

2nd
Quarter

Condensed Interim Financial Statements

For the quarter ended 31 March 2021 (Un-audited)

Abdullah Shah Ghazi Sugar Mills Limited

2nd Quarter



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CORPORATE INFORMATION

Board of Directors

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

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-Liaqa, New Challil, Karachi

Mills

Abdullah Shah Ghaziabad, Garho,
District Thatta, Sindh

Bankers

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

Web Presence:

www.asgsml.com

DIRECTOR'S REVIEW

Dear Members,

Assalam-o-Alaikum,

Directors are pleased to present half yearly accounts of the Company duly reviewed by the Company's auditors along with brief resume of the Company's activities during the period ended March 31, 2021.

Finance Results:

The finance result upto March 31, 2021 can be summarized as below:-

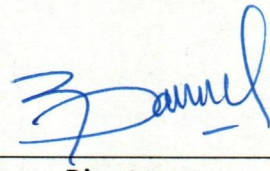
Particular	2021 6 Month Rupees	2020 Rupees
Net sales	-	58,427,350
Gross Loss	(105,385,435)	(202,399,794)
Net Loss after tax	(101,942,094)	(209,298,087)

The Financial Year 2020-21 again 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 economics. All businesses sector are facing different issues with a certain degree of losses. Due to scarcity of sugar cane in surrounding areas of mills and current liquidity crunch resulting from persistent losses. The company is striving hard to be fully operational in next financial year subject to the availability of sugar cane.

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



Director



Director

Lahore: May 29, 2021

ڈائریکٹرز کا جائزہ

محترم ممبران،

السلام وعلیکم،

ڈائریکٹرز 31 مارچ 2021 کو ختم ہونے والی مدت کے دوران کمپنی کے نصف سالانہ اکاؤنٹس پیش کرتے ہیں جو کہ کمپنی کے آڈیٹرز کے ذریعہ جائزہ شدہ ہے۔

مالی نتائج:

31 مارچ 2021 تک کے مالی اعانت کا خلاصہ درج ذیل ہے:-

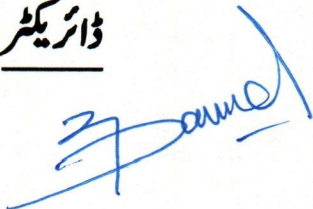
مندرجات	2021 (6 مہینے) رقم	2020 رقم
خالص فروخت	0	58,427,350
مجموعی نقصان	(105,385,435)	(202,399,794)
خالص نقصان	(101,942,094)	(209,298,087)

مالی سال 2020-21 ایک بار پھر معاشی ماحول کو چیلنج کرنے والا ثابت ہوا کیوں کہ Novel کورونا وائرس (SARS-CoV-2) جسکو COVID-19 بھی کہا جاتا ہے کے پھیلاؤ نے قومی اور عالمی معیشت کو بری طرح متاثر کیا ہے۔ تمام کاروباری شعبے کو نقصان کی ایک خاص حد کے ساتھ مختلف مسائل کا سامنا ہے۔ ملز کے آس پاس کے علاقوں میں گنے کی قلت اور لیکویڈیٹی بحران کی وجہ سے مستقل نقصان ہو رہے ہیں۔ گنے کی دستیابی سے مشروط کمپنی اگلے مالی سال میں مکمل طور پر چلنے کے لئے پوری کوشش کر رہی ہے۔

بورڈ چاہے گا کہ کمپنی کے تمام ملازمین کی لگن اور محنت کے لئے ان کی تعریف کو ریکارڈ پر رکھا جائے۔

لاہور: 29 مئی 2021

ڈائریکٹر



ڈائریکٹر





AUDITOR'S REPORT TO THE MEMBERS

ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Abdullah Shah Ghazi Sugar Mills Limited ("the Company") as at 31 March 2021 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the financial statements for the six months period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Material Uncertainty relating to Going Concern

Without qualifying our conclusion, we draw attention of the members to note 3 to the interim condensed financial information which indicates that the company has prepared its financial statements on the basis of going concern assumption. The company has sustained a net loss after taxation of Rs. 101,942,094 and as of that date it has accumulated losses of Rs.1,865,656,949 (Sep 2020: Rs.1,799,637,881) and its current liabilities exceeded its current assets by Rs. 2,992,270,396 (Sep 2020: Rs. 2,938,466,653). These conditions indicate that the material uncertainty exist, which may cast significant doubts on the company's ability to continue as a going concern and therefore the company may not be able to realize its assets and discharge its liabilities in the normal course of business. The company has appropriately disclosed this matter in the relevant note and provided technically feasible plans and cash flows forecast to cater to any adversity.

