئی، جس میں 5.23 فیصد کمی واقع ہوئی، جس کے نتیجے میں تخمینہ پیداوار میں 83,500 ملین میٹرک ٹن کی تخمینہ سالانہ بنیادوں پر آٹھ فیصد کمی ہوئی۔ کرشنگ سیزن 2023-24 ایک چیلنجنگ ثابت ہوا کیونکہ گزشتہ مسلسل دو سالوں سے حکومت پنجاب نے گنے کی کم از کم امدادی قیمت [MSP] میں تیزی سے تینتیس [33] فیصد اضافہ کر کے روپے کر دیا تھا۔ 400 فی سن [CY2022/23: روپے 300 فی سن]، سیزن 2023-24 کے لیے گنے کی سیکٹر کی فی من لاگت اب بھی ایم ایس پی سے کافی زیادہ تھی جو سال کی فروخت کی قیمتوں میں ظاہر نہیں ہوئی جس کے نتیجے میں اس شعبے کو نقصان ہوا۔

## چیمبر میں کا جائزہ

مجھے بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2024 کو ختم ہونے والے مالی سال کے لیے چیمبر میں کا جائزہ پیش کرنے کا اعزاز حاصل ہے۔ یہ رپورٹ جوہر آباد شوگر ملز لمیٹڈ (JSML) کی کارکردگی، اسٹریٹجک اقدامات اور پاکستان کے موجودہ معاشی حالات سے درپیش چیلنجوں سے نمٹنے کے لیے اٹھائے گئے اقدامات کا ایک جامع تجزیہ پیش کرتی ہے۔

زیر نظر سال پاکستان میں ایک پیچیدہ اور غیر مستحکم اقتصادی ماحول کی طرف سے نشان زد کیا گیا تھا۔ ملک کو مسلسل چیلنجز کا سامنا کرنا پڑا، جن میں بلند افراط زر، غیر ملکی زرمبادلہ کی شرح میں اتار چڑھاؤ، توانائی کے بڑھتے ہوئے اخراجات، غیر یقینی حکومتی پالیسیاں، اور سپلائی چین میں رکاوٹیں شامل ہیں۔ ان میکرو اکنامک ہیڈوائنڈز نے مختلف شعبوں میں کاروبار کی چلک کا تجربہ کیا۔ تاہم، JSML اپنے اسٹیک ہولڈرز کو قیمت فراہم کرنے کے اپنے عزم پر ثابت قدم رہا، ان آزمائشی اوقات کو موافقت اور سمجھدار وسائل کے انتظام کے ساتھ نیوگیٹ کرتا رہا۔

بورڈ آف ڈائریکٹرز، JSML کے وژن اور مشن کے مطابق، پائیدار ترقی کے حصول اور شیئر ہولڈرز کی دولت کو بڑھانے پر مرکوز رہا۔ ہماری ترویجی سمت نے تنوع، آپریشنل کارکردگی اور جدت پر زور دیا، جس سے ہمیں چینی کی صنعت میں مسابقتی برتری برقرار رکھنے کے قابل بنایا گیا۔ آپریشنل کارکردگی کے شعبے میں، ہم نے اپنے پیداواری عمل کو بہتر بنانے، توانائی کی کھپت کو کم کرنے، اور پیداوار کو بہتر بنانے کے لیے جدید ترین ٹیکنالوجی اور عمل میں بہتری میں سرمایہ کاری کی ہے۔ ان اقدامات نے ہماری بہتر مالی کارکردگی میں تعاون کیا ہے اور ہماری ماحولیاتی استحکام کو بڑھایا ہے۔

