

HASEEB WAQAS SUGAR MILLS LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED MARCH 31, 2021

HASEEB WAQAS SUGAR MILLS LIMITED

Company Information

Board of Directors

1. Mr. Raza Mustafa
2. Mian Haseeb Ilyas
3. Mian Waqas Riaz
4. Mrs. Zainab Waqas
5. Mrs. Shahzadi Ilyas
6. Mrs. Zakia Ilyas
7. Mrs. Yasmin Riaz
8. Miss. Aqsa Riaz

Chairman
Chief Executive
Director
Director
Director
Director
Director
Director

Audit Committee

1. Mian Waqas Riaz (Chairman)
2. Ms. Zakia Ilyas (Member)
3. Mrs. Yasmin Riaz (Member)

Human Resource & Remuneration Committee

1. Mian Waqas Riaz (Chairman)
2. Mrs. Zainab Waqas (Member)
3. Mrs. Zakia Ilyas (Member)

Company Secretary

Mr. Ansar Ahmed, FCA
Tel: 042-35917313
Email: cs@hwgc.com.pk

Chief Financial Officer

Syed Mubashar Hussain Bukhari
Tel: 042-35917321-3
Email: hwgc@hwgc.com.pk

Auditors

M/s Qadeer & Company
Chartered Accountants
32-A Lawrence Road, Lahore

Registrar

Hameed Majeed Associates (Pvt.) Ltd
H.M. House, 7-Bank Square, Lahore

Mills

Mauza Jagmal
Tehsil Jattoi
Distt. Muzaffargarh

Registered Office

06-F, Model Town, Lahore
Tel: 042-35917321-23
Fax: 042-35917317
Website: www.hwgc.com.pk

Bankers

National Bank of Pakistan
Sindh Bank Limited
The Bank of Punjab

Legal Advisor

Muhammad Ahsan Khan
(Advocate)

**DIRECTORS' REVIEW
FOR THE HALF YEAR ENDED 31 MARCH 2021**

Dear Members

On behalf of the Board of Directors, it is my privilege to present you the Half Yearly condensed financial statements duly reviewed by the statutory auditors and their report is attached to the financial statements.

FINANCIAL RESULTS

The financial results of the company for the period under review are summarized as follows:

	For the half year ended 31 March	
	2020	2020
	(Rupees in thousand)	
Net Sales	-	-
Gross Profit / (Loss)	(77,328)	(82,443)
Net Profit / (Loss) before tax	(169,167)	(216,068)
Net Profit / (Loss) after tax	(154,493)	(180,994)
Basic Earning	(4.77)	(5.59)

During the period under review, the Company posted gross loss of Rs.154,493 as compare to last period's for the of Rs.180,994. Further, the company remains non operational during the crushing season and resultantly have zero production and sales.

As per order of Supreme Court of Pakistan, we could not operate mills hence incurred losses.

AUDITOR'S REPORT

Regarding Auditor's Report, we would like to submit as under:

Since shifting of sugar mill from Nankana to Muzafar Garh, challenged by Southern Punjab sugar mills. Therefore, we could not run the mill at its present location due to order by the Supreme Court of Pakistan to shift the mill back to Nankana Sahib, which resulted into huge losses and severe financial crunch. Due to this factor, we are in default of bank loans and facing recovery suits filed by the financial institutions

Due to current financial position and closure of the mills the auditors expressed disclaimer of opinion in their audit report on the accompanying financial statements.

FUTURE OUTLOOK

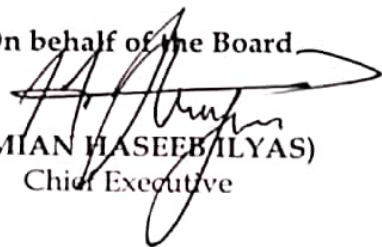
The Management of the company moved an application to Ministry of Industries, under section 3 of the Punjab Industries (Control & Enlargement) Ordinance, 1963. The application has been turned down by the Ministry of Industries. The management is in process of moving petition against the same in Lahore High Court, Lahore.

