



SAKRAND

# 37<sup>th</sup> ANNUAL REPORT

For the year ended  
30th September, 2025

SAKRAND SUGAR MILLS LIMITED



**SAKRAND SUGAR MILLS LIMITED**  
**37<sup>th</sup> ANNUAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

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## COMPANY PROFILE

### BOARD OF DIRECTORS

Mr. Saleem Zamindar	Chairman / Director
Mr. Dinshaw H. Anklesaria	Director
Mr. Mansoor Afzal Subzwari	Director
Mrs. Sadia Moin	Director
Mr. Muhammad Saleem Mangrio	Director
Mr. Abdul Qayyum Khan Abbasi	Director
Mr. Muhammad Omar Arshid	Director

### AUDIT COMMITTEE

Miss. Sadia Moin	Chairperson
Mr. Saleem Zamindar	Member
Mr. Muhammad Omar Arshid	Member

### HR COMMITTEE

Mr. Abdul Qayyum Khan Abbasi	Chairman
Mr. Muhammad Omar Arshid	Member
Mr. Mansoor Afzal Subzwari	Member

### CHIEF EXECUTIVE OFFICER

Mr. Mansoor Afzal Subzwari

### CHIEF FINANCIAL OFFICER

Mr. Syed Zameer Haider Jaffri

### COMPANY SECRETARY

Mr. Muhammad Imran Akber



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## **BANKERS**

Allied Bank Limited  
Bank Al Habib Limited  
Bank Alfalah Limited  
Habib Bank Limited  
Meezan Bank Limited  
MCB Bank Limited  
National Bank Of Pakistan  
Soneri Bank Limited  
Sindh Bank Limited  
Summit Bank Limited  
United Bank Limited

## **AUDITORS**

Parker Russell-A.J.S.  
Chartered Accountants

## **LEGAL ADVISOR**

Mr. Muhammad Jameel Choudry

## **REGISTRAR**

M/s. JWAFS Registrar Services (Pvt.) Ltd.  
Office # 20, Arkay Squire Extension, Fifth Floor  
New Chali, Shahrah-e-Liaqat, Karachi  
Phone : 92-21-3240974-75

## **REGISTERED OFFICE**

41-K, Block-6,  
P.E.C.H.S., Karachi  
Phone. 0092-21-35303291-2  
[www.sakrandsugar.com](http://www.sakrandsugar.com)

## **FACTORY ADDRESS**

Deh Tharo Unar, Taluka Sakrand  
District Shaheed Benazir Abad, Sindh





## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **37<sup>th</sup> (Thirty-Seventh)** Annual General Meeting of the members of **Sakrand Sugar Mills Limited** (the Company) will be held on **Wednesday January 28, 2026**, at **3:00 p.m.** at Institute of Chartered Accountants Auditorium, Clifton, Karachi to transact the following business.


### A. ORDINARY BUSINESS

1. To confirm the minutes of the Last Annual General Meeting held on Tuesday January 28, 2025.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended September 30, 2025, together with the Directors' report and the Auditors' report thereon.
3. To appoint auditors for the year ending September 30, 2026, and fix their remuneration. The Members are hereby notified that the Board of Directors have recommended the name of Parker Russell-A.J.S. Chartered Accountants to be the Auditors for the year ending September 30, 2026.

### B. OTHER BUSINESS

4. Any other business with the permission of the Chairman.

Karachi,  
Dated: January 07, 2026

By Order of the Board  
  
**Muhammad Imran Akber**  
Company Secretary

### NOTES:

#### 1. Closure of Share Transfer Books:

The Shares Transfer Book of the Company will remain closed from January 21, 2026, to January 28, 2026 (both day inclusive). Transfers received in order at the office of our Registrar, M/s JWAFS Registrar Services (Pvt.) Ltd. (Office # 20, 5th Floor, Arkay Square Extension, Shahrah-e-Liaqat, New Chali Road, Karachi), by the close of business on January 20, 2026, will be treated as being in time for the purposes of attending and voting at the meeting.

#### 2. Virtual participation in the AGM proceedings:

Shareholders interested in attending the AGM virtually are hereby advised to get themselves registered with the Company by providing the following information through email at [admin@sakrandsugar.com](mailto:admin@sakrandsugar.com) at the earliest but not later than close of business on January 26, 2026.

Name	CNIC # No	Folio no.	No. of Shares	Contact No.	Email Address
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Please note that video link and login credentials will be shared with only those members/ designated proxies whose e-mail and other required information are received in required time as mentioned above.

- A) Video-link for the AGM will be sent to members at their provided email addresses enabling them to attend the AGM on the given date and time.



- B) Login facility will be opened thirty (30) minutes before the AGM time to enable the participants to join the AGM after the identification process. Shareholders will be able to login and participate in the AGM proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders.

**3. Participation in Annual General Meeting and appointing proxies:**

A member of the company entitled to attend and vote at the AGM may appoint another member as his/her proxy to attend and vote on his behalf. Proxies in order to be effective must be received at the registered office of the company or shares registrar's office not later than 48 hours before the meeting.

CDC account holders / subaccount holders are requested to bring with them their original CNIC's or Passports along with Participant(s) ID number and CDC account numbers at the time of attending the Annual General Meeting for identification purpose. If proxies are granted by members, the same must be accompanied with attested copies of CNIC's or the passports of the beneficial owners. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be submitted along with Proxy form to the Company. The nominee shall produce his original CNIC at the time of attending the meeting for verification.

**4. Submission of copies of CNIC:**

In terms of the directive of the Securities and Exchange Commission of Pakistan (SECP) the Computerized National Identity Card Numbers (CNIC) of the registered shareholders or the authorized person, except in the case of minor(s) and corporate shareholders, are required to be mentioned in the annual return filed by the Company with the SECP. Therefore, the shareholders who have not yet provided copies of their CNIC's are advised to provide at earliest the attested copies of their CNIC's (if not already provided) directly to our Independent Share Registrar, **M/s JWAFFS Registrar Services (Pvt.) Ltd.**, (Office # 20, 5th Floor, Arkay Square Extension, Shahrah-e-Liaquat, New Chali Road, Karachi),

**5. Conversion of Physical Shares into CDC Account:**

The SECP, through its letter No. CSD/ED/Misc/2016-639-640 dated March 26, 2021, has advised all listed companies to adhere to the provisions of Section 72 of the Companies Act, 2017 (the Act), which requires all companies to replace shares issued in physical form to book-entry form within four years of the promulgation of the Act.

Accordingly, all shareholders of the Company having physical folios/share certificates are requested to convert their shares from physical form into book-entry form at the earliest. Shareholders may contact a PSX Member, CDC Participant, or CDC Investor Account Service Provider for assistance in opening a CDS Account and subsequent conversion of the physical shares into book-entry form. Maintaining shares in book-entry form has many advantages safe custody of shares with the CDC, avoidance of formalities required for the issuance of duplicate shares etc. The shareholders of the Company may contact the Share Registrar **M/s JWAFFS Registrar Services (Pvt.) Ltd.**, for the conversion of physical shares into book-entry form.

6. Members are requested to notify any change in their addresses and their contact numbers immediately to our Share Registrar **M/s JWAFFS Registrar Services (Pvt.) Ltd.** (Office # 20, 5th Floor, Arkay Square Extension, Shahrah-e-Liaquat, New Chali Road, Karachi).
7. Kindly quote your folio number in all correspondences with the Company.





**8. Availability of audited financial statements on company's website:**

As required under section 223(7) of the Companies Act 2017, Financial Statements of the Company have been uploaded on the official website of the Company (<http://www.sakrandsugar.com>).

**9. Transmission of annual audited financial statements through QR Code:**

Pursuant to the Securities and Exchange Commission of Pakistan's notification S.R.O 389(I)/2023 dated March 21, 2023, the shareholders of Sakrand Sugar Mills Limited had accorded their consent for circulation of annual balance sheet and profit and loss account, auditor's report, etc. ("annual audited financial statement") to its members through QR enabled code and weblink. The Company has placed a copy of the Notice of AGM, Annual Financial Statements for the year ended September 30, 2025, along with Auditor's and Director's Reports thereon, Chairman's Review and other information on the website of the Company: [www.sakrandsugar.com](http://www.sakrandsugar.com) and can be accessed through the following weblink and QR Code:

Weblink: QR Code: <https://sakrandsugar.com/pdf/AnnualReport-2025.pdf>



QR Code:

**10. Unclaimed Dividend:**

Shareholders who could not collect their dividend are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend, if any.



## اطلاع برائے سالانہ اجلاس عام

مطلع کیا جاتا ہے کہ سکرینڈ شوگر ملز لمیٹڈ (کمپنی) کے حصص یافتگان کانسٹینٹس وال (37) سالانہ اجلاس عام بروز بدھ 28 جنوری، 2026 کی دوپہر 3:00 بجے بمقام انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آڈیٹوریم، کنگٹن، کراچی میں منعقد ہوگا۔ جس میں درج ذیل امور طے پائیں گے۔

### (الف) عمومی امور

- ۱۔ 28 جنوری، 2025 بروز منگل کو منعقد ہونے والے سالانہ اجلاس عام کی کارروائی کی توثیق۔
- ۲۔ 30 ستمبر، 2025 کو اختتام پذیر ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ حسابات بمعہ ڈائریکٹرز اور آڈیٹرز رپورٹ کی وصولی، تجزیہ اور منظوری۔
- ۳۔ 30 ستمبر، 2026 کو ختم ہونے والے سال کیلئے آڈیٹرز کا تقرر اور ان کے معاوضہ کا تعین۔ اراکین کو مطلع کیا جاتا ہے کہ بورڈ آف ڈائریکٹرز نے 30 ستمبر، 2026 کو ختم ہونے والے سال کیلئے آڈیٹرز میسرز پارکر رسل اے۔ جے۔ ایس۔ چارٹرڈ اکاؤنٹنٹس کے نام کی سفارش کی ہے۔

### (ب) دیگر امور

چیرمین کی اجازت سے دیگر امور کی انجام دہی۔

بجٹم بورڈ  
محمد عمران اکبر  
کمپنی سیکرٹری

کراچی

مورخہ: 7 جنوری، 2026

نوٹس:

### ۱۔ کمپنی حصص کی کتب بندش

کمپنی کی حصص کی منتقلی کی کتب 21 جنوری، 2026 سے 28 جنوری، 2026 تک بند رہیں گی (بشمول دونوں ایام) ہمارے شیئرز رجسٹرار میسرز JWAFS رجسٹرار سروسز (پرائیویٹ) لمیٹڈ (آفس نمبر 20، 5 فلور، آر کے اسکوائر ایکسٹینشن، شاہراہ لیاقت، نیو چالی روڈ، کراچی) کو 20 جنوری، 2026 تک کاروباری اوقات کے اختتام (پانچ بجے شام) تک وصول ہونے والی منتقلیوں کو اجلاس میں شرکت اور ووٹ دینے کیلئے بروقت تصور کیا جائے گا۔

### ۲۔ اے جی ایم کی کارروائی میں ورچوئل شرکت

اے جی ایم میں ورچوئل شرکت کرنے کے متمنی حصص یافتگان سے درخواست ہے کہ وہ مندرجہ ذیل تفصیلات 26 جنوری، 2026 کو کاروبار کے اختتام سے قبل [admin@sakrandsugar.com](mailto:admin@sakrandsugar.com) پر ای میل کے ذریعے ارسال کر کے کمپنی میں خود کو رجسٹر کرائیں۔

نام	شناختی کارڈ نمبر	فولیو نمبر	حصص کی تعداد	موبائل نمبر	ای میل ایڈریس
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براہ مہربانی نوٹ فرمائیں کہ صرف ان اراکین / مقرر پراکسیوں / لاگ ان کی تفصیلات فراہم کی جائیں گی جن کے ای میل اور دیگر مطلوبہ معلومات وقت پر وصول ہوں گی جیسا کہ اوپر بیان کیا گیا۔

- (الف) اراکین کو ان کے فراہم کردہ ای میل ایڈریس پر ای ایم کیلئے ویڈیولنک ارسال کیا جائے گا تاکہ وہ دیے گئے دن اور وقت پر ای ایم میں شرکت کر سکیں۔
- (ب) لاگ ان کی سہولت ای ایم کے انعقاد کے وقت سے تیس (30) منٹ قبل کھولی جائے گی جس کے بعد شرکت کا شناخت کے عمل کے بعد ای ایم میں شرکت کر سکیں گے۔ حصص یافتگان شناخت اور تصدیق کیلئے درکار کارروائی کی تکمیل کے بعد اپنے ڈیوائسز کے ذریعے ای ایم کی کارروائی میں شرکت کیلئے لاگ ان کر سکیں گے۔

### ۳۔ سالانہ اجلاس میں شرکت اور پراکسیوں کا تقرر

اجلاس ہذا میں شرکت اور رائے دہی کا اہل ممبر اپنی جانب سے شرکت اور رائے دہی کیلئے دوسرے ممبر کو اپنا پراکسی مقرر کر سکتا ہے۔ ہر لحاظ سے پُر کیا گیا پراکسی فارم کمپنی یا شیئرز رجسٹر آفس میں اجلاس شروع ہونے سے پہلے کم از کم 48 گھنٹے پہلے موصول ہونا چاہیے۔

سی ڈی سی اکاؤنٹ ہولڈرز / ذیلی اکاؤنٹ ہولڈرز سے درخواست ہے کہ وہ شناخت کے مقصد کیلئے سالانہ اجلاس عام میں شرکت کے وقت اپنا اصل شناختی کارڈ یا پاسپورٹ بشمول پارٹیسپنٹ آئی ڈی نمبر اور سی ڈی سی اکاؤنٹ نمبر ہمراہ لے کر آئیں۔ اگر اراکین کی طرف سے پراکسی دی جاتی ہیں تو پراکسی کو حقیقی حصص یافتہ کے قومی شناختی کارڈ / پاسپورٹ مصدقہ نقول پر کسی فارم کے ہمراہ پیش کرنا ہوگی۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی نامزد شخص کے دستخط کے ساتھ پراکسی فارم کے ساتھ کمپنی کو جمع کرایا جائے گا۔ نامزد شخص تصدیق کیلئے اجلاس میں شرکت کے وقت اپنا اصل شناختی کارڈ پیش کرے گا۔

### ۴۔ شناختی کارڈ کی کاپی جمع کروانا

سیکورٹیز اینڈ ایکس چینج کمیشن آف پاکستان (ایس ای سی پی) کے اعلامیہ کے مطابق رجسٹرڈ حصص یافتگان اپنا کمپیوٹرائزڈ قومی شناختی کارڈ یا مجاز شخص کا مساوائے نابالغان اور کارپوریٹ حصص یافتگان کے جمع کروانا لازمی قرار پایا ہے، چنانچہ حصص یافتگان کو جنہوں نے اپنے قومی شناختی کارڈ کی نقول فراہم نہیں کیں انہیں مشورہ دیا جاتا ہے کہ مصدقہ شناختی کارڈ کی نقول شیئرز رجسٹر اری میسرز JWAFS رجسٹر اری میسرز (آفس نمبر 20، 5، فلور، آر کے اسکوائر ایکسٹینشن، شاہراہ لیاقت، نیو چالی روڈ، کراچی) کو جمع کروائیں گے۔

### ۵۔ فیزیکل شیئرز کی سی ڈی سی اکاؤنٹ میں تبدیلی

ایس ای سی پی نے اپنے لیٹر نمبر CSD/ED/Misc/2016-639-640 بتاریخ 26 مارچ، 2021 کو لسٹڈ کمپنیوں کو کمپنیز ایکٹ 2017 (ایکٹ) کے سیکشن 72 کی تعمیل میں تجویز دی ہے کہ وہ ایکٹ کے نفاذ کی تاریخ سے چار سال کے اندر فیزیکل شیئرز کو بک انٹری فارم میں منتقل کریں۔

اس طرح کمپنی کے فیزیکل فولیو / شیئرز سرٹیفکیٹس رکھنے والے تمام شیئرز ہولڈرز سے گزارش کی جاتی ہے کہ جلد از جلد اپنے فیزیکل شیئرز کو بک انٹری فارم میں تبدیل کرائیں۔ اس ضمن میں شیئرز ہولڈرز پاکستان اسٹاک ایکس چینج ممبر، سی ڈی سی پارٹیسپنٹ یا سی ڈی سی انویسٹر اکاؤنٹ سروس پرووائیڈر سے سی ڈی سی اکاؤنٹ کھولنے میں معاونت اور فیزیکل شیئرز کی بک انٹری فارم میں منتقلی کرا سکتے ہیں۔ بک انٹری فارم میں شیئرز رکھنا کئی فوائد کا حامل ہے جس میں سی ڈی سی شیئرز



کی محفوظ تحویل، ڈیپلیٹ شیز وغیرہ کے اجراء کیلئے مطلوبہ لوازمات سے بچاؤ شامل ہے۔ اس ضمن میں کمپنی کے شیئر رجسٹرار میسرز JWAFS رجسٹرار سروسز (پرائیویٹ) لمیٹڈ (آفس نمبر 20، 5 فلور، آر کے اسکوائر ایکسٹینشن، شاہراہ لیاقت، نیو چالی روڈ، کراچی) سے فزیکل شیز کو بک انٹری فارم میں تبدیل کرنے کیلئے رابطہ کر سکتے ہیں۔

۶۔ اراکین سے گزارش ہے کہ اپنے پتے اور رابطہ نمبروں میں کسی بھی قسم کی تبدیلی کی فوری اطلاع ہمارے شیئر رجسٹرار میسرز JWAFS رجسٹرار سروسز (پرائیویٹ) لمیٹڈ (آفس نمبر 20، 5 فلور، آر کے اسکوائر ایکسٹینشن، شاہراہ لیاقت، نیو چالی روڈ، کراچی) کو جمع کرائیں۔

۷۔ برائے مہربانی کمپنی کے ساتھ تمام مراسلات میں اپنے فوری نمبر کا حوالہ دیں۔

۸۔ کمپنی کی ویب سائٹ پر آڈٹ شدہ مالی حسابات کی دستیابی

کمپنیز ایکٹ 2017 کے سیکشن (7) 223 کے تحت کمپنی کے مالی حسابات کو کمپنی کی آفیشل ویب سائٹ (<http://www.sakrandsugar.com>) پر اپ لوڈ کر دیا گیا ہے۔

۹۔ QR کوڈ کے ذریعے سالانہ آڈٹ شدہ مالی حسابات کی ترسیل

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے نوٹیفکیشن نمبر S.R.O 389(I)/2023 مورخہ 21 مارچ 2023 کے تحت، سکریٹری جنرل ملز لمیٹڈ کے شیئر ہولڈرز نے سالانہ بیلنس شیٹ، منافع و نقصان کا حساب، آڈیٹر کی رپورٹ وغیرہ ("سالانہ آڈٹ شدہ مالیاتی گوشوارے") کی QR کوڈ اور ویب لنک کے ذریعے اراکین کو ترسیل کی منظوری دی ہے۔ کمپنی نے سالانہ جنرل اجلاس کے نوٹس، مالیاتی گوشوارے برائے سال 30 ستمبر 2025، آڈیٹر اور ڈائریکٹرز کی رپورٹس، چیئرمین کا جائزہ اور دیگر معلومات اپنی ویب سائٹ [www.sakrandsugar.com](http://www.sakrandsugar.com) پر فراہم کر دی ہیں، جنہیں درج ذیل ویب لنک اور QR کوڈ کے ذریعے حاصل کیا جاسکتا ہے۔



ویب لنک: QR کوڈ:

<https://sakrandsugar.com/pdf/AnnualReport-2025.pdf>

QR کوڈ:

۱۰۔ غیر دعویٰ شدہ منافع منقسمہ

حصص یافتگان جنہوں نے اپنا منافع منقسمہ وصول نہیں کیا کو مشورہ دیا جاتا ہے کہ وہ اپنے غیر دعویٰ شدہ منافع منقسمہ، اگر کوئی ہے، کو وصول / معلومات کیلئے ہمارے شیئر رجسٹرار سے رابطہ کریں۔





## **VISION & MISSION STATEMENT**

### **VISION**

To make a product of International Standard acceptable as a brand in the world market. To explore business opportunities available under the World Trade Organization regime.