JSML نے سال کے دوران قابل ستائش مالی کارکردگی حاصل کی، جس نے گزشتہ سال کے مقابلے میں آمدنی میں قابل ذکر 13.29 فیصد اضافہ ریکارڈ کیا۔ یہ کامیابی خاص طور پر اس شعبے کو درپیش چیلنجز حالات کے پیش نظر اہم ہے، جو مارکیٹ کے اتار چڑھاؤ اور معاشی غیر یقینی صورتحال کے درمیان استحکام کو برقرار رکھنے میں مصروف ہے۔ یہ کامیابی مارکیٹ کی حرکیات کے مطابق ڈھالنے، مواقع کے جواب میں حالات برقرار رکھنے، اور بہتر پیداواری عمل، مسلسل شوگر کی وصولی کی شرحوں، اور اچھی طرح سے انجام پانے والے اسٹریٹجک مارکیٹنگ اقدامات کے ذریعے منافع کو برقرار رکھنے کی ہماری صلاحیت کی عکاسی کرتی ہے۔ مالی کامیابیوں کے علاوہ، ہماری کوششوں نے ان کمیونٹیز کے لیے با معنی اقتصادی قدر بھی پیدا کی ہے جن میں ہم کام کرتے ہیں۔ اس میں ملازمت کے مواقع پیدا کرنا، بنگلے کی آمدنی میں حصہ ڈالنا، اور سماجی بہبود کے متعدد پروگراموں کی حمایت کرنا شامل ہے جن کا مقصد مقامی کمیونٹیز کو ترقی دینا ہے۔

بورڈ کو ایک مضبوط گورننس فریم ورک کو برقرار رکھنے پر بہت فخر ہے جو شفافیت، جوابدہی، اور تمام قابل اطلاق قوانین اور ضوابط کی تعمیل کو یقینی بناتا ہے۔ JSML نے کمپنی ایکٹ، 2017 اور کوڈ آف کارپوریٹ گورننس (CCG) کے اصولوں پر مسلسل عمل کیا ہے، جو اخلاقی طریقوں اور کارپوریٹ گورننس کے لیے ہماری غیر متزلزل وابستگی کو ظاہر کرتا ہے۔

مؤثر رسک مینجمنٹ ہماری گورننس حکمت عملی کا ایک بنیادی ستون رہا ہے۔ بورڈ نے ابھرتے ہوئے چیلنجوں سے نمٹنے اور ہماری کاروباری کارروائیوں کے تسلسل کو یقینی بنانے کے لیے ہمارے رسک مینجمنٹ فریم ورک کا مسلسل جائزہ لیا اور اسے بہتر بنایا ہے۔ ان رہنما اصولوں نے ہماری اسٹریٹجک ترجیحات اور کاروباری کارروائیوں کو تشکیل دیا ہے، جس سے ہمیں چیلنجوں سے نمٹنے اور نئے مواقع سے فائدہ اٹھانے کے قابل بنایا گیا ہے۔ اندرونی کنٹرول کو بڑھانا ایک کلیدی توجہ رہا ہے، جس کا مقصد اثاثوں کی حفاظت، دھوکہ دہی کو روکنا، اور ہماری مالیاتی رپورٹنگ کی درستگی کو برقرار رکھنا ہے۔ ہمارے حکمرانی کے طریقوں کو مزید تقویت دینے کے لیے، بورڈ نے آڈٹ کمیٹی، ہیومن ریسورس اینڈ ریسورس مینجمنٹ کمیٹی، نامزدگی کمیٹی اور رسک مینجمنٹ کمیٹی شامل ہیں، جو ایک مضبوط اور شفاف گورننس ڈھانچہ کو یقینی بناتی ہے جو کارپوریٹ احتساب کے اعلیٰ ترین معیارات کے مطابق ہو۔

کمپنیز ایکٹ 2017 کے سیکشن 192 کے مطابق، بورڈ نے اپنا سالانہ خود تشخیص کیا۔ تشخیص نے اس بات کی تصدیق کی کہ بورڈ نے اپنی ذمہ داریوں کو مؤثر طریقے سے نبھایا، اسٹریٹجک فیصلہ سازی میں تعاون کیا، اور حکمرانی کے اعلیٰ معیار کو برقرار رکھا۔ اس عمل نے قیمتی بصیرتیں فراہم کیں، مسلسل بہتری کے لیے ہمارے عزم کو تقویت دی اور بورڈ کی تاثیر کو بڑھایا۔

ہمیں اپنے بورڈ کی متنوع ساخت پر فخر ہے، جو مہارت، نقطہ نظر اور تجربات کا بھرپور امتزاج لاتا ہے۔ یہ تنوع مؤثر فیصلہ سازی، جدت طرازی کو فروغ دینے اور اسٹیک ہولڈرز کے مفادات کے متوازن خیال کو یقینی بنانے میں اہم کردار ادا کرتا ہے۔