Other Matter Paragraph

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

Conclusion

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



SARWARS
CHARTERED ACCOUNTANTS

Engagement Partner: Rashid Sarwar (FCA)

Date: May 29, 2021

Place: Lahore

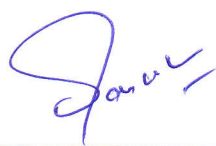
ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2021

	Note	Unaudited 31-Mar-21 Rupees	Audited 30-Sep-20 Rupees
<u>EQUITY AND LIABILITIES</u>			
<u>SHARE CAPITAL AND RESERVES</u>			
Authorized share capital		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital		792,616,660	792,616,660
Surplus on revaluation of property, plant and equipment		1,339,130,982	1,375,054,008
Accumulated loss		(1,865,656,949)	(1,799,637,881)
		266,090,693	368,032,787
<u>NON-CURRENT LIABILITIES</u>			
Long term loans from related party - unsecured	7	123,416,314	123,416,314
Long term loan from bank - secured	8	1,472,000	1,972,000
Employee benefit obligations		7,571,550	7,733,409
Deferred tax liability	9	63,362,473	104,859,979
		195,822,337	237,981,702
<u>CURRENT LIABILITIES</u>			
Trade and other payables	10	2,477,501,484	2,439,848,644
Finance cost payable	11	377,624,006	355,803,530
Short term borrowings - secured	12	74,720,546	74,720,546
Current portion of long term loan from bank		348,798,518	348,798,518
Current tax liability		-	876,410
		3,278,644,554	3,220,047,648
<u>CONTINGENCIES AND COMMITMENTS</u>			
	13	-	-
TOTAL EQUITY AND LIABILITIES		3,740,557,584	3,826,062,137
<u>ASSETS</u>			
<u>NON-CURRENT ASSETS</u>			
Property, plant and equipment	14	3,452,357,261	3,542,654,977
Long term deposits		1,826,165	1,826,165
<u>CURRENT ASSETS</u>			
Stock in trade	15	150,911,486	150,911,486
Stores and spares		36,787,501	36,787,501
Advances, deposits and prepayments	16	93,275,253	88,272,525
Advance income tax - net		3,278,059	4,088,652
Cash and bank balances	17	2,121,859	1,520,831
		286,374,158	281,580,995
TOTAL ASSETS		3,740,557,584	3,826,062,137

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


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021

	Note	Six Months Period Ended		Quarter Ended	
		31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
		Rupees	Rupees	Rupees	Rupees
Sales - net	18	-	-	-	-
Cost of sales	19	105,385,435	187,365,011	52,417,079	(15,747,435)
Gross (loss) / profit		(105,385,435)	(187,365,011)	(52,417,079)	15,747,435
Administrative and general expenses		16,215,727	9,167,918	10,112,928	4,974,384
Distribution expenses		-	-	-	-
		16,215,727	9,167,918	10,112,928	4,974,384
Operating (loss) / profit		(121,601,162)	(196,532,929)	(62,530,007)	10,773,051
Other income		-	-	-	-
Finance cost		21,838,439	25,446,248	8,058,486	6,699,982
Loss before tax		(143,439,601)	(221,979,177)	(70,588,493)	4,073,069
Taxation	20	(41,497,507)	(25,180,544)	(21,993,560)	8,181,551
(Loss) / profit after tax		(101,942,094)	(196,798,633)	(48,594,933)	(4,108,482)
(Loss) / earnings per share		(1.29)	(2.48)	(0.61)	(0.05)

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



[Signature]

DIRECTOR

[Signature]

DIRECTOR

[Signature]

CHIEF FINANCIAL OFFICER

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021

	Six Months Period Ended		Quarter Ended	
	31-Mar-21 Rupees	31-Mar-20 Rupees	31-Mar-21 Rupees	31-Mar-20 Rupees
(Loss) / profit for the period	(101,942,094)	(196,798,633)	(48,594,933)	(4,108,482)
Other comprehensive income				
Remeasurement of retirement benefit obligation	-	-	-	-
Deferred tax on remeasurement of retirement benefit obligation	-	-	-	-
Total comprehensive (loss) / income for the period	(101,942,094)	(196,798,633)	(48,594,933)	(4,108,482)

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



Reema

DIRECTOR

James

DIRECTOR

James

CHIEF FINANCIAL OFFICER

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2021

	Share Capital	Un-appropriated Profit	Surplus on revaluation of property, plant and equipments - net	Total
	Rupees			
Balance as at October 1, 2019 Audited	792,616,660	(1,666,909,043)	1,451,143,571	576,851,188
Total comprehensive loss for the period	-	(196,798,633)	-	(196,798,633)
Transfer from surplus on revaluation of property plant and equipment	-	13,570,319	(13,570,319)	-
Balance as at March 31, 2020 Un-Audited	792,616,660	(1,850,137,357)	1,437,573,252	380,052,555
Balance as at October 1, 2020 Audited	792,616,660	(1,799,637,881)	1,375,054,008	368,032,787
Total comprehensive loss for the period	-	(101,942,094)	-	(101,942,094)
Transfer from surplus on revaluation of property plant and equipment	-	35,923,026	(35,923,026)	-
Balance as at March 31, 2021 Un-Audited	792,616,660	(1,865,656,949)	1,339,130,982	266,090,693

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



M. Rana

DIRECTOR

Zameer

DIRECTOR

Imam

CHIEF FINANCIAL OFFICER

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2021

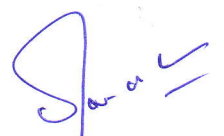
	31-Mar-2021 Rupees	31-Mar-2020 Rupees
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Loss before taxation	(143,439,601)	(221,979,177)
Adjustments for non-cash and other items:		
Depreciation	90,297,718	95,458,791
Provision for gratuity	-	745,037
Finance cost	21,838,439	25,446,248
	112,136,157	121,650,076
Profit before working capital changes	(31,303,444)	(100,329,101)
Working capital changes		
(Increase)/Decrease in:		
Stores and spares	-	-
Stock in trade	-	77,766,240
Advances, deposits and prepayments	(5,002,729)	4,231,162
	(5,002,729)	81,997,402
(Increase)/Decrease in:		
Trade and other payables	37,652,838	21,406,219
	37,652,838	21,406,219
Cash generated from operations	1,346,665	3,074,520
Income tax paid	(65,817)	(82,783)
Finance cost paid	(17,963)	(90,142)
Gratuity paid	(161,859)	-
	(245,638)	(172,924)
Net cash generated from operating activities	1,101,027	2,901,596
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Fixed assets acquired	-	-
Net cash used in investing activities	-	-
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Loan term borrowings	(500,000)	(528,000)
Short term borrowings	-	-
Net cash (used in)/from financing activities	(500,000)	(528,000)
Net increase/(decrease) in cash and cash equivalents	601,028	2,373,597
Cash & cash equivalents at the beginning of the year	1,520,831	5,073,665
Cash & cash equivalents at the end of the period	2,121,859	7,447,262



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER



ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

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

Mill location: Gharo, Sindh

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

2 BASIS OF PREPARATION

2.1 Basis of Accounting

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

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

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

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

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

3 GOING CONCERN ASSUMPTION

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

The interim condensed financial statements of the company for the half year ended March 31, 2021 reflect that company has sustained a operating loss of Rs. 121,601,162 and net loss after taxation of Rs. 101,942,094 and as of that March 31, 2021 it has accumulated losses of Rs. 1,865,656,949 (Sep 2020: Rs. 1,799,637,881) and its current liabilities exceeded its current assets by Rs. 2,992,270,396 (Sep 2020: Rs. 2,938,466,653). These conditions indicate that the material uncertainty exist, which may cast significant doubts on the company's ability to continue as going concern and therefore the company may not be able to realize its assets and discharge its liabilities in the normal course of business. However management has taken the following significant measures to improve the operational performance and liquidity of the company:

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

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

4 ACCOUNTING STANDARDS AND POLICIES

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

5 ACCOUNTING ESTIMATES & JUDGEMENTS

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

In preparing the condensed interim financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of audited financial statements for the year ended 30 September 2020.

6 SEASONALITY OF OPERATIONS

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



ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2021

7 LONG TERM LOAN FROM RELATED PARTY - UNSECURED

Subordinated loan from holding company

Un-Audited 31-Mar-2021 Rupees	Audited 30-Sep-2020 Rupees
123,416,314	123,416,314

The loan has been advanced by M/s. Haq Bahu Sugar Mills (Pvt.) Ltd which carries markup @ three months KIBOR plus 1% (Sep 2020: @ three months KIBOR plus 1%) payable half yearly. Since the loan will not be repayable within next twelve months therefore the same has been classified as long term liability. The loan is subordinated to certain short term finance facility obtained by the company.

8 LONG TERM LOAN FROM BANK - SECURED

Mark-up based borrowing from conventional banks (Secured):

Term Finance

Summit Bank

8.1

75,000,000	75,000,000
------------	------------

Silk Bank

8.2

3,472,000	3,972,000
-----------	-----------

78,472,000

78,972,000

Islamic Mode of Financing (Secured):

Bank Islami

8.3

271,798,518	271,798,518
-------------	-------------

271,798,518

271,798,518

350,270,518

350,770,518

Less: Current Portion of Long term Loans

(348,798,518)

(348,798,518)

1,472,000

1,972,000

8.1 The facility has been obtained from Summit Bank Limited amounting to Rs. 75 million. As per the facility sanctioned advice, it carries mark-up @ 3 months KIBOR plus 1% per annum payable quarterly in arrears. The facility is secured against first pari passu charge over present and future fixed assets of the company amounting to Rs. 66.70 million and personal guarantees of all sponsoring directors. The company is in litigation with Summit Bank. Refer note no. 11 and 12(c)

8.2 The facility has been obtained from Silk Bank Limited amounting to Rs. 100 million. As per the facility sanctioned advice, the facility carries no mark-up. The facility is secured against pledge of refined sugar with 10% margin. The Silk Bank limited entered into a restructuring programme in

8.3 The facility has been obtained from Bank Islami Limited amounting to Rs. 275 million. As per the facility sanctioned advice, it carries mark-up @ 3 months KIBOR with a floor of 5% and cap of 12% per annum payable quarterly in arrears. The facility is secured against ranking charge over current assets of the Company with 25% margin.

8.4 The company is in advanced stage of negotiations with Bank Islami Limited for rescheduling and restructuring of the loan.

9 DEFERRED TAXATION

The Liability of Deferred Tax comprises of Temporary differences relating to:

Taxable Temporary Differences

Accelerated tax depreciation

Revaluation - net of related depreciation

231,701,043	226,652,341
539,960,582	554,633,366

771,661,625

781,285,707

Deductible Temporary Differences

Retirement Benefit Obligation

Minimum Tax Available for Carry Forward

Available tax losses and credits

(2,195,750)	(2,242,689)
(6,092,519)	(6,092,519)
(700,010,884)	(668,090,520)

(708,299,152)

(676,425,728)

63,362,473

104,859,979

10 TRADE AND OTHER PAYABLES

Trade creditors, accrued and other payables

Deposits

Income Tax Payable

Workers' Profit Participation Fund

Workers' Welfare Fund

2,399,553,038

2,361,895,784

39,076

39,076

3,964,954

3,969,368

68,563,470

68,563,470

5,380,946

5,380,946

2,477,501,484

2,439,848,644

11 FINANCE COST PAYABLE

Mark-up on Borrowing from Conventional Banks:

Long Term Financing

Short Term Borrowings

53,199,917	48,985,328
43,258,826	40,617,289

96,458,743

89,602,617

Islamic Mode of Financing:

Long Term Financing

Short Term Borrowings

95,432,835	86,080,855
55,044,022	54,513,788

150,476,857

140,594,643

Other

Long Term Financing

130,688,406	125,606,270
-------------	-------------

130,688,406

125,606,270

377,624,006

355,803,530

12 SHORT TERM BORROWINGS

Mark-up Based Borrowing from Conventional Banks (Secured):

Running Finance

Short Term Finance

12.1

47,080,879	47,080,879
------------	------------

12.2

8,666,667	8,666,667
-----------	-----------

55,747,546

55,747,546

Other Financing (Unsecured):

12.3

18,973,000	18,973,000
------------	------------

74,720,546

74,720,546



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

13 CONTINGENCIES AND COMMITMENTS

Contingencies

- a) The Company received advances from Trading Corporation of Pakistan (TCP) under four different sugar supply agreements. The Company contends that this amount is not due as the buyer did not fulfil its performance obligations. As a prudent policy, adjustments would be made on finalization of the dispute. The company is of the view that Trading Corporation of Pakistan has made numerous breaches of the agreements causing enormous losses to the Company and has filed a civil suit in court of Honourable Civil Judge, Lahore praying to refer the dispute for arbitration under the terms of the agreements. The matter is pending arguments before the Court.
- b) During the previous years, the TCP filed a complaint with National Accountability Bureau (NAB), Sindh for recovery of the amount advanced by it as referred in preceding paragraph. Total amount claimed by TCP is Rs. 1,311.528 million being principal amount of Rs. 570.913 million plus Rs. 740.615 million being penalty, mark-up and other incidental charges. The matter is pending with NAB for disposal and the management expects that outcome will be in its favour, the penalty, mark-up and other incidental charges of Rs. 740.615 million would not be payable, hence no provision has been made in these financial statements. During the previous years TCP has encashed Margin on Guarantee deposited by the company with the banks and therefore the principal amount claimed has been reduced to Rs. 521.165 million.
- c) The Summit Bank Limited has filed a recovery suit for Rs. 146,172,551/- against the company and others. The company has filed its leave application in the said suit and arguments on the same were concluded on September 2019, and judgment on the same has been reserved.
- d) The Company had deposited an amount of Rs. 20.832 million of excise duty in 1991-92 under protest with Collector of Custom and Central Excise, Hyderabad on account of rebate of excise duty earlier claimed as per the incentive given by the government. The Honourable High Court of Sindh has decided the case in favour of Collector of Customs. The company has filed an appeal in Supreme Court of Pakistan which is pending for hearing. The management of the company expects favourable outcome.
- e) The company is in advance stage of negotiations with Bank Islami Limited for rescheduling and restructuring of the loan. However on provisional basis mark up has been provided.

14 PROPERTY, PLANT AND EQUIPMENT

Operating assets
Capital work in progress

14.1
14.2

3,391,669,653	3,481,967,369
60,687,608	60,687,608
3,452,357,261	3,542,654,977

14.1 Operating Assets

Net book value at beginning of the period
Addition during the period
surplus during the period / year
Depreciation charged during the period

3,481,967,369	3,672,482,743
-	492,500
-	-
(90,297,716)	(191,007,874)
3,391,669,653	3,481,967,369

14.2 Capital work in progress

Plant and machinery

60,687,608	60,687,608
60,687,608	60,687,608

15 STOCK IN TRADE

Work in Process
Finished Goods

150,911,486	150,911,486
-	-
150,911,486	150,911,486

16 ADVANCES, DEPOSITS AND PREPAYMENTS

Advances - Unsecured, considered good

Growers
Contractors
Suppliers
Employees
For expenses
Export rebate receivable

36,286,838	36,416,314
4,256,625	4,256,625
27,625,768	23,400,104
862,707	866,592
8,428,315	7,517,890
15,815,000	15,815,000

Excise duty deposit
Sales tax receivable

93,275,253	88,272,525
20,831,910	20,831,910
-	-

Provision against excise duty deposit

114,107,163	109,104,435
(20,831,910)	(20,831,910)
93,275,253	88,272,525

17 CASH AND BANK BALANCES

Cash at Banks
Cash in Hand

551,338	721,588
1,570,521	799,243
2,121,859	1,520,831



14 Operating Fixed Assets

Particulars	----- 2021 -----				----- 2020 -----			
	Cost / Revaluation		Rate	Depreciation	As at		As at	WDV as at
	As at	Additions			October 01,	March 31,		
	2020	2021	%	For the year	2020	2021	2021	2021
RUPEES								
Owned								
Land free hold	9,337,791	9,337,791	--	--	--	--	--	9,337,791
Experimental land	11,844,084	11,844,084	--	--	--	--	--	11,844,084
Building on free hold land:								
- Factory	270,950,261	270,950,261	10	5,304,817	164,853,922	170,158,739	170,158,739	100,791,522
- Non factory	106,000,769	106,000,769	10	1,669,434	72,612,093	74,281,527	74,281,527	31,719,242
Plant and machinery	4,426,648,485	4,426,648,485	5	82,818,903	1,113,892,448	1,196,711,351	1,196,711,351	3,229,937,134
Electric installations	12,529,128	12,529,128	10	27,307	11,982,992	12,010,299	12,010,299	518,829
Tools and equipment	3,526,377	3,526,377	10	25,778	3,010,809	3,036,587	3,036,587	489,790
Telephone installation	1,030,151	1,030,151	10	3,738	955,401	959,139	959,139	71,012
Electric equipment	7,223,203	7,223,203	10	59,223	6,038,737	6,097,960	6,097,960	1,125,243
Furniture and fixture	7,717,229	7,717,229	10	48,967	6,737,880	6,786,847	6,786,847	930,382
Office equipment	4,439,008	4,439,008	10	81,334	2,812,330	2,893,664	2,893,664	1,545,344
Arms and ammunitions	453,677	453,677	10	3,064	392,394	395,458	395,458	58,219
Tents and tarpaulins	3,210,660	3,210,660	10	62,175	1,967,158	2,029,333	2,029,333	1,181,327
Computers	3,281,263	3,281,263	10	38,097	2,519,316	2,557,413	2,557,413	723,850
Vehicles	12,479,065	12,479,065	20	154,681	10,932,255	11,086,936	11,086,936	1,392,129
Scales and weighbridges	14,000	14,000	10	198	10,047	10,245	10,245	3,755
TOTAL	4,880,685,151	4,880,685,151	--	90,297,716	1,398,717,782	1,489,015,498	1,489,015,498	3,391,669,653

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

Cost of sales	88,239,178	93,200,318
Administration expenses	2,058,538	2,258,473
	90,297,716	95,458,791



18 SALES - NET**Gross Local Sales**

Sugar
Molasses
Total Gross Sales
Less: Sales tax

Un-Audited Half Year Ended		Un-Audited Quarter Ended	
31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20
Rupees	Rupees	Rupees	Rupees
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

19 COST OF SALES

Cost of sugar cane
Stores and spares consumed
Oil and lubricants consumed
Packing material consumed
Chemical consumed
Salaries, wages and benefits
Water, fuel and power
Vehicle running and maintenance
Freight, handling and octroi
Depreciation
Others

Add: Opening WIP
Less: Closing WIP

Cost of Goods Manufactured

Add: Opening Finished Goods
Less: Closing Finished Goods

-	443,229	(30,500)	200,591
-	-	(550,000)	-
-	-	-	-
-	-	-	-
-	-	-	-
14,436,955	12,431,392	4,618,503	5,646,825
769,586	1,414,851	396,261	620,535
638,158	575,150	396,322	560,150
5,000	87,980	5,000	56,500
88,239,178	93,200,318	46,600,158	46,600,156
1,296,558	1,445,851	981,335	783,043
105,385,435	109,598,771	52,417,079	54,467,800
150,911,486	150,911,486	150,911,486	3,198,420
(150,911,486)	(95,440,810)	(150,911,486)	(95,584,349)
105,385,435	165,069,447	52,417,079	(37,918,129)
-	51,270,000	-	51,270,000
-	(28,974,436)	-	(29,099,306)
105,385,435	187,365,011	52,417,079	(15,747,435)

20 TAXATION

Taxation for the period
Current
Deferred

-	-	-	-
(41,497,507)	(25,180,544)	(21,993,560)	8,181,551
(41,497,507)	(25,180,544)	(21,993,560)	8,181,551

21 FINANCE COST

Mark up on subordinated sponsors' loan-Haq bahu
Mark up on long term loan
Mark up on short term borrowings
Mark up on WPPF
Bank charges and commission

5,082,136	15,419,871
13,566,569	42,860,578
3,171,771	8,727,546
-	10,500,044
17,963	369,753
21,838,439	77,877,792

22 TRANSACTIONS WITH RELATED PARTIES

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

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

Relationship	Nature of Transaction	Un-Audited Half Year Ended	
		31-Mar-21	31-Mar-20
		Rupees	Rupees
Parent Company	Mark-up expense	5,082,136	9,025,644
Key management personnel	Remuneration and other benefits	210,000	268,850

23 FINANCIAL RISK MANAGEMENT

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

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

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

24 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].

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

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

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



25 CORRESPONDING FIGURES

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

26 DATE OF AUTHORIZATION

These condensed interim financial statements have been authorized for issue by the Board of Directors on 29 May 2021.

27 GENERAL

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



A handwritten signature in blue ink, appearing to read 'Z. Rama'.

DIRECTOR

A handwritten signature in blue ink, appearing to read 'Z. Rama'.

DIRECTOR

A handwritten signature in blue ink, appearing to read 'J. Rama'.

CHIEF FINANCIAL OFFICER