

38th Annual Report
2020-2021



MACCA GROUP

Abdullah Shah Ghazi Sugar Mills Limited

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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-Faflah Limited
Silk Bank Limited
MCB Bank Limited
Meezan Bank Limited
Habib Metropolitan Bank Limited
United Bank Limited
Allied Bank Limited

Web Presence:

www.asgsmil.com

Mission Statement

To be the premier sugar and allied product's manufacturer while providing our clients with flexibility, on time delivery, and consistent quality and to achieve sustainable and equitable expansion and growth through efficient and effective resources and at the same time developing a Corporate business environment most suited to all the employees and people Concerned.

Vision Statement

To transform the Company into a market leader for the Quality Sugar Manufacturing, while keeping our focus on the growing customer base, be characterized by a high degree of professionalism and is accountable for the successful fulfillment of the company's mission, and to play a meaningful role in the economy of Pakistan

NOTICE OF 38th ANNUAL GENERAL MEETING

Notice is hereby given that 38th Annual General Meeting (“AGM”) of Abdullah Shah Ghazi Sugar Mills Limited (the “Company”) will be held on Monday, March 14, 2022 at 9:00 a.m. at Diamond Banquet, Plot No. C-36, 37 Extension, Gulshan-e- Hadeed, Phase-1, Karachi to transact the following Ordinary Business:

1. To receive, consider and adopt the Chairman’s Review Report, Reports of Directors and Auditors together with Audited Annual Financial Statements of the Company for the year ended 30 September 2021.
2. To appoint Company’s auditors and fix their remuneration. The members are hereby notified that the Audit Committee and the Board of directors have recommended the name of retiring auditors M/s Akhter Mahmood Mian, Chartered Accountants for re-appointment as auditors of the Company.

By Order of the Board

Saleem Abbas
Company Secretary

Lahore: February 21, 2022

Notes:

1. The Share Transfer Books of the Company will remain closed from March 07, 2022 to March 14, 2022 (both days inclusive). Transfers received in order at the office of the Company’s Independent Share Registrar, M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block B, S.M.C.H.S. Main Shahrah-e-Faisal, Karachi by the close of business (5:00 PM) on March 06, 2022, will be treated in time for the purposes of entitlement to attend, speak and vote at the AGM.
2. For safety and wellbeing of shareholders and the public at large The Company has also arranged participation via video link. The members can attend the AGM via video link using smart phones/tablets/computers for safety and well-being of the members of the Company and general public. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) through WhatsApp at 03028407700 or email at saleem.magsi@maccagroup.com by - March 10, 2022.

Name of member	CNIC No.	CDC Account No/Folio No.	Cell Number.	Email address

The members who are registered after the necessary verification shall be provided a video link by the Company on the same email address that they email with the Company

with. The Login facility will remain open from start of the meeting till its proceedings are concluded.

The shareholders who wish to send their comments/ suggestions on the agenda of the AGM can email the Company at saleem.magsi@maccagroup.com or WhatsApp at 03028407700.

Shareholders are also encouraged to consolidate their attendance and participation through proxies for minimal public interaction.

3. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her and a proxy so appointed shall have the same rights, as respects attending, speaking and voting at the AGM as are available to the members. A Proxy must be a member of the Company.
4. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting. Proxy Forms, in English and Urdu languages, have been dispatched to the members along with the notice of AGM.
5. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

- a. In case of Individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.
- b. In case of corporate entity, the Board's resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.

- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- e. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

6. Change of address

Members are requested to promptly notify to the Company's Share Registrar of any change in their addresses.

7. Placement of Financial Statements and Other Information on Company's website

The Company has placed a copy of the Notice of AGM, Annual Financial Statements for the year ended September 30, 2021 along with Auditors and Directors Reports thereon, Chairman's Review and other information on the website of the Company: www.asgsm.com

8. Computerized National Identity Card (CNIC) of Shareholders (Mandatory)

Shareholders are requested to provide if not already provided, copy of their valid CNIC to the Company's Independent Share Registrar at the address given herein below. A legible scanned copy of the same can also be forwarded at saleem.magsi@maccagroup.com along with folio number and updated address for correspondence

9. Deposit of Physical Shares into CDC Account

The shareholders having physical shareholding may open CDC sub-account with any of the brokers or investor account directly with CDC to place their physical shares into script-less form. This will facilitate them in many ways including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Stock Exchange. Further, Section 72 of the Act states that after the commencement of the Act from a date notified by SECP, a company having share capital, shall have shares in book-entry form only. Every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding four years from the commencement of the Act.

عبدالله شاہ غازی شوگر ملز لمیٹڈ

بذریعہ بذراطلاع کیا جاتا ہے کہ درج ذیل عمومی برٹنس کی انعام دہی کیلئے عبداللہ شاہ غازی شوگر ملز لمیٹڈ (دوبلہ) "کمپنی" 38th سالانہ اجلاس عام (AGM) 14 مارچ 2022 بروز جمعہ کو بجے 9:00 بجے ڈائمنڈ ٹیکسٹ پلاٹ نمبر 37/36-C ایکٹیشن گیشن حد پدفٹر 1 کراچی میں منعقد ہوگا۔

1- چیئرمین کی چارجہ رپورٹ، ڈائریکٹرز اور آڈیٹرز کی رپورٹس مع کمپنی کا آڈٹ شدہ سالانہ مالی گوشوارہ برائے سال ختمہ 30 ستمبر 2021 کو وصولی وغور کرنا اور اختیار کرنا۔

2- کمپنی کے آڈیٹرز کی تین تالی اور ان کا مشاہرہ طے کرنا۔ ممبران کو بذریعہ بذراطلاع کیا جاتا ہے کہ آڈٹ کمپنی اور بورڈ آف ڈائریکٹرز رپورٹ ہونے والے آڈیٹرز میسرز اختر محمود میاں چارٹڈ اکاؤنٹنٹس کے ہم کمپنی کے آڈیٹرز کے طور پر دوبارہ تعیناتی کیلئے سفارش کر چکے ہیں۔

حسب الحکم بورڈ
سلیم عباس.....کمپنی سیکریٹری

لاہور: 21 فروری 2022

نوٹس:

- (1) کمپنی کی تیسری جنرل میٹنگ 14 مارچ 2022ء (شہر لاہور) میں منعقد ہوگی۔ کمپنی کے انضمام پر متعلقہ جرنلز اور معروضی ذیلی جرنلز اور سود و منافع کی ذیلی رپورٹس 99 ہیکٹارے کی ایسی ایچ ایچ میں شام 6 بجے تک کرانی، جس میں سود و منافع کے مطابق کاروبار شدہ 2022 (سپتمبر 5000 بجے) کے لئے ایکٹرز AGM میں شمولیت کے لئے کوہتہ کیا گیا ہوگا۔
- (2) شیئرز کو 15 مارچ 2022ء کو عوامی رجسٹر میں رجسٹرڈ ہونے کے بعد کمپنی کے رجسٹرڈ آڈیٹرز کو اپنی رپورٹیں پیش کرنے کے لئے اجلاس طلب کیا گیا ہے۔ اس اجلاس میں شرکت کرنا ضروری ہے۔ رجسٹرڈ آڈیٹرز کو اپنی رپورٹیں پیش کرنے کے لئے اجلاس طلب کیا گیا ہے۔ اس اجلاس میں شرکت کرنے والے ممبران کو بذریعہ بذراطلاع کیا جاتا ہے کہ آڈٹ کمپنی اور بورڈ آف ڈائریکٹرز رپورٹ ہونے والے آڈیٹرز میسرز اختر محمود میاں چارٹڈ اکاؤنٹنٹس کے ہم کمپنی کے آڈیٹرز کے طور پر دوبارہ تعیناتی کیلئے سفارش کر چکے ہیں۔

نام	سی این ڈی نمبر	CIC کا آڈٹ نمبر / آڈیٹرز	ای سی ڈی نمبر

- ممبران کو عوامی رجسٹر میں رجسٹرڈ ہونے کے بعد کمپنی کے رجسٹرڈ آڈیٹرز کو اپنی رپورٹیں پیش کرنے کے لئے اجلاس طلب کیا گیا ہے۔ اس اجلاس میں شرکت کرنے والے ممبران کو بذریعہ بذراطلاع کیا جاتا ہے کہ آڈٹ کمپنی اور بورڈ آف ڈائریکٹرز رپورٹ ہونے والے آڈیٹرز میسرز اختر محمود میاں چارٹڈ اکاؤنٹنٹس کے ہم کمپنی کے آڈیٹرز کے طور پر دوبارہ تعیناتی کیلئے سفارش کر چکے ہیں۔
- 1- کمپنی کے آڈیٹرز اور بورڈ آف ڈائریکٹرز کے درمیان میں اختلافات کے بارے میں متعلقہ جرنلز اور معروضی ذیلی جرنلز اور سود و منافع کی ذیلی رپورٹس 99 ہیکٹارے کی ایسی ایچ ایچ میں شام 6 بجے تک کرانی، جس میں سود و منافع کے مطابق کاروبار شدہ 2022 (سپتمبر 5000 بجے) کے لئے ایکٹرز AGM میں شمولیت کے لئے کوہتہ کیا گیا ہوگا۔
- 2- شیئرز کو 15 مارچ 2022ء کو عوامی رجسٹر میں رجسٹرڈ ہونے کے بعد کمپنی کے رجسٹرڈ آڈیٹرز کو اپنی رپورٹیں پیش کرنے کے لئے اجلاس طلب کیا گیا ہے۔ اس اجلاس میں شرکت کرنے والے ممبران کو بذریعہ بذراطلاع کیا جاتا ہے کہ آڈٹ کمپنی اور بورڈ آف ڈائریکٹرز رپورٹ ہونے والے آڈیٹرز میسرز اختر محمود میاں چارٹڈ اکاؤنٹنٹس کے ہم کمپنی کے آڈیٹرز کے طور پر دوبارہ تعیناتی کیلئے سفارش کر چکے ہیں۔
- 3- شیئرز کو 15 مارچ 2022ء کو عوامی رجسٹر میں رجسٹرڈ ہونے کے بعد کمپنی کے رجسٹرڈ آڈیٹرز کو اپنی رپورٹیں پیش کرنے کے لئے اجلاس طلب کیا گیا ہے۔ اس اجلاس میں شرکت کرنے والے ممبران کو بذریعہ بذراطلاع کیا جاتا ہے کہ آڈٹ کمپنی اور بورڈ آف ڈائریکٹرز رپورٹ ہونے والے آڈیٹرز میسرز اختر محمود میاں چارٹڈ اکاؤنٹنٹس کے ہم کمپنی کے آڈیٹرز کے طور پر دوبارہ تعیناتی کیلئے سفارش کر چکے ہیں۔
- 4- کمپنی کی جنرل میٹنگ 14 مارچ 2022ء (شہر لاہور) میں منعقد ہوگی۔ کمپنی کے انضمام پر متعلقہ جرنلز اور معروضی ذیلی جرنلز اور سود و منافع کی ذیلی رپورٹس 99 ہیکٹارے کی ایسی ایچ ایچ میں شام 6 بجے تک کرانی، جس میں سود و منافع کے مطابق کاروبار شدہ 2022 (سپتمبر 5000 بجے) کے لئے ایکٹرز AGM میں شمولیت کے لئے کوہتہ کیا گیا ہوگا۔
- 5- شیئرز کو 15 مارچ 2022ء کو عوامی رجسٹر میں رجسٹرڈ ہونے کے بعد کمپنی کے رجسٹرڈ آڈیٹرز کو اپنی رپورٹیں پیش کرنے کے لئے اجلاس طلب کیا گیا ہے۔ اس اجلاس میں شرکت کرنے والے ممبران کو بذریعہ بذراطلاع کیا جاتا ہے کہ آڈٹ کمپنی اور بورڈ آف ڈائریکٹرز رپورٹ ہونے والے آڈیٹرز میسرز اختر محمود میاں چارٹڈ اکاؤنٹنٹس کے ہم کمپنی کے آڈیٹرز کے طور پر دوبارہ تعیناتی کیلئے سفارش کر چکے ہیں۔
- 6- کمپنی کے آڈیٹرز اور بورڈ آف ڈائریکٹرز کے درمیان میں اختلافات کے بارے میں متعلقہ جرنلز اور معروضی ذیلی جرنلز اور سود و منافع کی ذیلی رپورٹس 99 ہیکٹارے کی ایسی ایچ ایچ میں شام 6 بجے تک کرانی، جس میں سود و منافع کے مطابق کاروبار شدہ 2022 (سپتمبر 5000 بجے) کے لئے ایکٹرز AGM میں شمولیت کے لئے کوہتہ کیا گیا ہوگا۔
- 7- شیئرز کو 15 مارچ 2022ء کو عوامی رجسٹر میں رجسٹرڈ ہونے کے بعد کمپنی کے رجسٹرڈ آڈیٹرز کو اپنی رپورٹیں پیش کرنے کے لئے اجلاس طلب کیا گیا ہے۔ اس اجلاس میں شرکت کرنے والے ممبران کو بذریعہ بذراطلاع کیا جاتا ہے کہ آڈٹ کمپنی اور بورڈ آف ڈائریکٹرز رپورٹ ہونے والے آڈیٹرز میسرز اختر محمود میاں چارٹڈ اکاؤنٹنٹس کے ہم کمپنی کے آڈیٹرز کے طور پر دوبارہ تعیناتی کیلئے سفارش کر چکے ہیں۔
- 8- شیئرز کو 15 مارچ 2022ء کو عوامی رجسٹر میں رجسٹرڈ ہونے کے بعد کمپنی کے رجسٹرڈ آڈیٹرز کو اپنی رپورٹیں پیش کرنے کے لئے اجلاس طلب کیا گیا ہے۔ اس اجلاس میں شرکت کرنے والے ممبران کو بذریعہ بذراطلاع کیا جاتا ہے کہ آڈٹ کمپنی اور بورڈ آف ڈائریکٹرز رپورٹ ہونے والے آڈیٹرز میسرز اختر محمود میاں چارٹڈ اکاؤنٹنٹس کے ہم کمپنی کے آڈیٹرز کے طور پر دوبارہ تعیناتی کیلئے سفارش کر چکے ہیں۔
- 9- شیئرز کو 15 مارچ 2022ء کو عوامی رجسٹر میں رجسٹرڈ ہونے کے بعد کمپنی کے رجسٹرڈ آڈیٹرز کو اپنی رپورٹیں پیش کرنے کے لئے اجلاس طلب کیا گیا ہے۔ اس اجلاس میں شرکت کرنے والے ممبران کو بذریعہ بذراطلاع کیا جاتا ہے کہ آڈٹ کمپنی اور بورڈ آف ڈائریکٹرز رپورٹ ہونے والے آڈیٹرز میسرز اختر محمود میاں چارٹڈ اکاؤنٹنٹس کے ہم کمپنی کے آڈیٹرز کے طور پر دوبارہ تعیناتی کیلئے سفارش کر چکے ہیں۔

CHAIRMAN'S REVIEW

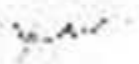
I am pleased to report on the performance of the Board of Directors (hereinafter "**the Board**"). The Board consists of competent and efficient members having immense experience in various business sectors and has been constituted in accordance with the provisions of Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Companies Act, 2017.