JSML مارکیٹ میں اپنی پوزیشن کو مضبوط کرنے کے لیے ترقی اور اختراع کے نئے مواقع کی نشاندہی کرنے کے لیے پرعزم ہے۔ اپنی مالی کامیابیوں کے علاوہ، ہم ان کمیونٹیز کے لیے ٹھوس اقتصادی قدر پیدا کرنے پر مرکوز رہتے ہیں جن میں ہم کام کرتے ہیں۔ ہماری کوششیں روزگار کے مواقع پیدا کرنے، بنگلے کی آمدنی میں حصہ ڈالنے، اور معاشرے کی مجموعی بہبود کو بڑھانے کے لیے بنائے گئے متعدد سماجی بہبود کے پروگراموں کی حمایت پر مرکوز ہوں گی۔

آخر میں، میں اپنے تمام اسٹیک ہولڈرز، بشمول ملازمین، شیئر ہولڈرز، کسٹمرز، سپلائرز، اور ریگولیٹری اتھارٹیز کا تہدول سے شکریہ ادا کرنا چاہتا ہوں، جن کا انمول تعاون اور ثابت قدم تعاون ہماری کامیابی کے لیے ضروری ہے۔ JSML پر ان کا اعتماد اور اعتماد ہماری کامیابیوں کے پیچھے کلیدی محرک رہا ہے۔



محمد عامر بیگ

چیئر مین

## نوٹ:-

9۔ برطانیق نوٹیفکیشن PSX/N-92 مورخہ 28 جنوری 2019 پاکستان اسٹاک ایکچینج کی طرف سے ضروری جوہر آبدوگر ملز لمیٹڈ کا کارپوریٹ اینالسٹ بریفنگ سیشن بھی بروز منگل 28 جنوری 2025 کو AGM کی تکمیل کے فوراً بعد رجسٹرڈ دفتر B-125، قائد اعظم انڈسٹریل اسٹیٹ، کوٹ لکھپت، لاہور میں منعقد ہوگا جس میں 30 ستمبر 2024 کو ختم ہونے والے سال کی کارکردگی اور نتائج کی وضاحت کی

ذیل کے مطابق کوائف فراہم کر کے مورخہ 25 جنوری 2025 شام 5:00 بجے تک secretary@jsml.com.pk پر اپنی رجسٹریشن ارسال کریں:

نام	CNIC	فولیو نمبر (اگر کوئی ہو)	رابطہ نمبر	ای میل


10۔ سالانہ مالی حسابات کی بذریعہ ای میل ترسیل سکیورٹیز اینڈ ایکچینج کمیشن آف پاکستان نے بروئے SRO 787(1)/2014 مورخہ 8 ستمبر 2014 کمپنیوں کو سالانہ بیلتین شیٹ، نفع و نقصان اکاؤنٹ، آڈیٹرز، ڈائریکٹرز رپورٹ اور چیئر مین کی جائزہ رپورٹ معہ اطلاع سالانہ اجلاس عام اپنے ممبران کو بذریعہ ای میل جاری کرنے کی اجازت دی ہے۔ ارکان جنہوں نے اپنے ای میل ایڈریسز فراہم کر دیے ہیں کو بذریعہ ای میل ارسال کے جارہے ہیں۔ ارکان جنہوں نے اپنے ای میل ایڈریسز فراہم نہیں کئے اور اس سہولت سے مستفید ہونا چاہتے ہیں، کمپنی کو اپنی رضامندی معہ ای میل ایڈریسز ارسال کریں۔ سالانہ نظر ثانی شدہ حسابات کی بارڈ کا پیاں مطالبہ پرفراہم کی جائیں گی۔

11۔ کمپنیز ایکٹ 2017ء کی دفعہ (2) 132 کے مطابق، اگر کمپنی کو معزافیائی محل وقوع پر سکونت مجموعی %10 یا زیادہ شیئرز ہولڈنگ کے مالک ممبران سے اجلاس میں بذریعہ ڈیوکانفرنس شرکت کیلئے رضامندی AGM کی تاریخ سے کم از کم 7 یوم قبل وصول ہوئی تو، کمپنی اس شہر میں ایسی سہولت کی دستیابی کے حوالہ سے شہر میں ڈیوکانفرنس سہولت کا انتظام کرے گی۔ کمپنی ایسے حصص داران کو ایسی سہولت تک رسائی کے قابل بنانے کے لئے ڈیوکانفرنس سہولت کے مقام کی بابت معلومات سالانہ اجلاس عام کی تاریخ سے کم از کم 5 یوم قبل مطلع کرے گی۔