ACKNOWLEDGEMENT

The Board of Directors deeply express their appreciation and pay their gratitude to sugarcane growers, valuable customers, shareholders, banks and Government departments for their continued support, trust, persistent co-operation and patronage which gives strength to pursue our corporate objectives with renewed vigor. The Board also acknowledges the valuable teamwork, devotion and dedication by the executives, employees and workers of the Company.

Place: Lahore:
Dated: 15 October 2021

On behalf of the Board


(MIAN HASEEB ILYAS)
Chief Executive



INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Haseeb Waqas Sugar Mills Limited

Report on Review of Interim Financial Statements

INTRODUCTION

We have reviewed the accompanying condensed interim statement of financial position of **HASEEB WAQAS SUGAR MILLS LIMITED** (the Company) as at March 31, 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 to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended March 31, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended March 31, 2021.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim financial statements performed by the Independent Auditor of the Entity". A review of interim financial statements 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. However, because of the matters described in the Disclaimer of Conclusion section of our report, we were unable to conduct significant review procedures that we considered necessary to express a conclusion on these interim financial statements.

BASIS FOR DISCLAIMER OF CONCLUSION

The company could not provide and make available to us all of its books of account and other information which were necessary for the purpose of our review. As a result, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded elements making up the condensed interim statement of financial position, condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to condensed interim financial information.

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E-mail: qadeerco@brain.net.pk

Branch Office: Office # 503, 5th Floor, ISE Towers, Jinnah Avenue, Islamabad.

Off: +92-51-2894591-3 E-mail: trko@hotmail.com



QADEER & COMPANY
CHARTERED ACCOUNTANTS

DISCLAIMER OF CONCLUSION

Due to the significance of the matters described in the "Basis for Disclaimer of Conclusion" paragraph, we were unable to obtain sufficient appropriate evidence to form a conclusion on the accompanied interim financial statements. Accordingly, we do not express a conclusion on these condensed interim financial statements.

The engagement partner on the review resulting in this independent auditor's review report is ABDUL RAHMAN,

LAHORE

Dated: October 15, 2021

Qadeer & Co
QADEER & COMPANY
CHARTERED ACCOUNTANTS

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HASEEB WAQAS SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

		Un-audited March 31, 2021	Audited Sep 30, 2020
	Note	Rupees	
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized capital			
35,000,000 (Sept. 30, 2020: 35,000,000) ordinary shares of Rs. 10 each		350,000,000	350,000,000
Issued, subscribed and paid up capital	6	324,000,000	324,000,000
Loan from Directors	7	841,731,639	841,731,639
Surplus on Revaluation of Property, Plant and Equipment		1,355,319,611	1,387,378,418
Accumulated loss		(3,960,408,356)	(3,837,974,792)
		(1,439,357,106)	(1,284,864,735)
Non Current Liabilities			
Long term financing	8	-	-
Deferred liabilities		17,804,720	17,804,720
Deferred taxation		562,547,298	577,220,964
		580,352,018	595,025,684
Current Liabilities			
Trade and other payables		796,714,794	791,606,566
Markup/interest payables		929,627,578	843,616,824
Short term borrowings	9	656,462,763	656,462,763
Unclaimed dividend		1,443,972	1,443,972
Current portion of non current liabilities	10	1,652,187,642	1,652,187,642
		4,036,436,748	3,945,317,767
Contingencies and Commitments			
	11	-	-
		3,177,431,660	3,255,478,716
ASSETS			
Non Current Assets			
Property, plant and equipment	12	3,057,643,142	3,135,153,337
Long term deposits		490,000	490,000
		3,058,133,142	3,135,643,337
Current Assets			
Stores, spares and loose tools		55,892,796	55,892,796
Stock in trade	13	-	-
Advances, deposits, prepayments and other recievables		61,449,642	62,230,462
Cash and bank balances		1,956,080	1,712,121
		119,298,518	119,835,379
		3,177,431,660	3,255,478,716

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

MIAN HASEEB ILYAS
CHIEF EXECUTIVE

RAZA MUSTAFA
DIRECTOR

SYED MUBASHIR HUSSAIN BUKHARI
CHIEF FINANCIAL OFFICER


HASEEB WAQAS SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR AND 2ND QUARTER ENDED MARCH 31, 2021

	Note	Half year ended		Quarter ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		Rupees		Rupees	
Sales - Net	14	-	-	-	-
Cost of goods sold	15	(77,327,088)	(82,442,017)	(37,907,038)	(40,053,456)
Gross (loss)		(77,327,088)	(82,442,017)	(37,907,038)	(40,053,456)
Operating expenses:					
- Administrative and general		(5,826,906)	(6,370,033)	(3,194,898)	(3,147,758)
		(83,153,994)	(88,812,050)	(41,101,936)	(43,201,214)
Other operating income		-	-	-	-
(Loss) from operation		(83,153,994)	(88,812,050)	(41,101,936)	(43,201,214)
Finance cost		(86,012,043)	(127,255,386)	(39,633,624)	(61,600,367)
(Loss) before taxation		(169,166,037)	(216,067,436)	(80,735,560)	(104,801,581)
Taxation					
Current		-	-	-	-
Deferred		14,673,666	35,074,035	7,336,833	9,275,969
		14,673,666	35,074,035	7,336,833	9,275,969
(Loss) after taxation		(154,492,371)	(180,993,401)	(73,398,727)	(95,525,612)
Loss per share - basic and diluted		(4.77)	(5.59)	(2.27)	(2.95)

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


MIAN HASEEB ILIAS
 CHIEF EXECUTIVE


RAZA MUSTAFA
 DIRECTOR


SYED MUBASHIR HUSSAIN BUKHARI
 CHIEF FINANCIAL OFFICER


HASEEB WAQAS SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND 2ND QUARTER ENDED MARCH 31, 2020

	Half year ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Rupees		Rupees	
(Loss) after taxation	(154,492,371)	(180,993,401)	(73,398,727)	(95,525,612)
Other comprehensive income for the period	-	-	-	-
Total comprehensive Income/(Loss) for the period	(154,492,371)	(180,993,401)	(73,398,727)	(95,525,612)

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


MIAN HASEEB ILYAS
CHIEF EXECUTIVE


FAIZA MUSTAFA
DIRECTOR


SYED MUBASHIR HUSSAIN BUKHARI
CHIEF FINANCIAL OFFICER

HASEEB WAQAS SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2021

	March 31, 2021	March 31, 2020
	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(169,166,037)	(216,067,436)
Adjustments for:		
- Depreciation	77,510,195	82,359,305
- Finance cost	86,012,043	127,255,386
	163,522,238	209,614,691
Operating profit before working capital changes	(5,643,799)	(6,452,745)
(Increase) / decrease in current assets:		
- Stores, spares and loose tools	-	-
- Stock in trade	-	-
- Advances, deposits, prepayments and other receivables	780,820	(9,128,945)
Increase / (decrease) in current liabilities:		
- Trade and other payables	5,108,228	16,235,309
	5,889,047	7,106,364
Cash generated / (used in) from operations	245,248	653,619
Income tax paid / deducted	-	-
Gratuity paid	-	(661,346)
Finance cost paid	(1,289)	(248)
Net cash generated from / (used in) operating activities	243,959	(7,975)
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	-	-
Capital work in process	-	-
Proceeds from sale of property, plant and equipment	-	-
Net cash (used in) investing activities	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) from long term loans - Net	-	-
Proceeds / (Repayment) from Directors/Sponsors- Net	-	-
Proceeds / (Repayment) from short term borrowings - Net	-	(1,248,784)
Net cash generated from financing activities	-	(1,248,784)
Net increase / (decrease) in cash and cash equivalents	243,959	(1,256,759)
Cash and cash equivalents at the beginning of the period	1,712,121	1,744,738
Cash and cash equivalents at the end of the period	1,956,080	487,979