The Board is responsible for the management of Company affairs, for formulating and approving significant policies and strategies. The Board acknowledges its responsibility for the corporate and financial reporting framework and is committed to good corporate governance. The Board has constituted two Committees of the Board, the Audit Committee and Human Resource & Remuneration Committees. The Committees comprise of suitably qualified persons having relevant competencies. The Committees perform their functions in line with their respective Terms of Reference assigned to them by the Board.

The Board also monitored the compliance with best corporate practices and governance, encouraging diversity and ethical behavior and development of skills to attain advancement and excellence. The Board is also well aware of its corporate social responsibility especially towards education, health safety and environment. The Board is satisfied with its efforts towards ensuring our corporate social responsibility and hope to improve the efforts with each passing year.

The Board carries out a review of its effectiveness and performance and of its committees each year after the closure of the fiscal year, on a self-assessment basis. Overall effectiveness of the Board and its committees was assessed as satisfactory.

The Board shall continue to play a vital role in setting the course of the Company, promoting its success and performance and guiding the management to conduct operations in conformity with the strategies approved by the Board while upholding the principles of good corporate governance.



Yasir Iqbal
Chairman

Lahore
February 21, 2022

چیرمین کی جائزہ رپورٹ

مجھے بورڈ آف ڈائریکٹرز "بورڈ" کی کارکردگی کے بارے میں بتاتے ہوئے خوشی ہے۔ یہ بورڈ قابل اور موثر ممبروں پر مشتمل ہے جن کو مختلف کاروباری شعبوں میں بے پناہ تجربہ ہے اور اس کی تشکیل سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے (کارپوریٹ گورننس کا ضابطہ) ضابطہ 2019 کی دفعات کے مطابق کی گئی ہے۔

بورڈ اہم پالیسیوں اور حکمت عملیوں کی تشکیل اور منظوری کے لیے کمپنی کے معاملات کے انتظام کے لیے ذمہ دار ہے۔ بورڈ کارپوریٹ اور مالیاتی رپورٹنگ کے فریم ورک کے لیے اپنی ذمہ داری کو تسلیم کرتا ہے اور اچھی کارپوریٹ گورننس کے لیے پر عزم ہے۔ بورڈ نے بورڈ کی دو کمیٹیاں تشکیل دی ہیں، آڈٹ کمیٹی اور انسانی وسائل اور معاوضے کی کمیٹیاں۔ کمیٹیاں مناسب اہلیت رکھنے والے افراد پر مشتمل ہوتی ہیں۔ کمیٹیاں بورڈ کی طرف سے انہیں تفویض کردہ اپنے متعلقہ شرائط کے مطابق اپنے کام انجام دیتی ہیں۔

بورڈ نے بہترین کارپوریٹ گورننس اور گورننس کی تعمیل کی نگرانی کی، جنوع اور اخلاقی رویے کی حوصلہ افزائی کی اور ترقی اور فضا حاصل کرنے کے لیے مہارتوں کی نشوونما کی۔ بورڈ اپنی کارپوریٹ سماجی ذمہ داری سے بھی بخوبی واقف ہے خاص طور پر تعلیم، صحت کی حفاظت اور ماحولیات کے تئیں۔ بورڈ ہماری کارپوریٹ سماجی ذمہ داری کو یقینی بنانے کی کوششوں سے مطمئن ہے اور ہر گزرتے سال کے ساتھ کوششوں میں بہتری کی امید کرتا ہے۔

بورڈ مالی سال کے اختتام کے بعد ہر سال اپنی اور اپنی کمیٹیوں کی کارکردگی کا جائزہ لیتا ہے۔ بورڈ اور اس کی کمیٹیوں کی مجموعی کارکردگی کو تسلی بخش قرار دیا گیا۔

بورڈ کمپنی کے معاملات کو ترتیب دینے، اس کی کامیابی اور کارکردگی کو فروغ دینے اور اچھی کارپوریٹ گورننس کے اصولوں کو برقرار رکھتے ہوئے بورڈ کی طرف سے منظور شدہ حکمت عملیوں کے مطابق کام کرنے کے لیے انتظامیہ کی رہنمائی کرتا رہے گا۔

یا سراقبال

چیرمین

لاہور: 21 فروری، 2022

DIRECTORS' REPORT

IN THE NAME OF ALLAH THE MOST GRACIOUS AND MOST MERCIFUL.

Dear Members; Asalam-o-Alaikum:

On behalf of the Board of Directors, I welcome all of you to the 38th annual general meeting of the Company and present before you the annual report for the financial year ended September 30, 2021 along with financial statements and auditors' report thereon. The financial results of the year under review can be summarized as follows:

FINANCIAL RESULTS

Particulars	2021 Rupees	2020 Rupees
Net sales	-	58,427,350
Gross loss	(200,934,146)	(202,399,794)
Net loss after tax	(222,152,349)	(209,298,087)
Key performance indicators		
- Gross loss as % to sales	-	(346.41%)
- Net loss % to sales	-	(358.22%)
- Loss per share	(2.80)	(2.64)

DIVIDEND:

The Board of Directors have not recommended any dividend due to accumulated losses.

FUTURE OUTLOOK:

Due to scarcity of sugar cane in surrounding areas of mills and current liquidity crunch resulting from persistent losses, future looks tough. Management is striving hard to safely sail the Company out of current troubled situation and firmly believes that following factors will eventually pave way to deliver long term values to all stakeholders including our worthy shareholders:

- Unfavorable business conditions are temporary and cyclical in nature and would reverse in future.
- Arbitration efforts to resolve the issue with TCP are underway and it is expected that the Company will be able to settle the subject amount in a convenient and sustainable manner.
- 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 is confident that restructuring will be successful with other lenders.
- The sponsors, despite of limited means available, have unconditional commitment to enable the Company to resume as a 'going concern'.

RISK AND UNCERTAINTIES FACING THE COMPANY:

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 under review. All these factors resulted in to above unhealthy financial numbers as outlined above.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

The Directors are pleased to confirm compliance with corporate and financial reporting framework of the Securities and Exchange Commission of Pakistan and the Code of Corporate Governance for the following:

1. CORPORATE GOVERNANCE COMPLIANCE:

The compliance with the best practices of Code of Corporate Governance provides comfort to the Board. Therefore, the management ensures that all requirements of the code of corporate governance are complied with. The statement of compliance with the best practices of Code of Corporate Governance is annexed.

2. STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

In compliance with the Code of Corporate Governance, we give below statements on Corporate and Financial Reporting Framework:

- The financial statements prepared by the management of the company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- The Company has maintained proper books of accounts as per statutory requirements.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- The International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the company's ability to continue as a going concern.
- There has been no departure from the best practices of corporate governance, as detailed in the list in regulations.
- Key operating and financial data of last six years is annexed in summarize form.

3. CHANGES DURING FINANCIAL YEAR CONCERNING NATURE OF THE BUSINESS OF THE COMPANY OR OF ITS SUBSIDIARIES:

No changes have occurred during the financial year concerning the nature of the business of the Company or its subsidiaries.

4. MODIFICATION OR EXPLANATION IN THE AUDITORS REPORT:

There is no information or explanation to report in regard to any contents of modification in the Auditors' Report.

5. MAETRIAL CHANGES AFFECTING THE FINANCIAL POSITITON OF THE COMPANY:

No material changes and commitments affecting the financial position of the company have occurred between the end of the financial year of the company to which the financial statement relates and the date of the report.

6. BOARD MEMBERS:

The names of the Directors during the year are:

1. Mr. Muhammad Dawood	Chief Executive / Director
2. Mr. Yasir Iqbal	Chairman / Director
3. Mr. Muhammad Rashid Rana	Independent Director
4. Mr. Muhammad Nawaz	Independent Director
5. Mr. Amjad Abbas	Non-Executive Director
6. Mr. Atif Butt	Non-Executive Director
7. Mr. Muhammad Talib	Executive Director

BOARD MEETINGS:

During the year under review four (04) meetings of the Board of Directors were held. Participation of Directors is as follows: -

<u>NAME OF DIRECTOR</u>	<u>ATTENDED</u>	<u>STATUS</u>
1. Mr. Muhammad Dawood	4	Executive Director
2. Mr. Muhammad Talib	4	Executive Director
3. Mr. Muhammad Rashid Rana	4	Independent Director
4. Mr. Muhammad Nawaz	4	Independent Director
5. Mr. Yasir Iqbal	4	Non-Executive Director
6. Mr. Amjad Abbas	1	Non-Executive Director
7. Mr. Atif Butt	4	Non-Executive Director

7. AUDIT COMMITTEE:

The Board has also constituted an Audit Committee comprising of the following directors. During the period under consideration, four meetings of the Audit Committee were held and attendance of each director was as under:

<u>NAME OF DIRECTOR</u>		<u>ATTENDED</u>	<u>STATUS</u>
1. Mr. Muhammad Nawaz	Chairman	4	Independent Director
2. Mr. Atif Butt	Member	4	Non-Executive Director
3. Mr. Amjad Abbas	Member	1	Non-Executive Director

Terms of Reference of the Audit Committee have also been determined by the Board.

8. HUMAN RESOURCES AND REMUNERATION COMMITTEE:

The Board has also constituted Human Resource and Remuneration Committee in accordance with the guide lines provided in the Listing Regulations of Pakistan Stock Exchange Limited consisting of the following Directors.

<u>NAME OF DIRECTOR</u>		<u>STATUS</u>
1. Mr. Muhammad Rasheed Rana	Chairman	Independent Director
2. Mr. Yasir Iqbal	Member	Executive Director
3. Mr. Amjad Abbas	Member	Non-Executive Director

During the period, one meeting of the Committee was held and all the directors attended the meetings.

DIRECTORS' REMUNERATION POLICY:

Through the articles of the Company, the Board of Directors is authorized to fix remuneration of non-executive and independent Directors. Approval of members in general meeting is required in accordance with the articles of the Company and Companies Act 2017. The Board of Directors has developed a Directors' Remuneration Policy which describes in detail, the objectives and sets a transparent procedure for determination of the remuneration packages of individual director.

CORPORATE SOCIAL RESPONSIBILITY:

The Company is socially responsible and committed to conduct its business ethically and with responsibility. The Company is conscious of the role to play as responsible corporate citizen in fulfilling the various needs of the society concerning health, safety, environment, employee relationship and social welfare of the society. The Company considers itself accountable to its stakeholders and has identified dimensions of performing the social responsibilities which are contribution to economy, environment and society. The management peruses the strategy by following strategic guidelines to be a good corporate citizen:

- Encouraging employment of work force living in the rural areas in order to yield significant gain and uplift their living standard.
- Support social causes and human rights.
- Behave responsibly and with sensitivity to local communities in the area in which we operate.

PATTERN OF SHAREHOLDING:

Pattern of shareholding as at September 30, 2021 is annexed.

AUDITORS:

The Auditors, M/s Sarwars, Chartered Accountants, appointed by the shareholders resigned on 03.01.2022 due to QCR suspension and the Board appointed M/s Alam & Aulakh, Chartered Accountants. However, the said auditors also resigned on 01.02.2022 and the Board appointed M/s Akhtar Mahmood Mian, Chartered Accountants who will stand retired with the conclusion of Annual General Meeting and being eligible have offered themselves for re-appointment. Audit Committee also recommended their re-appointment for the year 2021-22 and the Board of your company also endorsed the recommendation of the Audit Committee for re-appointment of M/s Akhtar Mahmood Mian, Chartered Accountant, till the conclusion of next Annual General Meeting.

APPRECIATION:

The Board acknowledges the continued support and cooperation extended by the shareholders, bankers, sugarcane farmers and all other stakeholders. The Board also places on record its appreciation for employees of the Company for their devotion and hard work.

On behalf of Board of Directors.



MUHAMMAD DAWOOD
(CHIEF EXECUTIVE)

Lahore: February 21, 2022

ڈائریکٹرز رپورٹ برائے ممبران

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

محرم ممبران! السلام علیکم ورحمۃ اللہ وبرکاتہ!