### **MISSION**

- Sustained contribution to the National Economy by producing cost effective product.
- To ensure of professionalism and healthy working environment.
- To create a reliable product through adoption of latest technology/advancement.
- To promote research & development and provide technical know how to the growers for improvement of sugarcane yield/recovery.



## DIRECTORS' REPORT TO MEMBERS

The Directors of your Company are pleased to present 37th Annual Report with the Audited Financial Statements of the Company for the year ended September 30, 2025.

### OPERATIONAL HIGHLIGHTS

The operational performance for the period under review as compared with that of last year is tabulated here under.

		..... Season .....	
		2024-25	2023-24
Start of Season		Nov 21, 2024	Nov 06, 2023
Season Duration		105	123
Operational Days		62	98
Sugarcane crushed	M. Tons	289,400	257,489
Production			
Sugar	M. Tons	27,994	26,205
Molasses	M. Tons	13,470	13,580
Recovery			
Sugar	%	9.819	10.202
Molasses	%	4.669	5.287

The crushing season for the period under review commenced on November 21, 2024, and operated for 105 days, compared to 123 days during the same period last year. During this period, the mill crushed 289,400 metric tons of sugarcane and produced 27,994 metric tons of sugar, as against last year's crushing of 257,489 metric tons of sugarcane and production of 26,205 metric tons of sugar. The total crushing volume remained nearly unchanged, as management prioritized the procurement of high-quality and improved sugarcane varieties to minimize production losses. However, the overall sugar recovery declined during the period due to comparatively poorer sugarcane quality than the previous year, which adversely impacted recovery levels.

### FINANCIAL RESULTS:

The Financial Result for the year under review is tabulated hereunder.

		Rupees in Millions	
		2025	2024
Sales - net		3,849.26	3,335.74
Gross profit / (loss)		135.23	(64.37)
Profit / (loss) before taxation		30.92	(206.43)
Loss after taxation		(16.95)	(245.99)
Loss per Share	Rs.	(0.38)	(5.51)



During the period under review, the Company achieved a profit before taxation of Rs. 30.92 million, as compared to a loss of Rs. 206.43 million in the corresponding period last year. This improvement was largely attributable to the successful export of the Company's allocated government sugar quota, which contributed positively to overall revenues.

Despite this progress, the domestic sugar market remained under considerable pressure, with market prices failing to keep pace with the continued increase in sugarcane procurement costs. This widening disparity between input costs and selling prices remained a key concern for the industry. Although sugar prices increased in the later part of the period, the subsequent increase in sugar prices did not translate into significant financial benefit, as the Company had limited stock available during that period. Notwithstanding these challenges, export-related revenues played a pivotal role in mitigating cost pressures, enabling the Company to report profit before taxation for the period. Furthermore, the Finance Act 2024-25 introduced additional fiscal burdens, including a federal excise duty of Rs. 15 per kg on sales to manufacturers and a substantial increase in the withholding tax rate for non-filers from 0.2% to 2%.

### **AUDITORS' REPORT:**

With reference to the auditors' adverse opinion on the Company's ability to continue as a going concern, it is important to highlight that, despite challenging conditions faced by the sugar industry in general and the Company in particular, the Company has demonstrated resilience and operational improvement. During the year, sugar production increased to 27,994 metric tons as compared to 26,205 metric tons in the previous year. In addition, the Company has increased fertilizer sales during the financial year, which is expected to contribute positively towards reducing losses in the sugar segment and diversifying revenue streams.

Furthermore, the Company achieved profit before taxation during the year under review, demonstrating the effective execution of management's strategic initiatives. Management remains firmly committed to implementing robust measures to enhance operational efficiency, reinforce financial performance, and guide the Company toward sustained and long-term profitability.

### **FUTURE OUTLOOK:**

The outlook for the sugar industry for the 2025-26 crushing season, commencing, is expected to remain mixed. While crushing has begun later than the ideal timeline due to policy enforcement and farmer-mill pricing disputes, overall production is anticipated to be broadly stable but operationally compressed. The absence of a formally notified sugarcane support price and ongoing discussions around deregulation may continue to strain farmer-mill relations, potentially affecting cane availability and recovery rates. The industry's performance will largely depend on timely commencement of crushing, effective cane procurement, and greater regulatory clarity to ensure long-term sustainability.

### **CORPORATE SOCIAL RESPONSIBILITY:**

The Company is committed to upholding the highest standards of corporate governance, with a strong focus on Environmental, Social, and Governance (ESG) principles. Our environmental strategy emphasizes reducing our carbon footprint, optimizing the use of natural resources, and managing waste responsibly. From a social perspective, we prioritize employee well-being, diversity and inclusion, and active community engagement. Our governance framework is designed to promote transparency, accountability, and ethical business practices.



Our strategic initiatives align closely with the United Nations Sustainable Development Goals, which guide our efforts to generate positive and lasting social and environmental impact. Achieving environmental excellence is a core objective of the Company. Responsible management of our environmental footprint is integral to our business philosophy, and we are fully committed to conducting our operations in an environmentally responsible and sustainable manner while minimizing environmental impacts.

To support these commitments,

- The company provides comprehensive medical facilities to its employees through a health insurance program. Health cards are issued to both managers and employees, enabling easy access to medical services at approved hospitals whenever required. In addition, the company regularly organizes medical camps and offers free medical facilities to workers and nearby villagers.
- The company is also committed to improving literacy in surrounding communities. It actively encourages farmers and workers to pursue basic and advanced education, along with skill development and training programs.
- Furthermore, the company consistently strives to ensure clean and healthy living conditions for its employees. It promotes a balanced lifestyle by offering a wide range of indoor and outdoor extracurricular activities for residents and their families.

#### **LABOUR MANAGEMENT RELATIONS:**

The relationship between management and workers is cordial and cooperative. I would like to take this opportunity to thank and appreciate the spirit of understanding, goodwill and cooperation shown by our staff/workers and hope that this continues in the future.

I would also like to thank the managers, officers and all employees of the company for their dedication, responsibility and loyalty.

#### **AUDITORS:**

The External Auditors " M/s. Parker Russell-A.J.S. ". Chartered Accountants retire and being eligible offer their services for the year 2025-2026.

#### **STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK**

1. The financial statements, prepared by the Company, present fairly its state of affairs, the result of its operation, cash flows and changes in equity.
2. The Company has maintained proper books of accounts as required under the law.
3. Appropriate accounting policies have been consistently applied in preparation of the financial statements, changes if any have been adequately disclosed and accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements and departure there from if any, has been adequately disclosed.





5. The Company operates a funded Provident Fund Scheme for its permanent employees.
6. There has been no material departure from the best practices of Corporate Governance except those mentioned in the preamble of the statement.
7. Key operating and financial data for last six years in summarized form is annexed.
8. After Election of Directors at September 15, 2025, the composition of Board is as follows:

- 1) **Mr. Saleem Zamindar**
- 2) **Mr. Mansoor Afzal Subzwari**
- 3) **Mr. Dinshaw H. Anklesaria**
- 4) **Mr. Muhammad Omar Arshid**
- 5) **Mr. Muhammad Saleem Mangrio**
- 6) **Mr. Abdul Qayyum Khan Abbasi**
- 7) **Mrs. Sadia Moin Khan**

The total number of Directors as on September 30, 2025, is as follows.

- |    |               |          |
|----|---------------|----------|
| a) | <b>Male</b>   | <b>6</b> |
| b) | <b>Female</b> | <b>1</b> |

1. The composition of the Board is as follows.

- |      |                                |          |
|------|--------------------------------|----------|
| i.   | <b>Executive Director</b>      | <b>1</b> |
| ii.  | <b>Non-Executive Directors</b> | <b>3</b> |
| iii. | <b>Independent Directors</b>   | <b>3</b> |

2. During the period under review FIVE meetings of the Board were held and the attendance by each director was as follows.

S.No.	Name Of Directors	Attended	Status
1	Mr. Saleem Zamindar (Chairman)	5	Independent
2	Dr. Dinshaw H. Anklesaria	5	Non -Executive
3	Mr. Muhammad Omar Arshid	5	Non-Executive
4	Mrs. Sadia Moin Khan	5	Independent
5	Mr. Mohammad Saleem Mangrio	3	Non-Executive
6	Mr. Abdul Qayyum Khan Abbasi	5	Independent
7	Mr. Mansoor Afzal Subzwari	-	Executive Director (Elected in the Election held on September 15,2025)
8	Mr. Shams Ghani	3	Ex-Executive Director



The details of remuneration of executive directors have, also been provided in the relevant note to the financial statements as required under the Listing Regulations of Pakistan Stock Exchange. No remuneration is paid to the non-executive and independent directors except the meeting fee.

11. The Board after election of Directors has re-constituted the Audit Committee effective from September 15, 2025, Accordingly, the Board appointed for the tenure of three years to comply with the provisions of the Code of Corporate Governance. Appointed three members of the Audit Committee having the following composition: -

- **Miss Sadia Moin Khan (Chairperson)**
- **Mr. Saleem Zamindar (Member)**
- **Mr. Muhammad Omar Arshid (Member)**

During the period under review Four meetings of the Audit Committee were held and the attendance of each member was as under.

<b>Names Of Members</b>	<b>Designation</b>	<b>Attended</b>
Miss Sadia Moin Khan	Chairperson	4
Mr. Saleem Zamindar	Member	4
Mr. Muhammad Saleem Mangrio	Ex -Member	1
Mr. Muhammad Omar Arshid	Member (Appointed on September 15, 2025)	-

Terms of reference of Audit Committee has been determined by the Board as laid down in the Listing Regulation of Pakistan Stock Exchange.

12. The Board after the Election has re-constituted Human Resource and Remuneration Committee as required under the code of Corporate Governance comprising of the following Directors.

- **Mr. Abdul Qayyum Khan Abbasi - Chairman**
- **Mr. Muhammad Omar Arshid - Member**
- **Mr. Mansoor Afzal Subzwari - Member**

During the year **ONE** meeting of the committee was held and the attendance of each member was as under.

<b>Names Of Members</b>	<b>Designation</b>	<b>Attended</b>
Mr. Abdul Qayyum Khan Abbasi	Chairman	1
Mr. Muhammad Omar Arshid	Member	1
Mr. Shams Ghani	Ex-Member	-
Mr. Mansoor Afzal Subzwari	Member (Appointed on September 15, 2025)	-



13. All the directors of the Company are well experienced and have diverse backgrounds. The Company had also arranged training program to appraise the directors of their authorities and responsibility.
14. No dividend has been announced during the year.

#### **PATTERN OF SHARE HOLDING:**

The pattern of shareholding and additional information regarding pattern of shareholding as on September 30, 2025, is annexed.

#### **Acknowledgement**

The Directors would like to thank all the government functionaries, banking and financial institutions, suppliers and shareholders for their continued support and cooperation for the betterment and prosperity of the Company.

#### **On behalf of the Board of Directors**

**Chairman / Director**  
**Karachi**  
**January 1, 2026**

**Chief Executive Officer**



## ڈائریکٹر رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے ہم آپ کو کمپنی کے سینتیسواں (37واں) سالانہ اجلاس عام میں خوش آمدید کہتے ہیں۔ ساتھ ہی آڈٹ شدہ مالیاتی حسابات برائے 30 ستمبر 2025 بمعہ آڈیٹرز رپورٹ پیش خدمت ہیں۔

### آپریشنل جھلکیاں

زیر جائزہ مدت کی آپریشنل کارکردگی کا گزشتہ سال کی مدت سے مختصر موازنہ مندرجہ ذیل ہے۔

		Season .....	
		2024-25	2023-24
Start of Season		Nov 21, 2024	Nov 06, 2023
Season Duration		105	123
Operational Days		62	98
Sugarcane crushed	M. Tons	289,400	257,489
Production			
Sugar	M. Tons	27,994	26,205
Molasses	M. Tons	13,470	13,580
Recovery			
Sugar	%	9.819	10.202
Molasses	%	4.669	5.287

زیر جائزہ مدت کے دوران کرشنگ سیزن کا آغاز 21 نومبر 2024 کو ہوا اور یہ 105 دن تک جاری رہا، جبکہ گزشتہ سال اسی مدت میں یہ 123 دن رہا تھا۔ اس دوران مل نے 289,400 میٹرک ٹن گنا کرش کیا اور 27,994 میٹرک ٹن چینی پیدا کی، جبکہ گزشتہ سال 257,489 میٹرک ٹن گنا کرش کیا گیا اور 26,205 میٹرک ٹن چینی تیار کی گئی تھی۔ تاہم مجموعی کرشنگ میں نمایاں اضافہ نہیں ہوا، کیونکہ انتظامیہ نے پیداوار میں نقصانات کم کرنے کے لیے بہتر اور اعلیٰ معیار کی گنے کی اقسام کی خرید کو ترجیح دی۔ تاہم، گزشتہ سال کے مقابلے میں گنے کے نسبتاً کم معیار کے باعث مجموعی چینی ریکوری میں کمی واقع ہوئی، جس نے ریکوری کی سطح کو منفی طور پر متاثر کیا۔

### مالیاتی نتائج

زیر جائزہ مدت کے مالیاتی نتائج کا گزشتہ سال کی مدت سے مختصر موازنہ مندرجہ ذیل ہے۔

		Rupees in Millions	
		2025	2024
Sales - net		3,849.26	3,335.74
Gross profit / (loss)		135.23	(64.37)
Profit / (loss) before taxation		30.92	(206.43)
Loss after taxation		(16.95)	(245.99)
Loss per Share	Rs.	(0.38)	(5.51)



زیر جائزہ مدت کے دوران کمپنی نے ٹیکس سے قبل 30.92 ملین روپے کا منافع حاصل کیا، جبکہ گزشتہ سال اسی مدت میں 206.43 ملین روپے کا نقصان ہوا تھا۔ اس نمایاں بہتری کی بنیادی وجہ حکومت کی جانب سے مختص کردہ چینی کے برآمدی کوٹے کی کامیاب برآمد رہی، جس سے کمپنی کی آمدنی میں اضافہ ہوا۔ اس بہتری کے باوجود، ملک میں چینی کی مارکیٹ شدید دباؤ کا شکار رہی، جہاں چینی کی فروخت کی قیمتیں پیداواری لاگت میں مسلسل اضافے کے ساتھ ہم آہنگ نہیں رہ سکیں۔ یہ بڑھتا ہوا فرق صنعت کے لیے ایک اہم چیلنج بننا جا رہا ہے۔ اگرچہ سیزن کے آخری دورانیہ میں چینی کی قیمتوں میں اضافہ ہوا، تاہم کمپنی کو اس سے خاطر خواہ فائدہ نہ ہوسکا، جس کی بنیادی وجہ چینی کا محدود اسٹاک تھا۔ ان تمام مشکلات کے باوجود، برآمدات سے حاصل ہونے والی آمدنی نے لاگت کے دباؤ کو کم کرنے میں اہم کردار ادا کیا، جس کے نتیجے میں کمپنی کو ٹیکس سے قبل منافع حاصل ہوا۔