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

MIAN HASEEB ILYAS
CHIEF EXECUTIVE

RAZA MUSTAFA
DIRECTOR

SYED MUBASHIR HUSSAIN BUKHARI
CHIEF FINANCIAL OFFICER

HASEEB WAQAS SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2021

	Issued Subscribed and Paid up Capital	Loan from Directors	Surplus on Revaluation of Property, Plant & Equipments	Accumulated (Loss) / Profit	Total
Rupees					
Balance as at September 30, 2019	324,000,000	841,631,639	1,455,221,265	(3,543,694,142)	(922,841,238)
Loss for the period	-	-	-	(180,993,401)	(180,993,401)
Other comprehensive income / (Loss) for the Period	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	-	(180,993,401)	(180,993,401)
Transaction with Owners:					
Increase / (Decrease) in Director's Loan during the Period	-	-	-	-	-
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation - net of Tax	-	-	(37,252,337)	37,252,337	-
Balance as at March 31, 2020	324,000,000	841,631,639	1,417,968,928	(3,687,435,206)	(1,103,834,639)
Total comprehensive loss for the period	-	-	-	(181,130,096)	(181,130,096)
Net (loss) for the period	-	-	-	-	-
Other comprehensive income	-	-	-	(181,130,096)	(181,130,096)
Total comprehensive income / (loss) for the period	-	-	-	(181,130,096)	(181,130,096)
Increase in director's loan during the year	-	100,000	-	-	100,000
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation	-	-	(30,590,510)	30,590,510	-
Balance as at September 30, 2020	324,000,000	841,731,639	1,387,378,418	(3,837,974,792)	(1,284,864,735)
Total comprehensive loss for the period	-	-	-	(154,492,371)	(154,492,371)
Net loss for the period	-	-	-	-	-
Other comprehensive income	-	-	-	(154,492,371)	(154,492,371)
Total comprehensive income / (loss) for the period,	-	-	-	-	-
Increase in director's loan during the year	-	-	-	-	-
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation	-	-	(32,058,807)	32,058,807	-
Balance as at March 31, 2021	324,000,000	841,731,639	1,355,319,611	(3,960,408,356)	(1,439,357,106)

The accompanying notes form an integral part of these condensed interim financial information.

HAASEEB WAQAS
CHIEF EXECUTIVE

HAZRA MUSTAFA
DIRECTOR

SYED MUDASIR HUSSAIN BUKHARI
CHIEF FINANCIAL OFFICER

HASEEB WAQAS SUGAR MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED MARCH 31, 2021

1 STATUS AND ACTIVITIES

Haseeb Waqas Sugar Mills Limited ("the Company") was incorporated on 13 January 1992 as a Public Limited Company under the Companies Ordinance, 1984 (Now the Companies Act 2017). The Company's registered office is situated at 6 F Model Town, Lahore. The mill is situated at Tehsil Jattoi Distt. Muzaffargarh. The Company is listed on Pakistan Stock Exchange. The principal activity of the Company is manufacture and sale of refined sugar and its by-products.

2 STATEMENT OF COMPLIANCE

- 2.01 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which 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 (the Act) and provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed.
- These condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended September 30, 2020.
- 2.02 This condensed interim financial report comprises of the condensed interim statement of financial position as at March 31, 2021, the condensed interim profit or loss account and other comprehensive income, condensed interim statement of changes in equity and the condensed interim statement of cash flows for the six months period then ended which have been subjected to a review but not audited. This condensed interim financial report also includes the condensed interim profit or loss account for the quarter ended March 31, 2021 which is not subject to a review.
- 2.03 The comparative Statement of financial position, presented in this condensed interim financial statement, has been extracted from the annual audited financial statements of the Company for the year ended September 30, 2020. Whereas the comparative condensed interim profit or loss account, the condensed interim profit or loss account and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the six months period ended March 31, 2020 were subjected to review but not audited. The comparative condensed profit or loss account for the quarter ended March 31, 2020 included in this condensed interim financial report was not subject to a review.

3 BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention modified by adjustment of revaluation of certain assets. In this condensed interim financial information, except for the statement of cash flows, all the transactions have been accounted for on accrual basis.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods for computation adopted for the preparation of this condensed interim financial information is the same as those applied in preparation of the financial statements for the year ended September 30, 2020.

5 GOING CONCERN ASSUMPTION

During the period under review, the Company posted gross loss of Rs. 154,492,371/- as compared to last period's of Rs. 180,993,401/-. Further, the Company remain non operational during the crushing season and resultantly have zero production and sales during the period.

OPERATIONAL MEASURES

In view of above issues Company has taken and / or in the process of taking following mitigating steps:

Restructuring of loan from Silk Bank Limited amounting to Rs.390 Million is in process.

Shifting of mill to Alipur Jatoi, Muzaffargarh done where sugar cane availability and sugar recovery are better.

BMR done and we will see impact of this BMR in the financials of coming season.

The management foresees positive cash flow from future operations in expectation of better availability of sugar cane and sugar prices in coming season, since sugar dynamics are good and rising.

The projected financial statements prepared by the management to support its going concern assessment is based on following assumptions.

	Year Ended September 30,		
	2022	2023	2024
Sugar Cane Crushing M.T	780,000	800,000	800,000
Sugar cane rate	245	225	225
Sugar price per Kg	90	85	85

However, it is believed that considering the mitigating factors set out in the preceding paragraphs, the going concern assumption is appropriate and has, as such, prepared these financial statements on a going concern basis.

Our review petition (regarding shifting of mill to Alipur Jatoli) dismissed by Supreme Court and management considering alternate options available including but not limited to application to Ministry of Industries and Planning under Section 3 of the Punjab Industries (Control on Establishment and Enlargement) Ordinance, 1963.

6	ISSUED, SUBSCRIBED AND PAID UP CAPITAL	Note	Mar. 31, 2021	Sept. 30, 2020
			Rupees	
	27,000,000 (Sept. 30, 2020: 27,000,000) shares issued for cash.		270,000,000	270,000,000
	5,400,000 (Sept. 30, 2020: 5,400,000) shares issued as fully paid bonus shares.		54,000,000	54,000,000
			<u>324,000,000</u>	<u>324,000,000</u>
There is no movement in ordinary share capital of the Company during the period.				
7	LOAN FROM DIRECTORS		<u>841,731,639</u>	<u>841,731,639</u>
This loan has been obtained from Sponsors of the Company, and is interest free. There is no fixed tenor or schedule for repayment of this loan. According to the loan agreement, the lenders shall not demand repayment and the same is entirely at the Company's option. Further, the director loan is subordinated to National Bank of Pakistan, The Bank of Punjab, Sindh Bank Limited and Silk Bank Ltd.				
These loans are accounted for under Technical Release - 32 "Accounting Directors' Loan" issued by the Institute of Chartered Accountants of Pakistan effective for the financial statements for the period beginning on or after January 01, 2016 with earlier application permitted.				
8	LONG TERM FINANCING			
	Loan from banking companies and other financial institutions-secured			
	National Bank of Pakistan			
	- Demand Finance I	8.1.1	220,000,000	220,000,000
	- Demand Finance II	8.1.2	160,000,000	160,000,000
	The Bank of Punjab			
	- Demand Finance	8.1.3	285,000,000	285,000,000
	Sindh Bank Ltd			
	- Demand Finance	8.1.4	500,000,000	500,000,000
	Silk Bank Ltd			
	- Demand Finance	8.1.5	390,000,000	390,000,000
	PAIR Investment Company Limited			
	- Demand Finance	8.1.6	70,000,000	70,000,000
			<u>1,625,000,000</u>	<u>1,625,000,000</u>
	Less: current portion shown under current liabilities			
	- NBP - Demand Finance - I		(220,000,000)	(220,000,000)
	- NBP - Demand Finance - II		(160,000,000)	(160,000,000)
	- BOP - Demand Finance		(285,000,000)	(285,000,000)
	- Sindh Bank - Demand Finance		(500,000,000)	(500,000,000)
	- Silk Bank Ltd		(390,000,000)	(390,000,000)
	- Demand Finance - PAIR		(70,000,000)	(70,000,000)
			<u>(1,625,000,000)</u>	<u>(1,625,000,000)</u>
			<u>-</u>	<u>-</u>

	Note	Mar. 31, 2021	Sept. 30, 2020
		Rupees	
8.1.1 Demand Finance I - NBP			
Opening balance		220,000,000	220,000,000
Loan obtained during the period / year		-	-
		<u>220,000,000</u>	<u>220,000,000</u>
Less: payment made during the period / year		-	-
		<u>220,000,000</u>	<u>220,000,000</u>

This finance has been obtained from National Bank of Pakistan. The finance is secured by 1st PP charge of Rs. 293.334 million on fixed assets of the Company and personal guarantees of sponsoring directors of the Company. It carries markup 3 months KIBOR +2.5% per annum. This loan is payable in ten bi-annual instalments ending on 21 March 2020, within a period of 5 years excluding 1 year grace period.

8.1.2 Demand Finance II - NBP			
Opening balance		160,000,000	160,000,000
Loan obtained during the period / year		-	-
		<u>160,000,000</u>	<u>160,000,000</u>
Less: payment made during the period / year		-	-
		<u>160,000,000</u>	<u>160,000,000</u>

This finance has been obtained from National Bank of Pakistan. The finance is secured by 1st PP charge of Rs. 213.334 million on fixed assets of the Company and personal guarantees of sponsoring directors of the Company. It carries markup 3 months KIBOR +2.5% per annum. This loan is payable in twelve equal quarterly instalments ending on 30 September 2018, within a period of three years excluding 1 year grace period.

8.1.3 Demand Finance - BOP			
Opening balance		285,000,000	285,000,000
Loan obtained during the period / year		-	-
		<u>285,000,000</u>	<u>285,000,000</u>
Less: payment made during the period / year		-	-
		<u>285,000,000</u>	<u>285,000,000</u>

This finance has been obtained from The Bank of Punjab through restructuring of existing cash finance facility. The finance is secured by ranking charge over all present and future fixed assets of the Company and personal guarantees of directors of the Company. It carries markup 3 months KIBOR +1.25% per annum. This loan is payable in twenty eight quarterly instalments ended on 30 September 2021.

8.1.4 Demand Finance - Sindh Bank			
Opening balance		500,000,000	500,000,000
Loan obtained during the period / year		-	-
		<u>500,000,000</u>	<u>500,000,000</u>
Less: payment made during the period / year		-	-
		<u>500,000,000</u>	<u>500,000,000</u>

This finance has been obtained from Sindh Bank Limited under demand finance arrangement. The finance is secured by ranking charge over all present and future fixed assets of the Company and personal guarantees of directors of the Company. It carries markup 3 months KIBOR +5% per annum. This loan is payable in twelve quarterly instalments ending on 09 June 2020.

8.1.5 Demand Finance - Silk Bank Ltd			
Opening balance		390,000,000	390,000,000
Loan obtained during the period / year		-	-
		<u>390,000,000</u>	<u>390,000,000</u>
Less: payment made during the period / year		-	-
		<u>390,000,000</u>	<u>390,000,000</u>

This finance has been obtained from Silk Bank Limited under demand finance arrangement. The finance is secured by Pari passu charge over all present and future fixed assets of the Company and corporate guarantee of Abdullah Sugar Mills Ltd and personal guarantees of directors of the Company. It carries markup @ 1 year KIBOR + 2% per annum. This loan is payable in twenty Bi-annually installment ending on 21 February 2025.

	Note	Mar. 31, 2021	Sept. 30, 2020
		Rupees	
8.1.6 Demand Finance - PAIR			
Opening balance		70,000,000	70,000,000
Less: payment made during the period / year		-	-
		<u>70,000,000</u>	<u>70,000,000</u>

This finance has been obtained from PAIR Investment Company Limited. The finance is secured by parri passu charges over the present and future fixed assets of the Company, with a margin of 33% above the financing amount. Parri passu charge by way of creation of mortgage over the land and building of the Company and personal guarantees of directors of the Company. It carries markup 3 months KIBOR +350 bps per annum. This loan was rescheduled and payable in eighteen monthly installments.

9 SHORT TERM BORROWINGS

Loan from related parties		
Abdullah Sugar Mills Limited	654,258,699	654,258,699
Haseeb Waqas Trading (Pvt) Ltd	2,204,064	2,204,064
	<u>656,462,763</u>	<u>656,462,763</u>

10 CURRENT PORTION OF NON CURRENT LIABILITIES

Long term finances	1,625,000,000	1,625,000,000
Lease liabilities	27,187,642	27,187,642
	<u>1,652,187,642</u>	<u>1,652,187,642</u>

11 CONTINGENCIES AND COMMITMENTS

11.01 The collector of Sales Tax And Central Excise (Adjudication) Lahore has issued a show cause notice to the Company for the further tax amounting to Rs. 47 million upto the tax period September 2002 on the grounds that it charged sales tax at the rate of 15 % on its sales to persons liable to be registered.

11.02 The Federal Board of Revenue has blacklisted the Sales Tax status of the Company on 8th March 2018 due to non compliance of the Sales Tax Act, 1990 and the rules made thereunder including not discharging of sales tax liability amounting to Rs. 209 million. However, the Company will further proceed to restate the sales tax status after starting of crushing season as mentioned in note # 5.

11.03 Company has made defaults in repayment of installment of long term loans form financial institutions and bank. As a result, Company's name has been included in CIB report of State Bank of Pakistan. The detail of the cases are as:

Sr. #	Name of the Court	Date Instituted	Principal parties	Description of factual basis of the proceedings	Relief sought
1	Lahore High Court	03-May-17	Sindh Bank Limited	Default in repayment of principal amount of long term loan along with markup	rescheduling of loan
2	Lahore High Court	12-Dec-19	The Bank of Punjab	Default in repayment of principal amount of long term loan along with markup	rescheduling of loan
3	Lahore High Court	22-Sep-16	National Bank Of Pakistan	Default in repayment of principal amount of long term loan along with markup	rescheduling of loan
4	Lahore High Court	20-Nov-19	First National Bank Modarba	Default in repayment of principal amount of long term loan along with markup	rescheduling of loan
5	Banking Court	20-Apr-18	PAIR Investment Company Limited	Default in repayment of principal amount of long term loan along with markup	rescheduling of loan

11.04 The Division Bench of Honorable Lahore High Court Lahore in its judgment dated September 11, 2017 ordered the relocation of Haseeb Waqas Sugar Mills Limited from Muzaffar Garh to Nankana. Furthermore, Lahore High Court directed the mills to restore and retribute the position by dismantling & removing the said mills from the present location.

The Supreme Court of Pakistan vide short order even dated September 13, 2018 dismissed the Company's appeal and prohibited the Company from conducting any business in relation to or functioning as a sugar mill after the period of two months i.e. 12 November 2018. Further, the appellants are directed to remove within the said period from Muzaffar Garh (current factory location) to Nankana (previous factory location)

However, the Company has filed review petition dated 6th November 2018 to review the above order and accept the appeal filed by the petitioners, but the Supreme Court upheld the previous order to remove the plant from Muzaffar Garh to Nankana Sahab

Further the company has moved an application to Ministry of Industries under section 3 of the Punjab Industries (Control on Establishment and Enlargement) Ordinance 1963 but the application has been turned down by Ministry of Industries and the management moving a petition against the same

Principal parties for respondents are Govt. of the Punjab, JDW Sugar Mills Limited, Ashraf Sugar Mills Limited, Indus Sugar Mills Limited RYK Mills Limited etc

11.05 The Company has not complied with the section 244 of Companies Act, 2017 with respect to unclaimed dividend but it is not expected to have any legal consequences as the requirement is expected to withdraw

11.06 Pakistan Stock Exchange Limited has placed the Company in Defaulters Segment on the basis of last year audit report. Also, suspension in the trading of shares of company has been ordered by the Exchange due to non payment of dues of Exchange, non holding Annual General Meeting for the year ended September 30, 2020, non submission of annual accounts for the year ended September 30, 2020, non submission of half yearly accounts as of March 31, 2020 and auditor's opinion on the financial statements for the year ended September 30, 2019.

