

2nd  
Quarter

# Condensed Interim Financial Statements

For the quarter ended 31 March 2022 (Un-audited)

**Abdullah Shah Ghazi Sugar Mills Limited**

2nd Quarter



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## CORPORATE INFORMATION

### Board of Directors

Muhammad Dawood  
(Director/Chief Executive)  
Yasir Iqbal (Chairman)  
Muhammad Nawaz  
Muhammad Rashid Rana  
Atif Butt  
Muhammad Talib  
Amjad Abbas

### Audit Committee

Muhammad Nawaz	(Chairman/Member)
Atif Butt	(Member)
Amjad Abbas	(Member)

### Chief Financial Officer

Sohail Azam Khan

### Company Secretary

Saleem Abbas

### Internal Auditors

Syed Waqar Ali Bukhari

### Auditors

Akhtar Mahmood Mian  
Chartered Accountants

### Registrar

CDC Shares Registrar Services Limited,  
CDC House, 99-B, Block-B, S.M.C.H.S.,  
Main Shahrah-e-Faisal, Karachi, Pakistan

### Registered Office

7/10, A-2 Arkay Square  
Shahrah-e-Liaqa, New Challil, Karachi

### Mills

Abdullah Shah Ghaziabad, Garho,  
District Thatta, Sindh

### Bankers

Bank Islami Pakistan Limited  
Summit Bank Limited  
Bank Al-Falah Limited  
Silk Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
Habib Metropolitan Bank Limited  
United Bank Limited  
Allied Bank Limited

### Web Presence:

[www.asgsml.com](http://www.asgsml.com)

# DIRECTOR'S REPORT

Dear Members,

Assalam-o-Alaikum,

On behalf of the Board, I am pleased to present un-audited Interim Financial Statements of the Company for the first quarter ended on March 30, 2022.

## Financial Results

During the period under review the operation of your company resulted in pre-tax loss of Rs. 132.688 million. The financial results are as under:

	(Rupees in Thousands)
Loss before Taxation	(132,688)
Taxation	39,725
Loss after Taxation	(92,963)

The sugar industry continued to be under pressure. In consistent with prior year, there remained a persistent shortage of sugar cane crop especially in mills' surrounding areas. This scarcity of crop coupled with non-availability of requisite finances resulted in to non-operation of mills during the year

## Acknowledgement

The Board would like to place on record its appreciation of all the employees of the company for their dedication and hard work.



**MUHAMMAD DAWOOD**  
(CHIEF EXECUTIVE)



**MUHAMMAD NAWAZ**  
(DIRECTOR)

Lahore:

May 30, 2022

## ڈائریکٹرز کی رپورٹ

محترم ممبران،

بورڈ کی جانب سے میں 30 مارچ 2022 کو ختم ہونے والی پہلی سہ ماہی کے لئے کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی گوشوارے پیش کرتا ہوں۔

### مالی نتائج

زیر نظر مدت کے دوران آپ کی کمپنی کے آپریشنز کے نتیجے میں 132.688 ملین روپے کا قبل از ٹیکس نقصان ہوا۔ مالی نتائج حسب ذیل ہیں:

(روپے ہزاروں میں)

(132,688)

ٹیکسز سے پہلے نقصان

39,725

ٹیکسز

(92,963)

ٹیکسز کے بعد نقصان

چینی کی صنعت مسلسل دہاؤ کا شکار رہی۔ سابقہ سال کی مناسبت سے خاص طور پر ٹوں کے آس پاس کے علاقوں میں گرنے کی فصل کی مسلسل قلت رہی۔ فصل کی اس قلت کے ساتھ ساتھ مطلوبہ مالیات کی عدم دستیابی کے نتیجے میں سال کے دوران ٹز آپریشنل نہ ہو سکی۔

اعتراف

بورڈ ریکارڈ پر رکھتے ہوئے کمپنی کے تمام ملازمین کی گمن اور محنت کو سراہتا ہے۔



محمد نواز  
(ڈائریکٹر)



محمد داؤد  
(چیف ایگزیکٹو)

لاہور:

مئی 30، 2022

# Akhter Mahmood Mian

Chartered Accountants

## AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATIONS

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of Abdullah Shah Ghazi Sugar Mills Limited ("the Company") as at 31 March 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the financial statements for the six months period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Material Uncertainty relating to Going Concern

Without qualifying our conclusion we draw attention of the members to note 3 to the interim condensed financial information which indicates that the company has prepared its financial statements on the basis of going concern assumption. The company has sustained a net loss after taxation of Rs. 92.964 million and as of that date it has accumulated losses of Rs. 1,994.795 million (Sep 2021: Rs. 1,949.619 million) and its current liabilities exceeded its current assets by Rs. 2,755.593 million (Sep 2021: Rs. 2,741.708 million). These conditions indicate that the material uncertainty exist which may cast significant doubts on the company's ability to continue as a going concern and therefore the company may not be able to realize its assets and discharge its liabilities in the normal course of business. The company has appropriately disclosed this matter in the relevant note and provided technically feasible plans and cash flows forecast to cater to any adversity.

### Other Matter Paragraph

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended March 31, 2022 have not been reviewed as we are required to review only the cumulative figures for the half year ended March 31, 2022. The comparative figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended March 31, 2021 and half yearly ended March 31, 2021 have been reviewed by the previous auditors.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

*Akhter Mahmood Mian*

Chartered Accountants

Place: Lahore

Date: May 30, 2022

**ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT MARCH 31, 2022**

	Note	Unaudited 31-Mar-22 Rupees	Audited 30-Sep-21 Rupees
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>SHARE CAPITAL AND RESERVES</u></b>			
Authorized share capital		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital		792,616,660	792,616,660
Surplus on revaluation of property, plant and equipment		1,255,420,193	1,303,207,955
Accumulated loss		(1,994,794,990)	(1,949,619,000)
		<b>53,241,863</b>	<b>146,205,616</b>
<b><u>NON-CURRENT LIABILITIES</u></b>			
Long term loans from related party - unsecured	7	346,662,792	312,752,733
Long term loan from bank - secured	8	1,472,000	1,972,000
Employee benefit obligations		8,716,711	8,716,711
Deferred tax liability	9	112,805,864	152,530,540
		<b>469,657,367</b>	<b>475,971,984</b>
<b><u>CURRENT LIABILITIES</u></b>			
Trade and other payables	10	2,440,473,736	2,449,801,387
Finance cost payable	11	320,594,267	290,909,447
Short term borrowings - secured	12	18,973,000	18,973,000
Current portion of long term loan from bank		272,798,518	272,798,518
Current tax liability		-	-
		<b>3,052,839,521</b>	<b>3,032,482,352</b>
<b><u>CONTINGENCIES AND COMMITMENTS</u></b>			
	13	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,575,738,752</b>	<b>3,654,659,951</b>
<b><u>ASSETS</u></b>			
<b><u>NON-CURRENT ASSETS</u></b>			
Property, plant and equipment	14	3,276,666,125	3,362,059,547
Long term deposits		1,826,165	1,826,165
		<b>3,278,492,290</b>	<b>3,363,885,712</b>
<b><u>CURRENT ASSETS</u></b>			
Stock in trade	15	150,911,486	150,911,486
Stores and spares		37,689,325	36,780,360
Advances, deposits and prepayments	16	98,659,336	98,685,394
Advance income tax - net		3,516,285	3,412,847
Cash and bank balances	17	6,470,030	984,152
		<b>297,246,462</b>	<b>290,774,239</b>
<b>TOTAL ASSETS</b>		<b>3,575,738,752</b>	<b>3,654,659,951</b>

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

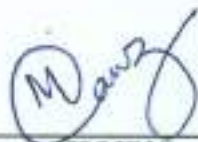
**ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2022**

