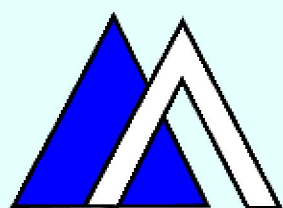




*Bringing
Back
Sweetness*



AL-ABBAS SUGAR MILLS LIMITED

2021
Annual Report

CONTENTS

31st ANNUAL REPORT 2021

Corporate Information	02
Vision and Mission Statement	03
Notice of Annual General Meeting	04
Chairman's Review	09
Directors' Report	10
Pattern of Shareholding	21
Key Financial Data	24
Composition of Balance Sheet	25
Financial at a Glance	26
Independent Auditor Review Report to the Members of Al-Abbas Sugar Mills Limited	27
Statement of Compliance with the Code of Corporate Governance	28
Independent Auditors' Report to the Members	30
Statement of Financial Position	35
Statement of Profit or Loss	36
Statement of Comprehensive Income	37
Statement of Changes in Equity	38
Statement of Cash Flows	39
Notes to the Financial Statements	40
Chairman's Review (Urdu version)	87
Directors' Report (Urdu version)	100
Form of Proxy (English)	
Form of Proxy (Urdu)	
Form of Bank Account detail for Payment of Cash Dividend	
Form for Video Conference Facility	
Standard Request Form	

COMPANY INFORMATION

BOARD OF DIRECTORS

Zakaria Usman	Chairman
Asim Ghani	Chief Executive Officer
Asma Aves Cochinwala	Director
Darakshan Zohaib	Director
Haroon Askari	Director
Muhammad Salman Hussain Chawala	Director
Shahid Hussain Jatoi	Director
Siddiq Khokhar	Director
Suleman Lalani	Director

COMPANY SECRETARY

Zuhair Abbas

CHIEF FINANCIAL OFFICER

Samir Hajani

AUDIT COMMITTEE

Haroon Askari	Chairman
Asma Aves Cochinwala	Member
Darakshan Zohaib	Member
Muhammad Salman Hussain Chawala	Member
Zakaria Usman	Member
Suhaib Afzal	Secretary

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Muhammad Salman Hussain Chawala	Chairman
Asim Ghani	Member
Shahid Hussain Jatoi	Member
Siddiq Khokhar	Member
Zakaria Usman	Member

BANKERS

Al Baraka Bank Pakistan Limited
 Allied Bank Limited
 Askari Bank Limited
 Bank Alfalah Limited
 Habib Metropolitan Bank Limited
 MCB Bank Limited
 MCB Islamic Bank
 National Bank of Pakistan
 The Bank of Punjab
 Meezan Bank Limited
 Samba Bank Limited
 Soneri Bank Limited
 United Bank Limited

STATUTORY AUDITORS

Reanda Haroon Zakaria & Co.
 Chartered Accountants

COST AUDITORS

UHY Hassan Naeem & Co.
 Chartered Accountants

REGISTERED OFFICE

2nd Floor, Pardesi House, Survey No. 2/1,
 R.Y. 16, Old Queens Road, Karachi – 74000
 Tel: 92-21-111-111-224
 Fax: 92-21-32470090
 Website: www.aasml.com

SHARE REGISTRAR OFFICE

M/s. CDC Share Services Limited
 CDC House-99B, Block 'B', S.M.C.H.S
 Main Shakra-e-faisal, Karachi-74400

FACTORIES/STORAGE LOCATIONS

- 1) Mirwah Gorchani, Distt. Mirpurkhas, Sindh
- 2) Main National Highway, Dhabeji, Sindh
- 3) Oil Installation Area, Kemari, Karachi, Sindh

RISK MANAGEMENT COMMITTEE

Haroon Askari	Chairman
Asim Ghani	Member
Darakshan Zohaib	Member
Zakaria Usman	Member

VISION AND MISSION STATEMENT

VISION

The Company is committed to keep its focus on improving its core competencies and its clients' needs thereby, keeping the Company as one of the leading sugar and ethanol manufacturing unit as well as the provider of bulk storage services in the country with a purpose of creating enhanced value for its stakeholders, its community and overall economy of Pakistan.

MISSION

- To be a profitable Company with an expert management team, motivated and productive employees and satisfied clients.
- To remain consistent with management philosophy to always observe the accepted standard of fair-conduct in dealing with employees, customers, suppliers and others.
- To keep shareholders informed and ensure timely dissemination of all material information to them and concerned regulators.
- To keep the Company always compliant with Corporate Governance rules and all other applicable laws, rules and regulations.
- To keep the workplace and working environment safe, clean and comfortable for all employees.
- To be a partner with the community in all efforts to preserve healthy environment, ecological balance, heritage and overall quality of life.

NOTICE OF 31ST ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting of **Al-Abbas Sugar Mills Limited** will be held at Beach Luxury Hotel, Karachi on Wednesday, January 26, 2022 at 01:00 PM to transact the following business:

Ordinary Business

1. To confirm the minutes of the 30th Annual General Meeting of the shareholders of the Company held on January 28, 2021.
2. To receive, consider and adopt Annual Audited Financial Statements for the year ended September 30, 2021, together with the reports of the Auditors' and Directors' thereon.
3. To declare and approve the cash dividend for the year ended September 30, 2021 on the ordinary shares of the Company. The Directors have recommended a final cash dividend at 100 % i.e. Rs. 10.00 per share. This is in addition to the interim dividend 300% i.e. Rs. 30.00 per share already paid. The total dividend for 2020-21 will thus amount to Rs. 694.492 million i.e. Rs. 40 per share.
4. To appoint auditors for the ensuing year, and to fix their remuneration. The retiring partner Mr. Farhan Ahmed Memon of M/s. Reanda Haroon Zakaria & Company Chartered Accountants, have completed five years as Auditors of the Company. The Board of Directors on the recommendation of the Board's Audit Committee have endorsed the name of M/s. BDO Ebrahim & Co. Chartered Accountants, who have indicated their consent to act as Auditors in place of the retiring auditors M/s. Reanda Haroon Zakaria & Company, Chartered Accountants for the year 2021-2022.
5. To elect eight directors as fixed by the Board of Directors in accordance with the provision of Section 159 of the Companies Act, 2017 for a term of three years commencing from January 27, 2022. The names of retiring directors are as follows:
 - i. Mr. Zakaria Usman
 - ii. Ms. Asma Aves Cochinwala
 - iii. Ms. Darakshan Zohaib
 - iv. Mr. Haroon Askari
 - v. Mr. Muhammad Salman Hussain Chawala
 - vi. Mr. Shahid Hussain Jatoi
 - vii. Mr. Muhammad Siddiq Khokhar
 - viii. Mr. Suleman Lalani
6. To transact any other business with the permission of the chair.

By Order of the Board



Zuhair Abbas
Company Secretary

Karachi: January 04, 2022

Notes:

1. Share Transfer Books will be closed from January 19, 2022 to January 26, 2022 (both days inclusive) for the purpose of Annual General Meeting and payment of the final dividend.
2. Only those members whose names appear in the register of member of the Company as on January 18, 2022 will be entitled to attend and vote at the meeting.
3. A Member entitled to attend and vote at the Meeting may appoint another person as his proxy to attend, vote and speak at the Meeting instead of him/her. A proxy need not be a member of the Company. The instrument appointing a proxy and the power of attorney or other authority / board resolution under which

it is signed or a notarially attested copy of power of attorney lodged at the Company's Registered Office address: Pardesi House, Survey No. 2/1, R.Y.16, Old Queens Road, Karachi at least 48 hours before the time of the meeting. The Form of Proxy is attached with this notice.

4. Any change of address of Members should be notified immediately to the Company's Share Registrar office.
5. Any member who seeks to contest the election of directors shall, whether he is a retiring director or otherwise, file with the Company a notice of his/her intention to offer himself/herself for election as a director in terms of Section 159 (3) of the Companies Act, 2017 fourteen (14) days before the date of the Meeting along with the following documents:
 - i. Consent to act as director on Form 28 under section 167 of the Companies Act, 2017.
 - ii. A detailed profile along with his/her office address as required under SRO 634(1)/2014 dated 10 July 2014 issued by the Securities and Exchange Commission of Pakistan ("SECP") for placement on the Company's website.
 - iii. Declarations confirming that:
 - Declaration for eligibility to act as director of listed company and awareness of duties and powers of directors under the Companies Act, 2017, Memorandum and Articles of Association of the Company, Rule Book of Pakistan Stock Exchange Limited and the Listed Companies (Code of Corporate Governance) Regulations, 2019 and other relevant laws and regulations.
 - Declaration of independence in terms of Section 166(2) of the Companies Act, 2017 as required under Listed Companies (Code of Corporate Governance) Regulations, 2019 (applicable only for person filing consent to act as an Independent Director of the Company).
 - Detail of other directorship. He/she is not serving as Director in more than Seven (07) listed Companies simultaneously, provided that this limit shall not include directorship in the listed subsidiaries of a listed holding Company.
 - Copy of valid CNIC (in case of Pakistan national) / Passport (in case of foreign national), and NTN& Folio No./CDC Investors Account No./CDC Sub-Account No (applicable for person filing consent for the first time).

A. For Attending the Meeting:

- i. In the wake of the current situation related to Corona virus and in the light of the relevant guidelines issued by Securities & Exchange Commission of Pakistan (SECP) and Pakistan Stock Exchange Limited, vide their Circular no. 5 of 2020 dated March 17, 2020 and Circular no. PSX/N-372 dated March 19, 2020 and SECP Circular No. 4 of 2021 dated February 15, 2021 respectively, the following arrangements have been made by the Company for the participation of Shareholders:
 - As per SECP instructions given in the Circular No. 4 of 2021 dated February 15, 2021 shareholders who intends to participate physically in the general meeting will be allowed to participate keeping in view the COVID-19 related SOP's issued by the Provincial and / or the Federal Government.
 - In order to attend the AGM through Zoom facility, the shareholders are requested to get themselves registered with the Company Secretary at least 24 hours before the time of AGM at the following e-mail address: agm2021@asml.com
 - The shareholders are requested to provide the information as per below format. The details of the Zoom facility will be sent to the shareholders on the email address provided in the below table:

Sr. No.	Name of the Shareholder	CNIC Number	Folio Number	Cell Number	E-mail address

The login facility will be opened at 12:30 PM on January 26, 2022 enabling the participants to join the proceedings which will start at 01:00 PM.

- ii. In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or original Passport along with participant ID number and the Account number at the time of attending the meeting.
- iii. In case of corporate entity, the Boards resolution / power of attorney with specimen signature of the nominee shall be produce [unless it has been provide earlier] at the time of the Meeting.

B. For Appointing Proxies:

- i. In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulation, shall submit the proxy form as per above requirements.
- ii. The proxy form shall witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- v. 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.

C. Postal Ballot Regulations, 2018:

If the number of persons who offer themselves to be elected as director is more than the number of directors fixed under sub-section (1) of Section 159 of the Companies Act, 2017, then the Company shall provide its Members with the option of e-voting or voting by postal ballot in accordance with the provisions of Companies (Postal Ballot) Regulations, 2018.

a. Election of Directors (Postal Ballot, E-voting & Poling Booth)

Pursuant to the Companies (Postal Ballot) Regulations, 2018, for the purpose of election of Directors and for any other agenda item subject to the requirements of Section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right to vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.

- i). E-Voting lines for Elections of Directors will be opened for the Shareholders from January 21, 2022 from 09:00 a.m. till January 25, 2022 at 5:00 p.m.
- ii) For the convenience of the Shareholders, a polling booth will be established at Beach Luxury Hotel, Karachi. Shareholders can exercise their right to vote by visiting the said polling booth on the AGM day i.e. January 26, 2022 for physical voting.

b. Procedure for voting through Postal ballot paper:

- i) The members shall ensure that duly filled and signed ballot paper along with copy of Computerized National Identity Card (CNIC) should reach the chairman of the meeting through post or email address: chairman@aasml.com; one day before the day of poll, during working hours. The signature on the ballot paper shall match with the signature on CNIC.
- ii) In case of foreign members and representatives of a body corporate, corporation and Federal Government, acceptability of other identification documents in lieu of CNIC shall be approved by the board of the company.

6. Transmission of the Annual Audited Financial Statements through CD/DVD

The Company has circulated financial statements to its members through CD at their registered address. Printed copy of above referred statements can be provided to members upon request. Request form is

available on the website of the Company i.e. www.aasml.com

7. Transmission of Annual Reports through e-mail

The SECP vide SRO 787 (I)/2014 dated September 08, 2014 has provided an option for shareholders to receive audited financial statements along with notice of annual general meeting electronically through email. Hence, members who are interested in receiving the annual reports and notice of annual general meeting electronically in future are requested to send their email addresses on the consent form placed on the Company's website www.aasml.com. The Company shall, however additionally provide hard copies of the annual report on request, to such members free of cost.

8. Availability of Audited Financial Statements on Company's Website

The audited financial statements of the Company for the year ended September 30, 2021, have been made available on the Company's website www.aasml.com.

9. Submission of Copies of CNIC and NTN Certificates (Mandatory)

CNIC of the shareholders is mandatory in terms of the directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 831(I)/2012 dated July 05, 2012 for the issuance of future dividend warrants etc., and in the absence of such information, payment of dividend may be withheld in term of SECP's above mentioned directive. Therefore, the shareholders who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs directly to our Independent Share Registrar without any further delay.

10. Deduction of income tax from dividend at revised rates

Pursuant to the provisions of the Finance Act 2020 effective July 1, 2020, the rates of deduction of Income tax from dividend payments under the Income Tax Ordinance, 2001 have been revised as follows:

S.No.	Nature of Shareholder	Rate of Deduction
1	Filers of income tax return	15%
2	Non - filer of income tax return	30%

To enable the Company to make tax deductions on the amount of cash dividend at 15% instead of 30%, shareholders are requested to please check and ensure Filer status from Active Taxpayers List (ATL) available at FBR website <http://www.fbr.gov.pk/> as well as ensure that their CNIC/Passport number has been recorded by the participant/Investor Account Services or by Share Registrar (in case of physical shareholding). Corporate entities (non-individual shareholders) should ensure that their names and National Tax Numbers (NTN) are available in ATL at FBR website and recorded by respective Participant/Investor Account Services or in case of physical shareholding by Company's Share Registrar.

Members who have joint shareholdings held by Filers and Non-Filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his/her shareholding.

If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company latest by the Annual General Meeting date.

Folio / CDC A/c No.	Name of Shareholder	CNIC	Shareholding	Total Shares	Principal / Joint Shareholder
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11. Payment of Cash Dividend through electronic mode (Mandatory)

Under the provision of Section 242 of the Companies Act, 2017 it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders.

In order to receive dividend directly into their bank account, shareholders are requested to fill in Electronic Credit Mandate Form available on the Company's website i.e. www.aasml.com and send it duly signed along with a copy of CNIC to the share Registrar of the Company i.e. M/s. CDC Share Services Limited, CDC House -99B, Block 'B', S.M.C.H.S, Main Shahra-e-Faisal, Karachi-74000, in case of physical shares.

In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/participant/CDC account services.

12. Form for Video Conference Facility

In accordance with Section 132 and 134 of the Companies Act, 2017, members can also avail video conference facility.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location other than the city of the Meeting, to participate in the meeting through video conference at least 7 days prior to the date of the Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, please fill the form and submit the same to the registered address of the Company 7 days before holding of the Annual General Meeting.

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of general meeting along with complete information necessary to enable them to access facility.

13. Demand a poll

Members can exercise their right to demand a poll subject to meeting requirements of Section 143 and 144 of the Companies Act, 2017 and applicable clauses of the Companies (Postal Ballot) Regulations, 2018.

14. Unclaimed dividend

Shareholders, who by any reason, could not claim their dividend, if any, are advised to contact our Share Registrar M/s. CDC Share Services Limited, House-99B, Block 'B', S.M.C.H.S, Main Shahra-e-Faisal, Karachi-74000 to collect/enquire about their unclaimed dividend, if any.

In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend outstanding for a period of 3 years or more from the date due and payable shall be deposited to the credit of Federal Government in case of unclaimed dividend.

15. Conversion of Physical Shares into Book-Entry -Form

As per Section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission.

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

CHAIRMAN'S REVIEW REPORT

ON BOARD'S OVERALL PERFORMANCE

I am pleased to present the Annual Report and Audited Financial Statements of the Company for the year ended September 30, 2021 to our valued shareholders. The management of the Company is encouraged by the future prospects and expects to continue to demonstrate adequate performance through its efforts and strategic directions provided by the Board.

Your Company complies with the requirements set out in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 with respect to the composition, procedures and meetings of the Board of Directors and its committees. The focus of this report is on the overall governance of the Company and Board oversight of the Management during the financial year ended September 30, 2021.

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of the Company is carried out and the purpose of which is to ensure that the Board's overall performance and effectiveness is measured and evaluated against expectations in the perspective of objectives set for the Company. Based on the assessment of the Board's performance during the year you will be delighted to know that Board and the Management of the Company have done their best to analyse the extraordinary situation after the onslaught of COVID-19 and formulated a carefully planned strategy to ensure safety of our business operations and to deal with the outbreak, while ensuring the business continuity.

The Board members are familiar with the Company's vision and mission statement and reviewed as and when considered appropriate. All significant matters including recommendation of Board Committees are placed before the Board for their information, consideration and decision. The Board has determined the Company's level of risk tolerance by establishing risk management policies. The Board has approved an Annual Budget which sets goals and priorities for the Company which is periodically evaluated to assess the performance of the Company, considering new opportunities and recent developments.

The Board ensures that information adequately flows between the Board and the management on a regular basis. The Management and the Board continue to deal with the current challenging business environment and the necessary strategic changes required to improve the future sustainability. Consequently, the Company is reasonably well-placed to address the new challenges.

By the Grace of Allah, the Company has secured second time the Corporate Excellence Award conferred by the Management Association of Pakistan on the best performance in the sugar sector. The award reaffirms company's adherence for having the best corporate practices and governance in the Sugar Sector.

The Board has played a key role in ensuring that the Company's objectives are achieved through a joint effort with the management team and guidance and oversight by the Board and its members. This is reflected in our efficient control environment, compliance with good health practices and uninterrupted operations. In order to actively pursue our vision and growth strategy and sustain the base business, I am sincerely grateful of the full and wholehearted support of every member of the Company.



Zakaria Usman
Chairman

Karachi: December 30, 2021

DIRECTORS' REPORT

In the name of ALLAH, the most gracious and most merciful, The Directors of **Al-Abbas Sugar Mills Limited** have the pleasure in presenting to you the Company's Annual Audited Financial Statements and Auditors' report thereon for the year ended September 30, 2021.

Industry Overview

Pakistan is the world's fifth largest producer of sugarcane, the sixth largest producer of cane sugar and the eighth largest consumer of sugar. Sugarcane is grown on approximately 1.2 million hectares and provides the raw material for 90 sugar mills. The sugar industry is the country's second largest agriculture-based industry after textiles. In addition to sugar, sugarcane is used in the production of ethanol, bagasse for paper and chip board manufacturing, and press mud - a source of organic fertilizer used in crop production. Sugarcane is typically grown on the high delta away from flood areas along Pakistan's major rivers. In Pakistan, as in most countries of the world, sugar is considered by consumers to be a basic food. Sugarcane production in Pakistan is characterized by a shorter than normal growing cycle and relatively low yields when compared to international standards. Sugarcane is moved to local mills to manufacture white sugar which is relatively a modern manufacturing technique. The marketing of white sugar follows the usual marketing channels, directly to the consumer and indirectly through beverage manufacturers, bakers, confection makers, etc. The sugarcane is converted to sugar and often sold throughout the year. This industry is complex and dynamic. There are many actors in the industry who perform important functions as sugarcane move through the market channels from the farms, are converted to sweeteners, and supplied in many forms to consumers.

	2021 (Rupees in thousand)	2020
Financial Position at a Glance		
Profit before taxation	834,723	1,370,241
Taxation	(82,794)	(125,894)
Profit after taxation	<u>751,929</u>	<u>1,244,347</u>
Basic earnings per share (Rupees)	<u>43.31</u>	<u>71.67</u>

Dividends and Appropriations

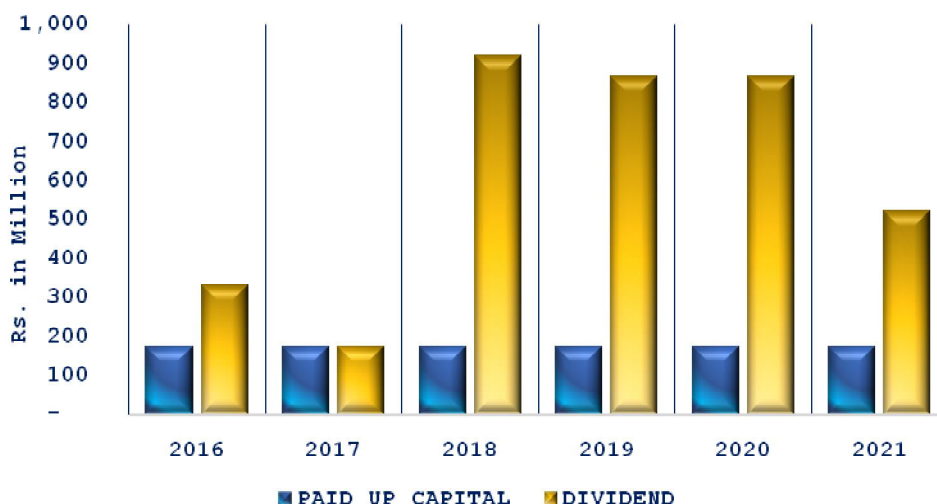
The Board of Directors in their meeting held on December 30, 2021 has proposed the final dividend of 100 % i.e. Rs. 10 per share. This is in addition to the interim dividends of 300% i.e. Rs. 30 per share already paid. The total dividend for the year ended September 30, 2021 will thus amount to Rs. 694.492 million i.e. Rs. 40 per share. The approval for the final dividend shall be obtained at the Annual General Meeting to be held on January 26, 2022.

These financial statements do not include the effect of final cash dividend. The appropriation approved by the Board is as follows:

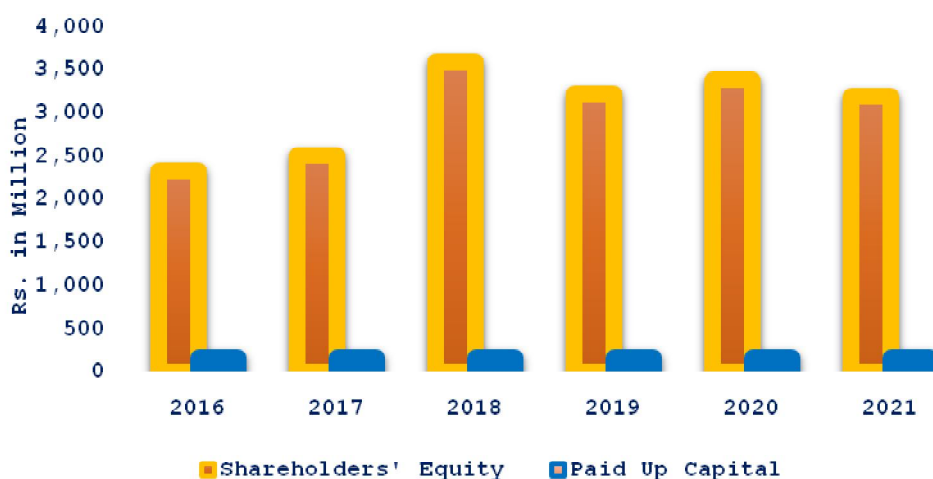
(Rupees in thousands)

Profit after taxation	751,929
Un-appropriated profit brought forward	1,763,850
Final dividend 2020 @ Rs. 10/share	(173,623)
Interim dividends 2021 @ Rs. 30/share	(520,869)
Loss on remeasurement of defined benefit obligation	(18,060)
Available for appropriation and Un-appropriated profit carried forward	1,803,227

PAID UP CAPITAL VS DIVIDEND



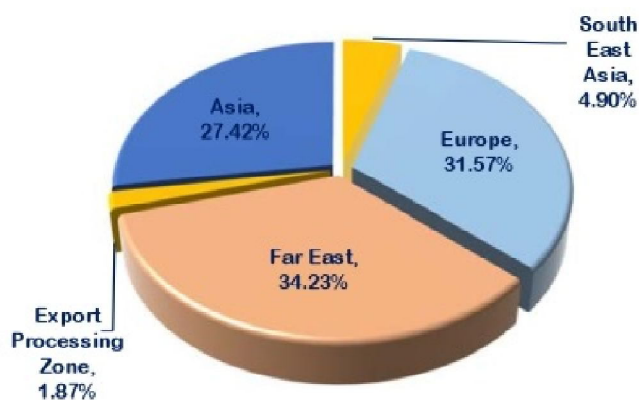
SHAREHOLDERS' EQUITY VS PAID UP CAPITAL



Business Review

The Financial Year 2020-21 showed the sign of some recovery soon after the introduction of the vaccine. The economic slowdown caused by the pandemic Covid-19 in financial year 2019-20 in terms of lockdown of businesses has picked up the pace at the start of the current financial which leads to a commodity boom, the effects of which has never seen before. The sugar industry was no exception and prices went through the roof and availability became tight. The price of sugar in the international market has jumped from \$354 to \$515 per ton. Similarly the prices in domestic market also showed an upward trend.

EXPORTS VS REGIONS



Bringing Back Sweetness

Ethanol prices on the other hand which showed a sharp spike in the global demand for hand-sanitizers and household cleaning products by the entrance of COVID-19 has started to settle down.

Alhamdulillah, despite these tough challenges of post Covid-19 and sugar inquiry by the Federal Government agencies that created a ruckus in sugar industry, your Company has managed to achieve the Rs. 7.387 billion revenue. During the year under review Ethanol sales remained geared primarily toward exports, which is a profitable business.

Your Company has the state-of-the-art sugar and ethanol plants and is committed of producing high quality sugar and ethanol products through process excellence and innovation. During the year the Company managed to export its products to different Regions such as Asia, Far East, South East Asia, Export Processing Zone and Europe.

Segment Results

Details of operations in respect of Sugar, Ethanol, Storage Tank Terminal, Power, Chemical and Alloys division are given as under:

SUGAR SEGMENT

Operational Performance:

	2020-21	2019-20
Date of start of season	November 06, 2020	November 25, 2019
Duration of season (Days)	106	98
Total days of actual crushing	79,351	74,876
Crushing (M. Tons)	370,402	396,965
Production from sugarcane(M. Tons)	38,440	42,959
Sales (M. Tons)	35,213	56,810

Financial Performance:

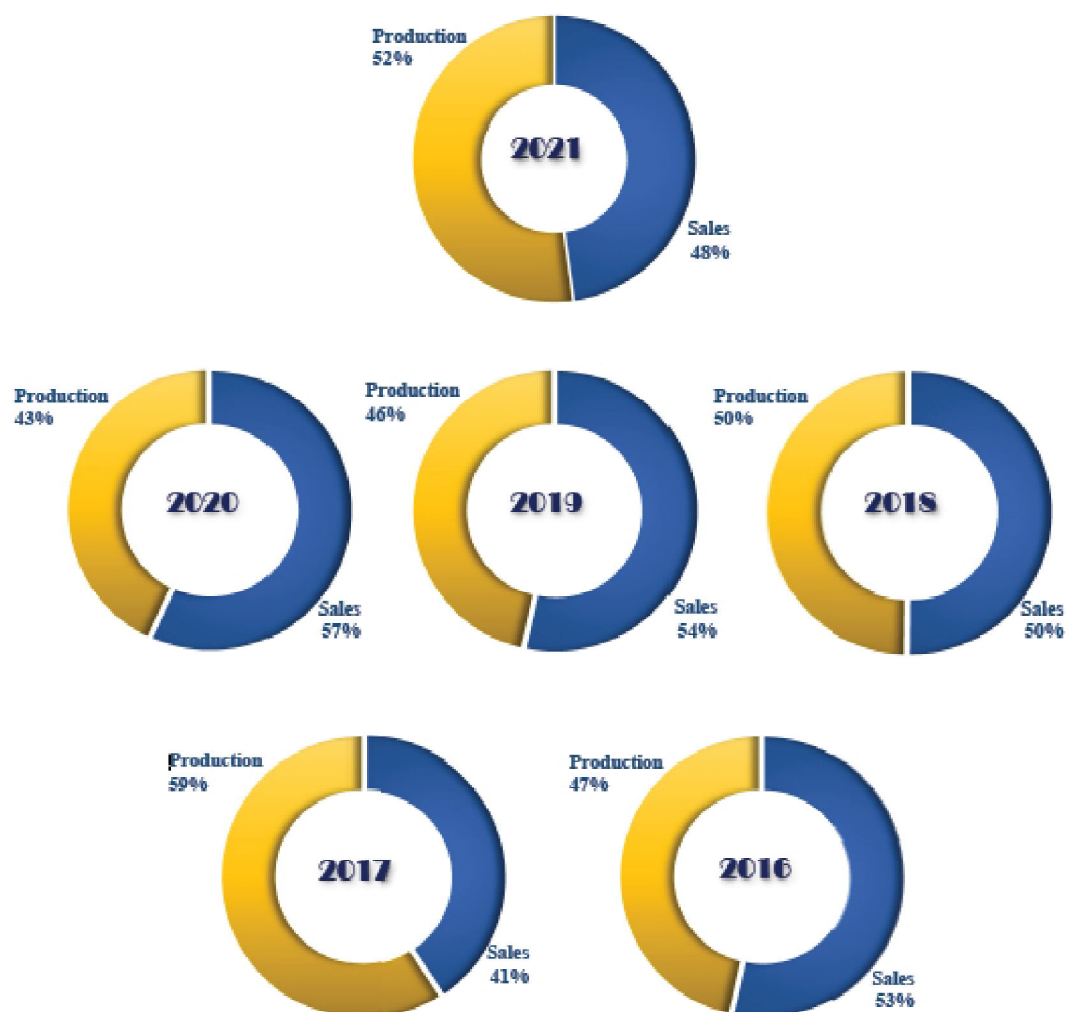
	2021	2020
	----- (Rs in '000s) -----	
Sales	2,801,207	3,543,055
Cost of Sales	(2,606,311)	(3,371,792)
Gross profit	194,896	171,263
Distribution Cost	(7,279)	(9,197)
Administrative Expenses	(96,557)	(79,656)
Segment Operating profit	91,060	82,410

During the year, your Company's sugar segment revenue was increased by approximately 28.80% as compared to previous year due to increase in sales price. Distribution cost was reduced by almost 20.85% due to decrease in sales quantity. Sugar is only exported if there is a surplus production in the Country. However, in 20-21 the production of sugar was reduced as compare to previous year and even was not enough to meet the local demand. The mechanism of sugar selling price is based on the simple economics of demand and supply.

The prices of sugar in domestic market increased during the year due to the fact that the production of sugar was less as compare to the demand of sugar. The consumption of sugar was increased mainly due to the opening up of businesses after the decrease in Covid-19 cases in Pakistan. To overcome the shortage the Government has imported sugar around 350,000 tons.



SALES VS PRODUCTION

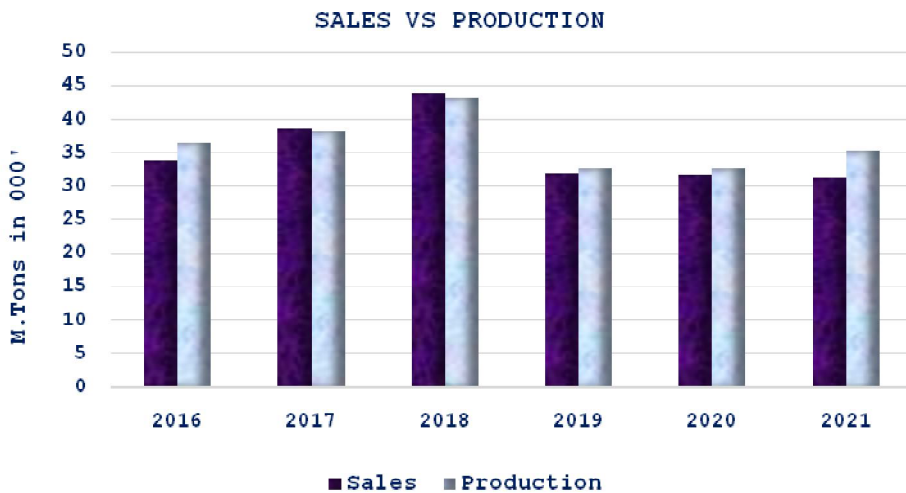
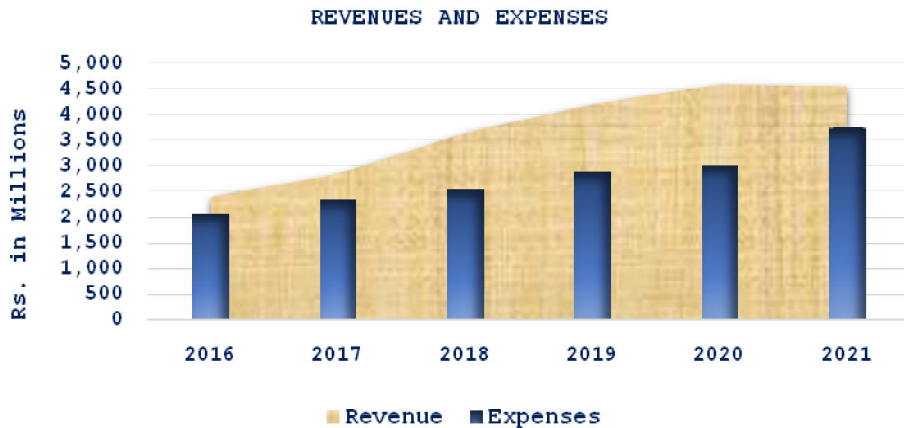


ETHANOL SEGMENT

	<u>2021</u>	<u>2020</u>
Operating Performance:		
Production (MT) - Unit - I and II	35,330	32,593
Sales (MT)	31,406	31,908

	<u>2021</u>	<u>2020</u>
	----- (Rs in '000s) -----	
Financial Performance:		
Sales	4,577,195	4,610,489
Cost of Sales	(3,590,078)	(2,676,479)
Gross Profit	987,117	1,934,010
Distribution Cost	(100,327)	(288,598)
Administrative Expenses	(62,431)	(52,008)
Segment Operating Profit	<u>824,359</u>	<u>1,593,404</u>

Bringing Back Sweetness



The segment operating profit of ethanol segment has decreased by approximately 47.6% mainly due to increase in price of raw material i.e. molasses which has jumped up by approximately 33%. The slight decrease in demand of ethanol was witnessed after the advent of the vaccine. Now the vaccines against Covid-19 are available that reduces the spread and effects of Covid-19 thereby decrease the demand of sanitizers and other related products.

The production of molasses is based on the production of sugar and if the production of sugar is reduced the similar impact can be seen for molasses. A stiff competition by rival distilleries to procure an optimal amount of molasses for their production ensued, which reduced the availability of molasses in the market. However, you will be delighted to know that your Company's management has done a tremendous job by procuring the molasses at a very competitive rate in advance.

The management also tried to change the sales mix of ethanol in order to leverage on the more profitable sales mix. More specifically, the reliance on Bulk sale was increased while the reliance placed on ISO or Drum was decreased.

POWER, CHEMICAL AND ALLOYS DIVISION

The operations for the chemical and power division remained suspended during the period under review and the division has incurred operating segment loss of Rs. 38.665 million as compared to loss of Rs. 38.694 million for the same period last year. The loss mainly represents the fixed expenses.

STORAGE TANK TERMINAL

Storage Tank Terminal has incurred a loss of Rs. 13.562 million during the year as compared to a profit of Rs. 11.786 million in last year. The decrease was due to the lesser demand and availability of tenants. The ethanol produced by your company has also been stored in the tank terminal to facilitate the timely shipment of export orders. The terminal is licensed to act as customs public bonded warehouse and has a total capacity of 22,850 M.T to handle bulk liquid cargo. The terminal has permission to store dangerous goods which includes Ethanol as well as other petroleum products.

Future Outlook

Sugar Segment

Pakistan's sugarcane production is forecast at 83 million metric tons up 10% from the last year due to increase in area and sugarcane yield. Similarly sugar production is forecast at 6.8 million metric tons up 14% from the current year while sugar consumption is forecast at 5.9 million metric tons 3% higher than last year. The crushing season i.e. 2021-22 is expected to be extremely difficult. The support price of sugarcane has increased from Rs. 202 to Rs. 250 per 40kg recently notified by the Government of Sindh which is around 24% higher than the last year. This is the minimum price mills have to pay to growers however, due to shortage of sugarcane the mills have paid upto Rs. 400 last year and the same is expected for the ensuing season.

The unnecessary investigations from the different Federal Government Agencies since the circulation of the enquiry report have put this industry under tough situation. The sugar industry has always welcomed any positive approach from the Government in terms of documentation and industry growth but unnecessary investigations by multiple agencies not allowing us to focus on industry growth and creating further jobs in sugar sector rather the much of the time is wasted in fulfilling the requirements of the agencies.

Recently the Federal Board of Revenue (FBR) has introduced the 'Track and Trace' system which is inaugurated by the Honorable Prime Minister Imran Khan on November 23, 2021. This is an electronic monitoring system that will be continued till the commodities are delivered to the consumers. The sugar industry has welcomed this step taken by the FBR to strengthen the documentation and collection of revenue. The system will monitor the production of sugar till it reaches the end consumer which means the whole supply chain will be monitored. Further, better revenues will be generated in terms of taxes by the FBR. This system has already implemented in Tobacco sector and after successful implementation in sugar sector it will be further expanded to other sectors.

Sugar Industry of Sindh has demanded from the Sindh Government to release the outstanding amount of sugar subsidy on export of sugar sales for the year 17-18. The Company is also working towards the development in cane area for the improve quality of cane to achieve better recovery.

Ethanol Segment

Ethanol segment of your company has proved to be the profitable segment for many years. With the availability of some vaccines, the demand of ethanol from one sector has reduced. However, the emergent of new variants and the efficacy of available vaccines will decide the future demand of ethanol. The Company expects that the prices of ethanol will remain stable as the global economies have opened up. The trades between the countries have revived again and this will definitely create some demand of ethanol at the pre-Covid level. The margin of this segment will also depend on the exchange rate movement of Pak rupee against the dollar which is weakening at a moment.

Your management is continuously working on further improvement. The production of ethanol is based on the availability of molasses which is produced through the process of sugar production. The price of molasses is expected to decrease in line with the prices of ethanol. To take advantage over competitors, the management of your Company has made a practice to procure the maximum quantity of next year's molasses requirement before the start of the crushing season.

On October 20, 2021, a massive fire broke out due to short-circuit in the Distillery's Unit-2 (Electricity) Panel Room thereby activating the fire emergency response system put in place for such an incident. Despite the intensity of the blaze, the Company deployed all available resources to control the inferno and did a commendable job in putting out the fire before it could reach the distillation, fermentation and ethanol storage sections of the two

plant units.

Unfortunately, in the effort to put out the inferno lest it get dangerously out of hand, the Distillery's electricity panel cabinets, its DCS system and other stock inventory were completely burnt mainly due to the intensity of the blaze. However, the company has placed orders to procure the equipment, some of which has already been purchased and installed. The Distillery Unit-1 is operational now and all efforts are being made to get the Distillery Unit-2 up and running as quickly as is possible.

Despite all these facts prospects for this segment is quite bright.

Tank Terminal

Your Company is actively pursuing the Karachi Port Trust for the permission of much needed repair and maintenance work on the tanks in order for the smooth running of storage business. We are very hopeful that the permission will soon be granted and repair work will be initiated in ensuing year. Once the repair and maintenance work will be completed, the Company expects a healthy return from this segment.

Power, Chemical and Alloys Division

Since 2011 the production facilities of chemical, alloys and power segment have been suspended in view of present business conditions and the matter of its recommencement will be reviewed when these conditions improve.

Overall

The Company is putting more efforts to increase cost efficiencies, improve processes and seeking alternate course of actions to contest the foreseen risks in order to boost overall profitability.

Comments on Auditor's Report

As fully explained in note 31.1.C to the financial statements, a suit bearing no. 281 has been filed in the Honorable High Court of Sindh at Karachi against the Company and 9 others alleging mismanagement in the Company's affairs. The Company and its management have denied all allegations of the plaintiff and are of the view that no inference is likely to materialize in the suit and there is no financial exposure of the Company in the matter.

Related Party Transactions

All the related party transactions are entered on arm's length basis in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2017. There are no material significant related party transactions made by the Company with Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders.

All the related party transactions during the financial year 2020-21 were placed before the Board's Audit Committee and the Board for their review and approval. These transactions were reviewed by Board's Audit Committee and approved by the Board. All the transactions were in line with the policy of related parties approved by the Board. The details of related party transactions are disclosed in note 43 and 48 of the financial statements of the Company.

Composition of Board of Directors

1. The total number of directors are eight as per the following:
 - a. Male: Six (6)
 - b. Female: Two (2)
2. Composition of Board
 - i) Independent Directors: Three (3)
 - ii) Non-Executive Directors: Three (3)
 - iii) Female Directors : Two (2)

Remuneration policy of Chief Executive Officer

The Company has an approved remuneration policy for the Chief Executive Officer. The Board reviews the policy

based on the performance of the Company. The details of salaries and other benefits of the Chief Executive Officer are disclosed in note number 43 of the financial statements of the Company.

Remuneration policy of Non-Executive Directors

Non-executive directors including independent directors are entitled to a meeting fee for attending the Board meetings of the Company at the rate approved by Board of Directors.

Meetings of Board of Directors

Five meetings were held during the year ended September 30, 2021. The number of meetings attended by each director is as follows:

Name of Directors	Status	Number of meetings attended
Mr. Zakaria Usman	Chairman	5/5
Mr. Asim Ghani	Chief Executive Officer	5/5
Mrs. Asma Aves Cochinwala	Female Director	5/5
Mrs. Darakshan Zohaib	Female Director	5/5
Mr. Haroon Askari	Independent Director	5/5
Mr. Muhammad Salman Hussain Chawala	Independent Director	5/5
Mr. Shahid Hussain Jatoi	Non-Executive Director	5/5
Mr. Muhammad Siddiq Khokhar	Independent Director	5/5
Mr. Suleman Lalani	Non-Executive Director	5/5

Audit Committee

During the year five meetings were held. Attendance by each member was as follows:

Name of Members	Status	Number of meetings attended
Mr. Haroon Askari	Chairman (Independent)	5/5
Mrs. Asma Aves Cochinwala	Member	5/5
Mrs. Darakshan Zohaib	Member	5/5
Mr. Muhammad Salman Hussain Chawala	Member	5/5
Mr. Zakaria Usman	Member	3/5

The Audit Committee reviewed the quarterly, half yearly, annual financial statements along with the related party transaction register before submission to the Board. The Audit Committee also reviewed internal auditor's findings and held separate meetings with internal and external auditors as required under the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Human Resource Committee

Human resource planning and management is one of the most important focus points at the highest management level. The Company has a Human Resource and Remuneration Committee which is involved in the selection, evaluation, compensation and succession planning of the key management personnel. It is also involved in endorsing improvements in Company's human resource policies and procedures and their periodic appraisal.

Name of Members	Status	Number of meetings attended
Mr. Muhammad Salman Hussain Chawala	Chairman (Independent)	1/1
Mr. Asim Ghani	Member	1/1
Mr. Shahid Hussain Jatoi	Member	1/1
Mr. Muhammad Siddiq Khokhar	Member	1/1
Mr. Zakaria Usman	Member	1/1

Risk Management Committee

The Board of Directors has established a Risk Management Committee comprises of four members and the chairman of the committee is an independent director to review the effectiveness of risk management procedures. No meeting was held during the year ended September 30, 2021.

Auditors

The retiring partner Mr. Farhan Ahmed Memon of M/s. Reanda Haroon Zakaria & Company Chartered Accountants, have completed five years as Auditors of the Company. The Board of Directors on the recommendation of the Board's Audit Committee have endorsed the name of M/s. BDO Ebrahim & Co. Chartered Accountants, who have indicated their consent to act as Auditors in place of the retiring auditors M/s. Reanda Haroon Zakaria & Company, Chartered Accountants for the year 2021-2022 to the shareholders at the forthcoming Annual General Meeting.

Corporate Social Responsibility

Sugar sector is the growing engine of the economy of Pakistan and your Company is tactically geared towards a robust sugar sector portfolio in which the needs of the customers along with cognizant concern towards the environment and making sure that our people are committed to be and remain active socially responsible citizen. We are striving each day for being thoughtful about global environment by adhering the core concerns like human health, schooling for less privilege and environment. The Company is vigorously strived to contribute to the society and make the world a better place to live.

Impact Of Company's Business on Environment

The Company has recently installed a waste water treatment plant in factory premises. The plant removes the hazardous chemicals that negatively impact the environment from the water before it drains into the sewerage system. The Company's top priority is to minimize any negative impact we may have on the environment. The Environment policy of Company and its management processes deal with the environment issues connected to our manufacturing processes and facilities. Your Company knows that it is our environmental responsibilities and our contribution to sustainable development of the society. The Company will continue to invest in projects that will reduce its environmental footprint.

The Company has strictly followed the SOPs that include installation of hand sanitizers and temperature monitoring before entering the premises of the Company and encouraged its employees to follow the SOPs in its true letter and spirit. The health and safety of the employees is the top most priority of the Company in this pandemic.

Policies are regularly reviewed to ensure that the standards set are linked to industry's best practices. Health and safety training is provided to employees to ensure that they perform their work in accordance to the laid down policies.

Corporate Excellence Award

Al-Abbas Sugar Mills Limited has won the second time Corporate Excellence Award conferred by the Management Association of Pakistan (MAP), Karachi. The Corporate Excellence Awards are conferred by the MAP with an objective to recognize the listed companies which excel in corporate and management practices.

The award manifests the Company's commitment to quality, maintenance of the highest professional standards and constantly strives to achieve excellence in all spheres of its activity. This award is considered the most prestigious achievement in the corporate sector. The quality of management practices of the companies in different areas like corporate governance, strategic planning, social responsibility, planning human resources, production, management, research and development are appraised by the MAP.

Material Changes and Commitments

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.

Contribution to the National/Provisional Exchequer

The Company contributed a total amount of Rs. 555.811 (2020: Rs. 790.805) million to the Government Treasury in the shape of income tax, levies, excise duty and sales tax.

Pattern of Shareholding and Shares Traded

The statement showing the pattern of shareholding as at September 30, 2021 required under Section 227(2)f of the Companies Act, 2017 is separately annexed to this report.

No trading in the shares of the Company was carried out by the Chief Executive, Directors, Substantial Shareholders, Chief Financial Officer and Company Secretary and their spouses and minor children except the following:

NAME	CATEGORY	NATURE OF TRANSACTION	MARKET	NO. OF SHARES
M/s. Jahangir Siddiqui and Sons Limited	Substantial Shareholder	Sell	Ready	625,968
Zakaria Usman	Director	Sell	Ready	12,600

Risk Management

The Board of Directors have identified potential risks, assessed their impact on your Company and formulated strategies to mitigate foreseeable risks to the business. These strategies have been enforced throughout the hierarchy of your Company to ensure that no gaps remained in risk mitigation.

The objective of risk management is not necessarily to eliminate risk, but to ensure that the risks we do accept remain within a predetermined level of acceptability and control while pursuing value-enhancing opportunities. The ultimate goal of risk management within the Company is to continually assess the control environment to prevent and build resilience against any internal or external shocks, both anticipated and unforeseen.

The Board has established a risk management committee. The scope and purpose of Company's Risk Management framework is to identify potential risks in advance and analyze them and take precautionary measures to reduce the risks. The Company is proactive in its approach to risk management and undertakes contingency planning in the event that critical risks are realized.

The major risks and challenges faced by the Company are as follows:

- (i) Availability of raw material - Sugarcane and molasses are the main raw materials and its availability is vital for operations
- (ii) Dollar rupee parity - The appreciation or depreciation of the Rupee also carries risk and any depreciation would have a favourable impact on the bottom-line of the Company
- (iii) Employee turnover - Employees are the asset of the Company and loss of quality human resource due to surge in employee turnover would create a negative impact of the Company's growth.
- (iv) Industrial accidents - We strongly believe that accidents don't just happen, they are caused and as such they may be prevented from occurring.

Internal Control System

The Board reviews the effectiveness of established internal controls through the Audit Committee and Risk Management Committee, which receives reports from Management, Internal Audit, and the External Auditor on the systems of internal control and risk management arrangements. The Board confirms that the actions they consider necessary have been taken to remedy such weaknesses as it has determined to be significant from its review of the system of internal control.

The Internal Control System carries out the internal audit of various activities in accordance with the audit plan approved by the Board Audit Committee (BAC) prior to execution. Emphasis continues to be on internal compliance measured against set standards and best practices. Management is required to comply with defined policies and procedures. The BAC is responsible for ascertaining the adequacy and effectiveness of internal controls including financial and operational controls, accounting systems and reporting structure.

Adequacy of Internal Financial Controls

The Board has a responsibility for the sound system of internal control which requires the Company to provide information in the corporate and financial reporting statement about the key elements of its system for internal control and risk management in conjunction with annual financial reporting. The Board reviews the effectiveness of internal controls through the Board Audit Committee which receives reports from the management, internal audit, and the external auditors on the systems of internal control and risk management arrangements. The Company has a strong system of internal controls designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

The Company believes that the most effective way to combat irregularities and discrepancies is to build a strong framework of internal controls by reinforcing the five pillars of internal controls, i.e., control environment, risk assessment, corporate governance, information and communication, and monitoring. The internal control program is supported by the Chief Executive Officer who provides guidance and the resources to maintain a successful program. The internal control program is enforced through thoughtful, risk-based assessments. Internal audit plays an important role in evaluating the effectiveness of internal control systems.

Credit Rating of the Company

The Pakistan Credit Rating Agency Limited (PACRA) has maintained long term entity rating of A+ and short term A1 to the Company an outlook rating as "stable".

Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019

The Company has fully complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. Statement to this effect is annexed with this Report on page 28 to 29.

Acknowledgement

The commitment of Al-Abbas Sugar Mills Limited's staff towards work during the spread of virus was commendable. Few staff member, performing critical tasks, attended the offices during this period and many others performed their duties while working from home. The Board acknowledges the dedication of staff, especially during the pandemic and lock down period. The Board would also like to take this opportunity to thank the regulatory authorities, bankers, business partners and other stakeholders for their support and cooperation. We also thank our valued customers and suppliers for their trust and confidence.

For and behalf of the Board of Directors



Asim Ghani
Chief Executive Officer



Darakshan Zohaib
Director

Karachi: December 30, 2021

PATTERN OF SHAREHOLDINGS

AS ON SEPTEMBER 30, 2021

Number of Shareholders	Shareholdings' slab		Total Number of Shares Held
	From	To	
324	1	100	17,466
557	101	500	245,728
87	501	1,000	75,437
82	1,001	5,000	196,652
10	5,001	10,000	73,800
2	10,001	15,000	23,900
2	15,001	20,000	35,500
3	20,001	30,000	84,800
1	30,001	50,000	50,000
1	50,001	120,000	119,900
1	120,001	135,000	130,479
1	135,001	210,000	206,600
1	210,001	270,000	270,000
1	270,001	450,000	449,289
1	450,001	570,000	566,800
1	570,001	580,000	580,000
1	580,001	585,000	583,183
1	585,001	605,000	602,987
1	605,001	945,000	943,027
1	945,001	965,000	964,802
1	965,001	1,455,000	1,450,368
1	1,455,001	1,715,000	1,714,500
1	1,715,001	2,310,000	2,309,250
1	2,310,001	5,700,000	5,667,832
1083			17,362,300

CATAGORIES OF SHAREHOLDERS

AS ON SEPTEMBER 30, 2021

Shareholders Catagories	Number of Shares Held	Percentage
Associated Companies, undertaking and related parties	7,588,932	43.7093
Mutual Fund	9,900	0.0570
Directors, Chief Executive Officer, and their spouse and minor children.	4,230,880	24.3682
Executives	NIL	NIL
Public Sector Companies and Corporations	NIL	NIL
NIT and ICP	583,683	3.3618
Banks, development Finance institutions, non-Banking Finance Companies, insurance Companies, takaful, modarabas and pension funds	738,244	4.2520
Share holders holding 5%	13,049,779	75.1616
General Public a. Local b. Foreign	2,168,812 NIL	12.4915 NIL
Others	2,041,849	11.7602

DETAIL OF SHAREHOLDERS CATAGORIES

AS ON SEPTEMBER 30, 2021

	No. of Shares	Percentage
1 Associated Companies , Undertakings and Related Parties		
Al-Abbas Sugar Mills Limited-Employees Gratuity Fund	206,600	1.1899
Trustee - Future Trust	1,714,500	9.8748
Haji Abdul Ghani	5,667,832	32.6445
	7,588,932	43.7093
	No. of Shares	Percentage
2 Mutual funds		
Prodenial Stocks Fund Limited	600	0.0035
Trustee-JSCL Staff Provident Fund	500	0.0029
CDC - Trustee Nit-Equity Market Opportunity Fund	8,800	0.0507
	9,900	0.0570
	No. of Shares	Percentage
3 Directors, CEO and their spouses and minor children		
Zakaria Usman	100	0.0006
Asim Ghani	2,309,250	13.3004
Asma Aves Cochinwala	943,027	5.4315
Darakshan Zohaib	964,802	5.5569
Haroon Askari	100	0.0006
Muhammad Salman Hussain Chawala	-	-
Shahid Hussain Jatoi	500	0.0029
Siddiq Khokhar	101	0.0006
Suleman Lalani	500	0.0029
Aves Cochinwala	1,000	0.0058
Hira Asim	11,500	0.0662
	4,230,880	24.3682
	No. of Shares	Percentages
4 Executives	NIL	NIL
	No. of Shares	Percentages
5 Public Sector Companies and corporations	NIL	NIL
	No. of Shares	Percentages
6 NIT and ICP		
Investment Corporation of Pakistan	500	0.0029
CDC - Trustee National Investment (Uuit) Trust	583,183	3.3589
	583,683	3.3618

DETAIL OF SHAREHOLDERS CATAGORIES

AS ON SEPTEMBER 30, 2021

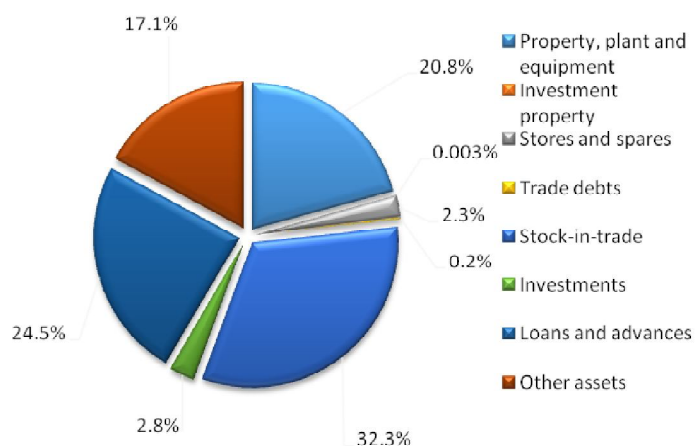
	No. of Shares	Percentage
7 Banks, development finance institutions, Non- banking finance Companies, Insurance Companies, takaful, modarabas and pension funds		
National Bank of Pakistan	602,987	3.4730
Trustee National Bank of Pakistan Employees Pension Fund	130,479	0.7515
Trustee National Bank of Pakistan Emp Bevevolent Fund Trust	4,578	0.0264
The Bank of Khyber	200	0.0012
	738,244	4.2520
	No. of Shares	Percentage
8 Shareholder holding five percent or more voting interest in the Company		
Haji Abdul Ghani	5,667,832	32.6445
Asim Ghani	2,309,250	13.3004
Jahangir Siddiqui	1,450,368	8.3535
Asma Aves Cochinwala	943,027	5.4315
Darakshan Zohaib	964,802	5.5569
Trustee - Future Trust	1,714,500	9.8748
	13,049,779	75.1616

KEY FINANCIAL DATA

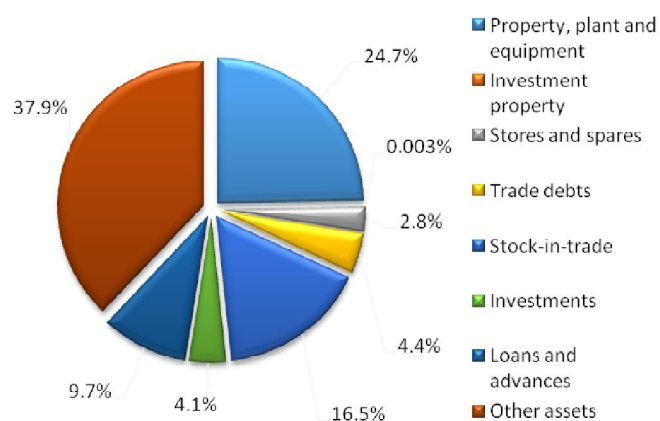
		2021	2020	2019	2018	2017	2016
Investment Measure							
Ordinary Share Capital	Rs. in ' 000 '	173,623	173,623	173,623	173,623	173,623	173,623
Reserves	Rs. in ' 000 '	3,196,905	3,221,027	3,053,628	3,420,351	2,334,735	2,161,485
Ordinary Shareholder's Equity	Rs. in ' 000 '	3,370,528	3,394,650	3,227,251	3,593,974	2,508,358	2,335,108
Dividend on Ordinary Shares	Rs. in ' 000 '	694,492	868,115	868,115	920,201	173,623	329,884
Dividend per Ordinary Share	Rs.	40.00	50.00	50.00	53.00	10.00	19.00
Profit Before Taxation	Rs. in ' 000 '	834,723	1,370,241	1,201,227	1,370,679	206,948	524,570
Profit After Taxation	Rs. in ' 000 '	751,929	1,244,347	1,111,978	1,293,780	142,976	457,883
Earnings per share of Rs. 10	Rs.	43.31	71.67	64.05	74.52	8.23	26.37
Measure of Financial Status							
Current Ratio	x : 1	1.45	1.58	1.49	1.80	1.12	1.61
Total Debt Ratio	x : 1	0.30	0.20	0.25	0.13	0.35	0.00
Number of Days Stock	In days	99.93	72.90	109.90	130.22	102.45	56.45
Measure of Performance							
Sales	Rs. in ' 000 '	7,378,402	8,153,544	7,164,862	7,494,077	5,327,415	5,793,851
Cost of Goods Sold as % of Sales	%	83.98	74.18	75.36	72.33	89.27	86.82
Profit Before Taxation as % of Sales	%	11.31	16.81	16.77	18.29	3.88	9.05
Profit After Taxation as % of Sales	%	10.19	15.26	15.52	17.26	2.68	7.90
Quantity of sugar cane crushed	M.Tons	370,402	396,965	467,829	665,539	659,154	560,786
Quantity of sugar production	M.Tons	38,440	42,959	50,892	74,388	70,484	58,730
Recovery of sugar production	%	10.38	10.82	10.88	11.17	10.70	10.47
Quantity of Ethanol produced	M.Tons	35,330	32,593	41,143	43,221	38,213	36,402
Recovery of ethanol produced	%	5.10	5.53	5.49	5.59	5.49	5.54

Composition of Balance Sheet

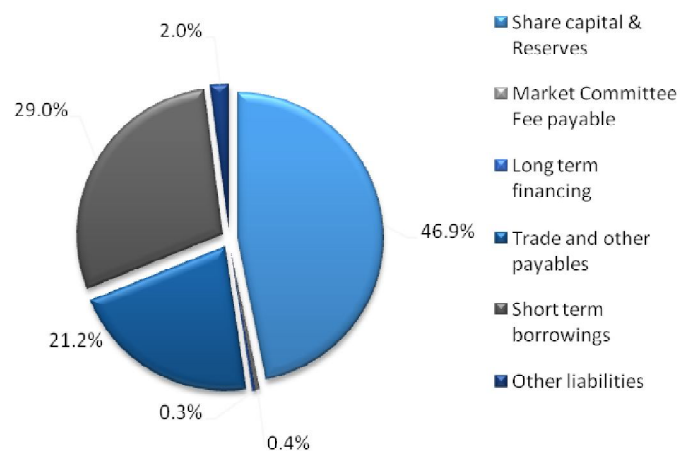
Total Assets FY 2021



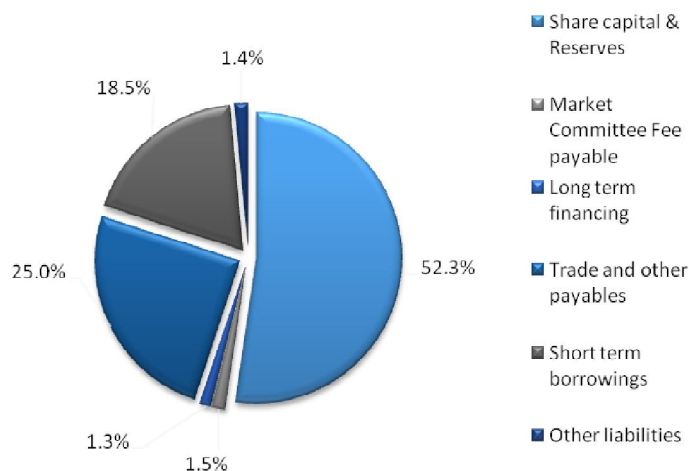
Total Assets FY 2020



Equities & Liabilities FY 2021

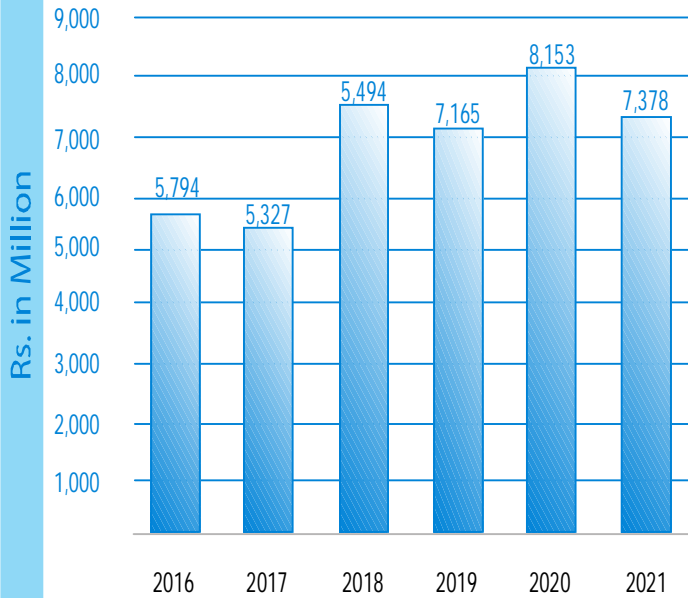


Equities & Liabilities FY 2020

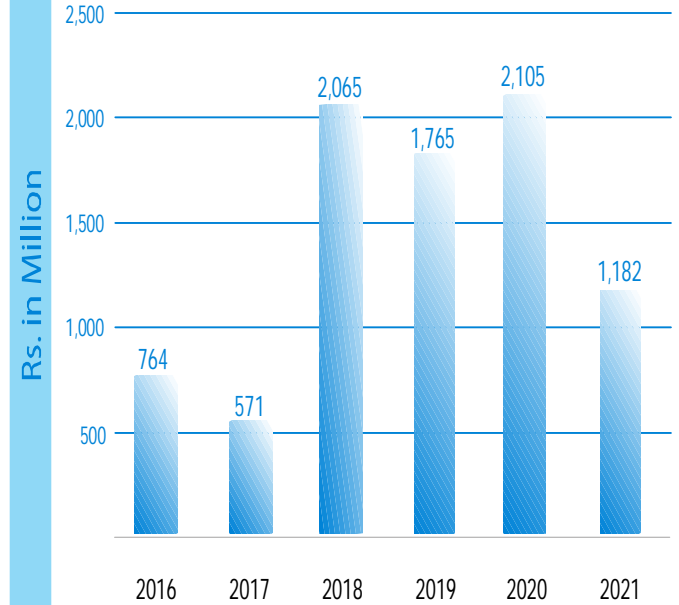


Financials at a Glance

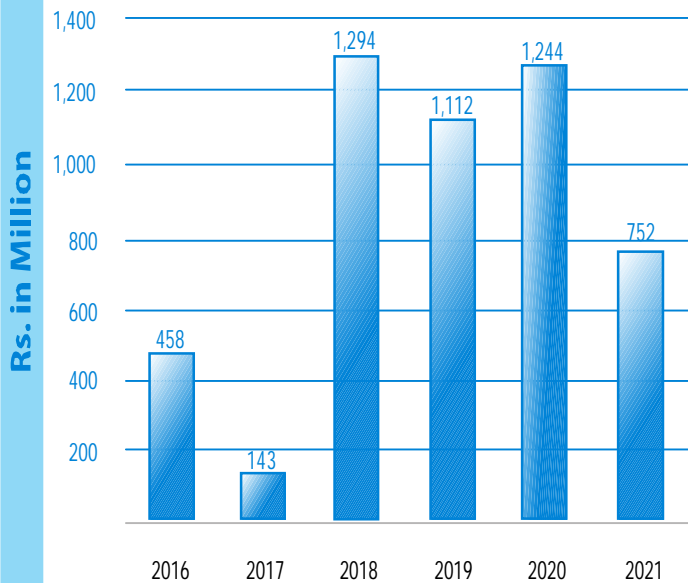
Sales Revenue



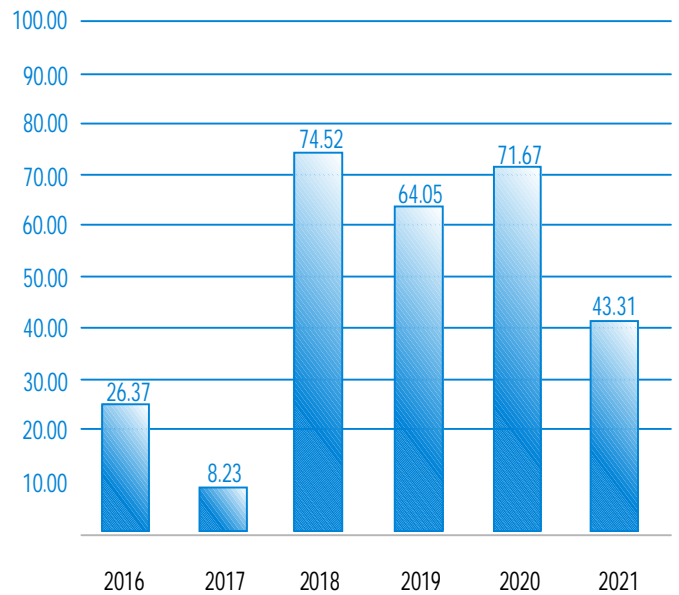
Gross Profit



Net Profit



Earning Per Share



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AL-ABBAS SUGAR MILLS LIMITED

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

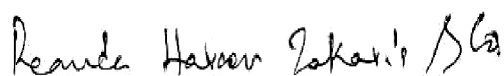
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the 'Regulations'), prepared by the Board of Directors of Al-Abbas Sugar Mills Limited for the year ended September 30, 2021 in accordance with the requirements of Regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended September 30, 2021.



Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi

Dated: December 30, 2021

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 for the 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 are eight as per the following:
 - a. Male: Six (6)
 - b. Female: Two (2)
2. The composition of the board is as follows:

Category	Names
Independent Directors	Mr. Haroon Askari Mr. Muhammad Salman Hussain Chawala Mr. Muhammad Siddiq Khokhar
Non-Executive Directors	Mr. Shahid Hussain Jatoi Mr. Suleman Lalani Mr. Zakaria Usman
Chief Executive Officer	Mr. Asim Ghani
Female Directors	Mrs. Asma Aves Cochinwala Mrs. Darakshan Zohaib

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 with its supporting policies and procedures.
5. The board has developed a vision and mission statement, overall corporate strategy and significant policies of the Company. The board has ensured that complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Seven directors have already completed the directors' training program. The Board consists of one director who is exempted from the directors' training program in accordance with clause 19(2) of Chapter VI of the Listed Companies (Code of Corporate Governance) Regulations, 2019 due to having minimum 14 years of education and over 15 years of experience on the board of a listed Company.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board.

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

Audit Committee

Mr. Haroon Askari	Chairman
Mrs. Asma Aves Cochinwala	Member
Mrs. Darakshan Zohaib	Member
Mr. Muhammad Salman Hussain Chawala	Member
Mr. Zakaria Usman	Member

Human Resource and Remuneration Committee

Mr. Muhammad Salman Hussain Chawala	Chairman
Mr. Asim Ghani	Member
Mr. Shahid Hussain Jatoi	Member
Mr. Muhammad Siddiq Khokhar	Member
Mr. Zakaria Usman	Member

Risk Management Committee

Mr. Haroon Askari	Chairman
Mr. Asim Ghani	Member
Mrs. Darakshan Zohaib	Member
Mr. Zakaria Usman	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the committees were as per following:

- Audit Committee: Five quarterly meetings during the financial year ended September 30, 2021
- HR and Remuneration Committee: One meeting during the year ended September 30, 2021.

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

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involve in the audit are not a close relative (spouses, 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 the mandatory and non-mandatory requirements of the Regulations have been complied.



Zakaria Usman
Chairman

Karachi: December 30, 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AL-ABBAS SUGAR MILLS LIMITED ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of Al-Abbas Sugar Mills Limited which comprise the statement of financial position as at September 30, 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of 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, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2020 and of the profit, 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.

Emphasis of Matter

We draw attention to note 31.1(c) to the financial statements which describe the uncertainty related to the outcome of the lawsuit filed against the Company and others by a Non-Executive Director of the Company. Our opinion is not qualified in respect of this matter.

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>1. Valuation of Stock-in-trade</p> <p>As mentioned in note 12 to the financial statements the stock-in-trade balance consists of 32.2 % of total assets of the Company. The cost of finished goods is determined at cost including a proportion of production overheads.</p> <p>The obsolescence is calculated by taking into account the Net Realizable Value (NRV) of related stock-in-trade.</p>	<p>Our audit procedures included, amongst others, reviewing management's procedures for evaluating the NRV of stock-in-trade held, performing test on sample basis to assess the management's estimate of the NRV, evaluating the adequacy of allowance for write down of stock-in-trade to its NRV, if required and observing the physical stock-in-trade held as at the reporting date.</p> <p>Further we evaluated the appropriateness of the basis of identification of the obsolete stock-in-trade</p>

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED
<p>We have considered this area to be a key audit matter due to its materiality and judgments involved in estimating the NRV of underlying stock-in-trade as well as the management's judgement in determining an appropriate costing basis and assessing its valuation.</p>	<p>and the accuracy of allowance of write down of inventories to NRV assessed by the management, on the sample basis.</p> <p>We also tested the calculations of per unit cost and assessed the appropriateness of management's basis for the allocation of cost and production overheads.</p> <p>We further tested the NRV of stock-in-trade by performing a review of sales close to and subsequent to the year end and compared with the cost, for a sample of products.</p> <p>We also assessed the adequacy of the disclosures made in respect of accounting policies and detailed disclosure in accordance with the applicable financial reporting standards.</p>
<p>2. Company's Exposure to Litigation Risk</p> <p>The Company is exposed to different laws, regulations and interpretations thereof and hence, there is a litigation risk. In our judgement, the Company has significant litigation cases as disclosed in notes no. 30.1, 40.3, 40.4, to the accompanying financial statements.</p> <p>Given the nature and amounts involved in such cases and the appellate forums at which these are pending, the ultimate outcome and the resultant accounting in the financial statements is subject to significant judgement, which can change over time as new facts emerge and each legal case progresses, and therefore, we have identified this as key audit matter.</p>	<p>Our audit procedures included the following:</p> <p>Obtaining understanding of the Company's processes and controls over litigations through meetings with the management and review of the minutes of the Board of Directors and Board Audit Committee.</p> <p>Reading correspondence of the Company with regulatory departments and the Company's external counsel, where applicable. Where relevant, also assessing external legal advices obtained by the Company.</p> <p>Discussing open matters and developments with the in-house legal department personnel of the Company.</p> <p>Circularizing external confirmations, where appropriate, on material cases and assessing the replies received thereto.</p> <p>Whilst noting the inherent uncertainties involved with the legal and regulatory matters, assessing the appropriateness of the related disclosures made in the annexed financial statements.</p>
<p>3. Right-of-use Asset</p> <p>As mentioned in Note 6, company entered into a rent agreement of 3 years and the rentals are accounted for under IFRS-16.</p> <p>As per the requirements of the standard, the Company is required to recognize right-of-use assets for leased assets and liabilities for the lease</p>	<p>We have evaluated rent agreement to verify terms and conditions of lease agreement.</p> <p>We performed independent checks of lease accounting computations through reperformance of such computations and tracing the terms with the relevant clauses of agreement.</p>

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED
<p>payments over the lease term which involves use of judgement to ascertain applicable discount rate to calculate the present value of the underlying asset.</p>	<p>We have compared discount rate with the Company's incremental borrowing rate.</p> <p>Evaluated the appropriateness of the assumptions used by the management in measuring lease liabilities such as discount rate, and</p> <p>Assessed the adequacy and appropriateness of disclosures in the financial statements as required under the standard and applicable financial reporting framework.</p>
<p>4. Market Committee Fee Payable</p> <p>As explained in Note 25 Subsequent to the year end, the Company has submitted a settlement statement in the Honorable High Court of Sindh for the payment of Market Committee fee amounting to Rs.99.714 million. As per the terms of settlement, Rs. 10 million will be payable at signing of agreement and rest of the amount will be paid in ninety biannual installments of Rs. 1 million. Company has amortized the amount over the period of settlement according to the requirement of para-45 of IAS-37.</p> <p>The matter is considered significant owing to the use of judgement involved in determining the present value of the liability.</p>	<p>Obtained copy of settlement agreement to evaluate the terms of settlement.</p> <p>Performed recalculation to assess the reasonableness of present value of the liability.</p> <p>Assessed the adequacy and appropriateness of disclosures in the financial statements.</p>
<p>5. Write-off Receivable</p> <p>As explained in Note 37, management has written off receivables amounting to Rs. 8.127 million owing to the fact that out of Rs. 13.127 million only Rs. 5 million is expected to be recovered.</p>	<p>We assessed the reasonableness of Management's assumptions regarding the collectability of balance in question.</p> <p>Obtained written representation from Management and Board Approval in this regard and</p> <p>Evaluate Board minutes for approval of writing off such receivables.</p>

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

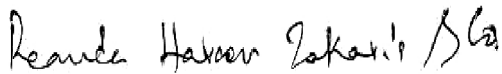
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the 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 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is **Farhan Ahmed Memon**.



Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi

Dated: December 30, 2021

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2021

	Note	2021 (Rupees in thousand)	2020
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	1,493,214	1,601,789
Investment property	5	202	224
Right-of-use assets	6	21,226	-
Long term investments	7	202,609	266,108
Long term loans	8	2,620	680
Long term deposits		12,348	11,848
Deferred taxation	9	-	-
		<u>1,732,219</u>	<u>1,880,649</u>
Current Assets			
Biological assets	10	1,163	1,912
Stores and spares	11	168,614	179,871
Stock-in-trade	12	2,323,584	1,069,294
Trade debts	13	11,618	286,795
Loans and advances	14	1,761,378	627,076
Trade deposits and short term prepayments	15	12,988	16,965
Short term investments	16	1,052,507	1,769,074
Other receivables	17	9,725	51,412
Interest accrued	18	4,566	13,954
Income tax refunds due from the government	19	49,392	56,548
Cash and bank balances	20	60,773	535,692
		<u>5,456,308</u>	<u>4,608,593</u>
Total Assets		<u><u>7,188,527</u></u>	<u><u>6,489,242</u></u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized capital		<u>400,000</u>	<u>400,000</u>
Issued, subscribed and paid-up capital	21	173,623	173,623
Reserves	22	3,196,905	3,221,027
Shareholders' equity		<u>3,370,528</u>	<u>3,394,650</u>
Non-Current Liabilities			
Long term financing	23	24,770	82,158
Lease liabilities	24	13,490	-
Market committee fee payable	25	19,920	96,011
		<u>58,180</u>	<u>178,169</u>
Current Liabilities			
Trade and other payables	26	1,527,424	1,623,041
Accrued markup	27	9,340	3,664
Short term borrowings	28	2,087,881	1,200,000
Current maturity of long term financing	23	60,123	37,991
Current portion of lease liabilities	24	6,459	-
Current portion of market committee fee payable	25	11,653	-
Unclaimed dividend	29	44,093	38,881
Provision for taxation	30	12,846	12,846
		<u>3,759,819</u>	<u>2,916,423</u>
Contingencies and Commitments	31		
Total Equity and Liabilities		<u><u>7,188,527</u></u>	<u><u>6,489,242</u></u>

The annexed notes from 1 to 54 form an integral part of these financial statements.



Asim Ghani
Chief Executive Officer



Darakshan Zohaib
Director



Samir Hajani
Chief Financial Officer

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Note	2021 (Rupees in thousand)	2020 (Rupees in thousand)
Sales - net	32	7,378,402	8,153,544
Cost of sales	33	(6,196,389)	(6,048,271)
Gross profit		1,182,013	2,105,273
Loss from other reportable segments - net	34	(52,227)	(26,908)
		1,129,786	2,078,365
Distribution cost	35	(107,606)	(297,795)
Administrative expenses	36	(158,988)	(131,664)
Other operating expenses	37	(81,970)	(376,114)
Operating profit		781,222	1,272,792
Finance cost	38	(84,680)	(52,979)
Other income	39	138,181	150,428
Profit before taxation		834,723	1,370,241
Taxation	40	(82,794)	(125,894)
Profit after taxation		751,929	1,244,347
Earnings per share - Basic and diluted	41	43.31	71.67

The annexed notes from 1 to 54 form an integral part of these financial statements.



Asim Ghani
Chief Executive Officer



Darakshan Zohaib
Director



Samir Hajani
Chief Financial Officer

STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	2021 (Rupees in thousand)	2020
Profit after taxation	751,929	1,244,347
Other comprehensive income for the year		
Items that will not be reclassified to statement of profit or loss account in subsequent periods		
(Loss) / gain on remeasurement of investments at fair value through other comprehensive income	(63,499)	89,400
(Loss) / gain on remeasurement of defined benefit obligation	(18,060)	49,013
	(81,559)	138,413
Total comprehensive income for the year	670,370	1,382,760

The annexed notes from 1 to 54 form an integral part of these financial statements.

**Asim Ghani**
Chief Executive Officer**Darakshan Zohaib**
Director**Samir Hajani**
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED SEPTEMBER 30, 2021

Issued, subscribed and paid-up capital	RESERVES			Capital reserves Unrealized gain / (loss) on investment at fair value through other comprehensive income	Total Reserves	Total Share holder's Equity	
	Revenue reserves		Sub total				
	General reserve	Unappropriated profit					
(Rupees in thousand)							
Balance as at October 1, 2019	173,623	1,458,000	1,685,851	3,143,851	(90,223)	3,053,628	3,227,251
Total other comprehensive income for the period							
Profit after taxation	-	-	1,244,347	1,244,347	-	1,244,347	1,244,347
Other comprehensive income for the period							
Gain on remeasurement of investments at fair value through other comprehensive income	-	-	-	-	89,400	89,400	89,400
Gain on remeasurement of defined benefit obligation	-	-	49,013	49,013	-	49,013	49,013
Total comprehensive income for the period	-	-	1,293,360	1,293,360	89,400	1,382,760	1,382,760
Transactions with owners							
Final Dividend 2019: Rs. 30 per share	-	-	(520,869)	(520,869)	-	(520,869)	(520,869)
Interim Dividend 2020: Rs. 6.5 per share	-	-	(112,855)	(112,855)	-	(112,855)	(112,855)
Interim Dividend 2020: Rs. 12.5 per share	-	-	(581,637)	(581,637)	-	(581,637)	(581,637)
	-	-	(1,215,361)	(1,215,361)	-	(1,215,361)	(1,215,361)
Balance as at September 30, 2020	<u>173,623</u>	<u>1,458,000</u>	<u>1,763,850</u>	<u>3,221,850</u>	<u>(823)</u>	<u>3,221,027</u>	<u>3,394,650</u>
Balance as at October 1, 2020	173,623	1,458,000	1,763,850	3,221,850	(823)	3,221,027	3,394,650
Total other comprehensive income for the period							
Profit after taxation	-	-	751,929	751,929	-	751,929	751,929
Other comprehensive income for the period							
Loss on remeasurement of investments at fair value through other comprehensive income	-	-	-	-	(63,499)	(63,499)	(63,499)
Loss on remeasurement of defined benefit obligation	-	-	(18,060)	(18,060)	-	(18,060)	(18,060)
Total comprehensive income for the period	-	-	733,869	733,869	(63,499)	670,370	670,370
Transactions with owners							
Final Dividend 2020: Rs. 10 per share	-	-	(173,623)	(173,623)	-	(173,623)	(173,623)
Interim Dividend 2021: Rs. 30 per share	-	-	(520,869)	(520,869)	-	(520,869)	(520,869)
	-	-	(694,492)	(694,492)	-	(694,492)	(694,492)
Balance as at September 30, 2021	<u>173,623</u>	<u>1,458,000</u>	<u>1,803,227</u>	<u>3,261,227</u>	<u>(64,322)</u>	<u>3,196,905</u>	<u>3,370,528</u>

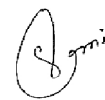
The annexed notes from 1 to 54 form an integral part of these financial statements.



Asim Ghani
Chief Executive Officer



Darakshan Zohaib
Director



Samir Hajani
Chief Financial Officer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Note	2021 (Rupees in thousand)	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	42	(1,228,730)	2,824,787
Finance cost paid		(79,004)	(55,963)
Workers' Welfare Fund Paid		-	(11,352)
Workers' Profit Participation Fund paid		(42,349)	(67,407)
Income tax paid		(75,638)	(78,995)
Long term deposits paid		(500)	-
Long term loans paid		(1,940)	(674)
		<u>(199,431)</u>	<u>(214,391)</u>
Net cash (used in) / generated from operating activities		<u>(1,428,161)</u>	<u>2,610,396</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred on property, plant and equipment		(2,030)	(81,807)
Proceeds from disposal of property, plant and equipment		6,244	4,226
Purchase of long term investments		-	(5,723)
Investment in TDRs and T-Bills - net		716,567	(739,488)
Interest / markup received		63,703	129,509
Dividend received		6,690	3,399
Net cash generated from / (used in) investing activities		<u>791,174</u>	<u>(689,884)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing (repaid) / received		(35,256)	120,149
Right-of-use asset		(1,277)	-
Dividend paid		(689,280)	(1,205,863)
Short term borrowings obtained - net		887,881	(423,237)
Net cash generated from / (used in) financing activities		<u>162,068</u>	<u>(1,508,951)</u>
Net (decrease) / increase in cash and cash equivalents		(474,919)	411,561
Cash and cash equivalents at beginning of the year		535,692	124,131
Cash and cash equivalents at the end of the year		<u>60,773</u>	<u>535,692</u>

The annexed notes from 1 to 54 form an integral part of these financial statements.



Asim Ghani
Chief Executive Officer



Darakshan Zohaib
Director



Samir Hajani
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

1 THE COMPANY AND ITS OPERATIONS

Al-Abbas Sugar Mills Limited - AASML ("the Company") was incorporated in Pakistan on May 2, 1991 as a public limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is listed with Pakistan Stock Exchange Limited-PSX. The registered office of the Company is situated at Pardesi House, Survey No. 2/1, R.Y.16. Old Queens Road, Karachi, Pakistan. The principal activities of the Company under following business segments / divisions comprises:

S. No	Division	Principal Activities	Address	Commencement of commercial production
1	Sugar	Manufacturing and sale of sugar	Deh 145, Tapo Kangaroo, Taluka Digri, District, Mirpurkhas	December 15, 1993
2	Ethanol	Processing and sale of industrial ethanol	Deh 145, Tapo Kangaroo, Taluka Digri, District, Mirpurkhas	Unit I: August 20, 2000 Unit II: January 23, 2004
3	*Chemical, alloys and **Power (note 1.1)	*Manufacturing and sales of calcium carbide and ferro alloys. **Generation and sales of electricity.	Dhabeji, Tapo Ghara, National Highway Road, Taluka Mirpur Sakro, District Thatta	*November 01 2006 **April 06, 2010
4.	Tank Terminal	Providing bulk storage facility	Plot 63, Oil Industrial Area, Kemari, Karachi.	October 15, 2012

1.1 The production facilities of chemical, alloys and power segment have been suspended in view of present business conditions and the matter of its recommencement will be reviewed when these conditions are improved.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017 (the Act), provisions of and directives issued under the Act. In case requirements differ, the provisions of or directives issued under the Act shall prevail.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention, except as otherwise disclosed in these notes.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupees, which

is the Company's functional and presentation currency.

2.4 Critical Accounting Estimates and Judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates, assumptions and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- Assumptions and estimates used in determining the recoverable amount, residual values and useful lives of property, plant and equipment - 3.1 and 4
- Assumptions and estimates used in determining the recoverable amount, residual values and useful lives of investment property - 3.2 and 5
- Assumptions and estimates used in determining the provision for slow moving stores and spares - 3.3 and 11
- Assumptions and estimates used in writing down value items of stock in trade to their net realisable value - 3.4 and 12
- Assumptions and estimates used in calculating the provision for doubtful trade debts - 3.9 and 13
- Assumptions and estimates used in calculating the provision for doubtful loans, advances and other receivables - 3.1, 14 and 17
- Assumptions and estimates used in the recognition of current and deferred taxation - 3.14, 9 and 40
- Assumptions and estimates used in accounting for staff retirement benefits 3.15 - 26.5
- Assumptions and estimates used in disclosure and assessment of provision for contingencies - 31

2.5 New or Amendments / interpretations to existing standards, interpretation and forth coming requirements:

There are certain new and amended standards and interpretations that are mandatory for accounting periods beginning 01 October, 2020. However, these do not have any significant impact on the financial reporting and therefore have not been detailed in these financial statements.

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 October, 2021 but do not have a material impact on these financial statements.

2.6.1 Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after 1 January 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will be accounted for by updating the effective interest rate. A similar practical

expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met.

2.6.2 Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

2.6.3 The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022.

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
- IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

2.6.4 Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

2.6.5 Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.

2.6.6 Classification of liabilities as current or non-current (Amendments to IAS 1) amendments apply retrospectively for the annual periods beginning on or after 1 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.

2.6.7 Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

2.6.8 Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

2.6.9 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

3.1 Property, plant and equipment

Operating fixed assets - owned

These are stated at cost less accumulated depreciation and impairment, if any, except for land, which is stated at cost.

Depreciation is charged, on a systematic basis over the useful life of the asset, on reducing balance method, which reflects the patterns in which the asset's economic benefits are consumed by the Company, at the rates specified in the relevant note. Assets residual value and useful lives are reviewed and adjusted appropriately at each financial year end. Depreciation on additions is charged from the month in which the assets are put to use while no depreciation is charged in the month in which the assets are disposed off. No amortization is provided on leasehold land since the leases are renewable at the option of the lessee at nominal cost and their realizable values are expected to be higher than respective carrying values.

Subsequent costs are included in the asset's carrying amount 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. All other repairs and maintenance are charged to statement of profit or loss during the financial year in which they are incurred.

Assets are derecognized when disposed or when no future economic benefits are expected from its use or disposal. Gains or losses on disposals, if any, are included in statement of profit or loss.

3.1.1 Capital work-in-progress

Capital work-in-progress represents expenditures on fixed assets including advances in the course of construction and installation. Transfers are made to relevant fixed assets category as and when assets are available for use. Capital work-in-progress is stated at cost.

3.1.2 Right-of-use assets and lease liabilities

At the inception of the contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets are initially measured based on the initial amount of lease liabilities adjusted for any principal lease payments made at or before the commencement date, plus any initial direct costs incurred. These are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. These are depreciated on straight line method on the basis of remaining lease term at the rates as disclosed in note 5 to these financial statements. Where the ownership of the asset transfers to the Company at the end of the lease term or if the cost of the asset reflects that the Company will exercise the purchase option, depreciation is charged over the useful life of asset.

The related lease liabilities are initially measured at the present value of remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease. If the implicit rate cannot be readily determined, then the Company's incremental borrowing rate is used. In case of rented properties, the incremental borrowing rate is not available without undue cost and effort, therefore, management uses average borrowing rate to discount future lease payments. The lease liabilities are subsequently measured at amortized cost using the effective interest rate method. They are remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, any change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its estimate of whether it will exercise a purchase or termination option. The corresponding adjustment is made to the carrying amount of the respective right-of-use asset, or is recorded in profit or loss if the carrying amount of that right-of-use has been reduced to zero.

Liabilities in respect of short term and low value leases are not recognised and payments against such leases are recognised as expense in profit or loss.

3.2 Investment property

Investment Property is the property held either to earn rental income or for capital appreciation or for both, but not for sale in ordinary course of business, use in production or supply of goods or services as for administrative purpose.

Former office premises which is held to earn rental income is classified under investment property. It is carried at its respective cost, under the cost model, less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged, on a systematic basis over the useful life of the asset, on reducing balance method, at the rate specified in relevant note.

3.3 Stores and spares

Stores and spares are valued at lower of moving average cost and net realizable value except for items in transit, which are valued at cost comprising invoice value plus other directly attributable charges incurred thereon up to statement of financial position date. Value of items is reviewed at each statement of financial position date to record any provision for slow moving items and obsolescence.

3.4 Stock-in-trade

Raw material is stated at the lower of weighted average cost and net realizable value.

Cost in relation to work in process and finished goods represents cost of raw material and an appropriate portion of manufacturing overheads. Cost in respect of work in process is adjusted to an appropriate stage of completion of process whereas value of bagasse is taken equivalent to net realizable value.

Cost in relation to stock of molasses held in ethanol division is valued at weighted average cost.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

3.5 Impairment of non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the asset's or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of value in use and fair value less cost to sell. Impairment losses are recognized in the statement of profit or loss

3.6 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price determined under IFRS 15.

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

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified into following categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

3.6.1 Financial assets at amortized cost (debt instruments)

Investment in TFCs and T-Bills are being measured at amortized cost as the Company is meeting both the conditions laid below:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in the statement of profit or loss when the asset is derecognized, modified or impaired.

3.6.2 Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IFRS 9 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

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

The Company elected to classify irrevocably investment in listed equity investments under this category.

3.6.3 Impairment of financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortized cost are deducted from the Gross carrying amount of the assets.

3.6.4 De-recognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

3.7 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

3.8 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and only the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognized amount and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.9 Trade debts

Trade debts originated by the Company 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 creditworthiness. Trade debts are written-off when identified and considered irrecoverable.

3.10 Loans, advances, deposits, prepayments and other receivables

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

3.11 Deposits and prepayments

Trade deposits and prepayments are recorded at cost which is the fair value of consideration to be received / adjusted in future.

3.12 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand and with banks.

3.13 Lease Liability

The Company assesses at contract inception whether a contract is, or contains, a lease, i.e. if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the commencement date of the lease if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

For short term lease (defined as leases with a lease term of 12 months or less) and leases of low value assets, the company recognises the lease payments as an operating expense on a straight line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

3.14 Market committee fees

In calculating the present value of market committee fees as per the agreement as disclosed in note number 25.1, the Company uses the incremental borrowing rate at the commencement date of the agreement.

3.15 Taxation

a) Current

Provision for current taxation is computed in accordance with the provisions of the Income Tax Ordinance, 2001.

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemptions available, if any, or minimum tax on turnover or Alternate Corporate Tax (ACT), whichever is higher.

b) Deferred

Deferred income tax is provided using the statement of financial position liability method for all temporary differences at the statement of financial position date between tax base of assets and liabilities and their carrying amounts for financial reporting purposes. The amount of deferred tax provided is based on the expected manner of realization or the settlement of the carrying amounts of assets and liabilities, using the tax rates enacted or substantively enacted at the statement of financial position date.

Deferred income tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit for the foreseeable future will be available against which such temporary differences and tax losses can be utilized.

3.16 Staff retirement benefits**a) Defined benefit plan - gratuity scheme**

The Company operates an approved funded gratuity scheme (defined benefit plan) for all its employees who have completed the qualifying period under the scheme. Contributions are made to the fund in accordance with the actuarial recommendations. The most recent valuation in this regard was carried out as at September 30, 2021, using the Projected Unit Credit Method for valuation of the scheme. Actuarial gains and losses for the defined benefit plan are recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are recognized in equity as capital reserves as these will not be reclassified to statement of profit or loss in subsequent periods. Current and past service costs, gain or loss on settlement and net interest income or expense are accounted for in statement of profit or loss.

This scheme is governed by Trust Deed and Rules. All matters pertaining to this scheme including contributions to the scheme and payments to outgoing members are dealt with in accordance with the Trust Deed and Rules.

b) Employees compensated absences

The Company accounts for liability in respect of unavailed compensated absences for all its permanent employees, in the period of absence. Provision for liabilities towards compensated absences is made on the basis of last drawn basic salary. Amount equal to compensation of unavailed leaves upto a maximum of sixty days of employees at every year end is transferred to this account and paid at the retirement of employees.

3.17 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received.

3.18 Foreign currency transaction

Transactions in foreign currencies are translated into reporting currency at the rates of exchange prevailing on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling on the statement of financial position date. Non-monetary assets and liabilities are recorded using exchange rates that existed when the values were determined. Exchange differences on foreign currency translations are included in statement of profit or loss.

3.19 Provisions

Provisions are recognized when the Company has a present (legal or constructive) obligation as a

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

3.20 Inter-segment pricing

Transfer between business segments are recorded at net realizable value for bagasse and storage tank terminal. However, for molasses it is recorded at weighted average purchase price.

3.21 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, and is reduced for the allowances such as taxes, duties, commissions, sales returns and trade discounts. The following recognition criteria must be met before revenue is recognized:

- Revenue from the sale of goods is recognized at the point in time when the performance obligations arising from the contract with a customer is satisfied and the amount of revenue that it expects to be entitled to can be determined. This usually occurs when control of the asset is transferred to the customer, which is when goods are dispatched or delivered to the customer. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Revenue is disclosed net of returns, rebates, discounts and other allowances.
- Return on bank deposits is recognized on a time proportion basis on the principal amount outstanding and the rate applicable while income from held to maturity investment is recorded using effective yield method.
- Markup on growers loan is accounted for in line with the recovery of the respective loan due to exigencies involved in such matters. Recognition of markup on loans considered doubtful is deferred.
- All gains / (losses) of securities classified as 'fair value through other comprehensive income' are included in other comprehensive income in the period in which they arise and transferred to equity at the time of disposal.
- Miscellaneous income is recognized on occurrence of transactions.
- Dividend income from investments is recognized when the Company's right to receive the dividend is established.
- Rental income from investment property and rental income of storage tank terminal are recorded on accrual basis. However during the year no such transaction relating to rental income on investment property occurred.

3.22 Dividend and appropriation to reserves

Dividend and appropriations to reserves are recognized in the statement of changes in equity in the period in which these are approved.

3.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting structure. Management monitors the operating results of its business units separately for the purpose of making decisions regarding resource allocation and performance assessment.

Segment results, assets and liabilities include items directly attributable to segment as well as those that can be allocated on a reasonable basis. Segment assets, consist primarily of property, plant and equipment, intangibles, stores and spares, stock in trade and trade debts and other receivables. Segment liabilities comprise of operating liabilities and exclude items such as taxation and other corporate liabilities.

Segment capital expenditure is the total cost included during the year to acquire property, plant and equipment.

3.24 Earnings per share

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

3.25 Biological assets

Biological assets are measured at their fair value less their point of sale costs. Gain / (loss) on such measurement is recognized in statement of profit or loss. Gain / (loss) on disposal of biological asset is recognized in statement of profit or loss in the year of disposal.

4	PROPERTY, PLANT AND EQUIPMENT	Note	2021 (Rupees in thousand)	2020
	Operating fixed assets	4.1	1,493,214	1,601,789
	Capital work in progress (CWIP)	4.2	-	-
			<u>1,493,214</u>	<u>1,601,789</u>

4.1 OPERATING FIXED ASSETS

	September 30, 2021							Written down value as at September 30, 2021	Rate of depreciation %
	Cost			Accumulated depreciation					
	As at October 01, 2020	Additions / (Deletions)	Transferred from CWIP	As at September 30, 2021	As at October 01, 2020	Charge for the year / (on disposal)	As at September 30, 2021		
----- Rupees in '000 -----									
Owned									
Free-hold land	77,534	-	-	77,534	-	-	-	77,534	-
Lease-hold land	22,694	-	-	22,694	-	-	-	22,694	-
Main factory building									
- on free-hold land	382,978	-	-	382,978	305,357	7,762	313,119	69,859	10
Non-factory building									
- on free-hold land	195,976	-	-	195,976	151,720	4,426	156,146	39,830	10
- on lease-hold land	24,799	-	-	24,799	14,123	1,068	15,191	9,608	10
Plant and machinery	2,909,785	-	-	2,909,785	1,611,758	82,678	1,694,436	1,215,349	5 to 10
Furniture and fittings	10,654	-	-	10,654	8,181	247	8,428	2,226	10
Vehicles	116,665	408	-	106,447	60,576	10,914	62,735	43,712	20
	-	(10,626)	-	-	-	(8,755)	-	-	-
Office equipment	38,318	978	-	39,296	27,033	1,173	28,206	11,090	10
Computers	9,518	644	-	10,162	8,486	446	8,932	1,230	30
Tools and tackles	4,268	-	-	4,268	4,166	20	4,186	82	20
	3,793,189	2,030	-	3,784,593	2,191,400	108,734	2,291,379	1,493,214	
	-	(10,626)	-	-	-	(8,755)	-	-	

	As at September 30, 2020							Written down value as at September 30, 2020	Rate of depreciation %
	Cost			Accumulated depreciation					
	As at October 01, 2018	Additions / (Deletions)	Transferred from CWIP	As at September 30, 2020	As at October 01, 2019	Charge for the year / (on disposal)	As at September 30, 2020		
----- Rupees in '000 -----									
Owned									
Free-hold land	77,534	-	-	77,534	-	-	-	77,534	-
Lease-hold land	22,694	-	-	22,694	-	-	-	22,694	-
Main factory building									
- on free-hold land	382,978	-	-	382,978	296,732	8,625	305,357	77,621	10
Non-factory building									
- on free-hold land	195,976	-	-	195,976	146,656	5,064	151,720	44,256	10
- on lease-hold land	24,799	-	-	24,799	12,937	1,186	14,123	10,676	10
Plant and machinery	2,674,639	-	235,146	2,909,785	1,526,652	85,106	1,611,758	1,298,027	5 to 10
Furniture and fittings	10,654	-	-	10,654	7,906	275	8,181	2,473	10
Vehicles	100,821	24,460	-	116,665	56,613	11,665	60,576	56,089	20
	-	(8,616)	-	-	-	(7,702)	-	-	-
Office equipment	37,104	1,214	-	38,318	25,841	1,192	27,033	11,285	10
Computers	8,934	584	-	9,518	8,223	263	8,486	1,032	30
Tools and tackles	4,268	-	-	4,268	4,141	25	4,166	102	20
	3,540,401	26,258	235,146	3,793,189	2,085,701	113,401	2,191,400	1,601,789	
	-	(8,616)	-	-	-	(7,702)	-	-	

4.1.1 Reconciliation of written down value:

	WRITTEN DOWN VALUE					As at September 30, 2021
	As at October 01, 2020	Additions	Transferred from CWIP	Disposals	Depreciation charge for the year	
----- (Rupees in thousand) -----						
Owned						
Free-hold land	77,534	-	-	-	-	77,534
Lease-hold land	22,694	-	-	-	-	22,694
Main factory building						
- on free-hold land	77,621	-	-	-	7,762	69,859
Non-factory building						
- on free-hold land	44,256	-	-	-	4,426	39,830
- on lease-hold land	10,676	-	-	-	1,068	9,608
Plant and machinery	1,298,027	-	-	-	82,678	1,215,349
Furniture and fittings	2,473	-	-	-	247	2,226
Vehicles	56,089	408	-	(1,871)	10,914	43,712
Office equipment	11,285	978	-	-	1,173	11,090
Computers	1,032	644	-	-	446	1,230
Tools and tackles	102	-	-	-	20	82
September 30, 2021	1,601,789	2,030	-	(1,871)	108,734	1,493,214
September 30, 2020	1,454,700	26,258	235,146	(914)	113,401	1,601,789

Note
2021
(Rupees in thousand) 2020

4.1.2 The depreciation charged for the year has been allocated as follows:

Cost of sales	33	67,178	68,790
Storage tank terminal	34.1	10,854	12,137
Chemical, alloys and others	34.2	18,498	19,794
Administrative expenses	36	12,204	12,680
		108,734	113,401

4.1.3 Particulars of immovable property in the name of the Company are as follows:

Particulars	Location	Usage of immovable property	Total Area
Freehold land and buildings thereon	Mirwah Gorchani, Mirpurkhas	Manufacturing facility	437.58 Acres
Freehold land and buildings thereon	Dhabeji Thatta	Manufacturing facility	30 Acres
Leasehold land buildings thereon	Oil Industrial Area, Kemari, Karachi	Storage facility	5700 Square meters
Bungalow	Clifton, Karachi	Investment property	218.75 Square yards

4.1.4 The aggregate net book value of disposed assets doesn't exceeds the limit of Rs. 5 Million as per the requirement of Fourth Schedule to the Companies Act, 2017 therefore, no particulars are provided.

4.2 Capital work in progress - (CWIP)

Description	September 30, 2021				September 30, 2020			
	As at October 01, 2020	Additions	Transfer to operating fixed assets	As at September 30, 2021	As at October 01, 2019	Additions	Transfer to operating fixed assets	As at September 30, 2020
Plant and machinery								
Storage tank	-	-	-	-	1,941	45,313	(47,254)	-
Advance to contractor	-	-	-	-	-	-	-	-
	-	-	-	-	1,941	45,313	(47,254)	-
Turbo Alternator	-	-	-	-	148,999	941	(149,940)	-
	-	-	-	-	148,999	941	(149,940)	-
Effluent Treatment Plant	-	-	-	-	28,657	9,295	(37,952)	-
	-	-	-	-	28,657	9,295	(37,952)	-
Total	-	-	-	-	179,597	55,549	(235,146)	-

5 INVESTMENT PROPERTY

- Former office premises

Description	Cost			Depreciation			Written down value as on September 30	Rate of Depreciation
	Opening	Additions	Closing	Opening	Charges for the year	Closing		
----- (Rupees in thousand) -----								
September 30, 2021	<u>1,600</u>	<u>-</u>	<u>1,600</u>	<u>1,376</u>	<u>22</u>	<u>1,398</u>	<u>202</u>	10%
September 30, 2020	<u>1,600</u>	<u>-</u>	<u>1,600</u>	<u>1,351</u>	<u>25</u>	<u>1,376</u>	<u>224</u>	10%

- 5.1 The estimated market value as per valuation carried out by M/s. Tristar International Consultant (Private) Limited as on November 30, 2017 is Rs. 45.684 Million.

	Note	Office building	Total
6 RIGHT-OF-USE ASSETS			
Net book value as at October 01, 2020	6.1	-	-
Additions		21,226	21,226
Depreciation charged		-	-
Net book value as at September 30, 2021		<u>21,226</u>	<u>21,226</u>
Rate of depreciation % (Straight line basis)		<u><u>33%</u></u>	

- 6.1 This represents Company's right-of-use asset related to premises located at Pardesi House, Survey No. 2/1, R.Y.16, Old Queens Road, Karachi, Pakistan, for a consecutive period of 3 years. Lease rentals are discounted at the rate of 9%. Comparative figures are not restated owing to the fact that lease rentals expected in prior years were expensed out in those years which approximates depreciation and finance cost for those years and impact of restatement would be negligible.

		Note	2021 (Rupees in thousand)	2020
7	LONG TERM INVESTMENTS			
	At fair value through other comprehensive income			
	- in quoted shares	7.1	<u>202,609</u>	<u>266,108</u>
7.1	2021	2020		
	Number of shares			
	par value Rs. 10 each			
	4,500	4,500	27	34
	2,488,061	2,488,061		
	572,254	572,254	17,466	21,970
	4,500	4,500	5,265	5,723
	900	900	146	68
	1,000,000	1,000,000	19	14
	386,453	368,051	17,950	19,880
	872,850	872,850	17,777	27,291
			143,959	191,128
			<u>202,609</u>	<u>266,108</u>

7.1.1 These are non - redeemable but convertible into ordinary Shares upon the expiry of 12 months from the issue date. Conversion Ratio is to be determined by dividing the aggregate face value of preference shares plus the outstanding balance of any accumulated / accrued preferred dividend (if not paid till conversion) by Rs. 7.5/-. The rate of dividend on these shares is 1.5% above six months KIBOR.

As at September 30, 2021, the dividend entitlement on these preference shares amounted to Rs. 0.410 (2020: Rs. 0.021) Million which has not been accrued in these financial statements as the Investee Company has accumulated losses and also has not recorded the same in its books of accounts.

7.1.2 These are non- redeemable preference shares but convertible into Ordinary shares of Rs. 10 per ordinary share in the ratio of 1:1, plus unpaid preferential dividends, if any. The rate of dividend on these shares is 3% above six months KIBOR.

Subsequent to the year end, the Company has announced Preferential Dividend on Cumulative Preference Shares upto the year ended June 30, 2021 in line with the terms and conditions of ASLPS, 1 (one) Ordinary Share (ASL) shall be distributed as preferential dividend against every Rs. 10/- of the dividend accrued/payable on ASPLS to the respective preference shareholders entitled for dividend as on book closure date.

The market value of each quoted security at the reporting date is as follows:

	2021	2020
	(Rupee)	
HUM Network Limited (HUMNL)	5.98	7.56
Power Cement Limited (POWER)	7.02	8.83
Power Cement Limited (POWERPS)	9.20	10.00
Aisha Steel Mills Limited (ASLPS)	32.50	15.18
Aisha Steel Mills Limited (ASL)	20.81	15.72
Fauji Cement Company Limited (FCCL)	17.95	19.88
Mehran Sugar Mills Limited (MRNS)	46.00	74.15
IGI Holding Limited (IGIHL)	164.93	218.97

	Note	2021 (Rupees in thousand)	2020
8 LONG TERM LOANS			
- Considered good and secured			
Due from executives	8.1	3,231	-
Due from other employees		683	986
	8.2 & 8.4	3,914	986
Less: current portion of long term loans	14	(1,294)	(306)
		<u>2,620</u>	<u>680</u>

8.1 Reconciliation of carrying amount of loans to executives

Balance at beginning of the year		-	310
Add: disbursements		5,000	-
		5,000	310
Less: recoveries during the year		(1,300)	(310)
Effect of amortization on loan charged to finance cost	8.3	(469)	-
Balance at end of the year		<u>3,231</u>	<u>-</u>

8.2 The above loans are interest free and are given to executives and other employees of the Company for personal use in accordance with their terms of employment and policy of the Company. These loans are to be repaid over a period of one to five years in equal monthly installments. These are secured against the retirement benefits and life insurance (incase of death) of the employees and are within the limits of such securities.

8.3 This loan is amortized at the rate of 9 % per annum.

8.4 Maximum aggregate amount of loans outstanding at any month end was Rs. 5.95 (2020: Rs. 0.986) Million.

	Note	2021 (Rupees in thousand)	2020
9 DEFERRED TAXATION			
Deferred Tax Assets arising in respect of Deductible temporary differences			
Available tax losses		116,944	140,153
Minimum tax		79,115	45,833
Liabilities u/s 34(5)		83,309	79,267
Provisions		34,609	34,609
		<u>313,977</u>	<u>299,862</u>
Taxable temporary differences			
Accelerated tax depreciation		(222,849)	(229,050)
Investments		(2,341)	(7,185)
		88,787	63,627
Unrecognized deferred tax asset	9.1	(88,787)	(63,627)
		<u>-</u>	<u>-</u>

9.1 The Company has not recognized its entire deferred tax asset relating to tax losses up to the period ended September 30, 2021 as the Management expects that major portion of taxes of the Company in foreseeable future will fall under combination of minimum tax and final tax regime.

	Note	2021 (Rupees in thousand)	2020
10 BIOLOGICAL ASSETS			
At fair value			
Carrying value at beginning of the year		1,912	729
Increase due to cultivation		1,163	1,912
		<u>3,075</u>	<u>2,641</u>
Reduction due to harvesting		(1,912)	(729)
Carrying value at end of the period		<u>1,163</u>	<u>1,912</u>

10.1 Operations and principal activities at farms

The company's agriculture activities represents cultivation of sugarcane.

11 STORES AND SPARES

Stores and spares		198,552	209,809
Provision for slow moving items and obsolescence		(29,938)	(29,938)
		<u>168,614</u>	<u>179,871</u>

12 STOCK-IN-TRADE

Raw materials		774,781	369,654
Work-in-process		6,711	6,321
Finished goods			
Sugar	12.1	668,960	363,937
Ethanol		866,174	329,382
		<u>1,535,134</u>	<u>693,319</u>
Stock of bagasse in hand	12.2	6,958	-
		<u>2,323,584</u>	<u>1,069,294</u>

12.1 Value of finished goods pledged with financial institutions as on the statement of financial position date amounts to Rs. 486.071 (2020: Rs. Nil) Million.

12.2 Finished goods include stock items valued at net realizable value (NRV) at Rs. 26.383 (2020: Rs. Nil) Million.

	Cost (Rupees in thousand)	NRV
Summary of related Cost and NRV is as under:		
Ethanol B-Grade	46,726	26,383

	Note	2021 (Rupees in thousand)	2020
13 TRADE DEBTS			
Considered good			
Export		-	251,796
Local		11,618	34,999
		<u>11,618</u>	<u>286,795</u>
Considered doubtful			
Local		15,432	15,432
		<u>27,050</u>	<u>302,227</u>
Less: Provision for expected credit loss	13.1	(15,432)	(15,432)
		<u>11,618</u>	<u>286,795</u>

	Note	2021 (Rupees in thousand)	2020
13.1	Movements in provision for expected credit loss against the trade debts during the year is as follows		
Balance at the beginning of the year		15,432	15,432
Provision made during the year		8,127	-
Provision written off during the year		(8,127)	-
Balance at end of the year		<u>15,432</u>	<u>15,432</u>
14	LOANS AND ADVANCES		
Loans			
- Interest based:			
Considered good	14.1	15,928	16,498
- Non - Interest Based:			
Considered good		1,274	1,274
Considered doubtful		301	301
		1,575	1,575
Provision for loans considered doubtful		(301)	(301)
		1,274	1,274
Current portion of loans to employees and executives	8	1,294	306
		<u>18,496</u>	<u>18,078</u>
Advances			
Considered good			
To employees against expenses		40	165
To suppliers and contractors		1,740,781	601,307
Against letter of credit for stores and spares parts		2,061	7,526
		<u>1,742,882</u>	<u>608,998</u>
Considered doubtful			
To suppliers and contractors		73,669	73,669
		<u>1,816,551</u>	<u>682,667</u>
Provision for doubtful advances		(73,669)	(73,669)
		<u>1,742,882</u>	<u>608,998</u>
		<u>1,761,378</u>	<u>627,076</u>
14.1	The rate of markup on such loans is 14.96% (2020: 14.96%) per annum subject to final settlement with the respective grower. In order to ensure supply of sugarcane from certain growers, Company has provided fertilizers, seeds and tricograma cards which has been provided as loan and the Company will recover the same out of the cane supply from the said grower in the ensuing season.		
	Note	2021 (Rupees in thousand)	2020
15	TRADE DEPOSITS AND SHORT TERM PREPAYMENTS		
Deposits	15.1	1,000	-
Prepayments	15.2	11,988	16,965
		<u>12,988</u>	<u>16,965</u>
15.1	This deposit is interest free.		
15.2	Prepayments		
Rent		886	6,149
Establishment charges		5,160	4,718
Insurance		4,882	5,045
Software license fees		1,060	1,053
		<u>11,988</u>	<u>16,965</u>

	Note	2021 (Rupees in thousand)	2020
16			
SHORT TERM INVESTMENTS			
At amortized cost			
Term Deposit Receipts	16.1	50,600	1,380,600
Government Securities	16.2	1,001,907	388,474
		<u>1,052,507</u>	<u>1,769,074</u>

16.1 These carry profit ranging from 4.35% to 6.60% (2020: 6.35% to 11.43%) per annum.

16.2 These carry profit ranging from 7.15% to 7.6% (2020: 6.8% to 7.6%) per annum.

	Note	2021 (Rupees in thousand)	2020
17			
OTHER RECEIVABLES			
- Considered good			
Sales tax and excise duty	17.1	3,894	8,510
Defined benefit plan - Gratuity	17.2	5,801	42,872
Others		30	30
		<u>9,725</u>	<u>51,412</u>
- Considered doubtful			
Freight subsidy on sugar export		274,405	274,405
		<u>284,130</u>	<u>325,817</u>
Provision for freight subsidy on sugar export		<u>(274,405)</u>	<u>(274,405)</u>
		<u>9,725</u>	<u>51,412</u>

17.1 This is in respect of Show Cause Notice issued by Assistant Commissioner (Unit-08), Sindh Revenue Board, Karachi against short payment of Sindh Service Tax amounting to Rs. 15.575 Million for the financial year 2013-14, 2014-15, 2015-16 and 2016-17. An Order-in-Original has been issued demanding payment of Rs. 31.929 Million (Rs. 15.575 Million plus a penalty of Rs. 16.354 Million). The recovery of Rs. 3.336 Million was made directly by debiting the Company's National Bank account by Sindh Revenue Board. The Company has filed an appeal before Commissioner (Appeals) Karachi which has granted the Stay and the Company has paid Rs. 0.558 Million to make 25% payment of principal amount in order to avoid Sindh Revenue Board for any further recovery under Section 66(1)(f). The case is pending before Commissioner (Appeals) Karachi and hearings are in progress.

17.2 Defined benefit plan - related party

As stated in note 3.15, the Company operates a defined benefit plan i.e. an approved funded gratuity scheme for all its permanent employees subject to attainment of retirement age and minimum service of prescribed period. Actuarial valuation of the scheme is carried out every year and the latest actuarial valuation was carried out as at September 30, 2021 using projected unit credit method. The disclosures made in notes to 17.2.12 are based on the information included in that actuary's report.

	Note	2021 (Rupees in thousand)	2020
17.2.1			
The asset recognized in the balance sheet is as follows:			
Present value of defined benefit obligation	17.2.2	(83,397)	(112,591)
Fair value of plan assets	17.2.3	129,535	181,814
Payables		<u>(32,272)</u>	<u>(25,555)</u>
Receivable from employees gratuity fund	17.2.7	13,866	43,668
Other liability - Payable to gratuity fund		<u>(8,065)</u>	<u>(796)</u>
Net receivable / (payable) at the balance sheet date		<u>5,801</u>	<u>42,872</u>

	2021 (Rupees in thousand)	2020
17.2.2 Changes in present value of defined benefit obligation		
Present value of defined benefit obligation at the beginning of the year	112,591	107,730
Current service cost	18,818	19,288
Interest cost on defined benefit obligation	8,222	12,643
Benefits due but not paid (payables)	(6,694)	(21)
Benefits paid	(49,833)	(13,159)
Remeasurements due to - actuarial gain/(loss) from change in assumption	(57)	301
Remeasurements due to - experience adjustments	350	(14,191)
Present value of defined benefit obligation at the end of the year	<u>83,397</u>	<u>112,591</u>

17.2.3 Changes in fair value of plan assets

Fair value of plan assets as at the beginning of the year	181,814	133,458
Contributions during the year	-	10,400
Interest income on plan assets	15,298	16,510
Benefit paid during the year - defined benefit obligation	(49,833)	(13,159)
Benefit reversed / (paid) during the year from payables	23	(518)
Return on plan assets, excluding interest income	(17,767)	35,123
Fair value of plan assets at the end of the year	<u>129,535</u>	<u>181,814</u>

	2021		2020	
	Rupees in '000	%	Rupees in '000	%
17.2.4 Plan assets comprises of				
Equity	81,218	62.70	87,998	48.40
Cash and/or deposits	28,928	22.33	65,453	36.00
Other	19,389	14.97	28,363	15.60
	<u>129,535</u>	<u>100</u>	<u>181,814</u>	<u>100.00</u>

	2021 (Rupees in thousand)	2020
17.2.5 The following amounts have been charged to profit and loss account during the year		
Current service cost	18,818	19,288
Interest cost on defined benefit obligation	8,222	12,643
Interest income on plan assets	(15,298)	(16,510)
	<u>11,742</u>	<u>15,421</u>

17.2.6 Total Remeasurements Chargeable in Other Comprehensive Income

(Loss) / gain on remeasurements of defined benefit obligation		
Due to experience adjustments	57	(301)
Actuarial (loss)/gain from changes in financial assumptions	(350)	14,191
Return on plan assets, excluding interest income	(17,767)	35,123
	<u>(18,060)</u>	<u>49,013</u>

	Note	2021 (Rupees in thousand)	2020
17.2.7 Movement in net asset recognized in the balance sheet			
Liability at the beginning of the year		43,668	(1,560)
Charge for the year	17.2.5	(11,742)	(15,421)
Remeasurements chargeable in other comprehensive income	17.2.6	(18,060)	49,013
Contributions		-	10,400
Payables reversed		-	1,236
Asset at the end of the year		13,866	43,668

17.2.8 Other liability - Payable to gratuity fund - related party

The Company operates a policy that its employees can obtain loans from Al-Abbas Sugar Mills Limited Employees Gratuity Fund Trust - a related party (the fund). The Company recovers these loans from employees through monthly deduction from their salaries and offsets the same against the net receivable from the Fund.

17.2.9 Principal actuarial assumptions

The latest actuarial valuation for gratuity fund was carried out as at September 30, 2021 using the Projected Unit Credit Method (PUCM). The following significant assumptions used for the actuarial valuation:

	2021	2020
Discount rate	10.50%	9.75%
Expected rate of increase in salary	9.50%	8.75%
Expected rate of return on plan assets	12.50%	10.00%
Average retirement age of the employee	60 years	60 years
Withdrawal rates	Age based	Age based

17.2.10 Year end sensitivity analysis on defined benefit obligation

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected rate of salary increase. The sensitivity analyses below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

	Impact on defined benefit obligation		
	Changes in assumption %	Increase in assumption (Rupees in thousand)	Decrease in assumption
Discount rate	1	78,599	88,832
Salary increase	1	88,704	78,634

17.2.11 Expected charge for the year 2021-22 will be Rs. 12.708 million.

17.2.12 Risks associated with the fund

Investment Risk: The risk of the investment underperforming and being not sufficient to meet the liabilities.

Final Salary Risk: The risk that the final salary at the time of cessation of service is greater than what the company assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Withdrawal Risk: The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

Mortality Risk: The risk that the actual mortality experience is different than that of assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

	Note	2021 (Rupees in thousand)	2020
18 INTEREST ACCRUED			
- On			
Growers loan	14.1	4,028	3,187
Term deposit receipts	16.1	538	10,767
		<u>4,566</u>	<u>13,954</u>
19 INCOME TAX REFUNDS DUE FROM THE GOVERNMENT			
Income tax	19.1	<u>49,392</u>	<u>56,548</u>
19.1			
Balance at the beginning of the year		56,548	103,447
Advance tax paid / deducted during the year		75,638	78,995
Provision for taxation for the year	40	(82,794)	(123,935)
Prior year tax		-	(1,959)
		<u>49,392</u>	<u>56,548</u>
20 CASH AND BANK BALANCES			
Cash in hand		1,066	1,052
Cash at banks			
Current accounts		22,071	501,682
Savings accounts	20.1	37,636	32,958
		<u>59,707</u>	<u>534,640</u>
		<u>60,773</u>	<u>535,692</u>

20.1 These carry profit ranging from 3.3% to 5% (2020: 2.09% to 7.54%) per annum.

21 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	2021 (Number of shares)	2020 (Number of shares)		2021 (Rupees in thousand)	2020 (Rupees in thousand)
	<u>17,362,300</u>	<u>17,362,300</u>	Ordinary shares of par value of Rs.10 each fully paid in cash	<u>173,623</u>	<u>173,623</u>

21.1 Number of shares held by associated undertakings as on the statement of financial position date were 11,819,812 (2020: 11,832,410).

21.2 The ordinary share holders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry one vote per share without restriction.

	Note	2021 (Rupees in thousand)	2020 (Rupees in thousand)
22 RESERVES			
Capital reserves			
Unrealized loss on investment at fair value through other comprehensive income	22.1	(64,322)	(823)
Revenue reserves			
General reserve		1,458,000	1,458,000
Unappropriated profit	22.2	1,803,227	1,763,850
		<u>3,261,227</u>	<u>3,221,850</u>
		<u>3,196,905</u>	<u>3,221,027</u>

22.1 Capital reserves will be utilized for any purpose only after it is realized and transferred to equity. However, these reserves can be individually offset against losses arising in future periods (if any).

22.2 Revenue reserves can be utilized for meeting any contingencies and for distribution of profit by way of dividend.

	Note	2021 (Rupees in thousand)	2020 (Rupees in thousand)
23 LONG TERM FINANCING - Secured			
From banking companies			
Allied bank limited	23.1	59,751	59,751
Bank of Punjab	23.2	60,000	60,000
		<u>119,751</u>	<u>119,751</u>
Less: Amortization of Financial Liability		(13,347)	(13,347)
Financial Liability at Amortized Cost		106,404	106,404
Unwinding of amortized cost during the year		9,301	1,066
Payment made		(38,169)	(17)
		<u>77,536</u>	<u>107,453</u>
Current portion of long term financing		(60,123)	(37,991)
		<u>17,413</u>	<u>69,462</u>
Deferred income - Government Grant		13,347	13,347
Transferred to Profit & Loss		(5,990)	(651)
		<u>7,357</u>	<u>12,696</u>
		<u>24,770</u>	<u>82,158</u>

23.1 The Company has obtained sanctioned limit of Rs. 72 million under "Refinance Scheme for Payment of Wages & Salaries to the Workers and Employees of Business Concerns" for payment of wages and salaries to the workers and employees introduced by State Bank of Pakistan. It is secured by ranking charges on plant and machinery of the Company and lien over Treasury Bills of Rs. 50 million. The repayment of financing under the Scheme was started from January 2021. The repayment will be made in equal 8 quarterly installments. It carries mark-up at the rate of SBP rate plus 0.75% per annum payable quarterly.

23.2 The Company has also obtained sanctioned limit of Rs. 60 million under "Refinance Scheme for Payment of Wages & Salaries to the Workers and Employees of Business Concerns" for payment of wages and salaries to the workers and employees introduced by State Bank of Pakistan. It is secured by ranking charges by lien over Term deposit receipts of Rs. 50 million. The repayment of financing under the Scheme was started from April 2021. The repayment will be made in equal 8 quarterly installments. It carries mark-up at the rate of SBP rate plus 0.4% per annum payable quarterly.

	Note	2021 (Rupees in thousand)	2020
24 LEASE LIABILITIES			
24.1 Lease liabilities related to right-of-use asset - rented properties			
Present value of minimum lease payments		19,949	-
Add: Prepayments		1,277	-
		<u>21,226</u>	-
Current portion shown under current liabilities	24.2	(6,459)	-
Less : Prepayments		(1,277)	-
	24.2	<u>13,490</u>	-

September 30, 2021

Minimum lease payments	Future Finance costs	Present value of minimum lease payments
----- Rupees -----		

24.2 Maturity Analysis of Minimum Lease Payments

Not later than one year	6,813	354	6,459
Later than one year but not later than five years	16,179	2,689	13,490
	<u>22,992</u>	<u>3,043</u>	<u>19,949</u>

	Note	2021 (Rupees in thousand)	2020
25 MARKET COMMITTEE FEE PAYABLE			
Market Committee fee payable	25.1	99,714	96,011
Current portion of market committee fee payable		(11,653)	-
Effect of discounting of market committee fee	25.2	(68,141)	-
		<u>19,920</u>	<u>96,011</u>

25.1 Subsequent to the year end, the Company has submitted a settlement statement in the Honourable High Court of Sindh at Karachi for the payment of market committee fee. The terms of the settlement are Rs. 10 million will be paid on signing of Agreement between the Company and Market Committee and the rest of the amount will be paid in ninety biannual installments of Rs. 1 million. The agreement is in process of finalization. The settlement has reached pursuant to direction of High Court of Sindh.

25.2 This payable is discounted at the rate of 9% per annum.

	Note	2021 (Rupees in thousand)	2020
26 TRADE AND OTHER PAYABLES			
Creditors	26.1, 26.2 & 26.3	976,185	1,001,739
Accrued liabilities		96,036	68,881
Advances from customers		287,505	370,512
Short term deposits	26.4	27,498	34,817
Sales tax payable		29,063	54,435
Workers' Profit Participation Fund	26.5	3,770	1,339
Workers' Welfare Fund		86,357	69,344
Retention money		2,069	2,079
Special Excise Duty payable		9,696	9,696
Withholding tax payable		5,614	6,719
Others		3,631	3,480
		<u>1,527,424</u>	<u>1,623,041</u>

26.1 This includes amount of Rs. 141.139 Million recorded by the management, on prudent basis, in respect of sugarcane purchases for crushing season 2014-15 considering the notifications issued by Cane Commissioner Sindh on November 07, 2014 and December 09, 2014 after adjusting the amount paid by Government of Sindh to the growers through Sugar Mills in the light of interim decision of Honorable High Court of Sindh. However these notifications have been challenged by Pakistan Sugar Mills Association and other Sugar Mills in Honorable Supreme Court of Pakistan, the case has been pending with the Honorable Court as at September 30, 2021.

26.2 In accordance with Sugar Factories Control Act, 1950, the Company is required to pay quality premium at the rate of 50 paise per kg of sugarcane crushed for each 0.1 percent of excess sucrose recovery above the 8.7 percent to the sugarcane growers. The Company along with other sugar mills had challenged the levy of quality premium before the Honorable High Court of Sindh which has given adverse decision against the sugar mills. The Company then filed an appeal with the Supreme Court of Pakistan and obtained Stay Order against impugned judgement of the Court.

In 2019, the Honorable Supreme Court of Pakistan had disposed the appeal and issued Order. The Company had already paid quality premium for period 1998-99 uptill now by taking consideration of the additional/excess payment over and above the notified minimum support price fixed by Provincial Government.

In 2019, C.P - 3458 of 2019 had been filed by Sindh Growers Alliance against the Company and other sugar mills in the High Court of Sindh whereby they urged for execution and implementation of Apex Court Order. The Honorable Court had disposed of the case by making consensually agreed Order wherein it was directed that Cane Commissioner of Sindh shall examine each notification separately and determine the sucrose recovery rate according to each notification. The grower apply with their claims to the mills and mill will verify their claims within two months, thereafter, the payment will be made. As the Company already made excess/additional payments the growers, the Company is confident that no additional liability will arise and as a matter of prudence the Company has not reverse the liability of Rs. 324.474 million.

26.3 This includes amount of Rs. 363.586 Million recorded by the management in respect of sugarcane purchases for crushing season 2017-18. A notification was issued by Cane Commissioner Sindh which has fixed the price of sugarcane at Rs. 182 per maund which was challenged before Honorable High Court of Sindh. An interim arrangement was made between Sugar Mills located in Sindh and Sindh Sugarcane growers and an interim order was passed that sugar mills purchase the sugarcane at the rate Rs. 160 per maund from the growers for crushing season 2017-18. The Company has paid the sugarcane growers at the rate of Rs. 160 per maund and accrued the balance liability. The next date of the case is fixed for December 09, 2021. Pending the final order of the High Court, the Company has recorded the unpaid amount as a matter of prudence.

- 26.4** This represents security deposit received from a customer on a written agreement and utilizable for Company's business which is in compliance with Section 217 of Company's Act, 2017.

	Note	2021 (Rupees in thousand)	2020
26.5 Workers' profit participation fund			
Balance at beginning of the year		1,339	(4,593)
Interest for the year		10	-
		<u>1,349</u>	<u>(4,593)</u>
Charge for the year	37	44,770	73,339
		<u>46,119</u>	<u>68,746</u>
Net payment during the year		<u>(42,349)</u>	<u>(67,407)</u>
		<u>3,770</u>	<u>1,339</u>

27 ACCRUED MARKUP

Markup on short term borrowings		<u>9,340</u>	<u>3,664</u>
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28 SHORT TERM BORROWINGS

From banking companies - secured Under Mark up arrangements

Cash / running finances	28.1	18,881	-
Export refinance	28.1	<u>2,069,000</u>	<u>1,200,000</u>
		<u>2,087,881</u>	<u>1,200,000</u>

- 28.1** The available aggregate finance facilities (short term funded) amounted to Rs. 4.610 (2020: Rs. 4.610) Billion which have been arranged from various commercial banks out of which Rs. 3.485 (2020: 3.485) Billion are with export refinance and FE 25. Out of total export refinance limit, Rs. 3.485 (2020: 3.485) Billion are interchangeable. The short term financing facilities are secured against hypothecation of current assets, pledge of stock and hypothecation over present and future property, plant and equipment of the Company. Cash / running finance carry markup ranging from 1 to 3 months KIBOR plus 0.50% to 1% (2020: 1 to 3 months KIBOR plus 0.50% to 1%) per annum payable quarterly in arrears or upon maturity and Export refinance carry markup ranging from SBP rate plus 0.50% to 1 % (2020: SBP rate plus 0.50% to 1%) per annum. At the year end, facilities amounting to Rs. 2.522 (2020: Rs. 3.410) Billion remained unutilized. These facilities are expiring on various dates latest by August 31, 2022 and are renewable.

- 28.2** The available facilities for opening letters of credit on the reporting date aggregate to Rs. 300 (2020: Rs. 300) Million of which facilities unutilized on reporting date amounting to Rs. 300 (2020: Rs. 292.661) Million.

- 28.3** The available facilities in respect of letters of guarantee on the reporting date aggregate to Rs. 55.00 (2020: Rs. 55.00) Million of which facilities unutilized on reporting date amounting to Rs. 0.400 (2020: Rs. 0.400) Million.

	Note	2021 (Rupees in thousand)	2020
29 UNCLAIMED DIVIDEND	29.1	<u>44,093</u>	<u>38,881</u>

- 29.1** In pursuant of the provisions of the Companies Act, 2017 the Company has sent final notice to the shareholders in respect of unclaimed dividend of more than three years old and will be transferred to Government account in case they remain unclaimed after the expiry of notice period. The Company has also requested the Securities and Exchange Commission of Pakistan to provide the designated bank account details in order to transfer the amount of unclaimed dividend older than three years.

	Note	2021 (Rupees in thousand)	2020
30 PROVISION FOR TAXATION	30.1	<u>12,846</u>	<u>12,846</u>

30.1 The Company filed appeal before Commission of Income Tax (CIT) against the said amount of tax levied by Income Tax Officer (ITO) under section 12(9A) of Income Tax Ordinance, 1979 related to assessment year 2002-2003, who set aside the order of ITO. The Department made appeal before the learned Income Tax Appellate Tribunal who maintained the decision of CIT. The Department again filed reference application before the Honourable High Court Sindh which is pending. As per view of the tax advisor, the decision of the reference will be in favour of the Company.

31 CONTINGENCIES AND COMMITMENTS

31.1 Contingencies

- a) The Karachi Water and Sewerage Board (Board) has demanded Rs. 19,588 Million for sewerage, fire and conservancy charges which the Company has challenged in the Honourable High Court of Sindh, Karachi as no such facilities are being provided by the Board. The Court has stayed the operations of Demand Notice by the Board and hearings of the case are in process. The total amount outstanding as at September 30, 2021 for water, sewerage, conservancy and fire amounting to Rs. 24,303 (September 30, 2020: Rs. 24,120) Million. The management, in the light of legal advisor's opinion, is confident that the case will be decided in favour of the Company, therefore, no provision has been made in these financial statements.
- b) The Competition Commission of Pakistan has issued show cause notice to the Company alleging cartelization in industry. The Company has challenged this show cause in the Honourable High Court of Sindh in Karachi challenging the jurisdiction of Competition Commission of Pakistan. The Court has granted Stay Order against the show cause notice. The Counsel for the petitioners and the respondents have concluded their arguments and the matter is now reserved for judgement. As per legal adviser there are no financial implications related to this matter at the moment.
- c) A Suit, bearing no. 281 has been filed in 2013 in the Honourable High Court of Sindh at Karachi by Mr. Suleman Lalani (non-executive and minority Director of the Company) against the Company, its Ex-Chief Executive and eight others, alleging mismanagement in the Company's affairs including siphoning off and divergence of Company's funds by the Ex-Chief Executive and others. The prayer sought in the suit mainly comprises Rs. 236.716 Million retrieval of the Company's funds along with the costs of the suit filed by the plaintiff and seeking appointment of receiver and carrying out the forensic audit of the Company and removal of its Ex-Chief Executive. In response to the aforementioned, the Company and its management denied all allegations of the plaintiff. The suit is at the stage of Civil Miscellaneous hearing at the Applications.

On March 08, 2021, Mr. Suleman Lalani filed an application under Order 1 Rule 10 R/W Section 151 C.P.C. 1908 in which he prayed to include the current Chief Executive Officer in the instant Suit and argued that he is influencing the Board for his personal gains and unjust enrichment at the expense.

The Company's legal counsel have stated that considering the uncertainty in the outcomes of the litigation, no definite prediction can be made at this stage. However, in view of the Company's management, no adverse inference is likely to materialize in the suit.

Furthermore, Mr. Lalani also filed another Civil Miscellaneous Application (CMA) No. 9973 of 2013, seeking to refrain the Board of Directors of the Company from specifically approving any investment in Javedan Corporation Limited ("JCL"), a separate and unrelated public limited Company. The said CMA was argued before the Honourable High Court of Sindh by both parties which has restrained the defendant not to take any decision for investment in JCL until the final outcome of the suit and has directed the Securities Exchange Commission of Pakistan ("SECP") to treat the complaint filed in this matter as a complaint under Section 263 of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and accordingly investigate the affairs of the Company and submit a report on the same.

The said Order of the Court has been challenged by the Company before the Division Bench of the Honourable High Court of Sindh through appeal bearing No. HCA-124, which has suspended a portion of the High Court's Order relating to SECP carrying out an investigation of the Company. In the same matter SECP had also issued Order under Section 231 of the Companies Ordinance 1984 which Company had challenged through CP. No. D-1990/2013 before the High Court of Sindh and obtained no coercive action Order. During the hearing of HCA No. 124/2013, the appellant requested to take up the case CPD-1990/2013 along with appeal No. HCA 124/2013. Interim Order granted earlier by High Court of Sindh had been modified and Company Ordered to present all accounts before the SECP, however, the Court ordered the SECP not to take any final action against the Company. In pursuance of the Honourable Court Order in CP No. D-1990/2013 and in HCA No. 124/2013, the Company had made compliance. This Appeal is currently pending before the Division Bench, and as per the view of the legal advisor, the Company has fair chance to succeed in the said case.

- d) The Federal Government notified reduced rate of FED @ 0.5% on local supply of sugar to the extent of sugar exported by sugar mills against export quota allocated by Economic Coordination Committee in meeting dated January 10, 2013, subject to the terms and conditions prescribed in S.R.O 77(1)/2013 dated February 07, 2013. The Company availed the facility with effect from January 10, 2013, however as per contention of the department the relief was applicable from the date of SRO, accordingly the demand amounting to Rs. 85.450 Millions relating to period prior to date of SRO was created. During financial year 2015-16, the same was contested before the Appellate Tribunal who made the decision in favor of the Company. Miscellaneous application for rectification were filed by the Commissioner Inland Revenue before the Appellate Tribunal Inland Revenue which were also rejected. The Department again filed a reference application before the Honourable High Court Sindh which is pending. As per view of the tax advisor, the decision of the reference will be in favor of the Company.
- e) A notification no. SO (TAXES) E&T / 1(91) 2014-15 / 250 dated July 08, 2014 issued by Government of Sindh Excise, Taxation and Narcotics Department under Sections 19A and 35A of the Sindh Abkari Act, 1878, whereby a levy of Rs. 0.5 per liter was imposed for the storage of Rectified Spirit in a private bonded warehouse with effect from July 01, 2014. The Company has challenged the notification through C.P. No. D-3917 / 2014 in the Honourable High Court of Sindh, Karachi on July 23, 2014 against the Province of Sindh through Secretary Excise, Taxation and Narcotics and Director General Excise, Taxation and Narcotics, Sindh on the ground that the said Sections 19-A and 35-A of the 1878 Act do not permit the issuance of such notification. Court has granted Stay Order and hearings are in progress. The total financial impact of the levy are estimated at Rs. 102.675 (2020: Rs. 70.939) Million. Legal adviser of the Company is of the view that the Company has a strong prima facie case while the balance of convenience is also in favour of the Company therefore, no provision has been made in these financial statements.
- f) A case was filed by Mr. Mureed Ali Shah vs Federation of Pakistan & Others in High Court of Sindh, Karachi dated May 14, 2018, C.P. No. 3823 of 2018, wherein he prayed that Federal Government should withdraw / cancel / stop cash freight subsidy to sugar mills located in Sindh on sugar export because in his opinion Sindh Sugar Mills have violated the condition no. VI of the Cabinet of the Economic Coordination Committee (ECC) approval no. ECC 96/19/2017 dated September 14, 2017. The Condition No. VI states that "After November 2017, it will also be necessary for the mills to start crushing at full capacity throughout the crushing season to become eligible for exports". He further prayed that the additional cash paid approved by Sindh Cabinet minutes dated December 04, 2017 should also be refunded by all Sugar Mills located in Sindh. He also prayed that Federal Government should be restrained from implementing ECC aforesaid approval till the pendency of this petition.

As the Company has complied the conditions No. VI of the ECC therefore in view of the legal counsel, favourable outcome is expected.

- g) A Show Cause Notice u/s 161 (1A) read with Section 236G and 236H of the Income Tax Ordinance, 2001 dated May 24, 2018 was issued by Large Taxpayers Unit of the FBR in respect of sales for the periods from October 2016 to September 2017 demanding Rs. 17.524 Million. Company has filed an appeal against the Order before the Commissioner Appeals on the grounds that the sales were made to the Utility Stores Corporation of Pakistan which is the registered as the wholesaler and is liable to

0.1% tax deduction by the seller, while Army is exempt from tax deduction, while non-filer wholesalers are liable to 0.2% tax deduction by the seller. The Company has also deposited 10% of the demand amounting to Rs. 1.752 Million required for stay order to refrain department from recovery of demand.

The Commissioner Inland Revenue (Appeals-I), Karachi, decided the Appeal in favour of Assistant Commissioner Inland Revenue, Large Taxpayers Unit, Karachi. Aggrieved with the decision of Commissioner Inland Revenue (Appeals-I), Karachi, the Company has filed appeal before Appellate Tribunal Inland Revenue, Karachi, who has remanded back the case to Assistant Commissioner Inland Revenue, Large Taxpayers Unit, Karachi.

Tax advisor of the Company is hopeful that the decision of tax department will be in Company's favour therefore, no provision has been made in these financial statements.

- h)** Income tax audit for the tax years 2015, 2016, 2018 and 2019 had been finalized by the Inland Revenue Department via Assessment Orders dated April 29, 2021. Inland Revenue Department raised the demand of Rs. 8.639 billion and a penalty of Rs. 7.404 billion was also imposed for the tax year 2015, 2016, 2018 & 2019. The Company has filed Appeals before Commissioner Inland Revenue (Appeals) and Stay Applications C.P. No. 748, 749, 750 & 751 of 2021 in High Court of Sindh and has obtained Stay Orders against Orders / Notices u/s 122(1)/(4) and u/s 182(2) which directed the department not to take coercive measures for recovery of demand till the decision of Commissioner Inland Revenue (Appeals). The Company's Tax advisor is of the view that ultimate outcome will be in the favour of the Company in the appellate forum. Hence no provision has been made in the financial statements.
- i)** A Show Cause notice No. 103/2020 dated November 05, 2020 was issued by Competition Commission of Pakistan based on an enquiry initiated under Section 37(1) of the Act in order to ascertain possible anti-competitive activities in the sugar industry and to examine any contraventions of Section 3 and 4 of the Act were committed on part of Pakistan Sugar Mills Association and on its member undertaking including causing price hike, stoppage of crushing during crushing season 2019-20 and withholding of sugar tender floated by Utility Store Corporation. Various hearings were made and Company has submitted its reply through its legal counsel.

On August 06, 2021, the Competition Commission of Pakistan has passed an Order in which out of four member of the Commission, the Chairperson and one member concluded that Pakistan Sugar Mills Association and its member undertaken prima facie involved in violation of Section 4 of the Competition Act 2010 and its Order stated that Enquiry Committee has found evidences of collusive / collective decision behind the sugar shortage and price hike. At the same time the Commission has found that there was absence of any individual or collective dominant position in the relevant market. Therefore a case of abuse of dominance in terms of Section 3 of the Act was not made out.

With regard to Utility Store Corporation tenders the Commission's Chairperson and one member of the Commission found that tender dated March 20, 2010 was a prima facie violation of Section 4(1) read with Section 4(2)(c) of the Act as it appears that Pakistan Sugar Mills Association and its members have taken collective decision on dividing and sharing quantity to be supplied. The Competition Commission of Pakistan has imposed a penalty of Rs. 358.243 million for collective decision on export quantities from 2012 to 2020 and Rs. 50 million for participating in Utility Store Corporation tender in 2010. Two members of the Commission have recorded difference of opinion therefore Commission was faced with deadlock situation on the determination of issue based on which penalty was imposed. The Chairperson exercised second and casting vote in favour of imposing penalty thus the Order dated August 13, 2021 was passed against the Company.

The Company through Suit No. 2273 of 2021 sought permanent injunction and challenged the legality and legitimacy of the casting vote Order dated 13-08-2021 passed by the Competition Commission of Pakistan. The Honourable High Court of Sindh suspended the operations of impugned Order dated 06-08-2021 and 13-08-2021. The management is of the view that the ultimate outcome will be in favour of the Company.

- j)** Bank guarantees of Rs. 54.60 (2020: Rs. 54.6) Million have been issued by the banking companies on behalf of the Company in favour of customers and suppliers.

31.2 Commitments

a) Commitments in respect of outstanding letter of credit amounts to Rs. Nil (2020: Rs. 7.317) Million.

Note	Sugar		Ethanol		Total	
	2021	2020	2021	2020	2021	2020
	----- (Rupees in thousand) -----					
32 SALES - NET						
Gross sales						
Local	3,283,824	4,170,739	292,527	212,542	3,576,351	4,383,281
Export	-	-	4,327,462	4,426,955	4,327,462	4,426,955
	<u>3,283,824</u>	<u>4,170,739</u>	<u>4,619,989</u>	<u>4,639,497</u>	<u>7,903,813</u>	<u>8,810,236</u>
Less:						
Sales tax	(482,617)	(627,684)	(42,794)	(29,008)	(525,411)	(656,692)
	<u>2,801,207</u>	<u>3,543,055</u>	<u>4,577,195</u>	<u>4,610,489</u>	<u>7,378,402</u>	<u>8,153,544</u>

32.1 It includes exchange gain of Rs. 17.591 (2020: Exchange loss of Rs. 38.845) Million on export of ethanol.

Note	Sugar		Ethanol		Total	
	2021	2020	2021	2020	2021	2020
	----- (Rupees in thousand) -----					
33 COST OF SALES						
Cost of raw materials consumed	2,839,921	2,612,479	3,806,581	2,549,341	6,646,502	5,161,820
Stores and spare parts consumed	76,438	90,811	103,200	80,184	179,638	170,995
Packing materials	20,425	23,294	-	-	20,425	23,294
Salaries, wages and other benefits	241,768	254,243	60,046	61,318	301,814	315,561
Fuel, electricity and water charges	7,392	5,070	75,980	67,243	83,372	72,313
Other manufacturing expenses	48,030	43,008	45,750	36,765	93,780	79,773
Repairs and maintenance	7,926	28,440	8,534	33,142	16,460	61,582
Depreciation	38,947	39,609	28,231	29,181	67,178	68,790
	<u>3,280,847</u>	<u>3,096,954</u>	<u>4,128,322</u>	<u>2,857,174</u>	<u>7,409,169</u>	<u>5,954,128</u>
Work-in-process						
Opening	6,321	4,842	-	-	6,321	4,842
Closing	(6,711)	(6,321)	-	-	(6,711)	(6,321)
	<u>(390)</u>	<u>(1,479)</u>	<u>-</u>	<u>-</u>	<u>(390)</u>	<u>(1,479)</u>
	<u>3,280,457</u>	<u>3,095,475</u>	<u>4,128,322</u>	<u>2,857,174</u>	<u>7,408,779</u>	<u>5,952,649</u>
Less:						
Transfer price of molasses	(353,038)	(226,234)	-	-	(353,038)	(226,234)
Sale of fusel oil - net	-	-	(1,452)	(1,705)	(1,452)	(1,705)
Purchase of bagasse	66,612	14,700	-	-	66,612	14,700
Transfer price of bagasse	(75,739)	(67,242)	-	-	(75,739)	(67,242)
Stock adjustment of bagasse in hand	(6,958)	12,140	-	-	(6,958)	12,140
Sale of bagasse - net	-	(6,238)	-	-	-	(6,238)
	<u>(369,123)</u>	<u>(272,874)</u>	<u>(1,452)</u>	<u>(1,705)</u>	<u>(370,575)</u>	<u>(274,579)</u>
Cost of goods manufactured	<u>2,911,334</u>	<u>2,822,601</u>	<u>4,126,870</u>	<u>2,855,469</u>	<u>7,038,204</u>	<u>5,678,070</u>
Finished goods						
Opening	363,937	913,128	329,382	150,392	693,319	1,063,520
Closing	(668,960)	(363,937)	(866,174)	(329,382)	(1,535,134)	(693,319)
	<u>(305,023)</u>	<u>549,191</u>	<u>(536,792)</u>	<u>(178,990)</u>	<u>(841,815)</u>	<u>370,201</u>
	<u>2,606,311</u>	<u>3,371,792</u>	<u>3,590,078</u>	<u>2,676,479</u>	<u>6,196,389</u>	<u>6,048,271</u>

33.1 Salaries, wages and other benefits include Rs. 5.603 (2020: Rs. 9.365) Million in respect of defined benefit plan - gratuity.

33.2 Other Manufacturing Expenses

Security services	10,521	10,900	7,014	7,266	17,535	18,166
Printing and stationery	128	221	85	147	213	368
Vehicle running and hire	6,547	5,979	4,365	3,986	10,912	9,965
Insurance	10,951	9,242	8,370	5,292	19,321	14,534
Travelling and conveyance	765	1,020	576	511	1,341	1,531
Others	19,118	15,646	25,340	19,563	44,458	35,209
	<u>48,030</u>	<u>43,008</u>	<u>45,750</u>	<u>36,765</u>	<u>93,780</u>	<u>79,773</u>

	Note	2021 (Rupees in thousand)	2020
34	LOSS FROM OTHER REPORTABLE SEGMENTS - NET		
Net (loss) / profit from storage tank terminal	34.1	(13,562)	11,786
Net loss from chemical, alloys and power segment and fixed expenses due to suspension	34.2	(38,665)	(38,694)
		<u>(52,227)</u>	<u>(26,908)</u>
34.1	Net (loss) / profit from storage tank terminal		
Storage service income		27,375	44,697
Inter-segment services		15,600	20,963
		<u>42,975</u>	<u>65,660</u>
Less: direct expenses			
Salaries, wages and other benefits	34.1.1	19,599	19,276
Water, fuel and power		1,753	1,767
Repairs and maintenance		2,169	1,451
Depreciation	4.1.2	10,854	12,137
Security services		2,255	2,224
Printing and stationery		26	15
Lease charges		3,383	3,179
Vehicle running		830	883
Insurance		5,573	5,271
Shipment expenses		572	615
Piping expenses		2,328	2,008
Fees and subscription		286	143
Establishment charges		3,459	3,374
Others		3,450	1,531
		<u>56,537</u>	<u>53,874</u>
		<u>(13,562)</u>	<u>11,786</u>

34.1.1 Salaries, wages and other benefits include Rs. 1.113 (2020: Rs. 0.774) Million in respect of defined benefit plan - gratuity.

	Note	2021 (Rupees in thousand)	2020
34.2	Chemical, alloys and others		
Salaries, wages and other benefits	34.2.1	4,346	4,170
Water, fuel and power		2,287	1,988
Security services		10,113	10,078
Printing and stationery		12	8
Insurance		843	1,843
Travelling and conveyance		18	8
Repairs and maintenance		1,860	265
Depreciation	4.1.2	18,498	19,794
Others		687	540
		<u>38,665</u>	<u>38,694</u>

34.2.1 Salaries, wages and other benefits include Rs. 0.073 (2020: Rs. 0.076) Million in respect of defined benefit plan - gratuity.

Note	Sugar		Ethanol		Total	
	2021	2020	2021	2020	2021	2020
----- (Rupees in thousand) -----						
35 DISTRIBUTION COST						
Sugar bags handling expenses	2,393	3,618	-	-	2,393	3,618
Export transportation and other expenses	-	-	96,972	285,250	96,972	285,250
Salaries and other benefits 35.1	1,602	1,408	3,355	3,348	4,957	4,756
Marking fees	3,284	4,171	-	-	3,284	4,171
	<u>7,279</u>	<u>9,197</u>	<u>100,327</u>	<u>288,598</u>	<u>107,606</u>	<u>297,795</u>

35.1 Salaries and other benefits include Rs. 0.434 (2020: 0.321) Million in respect of defined benefit plan - gratuity.

36 ADMINISTRATIVE EXPENSES

Salaries and other benefits 36.1	27,096	26,632	18,129	17,900	45,225	44,532
CEO salaries and other benefits 36.2	26,676	11,738	17,785	7,825	44,461	19,563
Rent, rates and taxes	4,770	4,755	3,180	3,170	7,950	7,925
Communication charges	1,716	1,888	1,144	1,259	2,860	3,147
Traveling and conveyance	189	497	124	329	313	826
Printing and stationery	1,735	1,391	578	581	2,313	1,972
Entertainment	1,114	952	685	597	1,799	1,549
Vehicle running	4,552	4,043	2,738	2,531	7,290	6,574
Repairs and maintenance	1,529	1,302	526	577	2,055	1,879
Insurance	2,059	2,433	1,353	1,441	3,412	3,874
Fees and subscription	2,451	1,443	1,590	1,310	4,041	2,753
Legal and professional	5,288	3,757	3,525	2,505	8,813	6,262
Software license and consultancy fees	3,401	4,725	2,267	3,149	5,668	7,874
Auditors' remuneration 36.3	1,469	1,173	813	782	2,282	1,955
Charity and donations 36.4	500	500	-	-	500	500
Newspaper and periodicals	70	71	47	47	117	118
Utilities	2,064	2,146	1,376	1,272	3,440	3,418
Depreciation on property, plant and equipment 4.1.2	7,322	7,608	4,882	5,072	12,204	12,680
Depreciation on investment property	22	25	-	-	22	25
Security charges	843	787	562	525	1,405	1,312
Board meetings expenses	1,371	1,333	913	888	2,284	2,221
Miscellaneous expenses	320	457	214	248	534	705
	<u>96,557</u>	<u>79,656</u>	<u>62,431</u>	<u>52,008</u>	<u>158,988</u>	<u>131,664</u>

36.1 Salaries and other benefits include Rs. 3.458 (2020: Rs. 3.722) Million in respect of defined benefit plan - gratuity.

36.2 CEO salaries and other benefits include Rs. 1.061 (2020: Rs. 1.163) Million in respect of defined benefit plan - gratuity.

36.3 Auditors' remuneration

Statutory Auditors

Annual audit fee	720	720	480	480	1,200	1,200
Half yearly review fee	108	78	72	52	180	130
Code of Corporate Governance Review fee	75	45	50	30	125	75
Out of pocket expenses	86	88	59	58	145	146
Other services	230	242	152	162	382	404
	<u>1,219</u>	<u>1,173</u>	<u>813</u>	<u>782</u>	<u>2,032</u>	<u>1,955</u>

Cost Auditors

Audit fee	250	-	-	-	250	-
	<u>1,469</u>	<u>1,173</u>	<u>813</u>	<u>782</u>	<u>2,282</u>	<u>1,955</u>

36.4 No organization or person to whom donations are paid exceeds the limits prescribed under Fourth Schedule to the Companies Act, 2017. None of the Directors or their spouse have any interest in the donees' fund.

	Note	2021 (Rupees in thousand)	2020
37 OTHER OPERATING EXPENSES			
Receivables written off		8,127	-
Provision for sugar export subsidy		-	274,405
Unrealized exchange loss		12,061	502
Workers' profit participation fund		44,770	73,339
Workers' welfare fund		17,012	3,538
		<u>81,970</u>	<u>376,114</u>
38 FINANCE COST			
Mark-up on long term financing		2,897	416
Markup on short term borrowings		74,693	46,783
Interest on Workers Profit Participation Fund		10	-
Amortization of interest free loan to executives	8.3	469	-
Bank charges and guarantee commission		6,611	5,780
		<u>84,680</u>	<u>52,979</u>
39 OTHER INCOME			
Income from financial assets			
Markup on loan to growers		1,686	1,671
Income from TDR / T-Bills / PLS deposits		52,629	130,295
Dividend		6,690	3,399
		<u>61,005</u>	<u>135,365</u>
Income from non - financial assets			
Scrap sales		-	912
Sale of mud fertilizer		-	288
Liability written back		467	7,048
Effect of discounting of market committee fees	25	68,141	-
Gain on disposal of property, plant and equipment		4,373	3,312
Income from biological asset		2,557	1,774
Income from Bio-chemical lab		1,334	1,462
Miscellaneous		304	267
		<u>77,176</u>	<u>15,063</u>
		<u>138,181</u>	<u>150,428</u>

39.1 Farm operations is a distinguishable business segment as per the criteria specified in International Financial Reporting Standard - 8 "Operating Segment" , but it is substantially below the threshold mentioned for reportable segment under IFRS - 8, therefore, this is not classified as a reportable segment in these financial statements.

	Note	2021 (Rupees in thousand)	2020
40 TAXATION			
Current	40.1	82,794	123,935
Prior		-	1,959
		<u>82,794</u>	<u>125,894</u>

40.1 This represents turnover tax under section 113 of the Income Tax Ordinance, 2001 and Final Tax Regime (FTR), therefore, no numerical tax reconciliation is given.

- 40.2** Income tax returns of the Company have been filed up to tax year 2021 which is considered to be deemed assessment. However, the Commissioner of Income tax may, at any time during the period of five years from the date of filing of return, select the deemed assessment for audit.
- 40.3** The Additional Commissioner Inland Revenue (ACIR) passed an order under section 122(5A) for the tax year 2014 whereby income tax demand of Rs. 28.751 Million has been raised based on wrong apportionment of expenses between NTR and FTR, disallowances of expenses / cash withdrawal and not accounting for brought forward tax losses. The Company applied for rectification of Order to ACIR, LTU, Karachi, for wrong apportionment of expenses and not accounting brought forward tax losses and filed an appeal with the Commissioner Appeals Inland Revenue which gave the relief and allowed expenses / cash withdrawal to the extend of Rs. 26 Million and confirmed disallowances of expenses of Rs. 140 Million against the Company. The Company has filed the appeal before Tribunal against the disallowance of expenses of Rs. 140 Million. However, the CIR has also filed an appeal before Tribunal against the relief of Rs. 26 Million. The tax adviser of the Company expects favorable outcome, therefore, no provision has been made in these financial statements.
- 40.4** Last year, the case of the Company was selected for Audit u/s 177 of the Ordinance for the tax year 2017. Pursuant to the audit proceeding the concerned Officer Inland Revenue has completed the audit proceeding and duly passed the amended order under Section 122(I) of the Income Tax Ordinance, 2001 in which no taxable income has been assessed due to availability of previous tax years assessed brought forward losses. However, the Officer has not allowed / determined actual losses to be carried forward and proper credit of taxes paid amounting to Rs. 20.978 Million. This being an apparent mistake from records is duly notified through rectification letter under Section 221 of the Income Tax Ordinance, 2001 allowing actual losses to be carried forward but refund of Rs. 20.978 M is still pending to be allowed.

	Note	2021 (Rupees in thousand)	2020
41 EARNINGS PER SHARE - BASIC AND DILUTED			
Net profit for the year		<u>751,929</u>	<u>1,244,347</u>
		(No. of shares)	
Weighted average number of ordinary shares outstanding		<u>17,362,300</u>	<u>17,362,300</u>
Basic and diluted earnings per share - Rupees	41.1	<u>43.31</u>	<u>71.67</u>

- 41.1** Diluted earnings per share is same as the basic, as the Company does not have any convertible instruments in issue as on the reporting date which would have any effect on the earnings per share if the option to convert is exercised.

42	CASH (USED IN) / GENERATED FROM OPERATIONS	Note	2021 (Rupees in thousand)	2020
	Profit before taxation		834,723	1,370,241
	Adjustment for:			
	Depreciation on property, plant and equipment		108,734	113,401
	Depreciation on investment property		22	25
	Markup on loan to growers		(1,686)	(1,671)
	Provision for staff retirement benefits - gratuity		13,928	15,421
	Income from TDR / T-Bills / PLS deposits		(52,629)	(130,295)
	Dividend income		(6,690)	(3,399)
	Gain on disposal of property, plant and equipment - net		(4,373)	(3,312)
	Finance cost		84,670	52,979
	Receivables written off		8,127	-
	Provision for subsidy on sugar export		-	274,405
	Provision for market committee fee		3,703	3,970
	Amortization income on market committee fees payable		(68,141)	-
	Income from biological asset		(2,557)	(1,774)
	Workers' Welfare Fund		17,012	27,868
	Workers' Profit Participation Fund charge including interest		44,780	73,339
			144,900	420,957
	Working capital changes	42.1	(2,208,353)	1,033,589
	Cash (used in) / generated from operations		(1,228,730)	2,824,787

42.1 Working capital changes
(Increase) / decrease in current assets

Biological assets	3,306	591
Stores and spare parts	11,257	(33,172)
Stock-in-trade	(1,254,290)	277,401
Trade debts	267,050	(205,637)
Loans and advances	(1,134,302)	811,576
Trade deposits and short term prepayments	3,977	968
Other receivables	9,699	13,308
	(2,093,303)	865,035

Increase / (decrease) in trade and other payables

	(115,050)	168,554
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Cash (used in) / generated from working capital	(2,208,353)	1,033,589
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43 REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

	Chief Executive		Executives		Total	
	2021	2020	2021	2020	2021	2020
	(Rupees in thousand)					
Managerial remuneration	13,091	13,091	37,662	41,908	50,753	54,999
Medical allowances	1,309	1,309	3,732	3,761	5,041	5,070
Bonus	25,000	-	-	-	25,000	-
Leave fare allowance	4,000	4,000	-	-	4,000	4,000
Other perquisites	1,324	2,149	14,580	13,265	15,904	15,414
Retirement benefits	1,061	1,163	4,249	4,465	5,310	5,628
Total	45,785	21,712	60,224	63,399	106,009	85,111
No. of persons	1	1	15	18	16	19

43.1 Chief Executive Officer is provided with the Company maintained car for business and personal use.

43.2 The Company has paid Rs. 2.00 (2020: Rs. 1.60) Million for meeting fees to its Non-Executive Directors during the year.

43.3 Thirteen (2020: Fourteen) Executives of the Company are also provided with the Company maintained cars for the business and their personal use.

	Note	2021 (Rupees in thousand)	2020
44 FINANCIAL INSTRUMENTS BY CATEGORY			
Financial Assets			
- At amortized cost			
Loans including current portion	8	3,914	986
Long term deposits		12,348	11,848
Trade debts - gross	13	27,050	302,227
Trade deposits	15	1,000	
Interest accrued - TDRs	18	538	10,767
Other receivables	17	30	30
Cash and bank balances	20	60,773	535,692
Short term investments	16	1,052,507	1,769,074
		<u>1,158,160</u>	<u>2,630,624</u>
- At fair value through other comprehensive income			
Long term investments	7	202,609	266,108
		<u>1,360,769</u>	<u>2,896,732</u>
Financial Liabilities			
- At amortized cost			
Long term financing including current maturity	23	84,893	120,149
Lease liabilities	24	19,949	-
Market committee fee payable	25	31,573	96,011
Trade and other payables	26	1,109,189	1,112,335
Accrued markup	27	9,340	3,664
Short term borrowings	28	2,087,881	1,200,000
Unclaimed dividend		44,093	38,881
		<u>3,386,918</u>	<u>2,571,040</u>

45 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (interest / markup rate risk and price risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous period in the manner described in notes below.

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

45.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fails to meet its contractual obligation and it mainly arises from balances with banks and financial institutions, trade debts, loans, advances, deposits and other receivables. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. Out of the total financial assets of Rs. 1.361 (2020: Rs. 2.897) Billion, the financial assets which are subject to credit risk amounted to Rs. 1.36 (2020: Rs. 2.896) Billion.

To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Sales contracts and credit terms are approved by the Chief Executive Officer. Where considered necessary, advance payments are obtained from certain parties. Sales made to exporters are secured through letters of credit. The management

set out a maximum credit period in respect of certain customers as well in order to reduce the credit risk.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk before any provisions at the reporting date is:

	2021 (Rupees in thousand)	2020
Loans including current portion	3,914	986
Long term deposits	12,348	11,848
Trade debts - gross	27,050	302,227
Interest accrued - TDRs	538	10,767
Short term investments	1,052,507	1,769,074
Long term investments	202,609	266,108
Other receivables	30	30
Bank balances	59,707	534,640
	<u>1,359,703</u>	<u>2,895,680</u>

Loans

The Company believes that no impairment allowance is required in respect of loans because these are not past due. The Company is actively pursuing for the recovery of debts and the Company does not expect any of its employees failing to meet their obligations.

Trade debts

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

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

	2021 (Rupees in thousand)	2020
Sugar	1,500	9,539
Ethanol	17	251,796
Chemical and alloys	9,636	9,636
Storage tank terminal	4,520	11,752
Bagasse	6,377	6,377
Others	5,000	13,127
	<u>27,050</u>	<u>302,227</u>

The aging of trade receivable at the reporting date is:

Past due 1-30 days	6,037	267,555
Past due 30-150 days	-	5,532
Past due 150 days	21,013	29,140
	<u>27,050</u>	<u>302,227</u>

The Company has made adequate provision of Rs. 15.432 Million for receivables past due over three years since it is likely that the same is not to be received and for rest of the receivables, the Company considers the amount to be fully recoverable and therefore, no further provision has been made.

Quality of financial assets

The Company keeps its fund with banks having good credit ratings. Currently the funds are kept with banks having rating from A1+ to A3.

	2021 (Rupees in thousand)	2020
Bank balances		
With external credit rating		
A1+	58,023	533,435
A1	1,497	1,018
A2	51	51
A3	136	136
	<u>59,707</u>	<u>534,640</u>

45.2 Liquidity risk

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or at the risk of Company's reputation. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to fulfill its obligation, monitoring statement of financial position liquidity ratios against internal and external requirements and maintaining debt financing plans.

The following are the contractual maturities of the financial liabilities:

	2021					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years and over
	(Rupees in thousand)					
Financial Liabilities						
Long term financing	84,893	84,893	30,062	30,062	24,769	-
Lease liabilities	19,949	19,949	-	6,459	13,490	-
Market committee fee payable	31,573	31,573	10,737	916	1,715	18,205
Trade and other payables	1,109,189	1,109,189	172,124	937,065	-	-
Accrued markup	9,340	9,340	9,340	-	-	-
Short term borrowings	2,087,881	2,087,881	2,087,881	-	-	-
Unclaimed dividend	44,093	44,093	-	44,093	-	-
	<u>3,386,918</u>	<u>3,386,918</u>	<u>2,310,144</u>	<u>1,018,595</u>	<u>39,974</u>	<u>18,205</u>
	2020					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to three years	Three to five years and over
	(Rupees in thousand)					
Financial Liabilities						
Long term financing	120,149	120,149	7,469	29,938	59,876	22,866
Market committee fee payable	96,011	96,011	-	-	-	96,011
Trade and other payables	1,112,335	1,112,335	174,870	937,465	-	-
Accrued markup	3,664	3,664	3,664	-	-	-
Short term borrowings	1,200,000	1,200,000	1,200,000	-	-	-
Unclaimed dividend	38,881	38,881	-	38,881	-	-
	<u>2,571,040</u>	<u>2,571,040</u>	<u>1,386,003</u>	<u>1,006,284</u>	<u>59,876</u>	<u>118,877</u>

The Company manages liquidity risk by maintaining sufficient cash and ensuring the fund availability through adequate credit facilities. At September 30, 2021, the Company has Rs. 2.522 (2020: Rs. 3.410) Billion available and unutilized short term borrowings limit from financial institutions and also has Rs. 59.707 (2020: Rs. 534.64) Million being balances at banks. Based on the above, management believes the liquidity risk is insignificant.

45.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company is exposed to foreign exchange risk, interest rate risk and other price risk are as follows:-

45.3.1 Foreign Exchange Risk

Foreign exchange risk represents the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises mainly from future economic transaction or receivables or payables that exist due to transactions in foreign currency. The Company is exposed to foreign exchange currency risk on ethanol denominated in US Dollars. Approximately 93.67% from ethanol segment is denominated in currencies other than Pak Rupees which forms 54.75% of the total gross revenue of the Company. The Company's exposure to foreign currency risk for US Dollars is as follows:-

	2021 (Rupees in thousand)	2020
Foreign debtors	-	251,796
Advance from foreign customers	<u>(278,769)</u>	<u>(19,447)</u>
Net exposure	<u><u>(278,769)</u></u>	<u><u>232,349</u></u>

The following significant exchange rate has been applied:

	Average rate		Reporting date rate	
	2021	2020	2021	2020
USD to PKR	<u>160.60</u>	<u>160.69</u>	<u>170.65</u>	<u>165.70</u>

Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the USD with all other variables held constant, pre-tax profit for the year have been higher / (lower) by the amount shown below:

	2021 (Rupees in thousand)	2020
Effect on profit or loss		
US Dollars	<u>27,877</u>	<u>(23,235)</u>

The weakening of the PKR against USD would have had an equal but opposite impact on the pre tax profit.

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

45.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rate. The interest rate exposure of the Company arises from long term financing, short term borrowings, loans to growers, short term investments and bank balances.

At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	2021 Effective interest rate (in percent)	2020	2021 Carrying amount -- (Rupees in thousand) --	2020
Financial assets				
Fixed rate instruments				
Loans to growers	14.96	14.96	15,928	16,498
Term deposit receipts (TDR)	4.35 to 6.6	6.35 to 11.43	50,600	1,380,600
Treasury bills	7.15 to 7.60	6.80 to 7.60	1,001,907	-
			<u>1,068,435</u>	<u>1,397,098</u>
Variable rate instruments				
Bank balances	3.3 to 5	3.09 to 7.54	37,636	32,958
Financial liabilities				
Variable rate instruments				
Short term borrowings	2.5 to 3	2.5 to 3	2,087,881	1,200,000

Cash flow sensitivity analysis for variable rate instruments.

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2020.

	Statement of profit or loss 100 bp increase decrease --- (Rupees in thousand) ---	
Financial assets		
As at September 30, 2021		
Cash flow sensitivity	376	(376)
As at September 30, 2020		
Cash flow sensitivity	330	(330)

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

	Statement of profit or loss 100 bp increase decrease --- (Rupees in thousand) ---	
Financial liabilities		
As at September 30, 2021		
Cash flow sensitivity	(20,879)	20,879
As at September 30, 2020		
Cash flow sensitivity	(12,000)	12,000

45.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is exposed to price risk with respect to equity investment. Investments are monitored through continuous trend prevailing in the market for which an investment committee has been setup to take appropriate decision.

A 10% increase / decrease in share prices at year end would have increased / decreased the unrealized gain on remeasurement of fair value investments through OCI as follows:

	Share prices 10% increase (decrease) -- (Rupees in thousand) --	
As at September 30, 2021		
Fair value through OCI	20,261	(20,261)
As at September 30, 2020		
Fair value through OCI	26,611	(26,611)

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

45.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial assets which are tradable in an open market are remeasured at the market prices prevailing on the statement of financial position date. The carrying values of all other financial assets and liabilities reported in the financial statements approximate their fair value.

45.4.1 In accordance with the requirements of IFRS 13 Fair value measurement, the Company classifies its long term investments in terms of following fair value hierarchy:

- Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2:** Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3:** Fair value measurements using Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs).

Details of the Company's long term investments in terms of fair value hierarchy, explained above, at September 30, 2021 is as follows:

	Level 1	Level 2	Level 3
	----- (Rupees in thousand) -----		
Long term investments			
September 30, 2021	202,609	-	-
September 30, 2020	266,108	-	-

45.5 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares and take other measures commensurate to the circumstances. The Company finances its expansion projects through equity, borrowings and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk and maximize profitability.

The Company monitors capital using a gearing ratio, which is net debt divided by total shareholders equity plus net debt. Net debt is calculated as total loans and borrowings including any finance cost thereon, less cash and bank balances. The Company's strategy is to maintain leveraged gearing. The gearing ratios as at the statement of financial position are as follows:

		2021 (Rupees in thousand)	2020
Long term financing including current maturity		84,893	120,149
Accrued markup		9,340	3,664
Short term borrowings		<u>2,087,881</u>	<u>1,200,000</u>
Total debt		<u>2,182,114</u>	<u>1,323,813</u>
Less: cash and bank balances		<u>(60,773)</u>	<u>(535,692)</u>
Net debt	A	<u>2,121,341</u>	788,121
Shareholders' equity	B	<u>3,330,364</u>	3,394,650
Equity and net debt	C = A + B	<u>5,451,705</u>	<u>4,182,771</u>
Gearing ratio	(D = A / C)	<u>38.91%</u>	<u>18.84%</u>

46 PLANT CAPACITY AND ACTUAL PRODUCTION

Sugar Unit

	Note	2021	2020
Sugarcane crushing capacity per day in M.T		8,500	8,500
Total days of actual crushing	46.1	79.351	74.876
Sugar cane crushed during the year in M.T		370,402	396,965
Sugarcane yield		10.38%	10.82%
Capacity in M.T based on number of days operated and sugarcane yield		70,011	68,863
Actual production in M. T		38,440	42,959

Ethanol Unit

Unit - I

Capacity in liters per day		85,000	85,000
Actual no. of days operated		269	297
Capacity in liters based on number of days operated		22,865,000	25,245,000
Actual production in liters		22,172,738	23,718,780

Unit - II

Capacity in liters per day		85,000	85,000
Actual no. of days operated		269	221
Capacity in liters based on number of days operated		22,865,000	18,785,000
Actual production in Liters		22,432,398	17,432,185

Chemical alloys and others

Capacity in M.T based on 320 days		27,220	27,220
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Power

Capacity in Kilo Watts Hour (KWH) per day		312,000	312,000
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Tank terminal

Capacity per month based on ethanol in M.T		22,850	22,850
Actual capacity utilized per month based on ethanol in M.T		6,000	6,000

46.1 Total days of actual crushing is calculate as total actual crushing hours dividend by twenty four hours. Comparative figures are also disclosed on the same basis for better presentation.

46.2 Reasons for shortfall in capacity utilization

- a) **Sugar**
Lesser availability of sugarcane.
- b) **Ethanol**
Lesser availability of molasses and its quality.
- c) **Chemical, alloys and power**
Production facilities have been suspended.
- d) **Tank terminal**
Lesser demand and availability of tenant.

47 SEGMENT REPORTING

Note	2021				Total	2020
	Sugar	Ethanol	Chemical, alloys and power	Storage tank terminal		
----- (Rupees in thousand) -----						
Segment assets and liabilities						
Segment assets	1,475,569	3,699,774	376,749	127,566	5,679,658	3,420,125
Unallocated segment assets					1,508,869	3,069,117
					<u>7,188,527</u>	<u>6,489,242</u>
Segment liabilities	1,052,183	2,358,125	104	27,498	3,437,910	2,766,030
Unallocated segment liabilities					380,089	328,562
					<u>3,817,999</u>	<u>3,094,592</u>
Addition in capital work in progress	4.2	-	-	-	-	55,549
Unallocated additions in operating fixed assets		-	-	-	2,030	26,258
					<u>2,030</u>	<u>81,807</u>
Segment statement of profit or loss						
Sales - net	32	2,801,207	4,577,195	-	-	7,378,402
Cost of sales	33	(2,606,311)	(3,590,078)	-	-	(6,196,389)
Gross profit		194,896	987,117	-	-	1,182,013
Loss from other reportable segments - net	34	-	-	(38,665)	(13,562)	(52,227)
		194,896	987,117	(38,665)	(13,562)	1,129,786
Distribution cost	35	(7,279)	(100,327)	-	-	(107,606)
Administrative expenses	36	(96,557)	(62,431)	-	-	(158,988)
Operating segment results		91,060	824,359	(38,665)	(13,562)	863,192
Other operating expenses	37					(81,970)
Other income	39					138,181
Finance cost	38					(84,680)
Profit before taxation						834,723
Taxation	40					(82,794)
Profit after taxation						<u>751,929</u>
Depreciation		46,269	33,113	18,498	10,854	108,734

47.1 Revenue reported in note no. 32 and 34 is generated from external customers. The inter transfer of molasses and bagasse from sugar segment to ethanol segment is accounted for as a reduction of cost of production of sugar segment in note 33.

47.2 The accounting policies of the reportable segments are the same as the Company's accounting policies described in note number 3 to these financial statements.

47.3 Revenue from major products

The break up of Company's revenue from external customers for major products is given in note number 32 to these financial statements.

47.4 Information about major customers

Revenue from major customers (5% or above of segment's gross sales) of sugar segment represents Rs. 2,273 (2020: Rs. 2,451) Million of total sugar segment gross revenue amounting to Rs. 3,284 (2020: Rs. 4,171) Million, ethanol segment of Rs. 3,814 (2020: Rs. 3,286) Million of total ethanol segment revenue amounting to Rs. 4,620 (2020: Rs. 4,639) Million. Revenue from chemical and alloys and power segment is none due to suspension.

48 RELATED PARTY TRANSACTIONS

The related parties comprise of associated undertakings, Directors of the Company, Key Management Personnel and post employment benefit plan. The Company in the normal course of business carries out transactions with various related parties. Amounts due to / from related parties (if any) are shown in under respective notes to the financial statement. Remuneration of Directors, Chief Executive Officer and Executives being the Key Management Personnel are disclosed in note no. 43 to these financial statements. Transactions with related parties are as follows:

	2021 (Rupees in thousand)	2020
Post Employment Benefit Plan		
- Al-Abbas Sugar Mills Limited - Employee Gratuity Fund		
Loan installments recovered from employees on behalf of Employees Gratuity Fund	8,543	9,697
Paid to Employees Gratuity Fund on account of installment recovered from employees	-	8,901
Gratuity paid on behalf of gratuity fund	1,275	-
Contribution paid to Employees Gratuity Fund	-	10,400
Key Managerial Personnel		
Staff emergency loan to Company Secretary	5,000	-
Installment recovered from Company Secretary	1,300	-
Associated Undertaking		
- Kharadar General Hospital		
Donation given	500	500

48.1 During the year, the Company has paid dividend to its Directors and other related parties amounting to Rs. 472.918 (2020: Rs. 827.194) Million. The names of the Directors and other related parties are mentioned below.

S. No.	Name of Related Party	Relationship
1	Darakshan Zohaib	Director
2	Asma Aves Cochinwala	Director
3	Aves Cochinwala	Spouse of director
4	Haroon Askari	Director
5	Zakaria Usman	Director
6	Muhammad Siddiq Khokhar	Director
7	Suleman Lalani	Director
8	Shahid Hussian Jatoi	Director
9	Asim Ghani	Chief Executive Officer
10	Hira Asim	Spouse of chief executive officer
11	Haji Abdul Ghani	Associated Undertaking
12	Trustee - Future Trust	Associated Company(Common directorship)

2021
(Rupees in thousand) 2020**49 DISCLOSURE RELATING TO SHARIAH COMPLIANCE AND COMPANY'S LISTING ON ISLAMIC INDEX:**

i	Financing arrangements as per Islamic mode	200,000	200,000
ii	Shariah Compliant bank balances as at year end	1,538	29,605
iii	Profit earned from Shariah Compliant bank balances during the year	561	4,478
iv	Markup paid on Islamic mode of financing during the year	6,171	2,681
v	Interest paid on conventional financing during the year	71,213	44,486
vi	Dividend received from Shariah Compliant Company	580	780

50 NON-ADJUSTING EVENTS

50.1 The board of directors of the Company in its meeting held on December 30, 2021 have proposed a final cash dividend of Rs. 10 (2020: Rs. 10) per share amounting to Rs. 173.623 (2020: Rs. 173.623) Million for approval of the members in the annual general meeting to be held on January 26, 2022. The financial statements for the year ended September 30, 2021 do not include the effect of the proposed cash dividend which will be accounted for in the financial statements for the year ended September 30, 2022.

50.2 Subsequent to the year end, a massive fire broke out due to short-circuit in the Distillery's Unit-2 (Electricity) Panel Room thereby activating the fire emergency response system put in place for such an incident. Despite the intensity of the blaze, the Company deployed all available resources to control the inferno and did a commendable job in putting out the fire. The Distillery's Unit-1 is now operational while all efforts are being made to get the Distillery Unit-2 operations up and running as quickly as is possible.

The Company has lodged an insurance claim of Rs. 373 million for the damaged caused by the incident while the loss of profit incurred during the shutdown of the plant is yet to be determined against the insurance policy of Fire Business Interruption.

The Company is confident that full amount will be received against the insurance claim.

51 NUMBER OF EMPLOYEES

Total number of employees at year end and average number of employees during the year were 873 (2020: 939) and 983 (2020: 1,019) respectively.

52 CORRESPONDING FIGURES

Corresponding figures have been re-arranged / reclassified, whenever necessary, for the purpose of compliance, comparison and better presentation. Major changes made during the year are as follows:

Reclassification from the caption component	Reclassification to the caption component	Note	Rupees in thousand
Administrative expenses - Salaries and other benefits	Administrative expenses - CEO salaries and other benefits	36	19,563
Administrative expenses - Fees and subscription	Administrative expenses - Software license and consultancy fees	36	2,458
Administrative expenses - Legal and professional charges	Administrative expenses - Software license and consultancy fees	36	5,416
Trade and other payable - Accrued liabilities	Trade and other payable - Others	26	2,186

53 GENERAL

- Figures have been rounded off to the nearest thousand of Rupees, unless otherwise stated.
- Administrative expenses are allocated between the sugar and ethanol segment on the ratio being consistently applied since prior years.

54 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on December 30, 2021 by the Board of Directors of the Company.



Asim Ghani
Chief Executive Officer



Darakshan Zohaib
Director



Samir Hajani
Chief Financial Officer

بورڈ کی مجموعی کارکردگی پر چیئرمین کی جائزہ رپورٹ

مجھے کمپنی کے معزز حصص یافتگان کی خدمت میں کمپنی کی سالانہ رپورٹ بعد آڈٹ شدہ مالیاتی گوشوارے برائے سال 30 ستمبر 2021 پیش کرتے ہوئے از حد مسرت ہو رہی ہے۔ کمپنی کی انتظامیہ مستقبل کے روشن امکانات کے پیش نظر کافی حوصلہ مند ہے اور امید ہے کہ وہ بورڈ آف ڈائریکٹرز کی طرف سے فراہم کردہ حکمت عملی کی ہدایات اور اپنی کوششوں کے ذریعے اعلیٰ کارکردگی کا مظاہرہ جاری رکھے گی۔ آپ کی کمپنی بورڈ آف ڈائریکٹرز کی تشکیل، طریقہ کار اور میٹنگز کے حوالے سے کمپنیز ایکٹ 2017 اور سٹیڈیکینیئر (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے بیان کردہ قانونی تقاضوں کی بروقت تکمیل کرتی ہے۔ اس رپورٹ کا نوکس بھی بورڈ کی جانب سے انتظامیہ کی مجموعی گورننس اور کارکردگی برائے سال ختم شدہ 30 ستمبر 2021 کے حوالے سے ہے۔

کوڈ آف کارپوریٹ گورننس کے قانونی تقاضوں کے مطابق بورڈ آف ڈائریکٹرز کی کارکردگی کا سالانہ جائزہ لیا جاتا ہے جس کا مقصد اس بات کو یقینی بنانا ہے کہ کمپنی کے طے شدہ مقاصد کے حصول کے لیے بورڈ کی مجموعی کارکردگی اور موثریت کو جانچ جائے۔ اس جائزے کی بنیاد پر آپ کو یہ جان کر خوشی ہوگی کہ کمپنی کے بورڈ اور انتظامیہ نے COVID-19 کی وبا کے حملے کے بعد کی غیر معمولی صورتحال کے بعد کاروباری آپریشنز کے تسلسل کو برقرار رکھنے کے لیے خصوصی طور پر جتنا منصوبہ بندی کی حکمت عملی اپنائی ہے تاکہ کاروبار کے تسلسل سے جاری رکھا جاسکے۔

بورڈ ممبرز کمپنی کے وژن اور مشن سے بخوبی واقف ہیں اور جب بھی مناسب ہو تو اس کا جائزہ لیتے ہیں۔ تمام اہم معاملات بشمول بورڈ کمیٹیوں کی سفارشات اور ان پر غور و خوض اور فیصلے کے لیے بورڈ کے سامنے رکھے جاتے ہیں۔ بورڈ ایک سالانہ بجٹ کی منظوری دیتا ہے جس میں کمپنی کے اہداف اور ترجیحات متعین کی جاتی ہیں نیز آپریشنز کے دوران اس کا وقتاً فوقتاً جائزہ لیا جاتا ہے تاکہ نئے مواقع اور حالیہ پیشرفت کو مد نظر رکھتے ہوئے کمپنی کی کارکردگی کو بہتر سے بہتر بنایا جاسکے۔

بورڈ اس بات کو یقینی بناتا ہے کہ بورڈ اور انتظامیہ کے درمیان مستقل بنیادوں پر معلومات کا تبادلہ ہو نیز انتظامیہ اور بورڈ موجودہ کٹھن کاروباری ماحول اور کمپنی کی پائیدار ترقی کو بہتر بنانے کے لیے درکار ضروری اسٹریٹجک تبدیلیوں سے بخوبی نمٹ رہا ہے۔ کمپنی نے کاروباری چیلنجز نمٹنے کی بھرپور صلاحیت رکھتی ہے۔

اللہ کے فضل سے کمپنی نے شوگر کے شعبے میں بہترین کارکردگی پر میٹھیٹ ایسوسی ایشن آف پاکستان کی جانب سے دیا جانے والا ایوارڈ حاصل کیا ہے۔ آپ کی کمپنی کو یہ ایوارڈ شوگر سیکٹر میں بہترین کارپوریٹ پرفیکٹس اور بہتر گورننس پر عمل پیرا ہونے کی تصدیق کرتا ہے۔

بورڈ نے اس بات کو یقینی بنانے میں کلیدی کردار ادا کیا ہے کہ کمپنی کے مقاصد کو انتظامی ٹیم کے ساتھ مشترکہ کوششوں اور بورڈ اور اس کے ممبران کی رہنمائی اور نگرانی کے ذریعے حاصل کیا جائے۔ اس کی جھلک ہمارے کنٹرول کے ماحول، صحت کے اچھے طریقوں کی تعمیل اور بلا تامل پیداواری اور دیگر کاروباری آپریشنز سے ظاہر ہوتی ہے۔ نیز ہمارے وژن اور ترقی کی حکمت عملی کو مزید فعال طور پر آگے بڑھایا جاسکے اور بنیادی کاروبار کو بہتر طور پر برقرار رکھا جاسکے۔



زکریا عثمان

چیئرمین

کراچی

30 دسمبر 2021

اظہار تشکر:

وائرس کے پھیلاؤ کے دوران کام کے حوالے سے العباس شوگر ملز لمیٹڈ کے عملے کا عزم قابل تعریف تھا۔ اس عرصے میں عملے کے چند ارکان نے اہم کام انجام دیتے ہوئے دفاتر میں حاضری دی اور بہت سے دیگر دوسرے ملازمین نے گھر سے کام کرتے ہوئے اپنے فرائض انجام دیے۔ بورڈ اپنے ملازمین کی لگن کو تسلیم کرتا ہے جو انہوں نے اس وبائی مرض اور لاک ڈاؤن کی مدت کے دوران ظاہر کی تھی۔ بورڈ اس موقع پر ریگولیشنری حکام، بینکرز، کاروباری شراکت داروں اور دیگر اسٹیک ہولڈرز کی حمایت اور تعاون کیلئے ان کا شکریہ ادا کرتا ہے نیز ہم اپنے قابل قدر صارفین کے بھی مشکور ہیں کہ انہوں نے ہم اور ہماری مصنوعات پر اعتماد کیا۔

منجانب: بورڈ آف ڈائریکٹرز



درخشاں زوہیب
ڈائریکٹر



عاصم غنی
چیف ایگزیکٹو آفیسر

کراچی: 30 دسمبر 2021

اندرونی مالیاتی نظم و نسق:

بورڈ مختلف متعلقہ مالی معاملات کا جائزہ آڈٹ کمیٹی اور مینجمنٹ سے موصول شدہ انٹرنل اور ایکسٹرنل آڈٹ رپورٹس کی روشنی میں لیتا ہے تاکہ کمپنی کو بروقت کارپوریٹ اور مالیاتی رپورٹنگ بالخصوص سالانہ مالیاتی رپورٹنگ مل سکے اور کسی بھی مالیاتی خطرے سے بچنے کی منصوبہ بندی ہو سکے۔ بورڈ اس نظم و نسق کا جائزہ آڈٹ کمیٹی اور اندرونی و بیرونی آڈیٹرز سے موصول شدہ مختلف رپورٹس کی روشنی میں انتظامیہ کے مختلف فیصلوں اور اقدامات کی توثیق کرتا ہے۔

بورڈ کی آڈٹ کمیٹی (BAC) کے تحت مینجمنٹ کے اقدامات کا عملدرآمد کے لیے پہلے سے طے شدہ آڈٹ کے منصوبوں پر عملدرآمد ہوتا ہے اور اس امر پر بھی زور ہوتا ہے کہ انتظامیہ کے عملی اقدامات پہلے سے طے شدہ اور بہترین معیار کے مطابق ہوں ساتھ ہی مینجمنٹ کی ذمہ داری ہے کہ وہ متعین کردہ پالیسیوں اور مروجہ طریقہ کار پر عملدرآمد کرے اور آڈٹ کمیٹی کی یہ ذمہ داری ہے کہ وہ مالیاتی اور آپریشنل کنٹرول اکاؤنٹنگ نظام اور رپورٹنگ کی ساخت اور موزونیت پر گہری نظر رکھے۔

جامع مالیاتی نظام کی افادیت:

بورڈ آڈٹ اور رسک کمیٹیوں کے ذریعے قائم کردہ اندرونی و بیرونی نظم و نسق کی موثریت کی جانچ کرتا ہے۔ ان کمیٹیوں کو مینجمنٹ، انٹرنل اور ایکسٹرنل آڈیٹرز کی طرف سے اندرونی نظام اور رسک مینجمنٹ سے متعلق رپورٹس ملتی ہیں۔

بورڈ آڈٹ اور رسک مینجمنٹ کمیٹیوں کے ذریعے مینجمنٹ، انٹرنل اور ایکسٹرنل آڈیٹرز سے موصول شدہ کی رپورٹس کی روشنی میں اندرونی و بیرونی نظاموں کی افادیت کا جائزہ لیتا ہے تاکہ کسی بھی متوقع خطرے سے بچا جاسکے۔ کمپنی کے اندرونی مالیاتی نظام کا ڈھانچہ انتہائی مضبوط بنیادوں پر استوار ہے۔ تاکہ پیداواری عمل کی کارکردگی، مالیاتی گوشواروں کا درست بیان اور مروجہ متعلقہ قوانین پر عملدرآمد کو یقینی بنایا جاسکے نیز بورڈ اندرونی نظام کے جائزے کے بعد گراس نظام میں کوئی اہم کمزوری نظر آتی ہے تو یقین دہانی کرتا ہے کہ انتظامیہ نے اس کے تدارک کے لیے تمام تر ضروری اقدامات اٹھالیے ہیں۔

کمپنی اس امر پر یقین رکھتی ہے کہ بے ضابطگیوں اور تضادات ختم کرنے کے لیے سب سے موثر طریقہ اندرونی نظام کے پانچ ستونوں یعنی نظام کا ماحول، خطرے کی تشخیص، مالیاتی خطرے کا پہلے سے بھانپنا، کارپوریٹ گورننس، معلومات اور مواصلات کی نگرانی ہیں۔ یہ نظام چیف ایگزیکٹو آفیسر کی زیر نگرانی و رہنمائی اور وسائل کی فراہمی کی بدولت کامیابی سے چل رہا ہے جس کا انٹرنل آڈٹ ڈیپارٹمنٹ ہمہ وقت جائزہ لینے میں اہم کردار ادا کرتا ہے۔

کمپنی کی مالی ساکھ:

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے ہماری کمپنی کو طویل المدت میں مستحکم کمپنی کے طور پر A+ اور قلیل المدت میں A1 آڈٹ لک ریٹنگ میں مستحکم جیسے شاندار اعشاریے دیے ہیں۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی تعمیل:

کمپنی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی مکمل تعمیل کی ہے اور اس سلسلے میں کمپنی کا بیان یہ اس رپورٹ کے ہمراہ صفحہ نمبر 28 سے صفحہ نمبر 29 میں درج ہے۔

قومی اور صوبائی خزانے میں حصہ:

زیر جائزہ سال میں کمپنی نے قومی خزانے میں مختلف طرح کے ٹیکسیز بالخصوص سیلز ٹیکس اور انکم ٹیکس کی مد میں 555.811 روپے (2020:5790.80) جمع کرائے تھے۔

حصص یافتگان کا بیانیہ اور حصص کی خرید و فروخت:

کمپنیز ایکٹ 2017 کی دفعہ (2) 227 کے تحت حصص یافتگان کا تفصیلی بیانیہ اس سالانہ رپورٹ کے ساتھ منسلک ہے۔ نیز زیر جائزہ سال کے دوران چیف ایگزیکٹو، ڈائریکٹر، چیف فنانسنگ آفیسر، کمپنی سیکریٹری اور ان کے نابالغ بچوں میں سے کسی نے بھی کمپنی کے حصص میں کوئی لین دین نہیں کیا ماسوائے مندرج ذیل کے جس کی تفصیلات درج ذیل ہیں۔

نام	درجہ بندی	حصص کی نوعیت	مارکیٹ سے لین دین	حصص کی تعداد
میسرز جہانگیر صدیقی اندر سنز لمیٹڈ	اہم حصص دار	فروخت	طے شدہ خریداری	625,968
جناب زکریا عثمان	ڈائریکٹر	فروخت	طے شدہ خریداری	12,600

مالیاتی نقصان کے خطرے سے بچاؤ کا نظام:

بورڈ آف ڈائریکٹرز نے ممکنہ بڑے مالیاتی خطرات کی نشاندہی اور ان کے اثرات کا اندازہ لگایا ہے اور ان ممکنہ خطرات کو کم سے کم کرنے کے لیے جامع حکمت عملی مرتب کی ہے۔ اس حکمت عملی کا نفاذ پوری طرح سے ہر سطح پر کیا ہے تاکہ ان خطرات کو ختم کرنے میں کوئی خلا باقی نہ رہے۔ اگرچہ مالیاتی نقصان کے خطرے کا انتظام کرنے سے ضروری نہیں ہے کہ خطرہ مکمل طور پر ختم ہو جائے تاہم مواقع بڑھانے کی جستجو کے دوران یہ نقصان قابل قبول کم سے کم سطح پر قابو میں رہے گا۔ العباس شوگر ملز لمیٹڈ کا بھی یہی مقصد ہے کہ کسی بھی متوقع اور غیر متوقع اندرونی و بیرونی مالیاتی خطرے سے منوثر طور پر نمٹا جاسکے۔ آپ کی کمپنی کے بورڈ نے بھی ایک رسک مینجمنٹ کمیٹی قائم کی ہے جس کا مقصد کسی بھی ممکنہ مالیاتی خطرے کو پہلے سے بھانپ کر اس سے بچنے کے لیے موثر اقدامات کرنا اور کسی متوقع اور غیر متوقع خطرے سے نمٹنے کی اہلیت کی بڑھانا اور مسلسل انضباطی ماحول کی جانچ کرتے رہنا ہے تاکہ اس سے منوثر طور پر نمٹا جاسکے۔ کمپنی کو ان اہم مالیاتی خطرات کا ادراک ہے اور وہ اس کمیٹی کے ذریعے انتہائی ذمہ داری سے ان خطرات سے بچنے کے لیے پیشگی طور پر انتظام اور دیگر متعلقہ اقدامات اٹھاتی ہے۔

کمپنی خطرے کا انتظام کرنے کے معاملے میں انتہائی متحرک ہے اور کسی بھی ممکنہ خطرے کا ادراک ہونے پر ہنگامی طور پر بھی منصوبہ بندی کرتی ہے۔ کمپنی کو جو بڑے خطرات درپیش ہوئے وہ درج ذیل ہیں۔

- (I) خام مال کی دستیابی۔ گنا اور مولاسسز بنیادی خام مال ہیں اور ان کی دستیابی پیداواری عمل کے دوران انتہائی لازمی ہے۔
- (II) روپے اور ڈالر کی قدر میں اتار چڑھاؤ۔ ڈالر کے مقابلے میں روپے کی اٹھان یا گراؤٹ سے بھی بڑا مالیاتی خطرہ درپیش ہوتا ہے جس کا اثر کمپنی کی چٹائی سطح تک براہ راست پڑتا ہے۔
- (III) ملازمین کی کمپنی میں آمد و رفت۔ کسی بھی کمپنی میں میجاری ملازمین کی کمپنی میں تیزی سے آمد و رفت میں اضافہ کمپنی کی ترقی پر براہ راست منفی اثر ڈالتا ہے۔
- (IV) صنعتی حادثات: ہم اس بات پر پختہ یقین رکھتے ہیں کہ حادثات اچانک رونما نہیں ہوتے بلکہ کچھ وجوہات کی بناء پر ہوتے ہیں جن سے بچنے کی کوششیں کی جاتی ہیں۔

کارپوریٹ سماجی ذمہ داری:

پاکستان کی معیشت میں شوگر سیکٹر ایک انجن کی حیثیت رکھتا ہے اور آپ کی کمپنی شوگر سیکٹر میں اہم مقام کی حامل ہے جو صارفین کی ضروریات اور ماحولیات کا بخوبی ادراک رکھتی ہے اور اس امر کو یقینی بنانے کے لیے ایک سماجی طور پر ذمہ دار شہری کی طرح پرعزم ہے۔ ہم عصر حاضر کے اہم مسائل جیسے انسانی صحت، ماحولیات اور کورونا وبا کے نتیجے میں نچلے طبقہ کی تعلیم کے بارے میں سوچ و بچار کے لیے بھرپور کوششیں کر رہے ہیں۔ اس حوالے سے کمپنی اپنا کردار ادا کرنے کے لیے اور دنیا کو رہنے کے لیے ایک بہتر جگہ بنانے کی بھرپور کوشش کر رہی ہے۔

کمپنی کے کاروبار کے ماحول پر اثرات:

کمپنی نے حال ہی میں فیکٹری کے احاطے میں گندے پانی کی صفائی کا ایک پلانٹ لگایا ہے۔ یہ پلانٹ استعمال شدہ کیمیکلز اور پیداواری فضلہ کو اٹھاتا ہے جو گندے پانی کے سیوریج سسٹم میں جانے سے پہلے ماحول پر منفی اثر ڈالتے ہیں۔ کمپنی کی اولین ترجیح ماحول پرٹنے والے کسی بھی منفی اثر کو کم کرنا ہے نیز ہمارے پیداواری عمل سے منسلک ماحولیاتی آلودگی سے ہم اپنی ماحولیاتی پالیسی کے تحت بخوبی نمٹتے ہیں۔ ہم جانتے ہیں کہ یہ معاشرے کی پائیدار ترقی میں اپنا تعاون جاری رکھیں نیز کمپنی ایسے منصوبوں میں سرمایہ کاری جاری رکھے گی جو اس کے ماحولیات کے منفی اثرات کو کم کر سکیں۔

کمپنی کو رونا کے حوالے سے نافذ العمل ایس او بیورٹی پر سختی سے عمل پیرا ہے جن میں کمپنی میں داخل ہونے سے پہلے ہینڈ سینیٹائزر کی تنصیب اور اس کا استعمال اور انسانی درجہ حرارت کی نگرانی شامل ہے اور ہم نے اپنے ملازمین کی حوصلہ افزائی کی ہے کہ وہ ایس او بیورٹی پر اس کی حقیقی روح کے مطابق عمل کریں۔ اس وبائی مرض میں ملازمین کی صحت اور حفاظت کمپنی کی اولین ترجیح ہے۔

اس امر کو یقینی بنانے کے لیے پالیسیز کا باقاعدگی سے جائزہ لیا جاتا ہے کہ طے شدہ معیارات صنعت کے لیے بہترین طریقوں سے منسلک ہیں۔ ملازمین کو صحت اور حفاظت کی تربیت فراہم کی جاتی ہے تاکہ یہ امر یقینی بنایا جائے کہ وہ اپنا کام طے شدہ پالیسیز کے مطابق انجام دیں۔

کارپوریٹ ایکسیلینس ایوارڈ:

العباس شوگر ملز لمیٹڈ نے اس سال دوسری مرتبہ مینجمنٹ ایکسیلینس ایسوسی ایشن آف پاکستان (MAP) کراچی کا کارپوریٹ ایکسیلینس ایوارڈ جیتا ہے۔ اس ایوارڈ کا مقصد ان لیکچرر کمپنی کی اعلیٰ خدمات کا اعتراف ہے جو انہوں نے کارپوریٹ قوانین پر عملدرآمد اور بہترین نظم و نسق کے حوالے سے انجام دیں جس کا اعتراف اس ایوارڈ کی شکل میں میپ (MAP) کی جانب سے کیا گیا ہے۔

یہ ایوارڈ کمپنی کے موبار، اعلیٰ ترین پیشہ وارانہ معیارات کو برقرار رکھنے کے عزم کو ظاہر کرتا ہے اور کمپنی کے تمام شعبوں میں بہترین کارکردگی کے حصول کے تسلسل کا ثبوت ہے۔ اس ایوارڈ کو کارپوریٹ سیکٹر میں سب سے باوقار کامیابی سمجھا جاتا ہے۔ مختلف شعبوں یعنی کارپوریٹ گورننس، اسٹریٹجک پلاننگ، سماجی ذمہ داری، انسانی وسائل کی منصوبہ بندی، پروڈکشن مینجمنٹ، ریسرچ اینڈ ڈویلپمنٹ وغیرہ کے انتظامی طریقوں کے معیار کا اندازہ لگایا جاتا ہے۔

مالیاتی گوشواروں اور معاہدات میں اہم تبدیلیاں:

زیر جائزہ سال کے آخر سے لے کر کمپنی کے مالیاتی گوشواروں کو بیان کرنے کی تاریخ تک کمپنی کے معاہدات اور مالیاتی گوشواروں میں کوئی تبدیلی نہیں ہوئی ہے۔

آڈٹ کمیٹی نے بورڈ آف ڈائریکٹرز کو اپنی رپورٹ پیش کرنے سے پہلے سہ ماہی، ششماہی اور سالانہ آڈٹ شدہ حسابات اور متعلقہ فریق رجسٹر کا جائزہ لیا مزید برآں آڈٹ کمیٹی نے لسٹڈ کمپنیز کے لیے کوڈ آف کارپوریٹ گورننس 2019 کے تقاضوں کے مطابق کمپنی کے انٹرنل اور ایکسٹرنل آڈٹ رپورٹس میں ظاہر کردہ معاملات پر متعلقہ آڈیٹرز کے ہمراہ الگ الگ اجلاسوں میں غور و خوض کیا۔

انسانی وسائل کی کمیٹی:

انسانی وسائل کی منصوبہ بندی اور انتظام بالخصوص شعبہ کی سربراہی کی سطح پر بہت اہمیت کے حامل ہیں۔ جس کے لیے کمپنی کی ایک انسانی وسائل کمیٹی ہے۔ یہ کمیٹی اہم عہدوں پر تعیناتی رخصتی اور معاضوں کا وقتاً فوقتاً جائزہ لیتی ہے نیز یہ کمیٹی کمپنی کی انسانی کی پالیسی میں بہتری کی تجاویز بھی دیتی ہے۔ زیر جائزہ سال میں اس کمیٹی کا ایک اجلاس ہوا جس میں اراکین کی شرکت کی تفصیل اس طرح ہے۔

اراکین کے نام	حیثیت	اجلاس میں شرکت کی تعداد
جناب محمد سلمان حسین چاولہ	چیئر مین۔ آزاد	1/1
جناب عاصم غنی صاحب	رکن	1/1
جناب شاہد حسین چٹوٹی	رکن	1/1
جناب محمد صدیق کھوکھر	رکن	1/1
جناب زکریا عثمان صاحب	رکن	1/1

رسک مینجمنٹ کمیٹی:

بورڈ آف ڈائریکٹرز نے ایک رسک مینجمنٹ کمیٹی قائم کی ہے جو چار ممبران پر مشتمل ہے اور اس کمیٹی کا ایک آزاد ڈائریکٹر ہے جو رسک مینجمنٹ کے طریقہ کار کی افادیت کا جائزہ لے گا۔ 30 ستمبر 2021 کو ختم ہونے والے مالی سال کے دوران اس کمیٹی کا کوئی اجلاس منعقد نہیں ہوا۔

آڈیٹرز:

میسرز ہارون زکریا چارٹرڈ اکاؤنٹینٹس نے کے پارٹنر جناب فرحان احمد میمن نے کمپنی کے آڈیٹرز کی حیثیت سے پانچ سال مکمل کر لیے ہیں۔ آڈٹ کمیٹی کی سفارش پر بورڈ نے کمپنی کے رخصت ہونے والے آڈیٹرز میسرز ہارون زکریا اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس کی جگہ میسرز بی ڈی او ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹینٹس کو کمپنی کا آڈیٹرز برائے سال 2021-22 نامزد کیا ہے جس کی حتمی منظوری کمپنی کے ہونے والے سالانہ اجلاس عام منعقدہ 26 جنوری 2022 میں باہمی اتفاق رائے سے کی جائے گی۔

بورڈ آف ڈائریکٹرز کے اجلاس:

سال 30 ستمبر 2021 کے دوران بورڈ آف ڈائریکٹرز کے پانچ (5) اجلاس منعقد ہوئے جن میں ڈائریکٹرز کی شرکت کی تفصیلات درج ذیل ہیں۔

اجلاسوں میں شرکت کی تعداد	حیثیت	ڈائریکٹر کے اسماء گرامی
5/5	چیئرمین	جناب زکریا عثمان صاحب
5/5	چیف ایگزیکٹو آفیسر	جناب عاصم غنی صاحب
5/5	خاتون ڈائریکٹر	محترمہ اسماء کوچن والا
5/5	خاتون ڈائریکٹر	محترمہ درخشاں ذوہیب
5/5	آزاد ڈائریکٹر	جناب ہارون عسکری
5/5	آزاد ڈائریکٹر	جناب محمد سلمان حسین چاؤلہ
5/5	نان ایگزیکٹو ڈائریکٹر	جناب شاہد حسین جتوئی
5/5	آزاد ڈائریکٹر	جناب محمد صدیق کھوکھر
5/5	نان ایگزیکٹو ڈائریکٹر	جناب سلیمان لالانی

آڈٹ کمیٹی:

آڈٹ کمیٹی کے پانچ اجلاس منعقد ہوئے۔ ان اجلاسوں میں شرکت کی تفصیل اس طرح سے ہے۔

اجلاسوں میں شرکت کی تعداد	حیثیت	اراکین کے نام
5/5	چیئرمین۔ آزاد	جناب ہارون عسکری
5/5	رکن	محترمہ اسماء کوچن والا
5/5	رکن	محترمہ درخشاں ذوہیب
5/5	رکن	جناب محمد سلمان حسین چاؤلہ
3/5	رکن	جناب زکریا عثمان

متعلقہ فریق کے معاملات:

یہ معاملات کاروبار میں مروجہ اصول یعنی فریق کے درمیان آزادانہ اور بناء کسی دباؤ کے معاملات کی بنیاد کمپنیز ایکٹ 2017 کی متعلقہ دفعات کے تحت انجام پزیر ہوئے ہیں۔ نیز کمپنی نے کسی بھی ڈائریکٹر یا افسر کے ساتھ ایسی کوئی معاملت نہیں کی ہے جو کہ کمپنی کے مفاد کے خلاف ہو یا جس کے لیے حصص یافتگان کی منظوری کی ضرورت پڑے۔ ایسے تمام معاملات زیر جائزہ سال 2020-21 میں بورڈ اور آڈٹ کمیٹی کو غور و خوض اور منظوری کے لیے پیش کیے گئے جو بعد ازاں کمپنی پالیسیز کے مطابق ہونے کی بناء پر بورڈ نے منظور کر لیے تھے۔ یہ معاملات کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کے نوٹ نمبر 43 اور 48 میں بیان کیے گئے ہیں۔

بورڈ آف ڈائریکٹرز کی ترتیب:

ڈائریکٹرز کی کل تعداد 8 ہے۔

الف: مرد حضرات	6 (چھ)
ب: خواتین	2 (دو)

بورڈ کی ڈائریکٹر شپ:

الف: خود مختار ایگزیکٹو ڈائریکٹر	3 (تین)
ب: نان ایگزیکٹو ڈائریکٹر	3 (تین)
پ: خواتین ڈائریکٹر	2 (دو)

چیف ایگزیکٹو ڈائریکٹر کے مشاہرہ کی پالیسی:

کمپنی چیف ایگزیکٹو کے مشاہرہ کی ضمن میں منظور شدہ پالیسی رکھتی ہے۔ چیف ایگزیکٹو کی تنخواہ اور دیگر مراعات کی تفصیلات کمپنی کے مالیاتی گوشواروں کے نوٹ نمبر 43 میں ظاہر کی گئی ہیں۔

نان ایگزیکٹو ڈائریکٹرز کے مشاہرہ کی پالیسی:

نان ایگزیکٹو ڈائریکٹرز کی بورڈ کے اجلاسوں میں شرکت کی فیس اور ان کے مشاہرہ کا تعین بورڈ کی طے شدہ پالیسی کے مطابق ہے۔

آپ کی انتظامیہ کمپنی کی مزید بہتری کے لیے مسلسل کام کر رہی ہے۔ انتھنول کی پیداوار مولاسسز کی دستیابی پر منحصر ہے جو چینی کی پیداوار کے نتیجے میں پیدا ہوتا ہے۔ مولاسسز کی قیمت میں انتھنول کمی کے مطابق کمی متوقع ہے۔ مسابقتی حربوں کے مقابلے میں زیادہ فائدہ اٹھانے کے لئے انتظامیہ نے کرشنک سیزن شروع ہونے سے پہلے اگلے سال میں درکار مولاسسز کی ضرورت کو پورا کرنے کی مشق کی ہے۔ ان تمام حقائق کے باوجود اس شعبے کی ترقی کے لئے کافی روشن امکانات ہیں۔

20 اکتوبر 2021 کو ڈسٹری یونٹ-11 کے بجلی کے پینل روم میں اچانک زبردست آگ لگ گئی جس کے بعد فوری طور پر ان حادثات سے بچنے کے لیے لگے ہوئے فائر ایمر جنسی ریسپانس سسٹم کو فعال کر دیا گیا۔ آگ کی شدت کے باوجود کمپنی نے آگ پر قابو پانے کے لیے دیگر تمام دستیاب وسائل کو استعمال کرتے ہوئے پلانٹ کے دیگر حصوں مثلاً اس یونٹ کے انتھنول ذخیرہ کرنے، کشید اور اہال وغیرہ کے شعبوں تک آگ بچنے سے پہلے قابو پا کر قابل تعریف کام کیا۔

بد قسمتی سے آگ بجھانے کی کوششوں کے باوجود ڈسٹری کا بجلی کا پینل، DCS سسٹم اور دیگر اسٹاک آگ کی شدت کی وجہ سے مکمل جل گئے نیز اس حادثہ کے بعد کمپنی نے درکار ضروری ساز و سامان کے آرڈرز دے دیئے ہیں جن میں سے کچھ سامان تو لاگرا دیا گیا ہے جس کے نتیجے میں ڈسٹری یونٹ-11 اب کام شروع کر دیا ہے اور ڈسٹری یونٹ-11 کو جلد از جلد چلانے کے لیے تمام کوششیں کی جا رہی ہیں۔
ان تمام تر مشکلات کے باوجود اس شعبے کا مستقبل کافی روشن ہے۔

ٹینک ٹرینل:

آپ کی کمپنی کراچی پورٹ ٹرسٹ سے ٹینکوں کی مرمت اور دیکھ بھال کے کام کی اجازت کے حصول کے لیے سرگرم عمل ہے تاکہ اسٹوریج کے کاروبار کو آسانی سے چلایا جاسکے۔ ہمیں پوری امید ہے کہ جلد ہی یہ اجازت مل جائے گی اور آنے والے سال میں مرمت کا کام شروع کر دیا جائے گا جس سے کمپنی کو اس شعبے سے اچھا منافع ملنے کی توقع ہے۔

پاور کیمیکل اور بھرت ڈویژن:

اس یونٹ کی پیداوار موجودہ نامساعد کاروباری حالات کی باعث 2011 سے معطل ہے اور حالات کے بہتر ہونے تک پیداوار دوبارہ شروع کرنے کے معاملے پر نظر ثانی کی جائے گی۔

بحیثیت مجموعی:

لغرض آپ کی کمپنی مجموعی طور پر لاگت کم سے کم کرنے اور مجموعی منافع کو بڑھانے میں لاحق خطرات کا مقابلہ کرنے کیلئے درکار متبادل طریقہ کار تلاش کر رہی ہے۔

آڈیٹرز کی رپورٹ پر تبصرہ:

جیسا کہ مالیاتی گوشواروں کے نوٹ نمبر 31.1.C میں مکمل وضاحت کی گئی ہے کہ ایک سوٹ نمبر 281 سندھ ہائی کورٹ کراچی میں کمپنی اور دیگر نو افراد کے خلاف دائر کیا گیا ہے جس کے وضاحتی نوٹ میں کمپنی کے معاملات میں بدانتظامی کا الزام ہے۔ کمپنی کی انتظامیہ مدعی کے ان تمام الزامات کی تردید کرتی ہے اور اس کا موقف ہے کہ اس سوٹ کا کوئی ٹھوس نتیجہ برآمد نہیں ہوگا اور اس معاملے میں کمپنی کی طرف سے کوئی مالی انکشاف متوقع نہیں ہے۔

اسٹوریج ٹینک ٹریٹمنٹ:

اس سال اسٹوریج ٹینک ٹریٹمنٹ کا خسارہ 13.652 ملین روپے گزشتہ سال کے منافع 11.786 ملین روپے رہا۔ منافع میں اس کمی کی وجہ طلب اور کرایہ داروں کی کمی تھی نیز ہمارے برآمدی آرڈرز کی بروقت تکمیل کے لئے کمپنی کا پیدا شدہ شیرہ بھی یہیں ذخیرہ کیا گیا۔ ٹریٹمنٹ ٹینک بطور پبلک بونڈڈ ویئر ہاؤس لائسنس شدہ ہے جس کی بلک مانع کارگو 22.850 میٹرک ٹن ذخیرہ کرنے کی گنجائش ہے۔ ٹریٹمنٹ کو اتھنول کے ساتھ ساتھ دوسری پیٹرو لیوم مصنوعات پر مشتمل خطرناک سامان ذخیرہ کرنے کی اجازت حاصل ہے۔

مستقبل کے امکانات:

شوگر ڈویژن:

پاکستان میں گنے کی کاشت گزشتہ سال 83 ملین میٹرک ٹن تھی۔ پاکستان میں گنے کی کاشت کے بڑھتے ہوئے رجحان اور رقبہ اضافہ کی وجہ سے گزشتہ سال کے مقابلے میں 10 فیصد زائد ہونے کی پیش گوئی ہے اسی طرح چین کی پیداوار اس سال 14 فیصد زیادہ یعنی 6.8 ملین ٹن رہنے کی پیش گوئی ہے اسی طرح سے چین کی پیداوار بھی گزشتہ سال کے مقابلے میں 10 فیصد زائد رہنے کی توقع ہے جبکہ چین کی کھپت 5.9 ملین ٹن جو کہ گزشتہ سال کے مقابلے میں 3 فیصد زیادہ ہونے کی پیش گوئی ہے جبکہ کرسٹل سیزن 2021-22 انتہائی مشکل ہونے کی توقع ہے۔

حکومت نے گنے کی امدادی قیمت 202 روپے فی من سے بڑھ کر 250 روپے فی من مقرر کی ہے جو گزشتہ سال کے مقابلے میں 24 فی صد زیادہ ہے نیز یہ کم سے کم قیمت ہے جو کہ ملزے کا شکاروں کو ادائیگی میں تاہم گنے کی قلت کے باعث پچھلے سال 400 روپے فی من کے حساب سے ادائیگی کی ہے نیز آنے والے سیزن میں بھی یہی رجحان متوقع ہے۔

وفاقی حکومت کی مختلف تحقیقاتی ایجنسیوں کی جانب سے غیر ضروری تحقیقات کے بعد شوگر انکوائری رپورٹ کی اشاعت عام نے اس صنعت کو اور بھی مشکل صورتحال سے دوچار کر دیا ہے۔ شوگر انڈسٹری نے حکومتی اقدامات جو دستاویزات اور صنعت کی ترقی حوالے سے ہوتے ہیں کا ہمیشہ خیر مقدم کیا ہے لیکن متعدد ایجنسیوں کی غیر ضروری تحقیقات کی وجہ سے نہ صرف وقت کا ضیاع ہوتا ہے بلکہ اس صنعت کی ترقی پر توجہ مرکوز کرنے اور شوگر سیکٹر میں ملازمتیں پیدا کرنے میں شدید دشواری کا سامنا ہے۔

حال ہی میں فیڈرل بورڈ آف ریونیو (FBR) نے ایک ٹریک ایڈٹریس سسٹم متعارف کروایا ہے جس کا افتتاح عزت مآب وزیر اعظم عمران خان نے 23 نومبر 2021 کیا ہے۔ یہ ایک الیکٹرونک مانیٹرنگ نظام ہے جو ایشیا کی پیداوار سے لے کر ان کی آخری صارف تک فراہمی کا احاطہ کرے گا۔ یعنی کہ پوری چین کی سپلائی چین کی نگرانی کی جائے گی نیز یہ کہ ایف بی آر کو ٹیکسیز کی مد میں بہتر ریونیو حاصل ہوگا۔ نیز یہ نظام تمباکو کے شعبے میں پہلے ہی لاگو ہو چکا ہے اور شوگر کے شعبے میں کامیاب ہونے کے بعد اس نظام کا نفاذ دیگر شعبوں میں بھی کیا جائے گا۔

سندھ کی شوگر انڈسٹری نے حکومت سندھ سے مطالبہ کیا ہے کہ سال 18 - 17 کے لیے چین کی برآمد پر چین کی سبسڈی کی بقایا رقم ادا کی جائے۔ کمپنی گنے کی کاشت کے میں اضافہ کے لیے بھی کام کر رہی ہے تاکہ معیاری گنے کی پیداوار ممکن ہو اور شکر حصول کی بہتر اوسط حاصل ہو سکے۔

اتھنول ڈویژن:

آپ کی کمپنی کا یہ شعبہ کئی سالوں سے انتہائی منافع بخش ثابت ہوا ہے۔ کورونا وبا کی ویکسین کی دستیابی کے بعد اتھنول کی طلب میں کافی کمی آئی ہے تاہم اس وائرس کا نئی نئی شکلوں میں ابھرنا اور دستیاب ویکسین کی افادیت کی شرح ہی اتھنول کی طلب کے مستقبل کا فیصلہ کرے گی۔ نیز برآں کمپنی کو توقع ہے کہ عالمی معیشتیں بحال ہونے کے بعد اتھنول کی قیمتیں مستحکم رہیں گی نیز کافی ممالک کے درمیان تجارت پھر سے بحال ہوگی ہے اور یہ امر یقینی طور پر کورونا وبا سے پہلے کی سطح پر اتھنول کی طلب میں اضافہ کرے گا۔ اس شعبے کے منافع کی شرح ڈالر کے مقابلے میں پاکستانی روپے کی شرح مبادلہ کی قیمت میں کمی یا اضافہ پر منحصر ہوگا جو فی الوقت کافی کمزور ہو رہا ہے۔

استھنول ڈویژن: پیداواری کارکردگی

2020	2021	
32,593	35,330	پیداوار- میٹرک ٹن یونٹ 1 اور 11
31,908	31,406	فروخت - میٹرک ٹن

مالیاتی کارکردگی

2020	2021	
-----روپے ہزار میں-----		
4,610,489	4,577,195	فروخت
(2,676,479)	(3,590,078)	لاگت فروخت
1,934,010	987,117	منافع
(288,598)	(100,327)	تقسیمی لاگت
(52,008)	(62,431)	انتظامی اخراجات
1,593,404	824,359	پیداواری منافع

استھنول کے شعبے کا منافع 47.6 فیصد کم ہو گیا جس کی بنیادی وجہ خام مال کی قیمتوں میں اضافہ تھی یعنی مولا سسر جس کی قیمتوں 33 فیصد بڑھ گئیں۔ نیز استھنول کی طلب میں قدرے کمی کو رونا کی ویکسین آنے کے سبب ہوئی۔ اب چونکہ کو رونا کی ویکسین دستیاب ہے جو کو رونا کے پھیلاؤ کو روکنے میں معاون ثابت ہو رہی ہے تو اس بناء پر ہنڈسینیا نزر اور دیگر متعلقہ اشیاء جن میں کہ استھنول لازماً استعمال ہوتا ہے کی طلب میں کمی استھنول کی فروخت میں کمی کا سبب بنی ہے۔

مولا سسر کی پیداوار کا انحصار چینی کی پیداوار پر ہے یعنی اگر چینی کی پیداوار کم ہو جائے تو مولا سسر کی پیداوار پر بھی اس کا اثر ہوگا۔ حریف ڈسٹلری کمپنیوں میں زیادہ سے زیادہ مولا سسر حاصل کرنے کا مقابلہ رہا جانے مارکیٹ میں مولا سسر کی قلت پیدا کر دی۔ آپ کو یہ جان کر خوشی ہوگی کہ آ کی کمپنی کی انتظامیہ نے ان مسابقتی حالات کے پیش نظر مولا سسر کی کم قیمتوں پر دستیابی کا انتظام کر لیا تھا۔

انتظامیہ نے زیادہ منافع بخش سیلز کمس سے فائدہ اٹھانے کے لیے استھنول کے سیلز کمس کو تبدیل کر کے کوشش کی خصوصاً بلک سیل پر انحصار بڑھا دیا گیا جبکہ آ کی ایس او/ڈرم سیل پر انحصار کم رہا۔

پاور کیمیکل اور بھرت ڈویژن:

زیر جائزہ سال میں بھی کیمیکل اور بھرت ڈویژن بدستور معطل رہا اور اس کا اس سال پیداواری خسارہ 38.665 ملین روپے گزشتہ کے 38.694 ملین روپے رہا جس کی بنیادی وجہ اس کے لازمی انتظامی اخراجات تھے۔

شکر یونٹ۔ پیداواری کوائف

2019 - 20	2020 - 21	پیداواری کارکردگی
25 نومبر 2019	6 نومبر 2020	موسم کے آغاز کی تاریخ
98	106	پیداواری دورانیہ۔ دن
74.876	79.351	کرشنگ کے حقیقی پیداواری دن
396,965	370,402	کرشنگ۔ (میٹرک ٹن)
42,959	38,440	گنے سے پیداوار۔ (میٹرک ٹن)
56,810	35,213	فروخت۔ (میٹرک ٹن)

مالیاتی کارکردگی

2020	2021	
----- (روپے ہزار میں) -----		
3,543,055	2,801,207	فروخت
(3,371,792)	(2,606,311)	لاگت فروخت
171,263	194,896	خام منافع
(9,197)	(7,279)	تقسیمی لاگت
(79,656)	(96,557)	انتظامی اخراجات
82,410	91,060	پیداواری منافع

زیرجائزہ سال کے دوران آپ کی کمپنی کے شعبے کی آمدنی میں قیمت فروخت میں اضافہ کی وجہ سے پچھلے سال کے مقابلے میں تقریباً 28.80 فیصد اضافہ ہوا لیکن فروخت کی مقدار میں کمی کی وجہ سے تقسیمی لاگت میں تقریباً 20.85 فیصد کمی واقع ہوئی نیز چینی صرف اس صورت میں برآمد ہوتی ہے جب ملک میں زائد پیداوار ہو۔ تاہم 2020-21 چینی کی پیداوار پچھلے سال کے مقابلے میں کم ہوئی اور مقامی طلب کو پورا کرنے کے لیے کافی نہیں تھی۔ چینی کی قیمت فروخت کا انحصار طلب اور رسد کے سادہ سے اصولوں پر مبنی ہے۔ مقامی مارکیٹوں میں چینی کی قیمتوں میں اضافہ اس وجہ سے ہوا کہ چینی کی طلب کے مقابلے میں چینی کی پیداوار کم رہی۔ چینی کی کھپت میں اضافہ بنیادی طور پر پاکستان میں COVID-19 کے کیسز میں کمی کے باعث طویل عرصے کے بعد کاروبار کھولنے کی وجہ سے ہوا۔ اس قلت پر قابو پانے کے لیے حکومت نے تقریباً 350,000 ٹن چینی درآمد کی ہے۔

روپے ہزار میں

751,929	منافع بعد از ٹیکس
1,763,850	غیر مختص منافع منقسمہ - سال کے شروع میں
(173,623)	حتمی منافع منقسمہ سال 2020 - 10 روپے فی حصص
(520,869)	عبوری منافع سال 2021 - 30 روپے فی حصص
(18,060)	ملازمین کے مالی فوائد کے منصوبوں کی ذمہ داری کے از سر نو تعین پر نقصان
1,803,227	خالص دستیاب غیر مختص شدہ منافع

کاروبار پر ایک جائزہ:

زیر نظر مالیاتی سال 2020-21 میں COVID-19 کی ویکسین متعارف ہونے کے فوراً بعد معیشت میں بہتری کے آثار نظر آئے جبکہ مالی سال 20 - 2019 میں اس وبا کی وجہ سے کاروبار کے لاک ڈاؤن کے باعث معاشی سست روی نے موجودہ مالیاتی سال کے آغاز ہی میں رفتار پکڑ لی تھی جس کی وجہ سے اجناس کی قیمتوں میں تیزی آئی ہے جس کے اثرات پہلے کبھی نہیں دیکھے گئے تھے۔ چینی کی صنعت بھی اس سے مستثنیٰ نہیں تھی اور اس کی قیمت بھی حد سے زیادہ بلند ہوئی جس کی باعث چینی کی قلت پیدا ہوئی۔ نیز عالمی منڈی میں چینی کی قیمت 354 ڈالر سے بڑھ کر 515 ڈالر فی ٹن تک پہنچ گئی۔ اسی طرح سے مقامی مارکیٹ میں بھی اضافے کا رجحان دیکھا گیا۔

دوسری طرف اتھنول کی قیمت جو COVID-19 کے باعث انتہائی بلند سطح پر تھی وہ بھی کم ہونا شروع ہو گئی ہے کیونکہ اس وبا کی ویکسین متعارف ہونے کے بعد بین الاقوامی طور پر ہینڈ سینیٹائزرز اور دیگر صفائی ستھرائی کی اشیاء کی مانگ میں کافی کمی آئی ہے۔

الحمد للہ ان دونوں مذکورہ بالا سخت حالات اور وفاقی حکومتی تحقیقاتی اداروں کی جانب سے چینی کی تحقیقات جس سے کہ چینی کی صنعت میں بے چینی پھیلی مگر اس کے باوجود آپ کی کمپنی نے 7.878 بلین روپے کی آمدنی حاصل کی۔ جبکہ اتھنول کی برآمد بدستور سب سے منافع بخش کاروبار رہی۔

آپ کی کمپنی کے پاس چینی اور اتھنول کے جدید پلانٹس ہیں ساتھ ہی عمدہ پیداواری عمل اور جدت کے ذریعے کمپنی اعلیٰ معیار کی چینی اور اتھنول کی مصنوعات تیار کرنے کے لیے پرعزم ہے۔ زیر جائزہ سال کے دوران کمپنی اپنی مصنوعات کو مختلف براعظموں جیسے ایشیا، افریقہ اور یورپ میں برآمدی فروخت کرنے میں کامیاب ہوئی ہے۔

شعبہ جاتی مالیاتی اور پیداواری نتائج:

شکر، اتھنول، ٹینک ٹرمنل، پاور، کیمیکل اور بھرت کی پیداواری تفصیلات کچھ اس طرح سے ہیں۔

ڈائریکٹرز رپورٹ

شروع اللہ کے نام سے جو نہایت مہربان اور رحم کرنے والا ہے۔ العباس شوگر ملز کے ڈائریکٹرز نہایت مسرت کے ساتھ آپ کی خدمت میں کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشوارے اور آڈیٹرز کی رپورٹ برائے سال ستمبر 2021 پیش کر رہے ہیں۔

انڈسٹری کا جائزہ

پاکستان گنے کی پیداوار کے لحاظ سے دنیا کا پانچواں بڑا ملک ہے نیز چین کی پیداوار کے لحاظ سے دنیا کا آٹھواں بڑا ملک ہے۔ گنے کی کاشت تقریباً 1.2 ملین ہیکٹر رقبہ پر ہوتی ہے جو 90 شوگر ملز کی ضروریات کے لیے کافی ہوتا ہے۔ صنعتی بنیادوں پر چین کی صنعت ٹیکسٹائل کے بعد دوسری بڑی صنعت ہے۔ چین کے علاوہ گنے کا استعمال استھنول، کاغذ اور چپ بورڈ کی تیاری کے لیے بگاس اور دیگر فصلوں کی تیاری میں استعمال ہونے والی کھاد کے حصول کا ایک اہم ذریعہ ہے۔ گنے کو عام طور پر پاکستان کے بڑے دریاؤں کے ساتھ سیلابی علاقوں سے دور ہائی ڈیلٹا پر لگایا جاتا ہے۔ دنیا کے بیشتر ممالک کی طرح پاکستان میں بھی صارفین چین کی بنیادی کو خوراک سمجھتے ہیں۔ پاکستان میں گنے کی نشوونما کی مدت کم ہونے کے باعث بین الاقوامی معیار کے مقابلے میں نسبتاً کم پیداوار کی خصوصیت رکھتی ہے۔ سفید چینی تیار کرنے کے لیے گنے کو مقامی ملوں میں منتقل کیا جاتا ہے پیداواری ٹیکنیک کے ذریعے سفید چینی براہ راست صارفین پہنچانے کے لیے مارکیٹنگ کے مروجہ چینلز کے ذریعے کی جاتی ہے جبکہ بالواسطہ طور پر مشروبات، بیکری اور کنفیشری کی اشیاء بنانے والوں کے ذریعے مارکیٹنگ کی جاتی ہے۔ یہ ایک متحرک اور پیچیدہ صنعت ہے جس میں دیگر صنعتوں کی طرح بہت سے پیشہ ور افراد ہوتے ہیں جو کئی اہم کام انجام دیتے ہیں جس سے گنا چینی میں تبدیل ہوتا ہے اور بعد میں مارکیٹ میں صارفین کو کئی شکلوں میں فروخت کیا جاتا ہے۔

کارکردگی ایک نظر میں:

2020	2021	
----- (روپے ہزار میں) -----		
1,370,241	834,723	منافع قبل از ٹیکس
(125,894)	(82,794)	ٹیکس
<u>1,244,347</u>	<u>751,929</u>	خالص منافع
<u>71.67</u>	<u>43.31</u>	فی حصص منافع۔ روپے میں

منافع منقسمہ اور اس کی تخصیص:

بورڈ آف ڈائریکٹرز نے اپنی میٹنگ منعقدہ 30 دسمبر 2021 میں حتمی نقد منافع منقسمہ 100% یعنی 10 روپے فی حصص کی تجویز پیش کی ہے اور یہ حتمی نقد منافع اس 30% عبوری منافع منقسمہ یعنی 30 روپے فی حصص کے علاوہ ہے جو پہلے ہی ادا کیا جا چکا ہے۔ چنانچہ کل منافع منقسمہ برائے سال 30 ستمبر 2021 694 ملین روپے یعنی 40 روپے فی حصص ہوا ہے۔ حتمی منافع منقسمہ کی منظوری بورڈ کمپنی کے سالانہ اجلاس عام منعقدہ 26 جنوری 2022 کے دوران حصص یافتگان سے حاصل کرے گا۔ ان مالیاتی گوشواروں میں حتمی نقد منافع منقسمہ کی تخصیص شامل نہیں ہے جبکہ دیگر مختص شدہ تخمینے جو کہ بورڈ نے منظور کیے ہیں مندرجہ ذیل ہیں۔

FORM OF PROXY

I/We.....of
 being a member of **AL-ABBAS SUGAR MILLS LIMITED**, holding of
 ordinary share(s), hereby Appoint Mr./Mrs./Miss
 as my / our proxy in my / our absence to attend and vote for me / us, and on my / our behalf at the Annual General Meeting of the Company to be held at Beach Luxury Hotel, Karachi on **Wednesday January 26, 2022 at 01:00 p.m.** and at any adjournment thereof.

Signed under my / our hand thisday of2022.

**(Member's Signature on
 Rs. 5.00 Revenue Stamp)**

(Signature should agree with
 the specimen signature
 negotiated with the Company)

Shareholders folio No.....
 CDC A/c No.....
 CNIC No.....

Signed by the said (Name) in the presence of:

Witnesses

1, Signature	2, Signature
Name	Name
CNIC / Passport No.	CNIC / Passport No.
Address	Address

Note:

1. A member entitled to attend and vote at the annual general meeting is entitled to appoint another member as Proxy to attend and vote instead of him/her. A Corporation or a company being a member of the Company may appoint any of its officers, though not a member of the Company.
 2. Proxies must be received at the Registered Office of the Company not less than 48 hours before the time appointed for the meeting.
 3. The signature on the instrument of proxy must conform to the specimen signature recorded with the Company.
 4. CDC Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued 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 whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or original Passport along with participant ID number and the Account number at the time of attending the meeting.
 - b) In case of corporate entity, the Boards resolution / power of attorney with specimen signature of the nominee shall be produce [unless it has been provide earlier] at the time of the Meeting.
- B. For appointing Proxies :**
- a) In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulation, shall submit the proxy form as per above requirements.
 - b) The proxy form shall 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

نوٹس:

- 1- سالانہ اجلاس عام میں شرکت اور ووٹ کا حقدار ممبر اپنی جگہ کسی اور ممبر کو اپنی جانب سے شرکت کرنے اور ووٹ دینے کے لئے نیابتی مقرر کر سکتا ہے۔
کارپوریشن یا کمپنی بحیثیت کمپنی رکن اپنے کسی بھی افسران کا تقرر چاہے وہ کمپنی کارکن نہ بھی ہو کر سکتی ہے۔
- 2- نیابتی فارم اجلاس کی مقررہ تاریخ سے 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں موصول ہونی چاہیں۔
- 3- نیابتی کے دستاویز دستخط، کمپنی کے ریکارڈ میں موجود دستخط کے نمونے کے ذریعے سے تصدیق لازم کی جائے گی۔
- 4- سی ڈی سی اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج آف پاکستان کی جانب سے جاری کردہ سرکولر نمبر 1 بتاریخ 26 جنوری 2022 میں مقرر کردہ گائڈ لائنز پر عمل کرنا ہوگا۔

الف۔ برائے اجلاس میں شرکت:

- (i) افراد کی صورت میں اکاؤنٹ ہولڈر اور یا سب اکاؤنٹ ہولڈر اور ان کی رجسٹریشن تفصیلات سی ڈی سی کے ضابطوں کے مطابق اپ لوڈ ہوں اجلاس میں شرکت کے موقع پر اپنی شناخت کے لئے اصل کمپیوٹرائزڈ شناختی کارڈ یا اصل پاسپورٹ بمع پارٹنرسپنٹ آئی ڈی نمبر اور اکاؤنٹ نمبر پیش کریں۔
- (ii) کارپوریٹ اینٹیٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کئے گئے ہوں) اجلاس کے موقع پر پیش کرنا ہوگا۔

ب۔ برائے نیابتی کی تقرری:

- (i) افراد کی صورت میں اکاؤنٹ ہولڈر اور یا سب اکاؤنٹ ہولڈر اور ان کی رجسٹریشن تفصیلات سی ڈی سی کے ضابطوں کے مطابق اپ لوڈ ہوں، مندرجہ بالا شرائط کے مطابق نیابتی فارم جمع کرانا ہوگا۔
- (ii) نیابتی فارم پر دو افراد کی گواہی ہونی چاہئے جن کے نام، پتے اور سی این آئی سی یا پاسپورٹ نمبر فارم پر درج ہوں۔
- (iii) نیابتی کے ہنٹیفیشنل اونرز کی سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں نیابتی فارم کے ہمراہ منسلک ہونی چاہیں۔
- (iv) نیابتی کو اجلاس کے موقع پر اپنا اصل سی این آئی سی یا پاسپورٹ پیش کرنا ہوگا۔
- (v) کارپوریٹ اینٹیٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کئے گئے ہوں) پیش کرنا ہوگا۔

Date _____

Folio No. _____

Name of Shareholder

F/H Name

Address

**Bank Account Details for Payment of Cash Dividend
(Mandatory Requirement as per the Companies Act, 2017)**

Dear Shareholder,

This is to inform you that in accordance with the Section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Please note that giving bank mandate for dividend payments is **mandatory** and in order to comply with this regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, you are requested to please provide the following information:

Details of Shareholder	
Name of shareholder	
Folio / CDS Account No.	
CNIC No.	
Cell number of shareholder	
Landline number of shareholder, if any	
Details of Bank Account	
Title of Bank Account	
International Bank Account Number (IBAN) " Mandatory "	PK (24 digits) (Kindly provide your accurate IBAN number after consulting with your respective bank branch since in case of any error or omission in given IBAN, the company will not be held responsible in any manner for any loss or delay in your cash dividend payment).
Bank's name	
Branch name and address	
It is stated that the above-mentioned information is correct and in case of any change therein, I / we will immediately intimate Participant / Share Registrar accordingly.	
_____ Signature of shareholder	

You are requested to kindly send this letter immediately duly filled in and signed by you along with legible photocopy of your valid CNIC at our address, **Share Registrar Services, Central Depository Company of Pakistan Limited, CDC House, 99-B, Block B, Main Shahrah-e-Faisal, Mian Shahrah-e-Faisal, Karachi. 74400, Pakistan.**

Form for Video Conference Facility

The Company Secretary,
M/s. Al-Abbas Sugar Mills Limited;
Pardesi House, Survey No.2/1,
R.Y.16, Old Queens Road,
Karachi.

I/we, _____ of _____ being the registered shareholder(s) of **Al-Abbas Sugar Mills Limited** under Folio No. / _____ CDC Participant ID No. _____ and Sub Account No. _____ CDC Investor Account ID No., and holder of _____ Ordinary / Preference Shares, hereby request for video conference facility at _____ for the Annual General Meeting of the Company to be held on **26 January, 2022**.

Shareholder's Signature: _____

Date: _____

Note: Copy of CNIC must be furnished with the Form

Pursuant to the Securities and Exchange Commission of Pakistan's notification S.R.O 470(I)/2016 dated 31 May, 2016, the shareholders of Al-Abbas Sugar Mills Limited in 26th AGM of the Company held on January 30, 2017 had accorded their consent for transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company through CD or DVD instead of transmitting the same in hard copies. The shareholders who wish to receive hard copy of the aforesaid documents through courier or soft copy through email are requested to fill this form and send it to the Company Secretary / Share Registrar.

PLEASE NOTE THAT RECEIPT OF THE HARD COPY OF ANNUAL REPORT THROUGH COURIER OR SOFT COPY VIA EMAIL IS OPTIONAL AND NOT COMPULSORY.

STANDARD REQUEST FORM

Date: _____

The Share Registrar

CDC House-99B, Block B,
S.M.C.H.S, Main Shahra-e-faisal,
Karachi-74400

Pursuant to the directions given by the Securities Exchange Commission of Pakistan through its SRO 470(I)/2016 of May 31, 2016, I, Mr./Ms. _____ S/o, D/o, W/o _____ hereby consent to have Al-Abbas Sugar Mills Limited's Audited Financial Statements and Notice of Annual General Meeting through the below mentioned mode.

Hard copy through courier

Name of Member/ Shareholder
Folio/ CDC Account Number
Registered mailing address

Soft Copy through email address

Name of Member/ Shareholder
Folio/ CDC Account Number
Email address

It is stated that the above mentioned information is true and correct and that I shall notify the Company and its Share Registrar in writing of any change in my registered mailing address or email address or withdrawal of my consent.

Signature of the Member / shareholder

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