بورڈ آف ڈائریکٹرز کی طرف سے، میں آپ سب کو کہتی کے 38 ویں سالانہ عمومی اجلاس میں خوش آمدید کہتے ہوں اور 30 ستمبر، 2021 کو ختم ہونے والے مالی سال کی سالانہ رپورٹ کے ساتھ ساتھ اس میں مالی بیانات اور آڈیٹرز کی رپورٹ بھی پیش کرتے ہوں۔

مال کارکردگی:

تفصیلات	2021 (روپے)	2020 (روپے)
خاص فروخت	-	58,427,350
مجموعی نقصان	(200,934,146)	(202,399,794)
ٹیکس کے بعد خاص نقصان	(222,152,349)	(209,298,087)
کارکردگی اہم اشارے		
- مجموعی نقصان فروخت کے تناسب سے	-	(346.41%)
- خاص نقصان فروخت کے تناسب سے	-	(358.22%)
- ٹی ٹی بی نقصان	(2.80)	(2.64)

منافع (Dividend):

بورڈ آف ڈائریکٹرز نے منافع تقسیمات کے سبب کسی بھی منافع کی سلاش نہیں کی ہے۔

مشغلیں کا جائزہ:

موجودہ لیویٹی جی بحران کی وجہ سے، مستقبل مشکل لگتا ہے۔ منجنت کہتی کو موجودہ پیشان کن صورتحال سے بحال کالنے کی پوری کوشش کر رہی ہے اور اس کا پلٹ چھین ہے کہ مندرجہ ذیل عوامل 2021 سے لائی جمعیں پیشگان سمیت تمام اسٹیٹک ہولڈرز کو طویل مدتی تعداد کی فراہمی کے لئے راہنمائی کریں گے۔

- ❖ غیر موڈوں کاروباری حالات عارضی ہیں اور بار بار وقوع پزیر نو میت کے ہیں اور مستقبل میں ختم ہو چکے ہیں۔
- ❖ اس معاملے کوئی سی بی کے ساتھ مل کرنے کے لئے کالٹی کی کوششیں جاری ہیں اور اس کی مہلتی ہے کہ کہتی اس مسئلہ کو آسان اور پائیدار انداز میں حل کرے گی۔
- ❖ طویل مدتی بنیاد پر ازمہ داروں کی تنظیم نو کے لئے تمام محفوظ قرضوں، بند بنگلن اور مالیاتی اداروں کے ساتھ بات چیت جاری ہے اور کچھ مالیاتی اداروں نے اپنی سہولیت کی تنظیم نو کی ہے اور انکوائری کو چھین ہے کہ دیگر قرض دہندگان کے ساتھ تنظیم نو کا مطالبہ ہو گی۔
- ❖ سپانسرز، ریموڈور سائل دستیاب ہونے کے باوجود غیر مشروط عزم رکھتے ہیں تاکہ کہتی کو "چلتے ہوئے کاروبار" کے طور پر دوبارہ کام کرنے کا مل بنائے۔

کہتی کو موجودہ خطرے پر مبنی:

چھلے سال کی مناسبت سے، خاص طور پر ہولوں کے آس پاس کے علاقوں میں گئے کی فصل کی مستقبل قلت رہی۔ اس فصل کی قلت کے ساتھ ساتھ مطلوبہ مالی اعانت کی عدم فراہمی کے نتیجے میں سال کے دوران ٹرک کارپوریشن کا عمل نہیں ہوا۔ مذکورہ سبب عوامل کے نتیجے میں غیر تسلی بخش بلحاظ ادوار شمارہ دیتے گئے ہیں۔

کارپوریشن سے وابستہ دیگر منگ فریم ورک:

ڈائریکٹرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے کارپوریشن اور مالیاتی ریگولیشن کے فریم ورک اور کوڈ آف کارپوریشن گورننس کی تعمیل کی تصدیق کرتے ہوئے خوشی ہوتی ہے:

1. کارپوریشن گورننس کی تعمیل:

کوڈ آف کارپوریشن گورننس کے بہترین طریقوں کی تعمیل بورڈ کو تسلی فراہم کرتی ہے۔ لہذا انکوائری اس بات کو یقینی بناتی ہے کہ کوڈ آف کارپوریشن گورننس کے تمام تقاضوں کی تعمیل کی جائے۔ کوڈ آف کارپوریشن گورننس کے بہترین طریقوں کی تعمیل کا بیان منسلک ہے۔

2. کارپوریشن سے وابستہ مالیاتی ریگولیشن فریم ورک کے بیان:

کارپوریشن گورننس کے ضابطہ کے عمل پر اہم کارپوریشن اور مالیاتی ریگولیشن فریم ورک پر ذیلی میں بیانات دیتے ہیں:

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات اس کی حالت میں اس کے آپریشن کے نتائج، پیش نظر اور انگریزی میں ہونے والی تبدیلیوں کو کافی حد تک پیش کرتے ہیں۔
- کمپنی نے قانونی تفتیشوں کے مطابق کمپنیوں کی مناسبتوں کو تسلیم کیا ہے۔
- مالیاتی گوشواروں کی تیار شدہ مناسبتوں کا مقابلہ پالیسیوں کو مسلسل لاگو کیا گیا ہے اور ان کا مقابلہ کے نتیجے میں معقول اور دانشورانہ فیصلے پر مبنی ہیں۔
- مالیاتی بیانات کی تیار شدہ مناسبتوں میں اتالیقی اور اتالیقی مناسبتوں، جیسا کہ پاکستان میں لاگو ہوتا ہے، کی ضروری کمی ہے۔
- اندرونی کنٹرول کا نظام پیمانہ میں درست ہے اور اسے موثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔
- کمپنی کی جاری تفتیش کے طور پر جاری رکھنے کی صلاحیت پر کوئی خاص شبہ نہیں ہے۔
- کارپوریت گورننس کے بہترین طریقوں سے کوئی انحراف نہیں کیا گیا ہے، جیسا کہ شواہد کی فہرست میں تفصیل سے بتایا گیا ہے۔
- پچھلے چھ سالوں کے کلیدی آپریشن اور مالیاتی نتائج کو خلاصہ شکل میں منسلک کیا گیا ہے۔

3. کمپنی پارس کے ذیلی اداروں کے کاروباری نوجیت سے متعلق مالی سال کے دوران تبدیلیاں:

مالی سال کے دوران کمپنی پارس کے ذیلی اداروں کے کاروباری نوجیت سے متعلق کوئی تبدیلی نہیں ہوئی ہے۔

4. آخری ذیلی اداروں میں ترمیم یا وضاحت:

آخری ذیلی اداروں میں ترمیم کے کسی بھی سلسلے کے سلسلے سے رپورٹ کرنے کے لیے کوئی معلومات یا وضاحت نہیں ہے۔

5. کمپنی کی مالی پوزیشن کو متاثر کرنے والی تبدیلیاں:

کمپنی کے مالیاتی سال کے اختتام اور رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت کو متاثر کرنے والی کوئی تبدیلیاں اور وعدے نہیں ہوئے ہیں۔

6. بورڈ ممبرز:

سال کے دوران ڈائریکٹرز کے نام مندرجہ ذیل ہیں۔

1. جناب محمد داؤد (چیف ایگزیکٹو ڈائریکٹر)
2. جناب یاسر اقبال (چیرمین / ڈائریکٹر)
3. جناب محمد رشید رانا (ڈپٹی چیف ڈائریکٹر)
4. جناب محمد نواز (ڈپٹی چیف ڈائریکٹر)
5. جناب امجد عباس (ٹیکنالوجی ڈائریکٹر)
6. جناب عارف بٹ (ٹیکنالوجی ڈائریکٹر)
7. جناب محمد طالب (ایگزیکٹو ڈائریکٹر)

بورڈ ممبران:

ذیل قومی سال کے دوران بورڈ آف ڈائریکٹرز کے چار (04) اہل حق منصفہ ہونے والے ڈائریکٹرز کی شرکت مندرجہ ذیل ہے۔

ڈائریکٹر کا نام	اہل حق میں شرکت	ڈائریکٹر کا نام	اہل حق میں شرکت
جناب محمد داؤد (چیف ایگزیکٹو ڈائریکٹر)	4	جناب یاسر اقبال (ٹیکنالوجی ڈائریکٹر / چیرمین)	4
جناب محمد رشید رانا (ڈپٹی چیف ڈائریکٹر)	4	جناب محمد نواز (ڈپٹی چیف ڈائریکٹر)	4
جناب امجد عباس (ٹیکنالوجی ڈائریکٹر)	1	جناب عارف بٹ (ٹیکنالوجی ڈائریکٹر)	4
جناب محمد طالب (ایگزیکٹو ڈائریکٹر)	4		

7. چارج شیٹ (آڈٹ) کی کمی:

آڈٹ کمیٹی کمپنی کے بورڈ آف ڈائریکٹرز کے ذریعہ وضع کردہ اپنے حوالہ کی شرائط کے مطابق اپنے فرمائش سرانجام دے رہی ہے۔ سال کے دوران آڈٹ کمیٹی کی چارج شیٹ ہو گئی جس میں ممبران کی معاشریہ نام درج ذیل ہیں۔

- | ڈائریکٹر کا نام | مہد | معاشریہ |
|-------------------|----------------------------|---------|
| 1. جناب محمد نواز | چیرمین / ڈپٹی چیف ڈائریکٹر | 4 |
| 2. جناب عارف بٹ | ممبر / ٹیکنالوجی ڈائریکٹر | 4 |
| 3. جناب امجد عباس | ممبر / ٹیکنالوجی ڈائریکٹر | 1 |

8. انسانی وسائل اور معاوضہ کئینی:

انسانی وسائل اور معاوضہ کئینی عین ممبروں پر مشتمل ہے۔ سال کے دوران کئینی کی ایک بیننگ ہوئی جس میں تمام ممبران نے شرکت کی۔

فائزیکٹرز کا نام	مہدہ
1. جناب محمد شہد وانا	جنیئر مین ایڈاپٹمنٹ ڈائریکٹر
2. جناب پسر اقبال	ممبر انہن ایگزیکٹو ڈائریکٹر
3. جناب امجد عباس	ممبر انہن ایگزیکٹو ڈائریکٹر

فائزیکٹرز کے معاوضے کی پالیسی:

کئینی آرٹیکلز کے ذریعے بورڈ آف ڈائریکٹرز فیئر ایگزیکٹو اور آڈٹ ڈائریکٹرز کے معاوضے طے کرنے کی عہدہ ہے۔ کئینی ایڈاپٹمنٹ ایکٹ 2017 کے آرٹیکلز کے مطابق جنرل بیننگ میں ممبران کی منظوری ضروری ہے۔ بورڈ آف ڈائریکٹرز نے انفرادی فائزیکٹرز کے معاوضے کی پالیسی تیار کی ہے جس میں تفصیل، مقررہ معاوضے کے پیکجز کے تعین کے لیے مختلف طریقہ کار طے کیا گیا ہے۔

کارپوریٹ سائیڈ ڈسکوری:

کئینی سائیڈ طور پر ذمہ دار ہے اور اپنے کاروبار کو اخلاقی ذمہ داری کے ساتھ چلانے کے لیے ہم عزم ہے۔ کئینی صحت، حفاظت، ماحولیات، ملازمین کے تعلقات اور معاشرے کی سماجی بہبود سے متعلق معاشرے کی مختلف ضروریات کو پورا کرنے میں ذمہ دار کارپوریٹ شہری کے طور پر کردار سے آگاہ ہے۔ کئینی خود کو اپنے اسٹیٹ ہولڈرز کے سامنے جوابدہ سمجھتی ہے اور اس نے سائیڈ ذمہ داریوں کی اشہام دہی کے جتنوں کی نفاذ ہی کی ہے جو کہ صحیبت، ماحولیات اور معاشرے میں شرکت ہیں۔ انتظامیہ ایک اچھا کارپوریٹ شہری بننے کے لیے حکمت عملی کے رہنما خطوط طے عمل کرتے ہوئے حکمت عملی کا استعمال کرتی ہے:

- دیگی علاقوں میں رہنے والی انفرادی قوت کے روزگار کی حوصلہ افزائی کرنا کہ نمایاں فائدہ حاصل ہو اور ان کے معیار زندگی کو بلند کیا جاسکے۔
- سائیڈ جہات اور انسانی حقوق کی حمایت کریں۔
- جس علاقے میں ہم کام کرتے ہیں وہاں کی مقامی کمیوں کے ساتھ ذمہ داری اور حساسیت کے ساتھ بہاؤ کریں۔

شیر ہوٹلنگ کا بیرون:

30 ستمبر 2021 تک شیر ہوٹلنگ کا بیرون منسلک ہے۔

اکٹرز:

معرض پانچگان کے ذریعہ مقرر کردہ آڈیٹرز، ممبرز سرورڈ، چارٹرڈ اکاؤنٹنٹس نے کیو سی آر کی معطلی کی وجہ سے 03.01.2022 کو مستقل دے دیا اور بورڈ نے ممبرز عالم ایڈاؤ گھ، چارٹرڈ اکاؤنٹنٹس کو مقرر کیا۔ تاہم، مذکورہ آڈیٹرز نے بھی 01.02.2022 کو مستقل دے دیا اور بورڈ نے ممبرز خیر محمد میاں، چارٹرڈ اکاؤنٹنٹس کو مقرر کیا جو سالانہ جنرل بیننگ کے اختتام پر رٹائر ہو جائیں گے اور ان ہونے کے بعد دوبارہ تقرر کی کے لیے خود کو پیش کر دیں۔

کوت کئینی نے سال 2021-22 کے لیے ان کی دوبارہ تقرر کی بھی معاش کی اور آئی کئینی کے بورڈ نے بھی اگلے سالانہ جنرل بیننگ کے اختتام تک ممبرز خیر محمد میاں، چارٹرڈ اکاؤنٹنٹ کی دوبارہ تقرر کی کے لیے آٹ کئینی کی معاش کی توثیق کی۔

تریف:

بورڈ شیر ہوٹلرز، چیکرز، گئے کے کاشکاروں اور دیگر تمام اسٹیٹ ہولڈرز کی طرف سے جاری حمایت اور تعاون کو سراہتا ہے۔ بورڈ کئینی کے ملازمین کو ان کی لگن اور محنت کے لیے سراہتا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے



محمد داؤد

چیف ایگزیکٹو

لاہور، فروری 21، 2022

6 YEARS OPERATING HIGHLIGHTS

(Figure in Thousand)

DESCRIPTION	2021	2020	2019	2018	2017	2016
OPERATING HIGHLIGHTS						
Gross sales	-	68,360	168,625	128,863	327,387	462,101
Net sales	-	58,427	153,110	118,723	298,566	430,564
Cost of sales	200,934	260,827	327,372	363,033	401,310	754,224
Gross profit	(200,934)	(202,400)	(174,262)	(244,310)	(102,744)	(323,660)
Administrative and selling expenses	31,066	14,465	21,565	20,306	24,170	25,681
Interest expenses	35,024	77,878	62,811	49,236	48,262	60,317
Other income	92,410	-	-	-	-	2
Profit before taxation	(174,615)	(294,743)	(258,637)	(313,853)	(175,177)	(409,656)
Profit after taxation	(222,152)	(209,298)	(54,022)	(322,611)	54,984	(384,250)
Basic earnings per share Rs.	(2.80)	(2.64)	(0.68)	(4.07)	0.69	(4.85)
PRODUCTION DATA						
Crushing days	-	-	38	70	58	54
Cane Crushed	TPD	-	652	562	292	1,902
Sugar production	M.Tons	-	1,755	3,096	1,200	8,195
Sugar recovery	% age	-	7.33	8.00	8.08	8.43
Molasses production	M.Tons	-	1,600	2,325	1,440	5,121
Molasses recovery	% age	-	6.59	5.92	4.80	5.35