	Note	Six Months Period Ended		Quarter Ended	
		31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
		Rupees	Rupees	Rupees	Rupees
Sales - net	18	-	-	-	-
Cost of sales	19	94,887,102	105,385,435	48,181,284	52,417,079
<b>Gross (loss) / profit</b>		<b>(94,887,102)</b>	<b>(105,385,435)</b>	<b>(48,181,284)</b>	<b>(52,417,079)</b>
Administrative and general expenses		8,313,540	16,215,727	4,418,915	10,112,928
Distribution expenses		-	-	-	-
		<b>8,313,540</b>	<b>16,215,727</b>	<b>4,418,915</b>	<b>10,112,928</b>
<b>Operating (loss) / profit</b>		<b>(103,200,642)</b>	<b>(121,601,162)</b>	<b>(52,600,199)</b>	<b>(62,530,007)</b>
Other income		216,132	-	-	-
Finance cost		29,703,918	21,838,439	9,073,384	8,058,486
<b>Loss before tax</b>		<b>(132,688,428)</b>	<b>(143,439,601)</b>	<b>(61,673,583)</b>	<b>(70,588,493)</b>
Taxation	20	39,724,676	41,829,603	1,905,232	21,993,560
<b>(Loss) / profit after tax</b>		<b>(92,963,752)</b>	<b>(101,609,997)</b>	<b>(59,768,351)</b>	<b>(48,594,933)</b>
(Loss) / earnings per share		<b>(1.17)</b>	<b>(1.28)</b>	<b>(0.75)</b>	<b>(0.61)</b>

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



CHIEF EXECUTIVE



DIRECTOR

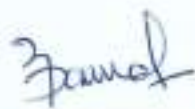


CHIEF FINANCIAL OFFICER

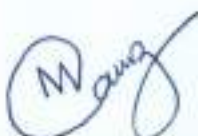
**ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2022**

	Six Months Period Ended		Quarter Ended	
	31-Mar-22 Rupees	31-Mar-21 Rupees	31-Mar-22 Rupees	31-Mar-21 Rupees
<b>(Loss) / profit for the period</b>	<b>(92,963,752)</b>	<b>(101,609,997)</b>	<b>(59,768,351)</b>	<b>(48,594,933)</b>
<b>Other comprehensive income</b>				
Remeasurement of retirement benefit obligation	-	-	-	-
Deferred tax on remeasurement of retirement benefit obligation	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(92,963,752)</b>	<b>(101,609,997)</b>	<b>(59,768,351)</b>	<b>(48,594,933)</b>

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



CHIEF EXECUTIVE



DIRECTOR




CHIEF FINANCIAL OFFICER

**ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDIITED)**  
**FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2022**

	Share Capital	Un-appropriated Profit	Surplus on revaluation of property, plant and equipments - net	Total
Rupees				
<b>Balance as at October 1, 2020 Audited</b>	792,616,660	(1,799,637,881)	1,375,054,008	368,032,787
Total comprehensive loss for the period	-	(77,476,644)	-	(77,476,644)
Transfer from surplus on revaluation of property plant and equipment	-	35,923,026	(35,923,026)	-
<b>Balance as at March 31, 2021 Un-Audited</b>	<b>792,616,660</b>	<b>(1,841,191,498)</b>	<b>1,339,130,982</b>	<b>290,556,143</b>
<b>Balance as at October 1, 2021 Audited</b>	792,616,660	(1,949,619,000)	1,303,207,955	146,205,616
Total comprehensive loss for the period	-	(92,963,752)	-	(92,963,752)
Transfer from surplus on revaluation of property plant and equipment	-	47,787,762	(47,787,762)	-
<b>Balance as at March 31, 2022 Un-Audited</b>	<b>792,616,660</b>	<b>(1,994,794,990)</b>	<b>1,255,420,193</b>	<b>53,241,864</b>

