

# Abdullah Shah Ghazi

## Sugar Mills Limited



**37<sup>th</sup> Annual Report**  
**2019-2020**



**MACCA GROUP**

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## **CORPORATE INFORMATION**

### **BOARD DIRECTORS**

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

### **AUDIT COMMITTEE**

Muhammad Nawaz (Chairman/ Member)  
Muhammad Talib (Member)  
Atif Butt (Member)

### **CHIEF FINANCIAL OFFICER**

Sohail Azam Khan

### **COMPANY SECRETARY**

Saleem Abbas

### **INTERNAL AUDITORS**

Syed Waqar Ali Bukhari

### **AUDITORS**

Sarwars  
Chartered Accountants

### **REGISTRAR**

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

### **REGISTERED OFFICE**

7/10, A-2 Arkay Square  
Shahrah-e-Liaqat, New Challi, Karachi.

### **MILLS**

Abdullah Shah Ghaziabad, Garho,  
District Thatta, Sindh

### **BANKERS**

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

### **WEB PRESENCE:**

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

## ***Mission Statement***

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

## ***Vision Statement***

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



## **NOTICE OF 37<sup>th</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that 37<sup>th</sup> Annual General Meeting ("AGM") of Abdullah Shah Ghazi Sugar Mills Limited (the "Company") will be held on Thursday, February 25, 2021 at 9:00 a.m. at Diamond Banquet, Plot No. C-36, 37 Extension, Gulshan-e- Hadeed, Phase-1, Karachi to transact the following Ordinary Business:

1. To receive, consider and adopt the Chairman's Review Report, Reports of Directors and Auditors together with Audited Annual Financial Statements of the Company for the year ended 30 September 2020.
2. To appoint Company's auditors and fix their remuneration. The members are hereby notified that the Audit Committee and the Board of directors have recommended the name of retiring auditors M/s Sarwars, Chartered Accountants for re-appointment as auditors of the Company.

By Order of the Board  
**Saleem Abbas**  
Company Secretary

Lahore: February 04, 2021

### **Notes:**

1. The Share Transfer Books of the Company will remain closed from February 19 to February 25 (both days inclusive). Transfers received in order at the office of the Company's Independent Share Registrar, M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block B, S.M.C.H.S. Main Shahrah-e-Faisal, Karachi by the close of business (5:00 PM) on February 18, 2021, will be treated in time for the purposes of entitlement to attend, speak and vote at the AGM.
2. In light of COVID-19 situation, the Securities and Exchange Commission of Pakistan ("SECP") has advised the companies to modify their usual planning for general meetings for safety and well-being of shareholders and the public at large with minimal physical interaction. The members can attend the AGM via video link using smart phones/tablets/computers for safety and well-being of the members of the Company and general public. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) through WhatsApp at 03028407700 or email at [saleem.magsi@maccagroup.com](mailto:saleem.magsi@maccagroup.com) by February 21, 2021.

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

The members who are registered after the necessary verification shall be provided a video link by the Company on the same email address that they email with the Company with. The Login facility will remain open from start of the meeting till its proceedings are concluded.

The shareholders who wish to send their comments/ suggestions on the agenda of the AGM can email the Company at [saleem.magsi@maccagroup.com](mailto:saleem.magsi@maccagroup.com) or WhatsApp at 03028407700. The Company shall ensure that comments/ suggestions of the shareholders will be read out at the meeting and the responses will be made part of the minutes of the meeting.

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

3. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her and a proxy so appointed shall have the same rights, as respects attending, speaking and voting at the AGM as are available to the members. A Proxy must be a member of the Company.

4. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting. Proxy Forms, in English and Urdu languages, have been dispatched to the members along with the notice of AGM.
5. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

**A. For Attending the Meeting**

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

**B. For Appointing Proxies**

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- e. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

**6. Change of address**

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

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

The Company has placed a copy of the Notice of AGM, Annual Financial Statements for the year ended September 30, 2020 along with Auditors and Directors Reports thereon, Chairman's Review and other information on the website of the Company: [www.asgsml.com](http://www.asgsml.com)

## عبدالله شاہ غازی شوگر ملز لمیٹڈ

عبدالله شاہ غازی شوگر ملز لمیٹڈ (کمپنی) کے ممبران کو مطلع کیا جاتا ہے کہ کمپنی کو سینیٹس سالانہ اجلاس مورخہ 25 فروری 2021ء بروز جمعرات کو صبح 9:00 بجے ڈائمنڈ ٹیکنوٹ پلاٹ نمبر 36-37 ایکسٹینشن گلشن حدید فیئر-1 کراچی پرمندرج ذیل امور کی انجام دہی کے لیے منعقد کیا جائیگا۔

- 30-1 ستمبر 2020 کو مکمل ہونے والے سال کے لیے آڈٹ شدہ مالی گوشواروں چیئر مین ریویور پورٹ مع ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی غور و خوض اور منظوری۔
- کمپنی کے ڈیڑھ سالہ انتخاب اور ان کے مشاہرے کا تین آڈٹ کمپنی اور بورڈ آف ڈائریکٹرز نے سبکدوش ہونے والے آڈیٹرز میسرز سرور چارٹرا کاؤنٹنٹس جنہوں نے اہلیت کی بنیاد پر دوبارہ تقرری کی پیشکش کی ہے کے دوبارہ تقرری کی تجویز پیش کی ہے۔

بحکم بورڈ  
سلیم عباس، کمپنی سیکرٹری

لاہور:  
4 فروری 2021ء

### نوٹس:

- 1۔ کمپنی کی شیئرز اسٹاکس کتب مورخہ 19 فروری 2021ء سے 25 فروری 2021ء تک بند رہیں گی (بشمول دونوں ایام)۔ کمپنی کے آڈیٹرز رجسٹر اریسری ڈی ای شیئرز رجسٹر اور سب لمیٹڈ سی بی یا ڈس B-99 بلاک-B ایس۔ ایم۔ سی۔ ایچ۔ ایس میں شارع فیصل کراچی کے دفتر میں 18 فروری 2021ء کا دوبارہ کے اختتام کار (شام 5:00 بجے) وصول ہونے والی مفتلیاں سالانہ اجلاس عام میں شرکت اور رائے دہی کے لیے حصص یافتگان کے استحقاق کے تعین کے لیے بروقت سمجھی جائیں۔
- 2۔ COVID-19 کی صورتحال کے نظر، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("ایس ای سی پی") نے کمپنیز کو مشورہ دیا جاتا ہے کہ وہ عمومی طور پر کم از کم جسمانی تعامل کے ساتھ حصص یافتگان اور عوام کی فلاح و بہبود کے لیے اجلاس عام میں اپنی معمول کی منصوبہ بندی میں ترسیم کریں۔ کمپنی کے ممبران اور عوام الناس کے تحفظ اور فلاح و بہبود کے لیے اسمارٹ فون/ ٹیبلٹ/ کمپیوٹرز کا استعمال کرتے ہوئے ویڈیولنک کے ذریعہ سالانہ اجلاس عام میں شرکت کر سکتے ہیں۔ ویڈیولنک کے ذریعے اجلاس میں شرکت کے لیے ممبران اور ان کے پراسیسز سے استدعا ہے کہ وہ کمپیوٹرز اور ذوقی شناختی کارڈ (دونوں اطراف) پاسپورٹ، بورڈ کی قرارداد/ پاور آف اٹارنی (کارپوریٹ حصص یافتگان کی صورت میں) کی تصدیق شدہ کاپی کے ساتھ مندرجہ ذیل معلومات مورخہ 23 فروری 2021ء تک بذریعہ وائس ایپ 03028407700 یا ای میل saleem.magsi@maccagroup.com پر فراہم کر کے اپنا اندراج کریں۔  
حصص دار کا نام CNIC نمبر سی ڈی سی اکاؤنٹ نمبر/ فو لیو نمبر سیل نمبر ای میل ایڈریس
- مطلوبہ تصدیق کے بعد رجسٹر شدہ ممبران کو کمپنی کی جانب سے فراہم کردہ ای میل ایڈریس پر ایک ویڈیولنک فراہم کیا جائیگا۔ لاگ ان کی سہولت اجلاس کے آغاز سے اس کی کارروائی مکمل ہونے تک کھلا رہے گی۔
- AGM کے ایجنڈے پر اپنے تاثرات/ تجاویز بھیجنے کے خواہشمند حصص یافتگان کمپنی کو saleem.magsi@maccagroup.com یا سیل یا 03028407700 وائس ایپ پر کر سکتے ہیں۔ کمپنی اس بات کو یقینی بنائے گی کہ شیئرز ہولڈرز کے تہرے/ مشورے اجلاس میں پڑھ کر سنا سکتے ہیں اور جوابات کو اجلاس کی کارروائی کا حصہ بنایا جائیگا۔
- 3۔ اجلاس نما میں شرکت اور رائے دہی کا/ کی اہل ممبر اپنی جانب سے شرکت کرنے اور رائے دہی کے لیے دوسرے ممبر کو اپنا پُر کسی مقرر کر سکتا/ سکتی ہے اور اس حیثیت سے مقررہ پُر کسی یہ حق حاصل ہوگا کہ سالانہ اجلاس میں عام شرکت، بولنے اور رائے دہی کر سکیں۔ جیسا کہ ممبران کو دستیاب ہیں۔ پُر کسی کو کمپنی کا ممبر ہونا ضروری ہے۔
- 4۔ پُر کسی اور پاور آف اٹارنی یا دیگر اتھارٹی کی تقرری کے لیے دستاویزات پر دستخط کرنا ہوگا یا پاور آف اٹارنی کی نوٹری سے تصدیق شدہ کاپی اجلاس ہذا کے انعقاد سے کم از کم اڑتالیس (48) گھنٹے قبل کمپنی کے رجسٹرڈ پتہ پر موصول ہو جانے چاہئیں۔
- 5۔ ممبران جنہوں نے اپنے شیئرز سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ (CDC) میں جمع کرائے ہیں سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ ہدایات کی پیروی کرنی ہوگی۔

### الف: اجلاس میں شرکت کیلئے

- (i) افراد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ اور/ یا فریکو جن کی سکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن تفصیلات قواعد کے مطابق اپ لوڈ ہوں یعنی شناخت کے لیے اصل سی این آئی سی یا اصل پاسپورٹ اجلاس کے موقع پر پیش کرنا ہوگا۔
- (ii) کارپوریٹ اثاثہ کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی مع نامزد فرد کے دستخطی نمونے (اگر پہلے فراہم نہ کیا گیا ہو) اجلاس کے موقع پر پیش کرنا ہوگا۔

### ب: پُر کسی کی تقرری کے لیے

- (i) افراد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/ یا شخص کی جن کی سکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن تفصیلات قواعد کے مطابق اپ لوڈ ہوں پُر کسی فارم مندرجہ بالا شرائط کے مطابق جمع کروانا ہوگا۔
- (ii) پُر کسی فارم پر دو اشخاص کی گواہی ہونی چاہئیں جن کے نام پتہ اور سی این آئی سی نمبرز فارم میں درج ہو۔
- (iii) بینیفیشیل اوزار پُر کسی کسی سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پُر کسی فارم کے ہمراہ منسلک ہونا چاہیے۔
- (iv) پُر کسی کو اجلاس کے موقع پر اصل سی این آئی سی یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (v) کارپوریٹ اثاثہ کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کیا گیا ہو) پُر کسی فارم کے ہمراہ کمپنی کو پیش کرنا ہوگا۔

### 6) پتے میں تبدیلی

ممبران سے درخواست ہے کہ اپنے پتے میں تبدیلی کی صورت میں بروقت کمپنی کے شیئرز رجسٹر اکوآ گاہ کریں۔

### 7) کمپنی کی ویب سائٹ پر مالی گوشواروں اور دیگر معلومات کی فراہمی

کمپنی نے 30 ستمبر 2020ء کو مکمل ہونے والے سال کیلئے سالانہ اجلاس عام کے نوٹس کی ایک کاپی، آڈٹ شدہ مالیاتی گوشوارے، ڈیڑھ سالہ اور ڈائریکٹرز کی رپورٹ اور چیئر مین کی جائزہ رپورٹ اور دیگر تفصیلات، کے ساتھ ہماری ویب سائٹ [www.asgsmil.com](http://www.asgsmil.com) پر آویزاں کر دیئے گئے ہیں۔



## **CHAIRMAN'S REVIEW**

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

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

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

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



**Muhammad Dawood**  
Chairman

Lahore  
February 04, 2021

## چیئر مین کی جائزہ رپورٹ

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

بورڈ کمپنی امور کے نظم و نسق کا ذمہ دار ہے، اہم پالیسیوں اور حکمت عملیوں کی تشکیل اور منظوری دیتا ہے۔ بورڈ کارپوریٹ اور مالیاتی رپورٹنگ کے فریم ورک کے لئے اپنی ذمہ داری کو تسلیم کرتا ہے اور کارپوریٹ گورننس کی عمدہ کارکردگی کا پابند ہے۔ بورڈ کی دو کمیٹیاں ہیں (آڈٹ اور ہیومن ریسورس اور معاوضہ کمیٹیاں) جو کہ مناسب اہلیت اور متعلقہ قابلیت رکھنے والے افراد پر مشتمل ہے۔ کمیٹیوں نے متعلقہ کمیٹی کو تفویض کردہ حوالہ کی شرائط کے مطابق کارکردگی کا مظاہرہ کیا۔

اس بورڈ نے بہترین کارپوریٹ طریقوں اور حکمرانی کے ساتھ تعمیل کی بھی نگرانی کی، جس میں بدلاؤ اور اخلاقی طرز عمل اور ترقی حاصل کرنے کے لیے مہارتوں میں بہتری لانے کی حوصلہ افزائی کی گئی۔ بورڈ خصوصاً تعلیم، صحت کی حفاظت اور ماحولیات کے بارے میں اپنی کارپوریٹ سماجی ذمہ داری سے بھی بخوبی واقف ہے۔ ہم کارپوریٹ سماجی ذمہ داری کی طرف اپنی کوششوں سے بہت مطمئن ہیں اور اس میں مزید توسیع کی خواہش رکھتے ہیں۔

بورڈ ہر سال اپنی کارکردگی اور اپنی کمیٹیوں کا جائزہ لے کر مالی سال کے اختتام کے بعد، خود احتسابی کی بنیاد پر۔ بورڈ اور اس کی کمیٹیوں کی مجموعی کارکردگی اطمینان بخش تھی۔



محمد داود

چیئر مین

لاہور: 04 فروری، 2021



## DIRECTORS' REPORT

IN THE NAME OF ALLAH THE MOST GRACIOUS AND MOST MERCIFUL

Dear Members; Asalam-o-Alaikum:

On behalf of the board of directors, I welcome all of you to the 37<sup>th</sup> annual general meeting of the Company and present before you the annual report for the financial year ended September 30, 2020 along with financial statements and auditors' report thereon. The financial results of the year under review can be summarized as follows:

### FINANCIAL RESULTS

Particulars	2020 Rupees	2019 Rupees
Net sales	58,427,350	153,110,000
Gross loss	(202,399,794)	(174,261,571)
Net loss after tax	(209,298,087)	( 54,022,226)
Key performance indicators		
- Gross loss as % to sales	(346.41%)	(113.81 % )
- Net loss % to sales	(358.22%)	(35.28 %)
- Loss per share	(2.64)	(0.68)

The Financial Year 2019-20 proved to be challenging economic environment as the Spread of the Novel Coronavirus (SARS-CoV-2) also known as COVID-19 which has severely affected national and global economies. Various enterprises are facing different issues with a certain degree of losses. Particularly, enterprises are facing a variety of problems such as decrease in demand, supply chain disruption, cancellation of export orders, raw material shortage and transportation disruptions, among others. Nevertheless, it is quite clear that enterprises around the globe are experiencing the significant impact of COVID-19 outbreak on their businesses. In Pakistan, the same sort of response was initially seen as in other parts of the world. In the first wave of COVID-19 complete lockdown was observed. However, gradually the Government moved to smart lockdown strategy and businesses were allowed to resume their operations with strict following of SOPs. The company is striving hard to be fully operational in next financial year subject to the availability of sugar cane.

### DIVIDEND:

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

### FUTURE OUTLOOK:

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

- Unfavorable business conditions are temporary and cyclical in nature and would reverse in future.
- Arbitration efforts to resolve the issue with TCP are underway and it is expected that the Company will be able to settle the subject amount in a convenient and sustainable manner.
- Negotiations with all the secured creditors and financial institutions to restructure the liabilities on long-term basis are underway and some financial institutions have restructured their facilities and management is confident that restructuring will be successful with other lenders.
- The sponsors, despite of limited means available, have unconditional commitment to enable the Company to remain as a 'going concern'.

### RISK AND UNCERTAINTIES FACING THE COMPANY:

In consistent with prior year, there remained a persistent shortage of sugar cane crop especially in mills' surrounding areas. This scarcity of crop coupled with non-availability of requisite finances resulted in to non-operation of mills during the year under audit. All these factors resulted in to above unhealthy financial numbers as outlined above.

### CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

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

**1. CORPORATE GOVERNANCE COMPLIANCE:**

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

**2. STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK:**

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

- The financial statements prepared by the management of the company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- The Company has maintained proper books of accounts as per statutory requirements.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- The International Accounting Standards and IFRS, as applicable in Pakistan, have been followed in preparation of these financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There has been no departure from the best practices of corporate governance, as detailed in the list in regulations except appointment of Female Director on the Board of directors of the company. However, the company will ensure compliance of the same in next financial year.
- Key operating and financial data of last six years is annexed in summarize form.
- Information about outstanding taxes and other government levies are given in related note(s) to the accounts.
- The Company operates an un-funded gratuity scheme for all employees. The net value of investment in the irrespective accounts is given in related note(s) to the accounts.
- All material information, as described in the Code is disseminated to the Stock Exchange and Securities and Exchange Commission of Pakistan in a timely fashion.
- The Directors are aware of their fiduciary responsibilities.
- The directors, CEO, CFO, Company Secretary and their spouses and minor children have made no trading in the company's share during the year. The number of shares, if any, held by them is annexed.
- The CEO of the company died before the issuance of the financial statements and the casual vacancy has not been filled in timely manner as the extension has been filed with the SECP. Therefore, the financial statements have been signed by two directors and CFO.

**3. CHANGES DURING FINANCIAL YEAR CONCERNING NATURE OF THE BUSINESS OF THE COMPANY :**

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

**4. 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.

**5. MODIFICATION OR EXPLANATION IN THE AUDITORS REPORT:**

A Para regarding material uncertainty relating to going concern has been added in the auditor's report for the year under review. The company envisages that in next financial year, the company on being



fully operational and upon settlement with lenders and rescheduling and restructuring of loan with financial institutions would curtail the doubts of being non-going concern.

**6. MAETRIAL CHANGES AFFECTING THE FINANCIAL POSITON OF THE COMPANY:**

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

**7. IMPACT OF COMPANY'S BUSINESS ON ENVIRONMENT:**

Our primary objective 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 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 during 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.

**8. BOARD MEMBERS:**

The names of the Directors during the year are:

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

**9. BOARD MEETINGS:**

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

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

**10. AUDIT COMMITTEE:**

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

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

Terms of Reference of the Audit Committee have also been determined by the Board in accordance with the guidelines provided in the Listing Regulations of the Pakistan Stock Exchange Limited.

#### **11. HUMAN RESOURCES AND REMUNERATION COMMITTEE:**

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

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

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

#### **DIRECTORS' REMUNERATION POLICY:**

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

#### **PATTERN OF SHAREHOLDING:**

Pattern of shareholding as at September 30, 2020 is annexed.

#### **AUDITORS:**

The present Auditors, M/s Sarwars, Chartered Accountants, will stand retired with the conclusion of Annual General Meeting and being eligible have offered themselves for re-appointment for the year 2020-21. Audit Committee also recommended their re-appointment for the year 2020-21 and the Board of your company also endorsed the recommendation of the Audit Committee for re-appointment of M/s Sarwars Chartered Accountants, till the conclusion of next Annual General Meeting.

#### **ACKNOWLEDGEMENT:**

The commitment of our 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 depositors for their trust and confidence.

On behalf of Board of Directors



DIRECTOR



DIRECTOR

*(Note: Due to the death of Chief Executive Officer the report is signed by two directors)*

Lahore: February 04, 2021

## ڈائریکٹران رپورٹ برائے ممبران

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

محترم ممبران: السلام علیکم ورحمۃ اللہ وبرکاتہ!

بورڈ آف ڈائریکٹرز کی طرف سے، میں آپ سب کو کمپنی کے 76 ویں سالانہ عمومی اجلاس میں خوش آمدید کہتا ہوں اور 30 ستمبر، 2020 کو ختم ہونے والے مالی سال کی سالانہ رپورٹ کے ساتھ ساتھ اس میں مالی بیانات اور آڈیٹرز کی رپورٹ بھی پیش کرتا ہوں۔ زیر نظر سال کے مالی نتائج کا خلاصہ اس طرح کیا جاسکتا ہے:

مالیاتی نتائج:

تفصیلات	2020 (روپے)	2019 (روپے)
خالص فروخت	58,427,350	153,110,000
مجموعی نقصان	(202,399,794)	(174,261,571)
ٹیکس کے بعد خالص نقصان	(209,298,087)	(54,022,226)
کارکردگی کے اہم عوامل		
- مجموعی نقصان فروخت کے تناسب سے	(346.41%)	(113.81 %)
- خالص نقصان فروخت کے تناسب سے	(358.22%)	(35.28 %)
- نقصان فی شیئر	(2.64)	(0.68)

مالی سال 2019-2020 اقتصادی ماحول کو چیلنج کرنے والا ثابت ہوا کیوں کہ اسپرڈ آف وی ناول کورونا وائرس (SARS Cov-2) جسکو COVID-19 بھی کہا جاتا ہے جس نے قومی اور عالمی معیشتوں کو بری طرح متاثر کیا ہے۔ مختلف کاروباری اداروں کو نقصان کی ایک خاص حد کے ساتھ مختلف مسائل کا سامنا ہے۔ خاص طور پر، کاروباری اداروں کو متعدد مسائل کا سامنا ہے جیسے کہ طلب میں کمی، سپلائی چین میں خلل، برآمدات کے احکامات کی منسوخی، خام مال کی قلت اور نقل و حمل میں خلل۔ بہر حال، یہ بات بالکل واضح ہے کہ دنیا بھر کے کاروباری ادارے اپنے کاروبار پر COVID-19 پھیلنے کے نمایاں اثر کا سامنا کر رہے ہیں۔ پاکستان میں ابتدائی طور پر دنیا کے دوسرے حصوں کی طرح اسی طرح کا رد عمل دیکھا گیا۔ COVID-19 کی پہلی لہر میں مکمل لاک ڈاؤن دیکھا گیا۔ تاہم، آہستہ آہستہ حکومت سمارٹ لاک ڈاؤن حکمت عملی کی طرف چلی گئی اور کاروباری اداروں کو ایس او پیز کی سختی سے عمل کرتے ہوئے اپنے کام دوبارہ شروع کرنے کی اجازت دی گئی۔ گئے کی دستیابی سے مشروط کمپنی اگلے مالی سال میں مکمل طور پر چلنے کے لئے پوری کوشش کر رہی ہے۔

منافع (Dividend):

بورڈ آف ڈائریکٹرز نے جمع نقصانات کے سبب کسی بھی منافع کی سفارش نہیں کی ہے۔

مستقبل کا جائزہ:

ملز کے آس پاس کے علاقوں میں گئے کی قلت اور مستقل نقصانات کے نتیجے میں موجودہ لیکویڈیٹی بحران کی وجہ سے، مستقبل مشکل لگتا ہے۔ مینجمنٹ کمپنی کو موجودہ پریشان کن صورتحال سے بحفاظت نکالنے کی پوری کوشش کر رہی ہے اور اس کا پختہ یقین ہے کہ مندرجہ ذیل عوامل ہمارے لائق حصص یافتگان سمیت تمام اسٹیک ہولڈرز کو طویل مدتی اقدار کی فراہمی کے لئے راہ ہموار کریں گے۔

❖ غیر موزوں کاروباری حالات عارضی ہیں اور بار بار وقوع پزیر نوعیت کے ہیں اور مستقبل میں ختم ہو جائیں گے۔

❖ اس معاملے کوئی سی پی کے ساتھ حل کرنے کے لئے ثالثی کی کوششیں جاری ہیں اور امید کی جاتی ہے کہ کمپنی اس مسئلہ کو آسان اور پائیدار انداز میں طے کرے گی۔

❖ طویل مدتی بنیادوں پر ذمہ داریوں کی تنظیم نو کے لئے تمام محفوظ قرض دہندگان اور مالیاتی اداروں کے ساتھ بات چیت جاری ہے اور کچھ مالیاتی اداروں نے اپنی سہولیات کی تنظیم نو کی ہے اور انتظامیہ کو یقین ہے کہ دیگر قرض دہندگان کے ساتھ تنظیم نو کامیاب ہوگی۔

❖ سپانسرز، محدود وسائل دستیاب ہونے کے باوجود، غیر مشروط عزم رکھتے ہیں تاکہ کمپنی کو "چلتے ہوئے کاروبار" کے طور پر دوبارہ کام کرنے کا اہل بنائے۔

کمپنی کو موجودہ خطرہ اور بے یقینی:

پچھلے سال کی مناسبت سے، خاص طور پر ملوں کے آس پاس کے علاقوں میں گئے کی فصل کی مستقل قلت رہی۔ اس فصل کی قلت کے ساتھ ساتھ مطلوبہ مالی اعانت کی عدم فراہمی کے نتیجے میں سال کے دوران ملز کا پروڈکشن کا عمل نہیں ہوا۔ مذکورہ سب عوامل کے نتیجے میں غیر تسلی بخش مالی اعداد و شمار اوپر دیئے گئے ہیں۔



کارپوریٹ اور مالی رپورٹنگ فریم ورک:

آپ کی کمپنی کے ڈائریکٹر ان سیکرٹریز اینڈ ایگزیکٹو کمیشن آف پاکستان کے کارپوریٹ اور مالی رپورٹنگ فریم ورک اور کارپوریٹ گورننس کے کوڈ کو مندرجہ ذیل کے لئے تصدیق کرتے ہیں:

کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل:

کوڈ آف کارپوریٹ گورننس کے بہترین طریق کار کی تعمیل بورڈ کو راحت فراہم کرتی ہے۔ لہذا، انتظامیہ اس بات کو یقینی بناتی ہے کہ کارپوریٹ گورننس کے ضابطہ اخلاق کی تمام ضروریات کو پورا کیا جائے۔ کوڈ آف کارپوریٹ گورننس کے بہترین طریقہ کار کی تعمیل کے بیان کو منسلک کیا گیا ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک پر بیان:

- ❖ کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل میں، ہم کارپوریٹ اور مالی رپورٹنگ کے فریم ورک کے بارے میں بیانات ذیل میں دیئے گئے ہیں۔
- ❖ کمپنی کی انتظامیہ کے ذریعہ تیار کردہ مالی بیانات اس کی امور کی مصفاہ حیثیت، اس کے کاموں کے نتائج، نقد بہاؤ اور ایکویٹی میں بدلاؤ پیش کرتے ہیں۔
- ❖ کمپنی نے قانونی تقاضوں کے مطابق اکاؤنٹس کی مناسب کتابیں برقرار رکھی ہیں۔
- ❖ مالی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو ہوتی ہیں اور محاسبہ کا تخمینہ معقول اور محتاط فیصلے پر مبنی ہوتا ہے۔
- ❖ بین الاقوامی اکاؤنٹنگ معیارات، جیسا کہ پاکستان میں قابل اطلاق ہیں، مالی بیانات کی تیاری میں عمل کیا گیا ہے۔
- ❖ اندرونی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور اسے موثر انداز میں نافذ اور نگرانی کی جارہی ہے۔
- ❖ کمپنی کی چالو حالت کی حیثیت سے جاری رکھنے کی صلاحیت پر کوئی خاص شبہات نہیں ہیں۔
- ❖ کارپوریٹ گورننس کے بہترین طریقہ کار سے کوئی دستبرداری نہیں ہوئی ہے، جیسا کہ قواعد و ضوابط میں فہرست میں بیان کیا گیا ہے۔
- ❖ گذشتہ چھ سالوں کے کلیدی آپریٹنگ اور مالی اعداد و شمار کو مختصر، شکل میں منسلک کیا گیا ہے۔
- ❖ ہٹا یا ٹیکسوں اور دیگر سرکاری محصولات کے بارے میں معلومات اکاؤنٹس کو متعلقہ نوٹ (زبانیں) میں دی جاتی ہیں۔
- ❖ کمپنی تمام ملازمین کے لئے غیر مالی اعانت بخش گریجوئی اسکیم چلاتی ہے۔ قطع نظر اکاؤنٹس میں سرمایہ کاری کی خالص قیمت اکاؤنٹس کے متعلقہ نوٹ (س) میں دی جاتی ہے۔
- ❖ تمام مادی معلومات، جیسا کہ ضابطہ اخلاق میں بیان کیا گیا ہے، بروقت اسٹاک ایکسچینج اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کو فراہم کر دی گئی ہے۔
- ❖ ڈائریکٹرز اپنی ذمہ داریوں سے واقف ہیں۔
- ❖ ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کے شریک حیات اور نابالغ بچوں نے سال کے دوران کمپنی کے حصص میں کوئی تجارت نہیں کی ہے۔ ان کے رکھے ہوئے حصص کی تعداد، اگر کوئی ہے تو، منسلک کیا گیا ہے۔

کمپنی کے کاروبار یا اس کے ذیلی اداروں کے کاروبار کی نوعیت سے متعلق مالی سال کے دوران تبدیلیاں:

مالی سال کے دوران کمپنی یا اس کے ذیلی اداروں کے کاروبار کی نوعیت سے متعلق کوئی تبدیلی نہیں ہوئی ہے۔

متعلقہ فریق کے لین دین:

تمام متعلقہ پارٹی لین دین کاروبار میں کمپنیز ایکٹ، 2017 کی قابل اطلاق دفعات کی سہمطابق کرتے ہیں۔ کمپنی کے ذریعہ کوئی اہم لین دین نہیں ہوتا ہے جس کے ذریعہ ڈائریکٹرز یا کلیدی انتظامی عملہ کو کوئی غیر معمولی مفاد حاصل ہو جو کمپنی کے مفاد سے متنازع ہو سکتا ہو یا جو حصص یافتگان کی منظوری کی ضمانت دیتا ہو۔

آڈیٹرز کی رپورٹ میں تبدیلی یا توجیہ:

آڈیٹرز کی رپورٹ میں ترمیم کے کسی بھی مضمون کے حوالے سے اطلاع دینے کے لئے کوئی معلومات یا وضاحت موجود نہیں ہے۔

کمپنی کی مالی حیثیت سے متعلق اہم تبدیلیاں:

کمپنی کے مالی سال کے اختتام اور رپورٹ کی تاریخ کے مابین کمپنی کی مالی حیثیت کو متاثر کرنے والی کوئی اہم تبدیلیاں اور اقدامات نہیں ہوئے ہیں۔

### کمپنی کاروبار کے ماحول پر اثرات:

ہمارا بنیادی مقصد ماحول پر پڑنے والے کسی منفی اثر کو کم کرنا ہے۔ کمپنی کی ماحولیاتی پالیسی اور اس کے انتظامی عمل ہمارے مینوفیکچرنگ عمل اور سہولیات سے منسلک ماحولیاتی امور سے منسلک ہیں۔ آپ کی کمپنی جانتی ہے کہ یہ ہماری ماحولیاتی ذمہ داریاں ہیں اور معاشرے کی پائیدار ترقی میں ہماری شراکت ہے۔

کمپنی نے ایس او پیز کی سختی سے پیروی کی ہے جس میں کمپنی کے احاطے میں داخل ہونے سے پہلے مینڈ سینا سٹریکچر کی تنصیب اور درجہ حرارت کی نگرانی شامل ہے اور اپنے ملازمین کو اس کے حقیقی خطا اور روح کے مطابق ایس او پیز پر عمل کرنے کی ترغیب دی ہے۔ اس وبا کی مرض کے دوران ملازمین کی صحت اور حفاظت کمپنی کی اولین ترجیح ہے۔

پالیسیوں کا باقاعدگی سے جائزہ لیا جاتا ہے تاکہ یہ یقینی بنایا جاسکے کہ معیارات کو صنعت کے بہترین طریق کار سے منسلک کیا گیا ہے۔ ملازمین کو صحت اور حفاظت کی تربیت فراہم کی جاتی ہے تاکہ وہ یہ یقینی بنائیں کہ وہ اپنا کام طے شدہ پالیسیوں کے مطابق کریں۔

### بورڈ ممبرز:

سال کے دوران ڈائریکٹرز کے نام مندرجہ ذیل ہیں۔

1. جناب محمد ارشد بٹ چیف ایگزیکٹو/ڈائریکٹر
2. جناب یاسر اقبال ایگزیکٹو/ڈائریکٹر
3. جناب محمد رشید رانا انڈیپنڈنٹ ڈائریکٹر
4. جناب محمد نواز انڈیپنڈنٹ ڈائریکٹر
5. جناب محمد داؤد پیرمین/نان ایگزیکٹو/ڈائریکٹر
6. جناب عطف بٹ نان ایگزیکٹو/ڈائریکٹر
7. جناب محمد طالب نان ایگزیکٹو/ڈائریکٹر

### بورڈ میٹنگز:

زیر غور سال کے دوران بورڈ آف ڈائریکٹرز کے چار (04) اجلاس منعقد ہوئے۔ ڈائریکٹرز کی شرکت مندرجہ ذیل ہے۔

ڈائریکٹر کا نام	اجلاس میں شرکت	ڈائریکٹر کا نام	اجلاس میں شرکت
جناب محمد ارشد بٹ (چیف ایگزیکٹو)	4	جناب یاسر اقبال (ایگزیکٹو/ڈائریکٹر)	4
جناب محمد رشید رانا (انڈیپنڈنٹ ڈائریکٹر)	4	جناب محمد نواز (انڈیپنڈنٹ ڈائریکٹر)	4
جناب محمد داؤد (نان ایگزیکٹو/ڈائریکٹر/چیئر مین)	4	جناب عطف بٹ (نان ایگزیکٹو/ڈائریکٹر)	2
جناب محمد طالب (نان ایگزیکٹو/ڈائریکٹر)	3		

### جائچہ پتال (آڈٹ) کی کمیٹی:

آڈٹ کمیٹی کمپنی کے بورڈ آف ڈائریکٹرز کے ذریعہ وضع کردہ اپنے حوالہ کی شرائط کے مطابق اپنے فرائض سرانجام دے رہی ہے۔ سال کے دوران آڈٹ کمیٹی کی چار میٹنگز ہوئیں جس میں ممبران کی حاضری اور نام درج ذیل ہیں۔

1. جناب محمد نواز چیئر مین انڈیپنڈنٹ ڈائریکٹر
2. جناب عطف بٹ ممبر نان ایگزیکٹو/ڈائریکٹر
3. جناب محمد طالب ممبر نان ایگزیکٹو/ڈائریکٹر

### انسانی وسائل اور معاوضہ کمیٹی:

انسانی وسائل اور معاوضہ کمیٹی تین ممبروں پر مشتمل ہے۔ سال کے دوران کمیٹی کی ایک میٹنگ ہوئی جس میں تمام ممبران نے شرکت کی۔

- |                        |          |                       |
|------------------------|----------|-----------------------|
| 1. جناب محمد رشید رانا | چیئر مین | انڈیپنڈنٹ ڈائریکٹر    |
| 4. جناب یاسر اقبال     | ممبر     | ایگزیکٹو ڈائریکٹر     |
| 5. جناب محمد طالب      | ممبر     | نان ایگزیکٹو ڈائریکٹر |

#### ڈائریکٹرز کی معاوضہ پالیسی:

کمپنی کے آرٹیکلز کے ذریعہ، بورڈ آف ڈائریکٹرز کو غیر ایگزیکٹو اور آزاد ڈائریکٹرز کا معاوضہ طے کرنے کا اختیار ہے۔ کمپنی اور کمپنیز ایکٹ 2017 کے آرٹیکل کے مطابق عمومی اجلاس میں ممبروں کی منظوری ضروری ہے۔ بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کی معاوضہ پالیسی تیار کی ہے جو تفصیلی طور پر لکھی گئی ہے، مقاصد اور اجرت کے پیکیجز کے تعین کے لئے ایک شفاف طریقہ کار وضع کیا گیا ہے۔ انفرادی ڈائریکٹر کیلئے۔

#### حصص یافتگی کا انداز:

30 ستمبر، 2020 تک حصص یافتگی کا انداز منسلک کیا گیا ہے۔

#### آڈیٹرز:

آڈیٹرز، میسرز سرورز، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو کر خود کو دوبارہ تفرری کی offer پیش کرتے ہیں۔ آڈٹ کمیٹی نے میسرز سرورز، چارٹرڈ اکاؤنٹنٹس کو اگلے سال 2021-09-30 کو ختم ہونے والے کمپنی کے آڈیٹ کی حیثیت سے دوبارہ تفرری پر غور کرنے کی سفارش کی ہے۔

#### اعتراف:

وائٹس کے پھیلاؤ کے دوران ہمارے عملے کا کام کے بارے میں وابستگی قابل تحسین ہے۔ اس عرصے کے دوران عملے کے کچھ ممبر، اہم کام انجام دیتے ہوئے، دفاتر میں حاضر ہوئے اور بہت سے دوسرے افراد نے گھر سے کام کرتے ہوئے اپنے فرائض سرانجام دئے۔ بورڈ عملے کی لگن کا اعتراف کرتا ہے، خاص طور پر وبائی املاک اور لاک ڈاؤن مہیاد کے دوران۔ بورڈ اس موقع پر بھی انضباطی حکام، بینکاروں، کاروباری شراکت داروں اور دیگر اسٹیک ہولڈرز کی مدد اور تعاون پر ان کا شکریہ ادا کرتے ہیں۔ ہم اپنے قابل قدر خریداروں اور کھاتہ داروں کے اعتماد کے لئے بھی ان کا شکریہ ادا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

*Shana*

ڈائریکٹر

*Ky Butt*

ڈائریکٹر

(نوٹ: بوجہ وفات چیف ایگزیکٹو آفیسر رپورٹ کو دو ڈائریکٹرز نے دستخط کیا ہے)

لاہور: فروری 04، 2021

## OPERATING HIGHLIGHTS

(Figure in Thousand)

DESCRIPTION	2020	2019	2018	2017	2016	2015
<b>OPERATING HIGHLIGHTS</b>						
Gross sales	68,360	168,625	128,863	327,387	462,101	1,899,161
Net sales	58,427	153,110	118,723	298,566	430,564	1,763,890
Cost of sales	260,827	327,372	363,033	401,310	754,224	2,250,360
Gross Loss	(202,400)	(174,262)	(244,310)	(102,744)	(323,660)	(486,470)
Administrative and selling expenses	14,465	21,565	20,306	24,170	25,681	40,110
<b>Operating Loss</b>	<b>(216,865)</b>	<b>(195,826)</b>	<b>(264,616)</b>	<b>(126,914)</b>	<b>(349,341)</b>	<b>(526,580)</b>
Interest expenses	77,878	62,811	49,236	48,262	60,317	38,502
Other income	-	-	-	-	2	1,446
Loss before taxation	(294,743)	(258,637)	(313,853)	(175,177)	(409,656)	(563,636)
(Loss)/Profit after taxation	(209,298)	(54,022)	(322,611)	54,984	(384,250)	(515,795)
Basic earnings/(Loss) per share Rs.	(2.64)	(0.68)	(4.07)	0.69	(4.85)	(6.51)
<b>PRODUCTION DATA</b>						
Crushing days	-	38	70	58	54	87
Cane Crushed	TPD	-	652	562	292	3,071
Sugar production	M.Tons	-	1,755	3,096	1,200	26,490
Sugar recovery	% age	-	7.33	8.00	8.08	9.91
Molasses production	M.Tons	-	1,600	2,325	1,440	13,500
Molasses recovery	% age	-	6.59	5.92	4.80	5.049

## Pattern of Shareholding as at September 30, 2020

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

1 Incorporation Number

**0011303**

2 Name of Company

**ABDULLAH SHAH GHAZI SUGAR MILLS LTD.**

3 Pattern of holding of the shares held by the shareholders as 30-09-2020

# Of Shareholders	Shareholdings'Slab			Total Shares Held
714	1	to	100	57,787
703	101	to	500	271,547
208	501	to	1000	197,884
365	1001	to	5000	1,109,945
141	5001	to	10000	1,206,485
32	10001	to	15000	427,049
36	15001	to	20000	660,498
18	20001	to	25000	434,669
20	25001	to	30000	563,700
11	30001	to	35000	369,106
10	35001	to	40000	385,000
4	40001	to	45000	170,000
8	45001	to	50000	396,000
6	50001	to	55000	313,055
3	55001	to	60000	179,000
1	60001	to	65000	61,000
1	65001	to	70000	70,000
1	75001	to	80000	80,000
2	80001	to	85000	164,447
2	85001	to	90000	175,575
1	90001	to	95000	95,000
8	95001	to	100000	798,000
1	100001	to	105000	101,400
2	105001	to	110000	211,500
1	110001	to	115000	111,500
3	120001	to	125000	373,100
1	145001	to	150000	150,000
1	160001	to	165000	164,000
1	165001	to	170000	168,500
1	215001	to	220000	220,000
1	225001	to	230000	229,000
1	245001	to	250000	250,000
1	250001	to	255000	254,161
1	255001	to	260000	260,000
1	345001	to	350000	346,500
1	550001	to	555000	553,500
1	695001	to	700000	700,000
1	4890001	to	4895000	4,890,249
1	62090001	to	62095000	62,092,509
<b>2315</b>				<b>79,261,666</b>

### CATEGORIES OF SHAREHOLDING AS ON SEPTEMBER 30, 2020

SR. NO.	CATEGORIES OF SHARE HOLDERS	NUMBER OF SHARE HOLDERS	SHARES HELD	PERCENTAGE %
1	INDIVIDUALS	2,297	11,344,408	14%
2	ASSOCIATED COMPANIES	1	62,215,609	78%
3	PUBLIC SECTOR COMPANIES	3	47,300	0%
4	FINANCIAL INSTITUTIONS	3	5,444,249	7%
5	OTHERS	10	210,100	0%
<b>TOTAL</b>		<b>2,314</b>	<b>79,261,666</b>	<b>100%</b>



## Categories of Shareholding As at September 30, 2020

Categories of Shareholders	Shareholders	Shares Held	Percentage
<b>Directors and their spouse(s) and minor children</b>			
MR. MUHAMMAD IRSHAD BUTT	1	1,000	0.00
MR. MUHAMMAD TALIB	1	400	0.00
MR. ATIF BUTT	1	400	0.00
MR. MUHAMMAD RASHID RANA	1	400	0.00
MR. YASIR IQBAL	1	400	0.00
MR. MUHAMMED NAWAZ	1	100	0.00
MR. MUHAMMAD DAWOOD	1	400	0.00
<b>Associated Companies, undertakings and related parties</b>			
HAQ BAHU SUGAR MILLS (PVT) LTD	2	62,215,609	78.49
<b>Executives</b>	-	-	-
<b>Public Sector Companies and Corporations</b>	3	47,300	0.06
<b>Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds</b>	3	5,444,249	6.87
<b>Mutual Funds</b>	-	-	-
<b>General Public</b>			
a. Local	2,289	11,322,308	14.28
b. Foreign	1	19,000	0.02
<b>Others</b>	10	210,100	0.27
<b>Totals</b>	<b>2,315</b>	<b>79,261,666</b>	<b>100.00</b>

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

6 Signature of Company Secretary

7 Name of signatory

8 Designation

9 CNIC Number

10 Date

Saleem Abbas

Company Secretary

32304-8810990-5

30-09-2020



**SARWARS**  
Chartered Accountants

## **INDEPENDENT AUDITOR'S REPORT**

**To the members of Abdullah Shah Ghazi Sugar Mills Limited**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the annexed financial statements of **Abdullah Shah Ghazi Sugar Mills Limited** (the Company), which comprise the statement of financial position as at September 30, 2020, and the statement of profit or loss, and statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (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 loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

#### **Basis for Opinion**

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

#### **Material Uncertainty Relating to Going Concern**

As disclosed in note no. 2.2 and 14 of the financial statements of the company for the year ended September 30, 2020, the company has prepared these financial statements on the basis of "going concern assumptions". The company incurred a net loss before tax of Rs. 294,742,971/- in the current year including depreciation of Rs. 191,007,874/- The current liabilities exceeds the current assets by an amount of Rs. 2,938,466,654/- Its accumulated losses stands out at Rs. 1,799,637,881. These conditions indicate the existence of material uncertainty which may cast significant doubts about the company's ability to continue as a going concern and therefore the company may not be able to realize its assets and discharge its liabilities in the normal course of business. The company has provided viable mitigation plans, budgets and cash flow forecasts and others to support its going concern assumptions. The company is in negotiations with lenders, and financial institutions to restructure and reschedule its financial liabilities. Furthermore, the company expects continuous financial support from its sponsors to cater to any adversity. Our opinion is not modified in respect of this matter.

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### 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
<b>Verification of creditors, advances from customers</b>  Creditors and advance from customers represent significant amounts in terms of materiality , therefore the verification of the same has been considered the key audit matter to be reported.	Our audit procedures included the following:  Obtained list of parties and circularized confirmation on sample basis  Performed arithmetic test, analytical procedures and reconciled the ledgers amounts with the supplier statements  Checked that the company has performance obligation outstanding to creditors and customers  Obtained and performed aging analysis and had discussions with the management  Performed subsequent verification procedures  Obtained representation from the management  Checked that appropriate presentation and disclosure is made in the financial statements

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

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

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

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

### 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 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 audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





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

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

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

#### **Report on Other Legal and Regulatory Requirements**

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

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and 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) No zakat was deducted at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)

The engagement partner on the audit resulting in this independent auditor's report is Rashid Sarwar (FCA)

  
  
**SARWARS**  
**CHARTERED ACCOUNTANTS**

**Engagement Partner: Rashid Sarwar (FCA)**

Place: Lahore

Date: February 04, 2021



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

Name of Company: **ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED**  
Year Ended: **September 30, 2020**

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

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

**a** Male: 7  
**b** Female: 0

**2** The composition of the board is as follows:

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

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

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

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

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

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

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

**9** Five members of the Board have requisite education and experience on the Board(s) of listed companies and are exempt from Directors' Training Program . Three directors have already completed training course as required.

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

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

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

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

- 13 The term of reference of the aforesaid committee have been formed, documented and advised to the committee for compliance.
- 14 The frequency of meetings (quarterly/half yearly/ yearly) were as per following:
- a Audit Committee Quarterly
- b HR&R Committee Yearly
- 15 The Board has set up an effective outsourced internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
- 16 The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, Company secretary or director of the Company.
- 17 The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 18 We confirm that all other requirements of the regulations 3, 6,8, 27, 32, 33 and 36 of the regulations have been complied with.
- 19 Explanation for non compliance with requirements, other than regulations 3, 6, 8, 27, 32, 33 and 36 are below;

Requirements	Explanations	Regulations No.
1 - Constitution of Risk Management Committee	The function risk of management committee is currently performed by chief internal auditor who appraises the board accordingly.	30
2 - Disclosure of Significant Policies on Website	The company intends to disclose its significant policies on website before the close of current fiscal year.	35

On behalf of the board of director



**Muhammad Dawood**  
(CHAIRMAN)

Lahore

Dated: 04 February ,2021



**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**TO THE MEMBERS OF ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED**

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Abdullah Shah Ghazi Sugar Mills Limited** for the year ended September 30, 2020, 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, 2020.



**Engagement Partner: Rashid Sarwar (FCA)**

Place: Lahore  
Date: February 04, 2021

Off: # 12 - 14, 2<sup>nd</sup> Floor, Lahore Centre, 77-D, Main Boulevard, Gulberg-III, Lahore.  
Ph: 35782920-22, Fax: 35773825,  
Web : [www.sarwarsea.com](http://www.sarwarsea.com), E-mail: [sarwars@sarwarsca.com](mailto:sarwars@sarwarsca.com)/ [sarwars.sca@gmail.com](mailto:sarwars.sca@gmail.com)





## STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2020

	Notes	2020 RUPEES	2019 RUPEES
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>SHARE CAPITAL AND RESERVES</u></b>			
Authorized share capital	5.1	1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital	5.2	792,616,660	792,616,660
Capital Reserve:			
-Revaluation surplus on property, plant and equipment	6	1,375,054,008	1,451,143,570
Revenue Reserve:			
-Un-appropriated loss		(1,799,637,881)	(1,666,909,043)
		<b>368,032,787</b>	<b>576,851,187</b>
<b><u>NON-CURRENT LIABILITIES</u></b>			
Long term loan from related party - unsecured	7	123,416,314	123,416,314
Long term loan from bank - secured	8	1,972,000	4,000,000
Employee benefit obligations	9	7,733,409	6,983,042
Deferred tax liability	10	104,859,979	190,985,345
		<b>237,981,702</b>	<b>325,384,701</b>
<b><u>CURRENT LIABILITIES</u></b>			
Trade and other payables	11	2,439,848,644	2,466,460,137
Finance cost payable	12	355,803,530	288,795,535
Short term borrowings - secured	13	74,720,546	74,720,546
Current portion of long term loan from bank	8	348,798,518	347,798,518
Current tax liability	25	876,410	1,913,875
		<b>3,220,047,648</b>	<b>3,179,688,611</b>
<b><u>CONTINGENCIES AND COMMITMENTS</u></b>			
	14	-	-
		<b>3,826,062,137</b>	<b>4,081,924,499</b>
<b><u>ASSETS</u></b>			
<b><u>NON CURRENT ASSETS</u></b>			
Property, plant and equipment	15	3,542,654,977	3,733,170,351
Long term deposits	16	1,826,165	1,826,165
<b><u>CURRENT ASSETS</u></b>			
Stores and spares		36,787,501	34,168,776
Stock in trade	17	150,911,486	202,181,486
Advances, deposits and prepayments	18	88,272,525	99,609,054
Taxes recoverable		4,088,652	5,895,003
Cash and bank balances	19	1,520,831	5,073,665
		<b>281,580,995</b>	<b>346,927,983</b>
		<b>3,826,062,137</b>	<b>4,081,924,499</b>

The annexed notes, from 1 to 35, form an integral part of these financial statements.



**DIRECTOR**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

(Note: Due to the death of Chief Executive Officer the report is signed by two directors)



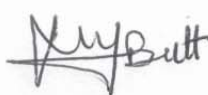
## STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Notes</u>	<u>2020 RUPEES</u>	<u>2019 RUPEES</u>
Sales	20	58,427,350	153,110,000
Cost of sales	21	<u>260,827,144</u>	<u>327,371,571</u>
<b>Gross loss</b>		<b>(202,399,794)</b>	<b>(174,261,571)</b>
Distribution expenses	22	-	(928,400)
Administrative and general expenses	23	(14,465,386)	(20,636,267)
Finance cost	24	(77,877,791)	(62,811,071)
		<b>(92,343,177)</b>	<b>(84,375,738)</b>
<b>Loss before income tax</b>		<b>(294,742,971)</b>	<b>(258,637,309)</b>
Income tax expense	25	85,444,884	204,615,083
<b>Loss for the year</b>		<b>(209,298,087)</b>	<b>(54,022,226)</b>
<b>Loss per share - basic and diluted</b>	26	<b>(2.64)</b>	<b>(0.68)</b>

The annexed notes, from 1 to 35, form an integral part of these financial statements.



**DIRECTOR**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

(Note: Due to the death of Chief Executive Officer the report is signed by two directors)

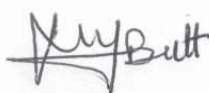
## STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Notes</u>	2020 <u>RUPEES</u>	2019 <u>RUPEES</u>
Loss for the year		(209,298,087)	(54,022,226)
Other comprehensive income:			
Items that will not be subsequently reclassified in profit or loss:			
Re-measurement of defined benefit liability		675,616	170,326
Related tax		(195,928)	(49,395)
		<b>479,687</b>	<b>120,931</b>
Revaluation surplus on property, plant and equipment		-	1,372,972,411
Related tax		-	(397,464,912)
		-	<b>975,507,499</b>
<b>Total comprehensive income /(loss) for the year</b>		<b>(208,818,400)</b>	<b>921,606,204</b>

The annexed notes, from 1 to 35, form an integral part of these financial statements.



**DIRECTOR**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

(Note: Due to the death of Chief Executive Officer the report is signed by two directors)

## STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>2020</u> <u>RUPEES</u>	<u>2019</u> <u>RUPEES</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Loss before taxation	(294,742,971)	(258,637,309)
Adjustments for non cash and other items:		
Depreciation	191,007,874	126,135,577
Financial charges	67,377,748	62,811,071
Provision for gratuity	1,425,983	1,399,128
	<b>259,811,605</b>	<b>190,345,776</b>
Cash flow before working capital changes	<b>(34,931,366)</b>	<b>(68,291,533)</b>
Effect on cash flows due to working capital changes		
(Increase) / Decrease in:		
Stores and spares	(2,618,726)	4,151,996
Stock in trade	51,270,000	(18,568,210)
Advances, deposits and prepayments	11,336,529	(11,417,492)
	<b>59,987,803</b>	<b>(25,833,706)</b>
Increase / (Decrease) in:		
Trade and other payables	(26,611,493)	103,314,013
	<b>(26,611,493)</b>	<b>103,314,013</b>
<b>Cash generated from operations</b>	<b>(1,555,055)</b>	<b>9,188,774</b>
Income tax paid	(107,526)	(511,824)
Finance cost paid	(369,753)	(695,488)
Gratuity paid	-	(199,000)
	<b>(477,279)</b>	<b>(1,406,312)</b>
<b>Net cash generated from/(used-in) operating activities</b>	<b>(2,032,334)</b>	<b>7,782,462</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Fixed capital expenditures	(492,500)	(6,478,328)
<b>Net cash used in investing activities</b>	<b>(492,500)</b>	<b>(6,478,328)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Long term loan from bank	(1,028,000)	(1,000,000)
<b>Net cash (used in) financing activities</b>	<b>(1,028,000)</b>	<b>(1,000,000)</b>
Net (decrease) / increase in cash and cash equivalent	<b>(3,552,835)</b>	<b>304,134</b>
Cash and bank balances at the beginning of the year	5,073,665	4,769,531
<b>Cash and bank balances at the end of the year</b>	<b>1,520,831</b>	<b>5,073,665</b>

The annexed notes, from 1 to 35, form an integral part of these financial statements.



**DIRECTOR**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

(Note: Due to the death of Chief Executive Officer the report is signed by two directors)

Notes	Share Capital	Reserves			Total Equity
		Capital	Revenue	Total Reserves	
		Surplus on revaluation of	Accumulated Profit / (Loss)		
	Rupees	Rupees	Rupees	Rupees	Rupees

Loss for the year ended September 30, 2019	-	-	(54,022,226)	(54,022,226)	<b>(54,022,226)</b>
Other comprehensive income	-	975,507,499	120,931	975,628,430	<b>975,628,430</b>
	-	<b>975,507,499</b>	<b>(53,901,295)</b>	<b>921,606,204</b>	<b>921,606,204</b>

-	(26,763,684)	26,763,684	-
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Loss for the year ended September 30, 2020	-	-	(209,298,087)	(209,298,087)	(209,298,087)
Other comprehensive income	-	-	479,687	479,687	479,687
	-	-	<b>(208,818,400)</b>	<b>(208,818,400)</b>	<b>(208,818,400)</b>

-	(76,089,562)	76,089,562	-
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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2020

### 1 STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan on February 25, 1984 as a Private Limited Company and was subsequently converted into a Public Limited Company on February 11, 1990. The Company is listed on Pakistan Stock Exchange. The principal business of the Company is manufacturing and selling of refined sugar and by products. The Company has been classified as Large Sized Entity as per the guidelines of SECP and ICAP.

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

### 2 BASIS OF PREPARATION

#### 2.1 Statement of Compliance

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

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

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

#### 2.2 Basis of Measurement

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

##### Material Uncertainty Relating to Going Concern

The financial statements of the company for the year ended September 30, 2020, show that the company incurred a net loss before tax of Rs. 294,742,971/- in the current year including depreciation of Rs. 191,007,874 /- The current liabilities exceeds the current assets by an amount of Rs. 2,938,466,654/-. The company has prepared these financial statements on the basis of going concern assumption. These conditions indicate the existence of material uncertainty which may cast significant doubts about the company's ability to continue as going concern and therefore the company may not be able to realize its assets and discharge its liabilities in the normal course of business. However management has taken the following significant measures to improve the operational performance and liquidity of the company based on:

- a) Arbitration efforts to resolve issues with TCP is underway and it is expected that the Company will be able to settle the subject amount in a favorable and sustainable manner. Also see note no. 14.1.
- b) Negotiations with some financial institutions to restructure the liabilities on long-term basis are underway and some financial institutions have restructured their facilities and management is confident that restructuring will be successful with other lenders, Also see note no. 14.1.
- c) The sponsors, despite of limited means available, have unconditional commitment to enable Company to resume as going concern.

#### 2.3 Functional and presentation currency

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

## **2.4 Use of significant estimates and judgments**

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

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

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

## **2.5 Accounting policies**

The accounting policies adopted for the preparation of these financial statements are consistent with those applied in the preparation of the preceding annual financial statements of the company for the year ended September 30, 2019, to the extent and manner stated.

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

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

**Standards, amendments and interpretations to existing standards that are effective and have been early**

**adopted by the Company to the extent and manner required and applicable to the company in the current year:**

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

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

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



IFRS 1 First-time Adoption of International Financial Reporting Standards  
IFRS 14 Regulatory Deferral Accounts  
IFRS 17 Insurance Contracts

The following interpretations issued by the IASB have been waived off by SECP:

IFRIC 4 Determining Whether an Arrangement Contains Lease  
IFRIC 12 Service Concession Arrangements

### **3 USE OF ESTIMATES AND JUDGMENTS**

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

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

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

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

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

### **4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **4.1 Issued, subscribed and paid-up capital**

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

#### **4.2 Borrowings**

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

#### **4.3 Staff Retirement Benefits**

The Company operates an un-funded gratuity scheme covering all employees eligible to the benefit. Provisions are made on the basis of actuarial recommendations. The actuarial valuations are carried out as at 30th September 2020 using the Projected Unit Credit Method, as required by International Accounting Standards (IAS-19).

The amount recognized in balance sheet represents the present value of the defined benefit obligation as on 30th September, 2020 as adjusted for unrecognized actuarial gains and losses.

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

#### **4.4 Taxation**

##### **(a) Current income tax**

Provision for current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for tax on income is calculated at the current rates of

taxation as applicable after taking into account tax credit and tax rebates available, if any. Income tax expense is recognized in profit and loss account except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

**(b) Deferred tax**

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

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

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

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

**(c) Sales tax / excise duty**

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

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

**4.5 Trade and other payables**

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

**4.6 Provisions**

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

**4.7 Property, plant and equipment**

**(a) Operating fixed assets**

- Fixed assets including additions are stated at cost less accumulated depreciation, except that certain assets which are stated at revalued amount less accumulated depreciation.
- Depreciation on fixed assets is provided on the reducing balance method over its useful life at the rates specified in the fixed assets schedule.
- Depreciation on additions to property, plant and equipment is charged for the month in which an asset is acquired or capitalized while no depreciation is charged for the month in which the asset is disposed off.
- Subsequent costs are included in the asset's carrying amounts or recognized as a separate asset, as appropriate, only when it is probable that future economic



benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

- Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major repairs and improvements are capitalized.
- Gain or loss on scrapping or disposal of assets, if any, is charged to profit and loss account.
- The incremental depreciation charged on revalued assets during the year has been transferred to retained earnings/accumulated profit to record realization of surplus to the extent of incremental depreciation.

**(b) Capital work in progress**

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

**(c) Revaluation**

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

**4.8 Stores, spares and loose tools**

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

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

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

**4.9 Stock-in-trade**

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

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

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

**4.10 Trade debts**

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

**4.11 Loans, advances, deposits, prepayments and other receivables**

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

**4.12 Cash and cash equivalent**

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

**4.13 Revenue recognition**

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

Sale of goods is recorded when significant risks and rewards of ownership are transferred to the customer;

- 
- Interest and rental income are recognized on accrual basis;
- Dividend income is recognized when the company's right to receive the dividend is established; and
- Sale of scrap is recognized on actual realization basis.

**Contract assets**

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

**Contract liabilities**

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

**Others**

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

**4.14 Borrowing costs**

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

**4.15 Ijarah**

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

**4.16 Impairment****(a) Financial assets**

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

**(b) Non-financial assets**

The Company continually assesses at each balance sheet date whether there is any indication that an asset may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the



resulting impairment loss is recognized in profit and loss account for the year. The recoverable amount is the higher of an assets' fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets' revised carrying amount over its estimated useful life.

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

#### **4.17 Financial instruments**

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

##### **(a) Financial assets**

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

##### **(b) Financial liabilities**

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

#### **4.17.1 Financial assets Classification**

Effective October 01, 2019, the Company classifies its financial assets in the following measurement categories:

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

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

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

##### **Recognition and derecognition**

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

##### **Measurement**

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



**Definition of default**

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

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

**Impairment of financial assets**

Effective October 01, 2019, the Company assesses on a historical as well as forward-looking basis, the expected credit loss (ECL) as associated with its trade debts. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

- Trade debts
- Cash and bank balances

**Simplified approach for trade debts**

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

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

**Recognition of loss allowance**

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

**Write-off**

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

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

**Financial Liabilities****Classification, initial recognition and subsequent measurement**

Financial liabilities are classified in the following categories:

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

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

**Fair value through profit or loss**

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

**Other financial liabilities**

After initial recognition, other financial liabilities which are interest bearing subsequently measured at amortised

cost, using the effective interest rate method. Gains and losses are recognised in profit or loss for the year, when the liabilities are derecognised as well as through effective interest rate amortisation process.

**Derecognition of financial liabilities**

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

**Off Setting of financial assets and financial liabilities**

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

**4.18 Off setting of financial instruments**

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

**4.19 Foreign currency translation and transactions**

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

**4.20 Related party transactions**

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

**4.21 Dividends**

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

**4.22 Earnings per share**

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

**4.23 Segment Reporting**

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

**4.24 LEASED ASSETS****Right of Use Asset**

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



dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received

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

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

#### **Lease Liability**

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

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

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

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

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

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

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



		<u>Notes</u>	<u>2020</u> <u>RUPEES</u>	<u>2019</u> <u>RUPEES</u>
<b>5 ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>				
<b>5.1 Authorized Share Capital</b>				
<b>2020</b>	<b>2019</b>			
<b>Number of Shares</b>				
100,000,000	100,000,000	Ordinary shares of Rs. 10/- each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
<b>5.2 Issued, Subscribed and Paid-up Capital</b>				
<b>2020</b>	<b>2019</b>			
<b>Number of Shares</b>				
79,261,666	79,261,666	Ordinary shares of Rs. 10/- each fully paid in cash	<u>792,616,660</u>	<u>792,616,660</u>
<b>5.3</b>	62,215,609 (2019:65,482,609) ordinary shares are held by Haq Bahu Sugar Mills (Private) Limited (holding company) representing 78.49% (2019:82.62%) shareholding in the company.			
<b>5.4</b>	Voting rights, board selection, right of first refusal and block voting are in proportion to the shareholding of the shareholders.			

**6 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENTS - Net**

The latest revaluation of property, plant and equipment of the Company was carried out by independent professional values, Unicorn International Surveyors (Approved business values on the panel of Pakistan Bank's Association) ,which resulted in the revaluation surplus of Rs. 1,372,972,411/-and report was issued on September 30, 2019. The Company has incorporated the revaluation adjustments in these financial statements at the year end.

	<u>2020</u>	<u>2019</u>
	<u>.....Rupees.....</u>	
<b>Opening Balance</b>	2,036,855,772	701,578,690
Add: Revaluation during the year	-	1,372,972,411
	<u>2,036,855,772</u>	<u>2,074,551,101</u>
<b>Less: Transferred to equity in respect of:</b>		
Incremental depreciation on revalued Asset	(76,089,562)	(26,763,684)
Related deferred tax liability	(31,078,835)	(10,931,645)
	<u>(107,168,397)</u>	<u>(37,695,329)</u>
Closing Balance - Gross	<u>1,929,687,375</u>	<u>2,036,855,772</u>
<b>Less: Related Deferred tax liability</b>		
Related deferred tax liability on revaluation surplus	585,712,202	199,178,935
Revaluation during the year	-	397,464,912
Effect of change in tax rate	-	-
Amount realized during the year on account of incremental depreciation	(31,078,835)	(10,931,645)
	<u>554,633,367</u>	<u>585,712,202</u>
Closing Balance - net	<u>1,375,054,008</u>	<u>1,451,143,570</u>

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

**7 LONG TERM LOAN FROM RELATED PARTY - UNSECURED**

Subordinated loan from Holding Company	<u>123,416,314</u>	<u>123,416,314</u>
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The loan has been advanced by M/s. Haq Bahu Sugar Mills (Pvt.) Ltd. which carries mark-up @ 3 months KIBOR plus 1% (2019: @ 3 months KIBOR plus 1%) payable half yearly. Since the loan will not be repayable within next twelve months therefore the same has been classified as long term liability. The loan is subordinated to certain short term finance facility obtained by the company and is subject to BOD resolution/approval.

	<u>Notes</u>	<u>2020</u> <u>RUPEES</u>	<u>2019</u> <u>RUPEES</u>
<b>8 LONG TERM LOAN FROM BANK - SECURED</b>			
Mark-up based borrowing from conventional banks (Secured):			
Term Finance			
Summit Bank	8.1	75,000,000	75,000,000
Silk Bank	8.2	3,972,000	5,000,000
		<b>78,972,000</b>	<b>80,000,000</b>
Islamic Mode of Financing (Secured):			
Bank Islami	8.3	271,798,518	271,798,518
		<b>271,798,518</b>	<b>271,798,518</b>
		<b>350,770,518</b>	<b>351,798,518</b>
Less: Current Portion of Long term Loans		(348,798,518)	(347,798,518)
		<b>1,972,000</b>	<b>4,000,000</b>
<b>8.1</b>	The facility has been obtained from Summit Bank Limited amounting to Rs. 75 million. As per the facility sanctioned advice, it carries mark-up @ 3 months KIBOR plus 1% per annum payable quarterly in arrears. The facility is secured against first pari passu charge over present and future fixed assets of the company amounting to Rs. 66.70 million and personal guarantees of all sponsoring directors. The company is in litigation with Summit Bank . Refer note no. 13 and 14.1(c).		
<b>8.2</b>	The facility has been obtained from Silk Bank Limited amounting to Rs. 100 million. As per the facility sanctioned advice, the facility carries no mark-up. The facility is secured against pledge of refined sugar with 10% margin. The Silk Bank limited entered into a restructuring programme in the earlier years. The company is making payments towards this obligation on bi annual basis as per the terms of the agreement.		
<b>8.3</b>	The facility has been obtained from Bank Islami Limited amounting to Rs. 275 million. As per the facility sanctioned advice, it carries mark-up @ 3 months KIBOR with a floor of 5% and cap of 12% per annum payable quarterly in arrears. The facility is secured against ranking charge over current assets of the Company with 25% margin.		
<b>8.4</b>	The company is in advanced stage of negotiations with Bank Islami Limited for rescheduling and restructuring of the loan.		
<b>9 EMPLOYEE BENEFIT OBLIGATIONS</b>			
Balance sheet liability		6,983,042	5,953,240
Expenses chargeable to profit and loss account	<b>9.1</b>	1,425,983	1,399,128
Re-measurements chargeable in other comprehensive income	<b>9.2</b>	(675,616)	(170,326)
Benefits paid		-	(199,000)
		<b>7,733,409</b>	<b>6,983,042</b>
<b>9.1 Amount charged to profit and loss account</b>			
Current service cost		866,855	1,032,281
Interest cost on defined benefit obligation		559,128	366,847
Total amount chargeable to profit and loss account		<b>1,425,983</b>	<b>1,399,128</b>
<b>9.2 Re-measurements chargeable in other comprehensive income</b>			
Remeasurement of plan obligation:			
Actuarial (gains)/losses from changes in financial assumptions		(15,749)	12,175
Experience assumptions		(659,867)	(182,501)
		<b>(675,616)</b>	<b>(170,326)</b>
Total re-measurements chargeable in other comprehensive income			
<b>a) Changes in Present Value of Defined benefit Obligations</b>			
Present value of defined benefit obligation		6,983,042	5,953,240
Current service cost		866,855	1,032,281
Interest cost on defined benefit obligation		559,128	366,847
Benefits paid		-	(199,000)
<b>Remeasurements:</b>			
Actuarial (gains)/losses from changes in financial assumptions		(15,749)	12,175
Experience assumptions		(659,867)	(182,501)
Present value of defined benefit obligation		<b>7,733,409</b>	<b>6,983,042</b>

	<u>Notes</u>	<u>2020</u> <u>RUPEES</u>	<u>2019</u> <u>RUPEES</u>
<b>9.3 Significant actuarial assumptions</b>			
Discount rate used for interest cost in profit and loss account charge		12.50%	10.00%
Discount rate used for year end obligation		9.75%	12.50%
Salary increase used for year end obligation		N/A	N/A
Net salary is increased at		1-Jan-21	1-Jan-20
Mortality rates		2005	2005
Withdrawal rates		Age-Based	Age-Based
Retirement assumption		Age 60	Age 60
<b>9.4 Allocation</b>			
<b>Total retirement benefits costs are included in salaries and benefits and allocated as follows:</b>			
Cost of sales		684,472	671,581
Administrative and general expenses		741,511	727,547
		<b>1,425,983</b>	<b>1,399,128</b>
<b>9.5 Year end sensitivity analysis (± 100 bps) on defined benefit obligation</b>			
Discount rate + 100 BPS		5,080,829	4,357,646
Discount rate - 100 BPS		5,386,338	4,604,354
Salary Increase + 100 BPS		5,390,918	4,608,239
Salary Increase - 100 BPS		5,074,153	4,352,109
The average duration of the defined benefit obligation is 3 years.			
<b>10 DEFERRED TAXATION</b>			
The Liability of Deferred Tax comprises of Temporary differences relating to:			
<b>Taxable Temporary Differences</b>			
Accelerated Tax Depreciation		226,626,155	212,221,664
Revaluation Surplus		554,633,367	585,712,201
		<b>781,259,522</b>	<b>797,933,865</b>
<b>Deductible Temporary Differences</b>			
Retirement Benefit Obligation		(2,242,689)	(2,025,082)
Minimum Tax Available for Carry Forward		(6,092,519)	(5,216,109)
Unused Tax Losses		(668,064,335)	(599,707,329)
		<b>(676,399,543)</b>	<b>(606,948,520)</b>
		<b>104,859,979</b>	<b>190,985,345</b>
Deferred tax asset on minimum tax and business losses has been provided on the basis of expectation of future availability of normal taxable profits in the future against which this deferred tax asset could be utilized.			
<b>10.1 Movement in deferred tax balances is as follows:</b>			
At beginning of the year		<b>190,985,345</b>	-
<b>Recognized in statement of profit or loss:</b>			
Accelerated tax depreciation/amortization		14,404,491	19,275,053
Incremental depreciation		(31,078,835)	(10,931,646)
Minimum tax available for carry forward		(876,410)	381,450,926
Tax credits / Unused tax losses		(68,357,006)	(595,975,258)
Retirement Benefit Obligation		(413,535)	(348,037)
		<b>(86,321,295)</b>	<b>(206,528,962)</b>
<b>Recognized in statement of comprehensive income:</b>			
Comprehensive income		195,928	397,514,307
<b>At end of the year</b>		<b>104,859,978</b>	<b>190,985,345</b>
<b>11 TRADE AND OTHER PAYABLES</b>			
Creditors for goods and services		1,045,320,486	1,073,362,537
Advance from customers	<b>11.1</b>	1,289,531,179	1,305,876,396
Accrued liabilities		14,354,965	15,819,487
Deposits		39,076	39,076
Road cess		2,448,195	2,448,195
Income tax payable		3,969,368	3,850,200
Workers' profit participation fund	<b>11.2</b>	68,563,470	58,827,516
Workers' welfare fund	<b>11.3</b>	5,380,946	4,616,856
Sales tax payable		8,611,365	-
Other liabilities		1,629,594	1,619,874
		<b>2,439,848,644</b>	<b>2,466,460,137</b>



	<u>Notes</u>	<u>2020</u> <u>RUPEES</u>	<u>2019</u> <u>RUPEES</u>
<b>11.1</b>	Advance from customers includes disputed balance amounting Rs. 521,162,495/- with Trading Corporation of Pakistan . For details refer to note 14.1(b).The matter is subjudice with the appellant authority.		
<b>11.2</b>	<b>Workers' profit participation fund</b>		
	Workers' profit participation fund	<u>68,563,470</u>	<u>58,827,516</u>
	No provision has been recognized in the current year due to accounting loss.Furthermore, mark up has been charged including late payment surcharge @ 1 year KIBOR plus 2.5%.		
<b>11.3</b>	<b>Workers' welfare fund</b>		
	Balance Outstanding	<u>5,380,946</u>	<u>4,616,856</u>
	No provision has been recognized in the current year due to taxable losses.Furthermore, mark up has been charged including late payment surcharge @ 1 year KIBOR plus 2.5%.		
<b>12</b>	<b>FINANCE COST PAYABLE</b>		
	Mark-up on Borrowing from Conventional Banks:		
	Long Term Financing	48,985,328	37,358,517
	Short Term Borrowings	40,617,289	33,320,190
		<u>89,602,617</u>	<u>70,678,707</u>
	Islamic Mode of Financing:		
	Long Term Financing	86,080,855	54,847,088
	Short Term Borrowings	54,513,788	53,083,341
		<u>140,594,643</u>	<u>107,930,429</u>
	Other		
	Long Term Financing	125,606,270	110,186,399
		<u>125,606,270</u>	<u>110,186,399</u>
		<u>355,803,530</u>	<u>288,795,535</u>
	<b>12.1</b> The mark-up is payable to Haq Bahu Sugar Mills (Pvt.) Limited, parent of the Company, calculated @ 3 month KIBOR +1%.		
<b>13</b>	<b>SHORT TERM BORROWINGS</b>		
	Mark-up Based Borrowing from Conventional Banks (Secured):		
	Running Finance	47,080,879	47,080,879
	Short Term Finance	8,666,667	8,666,667
		<u>55,747,546</u>	<u>55,747,546</u>
	Other Financing (Unsecured):	18,973,000	18,973,000
		<u>74,720,546</u>	<u>74,720,546</u>
	<b>13.1</b> The facility has been obtained from Summit Bank Limited amounting to Rs. 47.24 million. The facility carries mark-up @ 3 months KIBOR plus 2.5% per annum payable quarterly in arrears. The facility is secured against first hypothecation charge over company stock amounting to Rs. 93.33 million, first pari passu charge over present and future fixed assets of the company amounting to Rs. 34 million and personal guarantees of directors.		
	<b>13.2</b> The facility has been obtained from Summit Bank Limited amounting to Rs. 13 million. The facility carries mark-up @ 3 months KIBOR plus 3% per annum payable quarterly in arrears. The facility is secured against first pari passu charge over all present and future fixed assets of the company amounting to Rs. 96.67 million, post dated cheques as per repayment schedule and personal guarantees of directors.		
	<b>13.3</b> This loan is interest free,unsecured and repayable on demand.		
<b>14</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
	<b>14.1 Contingencies</b>		
	a) The Company received advances from Trading Corporation of Pakistan (TCP) under four different sugar supply agreements. The Company contends that this amount is not due as the buyer did not fulfil its performance obligations. As a prudent policy, adjustments would be made on finalization of the dispute. The company is of the view that Trading Corporation of Pakistan has made numerous breaches of the agreements causing enormous losses to the Company and has filed a civil suit in court of Honourable Civil Judge, Lahore praying to refer the dispute for arbitration under the terms of the agreements. The matter is pending arguments before the Court .		
	b) During the previous years, the TCP filed a complaint with National Accountability Bureau (NAB), Sindh for recovery of the amount advanced by it as referred in preceding paragraph. Total amount claimed by TCP is Rs. 1,311.528 million being principal amount of Rs. 570.913 million plus Rs. 740.615 million being penalty, mark-up and other incidental charges. The matter is pending with NAB for disposal and the management expects that outcome will be in its favour, the penalty, mark-up and other incidental charges of Rs. 740.615 million would not be payable, hence no provision has been made in these financial statements. During the previous years TCP has encashed Margin on Guarantee deposited by the company with the banks and therefore the principal amount claimed has been reduced to Rs. 521.165 million.		

- |    | <u>Notes</u>   | <u>2020<br/>RUPEES</u> | <u>2019<br/>RUPEES</u> |
|----|--|------------------------|------------------------|
| c) | The Summit Bank Limited has filed a recovery suit for Rs. 146.172,551/- against the company and others. The company has filed its leave application in the said suit and arguments on the same were concluded on September 2019, and judgment on the same has been reserved.   |                        |                        |
| d) | The Company had deposited an amount of Rs. 20.832 million of excise duty in 1991-92 under protest with Collector of Custom and Central Excise, Hyderabad on account of rebate of excise duty earlier claimed as per the incentive given by the government. The Honourable High Court of Sindh has decided the case in favour of Collector of Customs. The company has filed an appeal in Supreme Court of Pakistan which is pending for hearing. The management of the company expects favourable outcome. |                        |                        |
| e) | The company is in advance stage of negotiations with Bank Islami Limited for rescheduling and restructuring of the loan. However on provisional basis mark up has been provided.   |                        |                        |

**14.2 Commitments**

The company has no commitments at the year end.

**15 PROPERTY, PLANT AND EQUIPMENTS**

Operating Fixed Assets	<b>15.1</b>	3,481,967,369	3,672,482,743
Capital Work in Progress - At Cost	<b>15.2</b>	60,687,608	60,687,608
		<u><b>3,542,654,977</b></u>	<u><b>3,733,170,351</b></u>

**15 PROPERTY, PLANT & EQUIPMENT**

Particulars	Land free hold	Experimental land	Building on free hold land:		Plant and machinery	Electric installations	Tools and equipment	Telephone installation	Electric equipment	Furniture and fixture	Office equipment	Arms and ammunition	Tents and tarpaulins	Computers	Vehicles	Scales and weighbridges	Total
			- Factory	- Non factory													
As at October 01, 2018																	
Cost	8,278,125	10,500,000	222,805,263	90,849,466	3,119,376,125	12,529,128	3,526,377	1,030,151	7,223,203	7,691,189	4,439,008	453,677	3,210,660	3,244,163	11,986,565	14,000	3,507,157,100
Accumulated depreciation	-	-	145,316,571	66,463,659	824,808,485	11,854,886	2,889,874	937,867	5,760,900	6,508,273	2,430,763	378,019	1,675,472	2,342,318	10,196,124	9,120	1,081,574,331
Book value	8,278,125	10,500,000	77,488,692	24,385,807	2,294,567,640	674,242	636,503	92,284	1,462,303	1,182,916	2,008,245	75,658	1,535,188	901,845	1,788,441	4,880	2,425,582,769
Year ended September 30, 2019:																	
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation Surplus	1,059,666	1,344,084	48,144,998	15,151,303	1,307,272,360	-	-	-	-	26,040	-	-	-	37,100	-	-	63,140
Disposal:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,372,972,411
-cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year																	
Book value	9,337,791	11,844,084	117,884,821	37,098,529	3,487,111,618	606,818	572,853	83,056	1,316,073	1,088,166	1,807,420	68,092	1,381,669	846,608	1,430,753	4,392	3,672,482,743
Year ended September 30, 2020:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	492,500
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year																	
Book value	9,337,791	11,844,084	106,096,339	33,388,676	3,312,756,037	546,136	515,568	74,750	1,184,466	979,349	1,626,678	61,283	1,243,502	761,947	1,546,810	3,953	3,481,967,369
As at September 30, 2019																	
Cost	9,337,791	11,844,084	270,950,261	106,000,769	4,426,648,485	12,529,128	3,526,377	1,030,151	7,223,203	7,717,229	4,439,008	453,677	3,210,660	3,281,263	11,986,565	14,000	4,880,192,651
Accumulated depreciation	-	-	153,065,440	68,902,240	939,536,867	11,922,310	2,953,524	947,095	5,907,130	6,629,663	2,631,588	385,585	1,828,991	2,434,655	10,555,812	9,608	1,207,709,988
Book value	9,337,791	11,844,084	117,884,821	37,098,529	3,487,111,618	606,818	572,853	83,056	1,316,073	1,088,166	1,807,420	68,092	1,381,669	846,608	1,430,753	4,392	3,672,482,743
As at September 30, 2020																	
Cost	-	-	164,853,922	72,612,093	1,113,892,448	11,982,992	3,010,809	955,401	6,038,737	6,737,880	2,812,330	392,394	1,967,158	2,519,316	10,932,255	10,047	4,880,685,151
Accumulated depreciation	-	-	106,096,339	33,388,676	3,312,756,037	546,136	515,568	74,750	1,184,466	979,349	1,626,678	61,283	1,243,502	761,947	1,546,810	3,953	3,481,967,369
Book value	9,337,791	11,844,084	106,096,339	33,388,676	3,312,756,037	546,136	515,568	74,750	1,184,466	979,349	1,626,678	61,283	1,243,502	761,947	1,546,810	3,953	3,481,967,369
Depreciation rate (%)			10	10	5	10	10	10	10	10	10	10	10	10	20	20	10

15.1 Depreciation for the period has been allocated as under:-

	2020	2019
Cost of goods manufactured	Rupees 186,400,656	Rupees 122,762,333
Administrative expenses	4,607,238	3,373,244
	<b>191,007,874</b>	<b>126,135,577</b>

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

Description	Carrying Value as at 30-09-2020		Carrying Value as at 30-09-2019	
	Inclusive of surplus	Exclusive of surplus	Inclusive of surplus	Exclusive of surplus
Property, Plant & Equipment	3,481,967,369	1,929,687,375	3,072,482,743	1,635,626,971
	<b>3,481,967,369</b>	<b>1,929,687,375</b>	<b>3,072,482,743</b>	<b>1,635,626,971</b>

15.2 The latest revaluation of property, plant and equipment of the Company was carried out by independent professional valuers, Unicorn International Surveyors (Approved business valuers on the panel of Pakistan Bank's Association), which resulted in the revaluation surplus of Rs. 1,372,972,411/-.

**Fair value & forced sale value of the related assets are given below:**

	Fair Value of the assets	Forced sale value of the assets
Land	21,181,875	18,089,594
Building	165,170,800	140,395,180
Plant & Machinery	3,601,840,000	2,881,477,000
<b>Total</b>	<b>3,788,192,675</b>	<b>3,039,956,774</b>



	<u>Notes</u>	<u>2020 RUPEES</u>	<u>2019 RUPEES</u>
<b>15.2 Capital work in progress - At cost</b>			
Opening balance		60,687,608	54,272,420
Add: Additions during the year		-	6,415,188
Less: Transfer to property, plant and Equipments		-	-
	<b>15.2.1</b>	<b>60,687,608</b>	<b>60,687,608</b>
<b>15.2.1 Breakup is as follows</b>			
Plant and machinery		56,549,451	56,549,451
Civil works		4,138,157	4,138,157
		<b>60,687,608</b>	<b>60,687,608</b>
The management carried out an impairment review at the year end as per IAS 36 and is of the view that there is no impairment that needs to be accounted for in the financial statements relating to capital work in progress.			
<b>16 LONG TERM DEPOSITS</b>			
Long Term Deposits (Interest free and unsecured)		<b>1,826,165</b>	<b>1,826,165</b>
<b>17 STOCK IN TRADE</b>			
Work in process	<b>17.1</b>	150,911,486	150,911,486
Finished goods		-	51,270,000
		<b>150,911,486</b>	<b>202,181,486</b>
17.1 The company has not carried out any production activity during the year. Work in process is carried out at lower of cost or NRV.			
<b>18 ADVANCES, DEPOSITS AND PREPAYMENTS</b>			
Advances - Unsecured, considered good			
Growers		36,416,314	50,132,677
Contractors		4,256,625	4,257,625
Suppliers		23,400,104	21,795,104
Employees		866,592	1,072,732
For expenses		7,517,890	6,032,623
Export rebate receivable	<b>18.1</b>	15,815,000	15,815,000
		<b>88,272,525</b>	<b>99,105,761</b>
Deposits:			
Excise duty		20,831,910	20,831,910
Sales tax receivable		-	503,293
		<b>109,104,435</b>	<b>120,440,964</b>
Provision against excise duty deposit		(20,831,910)	(20,831,910)
		<b>88,272,525</b>	<b>99,609,054</b>
18.1 The management conferred that since the claim still holds good against the relevant authority and the authority has not rejected the claim till to date, therefore no provision/impairment is required. Also see note no. 29 a.			
<b>19 CASH AND BANK BALANCES</b>			
Cash in Hand		799,243	2,509,864
Cash at Banks			
-Current Accounts		620,517	2,462,729
-Saving Accounts		101,071	101,071
		<b>1,520,831</b>	<b>5,073,665</b>
<b>20 SALES - NET</b>			
Gross local sales			
Sugar		68,360,000	153,486,900
Molasses		-	15,138,489
<b>Total gross sales</b>		<b>68,360,000</b>	<b>168,625,389</b>
Less Sales tax		(9,932,650)	(15,515,389)
<b>Sales - Net</b>		<b>58,427,350</b>	<b>153,110,000</b>

	<u>Notes</u>	<u>2020</u> <u>RUPEES</u>	<u>2019</u> <u>RUPEES</u>
<b>21 COST OF SALES</b>			
Cost of sugar cane		1,201,503	116,138,146
Stores and spares consumed		341,408	16,456,791
Oil and lubricants consumed		-	2,653,097
Packing material consumed		-	810,200
Chemical consumed		-	2,569,739
Salaries, wages and benefits	<b>21.1</b>	14,718,648	60,655,944
Water, fuel and power		2,502,111	12,194,850
Vehicle running and maintenance		1,368,778	2,682,535
Freight, handling and octroi		94,282	3,176,534
Depreciation	<b>15.1.4</b>	186,400,636	122,762,333
Others		2,929,779	5,839,613
		<b>209,557,144</b>	<b>345,939,781</b>
Add: Opening WIP		150,911,486	99,253,276
Less: Closing WIP		(150,911,486)	(150,911,486)
<b>Cost of Goods Manufactured</b>		<b>209,557,144</b>	<b>294,281,571</b>
Add: Opening Finished Goods		51,270,000	84,360,000
Less: Closing Finished Goods		-	(51,270,000)
		<b>260,827,144</b>	<b>327,371,571</b>
<b>21.1</b>	It also includes an amount relating to staff retirement benefit.		
<b>22 DISTRIBUTION EXPENSES</b>			
Stacking and re-stacking charges		-	928,400
		<b>-</b>	<b>928,400</b>
<b>23 ADMINISTRATIVE AND GENERAL EXPENSES</b>			
Salaries, wages and other benefits	<b>23.1</b>	1,500,000	1,800,000
Fees, subscription and renewals		1,860,884	5,907,804
Vehicle running and maintenance		586,620	1,149,659
Legal and professional charges		103,000	5,550
Printing and stationery		51,000	214,025
Travelling, conveyance and entertainment		2,294,232	2,997,595
Rent, rates and taxes		288,565	631,320
Auditor's remuneration	<b>23.2</b>	950,000	1,650,000
Depreciation	<b>15.1.4</b>	4,607,238	3,373,244
Miscellaneous		1,878,247	2,723,838
Entertainment		345,600	183,232
		<b>14,465,386</b>	<b>20,636,267</b>
<b>23.1</b>	It also includes an amount relating to staff retirement benefit.		
<b>23.2 Auditors' remuneration</b>			
Annual audit fee		800,000	1,430,000
Review of code of corporate governance		75,000	110,000
Half yearly review		75,000	110,000
		<b>950,000</b>	<b>1,650,000</b>
<b>24 FINANCE COST</b>			
Mark up on subordinated sponsors' loan-Haq bahu		15,419,871	13,653,216
Mark up on long term loan		42,860,578	40,079,944
Mark up on short term borrowings		8,727,546	8,382,423
Mark up on WPPF and WWF		10,500,044	-
Bank charges and commission		369,753	695,487
		<b>77,877,791</b>	<b>62,811,071</b>

	<u>Notes</u>	<u>2020 RUPEES</u>	<u>2019 RUPEES</u>
<b>25 TAXATION</b>			
Current Year Provision		876,410	1,913,875
Deferred Taxation			
Relating to Origination and Reversal of Temporary Differences		(86,321,294)	(206,528,958)
Relating to Rate Change		-	-
		<b>(86,321,294)</b>	<b>(206,528,958)</b>
		<b>(85,444,884)</b>	<b>(204,615,083)</b>
<b>25.1 Relationship between tax expense and accounting profit</b>			
Accounting loss for the year		(294,742,971)	(258,637,309)
Applicable tax rate		29%	29%
Tax on accounting loss		(85,475,462)	(75,004,820)
Tax effect of expenses that are not deductible in determining taxable profit		55,805,819	36,985,064
Tax effect of expenses that are deductible in determining taxable profit		(38,696,517)	(45,532,138)
Adjustment of brought forward losses		(599,698,175)	(516,155,436)
Tax refundable under normal rules		<b>(668,064,335)</b>	<b>(599,707,329)</b>
Tax payable under normal rules		<b>NIL</b>	<b>NIL</b>
Minimum tax liability U/s. 113 ( 2019: U/s 113 - C)		<b>(6,092,519)</b>	<b>(5,216,109)</b>
<b>26 LOSS PER SHARE - Basic and diluted</b>			
Loss after taxation for the year attributable to ordinary shareholders		(209,298,087)	(54,022,226)
		<b>NUMBER OF SHARES</b>	
Weighted average number of ordinary shares outstanding during the year		79,261,666	79,261,666
Loss Per share		<b>(2.64)</b>	<b>(0.68)</b>

**26.1 Diluted Earning per Share**

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

**27 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

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

	Chief Executive		Directors		Executives	
	2020	2019	2020	2019	2020	2019
Management Remuneration	-	-	300,000	300,000	1,200,060	3,619,560
Perquisites	-	-	-	-	-	-
	<b>-</b>	<b>-</b>	<b>300,000</b>	<b>300,000</b>	<b>1,200,060</b>	<b>3,619,560</b>
Number of Persons	-	-	1	1	2	2

**28 TRANSACTION WITH RELATED PARTIES**

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

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

<b>Name of related party</b>	<b>Relationship with the Company</b>	<b>Nature of Transactions</b>	<b>2020 RUPEES</b>	<b>2019 RUPEES</b>
Haq Bahu Sugar Mills Private Limited	Holding company	Mark-up accrued	15,419,871	13,653,216
Key management personnel		Purchase of baggas	733,941	4,200,000
			210,000	930,763



**29 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**
**Notes**
**2020**  
**RUPEES**
**2019**  
**RUPEES**

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

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

**a) Credit Risk**

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

**Financial Assets**

Long term deposits	1,826,165	1,826,165
Advances, deposits and prepayments	88,272,525	99,609,054
Taxes Recoverable	4,088,652	5,895,003
Cash & Bank Balances	1,520,831	5,073,665
	<b>95,708,173</b>	<b>112,403,886</b>

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

Name of Bank	Rating Agency	Long Term	Short Term
Silk Bank Limited	JCR-VIS	A-	A-2
Bank Islami Pakistan Limited	PACRA	A+	A-1
Summit Bank Limited	JCR-VIS	BBB-	A-3
Sindh Bank Limited	JCR-VIS	A+	A-1

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

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

Trade Debtors	91-180 Days	181-365 Days	More than 365 Days	Total
Bal. as at 30-09-2020	-	-	-	-
Loss Allowance	-	-	-	-
Bal. as at 30-09-2019	-	-	-	-
Loss Allowance	-	-	-	-

All Receivables are considered Goods. ECL on trade receivables is calculated using simplified approach. The company has mp receivables outstanding at the year end.

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

Gross carrying amount	94,187,342	107,330,222
Loss Allowance	-	-

**Notes**

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

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

**b) Liquidity Risk**

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

	2020			
	Carrying Amount	Contractual Cash Flows	One Year or Less	One Year to Two Years
<b>Non Derivative Financial Liabilities</b>				
Long term loan from related party - unsecured	123,416,314	123,416,314	-	123,416,314
Long term loan from bank - secured	350,770,518	350,770,518	-	350,770,518
Short term borrowings - secured	74,720,546	74,720,546	74,720,546	-
Finance cost payable	355,803,530	355,803,530	355,803,530	-
Trade and other payables	2,439,848,644	2,439,848,644	2,439,848,644	-
	<b>3,344,559,552</b>	<b>3,344,559,552</b>	<b>2,870,372,720</b>	<b>474,186,832</b>
	2019			
	Carrying Amount	Contractual Cash Flows	One Year or Less	One Year to Two Years
<b>Non Derivative Financial Liabilities</b>				
Long term loan from related party - unsecured	123,416,314	123,416,314	-	123,416,314
Long term loan from bank - secured	351,798,518	351,798,518	-	351,798,518
Short term borrowings - secured	74,720,546	74,720,546	74,720,546	-
Finance cost payable	288,795,535	288,795,535	288,795,535	-
Trade and other payables	2,466,460,137	2,466,460,137	2,466,460,137	-
	<b>3,305,191,050</b>	<b>3,305,191,050</b>	<b>2,829,976,218</b>	<b>475,214,832</b>

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

**c) Market Risk**

**(i) Interest Rate Risk**

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

Variable rate instruments at carrying amounts:

**Financial liabilities**

Long term loan from related party - unsecured	123,416,314	123,416,314
Long term loan from bank - secured	350,770,518	351,798,518
Short term borrowings - secured	74,720,546	74,720,546
	<b>548,907,378</b>	<b>549,935,378</b>

**Interest bearing financial assets:**

Bank Balances In Deposit / Saving Accounts	101,071	101,071
	<b>101,071</b>	<b>101,071</b>

**Fair value sensitivity analysis for fixed rate instruments:**

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

**Cash flow sensitivity analysis for variable rate instruments:**

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



	<u>Notes</u>	<u>2020</u> <u>RUPEES</u>	<u>2019</u> <u>RUPEES</u>
Effect on loss / profit due to change of 100 BPs			
Increase		<u>5,489,074</u>	<u>5,499,354</u>
Decrease		<u>(5,489,074)</u>	<u>(5,499,354)</u>

**(ii) Equity Price Risk**

Equity price risk is the risk of volatility in share prices resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. As of the balance sheet date, the Company is not exposed to any such risk.

**(iii) Foreign Currency Risk**

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

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

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

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

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

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

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

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

	<b>LIABILITIES</b>		
	<b>Accrued Markup</b>	<b>Long term Loans</b>	<b>Short term borrowings</b>
<b>Balance as at October 01, 2019</b>	<b>288,795,535</b>	<b>475,214,832</b>	<b>74,720,546</b>
Changes from financing activities			
Finances (repaid)/obtained	-	(1,000,000)	-
Mark-up accrued	67,377,748	-	-
Mark-up repaid	(369,753)	-	-
<b>Balance as at September 30, 2020</b>	<b>355,803,530</b>	<b>474,214,832</b>	<b>74,720,546</b>
Balance as at October 01, 2018	226,679,952	476,214,832	74,720,546
Changes from financing activities			
Finances (repaid)/obtained	-	(1,000,000)	-
Mark-up accrued	62,811,071	-	-
Mark-up repaid	(695,488)	-	-
<b>Balance as at September 30, 2019</b>	<b>288,795,535</b>	<b>475,214,832</b>	<b>74,720,546</b>

**29.2** The company has no investment in listed securities.

**30 CAPITAL MANAGEMENT**

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

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

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



	<u>Notes</u>	<u>2020</u> <u>RUPEES</u>	<u>2019</u> <u>RUPEES</u>
The Company monitors capital on the basis of the gearing ratio. The ratio is calculated as under:			
Long term loan from related party - unsecured		123,416,314	123,416,314
Long term loan from bank - secured		350,770,518	351,798,518
Short Term Borrowings		74,720,546	74,720,546
Less: Cash and Cash Equivalents		1,520,831	5,073,665
<b>Net Debt</b>		<b>547,386,547</b>	<b>544,861,713</b>
Net Equity		<b>368,032,787</b>	<b>576,851,187</b>
Total capital employed		<b>915,419,334</b>	<b>1,121,712,900</b>
<b>Gearing Ratio</b>		<b>60%</b>	<b>49%</b>

### 31 NUMBER OF EMPLOYEES

The total average number of employees during the year and as at September 30, 2020 and 2019 respectively are as follows:

	<u>2020</u>	<u>2019</u>
Average number of employees during the year	<b>33</b>	<b>103</b>
Number of employees as at year end	<b>36</b>	<b>51</b>

### 32 CAPACITY AND PRODUCTION

Year	No. of Days Mill Operated	Crushing Capacity (M.Tons)/Day	Total Crushing Capacity (M.Tons)	Sugar Production (M.Tons)	Actual Crushing (M.Tons)
2020	-	5,500	-	-	-
2019	38	5,500	209,000	1,755	24,778

### 33 CORRESPONDING FIGURES

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

Description	Reclassified from	Reclassified to	<u>2019</u> <u>Rs.</u>	Total
<b>Advances, Deposits And Prepayments</b>	Creditors for goods and services	Advance to growers	11,986,896	11,986,896
		Advance to suppliers	1,783,726	1,783,726
		Advance to contractor	1,860,566	2,865,368
<b>Advances, Deposits And Prepayments</b>	Advance from customers	Advance to contractor	342,000	-
<b>Advances, Deposits And Prepayments</b>	Other liabilities	Advance to contractor	662,802	-
<b>Advances, Deposits And Prepayments</b>	Other liabilities	Advance for expenses	538,232	538,232

### 34 AUTHORIZATION DATE

These financial statements have been authorized for issue on February 04, 2021 by the Board of Directors of the Company.

### 35 GENERAL

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

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

**DIRECTOR**

**DIRECTOR**

**CHIEF FINANCIAL OFFICER**

(Note: Due to the death of Chief Executive Officer the report is signed by two directors)



## PROXY FORM

[Section 137 of the Companies Act, 2017]

### ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED

#### 37<sup>TH</sup> ANNUAL GENERAL MEETING

**Company Secretary,**

Abdullah Shah Ghazi Sugar Mills Limited,  
7/10, A-2 Arkay Square, Shahrah-e-Liaqat, New Challi,  
Karachi

I / We \_\_\_\_\_ s/o \_\_\_\_\_ r/o \_\_\_\_\_ being a member of **Abdullah Shah Ghazi Sugar Mills Limited** and holder of \_\_\_\_\_ ordinary shares as per registered Folio / CDC Participant ID #. \_\_\_\_\_ and CDC Sub Account # / CDC Investor Account ID # \_\_\_\_\_ hereby appoint Mr. \_\_\_\_\_ s/o \_\_\_\_\_ r/o \_\_\_\_\_ having registered Folio / CDC Participant ID #. \_\_\_\_\_ and CDC Sub Account # / CDC Investor Account ID # \_\_\_\_\_ as my/our proxy to attend and vote on my/our behalf at the 37<sup>th</sup> Annual General Meeting of the Company to be held at 9:00 a.m. on 25 February, 2021 at \_\_\_\_\_ or at any adjournment thereof.

Affix Rs. 5/-  
Revenue Stamp

\_\_\_\_\_  
**Signature of Member**

(Signature should agree with the specimen  
Registered with the Company).

Dated this \_\_\_\_\_ day of February, 2021

**Witnesses:**

**1** Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

CNIC or Passport # \_\_\_\_\_

**2** Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

CNIC or Passport # \_\_\_\_\_

**Important notes:**

1. No person shall act as proxy unless he himself is member of the Company, except that a corporate entity may appoint a person who is not a member. Non-natural members must furnish board resolution / power of attorney with specimen signatures of proxy along with the proxy form.
2. Attested copies of the CNIC or the Passport of the member and the proxy shall be furnished with the proxy form. The proxy shall produce original CNIC or original passport at the time of the meeting.
3. Proxies in order to be effective must be received by the Company at its Registered Office not less than forty-eight (48) hours before the time for holding the meeting.
4. CDC Shareholders and their proxies are each requested to attach an attested photocopy of their Computerized National Identity Card (CNIC) or Passport with the proxy form before submission to the Company (Original CNIC / Passport is required to be produced at the time of the meeting).
5. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted (unless it has been provided earlier) along with proxy form to the Company.



پراکسی فارم

[کمپنیز ایکٹ، 2017 کی دفعہ 137]

عبداللہ شاہ غازی شوگر ملز لمیٹڈ

37 واں سالانہ اجلاس عام

کمپنی سیکریٹری،

عبداللہ شاہ غازی شوگر ملز لمیٹڈ،

7/10، 2-A کے اسکوائر، شاہراہ لیاقت، نیو چالی،

کراچی۔

میں / ہم \_\_\_\_\_ ولدیت \_\_\_\_\_ ساکن \_\_\_\_\_ عبداللہ شاہ غازی شوگر ملز لمیٹڈ کارکن اور رجسٹرڈ فوئیو / سی ڈی سی کے شراکتی ID # کے مطابق \_\_\_\_\_ عام حصص کا حامل ہوں۔ اور سی ڈی سی سب اکاؤنٹ # / سی ڈی سی انویسٹر اکاؤنٹ کی شناخت # بذریعہ ہذا \_\_\_\_\_ مسٹر \_\_\_\_\_ ولدیت \_\_\_\_\_ ساکن \_\_\_\_\_ رجسٹرڈ فوئیو / سی ڈی سی شراکتی ID # \_\_\_\_\_ اور CDC سب اکاؤنٹ # / CDC انویسٹر اکاؤنٹ ID # \_\_\_\_\_ کمپنی کے 37 ویں سالانہ اجلاس عام مورخہ 25 فروری 2021 کو صبح 9 بجے منعقد یا ملتوی ہونے والے میں رائے دہندگی کیلئے اپنا / ہمارا نمائندہ مقرر کرتا / کرتے ہیں۔

برائے کرم پانچ روپے

مالیت کے ریونیو ٹکٹ

چسپاں کریں۔

دستخط برائے ممبر / ممبران

(دستخط کمپنی میں درج نمونہ دستخط کے مطابق ہونے چاہئے)

دستخط شدہ بتاریخ \_\_\_\_\_ بروز \_\_\_\_\_ 2021

گواہان:

1	دستخط _____	2	دستخط _____
	نام _____		نام _____
	پتہ _____		پتہ _____
	کمپیوٹر انڈسٹری کارڈ یا پاسپورٹ نمبر _____		کمپیوٹر انڈسٹری کارڈ یا پاسپورٹ نمبر _____

اہم نوٹ:

1. کوئی شخص اس وقت تک پراکسی کے طور پر کام نہیں کرے گا جب تک کہ وہ خود کمپنی کا ممبر نہ ہو، سوائے اس کے کہ ایک کارپوریٹ ادارہ کسی ایسے شخص کی تقرری کر سکتا ہے جو ممبر نہیں ہے۔ غیر فطری ممبروں کو پراکسی فارم کے ساتھ، بورڈ پر ریویویشن / پاور آف انارڈی کے ساتھ پراکسی کے نمونوں کے دستخطوں کے ساتھ پیش کرنا ضروری ہے۔
2. ممبر کی سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں، پراکسی فارم کے ساتھ پیش کی جائے گی۔ پراکسی اجلاس کے وقت اصل CNIC یا اصل پاسپورٹ ہمراہ لائے گا۔
3. ہر لحاظ سے مکمل اور دستخط شدہ فارم مینٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کو اس کے رجسٹرڈ آفس میں وصول ہونا چاہئے۔
4. سی ڈی سی شیئر ہولڈرز اور ان کی پراکسی ہر ایک سے درخواست کی جاتی ہے کہ وہ اپنے کمپیوٹر انڈسٹری کارڈ (CNIC) کی تصدیق شدہ فوٹوکاپی کو کمپنی میں جمع کروانے سے پہلے پراکسی فارم کے ساتھ منسلک کریں (اصل / CNIC پاسپورٹ مینٹنگ کے وقت دکھانا ضروری ہے)
5. کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف انارڈی مع دستخط کے نمونے (اگر یہ پہلے فراہم نہ کیا گیا ہو) کارپوریٹ ادارے کی جانب سے نمائندگی اور ووٹ ڈالنے کے لئے نامزد کردہ شخص کی جانب سے پنی میں پراکسی فارم کے ساتھ جمع کرانا ہوگی۔



# **37<sup>th</sup> Annual Report**

## **2019-2020**