Pattern of Shareholding as at September 30, 2021

FORM "34" THE COMPANIES ACT 2017 (Section 227)(2)(f)

- 1 Incorporation Number **0011303**
 2 Name of Company **ABDULLAH SHAH GHAZI SUGAR MILLS LTD.**
 3 Pattern of holding of the shares held by the shareholders as 30-09-2021

# Of Shareholders	Shareholdings Slab	Total Shares Held
722	1 to 100	57,822
713	101 to 500	277,378
195	501 to 1000	185,018
304	1001 to 5000	928,579
82	5001 to 10000	669,302
34	10001 to 15000	453,000
32	15001 to 20000	602,498
25	20001 to 25000	609,669
8	25001 to 30000	225,200
2	30001 to 35000	67,000
7	35001 to 40000	278,500
2	40001 to 45000	85,500
9	45001 to 50000	446,000
1	50001 to 55000	53,555
5	55001 to 60000	295,500
2	60001 to 65000	126,500
3	65001 to 70000	200,500
4	70001 to 75000	296,500
3	75001 to 80000	236,000
3	80001 to 85000	252,500
1	85001 to 90000	90,000
1	90001 to 95000	93,500
2	95001 to 100000	200,000
2	100001 to 105000	202,900
1	110001 to 115000	115,000
2	120001 to 125000	243,600
2	130001 to 135000	266,400
4	145001 to 150000	600,000
1	160001 to 165000	163,000
1	175001 to 180000	175,575
3	195001 to 200000	600,000
1	225001 to 230000	229,000
1	245001 to 250000	250,000
1	250001 to 255000	254,161
1	285001 to 290000	289,000
1	290001 to 295000	295,000
1	345001 to 350000	346,500
1	350001 to 355000	355,000
1	395001 to 400000	400,000
1	500001 to 505000	505,000
1	645001 to 650000	649,000
1	4495001 to 4500000	4,500,000
1	62090001 to 62095000	62,092,509
2188		79,261,666

Categories of Shareholding As at September 30, 2021

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
MUHAMMAD TALIB	1	400	0.00
ATIF BUTT	1	400	0.00
MUHAMMAD RASHID RANA	1	400	0.00
YASIR IQBAL	1	400	0.00
MR. MUHAMMED NAWAZ	1	100	0.00
MR. MUHAMMAD DAWOOD	1	400	0.00
MR. AMJAD ABBAS	1	100	0.00
Associated Companies, undertakings and related parties			
HAQ BAHU SUGAR MILLS (PVT) LTD	2	62,215,609	78.49
NIT and ICP			
	1	20,000	0.03
Executives			
	-	-	-
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds			
	2	833	0.00
Mutual Funds			
	-	-	-
General Public			
a. Local	2,147	16,488,224	20.80
b. Foreign	13	37,000	0.05
Others			
	16	497,800	0.63
Totals		2,188	79,261,666
			100.00

Share holders holding 10% or more	Shares Held	Percentage
HAQ BAHU SUGAR MILLS (PVT) LTD	62,215,609	78.49

6 Signature of Company Secretary

7 Name of signatory

Saleem Abbas

8 Designation

Company Secretary

9 CNIC Number

32304-8810990-5

10 Date

30-09-2021

Akhter Mahmood Mian

Chartered Accountant

INDEPENDENT AUDITORS' REPORT

To the members of Abdullah Shah Ghazi Sugar Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Abdullah Shah Ghazi Sugar Mills Limited, which comprise the statement of financial position as at September 30, 2021, and the statement of profit or loss, and 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 significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XXX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2021 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Material Uncertainty Relating to Going Concern

As disclosed in note no. 22 and 23 of the financial statements of the company for the year ended September 30, 2021, the company has prepared their financial statements on the basis of "going concern assumption". The company incurred a net loss before tax of Rs. 174,814,603; (2020: Rs. 294,742,811) in the current year including depreciation of Rs. 180,599,458; (2020: 191,087,876). The current liabilities exceed the current assets by an amount of Rs. 2,765,788,114; (2020: Rs. 2,007,466,654). The accumulated losses stands out at 1,099,659,800; (2020: Rs. 1,799,627,481). These conditions indicate the existence of material uncertainty which may cast significant doubts about 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 provided viable mitigation plan, budgets and cash flow forecasts and others in respect to going concern assumption. The company is in negotiations with lenders and financial institutions to restructure and restructure its financial liabilities. Furthermore, the company expects economic financial support from its agencies to ease its liquidity. Our opinion is not modified in respect of this matter.

Akhter Mahmood Mian
 Chartered Accountant

Key Audit Matters

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

Following are the key audit matters:

Key audit matter	How the matter was addressed in our audit
<p>Verification of creditors, advances from customers</p> <p>Creditors and advances from customers represent significant amounts in terms of materiality. Besides the verification of the same has been considered the key audit matter to be reported.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Observed list of parties and circulation confirmation on sample basis • Performed arithmetical test, analytical procedures and reconciled the ledger accounts with the supplier statements. • Checked that the company has performance obligation extending to creditors and customers • Observed and performed aging analysis and had discussions with the management • Performed subsequent verification procedures • Obtained representation from the management • Checked that appropriate presentation and disclosure is made in the financial statements

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 opinion 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.

Akhter Mahmoed Mian
Chartered Accountant

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 (XXX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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 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 date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Akhter Mahboob Mian
Chartered Accountant

We communicate with the board of directors regarding, among other matters, the planned scope and timing of 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 to the audit of the financial statements of the current period and are therefore the key audit matters. We discuss those matters in our auditor's report unless a law or regulation prohibits public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- (a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XXX of 2017);
- (b) the statement of financial position, the statement of profit or loss and statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XXX of 2017) and are in agreement with the books of account and returns;
- (c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) No asset was debited or shown under the Zakat and Ushr Ordinance, 1980 (CVIII of 1980).

Other Matter Paragraph

The last year audit was carried out by Sarwan Chartered Accountants and they have expressed their clean opinion on the financial statements dated January 24, 2020.

The engagement partner on the audit resulting in this independent auditor's report is Javed Akhter Bhag


Akhter Mahboob Mian
Chartered Accountant
Punjab, Lahore



(Date: February 21, 2022)

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

Name of Company : **ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED**
Year Ended: **September 30, 2021**

The company has complied with the requirements of the regulations in the following manner:

1 The total number of directors is seven as per the following:

a Male: 7
b Female: 0

2 The composition of the board is as follows:

Category	Names
Independent Directors	Mr. Muhammad Rashid Rana Mr. Muhammad Nawaz
Non-Executive Directors	Mr. Amjad Abbas Mr. Atif Butt Mr. Yasir Iqbal
Executive Directors	Mr. Muhammad Dawood Mr. Muhammad Talib
Female Directors	Nil

3 The directors have confirmed that none of them is serving as a director on more than seven listed Companies including this Company.

4 The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along its supporting policies and procedures.

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

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

7 The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

8 The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9 Five members of the Board have requisite education and experience on the Board(s) of listed companies and are exempt from Directors' Training Program which approval would be obtained within time allowed in these regulations. Three directors have already completed training course as required.

10 The board has approved appointment of CFO, Company Secretary and head of internal audit, including their remuneration, terms, and conditions employment complied with relevant requirements of the regulations.

11 Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board.

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

Names of Committee	Names of Members and Chairman
Audit Committee	Mr. Muhammad Nawaz (Chairman/Member) Mr. Atif Butt (Member) Mr. Amjad Abbas (Member)
Human Resource and Remuneration Committee	Mr. Muhammad Rasheed Rana (Chairman/Member) Mr. Yasir Iqbal (Member) Mr. Amjad Abbas (Member)

13 The term of reference of the aforesaid committee have been formed, documented and advised to the committee for compliance:

14 The frequency of meetings (quarterly/half yearly/ yearly) were as per following:

- a Audit Committee Quarterly
- b HR&R Committee Yearly

15 The Board has set up an effective outsourced internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16 The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, Company secretary or director of the Company.

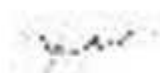
17 The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

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

19 Explanation for non compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below;

Sr.No.	Requirements	Explanations	Regulations No.
1	Constitution of Risk Management Committee	The function risk of management committee is currently performed by chief internal auditor who apprises the board accordingly. However the consideration of committee shall be completed before the close of current fiscal year.	30
2	Disclosure of Significant Policies on Website	The company intends to disclose its significant policies on website before the close of current fiscal year.	35
3	Female director	As currently there is no female shareholder who is qualified to be director. The company intends to appoint female director before the close of current fiscal year.	7

On behalf of the board of director



(CHAIRMAN)

Lahore

Dated: February 21, 2022

Akhter Mahmood Mian

Chartered Accountant

INDEPENDENT AUDITOR'S REVIEW REPORT To the members of Abdullah Shah Ghazi Sugar Mills Limited

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

We have reviewed the within Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Abdullah Shah Ghazi Sugar Mills Limited for the year ended September 30, 2021, in accordance with the requirements of regulation 30 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 evidence of the Company's processes 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 rules.

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 checked compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on Our Review, except for non-compliance to Regulation no. 7, 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, 2021.

Sr. No.	Reference of Regulation	Description
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1	7	There is no Female Director in Company.
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Akhter Mahmood Mian

Chartered Accountant

Place: Lahore

Date: February 21, 2022

STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021

	NOTES	2021 RUPEES	2020 RUPEES
<u>EQUITY AND LIABILITIES</u>			
<u>SHARE CAPITAL AND RESERVES</u>			
Authorized share capital	5.1	1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital	5.2	792,616,660	792,616,660
Capital Reserve:			
-Revaluation surplus on property, plant and equipment	6	1,303,207,955	1,375,054,008
Revenue Reserve:			
-Un-appropriated loss		(1,949,619,000)	(1,799,637,881)
		146,205,615	368,032,787
<u>NON-CURRENT LIABILITIES</u>			
Long term loan from related party - unsecured	7	312,752,733	123,416,314
Long term loan from bank - secured	8	1,972,000	2,972,000
Employee benefit obligations	9	8,716,711	7,733,409
Deferred tax liability	10	152,530,540	104,859,979
		475,971,984	238,981,702
<u>CURRENT LIABILITIES</u>			
Trade and other payables	11	2,449,801,387	2,439,848,644
Finance cost payable	12	290,909,447	355,803,530
Short term borrowings - unsecured/secured	13	18,973,000	74,720,546
Current portion of long term loan from bank	14	272,798,518	347,798,518
Current tax liability		-	876,410
		3,032,482,352	3,219,047,648
<u>CONTINGENCIES AND COMMITMENTS</u>			
	15	-	-
		3,654,659,951	3,826,062,137
<u>ASSETS</u>			
<u>NON CURRENT ASSETS</u>			
Property, plant and equipment	16	3,362,059,547	3,542,654,977
Long term deposits	17	1,826,165	1,826,165
		3,363,885,712	3,544,481,142
<u>CURRENT ASSETS</u>			
Stores and spares		36,780,360	36,787,501
Stock in trade	18	150,911,486	150,911,486
Advances, deposits and prepayments	19	98,685,394	88,272,525
Taxes recoverable		3,412,847	4,088,652
Cash and bank balances	20	984,152	1,520,831
		290,774,239	281,580,995
		3,654,659,951	3,826,062,137

The annexed notes, from 1 to 36, form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>NOTES</u>	2021 RUPEES	2020 RUPEES
Sales	21	-	58,427,350
Cost of sales	22	(200,934,146)	(260,827,144)
Gross loss		(200,934,146)	(202,399,794)
Administrative and general expenses	23	(31,066,034)	(14,465,386)
Operating Loss		(232,000,180)	(216,865,180)
Other Income	24	92,409,647	-
Loss before interest and tax		(139,590,533)	(216,865,180)
Finance cost	25	(35,024,074)	(77,877,791)
Loss before income tax		(174,614,607)	(294,742,971)
Taxation	26	(47,537,742)	85,444,884
Loss for the year		(222,152,349)	(209,298,087)
Loss per share - basic and diluted	27	(2.80)	(2.64)

The annexed notes, from 1 to 36, form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>NOTES</u>	2021 RUPEES	2020 RUPEES
Loss for the year		(222,152,349)	(209,298,087)
Other comprehensive income:			
Items that will not be subsequently reclassified in profit or loss:			
Re-measurement of defined benefit liability		457,996	675,616
Related tax		(132,819)	(195,928)
		325,177	479,687
Total comprehensive (loss) for the year		(221,827,172)	(208,818,400)

The annexed notes, from 1 to 36, form an integral part of these financial statements.