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



CHIEF EXECUTIVE



DIRECTOR



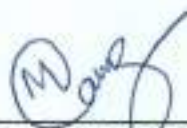
CHIEF FINANCIAL OFFICER

**ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2022**

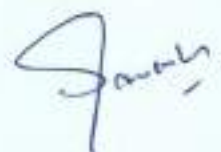
	31-Mar-2022 Rupees	31-Mar-2021 Rupees
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Loss before taxation	(132,688,428)	(132,688,426)
<b>Adjustments for non-cash and other items:</b>		
Depreciation	85,393,429	90,297,718
Provision for gratuity	-	-
Finance cost	29,703,918	29,703,918
	<b>115,097,347</b>	<b>120,001,636</b>
<b>Profit before working capital changes</b>	<b>(17,591,081)</b>	<b>(12,686,790)</b>
<b>Working capital changes</b>		
<b>(Increase)/Decrease in:</b>		
Stores and spares	(908,965)	-
Stock in trade	-	-
Advances, deposits and prepayments	26,058	26,058
	<b>(882,907)</b>	<b>26,058</b>
<b>(Increase)/Decrease in:</b>		
Trade and other payables	(9,327,651)	(9,327,653)
	<b>(9,327,651)</b>	<b>(9,327,653)</b>
<b>Cash generated from operations</b>	<b>(27,801,639)</b>	<b>(21,988,385)</b>
Income tax paid	(103,438)	(103,438)
Finance cost paid	(19,098)	(19,098)
Gratuity paid	-	(161,859)
	<b>(122,536)</b>	<b>(284,395)</b>
<b>Net cash generated from operating activities</b>	<b>(27,924,175)</b>	<b>(22,272,780)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Fixed assets acquired	-	-
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Loan term borrowings	(500,000)	(500,000)
Long term loan from related party - unsecured	33,910,059	-
Short term borrowings	-	-
<b>Net cash (used in)/from financing activities</b>	<b>33,410,059</b>	<b>(500,000)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>5,485,878</b>	<b>128,138,707</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>	<b>984,152</b>	<b>984,152</b>
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>6,470,030</b>	<b>129,122,859</b>



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**1 LEGAL STATUS AND NATURE OF BUSINESS**

The Company as incorporated in Pakistan on February 25, 1984 as a Private Limited Company and was subsequently converted into a Public Limited Company on February 11, 1990. The Company is listed on Pakistan Stock Exchange. The principal business of the Company is manufacturing and selling of refined sugar and by products. The Mill is located at Gharo, Sindh. Name of parent company is M/s. Haq Bahu Sugar Mills (Private) Limited and registered office of the company is situated at 7/10, A-2 Akray Square Shakra-e-Liaquat, New Challi, Karachi, with sub-office at 65-infantry Rad , Dharampura, Lahore.

**Mill location:**Gharo, Sindh

The company has been classified as Large Sized Entity as per the guidelines of SECP and ICAP.

**2 BASIS OF PREPARATION**

**2.1 Basis of Accounting**

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

- International Accounting Standard (IAS) 34, "Interim Financial Reporting," issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34 or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.1.2** These condensed interim financial statements provide maximum information as required by law, and should be read in conjunction with the annual audited financial statements for the year ended 30 September 2020.

**2.1.3** These condensed interim financial statements are unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.

**3 GOING CONCERN ASSUMPTION**

These financial statements have been prepared under the "going concern convention" except of certain classes of property, plant and equipment which are stated at revalued amount and employee retirement benefits which are stated at fair value.

The interim condensed financial statements of the company for the half year ended March 31, 2022 reflect that company has sustained a operating loss of Rs. 103,200,642 and net loss after taxation of Rs. 92,963,752 and as of that March 31, 2022 it has accumulated losses of Rs.1,994.795 million (Sep 2021: Rs.1,949.619 million) and its current liabilities exceeded its current assets by Rs. 2,755.393 million (Sep 2021: Rs. 2,741.708 million). These conditions indicate that the material uncertainty exist, which may cast significant doubts on the company's ability to continue as going concern and therefore the company may not be able to realize its assets and discharge its liabilities in the normal course of business. However management has taken the following significant measures to improve the operational performance and liquidity of the company:

- a) Unfavourable business conditions are temporary and cyclical in nature and would reverse in future;
- b) Arbitration efforts that have been undertaken to resolve dispute with TCP will be successful and the Company will be able to settle the subject amount in a convenient and sustainable manner;
- c) Negotiations with all the secured creditors and financial institutions to restructure the liabilities on long-term basis are underway and some financial institutions have restructured their facilities and management expects that the remaining will also turnout successful;
- d) The Sponsors, Directors and associated companies have assured of their continued support.
- e) Further, the management is actively pursuing a plan to reduce cost and to increase the efficiency of mills.

Finally, the management is very much convinced that the above measures would result in improving the financial position and operational performance of the company.

**4 ACCOUNTING STANDARDS AND POLICIES**

**4.1** The accounting standards, policies and the methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the audited financial statements for the year ended 30 September 2020, unless otherwise as mentioned.

**5 ACCOUNTING ESTIMATES & JUDGEMENTS**

The preparation of the condensed interim financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the condensed interim financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of audited financial statements for the year ended 30 September 2021.

**6 SEASONALITY OF OPERATIONS**

The Company has not carried out its commercial operations during this season due to non-availability of good quality sugarcane. The sugarcane crushing season normally starts from November and lasts till April each year.

**ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2022**

		Un-Audited 31-Mar-2022 Rupees	Audited 30-Sep-2021 Rupees
<b>7 LONG TERM LOAN FROM RELATED PARTY - UNSECURED</b>			
Subordinated loan from holding company		346,662,792	312,752,733
<p>The loan has been advanced by M/s. Haq Bahu Sugar Mills (Pvt.) Ltd which carries markup @ three months KIBOR plus 1% (Sep 2020: @ three months KIBOR plus 1%) payable half yearly. Since the loan will not be repayable within next twelve months therefore the same has been classified as long term liability. The loan is subordinated to certain short term finance facility obtained by the company.</p>			
<b>8 LONG TERM LOAN FROM BANK - SECURED</b>			
Mark-up based borrowing from conventional banks (Secured):			
Term Finance			
Summit Bank	8.1	-	-
Sik Bank	8.2	2,472,000	2,972,000
		<b>2,472,000</b>	<b>2,972,000</b>
Islamic Mode of Financing (Secured):	8.3	271,798,518	271,798,518
Bank Islami		<b>271,798,518</b>	<b>271,798,518</b>
		<b>274,270,518</b>	<b>274,770,518</b>
		(272,798,518)	(272,798,518)
Less: Current Portion of Long term Loans		<b>1,472,000</b>	<b>1,972,000</b>
8.1	The facility has been obtained from Summit Bank Limited amounting to Rs. 75 million. As per the facility sanctioned advice, it carries mark-up @ 3 months KIBOR plus 1% per annum payable quarterly in arrears. The facility is secured against first pari passu charge over present and future fixed assets of the company amounting to Rs. 66.70 million and personal guarantees of all sponsoring directors. The company is in litigation with Summit Bank. Refer note no. 11 and 12(r).		
8.2	The facility has been obtained from Sik Bank Limited amounting to Rs. 100 million. As per the facility sanctioned advice, the facility carries no mark-up. The facility is secured against pledge of refined sugar with 10% margin. The Sik Bank limited entered into a restructuring programme in		
8.3	The facility has been obtained from Bank Islami Limited amounting to Rs. 275 million. As per the facility sanctioned advice, it carries mark-up @ 3 months KIBOR with a floor of 5% and cap of 12% per annum payable quarterly in arrears. The facility is secured against ranking charge over current assets of the Company with 25% margin.		
8.4	The company is in advanced stage of negotiations with Bank Islami Limited for rescheduling and restructuring of the loan.		
<b>9 DEFERRED TAXATION</b>			
The Liability of Deferred Tax comprises of Temporary differences relating to:			
<b>Taxable Temporary Differences</b>			
Accelerated tax depreciation		250,575,350	236,551,341
Revaluation - net of related depreciation		511,429,332	523,287,796
		<b>762,004,682</b>	<b>761,839,137</b>
<b>Deductible Temporary Differences</b>			
Retirement Benefit Obligation		(2,813,004)	(2,527,896)
Minimum Tax Available for Carry Forward		-	-
Available tax losses and credits		(646,385,813)	(606,780,751)
		<b>(649,198,817)</b>	<b>(609,308,597)</b>
		<b>112,805,864</b>	<b>152,530,540</b>
<b>10 TRADE AND OTHER PAYABLES</b>			
Trade creditors, accrued and other payables		2,355,055,397	2,364,405,844
Deposits		39,076	39,076
Income Tax Payable		3,981,250	3,958,454
Workers' Profit Participation Fund		75,474,668	75,474,668
Workers' Welfare Fund		5,923,395	5,923,395
		<b>2,440,473,736</b>	<b>2,449,801,387</b>
<b>11 FINANCE COST PAYABLE</b>			
Mark-up on Borrowing from Conventional Banks:			
Long Term Financing		-	-
Short Term Borrowings		-	-
Islamic Mode of Financing:			
Long Term Financing		111,756,741	99,362,397
Short Term Borrowings		51,706,758	51,706,758
		<b>163,463,499</b>	<b>151,069,755</b>
Other			
Long Term Financing		157,130,768	139,839,692
		<b>157,130,768</b>	<b>139,839,692</b>
		<b>320,594,267</b>	<b>290,909,447</b>
<b>12 SHORT TERM BORROWINGS</b>			
Mark-up Based Borrowing from Conventional Banks (Secured):			
Running Finance	12.1	-	-
Short Term Finance	12.2	-	-
		-	-
Other Financing (Unsecured):	12.3	18,973,000	18,973,000
		<b>18,973,000</b>	<b>18,973,000</b>

- 12.1** The facility has been obtained from Summit Bank Limited amounting to Rs. 47.24 million. The facility carries mark-up @ 3 months KIBOR plus 2.5% per annum payable quarterly in arrears. The facility is secured against first hypothecation charge over company stock amounting to Rs. 93.33 million, first pari passu charge over present and future fixed assets of the company amounting to Rs. 34 million and personal guarantees of directors.
- 12.2** The facility has been obtained from Summit Bank Limited amounting to Rs. 13 million. The facility carries mark-up @ 3 months KIBOR plus 3% per annum payable quarterly in arrears. The facility is secured against first pari passu charge over all present and future fixed assets of the company amounting to Rs. 96.67 million, post dated cheques as per repayment schedule and personal guarantees of directors.
- 12.3** This loan is interest free and unsecured and is payable with the mutual consent.

### 13 CONTINGENCIES AND COMMITMENTS

#### Contingencies

- a) The Company received advances from Trading Corporation of Pakistan (TCP) under four different sugar supply agreements. The Company contends that this amount is not due as the buyer did not fulfil its performance obligations. As a prudent policy, adjustments would be made on finalization of the dispute. The company is of the view that Trading Corporation of Pakistan has made numerous breaches of the agreements causing enormous losses to the Company and has filed a civil suit in court of Honourable Civil Judge, Lahore praying to refer the dispute for arbitration under the terms of the agreements. The matter is pending arguments before the Court.
- b) During the previous years, the TCP filed a complaint with National Accountability Bureau (NAB), Sindh for recovery of the amount advanced by it as referred in preceding paragraph. Total amount claimed by TCP is Rs. 1,311.528 million being principal amount of Rs. 570.513 million plus Rs. 740.615 million being penalty, mark-up and other incidental charges. The matter is pending with NAB for disposal and the management expects that outcome will be in its favour, the penalty, mark-up and other incidental charges of Rs. 740.615 million would not be payable, hence no provision has been made in these financial statements. During the previous years TCP has encashed Margin on Guarantee deposited by the company with the banks and therefore the principal amount claimed has been reduced to Rs. 521.365 million.
- c) The Summit Bank Limited has filed a recovery suit for Rs. 146,172,551/- against the company and others. The company has filed its leave application in the said suit and arguments on the same were concluded on September 2019, and judgment on the same has been reserved.
- d) The Company had deposited an amount of Rs. 20,832 million of excise duty in 1991-92 under protest with Collector of Custom and Central Excise, Hyderabad on account of rebate of excise duty earlier claimed as per the incentive given by the government. The Honourable High Court of Sindh has decided the case in favour of Collector of Customs. The company has filed an appeal in Supreme Court of Pakistan which is pending for hearing. The management of the company expects favourable outcome.
- e) The company is in advance stage of negotiations with Bank Islami Limited for rescheduling and restructuring of the loan. However on provisional basis mark up has been provided.

### 14 PROPERTY, PLANT AND EQUIPMENT

Operating assets	<b>14.1</b>	3,215,978,517	3,301,371,939
Capital work in progress	<b>14.2</b>	60,687,608	60,687,608
		<b>3,276,666,125</b>	<b>3,362,059,547</b>
<b>14.1 Operating Assets</b>			
Net book value at beginning of the period		3,301,371,939	3,481,967,369
Addition during the period		-	-
surplus during the period / year		-	-
Depreciation charged during the period		(85,393,429)	(180,595,430)
		<b>3,215,978,517</b>	<b>3,301,371,939</b>
<b>14.2 Capital work in progress</b>			
Plant and machinery		60,687,608	60,687,608
		<b>60,687,608</b>	<b>60,687,608</b>
<b>15 STOCK IN TRADE</b>			
Work in Process		150,911,486	150,911,486
Finished Goods		-	-
		<b>150,911,486</b>	<b>150,911,486</b>
<b>16 ADVANCES, DEPOSITS AND PREPAYMENTS</b>			
Advances - Unsecured, considered good			
Growers		32,225,249	37,726,314
Contractors		4,191,025	4,162,025
Suppliers		31,445,194	27,670,193
Employees		1,051,597	852,207
For expenses		13,931,271	12,459,655
Export rebate receivable		15,815,000	15,815,000
		<b>98,659,336</b>	<b>98,685,394</b>
Dosee duty deposit		20,831,910	20,831,910
Sales tax receivable		-	-
		<b>119,491,246</b>	<b>119,517,304</b>
Provision against excise duty deposit		(20,831,910)	(20,831,910)
		<b>98,659,336</b>	<b>98,685,394</b>
<b>17 CASH AND BANK BALANCES</b>			
Cash at Banks		4,235,698	438,617
Cash in Hand		2,234,332	545,535
		<b>6,470,030</b>	<b>984,152</b>

14 Operating Fixed Assets

----- 2022 -----								
Particulars	Cost / Revaluation			Rate	Depreciation			WDV
	As at	Additions	As at		As at	For	As at	as at
	October 01,		March 31,	October 01,	the year	March 31,	March 31,	
	2021	2022	2021	2022	2022	2022	2022	
RUPEES				%	RUPEES			
<b>Owned</b>								
Land free hold	9,337,791	--	9,337,791		--	--	--	9,337,791
Experimental land	11,844,084	--	11,844,084		--	--	--	11,844,084
Building on free hold land:	--	--	--					
- Factory	270,950,261	--	270,950,261	10	175,463,556	4,774,336	180,237,892	90,712,369
- Non factory	106,000,769	--	106,000,769	10	75,950,961	1,502,491	77,453,452	28,547,317
Plant and machinery	4,426,648,485	--	4,426,648,485	5	1,279,530,250	78,677,958	1,358,208,208	3,068,440,277
Electric installations	12,529,128	--	12,529,128	10	12,037,606	24,576	12,062,182	466,946
Tools and equipment	3,526,377	--	3,526,377	10	3,062,366	23,201	3,085,567	440,810
Telephone installation	1,030,151	--	1,030,151	10	962,876	3,364	966,240	63,911
Electric equipment	7,223,203	--	7,223,203	10	6,157,184	53,301	6,210,485	1,012,718
Furniture and fixture	7,717,229	--	7,717,229	10	6,835,815	44,071	6,879,886	837,343
Office equipment	4,439,008	--	4,439,008	10	2,974,998	73,201	3,048,199	1,390,809
Arms and ammunitions	453,677	--	453,677	10	398,522	2,758	401,280	52,397
Tents and tarpaulins	3,210,660	--	3,210,660	10	2,091,508	55,958	2,147,466	1,063,194
Computers	3,281,263	--	3,281,263	10	2,595,511	34,288	2,629,799	651,464
Vehicles	12,479,065	--	12,479,065	20	11,241,617	123,745	11,365,362	1,113,703
Scales and weighbridges	14,000	--	14,000	10	10,442	178	10,620	3,380
<b>TOTAL</b>	<b>4,880,685,151</b>	<b>--</b>	<b>4,880,685,151</b>		<b>1,579,313,212</b>	<b>85,393,429</b>	<b>1,664,706,638</b>	<b>3,215,978,513</b>

14.1.1 Depreciation charge for the year has been allocated as follows:

	2022 RUPEES	2021 RUPEES
Cost of sales	83,556,212	88,239,178
Administration expenses	1,837,217	2,058,538
	<b>85,393,429</b>	<b>90,297,716</b>