مزید برآں، فنانس ایکٹ 2024-25 کے تحت اضافی مالی بوجھ عائد کیا گیا، جس میں مینوفیکچررز کو فروخت پر فی کلو 15 روپے فیڈرل ایکسائز ڈیوٹی اور نان فاکٹرز کے لیے ود ہولڈنگ ٹیکس کی شرح میں 0.2 سے بڑھا کر 2 کرنا شامل ہے۔

### آڈیٹرز کی رپورٹ:

آڈیٹرز کی جانب سے کمپنی کے Going Concern کے حوالے سے منفی رائے کے تناظر میں یہ واضح کرنا ضروری ہے کہ چینی کی صنعت اور بالخصوص کمپنی کو درپیش مشکل حالات کے باوجود، کمپنی اس سال کے دوران چینی کی پیداوار میں اضافہ کرنے میں کامیاب رہی۔ گزشتہ سال یہ پیداوار 26,205 میٹرک ٹن تھی، جو اس سال بڑھ کر 27,993 میٹرک ٹن ہو گئی۔ اس کے علاوہ رواں سال کمپنی نے کھاد کی فروخت میں بھی اضافہ کیا، جو کسی حد تک کمپنی کے منافع میں اضافے کا سبب بنا۔ مزید یہ کہ کمپنی نے زیر جائزہ سال میں ٹیکس سے قبل منافع حاصل کیا، جو انتظامیہ کی حکمت عملیوں کے موثر نفاذ کا ثبوت ہے۔ انتظامیہ عملی کارکردگی کو مزید بہتر بنانے، مالی استحکام کو مضبوط کرنے اور کمپنی کو پائیدار اور طویل المدتی منافع کی جانب لے جانے کے لیے پرعزم ہے۔

### مستقبل کا نکتہ نظر:

کرشنگ سیزن 2025-2026 کے لیے چینی کی صنعت کا مجموعی منظر نامہ ملا جلارہنے کی توقع ہے۔ پالیسی کے نفاذ اور کسانوں و ملوں کے درمیان قیمتوں کے تنازعات کے باعث کرشنگ کا آغاز معمول سے تاخیر کا شکار ہوا ہے۔

اگرچہ مجموعی پیداوار مستحکم رہنے کا امکان ہے، تاہم آپریشنل مدت محدود ہو سکتی ہے۔ گنے کی سپورٹ قیمت کے باضابطہ اعلان کی عدم موجودگی اور ڈی ریگولیشن سے متعلق جاری بحث کسانوں اور ملوں کے تعلقات کو متاثر کر سکتی ہے، جس کا اثر گنے کی دستیابی اور ریکوری پر پڑ سکتا ہے۔ صنعت کی کارکردگی کا انحصار بروقت کرشنگ کے آغاز، موثر گنے کی خریداری اور واضح ریگولیٹری پالیسی پر ہوگا۔

### کارپوریٹ سماجی ذمہ داری اور کمپنی کے کاروبار کے ماحول پر اثرات

کمپنی اعلیٰ کارپوریٹ گورننس کے اصولوں پر عمل پیرا ہے اور ماحولیاتی، سماجی اور گورننس (ESG) اقدار پر خصوصی توجہ دیتی ہے۔ ہماری ماحولیاتی حکمت عملی میں کاربن فٹ پرنٹ میں کمی، قدرتی وسائل کے موثر استعمال اور فضلے کے ذمہ دارانہ انتظام پر زور دیا جاتا ہے۔

سماجی سطح پر ہم ملازمین کی فلاح و بہبود، تنوع اور شمولیت، اور مقامی کمیونٹی سے فعال روابط کو ترجیح دیتے ہیں۔ ہمارا گورننس فریم ورک شفافیت، جوابدہی اور اخلاقی کاروباری طریقوں کو فروغ دیتا ہے۔





ان وعدوں کی تکمیل کے لیے:

- ☆ کمپنی اپنے ملازمین کو ہیلتھ انشورنس کے ذریعے مکمل طبی سہولیات فراہم کرتی ہے، جبکہ طبی کیمریوں کا انعقاد اور قریبی دیہات کے لیے مفت طبی سہولیات بھی مہیا کی جاتی ہیں
- ☆ ارد گرد کی آبادی میں تعلیم کے فروغ کے لیے کسانوں اور مزدوروں کو بنیادی و اعلیٰ تعلیم اور ہنرمندی کی تربیت کی ترغیب دی جاتی ہے۔
- ☆ ملازمین کے لیے صاف اور صحت مندر ہائشی ماحول، اور اندرونی و بیرونی تفریحی سرگرمیوں کا اہتمام کیا جاتا ہے

### لیبر مینجمنٹ کے تعلقات:

انتظامیہ اور لیبر کے مابین تعلقات خوشگوار اور باہمی تعاون کی فضاء میں سازگار ہیں۔ میں تمام تر تعاون، تفہیم کی فضاء، خلوص اور اچھی ساکھ کے حامل تمام تر ملازمین اور کام کرنے والوں کا شکریہ ادا کرنا چاہتا ہوں اور امید کرتا ہوں کہ مستقبل میں بھی ہم سب اسی رویے کا پرتاؤ کریں گے۔

میں شکر گزار ہوں تمام تراکیزیکٹو افسران اور تمام اسٹاف اراکین کا ان کی تمام تر وفاداری، احساس ذمہ داری اور کام سے بھرپور لگاؤ پر خراج تحسین پیش کرتے ہوئے اسے ریکارڈ کا حصہ بناتا ہوں۔

### آڈیٹرز

آڈیٹرز میسرز پارکر رسل - اے جے ایس - "چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں۔ اور اسی کے ساتھ ہی اہلیت کے بدولت آئندہ مالی سال 2025-2026 کیلئے بحیثیت ایکسٹرنل آڈیٹر اپنی خدمات پیش کرنے کا اظہار کر چکے ہیں۔ بورڈ نے سال 2025-2026 کے لیے میسرز پارکر رسل - اے جے ایس کی بطور ایکسٹرنل آڈیٹرز تقرری کی منظوری دی۔

### کارپوریٹ اور مالیاتی رپورٹنگ کے ضابطہ (فریم ورک)

- 1- کمپنی کی جانب سے حساب کتاب کا مناسب انتظام ہے اور اکاؤنٹس کے تمام کھاتے کمپنی احسن طریقے سے تشکیل دیتی ہے۔
- 2- کمپنی کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے شفاف معاملات کو ظاہر کرتے ہیں ایکوٹی میں تبدیلی، کیش (فنانس) کا بہاؤ اور آپریشن ایک شفاف طور سے چل رہے ہیں۔
- 3- مالیاتی گوشواروں کی تیاری میں پاکستان میں لاگو ہونے والے بین الاقوامی فنانشل رپورٹنگ اور اکاؤنٹنگ کے معیارات کی مکمل پیروی کی گئی ہے۔
- 4- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹس کے طریقے کا اپنائے جاتے ہیں، مالیاتی تفصیلات کی تیاری مناسب اور دانشمندہ فیصلوں پر مبنی ہوتی ہے۔
- 5- کمپنی نے اپنے مستقل ملازمین کیلئے پروویڈنٹ فنڈ جاری کیا ہوا ہے۔
- 6- تمام قابل اطلاق کارپوریٹ گورننس کے بہترین اصولوں پر عمل کیا جا رہا ہے اور کسی بھی اصول کی عدم تعمیل نہیں کی گئی۔ بجز ان دفعات کے جن کا ذکر کارپوریٹ گورننس کی رپورٹ میں کیا گیا ہے۔
- 7- کلیدی کارکردگی اور مالیاتی معلومات گزشتہ 6 سال کے ضمیمہ میں مہیا کی گئی ہیں۔



8-15 ستمبر 2025 کو منعقدہ انتخابات کے بعد بورڈ آف ڈائریکٹرز کی تشکیل درج ذیل ہے۔

۱۔ جناب سلیم زمیندار (چیئرمین)	۲۔ جناب منصور افضل سبزواری	۳۔ ڈاکٹر ڈنشا ایچ انگلریا
۴۔ جناب محمد عمر ارشد	۵۔ جناب محمد سلیم منگریو	۶۔ جناب عبدالقیوم خان عباسی
۷۔ محترمہ سعدیہ معین خان		

9-30 ستمبر 2025 تک کمپنی کے ڈائریکٹرز کی کل تعداد درج ذیل ہے

(الف) مرد 6

(ب) خاتون 1

10۔ بورڈ کی تشکیل حسب ذیل ہے۔

i	ایگزیکٹو ڈائریکٹرز	1
ii	نان ایگزیکٹو ڈائریکٹرز	3
iii	انڈپنڈنٹ ڈائریکٹرز	3

11۔ زیر جائزہ مدت کے دوران بورڈ کے پانچ اجلاس ہوئے اور ہر ڈائریکٹر کی حاضری حسب ذیل تھی۔

سیریل نمبر	ڈائریکٹر کے نام	حاضری	حیثیت
1	جناب سلیم زمیندار (چیئرمین)	5	انڈپنڈنٹ ڈائریکٹر
2	ڈاکٹر ڈنشا ایچ انگلریا	5	نان ایگزیکٹو ڈائریکٹر
3	جناب محمد عمر ارشد	5	نان ایگزیکٹو ڈائریکٹر
4	محترمہ سعدیہ معین خان	5	انڈپنڈنٹ ڈائریکٹر
5	جناب محمد سلیم منگریو	3	نان ایگزیکٹو ڈائریکٹر
6	جناب عبدالقیوم خان عباسی	5	انڈپنڈنٹ ڈائریکٹر
7	جناب منصور افضل سبزواری	-	ایگزیکٹو ڈائریکٹر (منتخب 15 ستمبر 2025)
8	جناب شمس غنی	3	سابق ایگزیکٹو ڈائریکٹر

ایگزیکٹو ڈائریکٹرز کے معاوضے کی تفصیلات بھی متعلقہ نوٹ میں مالیاتی گوشواروں میں فراہم کی گئی ہیں جیسا کہ پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز کے تحت مطلوب ہے۔ نان ایگزیکٹو اور آزاد ڈائریکٹرز کو اجلاس کی فیس کے علاوہ کوئی معاوضہ ادا نہیں کیا گیا۔

12-15 ستمبر 2025 کو منعقدہ انتخابات کے بعد بورڈ نے آڈٹ کمیٹی کی از سر نو تشکیل کی، جو تین سال کی مدت کیلئے مقرر کی گئی ہے۔ آڈٹ کمیٹی کی تشکیل درج ذیل ہے۔

۱۔ محترمہ سعدیہ معین خان	چیئر پرسن
۲۔ جناب سلیم زمیندار	رکن
۳۔ جناب محمد عمر ارشد	رکن



زیر جائزہ مدت کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے اور ہر ممبر کی حاضری حسب ذیل تھی۔

حاضری	عہدہ	اراکین کے نام
6	چیئر پرسن	محترمہ سعدیہ معین خان
6	رکن	جناب سلیم زمیندار
1	سابق رکن	جناب محمد سلیم منگراو
-	رکن	جناب محمد عمر ارشد

آڈٹ کمیٹی کے ٹرمز آف ریفرنس کا تعین بورڈ نے کیا ہے جیسا کہ پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشن میں بیان کیا گیا ہے۔

13۔ بورڈ آف ڈائریکٹرز نے انتخابات کے بعد ہیومن ریسورس اینڈ ریمونریشن کمیٹی کی از سر نو تشکیل کی، جس کی ساخت درج ذیل ہے:-

حاضری	عہدہ	اراکین کے نام
1	چیئر مین	جناب عبدالقیوم خان عباسی
1	رکن	جناب محمد عمر ارشد
-	رکن	جناب منصور افضل سبزواری
-	سابق رکن	جناب شمس غنی

14۔ کمپنی کے تمام ڈائریکٹرز باصلاحیت و تجربہ کار ہیں اور ان کا پس منظر متنوع ہے۔ کمپنی نے ڈائریکٹرز کو ان کے اختیار اور ذمہ داریوں کا اندازہ لگانے کے لیے تربیتی پروگرام کا بھی اہتمام کیا تھا۔

15۔ سال کے دوران کسی ڈیویڈنڈ (Dividend) کا اعلان نہیں کیا گیا ہے۔

### حصص داری کا خاکہ

30 ستمبر 2025 کے حصص داری کا خاکہ شیئر ہولڈنگ کی تفصیلات کے ضمیمہ میں درج ہے۔

### اظہار تشکر

کمپنی کے ڈائریکٹرز تمام گورنمنٹ کے اداروں، بینک اور مالیاتی اداروں، بزنس پارٹنرز اور کھاتے داروں کا تہہ دل سے شکریہ ادا کرتے ہیں کہ جنہوں نے کمپنی کے بہترین مفاد کے لیے کمپنی کا ساتھ دیا۔

منجانب بورڈ ممبران

سکرٹنڈ شوگر ملز لمیٹڈ

چیف ایگزیکٹو

کراچی

1 جنوری 2026

*Salim Zamindar*

چیئر مین / ڈائریکٹر



## CHAIRMAN'S REVIEW

It is my privilege to present the 37th Annual Report of Sakrand Sugar Mills Limited (“the Company”) for the year ended September 30, 2025.

### Industry Envoicrement

The sugar industry overall and specifically in Sindh continues to operate in a highly challenging macroeconomic and regulatory environment. Over the last few years, the sector has grappled with volatile sugarcane supply, fluctuating recovery rates, climate-driven crop stress, and policy inconsistency. In the 2024-25 season, Sindh recorded lower sugarcane production and reduced sucrose recovery compared to the previous season, affected by adverse weather conditions and crop health issues.

Despite the inherent seasonality of the business, sugarcane remains a water-intensive crop, and Sindh's growers are balancing water scarcity and climatic uncertainties with production expectations. The industry continues to face structural constraints, including a persistent mismatch between crushing capacity and raw material availability. This structural imbalance has implications for all mills, particularly mid-sized players such as our mills.

### Operational Overview

During the year under review, the Company demonstrated operational resilience in a challenging sugar season characterized by tight sugarcane availability and elevated input costs. Despite these constraints, Sakrand Sugar Mills Limited successfully improved its operational performance and managed to produce sugar slightly above the level achieved in the previous year. This improvement reflects the management's focus on efficient crushing operations, better process controls, and effective utilization of available resources. The Company's continued emphasis on operational discipline and recovery optimization enabled it to maintain stability in production volumes in a competitive operating environment.

### Financial Performance

The sugar industry in Pakistan remained under pressure due to rising sugarcane prices, inflationary operating costs, and regulatory uncertainties. Notwithstanding these challenges, the Company successfully managed its cost structure and operational efficiencies, enabling it to generate a profit before taxation during the year. This positive financial outcome highlights the effectiveness of management's efforts in cost control, improved production efficiencies, and better alignment of operational planning with market conditions. The improvement in profitability before taxation represents a meaningful step towards strengthening the Company's financial position and long-term sustainability.

### Governance & Compliance

The Company complies with all the requirements set out in the Companies Act, 2017 (“the Act”) and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (“Regulations”) with respect to the composition, procedures and meetings of the Board of Directors and its committees. As required under Regulations, an annual evaluation of the Board of Directors of the Board is carried out.



## **Outlook & Policy Recommendations**

Considering the cyclical nature of the sugar industry and competitive dynamics in Sindh, the Board believes that consistent agricultural support policies, including stable indicative sugarcane pricing frameworks and incentives for balanced sugar pricing, will be essential for sustainable industry health. Proactive measures by authorities to support improved crop yields, mitigate climate risks, and facilitate exports under favorable conditions would also contribute to a stronger sector performance.

The Board has conscientiously discharged its duties and responsibilities, providing effective oversight and strategic direction to the Company. All directors actively participated in Board deliberations and contributed meaningfully to the decision-making process. Through the implementation of a transparent and effective governance framework, the Board has successfully established a strong foundation for leadership and accountability.

## **Acknowledgement**

I extend my sincere appreciation to our shareholders, valued customers, financial partners, the management team, and every employee of the Company for their continued support and dedication throughout the year

**Saleem Zamindar**

**Chairman**

**Karachi; January 01, 2026**



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

**Year Ending: September 30, 2025**

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

1. The total number of Directors are 07 as follows:

- a) Male: 06
- b) Female: 01

The composition of the Board of Directors (“the Board”) elected with effect from 15 September 2025, through election is as follows:

Category	Names
<b>Independent Director</b>	Miss Sadia Moin Khan
	Mr. Saleem Zamindar
	Mr. Abdul Qayyum Khan Abbasi
<b>Executive Director</b>	Mr. Mansoor Afzal Subzwari
<b>Non-Executive Director</b>	Mr. Muhammad Omar Arshid
	Mr. Dinshaw H. Anklesaria
	Mr. Muhammad Saleem Mangrio
<b>Female Director</b>	Miss Sadia Moin

- 2. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this, Company;
- 3. 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;
- 4. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
- 5. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
- 6. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
- 7. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;
- 8. Out of Seven Directors, Three Directors are exempt from the director training programme as mentioned Regulation no. 19 of sub-Regulation 02 of the regulation. Three Directors attended their Director training course earlier. While the remaining director will be pursuing the training program in the financial year 2025-26;





9. The board has approved appointment of Chief Financial Officer including its remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. While there is no change in the Company Secretary. The management is in the process of appointing Head of Internal Audit;
10. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
11. The Board has formed committees comprising of members given below:

<b>Board Audit Committee</b>		
<b>Name of Members</b>	<b>Category</b>	<b>Designation</b>
Miss Sadia Moin	Independent Director	Chairman
Mr. Saleem Zamindar	Independent Director	Member
Mr. Muhammad Omar Arshid	Non-Executive Director	Member

<b>Human Resource &amp; Remuneration Committee</b>		
<b>Name of Members</b>	<b>Category</b>	<b>Designation</b>
Mr. Abdul Qayyum Khan	Independent Director	Chairman
Mr. Muhammad .Omar Arshid	Non-Executive Director	Member
Mr. Mansoor Afzal Subzwari	Executive Director	Member

12. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
13. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

<b>Board Audit Committee</b>	Quarterly
<b>Human Resource &amp; Remuneration Committee</b>	Annually

14. The Board has outsourced its internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
15. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not 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;
16. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
17. We Confirm that all requirements of regulation 3,6,7,8,27,32,33 and 36 of the regulation have been complied with; and
18. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:



Reg no.	Section	Description	Explanation
19	9	<b>Directors' Training</b> It is encouraged that all the directors on their Boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	The Company acknowledges the requirement that all directors should acquire the prescribed certification under an approved Director Training Program (DTP). Prior to the fresh election of directors, all directors of the Company except who exempt as per regulation, successfully completed the required Director Training Program from institutions duly recognized and approved by the Commission. Subsequent to the election held on September 15, 2025, Mr. Mansoor Afzal Subzwari was appointed as an Executive Director of the Company. As a newly appointed director, he will pursue and complete the required Director Training Program in during FY 2025-2026
10	(A)	<b>Role of the Board and its members to address Sustainability Risks and Opportunities</b> In order to effectively discharge its sustainability related duties, the board may establish a dedicated sustainability committee having at least one female director, or assign additional responsibilities to an existing board committee. The committee shall monitor and review sustainability related risks and opportunities of the company, ensure DE&I practices are in effect at various board committees, oversee compliance of relevant laws pertaining to relevant sustainability related considerations and its appropriate disclosures. The committee shall submit to the board a report, at least once a year, on embedding sustainability principles into the organization's strategy and operations to increase corporate value.	At present the Board provides governance and oversight in relation to the Company's initiative on Environmental, Social and Governance (ESG) matters and DE&I practice. Nevertheless, the requirements introduced recently by SECP through notification dated 12 June 2024 will be complied with in due course.
29		<b>Nomination Committee</b> The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the human resource and remuneration committee.



Reg no.	Section	Description	Explanation
30		<b>Risk Management Committee</b> The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a risk management committee and senior officers of the Company perform the requisite functions and apprise the Board accordingly.
31	(6)	The internal audit function, wholly or partially, may be outsourced by the company to a professional services firm or be performed by the internal audit staff of holding company and in lieu of outsourcing, the company shall appoint or designate a fulltime employee other than chief financial officer, as head of internal audit holding equivalent qualification prescribed under these Regulations, to act as coordinator between firm providing internal audit services and the Board:	The Board has recently approved and outsourced the internal audit function to a professional services firm. Further, the Head of Internal Audit of the Company has recently resigned from his position. Consequently, the Audit Committee is currently in the process of inducting a full-time designated employee, possessing the requisite qualifications as prescribed under the Regulations, who will hold the charge of Head of Internal Audit and act as the coordinator between the Board and the outsourced internal audit firm.

**Saleem Zamindar**  
**Chairman**

January 1, 2026



**Parker Russell-A. J. S.**  
CHARTERED ACCOUNTANTS

901, Q. M. House,  
Elander Road, Karachi - Pakistan.  
Tel: + 92-21-32621701-03  
E-mail: khi@parkerrussellajs.com.pk  
Offices also at Faisalabad, Lahore & Islamabad

## **Independent Auditor's Review Report to the Members of Sakrand 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 **Sakrand Sugar Mills Limited** (the Company) for the year ended September 30, 2025, in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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

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

Para reference	Description
18	Election of the Company held on 15 September 2025, therefore company will arrange directors training program for the newly appointed director in the coming year.
18	The Company is in the process of appointing Head of Internal Audit.

  
(Chartered Accountants)

Place: Karachi

Date: January 5, 2026

UDIN: CR202510192hx2BzD9sy



**PATTERN OF SHAREHOLDING  
OF THE SHARES HELD BY THE SHAREHOLDERS  
AS AT SEPTEMBER 30, 2025**

NUMBER OF SHAREHOLDERS	SHAREHOLDING			TOTAL SHARES HELD
	FROM		TO	
840	1	-	100	63,712
700	101	-	500	205,089
271	501	-	1,000	222,246
312	1,001	-	5,000	794,639
73	5,001	-	10,000	594,414
26	10,001	-	15,000	316,514
18	15,001	-	20,000	317,194
7	20,001	-	25,000	166,500
8	25,001	-	30,000	220,360
5	30,001	-	35,000	171,500
7	35,001	-	40,000	270,160
1	40,001	-	45,000	43,000
8	45,001	-	50,000	391,830
1	50,001	-	55,000	52,526
2	60,001	-	65,000	128,244
3	65,001	-	70,000	202,700
1	70,001	-	75,000	75,000
2	75,001	-	80,000	152,800
3	80,001	-	85,000	250,613
2	100,001	-	105,000	201,940
1	105,001	-	110,000	107,980
1	115,001	-	120,000	117,200
2	120,001	-	125,000	248,398
1	140,001	-	145,000	142,500
1	145,001	-	150,000	150,000
1	155,001	-	160,000	157,500
1	180,001	-	185,000	183,000
2	195,001	-	200,000	398,000
1	250,001	-	255,000	250,100
1	255,001	-	260,000	257,100
1	265,001	-	270,000	266,945
2	345,001	-	350,000	699,300
1	380,001	-	385,000	383,530
1	400,001	-	405,000	402,770
1	420,001	-	425,000	424,700
1	465,001	-	470,000	468,820
1	490,001	-	495,000	494,946
1	505,001	-	510,000	508,780
1	580,001	-	585,000	581,400
1	655,001	-	660,000	656,518
1	795,001	-	800,000	800,000
2	1,000,001	-	1,005,000	2,004,108
1	1,285,001	-	1,290,000	1,288,018
1	1,545,001	-	1,550,000	1,545,826
1	1,555,001	-	1,560,000	1,559,960
1	1,795,001	-	1,800,000	1,800,000
1	2,060,001	-	2,065,000	2,063,000
1	2,760,001	-	2,765,000	2,761,742
1	3,695,000	-	3,700,000	3,700,000
1	4,195,001	-	4,200,000	4,200,000
1	11,150,001	-	11,155,000	11,152,878
<b>2,325</b>				<b>44,616,000</b>



**PATTERN OF SHAREHOLDING  
OF THE SHARES HELD BY THE SHAREHOLDERS  
AS AT SEPTEMBER 30, 2025**

S.NO.	CATEGORY	NO. OF SHAREHOLDERS	TOTAL SHARES HELD	PERCENTAGE %
1	INDIVIDUALS	2,280	25,015,953	56.07
2	INVESTMENT COMPANIES	2	118,800	0.27
3	INSURANCE COMPANIES	1	17,000	0.04
4	JOINT STOCK COMPANIES	15	4,661,909	10.45
5	FINANCIAL INSTITUTION	14	1,573,212	3.53
6	NBFC	2	198,040	0.44
7	DIRECTORS	6	11,155,378	25.00
8	OTHERS	5	1,875,708	4.20
		<b>2,325</b>	<b>44,616,000</b>	<b>100</b>





**PATTERN OF SHAREHOLDING AS AT SEPTEMBER 30, 2025  
AS PER REQUIREMENTS OF  
THE CODE OF CORPORATE GOVERNANCE**

CATEGORY	Number of Shares Held	Categor wise No. of Shareholders	Category wise shares held	Percentage %
JOINT STOCK COMPANIES		15	4,661,909	10.45
INVESTMENT COMPANIES		2	118,800	0.27
DIRECTORS CHIEF EXECUTIVE AND THEIR SPOUSE AND MINOR CHILDREN		6	11,155,378	25.00
DINSHAW H. ANKLESARIA (2182)	11,152,878			
SALEEM ZAMINDAR (1826-27789)	500			
MUHAMMAD OMAR ARSHID (1826-120642)	500			
SADIA MOIN (3277-120880)	500			
MUHAMMAD SALEEM MANGRIO (4366-44283)	500			
ABDUL QAYYAM KHAN ABBASI (4366-44408)	500			
EXECUTIVE				
BANKS,DFIS,NBFIS,INSURANCE COMPANIES, MODARABA & MUTUAL FUNDS		22	3,663,960	8.21
INDIVIDUALS		2,280	25,015,953	56.07
		<b>2,325</b>	<b>44,616,000</b>	<b>100.00</b>

Shareholders holding ten percent or more voting interest in the company

Name of Shareholders	No. of Shares held	Percentage %
MR. DINSHAW H. ANKLESARIA (2182)	11,152,878	25.00
	<b>11,152,878</b>	<b>25.00</b>



**Independent Auditor's Report to the Members of Sakrand Sugar Mills Limited**  
**Report on the Audit of the Financial Statements**

**Adverse Opinion**

We have audited the annexed financial statements of **Sakrand Sugar Mills Limited** (the Company), which comprise the statement of financial position as at September 30, 2025, and the statement of profit or loss, and the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, 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, because of the significance of the matters described in the Basis for Adverse Opinion paragraph, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at September 30, 2025 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

**Basis for Adverse 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 adverse opinion:

- As disclosed in note 1.1 of the financial statements, the Company has incurred a loss after taxation of Rs 16.950 million during the year ended September 30, 2025, has accumulated losses, as at September 30, 2025 amounts to Rs. 1,863.786 million, its current liabilities exceed its current assets by Rs. 2,511.889 million and loans amounting to Rs 181.818 million are still overdue. The Company has also suspended payments of Worker Welfare Fund and other statutory payments. Further, no provision has been made for the surcharge applicable on these outstanding amounts, which results in their non-compliance with the respective requirements of the laws. The above financial condition cast significant doubt on the Company's ability to continue as a going concern which led us to believe that the going concern assumption used in preparation of these financial statements is inappropriate. Consequently, the assets and liabilities should have been stated at their realizable and settlement amounts respectively.
- The Company entered into a restructuring agreement in the year 2023, which resulted in the substantial modification of liability. The Company has not accounted for substantial modification in liability, in accordance with the requirement of the applicable financial reporting standard. Had the Company accounted for the substantial modification in liability in accordance with the applicable financial reporting standards, the liability would have been reduced by Rs. 543.296 million while accumulated losses as at September 30, 2025, would have been reduced by Rs. 629.696 million, while the loss for the year ended would have been increased by 33.452 million.

### Key Audit Matters

Except for the matters described in the Basis for Adverse Opinion section, we have determined, 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

Key audit matters	How the matter was addressed in our audit
<b>1. Revenue recognition</b>  The company has reported revenue of Rs. 3,849.269 million during the year ended September 30, 2025.  The Company principally generates revenue from manufacturing and sale of white sugar.  We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators and gives rise to an inherent risk that revenue could be subject misstatement to meet expectations or targets.	Our key audit procedures in this area amongst others included the following: <ul style="list-style-type: none"> <li>• obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue;</li> <li>• assessed the appropriateness of the Company's use of accounting policy for recognition and recording of revenue and compliance of the said policy with the requirements of International Financial Reporting Standard 15 (IFRS 15) Revenue from Contract with Customers;</li> <li>• compared a sample of sales transactions recorded during the year with sales orders, sales invoices, delivery order and other relevant underlying documents for both local and export sales;</li> <li>• compared a sample of sale transactions recorded before and after the reporting period and near the year end, with the relevant underlying documentation to assess whether revenue has been recorded in the appropriate accounting period;</li> <li>• scanned for any journal entries relating to revenue recognised during and near the year end which were considered to be material or met other specified risk-based criteria for inspecting the underlying documentation; and</li> <li>• assessed the adequacy and appropriateness of the disclosures that are made in the financial statements, to be in accordance with the applicable accounting and reporting standard related to (IFRS 15) Revenue from contract with customers.</li> </ul>

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## 2. Contingencies

The Company has contingent liabilities in respect of various matters, which are pending adjudication before respective authorities and courts of law

Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provision that may be required against such contingencies.

Given the nature and amounts involved in such cases and the appellate forums at which these are pending, the ultimate outcome and the resultant accounting in the financial statements is subject to inherent uncertainty and involvement of significant judgement, which can change over time and can significantly impact the financial statements as new facts emerge and each legal case progresses.

For such reasons, we have considered the contingencies as a key audit matter.

Our key audit procedures in this area amongst others included the following:

- assessed management's processes to identify new possible litigations, obligations and changes in existing obligations through inquiries from management and review of the minutes of meetings of the Board of Directors and Audit Committee;
- reviewed the relevant information including case proceedings, legal opinions related industry information and correspondences in respect of the ongoing litigations;
- obtained confirmation from the legal counsels and tax advisor of the Company to evaluate the status of the pending litigations and viewpoint of the Company's legal counsels thereon;
- examined legal and professional expenses to confirm that all pending legal matters are identified and disclosed;
- and assessed the adequacy and appropriateness of the disclosures that are made in the financial statements, to be in accordance with the applicable accounting and reporting standards related to IAS-37 "Provisions and Contingencies".

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

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

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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.

The 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. Our opinion has been modified in this regard.
- 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) except for the matters described in Basis for Adverse Opinion section, proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) because of the matter described in Basis for Adverse Opinion section, the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have not been drawn up in conformity with the Companies Act, 2017 (XIX of 2017). However, the same are in agreement with the books of account and returns;
- a) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- b) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in independent auditor's report is Mr. Muhammad Shabbir Kasbati.

(Chartered Accountants)

Date: January 2, 2026  
Karachi.

UDIN: AR202510192PIRmHzWrd





**Statement of Financial Position**  
**As at September 30, 2025**

		September 30, 2025	September 30, 2024
	Note	.....Rupees in 000'.....	
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	3,886,561	3,889,804
Intangible asset	6	680	1,014
Long-term loans	7	775	849
Long-term deposits	8	2,860	2,860
		<u>3,890,876</u>	<u>3,894,527</u>
<b>Current assets</b>			
Stores, spares and loose tools	9	110,079	98,558
Stock-in-trade	10	41,764	37,814
Trade debts	11	19,285	4,762
Loans and advances	12	27,179	67,961
Deposit, prepayments and other receivables	13	10,234	63,239
Short term investment	14	6,198	6,198
Cash and bank balances	15	18,214	49,450
		<u>232,953</u>	<u>327,982</u>
<b>Total assets</b>		<u>4,123,829</u>	<u>4,222,509</u>
<b>Equity and liabilities</b>			
Authorized share capital	16.1	<u>600,000</u>	<u>600,000</u>
<b>Share capital and reserves</b>			
Issued, subscribed and paid-up share capital	16.2	446,160	446,160
Revenue reserves - accumulated loss		(1,863,786)	(1,883,598)
Surplus on revaluation of property, plant and equipment-net of deferred tax	17	2,059,481	2,095,281
Directors' / sponsors' / members' subordinated loan	18	<u>92,767</u>	<u>92,767</u>
<b>Shareholders' equity</b>		<u>734,622</u>	<u>750,610</u>
<b>Non-current liabilities</b>			
Deferred taxation	19	-	-
Long term financing - secured	20	573,673	640,873
Deferred liabilities	21	<u>70,692</u>	<u>70,282</u>
		644,365	711,155
<b>Current liabilities</b>			
Trade and other payables	22	1,931,258	1,968,774
Unclaimed dividend		6,206	6,206
Accrued mark-up	23	504,901	499,644
Current maturity of long-term financing		249,018	244,818
Taxation - net	24	<u>53,459</u>	<u>41,303</u>
		<u>2,744,842</u>	<u>2,760,744</u>
<b>Total equity and liabilities</b>		<u>4,123,829</u>	<u>4,222,509</u>
Contingencies & commitments	25		

The annexed notes from 1 to 47 form an integral part of these financial statements.

**Mansoor Afzal Subzwari**  
Chief Executive Officer

**Syed Zameer Haider Jaffri**  
Chief Financial Officer

**Sadia Moin**  
Director



**Statement of Profit or Loss**  
**For the year ended September 30, 2025**

		September 30, 2025	September 30, 2024
	Note	.....Rupees in 000'.....	
<b>Sales - net</b>	26	3,849,269	3,335,740
Cost of sales	27	<u>(3,714,031)</u>	<u>(3,400,115)</u>
<b>Gross profit / (loss)</b>		135,238	(64,375)
<b>Operating expenses</b>			
Administrative expenses	28	<u>(160,555)</u>	<u>(172,866)</u>
Selling and distribution expenses	29	<u>(3,351)</u>	<u>(7,373)</u>
		<u>(163,906)</u>	<u>(180,239)</u>
<b>Operating loss</b>		(28,668)	(244,614)
Finance cost	30	<u>(21,177)</u>	<u>(49,614)</u>
Other charges	31	<u>(8,512)</u>	<u>(27,647)</u>
Sindh workers welfare fund		(618)	-
Other income	32	<u>89,897</u>	<u>115,437</u>
		<u>59,590</u>	<u>38,176</u>
<b>Profit / (loss) before taxation and levy</b>		30,922	(206,438)
Levy	33	<u>(47,872)</u>	<u>(41,303)</u>
<b>Loss before taxation</b>		<u>(16,950)</u>	<u>(247,741)</u>
Taxation		-	1,751
<b>Loss after taxation</b>		<u>(16,950)</u>	<u>(245,990)</u>
<b>Loss per share - basic and diluted</b>	34	<u>(0.38)</u>	<u>(5.51)</u>

The annexed notes from 1 to 47 form an integral part of these financial statements.