 CHIEF EXECUTIVE OFFICER


 DIRECTOR


 CHIEF FINANCIAL OFFICER

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	2021 RUPEES	2020 RUPEES
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Loss before taxation	(174,614,607)	(294,742,971)
Adjustments for non cash and other items:		
Depreciation	180,595,430	191,007,874
Financial charges	27,570,476	67,377,748
Provision for gratuity	1,510,757	1,425,983
	<u>209,676,663</u>	<u>259,811,605</u>
Cash flows before working capital changes	35,062,056	(34,931,366)
Effect on cash flows due to working capital changes (Increase) / Decrease in:		
Stores and spares	7,141	(2,618,726)
Stock in trade	-	51,270,000
Advances, deposits and prepayments	(10,412,869)	11,336,529
	(10,405,728)	59,987,803
Increase / (Decrease) in:		
Trade and other payables	9,952,743	(26,611,493)
	9,952,743	(26,611,493)
Cash generated from/(used in) operations	34,609,071	(1,555,055)
Income tax paid	(200,605)	(107,526)
Finance cost paid	(92,464,559)	(369,753)
Gratuity paid	(69,459)	-
	<u>(92,734,623)</u>	<u>(477,279)</u>
Net cash generated (used-in) operating activities	(58,125,552)	(2,032,334)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Fixed capital expenditures	-	(492,500)
Net cash (used-in) investing activities	-	(492,500)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Long term loan from bank	(76,000,000)	(1,028,000)
Short term borrowings - net	(55,747,546)	-
Long term loan from related party - unsecured	189,336,419	-
Net cash from/(used-in) financing activities	57,588,873	(1,028,000)
Net (decrease) / increase in cash and cash equivalent	(536,679)	(3,552,835)
Cash and bank balances at the beginning of the year	1,520,831	5,073,665
Cash and bank balances at the end of the year	984,152	1,520,831

The annexed notes, from 1 to 36, form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Notes	Share Capital	Reserves			Total Reserves	Total Equity
		Capital		Revenue		
	Share premium	Surplus on revaluation of PPE(net)	Accumulated Profit / (Loss)			
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at September 30, 2019	792,616,660	-	1,451,143,571	(1,666,909,043)	(215,765,472)	576,851,187
Total comprehensive loss for the year						
Loss for the year ended September 30, 2020	-	-	-	(209,298,087)	(209,298,087)	(209,298,087)
Other comprehensive income	-	-	-	479,687	479,687	479,687
	-	-	-	(208,818,400)	(208,818,400)	(208,818,400)
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation for the year (net of deferred taxation)	-	-	(76,089,562)	76,089,562	-	-
Balance as at September 30, 2020	792,616,660	-	1,375,054,008	(1,799,637,881)	(424,583,873)	368,032,787
Loss for the year ended September 30, 2021	-	-	-	(222,152,349)	(222,152,349)	(222,152,349)
Other comprehensive income	-	-	-	325,177	325,177	325,177
	-	-	-	(221,827,172)	(221,827,172)	(221,827,172)
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation for the year (net of deferred taxation)	-	-	(71,846,053)	71,846,053	-	-
Balance as at September 30, 2021	792,616,660	-	1,303,207,955	(1,949,619,000)	(646,411,044)	146,205,615

The annexed notes, from 1 to 36, form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

1 STATUS AND NATURE OF BUSINESS

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

Business Unit	Geographical Location
■ Head / Registered Office	Registered office of the company is situated at 7/10, A-2 Arkay Square Shahra - e - Liaquat, New Challi, Karachi.
■ Mills / Plant	Garho, District Thatta, Sindh, Pakistan.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

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

2.2 Basis of Measurement

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.

Material Uncertainty Relating to Going Concern

The company is non operational since last year. The financial statements of the company for the year ended September 30, 2021, show that the company incurred a net loss before tax of Rs.174,614,607/- (2020: Rs.294,742,971/-) in the current year including depreciation of Rs.180,595,430/- (2020: Rs. 191,007,874 /-) The current liabilities exceeds the current assets by an amount of Rs.2,741,708,113/- (2020: Rs. 2,937,466,654/-) and Its accumulated losses stands out at 1,949,619,000/- (2020: Rs. 1,799,637,881/-). The company has prepared these financial statements on the basis of going concern assumption. These conditions indicate the existence of material uncertainty which may cast significant doubts about 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 based on:

- a) Arbitration efforts to resolve issues with TCP is underway and it is expected that the Company will be able to settle the subject amount in a favorable and sustainable manner. Also see note no. 15.1.
- b) Negotiations with some financial institutions to restructure the liabilities on long-term basis are underway and some financial institutions have restructured their facilities and management is confident that restructuring will be successful with other lenders, Also see note no. 15.1.
- c) The sponsors, despite of limited means available, have unconditional commitment to enable Company to resume as going concern.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency. All financial information presented in Pak Rupee has been rounded off to the nearest Rupee unless stated otherwise.

2.4 Use of significant estimates and judgments

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

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgments made by the management in the application of the accounting policies, that have the most significant effect on the amount recognized in these financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of assets and liabilities in the next year are described in the following notes:

- Property, plant and equipment and intangible assets (notes 4.7).
- Trade debts (note 4.10)
- Stores and spares (note 4.8)
- Stock-in-trade (note 4.9)
- Taxation (note 4.4)
- Staff retirement benefits (note 4.3)
- Impairment (note 4.16)
- Provisions (note 4.6)

2.5 Accounting policies

The accounting policies adopted for the preparation of these financial statements are consistent with those applied in the preparation of the preceding annual financial statements of the company for the year ended September 30, 2020, to the extent and manner stated and applicable.

2.6 Change in accounting standards, interpretations and amendments to published approved accounting standards

IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" became applicable to the Company from October 1, 2018. For related changes in accounting policies and impact on the Company's financial statements.

Standards, amendments and interpretations to existing standards that are effective and have been early adopted by the Company to the extent and manner required and applicable to the company in the current year:

	Effective date (annual reporting periods beginning on or after)
IAS 1 Presentation of Financial Statements (Amendments)	January 1, 2020
IAS 8	January 1, 2020
Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 1, 2019
IAS 12 Income Taxes (Amendments)	January 1, 2019
IAS 19 Employee Benefits (Amendments)	January 1, 2019
IAS 23 Borrowing Costs (Amendments) January 1, 2019	January 1, 2019
IAS 28 Investment in Associates and Joint Ventures (Amendments)	January 1, 2019
IFRS 3 Business Combinations (Amendments)	January 1, 2020
IFRS 9 Financial Instruments (Amendments)	January 1, 2020
IFRS 11 Joint Arrangements (Amendments)	January 1, 2019
IFRS 16 Leases	June 1, 2020
IFRIC 23 Uncertainty over Income Tax Treatments	January 1, 2019
IASB Conceptual framework financial reporting (revised)	January 1, 2020

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial impact on presentation / disclosures. The management is in the process of assessing the impact of statements other than the changes laid down by the IFRS 16 on its financial statements.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan: Securities and Exchange

IFRS 1 First-time Adoption of International Financial Reporting Standards
IFRS 17 Insurance Contracts

The following interpretations issued by the IASB have been waived off by SECP:
IFRIC 12 Service Concession Arrangements

3 USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which from the basis of making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the future period are as follows:

- (i) Useful life and residual value of property, plant and equipment
- (ii) Provision for doubtful debts
- (iii) Provision for obsolete stores and spares and stock in trade
- (iv) Provision for taxation
- (v) Staff retirement gratuity
- (vi) Contingencies

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Issued, subscribed and paid-up capital

Ordinary shares are classified as equity and recognized 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.

4.2 Borrowings

Loans and borrowings are recorded at their fair value being the proceeds received. Financial charges are accounted for by applying effective interest rate method and included in accrued expenses.

4.3 Staff Retirement Benefits

The Company operates an un-funded gratuity scheme covering all employees eligible to the benefit. Provisions are made on the basis of actuarial recommendations. The actuarial valuations are carried out as at 30th September 2021 using the Projected Unit Credit Method, as required by International Accounting Standards (IAS-19).

The amount recognized in balance sheet represents the present value of the defined benefit obligation as on 30th September, 2021 as adjusted for unrecognized actuarial gains and losses.

The amendments in IAS 19 require the recognition of changes in defined benefit obligation and fair value of plan asset when they occur thus eliminating 'Corridor Approach' permitted under previous version of IAS 19 thus accelerating recognition of past service cost. All actuarial gains and losses are recognized immediately through 'Other Comprehensive Income'.

4.4 Taxation

(a) Current income tax

Provision for current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for tax on income is calculated at the current rates of taxation as applicable after taking into account tax credit and tax rebates

available, if any. Income tax expense is recognized in profit and loss account except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

(b) Deferred tax

Deferred tax is recognized using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for taxation purposes.

Deferred tax asset is recognized for all the deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the asset may be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that related tax benefits will be realized. Deferred tax liabilities are recognized for all the taxable temporary differences.

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

Deferred tax is charged or credited in the income statement, except in the case of items credited or charged to comprehensive income or equity, in which case it is included in comprehensive income or equity.

(c) Sales tax / excise duty

- Revenues, expenses and assets are recognized net of the amount of sales tax / FED except:
- Where the sales tax / FED incurred on purchase of assets or services is not recoverable from the taxation authority.
- Receivables and payables balances that are stated with the amount of sales tax / FED included.

The net amount of sales tax / FED recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

4.5 Trade and other payables

Trade and other payables are carried at cost which is the fair value of consideration to be paid for goods and/or services received, whether or not billed to the Company.

4.6 Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of a past event and is probable that an outflow of resources embodying economic benefits will be required to settle the obligation of which reliable estimate can be made. The expense related to provision is presented in profit and loss net of any reimbursements. The provision is recognized at its present value, accounting for time value of money, except where the impact for discounting is considered to be immaterial. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.7 Property, plant and equipment

(a) Operating fixed assets

- Fixed assets including additions are stated at cost less accumulated depreciation, except that certain assets which are stated at revalued amount less accumulated depreciation.
- Depreciation on fixed assets is provided on the reducing balance method over its useful life at the rates specified in the fixed assets schedule.
- Depreciation on additions to property, plant and equipment is charged for the month in which an asset is acquired or capitalized while no depreciation is charged for the month in which the asset is disposed off.
- Subsequent costs are included in the asset's carrying amounts or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.
- Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major repairs and improvements are capitalized.
- Gain or loss on scrapping or disposal of assets, if any, is charged to profit and loss account.

- The incremental depreciation charged on revalued assets during the year has been transferred to retained earnings/accumulated profit to record realization of surplus to the extent of incremental depreciation.

(b) Capital work in progress

Capital work in progress is stated at cost less identified impairment losses, if any. All expenditure including applicable borrowing costs, if any, connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these are available for use.

(c) Revaluation

Fixed assets are stated at revalued amount being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity so that the fair value and carrying value do not differ materially at the balance sheet date. Increases in the carrying amounts arising on revaluation of fixed assets are recognised, net of tax (other than on land), in other comprehensive income and accumulated in revaluation surplus in shareholders' equity to the extent that increase reverses a decrease previously recognised in the statement of profit or loss, the increase is first recognised in the statement of profit or loss. Decrease that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property, plant and equipment to unappropriated profit. Depreciation is charged to income applying reducing balance method to write-off the cost over the estimated remaining useful life of assets. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

4.8 Stores, spares and loose tools

Stores, spares and loose tools are valued at lower of cost, which is calculated according to moving average cost, and net realizable value. The cost is determined using weighted average method.

Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make the sale.

Stores in transit are valued at invoice values including other charges, if any, incurred thereon.

4.9 Stock-in-trade

These are valued at lower of cost and net realizable value. The cost is determined as follows:

Raw materials:	Weighted average cost
Goods in transit:	Cost comprising invoice value plus other charges incurred thereon.
Work in process:	Weighted average manufacturing cost
Finished goods:	Average manufacturing cost
Molasses:	Contracted price / net realizable value

Net realizable value signifies the estimated selling price in ordinary course of business less expenses necessary to be incurred in order to make sale.

4.10 Trade debts

Trade debts are recognized and carried at original invoice amount less an allowance for doubtful debts. Provision for doubtful debts is based on the management's assessment of customer's outstanding balances and credit worthiness. Trade debts are written off when identified and considered irrecoverable.

4.11 Loans, advances, deposits, prepayments and other receivables

Loans, advances, deposits, prepayments and other receivables are carried at cost less provision made for doubtful receivables based on review of all outstanding amounts at the year end. Loans, advances, deposits, prepayments and other receivables considered irrecoverable are written off.

4.12 Cash and cash equivalent

Cash and cash equivalents are carried in the balance sheet at nominal amounts. For the purpose of the cash flow statement, cash and cash equivalents comprises cash in hand and balance with banks in current and pls accounts.

4.13 Revenue recognition

Revenue from sale of goods is measured at fair value of the consideration received or receivable, net of discounts and applicable taxes. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the customer, recovery of the 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.

- Sale of goods is recorded when significant risks and rewards of ownership are transferred to the customer;
- Interest and rental income are recognized on accrual basis;
- Dividend income is recognized when the company's right to receive the dividend is established; and
- Sale of scrap is recognized on actual realization basis.

Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due.

Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs its performance obligations under the contract.

Others

Return on deposits is accounted for on 'accrual basis'.

4.14 Borrowing costs

Borrowing cost incurred on finance obtained for the construction of qualifying assets are capitalized up to the date the respective assets are available for the intended use. All other mark up interest and other related charges are taken to profit and loss account.

4.15 Ijarah

Ijarah payments under an Ijarah are recognized as an expense in the profit and loss account on a straight-line basis over the Ijarah term.

4.16 Impairment

(a) Financial assets

The Company assesses at each balance date whether there is any objective evidence that a financial asset or a group of financial asset is impaired. A financial asset is deemed to be impaired if and only if there is an objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Any impairment loss on financial assets, including the financial assets carried at amortized cost, is recognized in profit and loss account.

(b) Non-financial assets

The Company continually assesses at each balance sheet date whether there is any indication that an asset may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit and loss account for the year. The recoverable amount is the higher of an assets' fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets' revised carrying amount over its estimated useful life.

When impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized. Reversal of impairment loss is recognized as income.

4.17 Financial instruments

All the financial assets and liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset or a portion of a financial asset when, and only when, the enterprise loses control of the contractual rights that comprise the financial asset or portion of the financial asset. While a financial liability or part of a financial liability is derecognized from the balance sheet, when, and only when it is extinguished, i.e. when the obligation specified in the contract is discharged cancelled or expires.

(a) Financial assets

Financial assets are investment in associates, long term loans and advances, long term deposits, trade debts, short term loans and advances, other receivable and cash and bank balances. These are initially recognized at its cost which represent fair value of consideration given for it and subsequent to initial recognition financial assets are carried at cost, if fair value is not materially different at the balance sheet date.

(b) Financial liabilities

Financial liabilities are classified according to the substance of the contractual agreements entered into. Significant financial liabilities are long term loans, short term finances, obligations under finance lease, trade and other payables. All financial liabilities are initially recognized at cost, which represents fair value of the consideration received at initial recognition. After initial recognition financial liabilities held for trading are carried at fair value and all other financial liabilities are measure at amortized cost.

4.17.1 Financial assets Classification

Effective October 01, 2020, the Company classifies its financial assets in the following measurement categories:

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

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

For assets measured at fair value, gains and losses will either be recorded in statement of profit or loss or other comprehensive income (OCI).

Recognition and derecognition

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

Measurement

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

Definition of default

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

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

Impairment of financial assets

Effective October 01, 2020, the Company assesses on a historical as well as forward-looking basis, the expected credit loss (ECL) as associated with its trade debts. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

- Trade debts
- Cash and bank balances

Simplified approach for trade debts

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

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

Recognition of loss allowance

The Company recognises an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Write-off

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

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

Financial Liabilities

Classification, initial recognition and subsequent measurement

Financial liabilities are classified in the following categories:

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

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

Fair value through profit or loss

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

Other financial liabilities

After initial recognition, other financial liabilities which are interest bearing subsequently measured at amortised cost, using the effective interest rate method. Gains and losses are recognised in profit or loss for the year, when the liabilities are derecognised as well as through effective interest rate amortisation process.