	Un-Audited		Un-Audited	
	Half Year Ended		Quarter Ended	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	Rupees	Rupees	Rupees	Rupees
<b>18 SALES - NET</b>				
<b>Gross Local Sales</b>				
Sugar	-	-	-	-
Melasses	-	-	-	-
Total Gross Sales	-	-	-	-
Less: Sales tax	-	-	-	-
	-	-	-	-
<b>19 COST OF SALES</b>				
Cost of sugar cane	-	-	-	(30,500)
Stores and spares consumed	436,055	-	420,015	(550,000)
Oil and lubricants consumed	-	-	-	-
Packing material consumed	-	-	-	-
Chemical consumed	-	-	-	-
Salaries, wages and benefits	8,137,749	14,436,955	4,505,050	4,618,503
Water, fuel and power	907,639	769,586	443,073	396,261
Vehicle running and maintenance	583,734	638,158	334,421	396,322
Freight, handling and octroi	87,947	5,000	87,547	5,000
Depreciation	83,556,212	88,239,178	41,778,110	46,600,158
Others	1,117,767	1,296,558	610,468	981,335
	<b>94,887,102</b>	<b>105,385,435</b>	<b>48,181,284</b>	<b>52,417,079</b>
Add: Opening WIP	150,911,486	150,911,486	150,911,486	150,911,486
Less: Closing WIP	(150,911,486)	(150,911,486)	(150,911,486)	(150,911,486)
<b>Cost of Goods Manufactured</b>	<b>94,887,102</b>	<b>105,385,435</b>	<b>48,181,284</b>	<b>52,417,079</b>
Add: Opening Finished Goods	-	-	-	51,270,000
Less: Closing Finished Goods	-	-	-	(29,299,306)
	<b>94,887,102</b>	<b>105,385,435</b>	<b>48,181,284</b>	<b>74,587,773</b>
<b>20 TAXATION</b>				
Taxation for the period				
Current	-	-	-	-
Deferred	(39,724,676)	(41,829,601)	(1,905,232)	(21,993,560)
	<b>(39,724,676)</b>	<b>(41,829,601)</b>	<b>(1,905,232)</b>	<b>(21,993,560)</b>
<b>21 FINANCE COST</b>				
Mark up on subordinated sponsors' loan-Haq bahu			17,291,076	5,082,136
Mark up on long term loan			12,393,744	13,506,569
Mark up on short term borrowings			-	3,171,771
Mark up on WPPF			-	-
Bank charges and commission			19,059	17,953
			<b>29,703,919</b>	<b>21,838,439</b>

## 22 TRANSACTIONS WITH RELATED PARTIES

The Company has related party relationship with its Associated Companies, associated persons, employee benefit plan, its directors and key management personnel. Transactions with related parties are carried-out on arm's length basis.

Aggregate transactions with related parties, during the current period, were as follows:

Relationship	Nature of Transaction	Un-Audited	
		Half Year Ended	
		31-Mar-22	31-Mar-21
		Rupees	Rupees
Parent Company	Mark-up expense	17,291,076	5,082,136
Key management personnel	Remuneration and other benefits	143,000	210,000

## 23 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

There has been no change in the Company's sensitivity to these risks since September 30, 2020, except for the change in exposure from liquidity risks due to increase in borrowings and general exposure due to fluctuations in foreign currency and interest rates. There have been no change in risk management objectives and policies of the Company during the current period.

These condensed interim financial statements does not include all financial risk management information and disclosures as required in the audited annual financial statements and should be read in conjunction with the Company's annual audited financial statement as at September 30, 2020.

## 24 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

Fair values categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- 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 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

**25 CORRESPONDING FIGURES**

In order to comply with the requirements of IAS 34 'Interim Financial Reporting', the condensed interim statement of financial position have been compared with the balances of annual audited financial statements of the preceding financial year, whereas, the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been compared with the balances of comparable period of the immediately preceding financial year.

**26 DATE OF AUTHORIZATION**

These condensed interim financial statements have been authorized for issue by the Board of Directors on 30 May 2022.

**27 GENERAL**

27.1 Figures in these condensed interim financial statements has been rounded off to the nearest Rupee unless otherwise stated.



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CHIEF EXECUTIVE



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DIRECTOR



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CHIEF FINANCIAL OFFICER