12۔ مادی حصص کا سی ڈی سی اکاؤنٹ میں ڈیپازٹ کمپنیز ایکٹ 2017 کی دفعہ 72 کے مطابق، کمپنی کو اپنے مادی حصص بک انٹری فارم میں تبدیل کرنا ضروری ہے کمپنیز ایکٹ 2017 کی دفعہ 72 کی پرویزن کی تعمیل یقینی بنانے اور بک انٹری فارم میں حصص رکھنے کی سہولت کا فائدہ اٹھانے کے لئے، ایسے تمام ارکان / حصص داران جو ابھی بھی مادی شکل میں حصص رکھتے ہیں کو اپنے حصص بک انٹری شکل میں تبدیل کرنا ضروری ہیں۔

13۔ کمپنی نے AGM کا نوٹس انگریزی اور اردو زبانوں میں پراکسی فارم کے ساتھ اپنی ویب سائٹ www.jsml.com.pk پر رکھ دیا ہے۔

30- ستمبر 2024 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ نظر ثانی شدہ مالیاتی گوشواروں کے ساتھ آڈیٹرز اور ڈائریکٹرز کی رپورٹ اور اس پر چیئر مین کی جائزہ رپورٹ کمپنی کی ویب سائٹ www.jsml.com.pk پر رکھی گئی ہے، جو کہ درج ذیل QR کوڈ اور ویب لنک سے ڈاؤن لوڈ / ملاحظہ کی جاسکتی ہے:

QR کوڈ	ویب لنک
	<a href="https://www.jsml.com.pk/index.php/financial-reports/">https://www.jsml.com.pk/index.php/financial-reports/</a>

2۔ کمپنی کی حصص منتقلی کتابیں 21 جنوری 2025ء تا 28 جنوری 2025ء (بشمول ہر دو ایام) بند رہیں گی۔ **منتقلیات** کمپنی کے شیئرز رجسٹرار، میسرز کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آر کیڈ، K-1، کمرشل، ماڈل ٹاؤن لاہور کو 20 جنوری 2025ء کو کاروبار کے اختتام تک وصول ہونے والی اجلاس میں شرکت کے استحقاق کیلئے بروقت تصور ہوگی۔

3۔ اجلاس میں شرکت اور ووٹ دینے کا مستحق ممبر اپنی جانب سے شرکت اور ووٹ دینے کیلئے کسی دیگر ممبر کو اپنا پراکسی مقرر کر سکتا ہے۔ کارپوریٹ ایسٹبلٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ معہ نمائندہ کے نمونہ دستخط کمپنی کے پراکسی فارم کے ہمراہ جمع کرانا ہوگا۔

پراکسی ہولڈر کو 20 جنوری 2025ء کو کاروبار کے اختتام تک وصول ہونے والی اجلاس میں شرکت کے وقت سے کم از کم 48 گھنٹے قبل لازماً وصول ہوجانی چاہئیں۔

4۔ وہ ممبران جو اپنے حصص سنٹرل ڈیپازٹری کمپنی پاکستان لمیٹڈ (سی ڈی سی) کے ہاں جمع کرا چکے ہوں، سے درخواست ہے کہ اپنے اصل CNIC، اکاؤنٹ اور پرائیویٹیشن کے نمبرز ہمراہ لائیں۔ ایسے ممبران کو مزید برآں سکیورٹیز اینڈ ایکچینج کمیشن پاکستان کے سرکلر نمبر 1 مورخہ 26 جنوری 2000 میں دی گئی درج ذیل گائیڈ لائنز کی پیروی کرنا ہوگی۔

5۔ ممبران کو کمپنی کے ساتھ تمام کارپوریٹس میں اور سالانہ اجلاس عام میں شرکت کے وقت اپنے فولیو نمبر درج کرنے چاہئیں۔