**Mansoor Afzal Subzwari**  
Chief Executive Officer

**Syed Zameer Haider Jaffri**  
Chief Financial Officer

**Sadia Moin**  
Director



**Statement of Other Comprehensive Income**  
**For the year ended September 30, 2025**

	September 30, 2025	September 30, 2024
	.....Rupees in 000'.....	
<b>Loss after taxation</b>	(16,950)	(245,990)
Other comprehensive income for the year		
<i>Items that will not be reclassified to profit or loss:</i>		
Actuarial gain / (loss) during the year	963	(600)
<b>Total comprehensive loss for the year</b>	<u>(15,987)</u>	<u>(246,590)</u>

The annexed notes from 1 to 47 form an integral part of these financial statements.

**Mansoor Afzal Subzwari**  
Chief Executive Officer

**Syed Zameer Haider Jaffri**  
Chief Financial Officer

**Sadia Moin**  
Director



## Statement of Changes in Equity For the year ended September 30, 2025

Share capital	Revenue reserves	Capital reserves	Directors' / sponsors / Member's subordinated loan	Total
Issued, subscribed & paid-up share capital	Accumulated loss	Surplus on revaluation of property, plant and equipment		

..... Rupees in 000' .....

<b>Balance as at September 30, 2023</b>	446,160	(1,672,931)	2,131,204	92,767	997,200
Loss after taxation	-	(245,990)	-	-	(245,990)
Other comprehensive loss for the year	-	(600)	-	-	(600)
Total comprehensive loss for the year	-	(246,590)	-	-	(246,590)
Transferred from revaluation surplus on account of incremental depreciation- net of tax	-	35,923	(35,923)	-	-
<b>Balance as at September 30, 2024</b>	446,160	(1,883,598)	2,095,281	92,767	750,610
Loss after taxation	-	(16,950)	-	-	(16,950)
Other comprehensive income for the year	-	963	-	-	963
Total comprehensive loss for the year	-	(15,987)	-	-	(15,987)
Transferred from revaluation surplus on account of incremental depreciation- net of tax	-	35,799	(35,799)	-	-
<b>Balance as at September 30, 2025</b>	446,160	(1,863,786)	2,059,481	92,767	734,622

The annexed notes from 1 to 47 form an integral part of these financial statements.

**Mansoor Afzal Subzwari**  
Chief Executive Officer

**Syed Zameer Haider Jaffri**  
Chief Financial Officer

**Sadia Moin**  
Director



**Statement of Cash Flows**  
**For the year ended September 30, 2025**

		September 30, 2025	September 30, 2024
	Note	.....Rupees in 000'.....	
<b>Cash flow from operating activities</b>			
Cash generated from operations	35	158,379	221,463
Taxes paid		(35,718)	(32,377)
Gratuity paid		(892)	(200)
<b>Net cash generated from operating activities</b>		<u>121,769</u>	<u>188,886</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(82,158)	(124,484)
Proceed from sale of vehicles		119	515
<b>Net cash used in investing activities</b>		<u>(82,039)</u>	<u>(123,969)</u>
<b>Cash flows from financing activities</b>			
Payment of long term financing		(70,962)	(24,200)
Dividend paid		-	(22)
Long term loan to employees		(5)	(658)
<b>Net cash used in financing activities</b>		<u>(70,967)</u>	<u>(24,880)</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<u>(31,236)</u>	<u>40,037</u>
<b>Cash and cash equivalents at the beginning of the year</b>		<u>55,648</u>	<u>15,611</u>
<b>Cash and cash equivalents at the end of the year</b>	39	<u><u>24,412</u></u>	<u><u>55,648</u></u>

The annexed notes from 1 to 47 form an integral part of these financial statements.

**Mansoor Afzal Subzwari**  
Chief Executive Officer

**Syed Zameer Haider Jaffri**  
Chief Financial Officer

**Sadia Moin**  
Director



## **Notes to the Financial Statements For the year ended September 30, 2025**

### **1. COMPANY AND ITS OPERATION**

Sakrand Sugar Mills Limited was incorporated in Pakistan as a public limited company under the Companies Ordinance, 1984 [Repealed with the enactment of Companies Act, 2017], on March 02, 1989 and its shares are quoted on Pakistan Stock Exchange. The principal business of the Company is to manufacture and sell white sugar and its by product. The registered office of the Company is situated in 41-K, Block-6, P.E.C.H.S, Karachi while the Company's mill is situated at Deh Tharo Unar, Taluka Sakrand, District Shaheed Benazirabad, Sindh, Pakistan, having an area of 102.18 acres.

#### **1.1 GOING CONCERN ASSUMPTION**

The financial statements of the Company for the year ended September 30, 2025 reflect net loss (2024: loss) after taxation amounting to Rs. 16,950 (2024: 245,990) thousands, and its current liabilities exceeds its current assets by Rs.2,511,889 (2024: 2,432,762) thousands. The Company defaulted in repayment of its long term restructured liabilities and other statutory liabilities due to liquidity crunch faced by the Company.

However the financial statements are prepared by the management on going concern assumption on the basis of following factors:

- a) The Company has successfully completed crushing season for 2024-2025, Further the Company is in the middle of new crushing season i.e. 2025 to 2026 which is expected to yield higher production as compare to last crushing season and the major cash flow requirements for operations are already met.
- b) The Company has successfully completed the restructuring of loan with National Bank of Pakistan, has been complying with the requirements of restructuring terms with Sindh Bank Limited and negotiating Summit Bank Limited for restructuring.
- c) The management is working on further processing of by product and believe that the sale of its will result in increase in profits.
- d) The management is working on improvement of production process that will results in reduction in cost of production in future.

### **2. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

#### **2.1 Statement of compliance**

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

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

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



## **2.2 Basis of preparation**

These financial statements have been prepared under the historical cost convention except for the following material items in the statement of financial position:

- a) Inventories are carried at lower of cost or net realisable value;
- b) Financial assets/ liabilities are carried in accordance with the requirements of IFRS-09 "Financial Instruments";
- c) Freehold land, factory and non-factory building on freehold land, plant and machinery are stated at revalued amounts; and
- d) Staff retirement benefit plan which is carried at present value of defined benefit obligation net of fair value of the plan assets as prescribed in IAS-19 "Employee Benefits".

## **2.3 Functional and presentation currency**

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). These financial statements are presented in Pakistan Rupee which is the Company's functional and presentation currency.

## **3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ASSUMPTION AND ESTIMATES**

The preparation of financial statements in conformity with approved accounting standards requires the use of certain accounting estimates. It also requires management to exercise its judgements in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the process of applying the accounting policies, management has made the following estimates, assumptions and judgements which are significant to the financial statements:

- a) Determining the residual values and useful life of property, plant and equipment;
- b) Impairment / adjustment of inventories to their net realizable values;
- c) Accounting for staff retirement benefits;
- d) Recognition of tax and deferred tax;
- e) Impairment of financial and non-financial assets;
- f) Contingencies and commitments.

## **3.1 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO ACCOUNTING AND REPORTING STANDARDS**

### **a) Amendments to published accounting and reporting standards which became effective during the year:**

The following amendments to International Financial Reporting Standards (IFRS) became effective for annual reporting periods beginning on or after January 01, 2024, and therefore were applicable to the Company's financial statement for the year ended September 30, 2025:

- (i) IAS 1 – Presentation of Financial Statements (Amendments: Disclosure of Accounting Policies & Classification of Liabilities as Current or Non-current, with Non-current Liabilities with Covenants)
  - These amendments require entities to disclose material accounting policies instead of merely significant ones.
  - They also clarify the classification of liabilities as current or non-current based on rights existing at the reporting date and require specific disclosures for covenants related to non-current liabilities.





- The amendments did not result in any material change to the Company's financial position or performance, except for enhanced disclosure of accounting policies.
- (ii) IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures (Amendments: Supplier Finance Arrangements)
  - Introduces specific disclosure requirements regarding supplier finance (reverse factoring) arrangements to enable users of financial statement to understand the effects on liabilities and cash flows.
  - The Company does not have supplier finance arrangements; therefore, the amendments did not impact these financial statement.

**b) New standards and amendments to published accounting and reporting standards that are not yet effective and not early adopted by the Company**

The following new standards and amendments to existing standards have been published and are mandatory for accounting periods beginning on or after the dates mentioned below. These have not been early adopted by the Company:

**(i) IFRS 18 Presentation and Disclosure in Financial Statement**

**Effective date:**  
January 1, 2027

IFRS 18 replaces IAS 1 Presentation of financial statement and introduces significant changes to the structure and disclosure requirements of financial statement. The key objective is to improve comparability and clarity of performance reporting across entities. The standard introduces three defined categories in the statement of profit or loss: operating, investing, and financing. It also introduces requirements for companies to disclose management-defined performance measures (MPMs) used in public communications, along with reconciliations to IFRS-defined subtotals. In addition, IFRS 18 provides enhanced guidance on disaggregation and promotes a more objectives-based disclosure approach. The Company is assessing the potential impact of this standard on the classification, presentation, and disclosures in its financial statement.

**(ii) IFRS 19 Subsidiaries without Public Accountability: Disclosures**

**Effective date:**  
January 1, 2027

IFRS 19 permits eligible subsidiaries—those without public accountability and whose parent prepares consolidated financial statements in accordance with IFRS—to apply all recognition, measurement, and presentation requirements of IFRS while providing reduced disclosures. The objective is to reduce the cost of compliance for such subsidiaries while maintaining transparency for users of financial statements. The Company is currently evaluating whether any of its subsidiaries qualify for the application of IFRS 19 and the potential impact on future disclosure requirements.

**(iii) IFRS 7 Financial Instruments: Disclosures (Amendments)**

**Effective date:**  
January 1, 2026

The amendments require entities to disclose additional information about supplier finance arrangements, including the terms and conditions, the carrying amounts of financial liabilities subject to such arrangements, and the line items in which they are presented. The objective is to improve transparency and help users assess the effects of these arrangements on an entity's liabilities, liquidity, and cash flows. The amendments apply when an entity enters into arrangements where a finance provider pays amounts the entity owes to its suppliers. The Company is evaluating the impact of these disclosure requirements and will implement the changes in accordance with the effective date.



**(iv) IFRS 9 Financial Instruments (Supplier Finance Arrangements)**

**Effective date:**

January 1, 2026

These amendments clarify the classification and presentation of liabilities that arise from supplier finance arrangements. They aim to ensure consistent application of derecognition, modification, and classification principles under IFRS 9. In particular, the amendments provide guidance on how an entity should assess whether a liability should be classified as a financial liability or trade payable, based on its substance rather than legal form. The amendments work alongside related changes to IFRS 7 and IAS 7 to improve transparency around the use of such arrangements. The Company is currently assessing the impact of these amendments on its accounting treatment and financial statement

**(v) IFRS S1 General Requirements for Disclosure of Sustainability-Related Financial Information**

**Effective date:**  
January 1, 2025

**IFRS S2 Climate-Related**

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

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

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

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures. There are a number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Company and, therefore, have not been present here.

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

**4. MATERIAL ACCOUNTING POLICY INFORMATION**

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



#### **4.1 Property, plant & equipment**

##### **a) Tangible asset & depreciation**

Assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land, factory and non-factory building on freehold land and plant & machinery. Cost comprises of purchase price, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction, erection and installation.

Subsequent costs are included in the asset's carrying amounts or are recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is charged to statement of profit or loss by applying the reducing balance method except for plant & machinery on which units of production method has been applied so, as to write down the assets over their estimated useful lives at the rates specified in note 5 to these financial statements. The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end.

Freehold land, factory and non factory building on freehold land and plant & machinery are carried at revalued amount. The revaluation is done by professionally qualified valuers with sufficient regularity to ensure that the net carrying amounts do not differ materially from their fair values.

Any revaluation increase arising on the revaluation of freehold land, factory and non-factory building on freehold land and plant & machinery is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant & equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of freehold land, factory and non-factory building on freehold land and plant & machinery is charged to profit or loss to the extent that it exceeds the balance, if any, held in the "Revaluation surplus on property, plant & equipment" relating to a previous revaluation increase of that asset. The surplus on revaluation in respect of freehold land, factory and non-factory building on freehold land and plant & machinery to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

Depreciation on additions is charged from the quarter in which the assets become available for use, while no depreciation is charged in the quarter of disposal.

Normal repairs and maintenance are charged to the statement of profit or loss during the period in which they are incurred.

The gain or loss arising on disposal or retirement of an item of property, plant & equipment is determined as the difference between the sale proceeds and the carrying amounts of the asset and is recognised as other income in the statement of profit or loss. In case of the sale or retirement of a revalued property, the attributable revaluation surplus remaining in the surplus on revaluation is transferred to other comprehensive income.

##### **4.2 Intangible asset and amortisation**

Intangible asset represents the cost of computer software acquired and is stated at cost less accumulated amortisation and any identified impairment loss.



Amortisation is charged to the statement of profit or loss on the written down basis so as to write off the cost of an asset over its estimated useful life. Amortisation on additions is charged from the month in which an asset is acquired or capitalised while no amortisation is charged for the month in which the asset is disposed off. Amortisation is being charged at the rate disclosed in note 6 to the financial statements.

#### **4.3 Stores, spares and loose tools**

These are valued at lower of cost except for items in transit, which are valued at cost comprising invoice value and related expenses incurred thereon upto date of the statement of financial position. Cost is calculated on weighted average basis. Obsolete and used stores, spares and loose tools are recorded at nil value.

#### **4.4 Stock-in-trade**

The basis of valuation has been specified against each:

Finished goods - sugar	Lower of cost or net realisable value
Sugar-in-process	Cost of raw material consumed and proportionate manufacturing expenses
Molasses	Net realisable value
Bagasse	Net realisable value
Composite fertilizer	Lower of cost or net realisable value

Provision for obsolete and slow moving stock are made as and when required. Net realisable value signifies the estimated selling price in the ordinary course of business less estimated cost of completion and estimated cost necessary to be included in order to make the sale.

#### **4.5 Trade debts**

Trade debts are carried at original invoice amount being the fair value, less an allowance for uncollectible amounts, if any. The Company applies IFRS 9 simplified approach to measure the expected credit losses (ECL) which uses the life time expected loss allowance for trade debts.

#### **4.6 Capital work-in-progress**

Capital work-in-progress, if any, is stated at cost less accumulated impairment losses, if any, and represents expenditure on fixed assets in the course of construction and installation and advances for capital expenditure. Transfers are made to the relevant category of tangible / intangible assets as and when the assets are available for intended use.

#### **4.7 Provisions**

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

#### **4.8 Impairment**

The carrying amounts of the assets are reviewed at each date of statement of financial position to determine whether there is any indication of impairment of any asset or a group of assets. If any such indication exists, the recoverable amount of that asset is estimated and impairment losses are recognised in the statement of profit or loss.



#### **4.9 Taxation - levy and income tax**

##### **a) Levy**

In accordance with the Income Tax Ordinance, 2001, the computation of minimum tax or final tax is not based on taxable income but rather on revenue or other criteria. As such, and in line with the Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by ICAP under IAS 12, these amounts fall within the scope of IFRIC 21 / IAS 37. Consequently, the amounts determined on the basis of revenue or other similar measures have been classified as levies and recognized as operating expenses in these financial statements. However, taxes on dividends from the Company's investments in subsidiaries and associates remain specifically within the scope of IAS 12 and are therefore treated as current income tax. Any portion exceeding the levy amount is recognized as a current income tax expense under IAS 12.

##### **b) Current taxation**

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the period for such years.

##### **c) Deferred taxation**

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

The carrying amount of deferred tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the statement of financial position date.

#### **4.10 Cash and cash equivalents**

Cash and cash equivalents are carried at cost in the statement of financial position. For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash in hand and bank balances.

#### **4.11 Share capital**

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds received.

#### **4.12 Subordinated loan from directors**

The Company has adopted Technical Release - 32 (Accounting Directors' Loan) issued by the Institute of Chartered Accountants of Pakistan. In accordance with TR- 32, directors' interest free, unsecured loans that are repayable at the discretion of the Company have been accounted for in equity and presented separately as "Directors' / Sponsors' subordinated loan".



#### **4.13 Post retirement benefits**

##### **a) Defined contribution plan - provident fund**

The Company operates a provident fund scheme for its permanent employees. Obligation for contributions to the fund are recognised as an expense in the statement of profit or loss when they are due. A Trust has been established and its approval has been obtained from the Commissioner of Income Tax. Monthly contributions are made at the rate of 8.33% of basic salary both by the Company and its employees to the Fund as per the Company's policy.

##### **b) Defined benefit plan - staff gratuity**

The Company operates an unfunded gratuity scheme for all of its eligible employees who have completed the minimum qualification period of service. The contribution to the scheme are made in accordance with actuarial valuation using "Projected Unit Credit Method".

#### **4.14 Trade and other payables**

Liabilities for 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.

#### **4.15 Loans, advances and deposits**

These are stated at cost less estimates made for any doubtful receivables based on a review of all outstanding amounts at the date of statement of financial position. Balances considered bad and irrecoverable are written off when identified.

#### **4.16 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying capital asset under construction are capitalised and added to the project cost until such time the asset is substantially ready for their intended use, i.e., when they are capable of commercial production. All other borrowing costs are recognised as an expense in the statement of profit or loss in the period in which they are incurred.

#### **4.17 Contingencies**

Contingencies are disclosed when the Company has possible obligation that arises from past event and whose existence will confirmed only by occurrence or non -occurrence of one or more uncertain future events not wholly within the control of entity, or a present obligation that arises from past event but is not recognised because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation or, when amount of obligation cannot be measured with sufficient reliability.

#### **4.18 Foreign currency transactions**

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in foreign currencies, are translated into the functional currency using the exchange rate prevailing on the date of the statement of financial position. Exchange differences arising from the settlement of such transactions, and from the translation of monetary items at the end of the year exchange rates, are charged to the statement of profit or loss.

#### **4.19 Finance lease obligations**

Finance lease obligations are accounted for at the net present value of minimum payments under the lease arrangements.





Finance charges under lease arrangements are allocated to periods during the lease term so as to produce a constant periodic rate of financial cost on the remaining balance of principal liability for each period.

#### **4.20 Financial instruments**

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

#### **4.21 Financial assets**

##### **a) Initial recognition and measurement**

Financial assets are classified at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVPL).

The classification of financial asset at initial recognition depends on the financial asset contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables, the Company initially measures financial asset at its fair value plus transaction cost except for fair value through profit and loss. Trade receivables are measured at transaction price determined under IFRS-15.

In order for a financial asset to be classified and measured at amortised cost of FVOCI, it needs to give rise to cash flows that are SPPI on the principal amount outstanding. This assessment is referred to as SPPI test and is performed at an instrument level. The Company's business model for managing assets refers to how it managed its financial asset in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial asset that requires delivery of asset within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date the Company commits to purchase or sell the asset.

##### **b) Subsequent measurement**

For the purpose of subsequent measurement, the Company classifies its financial assets into following categories;

- Financial assets at amortised cost ( debt instruments);
- Financial assets designated at fair value through other comprehensive income (FVOCI) with no recycling of cumulative gains and losses upon derecognition (equity instrument); and
- Financial assets at fair value through profit or loss (FVPL).

##### **c) Financial asset at amortised cost ( debt instruments)**

The Company measures financial asset at amortised cost when both the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial asset at amortised cost are subsequently measured using effective interest rate (EIR) method and are subject to impairment. Gain and losses are recognised in profit or loss when the asset is derecognised , modified or impaired.





#### **d) Financial asset designated at FVOCI (equity instrument)**

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

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

#### **e) Financial assets at FVPL**

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in near term. Financial asset with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces accounting mismatch.

Financial assets at FVPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category also includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are also recognised in profit or loss when the right of payment has been established. The Company has not designated any financial asset at FVPL.

#### **f) Derecognition**

A financial asset (or where applicable, a part of financial asset or part of a group of similar financial assets) is primarily (i.e. removed from the Company statement of financial position) when:

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

### **4.22 Financial liabilities**

#### **Initial recognition and measurement**

Financial liabilities are classified as FVPL or amortised cost.

All financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction cost.



## **Subsequent measurement**

### **a) Financial Liabilities at FVPL**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial recognition, only if the criteria in IFRS 09 are satisfied. The company has not designated any financial liability as FVPL.

### **b) Financial Liabilities at amortised cost**

After initial recognition, borrowing and payables are subsequently measured at amortised cost using EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Borrowings are classified as current liabilities unless the company has unconditional right to defer the settlement of the liability for at least twelve months after the reporting date. Exchange gains and losses arising in respect of borrowings in foreign currency are added to the carrying amount of borrowing.

### **c) Derecognition**

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

## **4.23 Impairment**

### **4.23.1 Impairment of financial assets**

The Company recognises an allowance for expected credit losses (ECL) for all the debt instruments not held at fair value through profit or loss. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

For financial assets other than trade debts, the Company applies general approach in calculating ECL. It is based on the difference between contractual cash flow due in accordance with the contract and all the cash flows that the Company expect to receive discounted at the approximation of the original effective interest rate. The expected cash flows will include cash flows from sale of collateral held or other credit enhancements that are integral to the contractual terms.



For trade debts the Company applies a simplified approach where applicable in calculating ECL. Therefore the company does not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECL at each reporting date. The Company has established a provision matrix for large portfolio customer having similar characteristics and default rates based on the credit rating of customers from which the receivables are due that is based on the Company's historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days over due. However in certain cases, the Company may also consider a financial asset to be in default when contractual payments are 90 days past due. However in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking in to account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### **4.23.2 Impairment of non financial assets**

The carrying amounts of the Company's non financial assets are reviewed annually to determine whether there is any indication of impairment. If any such indication exist the asset's recoverable amount is estimated and impairment losses are recognised in the profit or loss. The recoverable is the higher of an asset's fair value less cost to disposals and value in use.

#### **4.23.3 Offsetting**

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

#### **4.24 Revenue recognition**

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable net of discounts and applicable taxes. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing involvement of management with the goods and the amount of revenue can be measured reliably on the following basis:

- Local sales are recognised when goods are lifted by the customer.
- Export sales are recognised when the goods are on board the shipping vessel.
- Dividend income is recognised when the right to receive the dividend is established.
- Interest income is recognised using effective interest method on an accrual basis.
- Government grants relating to export subsidy are recognised when there is a reasonable assurance that the Company will comply with the conditions attached to it and the grant will be received.

#### **4.25 Dividends**

Dividend declared and appropriations to reserves made subsequent to the reporting date are considered non-adjusting events and are recognised in the financial statements in the year in which they are approved.



#### 4.26 Related party transactions

Related party comprises of major shareholders, associated companies with common directorship, directors of the Company, key management personal and their close family members. The Company continues to have a policy whereby transactions with related parties are entered into at commercial terms, approved policy and at rates agreed under a contract / agreement / arrangement.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Directors, Company Secretary and departmental heads to be its key management personnel.

The followings are the related parties of the Company:

Name of related party	Basis of relationship	(%) of shareholding
Mr. Dinshaw H. Anklesaria	Key management personnel	25%
Mr. Saleem Zamindar	Key management personnel	0.001%
Mr. Muhammad Omar Arshid	Key management personnel	0.001%
Ms. Sadia Moin	Key management personnel	0.001%
Mr. Saleem Mangrio	Key management personnel	0.001%
Mr. Mansoor Afzal Subzwari	Key management personnel	0.001%
Mr. Abdul Qayyum Khan Abbasi	Key management personnel	0.001%

#### 4.27 Off-setting of financial assets and liabilities

Financial assets and financial liabilities are only off-set and the net amount is reported in the financial statements when there is a legally enforceable right to set off the recognised amounts and the Company intends to either settle on net basis or to realise the asset and settle the liability simultaneously.

#### 4.28 Earning per share

The Company presents basic and diluted 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 period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

#### 4.29 Unclaimed dividend

The Company recognised unclaimed dividend which was declared and remained unclaimed from the date it was due and payable. The dividend declared and remained unpaid from the date it was due and payable is recognised as unpaid dividend.



## 5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

	September 30, 2025	September 30, 2024
Note	-----Rupees in "000"-----	
5.1	<u>3,886,561</u>	<u>3,889,804</u>

5.1 The statement of operating fixed assets is as follows:

	Cost			Depreciation						Depreciation rate per annum %
	As at October 1, 2024	Additions	Disposals	As at September 30, 2025	As at October 01, 2024	Charge for the year	Disposals	As at September 30, 2025	WDV as at September 30, 2025	
	-----Rupees in "000"-----									
Freehold land	561,990	-	-	561,990	-	-	-	-	561,990	0%
Factory building	601,460	7,708	-	609,168	141,596	22,888	-	164,484	444,684	5%
Non-factory building	364,307	-	-	364,307	190,272	8,540	-	198,812	165,495	5%
Plant and machinery	3,622,754	64,508	-	3,687,262	963,821	47,640	-	1,011,461	2,675,801	UOP
Office equipment & others	26,041	1,010	-	27,051	15,253	1,130	-	16,383	10,668	10%
Furniture and fixtures	11,000	2,434	(48)	13,386	7,841	462	(25)	8,278	5,108	10%
Vehicles	73,202	6,498	(407)	79,293	52,273	4,480	(199)	56,554	22,739	20%
Tents and tarpaulins	2,321	-	-	2,321	2,306	4	-	2,310	11	33%
Tools and tackles	4,522	-	-	4,522	4,431	26	-	4,457	65	33%
	5,267,597	82,158	(455)	5,349,300	1,377,793	85,171	(224)	1,462,739	3,886,561	

The statement of operating fixed assets for last year is as follows:

	Cost				Depreciation					Depreciation rate per annum %
	As at October 1, 2023	Additions	Disposals	As at September 30, 2024	As at October 01, 2023	Charge for the year	Disposals	As at September 30, 2024	WDV as at September 30, 2024	
	-----Rupees In "000"-----									
Freehold land	561,990	-	-	561,990	-	-	-	-	561,990	0%
Factory building	601,460	-	-	601,460	117,866	23,730	-	141,596	459,864	5%
Non-factory building	363,240	1,067	-	364,307	181,296	8,976	-	190,272	174,035	5%
Plant and machinery	3,513,875	108,879	-	3,622,754	920,006	43,816	-	963,821	2,658,933	UOP
Office equipment & others	24,207	1,834	-	26,041	14,173	1,081	-	15,253	10,788	10%
Furniture and fixtures	10,248	752	-	11,000	7,527	314	-	7,841	3,159	
Vehicles	62,681	11,951	(1,429)	73,202	49,683	3,663	(1,073)	52,273	20,929	20%
Tents and tarpaulins	2,321	-	-	2,321	2,300	6	-	2,306	15	33%
Tools and tackles	4,522	-	-	4,522	4,394	37	-	4,431	91	33%
	5,144,544	124,483	(1,429)	5,267,597	1,297,245	81,623	(1,073)	1,377,793	3,889,804	

5.2 The depreciation charge for the year has been allocated as follows:

	Note	September 30, 2025	September 30, 2024
		.....Rupees in 000'.....	
Manufacturing expense - Cost of sales	27.1	70,555	67,583
Administrative expenses	28	14,616	14,040
		<u>85,171</u>	<u>81,623</u>



5.3 The latest valuation of the freehold land, factory building, non factory building and plant and machinery as carried out by an independent valuer, Pakistan Inspection Co. (Private) Limited as at December 07, 2021. According to that valuation, the fair value and forced sale value of the assets were as follows:

	Fair value	Forced sale value
	.....Rupees in '000'.....	
Freehold land	561,990	449,592
Building - Factory & non-factory	691,625	553,300
Plant & machinery	2,411,000	1,928,800

5.4 Had there been no revaluation, the figures of the revalued assets would have been as follows:

	2025		2024
	Cost	Accumulated depreciation	Written down value
	----- Rupees In "000"-----		
Free hold land	7,602	-	7,602
Factory building	110,682	78,756	31,925
Non-factory building	28,550	20,235	8,315
Plant & machinery	2,061,038	960,938	1,100,100
	<u>2,207,872</u>	<u>1,059,930</u>	<u>1,147,943</u>
			<u>1,104,374</u>



		September 30, 2025	September 30, 2024
	Note	.....Rupees in 000'.....	.....Rupees in 000'.....
<b>6. INTANGIBLE ASSET</b>			
Computer software	6.1	<u>680</u>	<u>1,014</u>
<b>6.1</b> Net carrying amount			
Opening net book value		1,014	1,513
Amortisation charged		<u>(334)</u>	<u>(499)</u>
Closing net book value		<u>680</u>	<u>1,014</u>
Amortisation rate (%)		<u>33%</u>	<u>33%</u>
<b>6.2</b> The entire amortisation and impairment charge has been allocated to 'Administrative expenses'.			
		September 30, 2025	September 30, 2024
	Note	.....Rupees in 000'.....	.....Rupees in 000'.....
<b>7. LONG TERM LOANS</b>			
<i>Secured - considered good</i>			
Vehicle loans to employees	7.1	1,198	1,193
Less: Current portion of long term loans shown under current assets		<u>(423)</u>	<u>(344)</u>
		<u>775</u>	<u>849</u>
<b>7.1</b> These are interest free loans given to employees for the purchase of vehicles other than directors and executives of the Company in accordance with terms of employment contract. The loan is recoverable in 48 to 60 installments from the date of disbursement and is secured by registration of vehicles in the name of the Company. These have been recorded at future value as the impact of discounting is not material in these financials statements.			
		September 30, 2025	September 30, 2024
		.....Rupees in 000'.....	.....Rupees in 000'.....
<b>8. LONG TERM DEPOSITS</b>			
<i>Unsecured - interest free</i>			
Utilities		1,273	1,273
Rent		818	818
Others		<u>769</u>	<u>769</u>
		<u>2,860</u>	<u>2,860</u>
<b>9. STORES, SPARES AND LOOSE TOOLS</b>			
Stores		11,762	5,319
Spares & loose tools		<u>98,317</u>	<u>93,239</u>
		<u>110,079</u>	<u>98,558</u>
<b>10. STOCK IN TRADE</b>			
Compost fertilizer		2,579	16,264
Bagasse		<u>39,185</u>	<u>21,550</u>
		<u>41,764</u>	<u>37,814</u>





		September 30, 2025	September 30, 2024
	Note	.....Rupees in 000'.....	
<b>11. TRADE DEBTS</b>			
Considered good - unsecured	11.1	19,285	4,762
Considered doubtful		93,867	182,810
		<u>113,152</u>	<u>187,572</u>
Provision for expected credit losses	11.2	(93,867)	(182,810)
		<u>19,285</u>	<u>4,762</u>
<b>11.1 Aging analysis of trade debts:</b>			
0-30		98	3,311
30-60		16,194	572
61-90 days		373	-
90-120		1,385	-
120-365 days		1,236	879
Above one year		93,867	182,810
		<u>113,152</u>	<u>187,572</u>
<b>11.2 Movement of allowance of expected credit losses of trade receivable</b>			
Balance as at 1st October 2024		182,810	296,574
Recovery during the year		(89,385)	(114,591)
Provision for bad debts		442	932
Provision written off		-	(105)
Balance as at 30th September 2025		<u>93,867</u>	<u>182,810</u>
<b>12. LOANS AND ADVANCES</b>			
Current portion of vehicle loans	7	423	344
<b>Unsecured considered good</b>			
Loan to growers		159	2,206
Advance to suppliers and contractors		25,397	64,618
Advance against expenses		236	239
Advance against salaries		964	554
		<u>26,756</u>	<u>67,617</u>
		<u>27,179</u>	<u>67,961</u>
<b>13. DEPOSIT, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Prepayments		6,644	5,065
Government subsidy receivable on export of sugar	13.1	3,236	36,624
Other receivables		355	21,550
		<u>10,234</u>	<u>63,239</u>
<b>13.1</b>	This represents export subsidy sugar as announced by the federal and provincial governments of Pakistan. During the year subsidy amounting to Rs.33 million has been received.		



		September 30, 2025	September 30, 2024
	Note	.....Rupees in 000'.....	
<b>14. SHORT TERM INVESTMENT</b>			
<b>At amortized cost</b>			
Term deposit receipts	14.1	<u>6,198</u>	<u>6,198</u>
<b>14.1</b>	This represents placement made in term deposit receipt (TDR) of a commercial bank carrying profit at the rate of 10.1% (2024:10.08%) per annum. maturing on various dates from the date of placement of funds.		
		September 30, 2025	September 30, 2024
		.....Rupees in 000'.....	
<b>15. CASH AND BANK BALANCES</b>			
Cash in hand		240	1,143
Cash at banks - current accounts		<u>17,975</u>	<u>48,307</u>
		<u>18,214</u>	<u>49,450</u>
<b>16. SHARE CAPITAL AND RESERVES</b>			
<b>16.1 AUTHORISED SHARE CAPITAL</b>			
60,000,000 ordinary shares of Rs. 10/- each		<u>600,000</u>	<u>600,000</u>
<b>16.2 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL</b>			
September 30, 2025	September 30, 2024		
Number of Shares			
16,900,000	16,900,000	Fully paid ordinary shares of Rs.10/- each issued for cash	169,000 169,000
5,408,000	5,408,000	Fully paid ordinary shares of Rs.10/- each issued as bonus shares	54,080 54,080
22,308,000	22,308,000	Fully paid ordinary shares of Rs.10/- each issued as right shares	223,080 223,080
<u>44,616,000</u>	<u>44,616,000</u>	<u>446,160</u>	<u>446,160</u>
<b>17. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>			
<b>As at October 01,</b>		2,724,660	2,775,256
Revaluation surplus on land, plant & machinery and building arise during the year		-	-
Transferred to retained earnings in respect of incremental depreciation charged during the year		(50,421)	(50,596)
		<u>(50,421)</u>	<u>(50,596)</u>
<b>As at September 30,</b>		<u>2,674,239</u>	<u>2,724,660</u>



	September 30, 2025	September 30, 2024
	.....Rupees in 000'.....	
<b>As at October 01,</b>	(629,379)	(644,052)
Reversal on incremental depreciation charged during the year	14,622	14,673
<b>Related deferred tax on revaluation surplus</b>	<u>(614,757)</u>	<u>(629,379)</u>
<b>As at September 30,</b>	<u>2,059,481</u>	<u>2,095,281</u>

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

## 18. DIRECTORS' / SPONSORS' SUBORDINATED LOANS

These represent unsecured, interest free loan which are repayable at the discretion of the Company. These loans are also subordinated to syndicated long-term financing facility. The Company's agreement with the syndicate stipulates that the financing availed by the Company are to be extinguished in full before any payment is made against the subordinated loans.

	September 30, 2025	September 30, 2024
	.....Rupees in 000'.....	

## 19. DEFERRED TAXATION

Deferred tax arises due to following elements:

### Deferred tax liability arises due to :

Accelerated depreciation	222,533	217,560
Stock in trade	-	6,249
Surplus on revaluation of property, plant & equipment	614,757	629,379
	<u>837,290</u>	<u>853,188</u>

### Deferred tax asset arises due to :

Impairment loss on trade debts	27,093	53,015
Provision for staff gratuity	4,476	4,008
Carried forward tax losses, minimum taxes and tax credits	805,721	796,166
	<u>837,290</u>	<u>853,188</u>

### Deferred tax liability

	<u>-</u>	<u>-</u>
--	----------	----------

As at September 30, 2025, deferred tax asset on unused tax losses, minimum tax and ACT amounting to Rs. 110.319 million have not been recognized in the financial statements as a matter of prudence as in the opinion of the management there is no certainty regarding realisability of the amount.

## 20. LONG TERM FINANCING - SECURED

	NBP DF (Note 20.1)	SMBL SLTF	September 2025	September 2024
	.....Rupees in 000'.....			
Opening balance	15,000	870,691	885,691	909,891
Repaid during the year	(15,000)	(48,000)	(63,000)	(24,200)
	-	822,691	822,691	885,691
Overdue installments	-	(181,818)	(181,818)	(181,818)
Current portion	-	(67,200)	(67,200)	(63,000)
Closing liability as at September 30,	-	<u>573,673</u>	<u>573,673</u>	<u>640,873</u>

- 20.1 During the year, the Company has fully paid the National Bank of Pakistan's outstanding amounting to Rs. 15 million along with markup of Rs. 7.9 million.



## 20.2 Syndicated long term finance facility (SLTFF)

This represent long-term finance facility obtained by the Company from syndicate of Summit Bank Limited and Sindh Bank Limited (the Banks) for working capital purpose amounting to Rs. 1,000 million. This carries mark-up at the rate of 3 months KIBOR plus 3% (2024: KIBOR plus 3%) per annum payable quarterly. The principal amount is repayable in 22 equal quarterly installments after 18 months grace period.

This facility is secured by way of pari passu hypothecation charge over all present and future fixed assets of the Company, first pari passu charge over immovable property, lien on current assets and personal guarantees of all sponsors / directors of the Company along with subordinated loan agreements.

The Company has finalized and fulfill the restructuring term and condition the Sindh Bank Limited, for restructuring of the long term loan amounting to Rs. 727.27 million. As per the term of the agreement all the markup accrued has been waived of while the principal amount has to be paid on step up basis in 10 year starting from October 2022.

The revised term's has resulted in the significant modification of liability resulting in a gain of Rs. 802.833 million. However, being prudent, the management has not accounted for the gain arising on accounts of change in the term of loan agreements'.

The Company has been in compliance with the payment terms in accordance with the mutual agreement, with Sindh Bank Limited. However, the Company is in discussion with Summit Bank Limited for restructuring of loan which has not yet finalized.

	Note	September 30, 2025	September 30, 2024
		.....Rupees in 000'.....	
<b>21. DEFERRED LIABILITIES</b>			
Quality premium	21.1	56,461	56,461
Gratuity	21.2	14,232	13,821
		<u>70,692</u>	<u>70,282</u>

- 21.1** Subsequent to the verdict issued by the Honorable Supreme Court of Pakistan (SCP) dated March 03, 2018 relating to quality premium, the Company based on advice from its legal advisor has taken the position that since no valid notification for quality premium under section 16(v) of the Sugar Factories Control Act, 1950 could have been issued by the Provincial Government, no liability for the payment of quality premium has arisen between the crushing season 1998-1999 till the date of the decree. The Company has also considered additional payments made to the cane grower over and above minimum support price fixed by the Provincial Government which are considered to be inclusive of quality premium. However, as a matter of prudence, the Company carries full provision in respect of quality premium payable pertaining to years 2003 and 2004 in these financial statements.

### 21.2 Staff gratuity

Contributions to the fund are made based on actuarial recommendations. The last actuarial valuation was carried out as at September 30, 2025 using the Projected Unit Credit Method.



		September 30, 2025	September 30, 2024
	Note	.....Rupees in 000'.....	
<b>21.2.1 Changes in defined benefit liabilities are:</b>			
Opening defined benefit obligation		13,821	10,881
Expense for the year / current service cost		661	809
Interest cost		1,605	1,731
Actuarial (gain) / losses	21.2.4	(963)	600
Benefits due but not paid		(860)	-
Past services cost- contact employee reversal		-	-
Benefit paid by the Company		(32)	(200)
Closing defined benefit obligation		<u>14,232</u>	<u>13,821</u>

**21.2.2 Liability for gratuity arose in the following manner:**

Opening net liability	13,821	10,881
Expense for the year	2,266	2,540
Benefit payable	(860)	-
Other comprehensive expense	(963)	600
Benefit paid	(32)	(200)
Closing net liability	<u>14,232</u>	<u>13,821</u>

**21.2.3 Principal actuarial assumptions used in the actuarial valuation:**

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

	2025	2024
	%	%
Discount rate used for interest cost	11.75	12.00
Discount rate used for year end obligation	12.00	16.75
Salary increase rate - long term	10.00	10.00
Salary increase rate - short term	10.00	10.00
Demographic assumptions		
Mortality rates	SLIC	SLIC
	2001-2005	2001-2005
	September 30, 2025	September 30, 2024
	.....Rupees in 000'.....	

**21.2.4 Remeasurement recognised in OCI during the year:**

Experience adjustments	-	-
Remeasurement gain / (loss) on defined benefit obligation	<u>963</u>	<u>(600)</u>

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

**Plan duration**

September 30, 2025

September 30, 2024

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



	Effect of one Percent increase .....Rupees in 000'.....	Effect of one Percent increase .....Rupees in 000'.....
<b>2025</b>		
Discount rate	14,089	14,089
Future salary growth	14,704	14,704
<b>2024</b>		
Discount rate	13,273	13,273
Future salary growth	14,420	14,420

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

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

#### **Final salary risks:**

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

#### **Mortality risks:**

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

#### **Withdrawal risks:**

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

	Note	September 30, 2025 .....Rupees in 000'.....	September 30, 2024 .....Rupees in 000'.....
<b>22. TRADE AND OTHER PAYABLES</b>			
<b>Trade payables</b>			
Sugar cane and others		169,903	167,084
Accrued expenses		46,043	53,267
<b>Other payables</b>			
Advances from customers		414,391	422,323
Sales tax and excise duty payable		1,162,798	1,189,039
Workers' welfare fund		15,850	15,232
Workers' profit participation fund		25,042	39,648
Payable to provident fund	22.1	69,652	54,354
Others		27,580	27,827
		<u>1,715,312</u>	<u>1,748,423</u>
		<u>1,931,258</u>	<u>1,968,774</u>





- 22.1** During the year, the bank account of provident fund has been activated. Due to liquidity issues Company is not depositing the amount in the fund. However as soon the financial position of the Company will improve, Company will deposit the amount in the fund in phases.

September 30,      September 30,  
2025                      2024  
.....Rupees in 000'.....

**23. ACCRUED MARK UP**

National Bank of Pakistan - Demand finance	-	7,962
Syndicated long term finance	504,901	491,682
	<u>504,901</u>	<u>499,644</u>

**24. TAXATION - NET**

Opening		41,303	34,126
Provision for levy	33	47,872	41,303
Prior year income tax reversal	33	-	(1,751)
Advance income tax paid		(35,716)	(32,376)
		<u>53,459</u>	<u>41,303</u>

**25. CONTINGENCIES AND COMMITMENTS**

**Contingencies**

- 25.1** The Company along with other sugar mills (Petitioners) has filed Constitution Petition (CP) No. 230 of 2014 challenging certain provisions of prevailing sugar sectors regulatory regime including the fixation of the minimum price of sugarcane and a linked corresponding minimum price of refined sugar, which is currently pending before the Honorable High Court of Sindh. The legal advisors of the Company are confident about the favorable outcome of this matter, therefore, no provisions in this respect are made in these financial statements.

- 25.2** The Commissioner Inland Revenue Zone II, LTO selected the case of the Company for tax years 2015, 2016, 2017, 2018 and 2019 for audit under section 177(1) of the Income Tax Ordinance, 2001 (hereinafter referred to as the Ordinance, 2001). The Assistant / Deputy Commissioner (Audit-I) Inland Revenue, after proceedings, passed orders under Section 122(1) of the Ordinance, 2001, of identical nature resulting in demand aggregating to Rs. 15.408 Billion. Similar approach was adopted while framing the assessment orders of other sugar mills in the province of Sindh.

The Company filed appeals against the orders and demand for the aforesaid years before the Commissioner (Appeals) Inland Revenue, wherein the orders were confirmed by the forum, thereafter the Company filed appeal before the Appellate Tribunal Inland Revenue against the decision of the Commissioner (Appeals) and is pending before the forum. The Company meanwhile has obtained stay from recovery of tax demanded in the respective years from Honorable High Court of Sindh.

In the opinion of the tax advisor of the Company, the above assessments have been framed on frivolous and flimsy grounds without applying judicial mind and without due process of law. The Company, therefore, based on the opinion of its legal counsel, has not made any provision in these financial statements against the above orders and demands.



- 25.3** The Deputy Commissioner Inland Revenue unit -10 Audit -1, selected the case of the company for tax years 2014-2015 & 2015-2016 and passed disputed sales tax order No. 02/198/2021 dated 26-06-2021 & Order No 03/198/2021 dated 28-06-2021 and imposing sales tax U/s 11(2) of sales tax Act, 1990 & penalty u/s 33(5), of identical nature resulting in demand aggregating to Rs.4.51 billion. Similar approach was adopted while framing the assessment orders of other sugar mills in the province of Sindh. The Company has filed appeal against the Order which is pending for hearing before the Commissioner Appeals-I, Karachi. The Company has good arguable case on merit and likely to be decide in favor of Company.
- 25.4** Deputy Commissioner Inland Revenue has passed an order U/s 161 (1) dated 26-02-2022 for TY-2020 & 25-02-2021 for TY-2019, imposing tax not deducting from Unregistered buyers of the Company who have been treated as who have been treated as retailers, resulting in demand aggregating of Rs.65.2 million. The Company has filed appeal against the Order which is pending for hearing before the Commissioner Appeals-I, Karachi. The Company has good arguable case on merit and likely to be decide in favor of Company.
- 25.5** The Competition Commission of Pakistan (CCP) in August 2021 passed an orders dated 13 August 2021 and imposed penalty on PSMA and member sugar mills alleging them to be guilty of collusive activities and cartelization. The penalty imposed on the Company is Rs.169 million. The PSMA and our Company along with other sugar mills filed the Suit against the order of the Competition Commission of Pakistan (CCP) at Honorable High Court of Sindh. The Honorable Court passed the interim order on October 7, 2021 that the operation of orders dated 06.08.2021 and 13.08.2021 shall remain suspended till the hearing is underway. The above said civil suit has been transferred to Senior Civil Judge XV, Karachi (South) under Act No. V! of 2025.
- In the opinion of the legal advisor of the Company, based on merit the final outcome of aforesaid suit is expected to be in favor of the Company. The Company, therefore, based on the opinion of its legal advisor, has not made any provision in these financial statements against the above order.
- 25.6** A petitioner has filed Constitution Petition (CP) No. 3823 of 2018 in the Honorable High Court of Sindh against the Company along with other sugar mills dated 15 May 2018 for withdrawal/cancellation/refunding of the cash freight subsidy on sugar export approved by the Cabinet Economic Coordination Committee and additional cash freight subsidy approved by the Sindh Cabinet. The matter is pending adjudication. legal advisors are optimistic about the outcome of this petition in favor of company.
- 25.7** State Bank of Pakistan issued a letter dated 14-Feb-2019 pertaining to levy of non performance penalty @ 15% alleged delay in the shipment of consignment. Therefore, Company challenged this letter before Sindh High Court , through the mentioned petition. The Court passed an ad-interim order dated February 26, 2019 in which it directed to maintain status-quo. Legal advisors are confident about the said petition in favor of the Company.
- 25.8** Contingency in respect of quality premium has been disclosed in note 21.1 to the financial statements.

#### **Commitments**

- 25.9** There is no capital commitment existed at the year end.



		September 30, 2025	September 30, 2024
	Note	.....Rupees in 000'.....	
<b>26. SALES - Net</b>			
<b>Segment</b>			
Sugar	26.1	3,901,129	3,338,715
Molasses		454,484	468,400
Bagasse		12,936	-
Compost fertilizer		41,851	5,727
Filter mud		1,630	2,103
		<u>4,412,031</u>	<u>3,814,945</u>
Less: Sales tax		<u>(562,762)</u>	<u>(479,205)</u>
		<u>3,849,269</u>	<u>3,335,740</u>
<b>26.1 Sugar</b>			
Local		3,214,726	3,138,378
Export	26.1.1	686,402	200,337
		<u>3,901,129</u>	<u>3,338,715</u>

**26.1.1** Exports during the year were concentrated in the Asian geographic market.

		September 30, 2025	September 30, 2024
	Note	.....Rupees in 000'.....	
<b>27. COST OF SALES</b>			
Sugarcane consumed		3,236,874	2,972,193
Sugar purchases		63,051	-
Manufacturing expenses	27.1	<u>418,056</u>	<u>432,881</u>
		<u>3,717,981</u>	<u>3,405,074</u>
<b>Sugar in process</b>			
Opening		-	3,545
Closing		-	-
		-	3,545
<b>Finished goods - sugar</b>			
Opening		-	-
Closing		-	-
		-	-
<b>Bagasse</b>			
Opening		21,550	20,134
Closing		(39,185)	(21,550)
		(17,635)	(1,416)
<b>Compost fertilizer</b>			
Opening		16,264	9,176
Closing		(2,579)	(16,264)
		13,685	(7,088)
		<u>3,714,031</u>	<u>3,400,115</u>



		September 30, 2025	September 30, 2024
	Note	.....Rupees in 000'.....	
<b>27.1 Manufacturing expenses</b>			
Salaries, wages and other benefits	27.1.1	121,856	114,170
Stores and spares consumed		79,051	68,266
Freight charges		4,558	5,952
Fuel and power		53,046	61,430
Repairs and maintenance		74,731	97,506
Vehicle maintenance		7,657	7,579
Insurance		3,967	4,570
Depreciation	5.2	70,555	67,583
Bagasse, mud, ash handling and others		2,635	5,825
		<u>418,056</u>	<u>432,881</u>

**27.1.1** This includes expense of Rs. 1.472 (2024: 2.040) million in respect of staff gratuity. Further, Rs. 2.214 (2024: 2.079) million has been charged in respect of contribution to staff provident fund.

		September 30, 2025	September 30, 2024
	Note	.....Rupees in 000'.....	
<b>28. ADMINISTRATIVE EXPENSES</b>			
Salaries and other benefits	28.1	79,118	82,529
Rent, rates and taxes	28.2	6,113	5,845
Insurance		4,235	5,416
Water, gas and electricity		3,269	2,799
Printing and stationery		3,223	2,687
Postage, telephone, telegrams and telex		1,936	1,332
Vehicle maintenance		7,038	8,335
Repairs and maintenance		3,365	10,181
Traveling and conveyance		1,596	2,218
Fee and subscription		2,239	2,217
Legal and professional		3,995	4,976
Auditors' remuneration	28.3	2,124	2,050
Entertainment		3,482	3,569
Computer maintenance		4,543	4,390
Charity and donation	28.4	58	2,557
Depreciation	5.2	14,616	14,040
Amortisation		334	499
Advertisement		365	236
Security charges		17,513	15,715
Others		1,394	1,275
		<u>160,555</u>	<u>172,866</u>

**28.1** This includes expense of Rs. 0.793 (2024: 1.098) million in respect of staff gratuity. Further, Rs. 1.096 (2024: 1.315) million has been charged in respect of contribution to staff provident fund.

**28.2** This include rent payment on short term lease.



		September 30, 2025	September 30, 2024
		.....Rupees in 000'.....	
<b>28.3 Auditors' remuneration comprises of :</b>			
Statutory audit fees including sales tax		1,350	1,273
Half yearly review		540	540
Other certifications		100	100
Out of pocket expenses		134	137
		<u>2,124</u>	<u>2,050</u>
<b>28.4</b>	No donation were made to any donee in which any director or his spouse had any interest at any time during the year.		
		September 30, 2025	September 30, 2024
		.....Rupees in 000'.....	
	Note		
<b>29. SELLING AND DISTRIBUTION EXPENSES</b>			
Loading, stacking		2,922	7,201
Sampling charges		388	172
Freight charges		41	-
		<u>3,351</u>	<u>7,373</u>
<b>30. FINANCE COST</b>			
Mark-up on long term financing		13,219	38,553
Interest expense on provident funds		4,772	10,160
Bank charges		3,187	901
		<u>21,177</u>	<u>49,614</u>
<b>31. OTHER CHARGES</b>			
Export quota loss	31.1	-	26,716
Provision for bad debts		-	931
Tax expense against demand		8,512	-
		<u>8,512</u>	<u>27,647</u>
<b>32. OTHER INCOME</b>			
Profit on short-term investment - TDR		625	669
(Loss) / gain on sale of fixed assets		(112)	159
Reversal of expected credit losses		89,385	114,591
Other income		-	18
		<u>89,897</u>	<u>115,437</u>
<b>33. LEVY &amp; TAXATION</b>			
Levy	33.1	47,872	41,303
Taxation	33.2	-	(1,751)
		<u>47,872</u>	<u>39,552</u>
<b>33.1</b>	This represents final taxes and minimum tax paid under relevant sections of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21 / IAS 37.		



	September 30, 2025	September 30, 2024
	.....Rupees in 000'.....	
<b>33.2 Taxation</b>		
Prior year income	-	(1,751)
	-	(1,751)

### 33.3 Relationship between profit and tax expense

Since the Company tax liabilities has been determine on the turnover, therefore the relationship between income tax expense and accounting profit has not been presented in these financials statements.

**33.4** Income tax assessments of the Company have been completed up to the tax year 2025 (accounting year ended September 30, 2024) which are deemed to have been assessed under section 120 of the Income Tax Ordinance, 2001. Except for the open assessment as disclosed in the note 25 to the financial statement.

	September 30, 2025	September 30, 2024
	.....Rupees in 000'.....	
<b>34. LOSS PER SHARE - BASIC AND DILUTED</b>		
Loss for the year (Rupees in 000')	(16,950)	(245,990)
Weighted average number of ordinary shares (in 000')	44,616	44,616
Loss per share	(0.38)	(5.51)

**34.1** There is no dilutive effect on the basic earnings of the Company.

### 35. CASH GENERATED FROM OPERATIONS

Loss before taxation	30,922	(206,438)
----------------------	--------	-----------

#### Adjustments for non cash charges and other items :

Depreciation	5.2	85,170	81,623
Amortization	6.1	334	499
Finance cost	30	13,219	38,553
Provision for bad debts			-
Loss / (gain) on sale of fixed assets	32	112	(159)
Provision for gratuity		2,266	2,540
		101,101	123,056

#### Working capital changes

##### Change in current assets

Stores, spares and loose tools	(11,521)	10,265
Stock in trade	(3,950)	(4,959)
Trade debts	(14,523)	(3,574)
Loans and advances	40,861	(21,503)
Prepayments and other receivables	53,005	31,622
	63,872	11,851

##### Change in current liabilities

Trade and other payables	(37,515)	292,994
Cash generated from operations	158,379	221,463





September 30,      September 30,  
2025                      2024  
.....Rupees in 000'.....

### 36. PLANT CAPACITY AND PRODUCTION

Installed production capacity - Metric ton	86,400	86,400
Duration of season - Days	105	123
Actual production - Metric ton	27,994	26,205
Actual crushing - Days	62	98
% of capacity attained	32%	30%

The Company could not operate at full capacity due to shortage of availability of sugarcane in market.

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks i.e. market risk, credit risk and liquidity risk. The risk is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the management. The Board of Directors supervises the overall risk management approach within the Company.

#### 37.1 Market risk

Market risk is the risk that the value of financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. There has been no change in the Company's exposure to market risk or the manner in which the this risk is managed. Under market risk the Company is exposed to interest rate risk, currency risk and equity price risk.

#### 37.2 Interest rate risk

This represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of change in market interest rates. As of September 30, 2025, the Company is exposed to such risk mainly in respect of long-term financing.

Management of the Company estimates that 1% increase in the market interest rate, with all other factors remaining constant, would decrease the Company's profit by Rs. (2024: increase the loss by Rs. 1.498 million) and a 1% decrease would result in an increase in the Company's profit (2024: decrease in the Company's loss) by the same amount. However, in practice, the actual results may differ from the sensitive analysis. This analysis is prepared assuming that all other variables held constant and the amount of net liabilities outstanding as at the date of statement of financial position.

#### 37.3 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of the changes in foreign exchange rates. The Company is not exposed to foreign currency risk as at September 30, 2025 due to the fact that neither of the assets or liabilities are dominated in foreign currencies.

#### 37.4 Equity risk

Equity risk is the risk of volatility in share prices resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. As of September 30, 2025, the Company is not exposed to equity price risk.



### 37.5 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The maximum exposure to credit risk at the reporting date is:

		September 30, 2025	September 30, 2024
	Note	.....Rupees in 000'.....	
Long-term deposits	8	2,860	2,860
Trade debts	11	19,285	4,762
Loan and other receivables		1,712	24,949
Bank balances	15	-	48,307
		<u>23,857</u>	<u>80,877</u>

#### Trade debts

All the trade debts at the statement of financial position date represent domestic parties.

The maximum exposure to credit risk before any credit enhancements and provisions for trade debts at the reporting date by division is:

	September 30, 2025	September 30, 2024
	.....Rupees in 000'.....	
Sugar (net of provisions)	<u>19,285</u>	<u>4,762</u>

The aging of trade receivable at the reporting date is:

	September 30, 2025	September 30, 2024
Past due 1 year	<u>93,867</u>	<u>182,810</u>

During the year the Company has made adequate recovery amounting to Rs. 89.385 million for receivables. However, the Company has made a provision of outstanding balance more than one year on prudent basis.

#### Quality of financial assets

The credit quality of financial assets that are neither past nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates as follows:

	September 30, 2025	September 30, 2024
	.....Rupees in 000'.....	
<b>Cash at bank</b>		
AAA	4,533	415
AA+	13,228	47,621
AA-	5	232
AA	54	-
B	154	-
Unrated	-	39
	<u>17,974</u>	<u>48,307</u>



### 37.6 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company attempts to follow effective cash management and planning policy to ensure the availability of funds through committed credit facilities. The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	On demand	Less than one year	1 to 5 Years	Total
Deferred liabilities	-	-	70,692	70,692
Trade and other payables	-	657,917	-	657,917
Long term financing	-	249,018	573,673	822,691
Accrued mark-up	504,901	-	-	504,901
<b>September 30, 2025</b>	<b>504,902</b>	<b>906,935</b>	<b>644,365</b>	<b>2,056,201</b>

	On demand	Less than one year	1 to 5 Years	Total
Deferred liabilities	-	-	70,282	70,282
Trade and other payables	-	248,177	-	248,178
Long term financing	-	244,818	640,873	885,691
Accrued mark-up	499,644	-	-	499,644
<b>September 30, 2024</b>	<b>499,644</b>	<b>492,995</b>	<b>711,155</b>	<b>1,703,795</b>

Effective interest/mark-up rates for the financial liabilities are mentioned in the respective notes to the financial statements.

### 37.7 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The estimated fair value of all financial assets and liabilities is considered not significantly different from book values as the items are either short-term in nature or repriced periodically.

Certain property, plant and equipment of the Company was valued by independent valuer to determine the fair value of property, plant and equipment as at December 7, 2021. The revaluation surplus was credited to other comprehensive income and is shown as 'surplus on revaluation of property, plant and equipment'. The different levels have been defined as follows:

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

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

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



Level 2 fair value of revalued property, plant and equipment has been derived using the current market price or depreciated replacement cost method. Sales prices of comparable property, plant and equipment in identical circumstances or close proximity are adjusted for differences in key attributes such as property size, structure, location, capacity etc. The most significant inputs into this valuation approach are price per marla, price per square feet, depreciated replacement cost etc.

### 37.8 Capital risk management

The Company finances its operations through equity, borrowings and management of working capital with a view of maintaining an appropriate mix between various sources of finance to minimise risk. The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business, sustain future development of the business and maximise shareholders value. The Company monitors capital using a debt equity ratio as follows:

	Note	September 30, 2025 .....Rupees in 000'.....	September 30, 2024
Long term financing - secured	20	573,673	640,873
Current maturity of long-term financing		249,018	244,818
Total debt		822,691	885,691
Total equity		734,622	750,610
<b>Total debt and equity</b>		<b>1,557,313</b>	<b>1,636,301</b>
<b>Gearing ratio</b>		<b>53%</b>	<b>54%</b>

### 37.9 Financial instruments by category

#### 37.9.1 Financial asset as per statement of financial position

##### At amortised cost

Trade debts	19,285	4,762
Loans and other receivables	1,712	24,949
Bank balances	-	48,307
	20,997	78,017

#### 37.9.2 Financial liabilities as per statement of financial position

##### At amortised cost

Trade and other payables	243,527	248,177
Long term financing	822,691	885,691
Accrued markup	504,901	499,644
	1,571,119	1,633,512

### 38. REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for the year for remuneration, including all benefits to the executives of the Company are as follows:



	2025			2024		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
Remuneration	5,400	5,600	9,599	5,400	10,198	8,783
Perquisites						
Conveyance	1,257	442	1,231	1,341	830	1,326
Telephone	26	35	36	27	60	36
Medical	340	237	39	124	340	154
Company's contribution to PF	225	233	200	225	400	187
Meeting fees	-	4,650	-	-	3,600	-
	<u>7,248</u>	<u>11,197</u>	<u>11,105</u>	<u>7,117</u>	<u>15,427</u>	<u>10,486</u>
Number of person(s)	<u>1</u>	<u>7</u>	<u>2</u>	<u>1</u>	<u>7</u>	<u>2</u>

**38.1** Meeting fee is Rs. 0.15 million (2024: 0.15 million) for each director for attending a board meeting of the Company.

		September 30, 2025	September 30, 2024
	Note	.....Rupees in '000'.....	
<b>39. CASH AND CASH EQUIVALENTS</b>			
Cash and Bank Balance	15	18,214	49,450
Short term investment	14	<u>6,198</u>	<u>6,198</u>
		<u>24,412</u>	<u>55,648</u>

#### 40. SHARIAH COMPLIANCE STATUS DISCLOSURE

	Shariah-compliant		Conventional	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Note ----- ( Rupees in '000') -----				
<b>Statement of financial position</b>				
<b>- Asset side</b>				
Bank balances	15	3,013	56	(3,013) (56)
<b>- Liability side</b>				
Long-term Finance	20	-	-	573,673 640,873
Accrued mark-up	23	-	-	504,901 499,644
Current Maturity of Long Term Finance	26	-	-	249,018 244,818
<b>Statement of profit or loss</b>				
Revenue	26	3,849,269	3,335,740	- -
Mark-up on long term financing	30	-	-	13,219 38,553
Profit on short-term investment - TDR	32	-	-	625 669

#### Relationship with shariah compliant Banks

The Company maintains its bank balances with Meezan Bank Limited which also acts as the custodian of the Company.

#### 41. TRANSACTIONS WITH RELATED PARTIES

There are no related party transactionn occurred during the year

#### 42. INVESTMENTS MADE BY THE PROVIDENT FUND

The investments out of provident fund have not been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.



#### 43. OPERATING SEGMENTS

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

43.1 All sales of the Company comprises of sugar and its by-products.

43.2 All non-current assets of the Company as at September 30, 2025 were located in Pakistan.

#### 44. NUMBER OF EMPLOYEES

The total number of permanent employees as at year end and average number of employees during the year are as follows:

	September 30, 2025	September 30, 2024
	.....Numbers.....	
Total number of employees as at reporting date	141	157
Total number of factory employees as at reporting date	124	140
Average number of employees during the year	149	155
Average number of factory employees during the year	130	138

#### 45. CORRESPONDING FIGURES

Corresponding figures have been reclassified / rearranged wherever necessary for better presentation, however, there were no material reclassifications of corresponding figures.

#### 46. AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on January 1, 2026 by the board of directors of the Company.

#### 47. GENERAL

Figures in these financial statements have been rounded off to the nearest thousand rupees, unless otherwise stated.

**Mansoor Afzal Subzwari**  
Chief Executive Officer

**Syed Zameer Haider Jaffri**  
Chief Financial Officer

**Sadia Moin**  
Director





## SIX YEARS' REVIEW AT A GLANCE

FINANCIAL RESULTS	2025	2024	2023	2022	2021	2020
(Rs. in '000)						
Sales	3,849,269	3,335,740	2,626,592	3,995,003	1,614,526	1,966,828
Gross (loss) / profit	135,238	(64,375)	97,130	(76,899)	(47,490)	(458,675)
Operating profit/(loss)	(28,668)	(244,614)	(63,456)	(347,467)	(332,979)	(579,916)
Profit/ (loss) before taxation	30,922	(206,438)	(123,952)	(495,571)	(492,441)	(741,936)
Profit/(loss) after taxation	(16,950)	(245,990)	(156,067)	(297,848)	(359,507)	(599,246)
Accumulated (loss) for the year	(1,863,786)	(1,883,598)	(1,672,931)	(1,552,393)	(1,292,292)	(958,473)
OPERATING RESULTS	2025	2024	2023	2022	2021	2020
Sugarcane crushed (tonnes)	289,400	257,489	252,153	538,986	205,968	312,129
Sugar recovery ( % )	9.82	10.20	10.21	9.95	9.44	9.67
Sugar produced (tonnes)	27,994	26,205	25,716	53,633	19,453	30,123
Molasses recovery ( % )	4.67	5.28	4.89	4.55	4.90	6.48
Molasses produced (tonnes)	13,470	13,580	12,330	24,500	10,093	22,040
Operating period ( days )	105	123	80	127	115	116
ASSETS EMPLOYED	2025	2024	2023	2022	2021	2020
(Rs. in '000)						
Fixed capital expenditure	3,887,241	3,890,818	3,848,811	3,731,900	3,234,192	3,195,928
Long term loans and deposits	3,635	3,709	3,051	2,478	2,601	2,842
Investments	6,198	6,198	10,000	-	-	-
Current assets	226,755	321,784	289,796	602,967	429,783	662,350
Total assets employed	4,123,829	4,222,509	4,151,658	4,339,603	3,666,576	3,861,120
FINANCED BY	2025	2024	2023	2022	2021	2020
(Rs. in '000)						
Shareholders' equity	(1,417,626)	(1,437,438)	(1,226,771)	(1,106,233)	(846,132)	(512,313)
Revaluation on fixed assets	2,059,481	2,095,281	2,131,204	2,168,001	1,809,512	1,687,975
Subordinate loan from directors	92,767	92,767	92,767	92,767	92,767	92,767
Long term liabilities	573,673	640,873	686,673	-	-	538,352
Deferred liabilities	70,692	70,282	67,342	71,512	84,756	384,358
Current liabilities	2,744,842	2,760,744	2,400,443	3,113,557	2,525,674	1,669,982
Total funds invested	4,123,829	4,222,509	4,151,658	4,339,603	3,666,576	3,861,120
Break-up value per share ( Rupees )	(31.77)	(32.22)	(27.49)	(24.79)	(18.96)	(11.48)
Earnings/(Loss) per share ( Rupees )	(0.38)	(5.51)	(3.50)	(6.68)	(8.06)	(13.43)



## FORM OF PROXY

The Company Secretary  
**SAKRAND SUGAR MILLS LIMITED**  
41-K, Block 6, P.E.C.H.S.  
Karachi-75000

I / We \_\_\_\_\_  
of \_\_\_\_\_  
being a Member(s) of **Sakrand Sugar Mills Limited** hereby appoint \_\_\_\_\_

\_\_\_\_\_  
*Name (Folio / CDC A/c No.)*

or failing him/her \_\_\_\_\_  
*Name (Folio / CDC A/c No.)*

who is also a Member of the Company, as my / our Proxy to attend , act and vote for me / us and on my /our behalf at the **37<sup>th</sup> Annual General Meeting** of the Company to be held on Wednesday January 28, 2026 at 3:00 p.m. in Institute of Chartered Accountants Auditorium Clifton Karachi, and at any adjournment thereof:

As witnessed given under my/our hand(s) \_\_\_\_\_ day of \_\_\_\_\_, 2026.

1. Witness: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
CNIC No. \_\_\_\_\_  
Address: \_\_\_\_\_

**Affix Revenue Stamp  
of Rs. 10/-**

SIGNATURE OF MEMBER /  
ATTORNEY

2. Witness: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
CNIC No. \_\_\_\_\_  
Address: \_\_\_\_\_

SHARE HELD : \_\_\_\_\_

Folio No.	CDC Account No.	
	Participant ID	Account No.

CNIC No. [ ][ ][ ][ ][ ] - [ ][ ][ ][ ][ ] - [ ][ ][ ][ ][ ]

### Notes:

- 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. Proxy must be a member of the Company (Sakrand Sugar Mills Limited).
- 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.
- 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.



## پراکسی فارم

## سکرٹڈ شوگر ملز لمیٹڈ

41-K، بلاک 6، پی۔ای۔سی۔ایچ۔ایس، کراچی، پاکستان۔

### تشکیل نیابت داری (پراکسی فارم)

میں / ہم \_\_\_\_\_  
 ساکن \_\_\_\_\_  
 بحیثیت حصہ دار سکرٹڈ شوگر ملز لمیٹڈ \_\_\_\_\_  
 نام (فولیوی ڈی سی اکاؤنٹ نمبر) \_\_\_\_\_  
 ساکن \_\_\_\_\_ یا بصورت دیگر \_\_\_\_\_  
 نام (فولیوی ڈی سی اکاؤنٹ نمبر) \_\_\_\_\_  
 ساکن \_\_\_\_\_ کو بروز بدھ 28 جنوری 2026 کو بوقت 3:00 بجے دن، بمقام انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آڈیٹوریم کلفٹن، کراچی میں منعقد ہونے والے 37 ویں 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 \_\_\_\_\_ 2026 کو دی گئی۔

۱۰ روپے کارسیدی ٹکٹ  
 چسپاں کر کے دستخط کریں

دستخط \_\_\_\_\_  
 (ممبر / مجاز فخر)

\_\_\_\_\_ حامل عام حصص

سی ڈی سی اکاؤنٹ نمبر	فولیو نمبر
شرائط آئی ڈی	
اکاؤنٹ نمبر	

۱۔ گواہ  
 دستخط \_\_\_\_\_  
 نام \_\_\_\_\_  
 شناختی کارڈ نمبر \_\_\_\_\_  
 پتہ \_\_\_\_\_

۲۔ گواہ  
 دستخط \_\_\_\_\_  
 نام \_\_\_\_\_  
 شناختی کارڈ نمبر \_\_\_\_\_  
 پتہ \_\_\_\_\_

کمپیوٹرائزڈ شناختی کارڈ نمبر \_\_\_\_\_

نوٹس

(۱) موثر العمل ہونے کے لیے پراکسیز اجلاس کے وقت انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں لازماً وصول ہو جائیں۔ پراکسی کو کمپنی کارکن ہونا ضروری ہے۔

(۲) 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 پراکسی کی صورت میں اپنے کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ کی تصدیق شدہ کاپی ساتھ لگائیں۔








(۳) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی بمعہ نمائندہ کے دستخط پراکسی فارم کے ساتھ منسلک کرنے ہونگے۔










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