Derecognition of financial liabilities

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

Off Setting of financial assets and financial liabilities

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

4.18 Off setting of financial instruments

A financial asset and a financial liability are offset and the net amount is reported in the balance sheet if the company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability, simultaneously.

4.19 Foreign currency translation and transactions

Assets and liabilities in foreign currencies are translated into rupees at the rate of exchange prevailing at the balance sheet date except for the liabilities covered under forward exchange contracts which are translated at the contracted rates. Transaction in foreign currencies are converted into rupees at the rate of ruling on the date of transactions. Profit or loss arising on translation is recognized in the profit and loss account currently.

4.20 Related party transactions

All transactions between company and related parties are accounted for in the normal course of business carried out on mutually agreed terms. The company voluntarily place before the board of directors for their consideration and of approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in accordance with normal business price recording proper justification for using if any, alternate pricing mechanism.

4.21 Dividends

Dividend distribution to the company's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved.

4.22 Earnings per share

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders' of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by using profit and loss attributable to ordinary shareholders' and the weighted average number of ordinary shares outstanding, adjusted for the effect of all dilutive potential ordinary shares.

4.23 Segment Reporting

A segment is a distinguishable component within the company that is engaged in providing products and under a common control environment (geographical segment), which is subject to risks and returns that are different from those of other segments. Segments results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis, segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment. The company principal business of the Company is manufacturing and selling of refined sugar and by products therefore no segmentation has been provided.

4.24 LEASED ASSETS

Right of Use Asset

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

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

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

Lease Liability

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

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and

the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

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

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

Variable lease payments are recognised in the profit or loss in the period in which the condition that triggers those payments occurs.

	NOTES	2021 RUPEES	2020 RUPEES
5 ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
5.1 Authorized Share Capital			
2021	2020		
Number of Shares			
100,000,000	100,000,000	Ordinary shares of Rs. 10/- each	1,000,000,000
			1,000,000,000
5.2 Issued, Subscribed and Paid-up Capital			
2021	2020		
Number of Shares			
79,261,666	79,261,666	Ordinary shares of Rs. 10/- each fully paid in cash	792,616,660
			792,616,660
5.3	62,215,609 (2020:62,215,609) ordinary shares are held by Haq Bahu Sugar Mills (Private) Limited (holding company) representing 78.49% (2020:78.49%) shareholding in the company.		
5.4	Voting rights, board selection, right of first refusal and block voting are in proportion to the shareholding of the shareholders.		
6 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENTS - Net			
The latest revaluation of property, plant and equipment of the Company was carried out by independent professional valuers, Unicorn International Surveyors (Approved business valuers on the panel of Pakistan Bank's Association) ,which resulted in the revaluation surplus of Rs. 1,372,972,411/-and report on valuation was issued on September 30, 2019. The Company has incorporated the revaluation adjustments in these financial statements at the year end.The management further believes that the valuation at the year end is approximate to the valuation already done.Furthermore, the management carried out an impairment review at the year end and there was no impairment due to increase in dollar rate and devaluation of Pakistan Currency.			
		2021	2020
	Rupees.....	
Opening Balance		1,929,687,375	2,036,855,772
Add: Revaluation during the year		1,929,687,375	2,036,855,772
Less: Transferred to equity in respect of:			
Incremental depreciation on revalued Asset		(71,846,053)	(76,089,562)
Related deferred tax liability		(29,345,571)	(31,078,835)
		(101,191,624)	(107,168,397)
Closing Balance - Gross		1,828,495,751	1,929,687,375
Less: Related Deferred tax liability			
Related deferred tax liability on revaluation surplus		554,633,367	585,712,202
Revaluation during the year		-	-
Effect of change in tax rate		-	-
Amount realized during the year on account of incremental depreciation		(29,345,571)	(31,078,835)
		525,287,796	554,633,367
Closing Balance - net		1,303,207,955	1,375,054,008
6.1	The revaluation surplus on property, plant and equipments is a capital reserve and in not available for distribution to the shareholders of the company in accordance with section 241 of the Companies Act, 2017.		
7 LONG TERM LOAN FROM RELATED PARTY - UNSECURED			
Subordinated loan from Holding Company		312,752,733	123,416,314
The loan has been advanced by M/s. Haq Bahu Sugar Mills (Pvt.) Ltd. which carries mark-up @ 3 months KIBOR plus 1% (2020: @ 3 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 and is subject to BOD resolution/approval.			
8 LONG TERM LOAN FROM BANK - SECURED			
Mark-up based borrowing from conventional banks (Secured):			
Term Finance			
Summit Bank	8.1	-	75,000,000
Silk Bank	8.2	2,972,000	3,972,000
		2,972,000	78,972,000
Islamic Mode of Financing (Secured):			
Bank Islami	8.3	271,798,518	271,798,518
		271,798,518	271,798,518
		274,770,518	350,770,518
Less: Current Portion of Long term Loans		(272,798,518)	(347,798,518)
		1,972,000	2,972,000

	NOTES	2021 RUPEES	2020 RUPEES
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 director. During the year amount obtained from bank has been paid as full and final settlement by obtaining loan from associated undertaking Haq Bahu Sugar Mills (Pvt.) Ltd.		
8.2	The facility has been obtained from Silk 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 Silk Bank limited entered into a restructuring programme in the earlier years. The company is making payments towards this obligation on bi annual basis as per the terms of the agreement.		
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. The company is in litigation with Bank Islami. Refer note no. 15.1 (c)		
9 EMPLOYEE BENEFIT OBLIGATIONS			
Balance sheet liability		7,733,409	6,983,042
Expenses chargeable to profit and loss account	9.1	1,510,757	1,425,983
Re-measurements chargeable in other comprehensive income	9.2	(457,996)	(675,616)
Benefits paid		(69,459)	-
		8,716,711	7,733,409
9.1 Amount charged to profit and loss account			
Current service cost		1,001,477	866,855
Interest cost on defined benefit obligation		509,280	559,128
Total amount chargeable to profit and loss account		1,510,757	1,425,983
9.2 Re-measurements chargeable in other comprehensive income			
Remeasurement of plan obligation:			
Actuarial (gains)/losses from changes in financial assumptions		5,611	(15,749)
Experience assumptions		(463,607)	(659,867)
Total re-measurements chargeable in other comprehensive income		(457,996)	(675,616)
a) Changes in Present Value of Defined benefit Obligations			
Present value of defined benefit obligation		7,733,409	6,983,042
Current service cost		1,001,477	866,855
Interest cost on defined benefit obligation		509,280	559,128
Benefits due but not paid (payables)		-	-
Benefits paid		(69,459)	-
Remeasurements:			
Actuarial (gains)/losses from changes in financial assumptions		5,611	(15,749)
Experience assumptions		(463,607)	(659,867)
Present value of defined benefit obligation		8,716,711	7,733,409
9.3 Significant actuarial assumptions			
Discount rate used for interest cost in profit and loss account charge		9.75%	12.50%
Discount rate used for year end obligation		10.50%	9.75%
Salary increase used for year end obligation		N/A	N/A
Net salary is increased at		1-Jan-22	1-Jan-21
Mortality rates		2001-2005	2001-2005
Withdrawal rates		Age-Based	Age-Based
Retirement assumption		Age 60	Age 60
9.4 Allocation			
Total retirement benefits costs are included in salaries and benefits and allocated as follows:			
Cost of sales		725,163	684,472
Administrative and general expenses		785,594	741,511
		1,510,757	1,425,983
9.5 Year end sensitivity analysis (+ 100 bps) on defined benefit obligation			
Discount rate + 100 BPS		6,084,228	5,080,829
Discount rate - 100 BPS		6,495,580	5,386,338
Salary Increase + 100 BPS		6,501,427	5,390,918
Salary Increase - 100 BPS		6,075,566	5,074,153

The average duration of the defined benefit obligation is 3 years.

The actuarial valuation has been done by independent valuer Nauman Associates (Consulting Actuaries) and the report was issued on Decemebr 17, 2021.

Valuation has been performed as per the provisions of IAS-19.

	NOTES	2021 RUPEES	2020 RUPEES
10 DEFERRED TAXATION			
The Liability of Deferred Tax comprises of Temporary differences relating to:			
Taxable Temporary Differences			
Accelerated Tax Depreciation		236,551,341	226,626,155
Revaluation Surplus		525,287,796	554,633,367
		761,839,137	781,259,522
Deductible Temporary Differences			
Retirement Benefit Obligation		(2,527,846)	(2,242,689)
Minimum Tax Available for Carry Forward		-	(6,092,519)
Unused Tax Losses		(606,780,751)	(668,064,335)
		(609,308,597)	(676,399,543)
		152,530,540	104,859,979
Deferred tax asset on business losses has been provided on the basis of expectation of future availability of normal taxable profits in the future against which this deferred tax asset could be utilized. The management based on best possible estimates and projections along with reasonable assumptions thereon has assumed that the as soon as the company would start its commercial operations, all such losses would be recouped in a couple of years.			
10.1 Movement in deferred tax balances is as follows:			
At beginning of the year		104,859,979	190,985,345
Effect of rate change		-	-
Recognized in statement of profit or loss:			
Accelerated tax depreciation/amortization		9,925,186	14,404,491
Incremental depreciation		(29,345,571)	(31,078,835)
Minimum tax available for carry forward		6,092,519	(876,410)
Tax credits / Unused tax losses		61,283,584	(68,357,006)
Retirement Benefit Obligation		(417,977)	(413,535)
		47,537,742	(86,321,295)
Recognized in statement of comprehensive income:			
Comprehensive income		132,819	195,928
At end of the year		152,530,539	104,859,979
10.2 Reconciliation			
Profit/(Loss) before tax		(174,614,607)	(294,742,971)
Tax @ 29 %		(50,638,236)	(85,475,462)
Tax paid		-	1,913,875
Taxable temporary differences		(19,420,385)	(16,674,344)
Deductible temporary differences		66,958,127	(69,646,951)
Current tax- Income tax and Deferred Tax %		(0.27)	0.29
11 TRADE AND OTHER PAYABLES			
Creditors for goods and services		1,048,507,736	1,045,320,486
Advance from customers	11.1	1,289,531,179	1,289,531,179
Accrued liabilities		13,946,985	14,354,965
Deposits		39,076	39,076
Road cess		2,448,195	2,448,195
Income tax payable		3,958,454	3,969,368
Workers' profit participation fund	11.2	75,474,668	68,563,470
Workers' welfare fund	11.3	5,923,345	5,380,946
Sales tax payable		8,345,738	8,611,365
Other liabilities		1,626,011	1,629,594
		2,449,801,387	2,439,848,644
11.1 Advance from customers includes disputed balance amounting Rs. 521,162,495/- with Trading Corporation of Pakistan. For details refer to note 15.1(b). The matter is subjudice with the appellant authority. The remaining amount payable is inclusive of sales tax and company would pay sales tax on contract maturity as per the amended provision of local laws.			
11.2 Workers' profit participation fund			
Workers' profit participation fund		75,474,668	68,563,470
No provision has been recognized in the current year due to accounting loss. Furthermore, mark up has been charged including late payment surcharge @ 1 year KIBOR plus 2.5%.			
11.3 Workers' welfare fund			
Balance Outstanding		5,923,345	5,380,946
No provision has been recognized in the current year due to taxable losses. Furthermore, mark up has been charged including late payment surcharge @ 1 year KIBOR plus 2.5%.			
12 FINANCE COST PAYABLE			
Mark-up on Borrowing from Conventional Banks:			
Long Term Financing		-	48,985,328
Short Term Borrowings		-	43,424,319
		-	92,409,647

	NOTES	2021 RUPEES	2020 RUPEES
Islamic Mode of Financing:			
Long Term Financing		99,362,997	86,080,855
Short Term Borrowings		51,706,758	51,706,758
		151,069,755	137,787,613
Other			
Long Term Financing	12.1	139,839,692	125,606,270
		139,839,692	125,606,270
		290,909,447	355,803,530
12.1	The mark-up is payable to Haq Bahu Sugar Mills (Pvt.) Limited, parent of the Company, calculated @ 3 month KIBOR +1% subject to availability of funds as per the terms of the agreement.		
13 SHORT TERM BORROWINGS			
Mark-up Based Borrowing from Conventional Banks (Secured):			
Running Finance	13.1	-	47,080,879
Short Term Finance	13.2	-	8,666,667
		-	55,747,546
Other Financing (Unsecured):	13.3	18,973,000	18,973,000
		18,973,000	74,720,546
13.1	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. During the year amount obtained from bank has been paid as per final settlement by obtaining loan from Haq Bahu Sugar Mills (Pvt.) Limited.		
13.2	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. During the year amount obtained from bank has been paid as per final settlement.		
13.3	This loan is interest free, unsecured and repayable on demand as per the terms of the agreement.		
14 CURRENT PORTION OF LONG TERM LOANS			
Current Portion of Long term Loans		272,798,518	347,798,518
		272,798,518	347,798,518
15 CONTINGENCIES AND COMMITMENTS			
15.1 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. 570.913 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. 521.165 million.		
c)	The Bank Islami Limited has filed a recovery suit for Rs. 360,907,225 on account of principal, rental and as charity against the company, on May 2021, the learned court has reserved its judgment on this issue. The company and legal advisor of the company are of the opinion that they have a strong case against the liabilities of the bank and are of the view that the settlement of the liabilities with the bank will be in their favour and only the principal would be payable therefore no provision for mark up and other charges during the current year has been provided.		
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.		
15.2 Commitments			
	The company has no commitments at the year end.		
16 PROPERTY, PLANT AND EQUIPMENTS			
Operating Fixed Assets	16.1	3,301,371,939	3,481,967,369
Capital Work in Progress - At Cost	16.2	60,687,608	60,687,608
		3,362,059,547	3,542,654,977