6۔ ممبران سے درخواست ہے کہ اپنے رجسٹرڈ ہتھیوں میں تبدیلی، زکوٰۃ ڈیکلریشن اور ٹیکس ایگریمنٹس سٹیٹس، اگر کوئی ہو، باقاعدہ اپنے کارڈ ماسٹریٹیکٹس کے ہمراہ کمپنی کے شیئرز رجسٹرار کو فی الفور مطلع فرمائیں۔

7۔ سی ڈی سی اکاؤنٹ کے حامل کارپوریٹ ممبران کو اپنے متعلقہ پرائیویٹیشن کے ہاں اپنے بینشل ٹیکس نمبر (NTN) اپ ڈیٹ رکھنے چاہئیں جبکہ کارپوریٹ مادی ممبران کو اپنے این ٹی این سرٹیفیکیشن کی کاپی کمپنی کے شیئرز رجسٹرار کو ارسال کرنی چاہئیں۔

8۔ کمپنیز ایکٹ 2017ء کی دفعہ 244 کے تحت ضروری ہے کہ کوئی شیئرز / مضاربہ سرٹیفیکیشن / ڈیویڈنڈ جو تین سالوں (یا زیادہ) کی مدت کیلئے غیر دعویٰ شدہ رہے ہوں وفاقی حکومت کو پہنچانے جائیں۔ قانون کے مطابق کمپنی کیلئے ضروری ہے کہ اگر حصص داران کو نوٹس دینے کے بعد کمپنی کے ہاں کوئی دعویٰ نہ کیا جائے تو غیر دعویٰ شدہ یا غیر ادا شدہ رقم فیڈرل حکومت کے ہاں جمع کرائی جائے۔ لہذا تمام حصص داران جو کسی وجہ سے اپنے ڈیویڈنڈ یا حصص دعویٰ نہیں کر سکتے تھے کو نوٹس ہڈا کے ذریعے نصیحت کی جاتی ہے کہ اپنے غیر دعویٰ شدہ ڈیویڈنڈ یا پنڈنگ حصص / مضاربہ سرٹیفیکیشن، اگر کوئی ہوں فی الفور حاصل کرنے کے بارے میں تفتیش کیلئے کمپنی کے شیئرز رجسٹرار سے رابطہ کریں۔



## اطلاع سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ جوہر آباد شوگر ملز لمیٹڈ ("کمپنی") کے ممبران کا 56 واں سالانہ اجلاس عام بروز منگل 28 جنوری 2025ء کو صبح 11:00 بجے، رجسٹرڈ دفتر B-125، قائد اعظم انڈسٹریل اسٹیٹ، کوٹ لکھپت، لاہور میں درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

### عام امور:

- 1- 30 ستمبر 2024ء کو ختم ہونے والے سال کیلئے کمپنی کے نظر ثانی شدہ سالانہ مالی حسابات مع ان پریڈائزڈ اور آڈیٹڈ ریپورٹس اور چیئرمین کی جائزہ رپورٹ کی وصولی، غور و خوض اور منظوری دینا۔
- 2- 30 ستمبر 2025ء کو ختم ہونے والے اگلے مالی سال کیلئے آڈیٹڈ کالتقرر اور ان کے صلہء خدمت کا تعین کرنا۔ میسرز یو ایچ وائی حسن نعیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، نے اہل ہونے کی بناء پر دوبارہ تقرری کے لئے اپنے آپ کو پیش کیا ہے۔
- 3- صاحب صدر کی اجازت سے کسی دیگر امر پر کارروائی کرنا۔

بحکم بورڈ



ایوسف  
کمپنی سیکرٹری

درجہ 06 جنوری 2025ء



**تشکیل نیابت داری (پراسی فارم)**

میں / ہم \_\_\_\_\_

ساکن \_\_\_\_\_

بحیثیت حصہ دار جوہر آباد شوگر ملز لمیٹڈ \_\_\_\_\_

نام (فولیو ای ڈی سی اکاؤنٹ نمبر اگر مہربو)

ساکن \_\_\_\_\_ یا بصورت دیگر \_\_\_\_\_

نام (فولیو ای ڈی سی اکاؤنٹ نمبر اگر مہربو)

ساکن \_\_\_\_\_ کو اپنی جگہ بروز منگل 28 جنوری 2025

کو بوقت 11:00 بجے دن 125 - B، قائد اعظم انڈسٹریل اسٹیٹ، کوٹ لکھپت، لاہور پاکستان۔ میں منعقد یا ملتوی ہونے والے سالانہ عام اجلاس میں شرکت کرنے، بولنے اور ووٹ دینے کے لیے اپنا نمائندہ مقرر کرتا / کرتی ہوں۔

بطور گواہ میرے / ہمارے دستخط سے مورخہ \_\_\_\_\_ جنوری 2025 کو دی گئی۔

پچاس روپے کارسیدی ٹکٹ  
یہاں چسپاں کریں

۱۔ گواہ

دستخط \_\_\_\_\_  
(ممبر اجازت فر)

دستخط \_\_\_\_\_  
نام \_\_\_\_\_  
شناختی کارڈ نمبر \_\_\_\_\_  
پتہ \_\_\_\_\_

۲۔ گواہ

حاصل عام حصص \_\_\_\_\_

دستخط \_\_\_\_\_  
نام \_\_\_\_\_  
شناختی کارڈ نمبر \_\_\_\_\_  
پتہ \_\_\_\_\_

سی ڈی سی اکاؤنٹ نمبر		فولیو نمبر
اکاؤنٹ نمبر	شراکتی آئی ڈی	

کمپیوٹرائزڈ شناختی کارڈ نمبر \_\_\_\_\_

نوٹس:

- پراسی فارم کے منوثر ہونے کیلئے لازم ہے کہ وہ اجلاس سے ۴۸ گھنٹے قبل بمعہ دستخط گواہان اور رسیدی ٹکٹ کمپنی کو موصول ہو جانی چاہئیں۔
- سی ڈی سی حصص داران اجلاس ہذا میں شرکت کرنے، بولنے اور ووٹ دینے کیلئے اہل ہیں اور اپنی شناخت ثابت کرنے کے لیے اپنے اصلی کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ ساتھ لائیں اور پراسی کی صورت میں اپنے کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ کی تصدیق شدہ کاپی ساتھ لگائیں۔
- کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی بمعہ نمائندہ کے دستخط پراسی فارم کے ساتھ لف کرنے ہونگے۔

درست رسیدی  
ٹکٹ چسپاں کریں

کمپنی سیکرٹری

جوہر آباد شوگر ملز لمیٹڈ

125 - B، قائد اعظم انڈسٹریل اسٹیٹ،

کوٹ لکھپت، لاہور پاکستان۔

فون: 042 35213491



**JAUHARABAD SUGAR MILLS LIMITED**  
125-B, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore-Pakistan.

**PROXY FORM**

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member of **JAUHARABAD SUGAR MILLS LIMITED** hereby appoint \_\_\_\_\_

\_\_\_\_\_  
Name (Folio/CDC A/C No. if Member)

of \_\_\_\_\_

or failing him /her \_\_\_\_\_

\_\_\_\_\_  
Name (Folio/CDC A/C No. if Member)

of \_\_\_\_\_

as my/our proxy to attend, speak and vote for and on my/our behalf at the Annual General Meeting of the Company to be held at its Registered Office, 125-B, Quaid-e-Azam Industrial Estate, Kot Lakh Pat, Lahore, Pakistan, on **Tuesday, January 28, 2025 at 11:00 AM** and any adjournment thereof:

As witnessed given under my/our hand(s) \_\_\_\_\_ day of January, 2025.

**1. Witness:**

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

CNIC No. : \_\_\_\_\_

Address : \_\_\_\_\_

Affix Revenue  
Stamp of Rs. 50/-

**2. Witness:**

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

CNIC No. : \_\_\_\_\_

Address : \_\_\_\_\_

\_\_\_\_\_  
**SIGNATURE OF MEMBER /  
ATTORNEY**

**SHARE HELD :** \_\_\_\_\_

Folio No.	CDC Account No.	
	Participant ID	Account No.

**Notes:**

**CNIC No.**

1. Proxies, in order to be effective, must be received at 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.
2. CDC Shareholders, entitled to attend, speak and vote at this meeting, must bring with them their Computerized National Identity Cards (CNIC) /Passports in original to prove his/her identity, and in case of Proxy, must enclose an attested copy of his/her CNIC or Passport.
3. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee should be attached with the proxy form.

AFFIX  
CORRECT  
POSTAGE

The Company Secretary

**Jauharabad Sugar Mills Limited**








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