Commitments

No major commitments were outstanding as at March 31, 2021.

	Note	Mar. 31, 2021	Sept. 30, 2020
		Rupees	
12 PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		3,135,153,337	3,303,769,175
Addition / Deletion during the period		-	-
		3,135,153,337	3,303,769,175
Depreciation for the period / year		(77,510,195)	(168,615,838)
		<u>3,057,643,142</u>	<u>3,135,153,337</u>
13 STOCK IN TRADE			
Work in process			
Sugar		-	-
By products stock		-	-
		<u>-</u>	<u>-</u>

	Half year ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Rupees		Rupees	
14 SALES - NET				
- Sugar	-	-	-	-
- Molasses	-	-	-	-
- Mud	-	-	-	-
	-	-	-	-
Less: Sales tax and excise duty	-	-	-	-
	-	-	-	-
15 COST OF GOODS SOLD				
Raw materials consumed	-	-	-	-
Stores and spares consumed	637,440	799,405	329,511	122,673
Salaries, wages and other benefits	1,997,723	2,154,104	1,107,242	1,205,642
Repair and maintenance	15,600	82,527	9,000	33,240
Depreciation	74,676,325	79,332,417	36,461,285	38,691,901
Others	-	73,564	-	-
	77,327,088	82,442,017	37,907,038	40,053,456
Opening work in process	-	-	-	-
Closing work in process	-	-	-	-
	-	-	-	-
Cost of goods manufactured	77,327,088	82,442,017	37,907,038	40,053,456
Opening finished goods	-	-	-	-
Closing finished goods	-	-	-	-
	-	-	-	-
	77,327,088	82,442,017	37,907,038	40,053,456

16 RELATED PARTY TRANSACTIONS

Related parties comprise holding company, subsidiaries and associated undertakings, other related group companies, key management personnel including Chief executive, Directors and Executives and Post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Details of related party transactions and balances are as follows:

16.1 Details of related party transactions other than those with key management personnel

The Company during the period / year entered into following transactions with related parties other than key management personnel:

	March 31, 2021	Sept. 30, 2020
	Rupees	
16.1.1 Transactions with Associates		
Sale of molasses		
Abdullah Sugar Mills Ltd	-	-
(Repayment) / Obtain of Laon (to)/from		
Abdullah Sugar Mills Ltd	-	(1,078,784)
Sponsors and Directors	-	100,000

16.1.2 Payments against balances due to related parties were made partially in cash and partially by paying for expenses on behalf of related parties and vice versa.

- 16.1.3 As per common practice in the sugar industry in Pakistan, the Company also purchased sugar cane from persons associated, directly and indirectly, with management personnel of the Company. These purchases were made in accordance with the cane procurement practice in the sugar industry. It is not practicable to determine the related amounts.

	<u>March 31, 2021</u>	<u>Sept. 30, 2020</u>
	<u>Rupees</u>	
16.2 Details of related party balances are as follows:		
Due to:		
Abdullah Sugar Mills Limited	654,258,699	654,258,699
Haseeb Waqas Trading (Pvt.) Limited	2,204,064	2,204,064
Loan from Directors and Sponsors	841,731,639	841,731,639

17 AUTHORIZATION FOR ISSUE


This condensed interim financial information has been authorized for issue by the Board of Directors of the Company on October 15, 2021.

18 GENERAL

- Comparative figures have been rearranged / reclassified, wherever necessary, to facilitate comparison.
- Figures have been rounded off to the nearest of Pakistani rupees.


MIAN HASEEB ILYAS
CHIEF EXECUTIVE


RAZA MUSTAFA
DIRECTOR


SYED MUBASHIR HUSSAIN BUKHARI
CHIEF FINANCIAL OFFICER