16.1 PROPERTY, PLANT & EQUIPMENT

Particulars	Land free hold		Building on free hold land		Plant and machinery	Electric installations	Tools and equipment	Telephone intercom	Electric equipment	Furniture and fixtures	Office equipment	Aircraft and miscellaneous	Trucks and transport	Computers	Vehicles	Scales and weighings	Total		
	Factory	Non factory	Factory	Non factory															
As at October 01, 2019																			
Cost	8,337,791	11,844,864	274,500,251	326,000,709	4,428,848,482	11,208,128	3,258,337	1,331,131	7,221,223	4,420,008	853,677	3,210,660	3,201,261	11,988,380	14,000	4,909,072,411			
Accumulated Depreciation	-	-	353,665,448	68,912,248	398,836,867	10,623,218	2,593,254	947,045	5,307,130	6,679,983	3,653,288	385,995	3,628,991	2,974,655	10,355,812	8,648	1,307,738,948		
Book value	8,337,791	11,844,864	117,834,803	317,088,461	4,030,011,615	984,909	665,083	384,086	1,914,093	7,740,025	4,866,719	2,824,665	8,372,270	8,993,725	5,982	3,601,333,463			
Year ended September 30, 2020:																			
Additions	-	-	-	-	3,312,756,027	540,138	313,568	74,710	1,104,466	879,348	1,620,678	61,283	1,263,932	466,782	1,327,448	3,953	3,401,967,169		
Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	(3,312,756,027)	(540,138)	(313,568)	(74,710)	(1,104,466)	(879,348)	(1,620,678)	(61,283)	(1,263,932)	(466,782)	(1,327,448)	(3,953)	(3,401,967,169)		
Year ended September 30, 2021:																			
Additions	-	-	-	-	3,312,756,027	540,138	313,568	74,710	1,104,466	879,348	1,620,678	61,283	1,263,932	466,782	1,327,448	3,953	3,401,967,169		
Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	(3,312,756,027)	(540,138)	(313,568)	(74,710)	(1,104,466)	(879,348)	(1,620,678)	(61,283)	(1,263,932)	(466,782)	(1,327,448)	(3,953)	(3,401,967,169)		
Year ended September 30, 2022:																			
Additions	-	-	-	-	3,312,756,027	540,138	313,568	74,710	1,104,466	879,348	1,620,678	61,283	1,263,932	466,782	1,327,448	3,953	3,401,967,169		
Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	(3,312,756,027)	(540,138)	(313,568)	(74,710)	(1,104,466)	(879,348)	(1,620,678)	(61,283)	(1,263,932)	(466,782)	(1,327,448)	(3,953)	(3,401,967,169)		
Year ended September 30, 2023:																			
Additions	-	-	-	-	3,312,756,027	540,138	313,568	74,710	1,104,466	879,348	1,620,678	61,283	1,263,932	466,782	1,327,448	3,953	3,401,967,169		
Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	(3,312,756,027)	(540,138)	(313,568)	(74,710)	(1,104,466)	(879,348)	(1,620,678)	(61,283)	(1,263,932)	(466,782)	(1,327,448)	(3,953)	(3,401,967,169)		
Year ended September 30, 2024:																			
Additions	-	-	-	-	3,312,756,027	540,138	313,568	74,710	1,104,466	879,348	1,620,678	61,283	1,263,932	466,782	1,327,448	3,953	3,401,967,169		
Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	(3,312,756,027)	(540,138)	(313,568)	(74,710)	(1,104,466)	(879,348)	(1,620,678)	(61,283)	(1,263,932)	(466,782)	(1,327,448)	(3,953)	(3,401,967,169)		
Year ended September 30, 2025:																			
Additions	-	-	-	-	3,312,756,027	540,138	313,568	74,710	1,104,466	879,348	1,620,678	61,283	1,263,932	466,782	1,327,448	3,953	3,401,967,169		
Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	(3,312,756,027)	(540,138)	(313,568)	(74,710)	(1,104,466)	(879,348)	(1,620,678)	(61,283)	(1,263,932)	(466,782)	(1,327,448)	(3,953)	(3,401,967,169)		

16.1.1 Depreciation for the period has been disclosed as follows:-

Cost of goods manufactured Administrative Expenses	2021 Rupees		2022 Rupees	
		176,076,332	122,742,133	5,117,003
	100,325,450	121,897,674	-	-

The carrying amount of the respective assets that would have been included in the historical statements had those assets being carried at its cost less accumulated depreciation and accumulated impairment losses is shown as under:-

Description	2021 Rupees		2022 Rupees	
	1. Original cost	3,312,756,027	4,030,011,615	4,030,011,615
2. Accumulated Depreciation	(3,312,756,027)	(4,030,011,615)	(4,030,011,615)	(4,030,011,615)
3. Carrying value	-	-	-	-
4. Impairment	-	-	-	-
5. Fair value	-	-	-	-

16.1.2 The latest completion of property, plant and equipment of the Company was carried out by independent professional valuers. Unimpaired historical valuations (Approved valuation values on the part of valuers) are disclosed as under:-

Description	2021 Rupees		2022 Rupees	
	1. Original cost	3,312,756,027	4,030,011,615	4,030,011,615
2. Accumulated Depreciation	(3,312,756,027)	(4,030,011,615)	(4,030,011,615)	(4,030,011,615)
3. Carrying value	-	-	-	-
4. Impairment	-	-	-	-
5. Fair value	-	-	-	-

16.1.3 The carrying amount of the respective assets that would have been included in the historical statements had those assets being carried at its cost less accumulated depreciation and accumulated impairment losses is shown as under:-

Description	2021 Rupees		2022 Rupees	
	1. Original cost	3,312,756,027	4,030,011,615	4,030,011,615
2. Accumulated Depreciation	(3,312,756,027)	(4,030,011,615)	(4,030,011,615)	(4,030,011,615)
3. Carrying value	-	-	-	-
4. Impairment	-	-	-	-
5. Fair value	-	-	-	-

16.1.4 The carrying amount of the respective assets that would have been included in the historical statements had those assets being carried at its cost less accumulated depreciation and accumulated impairment losses is shown as under:-

Description	2021 Rupees		2022 Rupees	
	1. Original cost	3,312,756,027	4,030,011,615	4,030,011,615
2. Accumulated Depreciation	(3,312,756,027)	(4,030,011,615)	(4,030,011,615)	(4,030,011,615)
3. Carrying value	-	-	-	-
4. Impairment	-	-	-	-
5. Fair value	-	-	-	-

		2021 RUPEES	2020 RUPEES
16.2 Capital work in progress - At cost			
Opening balance		60,687,608	60,687,608
Add: Additions during the year		-	-
Less: Transfer to property, plant and Equipments		-	-
	16.2.1	60,687,608	60,687,608
16.2.1 Breakup is as follows			
Plant and machinery		56,549,451	56,549,451
Civil works		4,138,157	4,138,157
		60,687,608	60,687,608
The management carried out an impairment review at the year end as per IAS 36 and is of the view that there is no impairment that needs to be accounted for in the financial statements relating to capital work in progress.			
17 LONG TERM DEPOSITS			
Long Term Deposits (Interest free and unsecured)		1,826,165	1,826,165
18 STOCK IN TRADE			
Work in process	18.1	150,911,486	150,911,486
		150,911,486	150,911,486
18.1 The company has not carried out any production activity during the year. Work in process is carried out at lower of cost or NRV.			
19 ADVANCES, DEPOSITS AND PREPAYMENTS			
Advances - Unsecured, considered good			
Growers		37,726,314	36,416,314
Contractors		4,162,025	4,256,625
Suppliers		27,670,193	23,400,104
Employees		852,207	866,592
For expenses		12,459,655	7,517,890
Export rebate receivable	19.1	15,815,000	15,815,000
		98,685,394	88,272,525
Deposits:			
Excise duty		20,831,910	20,831,910
Sales tax receivable		-	-
		119,517,304	109,104,435
Provision against excise duty deposit		(20,831,910)	(20,831,910)
		98,685,394	88,272,525
19.1 The management conferred that since the claim still holds good against the relevant authority and the authority has not rejected the claim till to date, therefore no provision/impairment is required. Also see note no. 30 a.			
20 CASH AND BANK BALANCES			
Cash in Hand		297,947	799,243
Cash at Banks			
-Current Accounts		585,134	620,517
-Saving Accounts		101,071	101,071
		984,152	1,520,831
21 SALES - NET			
Gross local sales			
Sugar		-	68,360,000
Molasses		-	-
Total gross sales		-	68,360,000
Less Sales tax		-	(9,932,650)
Sales - Net		-	58,427,350
22 COST OF SALES			
Cost of sugar cane		140,500	1,201,503
Stores and spares consumed		305,622	341,408
Salaries, wages and benefits	22.1	19,389,662	14,718,648
Water, fuel and power		1,575,690	2,502,111
Vehicle running and maintenance		946,580	1,368,778
Freight, handling and octroi		14,700	94,282
Depreciation	16.1.1	176,478,352	186,400,636
Others		2,083,041	2,929,779
		200,934,146	209,557,144
Add: Opening WIP		150,911,486	150,911,486
Less: Closing WIP		(150,911,486)	(150,911,486)
Cost of Goods Manufactured		200,934,146	209,557,144
Add: Opening Finished Goods		-	51,270,000
Less: Closing Finished Goods		-	-
		200,934,146	260,827,144

	NOTES	2021 RUPEES	2020 RUPEES
22.1	It also includes an amount relating to staff retirement benefit.		
23 ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries, wages and other benefits	23.1	2,585,594	1,500,000
Fees, subscription and renewals		10,123,502	1,860,884
Vehicle running and maintenance		327,752	586,620
Legal and professional charges		5,601,025	103,000
Printing and stationery		222,283	51,000
Travelling, conveyance and entertainment		3,994,930	2,294,232
Rent, rates and taxes		330,500	288,565
Auditor's remuneration	23.2	950,000	950,000
Depreciation	16.1.1	4,117,078	4,607,238
Miscellaneous		2,637,110	1,878,247
Entertainment		176,260	345,600
		31,066,034	14,465,386
23.1	It also includes an amount relating to staff retirement benefit.		
23.2 Auditors' remuneration			
Annual audit fee		800,000	800,000
Review of code of corporate governance		75,000	75,000
Half yearly review		75,000	75,000
		950,000	950,000
24 OTHER INCOME			
Mark up written back	24.1	92,409,647	-
		92,409,647	-
24.1	In the earlier years, the mark up on outstanding loans was charged in the financial statement relating to summit bank, the bank and the company were in litigation. The liability towards the bank has been fully settled, the mark up charged earlier is no longer payable has been written back as other income.		
25 FINANCE COST			
Mark up on subordinated sponsors' loan-Haq bahu		14,233,422	15,419,871
Mark up on long term loan		13,282,142	42,860,578
Mark up on short term borrowings		-	8,727,546
Mark up on WPPF and WWF		7,453,597	10,500,044
Bank charges and commission		54,913	369,753
		35,024,074	77,877,791
26 TAXATION			
Current Year Provision		-	876,410
Deferred Taxation			
Relating to Origination and Reversal of Temporary Differences		47,537,742	(86,321,294)
Relating to Rate Change		-	-
		47,537,742	(86,321,294)
		47,537,742	(85,444,884)
26.1 Relationship between tax expense and accounting profit			
Accounting loss for the year		(174,614,607)	(294,742,971)
Applicable tax rate		29%	29%
Tax on accounting loss		(50,638,236)	(85,475,462)
Tax effect of expenses that are not deductible in determining taxable profit		79,609,592	55,805,819
Tax effect of expenses that are deductible in determining taxable profit		(32,972,431)	(38,696,517)
Adjustment of brought forward losses		(602,779,675)	(599,698,175)
Tax refundable under normal rules		(606,780,751)	(668,064,335)
Tax payable under normal rules		NIL	NIL
Minimum tax liability U/s. 113 (2019: U/s 113 - C)		(6,092,519)	(6,092,519)
27 LOSS PER SHARE - Basic and diluted			
Loss after taxation for the year attributable to ordinary shareholders		(222,152,349)	(209,298,087)
		NUMBER OF SHARES	
Weighted average number of ordinary shares outstanding during the year		79,261,666	79,261,666
Loss Per share		(2.80)	(2.64)

NOTES

2021
RUPEES

2020
RUPEES

27.1 Diluted Earning per Share

There is no dilution effect on the basic earning per share as the company has no such commitments.

28 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the accounts for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company was as

	Chief Executive		Directors		Executives	
	2021	2020	2021	2020	2021	2020
Management Remuneration	-	-	300,000	300,000	1,800,000	1,200,060
Perquisites	-	-	-	-	-	-
	-	-	300,000	300,000	1,800,000	1,200,060
Number of Persons	1	-	1	1	2	2

29 TRANSACTION WITH RELATED PARTIES

Related parties comprise of holding company, subsidiary, associated undertakings, directors of the Company, key employees and staff retirement fund. The Company in normal course of business carries out transactions with various related parties on mutually agreed terms and conditions subject to BOD approval. Amounts due from and to related parties are shown under receivables and payables. Parent, subsidiary and associated undertakings also have some common directorship.

Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Name of related party	Relationship with the Company	Nature of Transactions	2021 RUPEES	2020 RUPEES
Haq Bahu Sugar Mills Private Limited	Holding company	Mark-up accrued	14,233,422	15,419,871
		Purchase of baggas	-	733,941
		Sharing of Expense	11,631,831	-
		Fund Received	177,704,588	-
Key management personnel			-	210,000

30 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

30.1 Financial assets and Liabilities

As at September 30, 2021

	Amortised Cost	Fair Value through Profit and Loss	Fair Value through other comprehensive income	Total
	-----Rupees-----			
Financial assets:				
Maturity upto one year				
Advances, deposits and prepayments	16,667,207	-	-	16,667,207
Taxes recoverable	3,412,847	-	-	3,412,847
Cash and Bank balances	984,152	-	-	984,152
Maturity after one year				
Long term deposits	1,826,165	-	-	1,826,165
	22,890,371	-	-	22,890,371
	Other Financial Liabilities- At amortized cost	Fair Value through Profit and Loss	Total	
	-----Rupees-----			
Financial Liabilities:				
Other financial liabilities				
Maturity upto one year				
Trade and other payables	2,449,801,387	-	-	2,449,801,387
Current portion of long term loan from bank	272,798,518	-	-	272,798,518
Finance cost payable	290,909,447	-	-	290,909,447
Short term borrowings - unsecured/secured	18,973,000	-	-	18,973,000
WWF and WPPF	81,398,013	-	-	81,398,013
Maturity after one year				
Long term finances - secured	1,972,000	-	-	1,972,000
Long term loan from related party - unsecured	312,752,733	-	-	312,752,733
	3,428,605,098	-	-	3,428,605,098
Sensitivity Gap				(3,405,714,727)
Interest bearing financial liabilities				959,830,711
Non-Interest bearing financial liabilities				2,468,774,387

**Financial assets and Liabilities
As at September 30, 2020**

	Amortised Cost	Fair Value through Profit and Loss	Fair Value through other comprehensive income	Total
	-----Rupees-----			
Financial assets:				
Maturity upto one year				
Advances, deposits and prepayments	16,681,592	-	-	16,681,592
Taxes recoverable	4,088,652	-	-	4,088,652
Cash and Bank balances	1,520,831	-	-	1,520,831
Maturity after one year				
Long term security deposits	1,826,165	-	-	1,826,165
	24,117,240	-	-	24,117,240
	Other Financial Liabilities	Fair Value through Profit and Loss	Total	
	-----Rupees-----			
Financial Liabilities:				
Other financial liabilities				
Maturity upto one year				
Trade and other payables	2,439,848,644	-	-	2,439,848,644
Current portion of long term loan from bank	347,798,518	-	-	347,798,518
Finance cost payable	355,803,530	-	-	355,803,530
Short term borrowings - unsecured/secured	74,720,546	-	-	74,720,546
WWF and WPPF	73,944,416	-	-	73,944,416
Maturity after one year				
Long term loan from bank - secured	2,972,000	-	-	2,972,000
Long term loan from related party - unsecured	123,416,314	-	-	123,416,314
	3,418,503,968	-	-	3,418,503,968
Sensitivity Gap				(3,394,386,728)
Interest bearing financial liabilities				959,682,324
Non-Interest bearing financial liabilities				2,458,821,644

30.2 FINANCIAL RISK MANAGEMENT

The Company's activities are exposed to a variety of financial risks. The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's overall risk management strategy seeks to minimize adverse effects from the unpredictability of financial markets on the Company's financial performance. The Company sets policies, strategies and mechanisms, which aim at effective management of these risks within its unique operating environment. The key financial risks include credit risk, liquidity risk and interest rate risk.

Risk management is carried out in accordance with established policies and guidelines approved by the Board of Directors. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management objectives and policies are reviewed regularly to reflect changes in market conditions and the Company's activities.

The company is exposed to the following risk:

- Credit risk
- Liquidity risk
- Market risk

a) Credit Risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter-parties failed completely to perform as contracted. To reduce exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management also continuously monitors credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. Credit risk of the Company arises principally from the trade debts, loans and advances, trade deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	NOTES	2021 RUPEES	2020 RUPEES
Financial Assets			
Long term deposits		1,826,165	1,826,165
Advances, deposits and prepayments		21,064,206	22,291,075
Taxes Recoverable		3,412,847	4,088,652
Bank Balances		686,205	721,589
		26,989,423	28,927,480

Credit quality of financial assets:

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty.

(i) Counterparties without external credit ratings

The Company has a policy to provide for impairment of expected credit loss based upon the age analysis which is being implemented. Based on past experience the management believes that no further impairment allowance is necessary in respect of trade debts as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time.

(ii) Other financial assets

Based on past experience the management believes that no impairment allowance is necessary in respect of receivables from related parties, security deposits and advances, loan from directors and accrued interest on loan to director as there are reasonable grounds to believe that these balances will be recovered.

(iii) Counterparties with external credit ratings

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non performance by these counter parties on their obligations to the Company. Accordingly credit risk is minimal. The credit quality of Company's bank balances can be assessed with reference to external credit rating agencies as follows:

Bank balances are held only with reputable banks. The credit rating of banks holding balances is given below:

	Short-term	Long-term	Agency	30-Sep-21	30-Sep-20
BANK AL HABIB LTD	A1+	AAA	PACRA	78,769	48,452
MEEZAN BANK LTD	A-1+	AAA	VIS	7,410	129,781
MCB BANK LTD	A1+	AAA	PACRA	260,289	365,576
HABIB BANK LTD	A-1+	AAA	VIS	31,239	31,239
SINDH BANK LIMITED	A-1	A+	VIS	400	757
NATIONAL BANK OF PAKISTAN	A1+	AAA	PACRA	75,952	75,952
SILK BANK LIMITED	A-2	A-	VIS	707	-
JS BANK LIMITED	A-1+	A+	PACRA	14,878	-
SONERI BANK LIMITED	A-1+	A+	PACRA	146,730	-
SUMMIT BANK LIMITED	A-3	BBB-	JCR-VIS	69,832	69,832
Cash				297,947	799,243
				984,152	1,520,831

Concentration of credit risk:

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

Financial Assets

Long term deposits	1,826,165	1,826,165
Advances, deposits and prepayments	21,064,206	22,291,075
Taxes Recoverable	3,412,847	4,088,652
Bank Balances	686,205	721,589
	26,989,423	28,927,480

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non performance by these counterparties on their obligations to the Company. Accordingly the credit risk is minimal.

The Company has established a credit policy for its industrial and retail customers under which each new customer is analyzed individually for credit worthiness before the Company enters into a commercial transaction. The Company's review includes identity checks, minimum security deposits, bank guarantees and in some cases bank references. Credit limits are established for each customer in accordance with the security deposit or bank guarantee received, which represents the maximum open amount without requiring approval from the higher management; customer limits are reviewed on a regular basis and once the credit limits of individual customers are exhausted, further transactions are discontinued.

Trade Debtors	91-180 Days	181-365 Days	More than 365 Days	Total
Bal. as at 30-09-2021	-	-	-	-
Loss Allowance	-	-	-	-
Bal. as at 30-09-2020	-	-	-	-
Loss Allowance	-	-	-	-

All Receivables are considered Goods. ECL on trade receivables is calculated using simplified approach. The company has no receivables outstanding at the year end.

As at the reporting date, Company envisages that default risk on account of non-realisation of other receivables, deposits and advances is minimal and thus based on historical trends adjusted to reflect current and forward looking information, loss allowance has been estimated by the Company using a range of probable recovery pattern of related other receivables and assigning a time value of money to same. As per the aforementioned approach, the loss allowance for other receivables was determined as follows:

	NOTES	2021 RUPEES	2020 RUPEES
Gross carrying amount		26,303,218	99,609,054
Loss Allowance		-	-

ECL on other receivables is calculated using general approach. Advances, deposits and prepayments also includes an amount of Rs.15,815,000 in terms of export rebate receivable. The management conferred that since the claim still holds good against the relevant authority and the authority has not rejected the claim till to date, therefore no provision/impairment is required, and that the receivables from Government may be delayed but it is neither doubtful nor bad in the given circumstances. Furthermore, the same is backed by BOD resolution/approval.

The credit risk related to balances with banks, in term deposits, savings accounts and current accounts, is managed in accordance with the Company's policy of placing funds with approved financial institutions and within the limits assigned in accordance with the counter party risk policy. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counter party failure.

b) Liquidity Risk

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate actions for new requirements. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

Non Derivative Financial Liabilities	2021				
	Carrying Amount	Contractual Cash Flows	One Year or Less	One Year to Two Years	Two Years to Five Years
Long term loan from related party -un:	312,752,733	312,752,733	-	312,752,733	-
Long term loan from bank - secured	274,770,518	274,770,518	-	274,770,518	-
Short term borrowings - secured	18,973,000	18,973,000	18,973,000	-	-
Finance cost payable	290,909,447	290,909,447	290,909,447	-	-
Trade and other payables	2,449,801,387	2,449,801,387	2,449,801,387	-	-
	3,347,207,085	3,347,207,084	2,759,683,834	587,523,251	-

Non Derivative Financial Liabilities	2020				
	Carrying Amount	Contractual Cash Flows	One Year or Less	One Year to Two Years	Two Years to Five Years
Long term loan from related party -un:	123,416,314	123,416,314	-	123,416,314	-
Long term loan from bank - secured	350,770,518	350,770,518	-	350,770,518	-
Short term borrowings - secured	74,720,546	74,720,546	74,720,546	-	-
Finance cost payable	355,803,530	355,803,530	355,803,530	-	-
Trade and other payables	2,439,848,644	2,439,848,644	2,439,848,644	-	-
	3,344,559,552	3,344,559,552	2,870,372,720	474,186,832	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at 30 September. Rates of interest / mark - up and their maturities are given in the respective notes.

	Short-term	Long-term	Agency	30-Sep-21	30-Sep-20
Silk Bank Limited	A-2	A-	JCR-VIS	2,972,000	3,972,000
Bank Islami Pakistan Limited	A1	A+	PACRA	271,798,518	271,798,518
Summit Bank Limited	A-3	BBB-	JCR-VIS	-	130,747,546

c) Market Risk

(i) Interest Rate Risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in market interest rates. The company's exposure to the risk of changes in interest rates relates primarily to the following:

Variable rate instruments at carrying amounts:

Financial liabilities

Long term loan from related party - unsecured	312,752,733	123,416,314
Long term loan from bank - secured	274,770,518	350,770,518
Short term borrowings - unsecured/secured	18,973,000	74,720,546
	606,496,251	548,907,378

Interest bearing financial assets:

Bank Balances In Deposit / Saving Accounts	101,071	101,071
	101,071	101,071

Fair value sensitivity analysis for fixed rate instruments:

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

Cash flow sensitivity analysis for variable rate instruments:

A change of 100 basis points in interest rates at the reporting date would have increased / decreased loss / profit for the year subject to loans remain outstanding for the whole year by the amounts shown below:
Effect on loss / profit due to change of 100 BPs

Increase	6,064,963	5,489,074
Decrease	(6,064,963)	(5,489,074)

NOTES

2021
RUPEES

2020
RUPEES

This sensitivity analysis base on the assumption that company is recognizing interest on all loan outstanding at the year end, however the matter is pending litigation against bank islami. Please refer note no. 15.1 (c)

(ii) **Equity Price Risk**

Equity price 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 the balance sheet date, the Company is not exposed to any such risk.

(iii) **Foreign Currency Risk**

Foreign currency risk is the risk that the value of a financial asset or a financial liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist as a result of transactions with foreign undertakings. As of the balance sheet date, the Company is not exposed to any such risk.

Exposure to foreign currency risk:

Exposure to foreign currency risk (as denominated in US \$) was as follows based on notional amounts:

Outstanding letters and credit (in US \$)

	Average rate		Reporting date mid spot rate	
	2021	2020	2021	2020
	Rupees		Rupees	
USD 1	N/A	N/A	N/A	N/A
- Sensitivity analysis:				
1% strengthening of Pak Rupee against US \$ at reporting date would have varied profit or loss as shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.				
Decrease in profit and loss account			N/A	N/A

d) **Fair Value of Financial Assets and Liabilities**

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

The Company uses the following hierarchy for disclosure of the fair value of financial instruments by valuation techniques:

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

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

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

30.3 **RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES**

	LIABILITIES		
	Accrued Markup	Long term Loans	Short term borrowings
Balance as at October 01, 2020	355,803,530	474,186,832	74,720,546
Changes from financing activities			
Finances (repaid)		(76,000,000)	(55,747,546)
Finances obtained		189,336,419	-
Mark-up accrued	27,570,476	-	-
Mark-up (repaid)	(92,464,559)	-	-
Balance as at September 30, 2021	290,909,447	587,523,251	18,973,000
Balance as at October 01, 2019	288,795,535	475,214,832	74,720,546
Changes from financing activities			
Finances (repaid)/obtained	-	(1,028,000)	-
Mark-up accrued	67,377,748	-	-
Mark-up repaid	(369,753)	-	-
Balance as at September 30, 2020	355,803,530	474,186,832	74,720,546

30.4 The company has no investment in listed securities.

31 **CAPITAL MANAGEMENT**

The primary objective of the Company's management is to ensure that it maintains a strong credit rating and healthy capital ratios while continue as going concern in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholder, issue new shares or sell assets to reduce debts or raise debts, if required.

NOTES

**2021
RUPEES**

**2020
RUPEES**

As of the balance sheet date, the management considers that the capital of the Company is sufficient to meet the requirements of the business.

The Company monitors capital on the basis of the gearing ratio. The ratio is calculated as under:

Long term loan from related party - unsecured	312,752,733	123,416,314
Long term loan from bank - secured	274,770,518	350,770,518
Short Term Borrowings	18,973,000	74,720,546
Less: Cash and Cash Equivalents	984,152	1,520,831
Net Debt	605,512,099	547,386,547
Net Equity	146,205,615	368,032,787
Total capital employed	751,717,714	915,419,334
Gearing Ratio	81%	60%

32 NUMBER OF EMPLOYEES

The total average number of employees during the year and as at September 30, 2021 and 2020 respectively are as follows:

	2021	2020
Average number of employees during the year	33	33
Number of employees as at year end	32	36

33 CAPACITY AND PRODUCTION

Years	No. of Days Mill Operated	Crushing Capacity (M.Tons)/Day	Total Crushing Capacity (M.Tons)	Sugar Production (M.Tons)	Actual Crushing (M.Tons)
2021	-	5,500	-	-	-
2020	-	5,500	-	-	-

34 CORRESPONDING FIGURES

The corresponding and comparative figures have been rearranged and reclassified for the purpose of comparison and better presentation however there has been no significant reclassification, effecting the financial results.

Description	Reclassified from	Reclassified to	2020	Total
			Rs.	
Long Term Loan From Bank - Secured	Current Portion Of Long Term Loans	Long Term Loan From Bank - Secured	1,000,000	1,000,000

35 AUTHORIZATION DATE

These financial statements have been authorized for issue on February 21, 2022 by the Board of Directors of the Company.

36 GENERAL

36.1 Figures in these annual financial statements has been rounded off to the nearest Rupee unless otherwise stated.

36.1 In March 2020, the World Health Organization declared Corona virus disease (COVID-19) a pandemic, and its spread has gained momentum and general lockdowns were imposed in most parts of the country. These measures lead to uncertainty of an overall economic slowdown and disruptions to various businesses, upon which the management is of the opinion that the mitigating plans and actions proposed by the The Government of Pakistan and State Bank of Pakistan have been sufficient enough to restore the economy to the maximum extent. The management has carried out an impairment review at the year end and has concluded based on future prospectives and financial plans of the business that no impairment is required as per IAS 02, IAS 36 and IFRS 09 except disclosed separately in these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER