



**Ansari Sugar Mills Limited**

**Half Yearly Accounts  
March 31, 2019**



## COMPANY PROFILE

### BOARD OF DIRECTORS

Rashid Ahmed Khan	Non-Executive Director (Independent)
Khawaja Anver Majid	Chief Executive & Executive Director
Waheed Ahmed	Executive Director
Khawaja Aleem Majid	Non- Executive Director
Iqbal Buledi	Non- Executive Director
Dawoodi Morkas	Non- Executive Director
Aurangzeb Khan	Non - Executive Director & Chairman

### AUDIT COMMITTEE

Khawaja Aleem Majid	Chairman, Non-Executive Director
Rashid Ahmed Khan	Member, Non-Executive Director (Independent)
Dawoodi Morkas	Member, Non-Executive Director

### HUMAN RESOURCE & REMUNERATION COMMITTEE

Khawaja Aleem Majid	Chairman, Non-Executive Director
Rashid Ahmed Khan	Member, Non-Executive Director (Independent)
Waheed Ahmed	Member, Executive Director

**CHIEF FINANCIAL OFFICER** Khawaja Muhammad Salman Younis

**COMPANY SECRETARY** Zahid Haider

**BANKERS** National Bank of Pakistan  
Sindh Bank Limited  
Summit Bank Limited  
UBL Bank Limited  
MCB Bank Limited  
Habib Bank Limited  
Bank-Al-Habib Limited

**AUDITORS** M/s. J.A.S.B Associates & Co. Chartered Accountants

**COST AUDITOR** Mustafa Ahmad & Co Chartered Accountants,  
Cost and Management Accountants

**LEGAL ADVISOR** Kashif Hanif Law Associates

**REGISTRAR** C&K Management Associates (Pvt) Ltd  
404, 4th Floor, Trade Tower, Abdullah Haroon Road, Saddar, Karachi

**REGISTERED OFFICE** Deh Jagsiyani, Taluka Tando Ghulam Hayder,  
District Tando Mohammad Khan, Hyderabad, Sindh.

**CORPORATE OFFICE** CL-5/4, State Life Building No. 10, Abdullah Haroon Road, Karachi

**EMAIL ADDRESS** ansarisugarmills@omnigroup.com.pk

**WEBSITE** www.ansarisugar.com.pk

**FACTORY** Deh Jagsiyani, Taluka Tando Ghulam Hayder  
District Tando Muhammad Khan, Sindh.



## DIRECTORS' REPORT

We are pleased to present the financial statements of Ansari Sugar Mills Ltd for the half year ended March 31, 2019 along with the directors' report for the period then ended.

March 31,  
2019  
Pakistani Rupees (PKR)

March 31,  
2018

### FINANCIAL RESULTS

Sales	<b>33,734,234</b>	1,256,877,900
Gross profit	<b>9,033,082</b>	355,649,585
Pre-tax (loss) / profit	<b>(273,602,659)</b>	107,425,620

The operating results performance during the crushing season 2018-19 is more fully evident hereunder.

### OPERATING RESULTS

Season started		<b>19-12-2018</b>	29-11-2017
Actual	Days	<b>79</b>	123
Sugar Cane Crushed	M.Tons	<b>74,166</b>	332,465
Sugar produced	M.Tons	<b>7,260</b>	43,934
Sugar recovery	%	<b>9.79</b>	11.2
Molasses produced	M.Tons	<b>4,450</b>	18,584
Molasses recovery	%	<b>6.0</b>	4.7

It is obvious from the operating results that the mill commenced its crushing capacity on 19th December, 2018 and operated only 79 days in total as compared to the 123 days in the corresponding season. The delayed start and the lesser number of days the mill operated was the result of non-availability of sugarcane. The mill crushed 74,166 M. tons during the current season compared to 332,465 M. tons in the preceding season recorded a drop in crushing by 258,299 M. tons. Similarly the production of sugar also decline by 36,674 M. tons from 43,934 M. tons in the previous season to 7,260 M. tons. However the sugar content in sugar cane has reduces by 1.41 from 11.2 % in the last season to 9.79 %.

The start of crushing campaign 2018-19 was relatively uneven. The crushing season usually starts in November, but in this particular season it was delayed by one month as the sugar millers across the country demanded the release of rebate outstanding against the previous exports as well as levy of sales tax on actual per KG price of sugar rather than on presumed price of Rs. 60 per KG. In addition to that the crushing season under review was not very promising for the entire sugar industry due to deficient availability of sugarcane for crushing caused by less cultivation of sugarcane across the country due to the insufficient rain fall caused amid shortage of water in canals. That shortfall of sugar cane tended the provincial government to fix the support price at Rs. 182 per 40 Kgs for the season 2018-19.



#### **Delay in issuance / submission of Accounts:**

During the year 2018, an enquiry against the Company's sponsors / directors and its shareholders along with other group companies had been initiated by the Federal Investigation Agency (FIA). Further, the matter was transferred to National Accountability Bureau (NAB) and we understand the Financial Institutions had blocked all Company bank accounts on a notice of NAB under section 23 of National Accountability Ordinance 1999 (NAO) on allegation of illicit transactions. However, it is pertinent to mention here that the action of blocking of account was not endorsed by Court of competent jurisdiction.

As a consequence, Company's access to available funds / legitimate sales proceeds and banking facilities were denied on the unjustified and arbitrary instructions of NAB, without realizing the consequences. Resultantly, the Company was forced to default on its dues including payments of banks' instalments, salaries, growers' and vendors', etc.

It is pertinent to note that the JIT, constituted under orders of the Supreme Court of Pakistan thoroughly investigated the entire Group Accounts maintained with all banks and that no charge has been established till yet. Despite all the ordeal no case have been filled against the Company.

Henceforth, after the amendment of NAB Ordinance, the bank accounts of the Company have been unfrozen and we are in coordination with all the stakeholders owing debt and other liabilities to move forward amicably.

It is pertinent to mention here that besides all the pressures of liquidity crises, risk and uncertain business environment, the Company took the initiative to carry on its business activities in extreme difficult situation with all possible efforts, making the necessary financial arrangements on personal basis by the sponsoring directors to ensure the going concern of the Company and by the collective efforts of the entire team of Ansari Sugar Mills Limited, we are through of the precarious conditions successfully by the grace of Almighty (Alhumdulillah).

#### **Future Outlook**

##### **Diversifying Revenue Streams:**

The Company is focused to attain better energy efficiency mix and planning Balancing, Modernization and Replacement (BMR) accordingly, which will improve the revenue streams through sale of by-products of the company i.e. bagasse and molasses.

##### **Sugarcane Cultivation Prospects:**

The Company recognizes that the growth and sustainability in the sugar industry is also dependent on access to a growing volume of sugar cane, particularly from within existing areas of supply. The key here lies in long-term engagement with farmers, demonstrating the use of superior cane varieties (higher yield and hence higher income), timely growing support (provision of seeds, fertilizers and farming inputs) so as to convince them to plant more cane to ensure increased productivity and quality.

Moreover, where heavy rainfall and resultant flash floods have an adverse effect on the agriculture, sugarcane due to its robust nature manages to stay afloat. We expect that harvesting will remain optimum and mills will have enough sugarcane for crushing throughout the next season.



**Government Policy:**

Ansari Sugar Mills foresee bumper crushing of sugarcane as evidenced by increased production of sugarcane over last 2 to 3 years. As the Federal government regulates the export of sugar, we anticipate that the supply and demand balance will improve over the next year, and that domestic production will meet the country's sugar demands while creating an export surplus on sugar and ethanol. Thus, timely export permission from Federal government would be of critical importance as it would not only help industry to clear the surplus on improved price but would also stabilize the local market as well. The Government is also contemplating on allowing export as a permanent feature rather than allocating on quota basis which will allow us to fetch good prices on our stocks in international market.

**Working Capital:**

We are in advanced level of negotiations with our bankers to restructure our debts which will improve our position on retained stocks, refraining ourselves into forced sales and allowing us to fetch better price during off-season as currently due to lack of working capital lines, almost 100% of our stock is sold during the crushing season to meet the working capital.

In the background of preceding paras your management anticipate a turnaround of the sugar industry and accordingly have mobilized all the resources at its disposal to generate huge volumes during the ongoing and upcoming seasons over the next 5 years.

The season in terms of cane supply, recovery and plant capacity utilization is extremely favorable. Ansari Sugar Mills being a large plant will be able to capitalize and procure and crush maximum cane in the next season.

**Acknowledgement**

We express our sincerest appreciation to our employees for their dedication and hard work and to our clients, business partners and shareholders for the support and confidence. The board also take this opportunity to express its gratitude to all the employees of Ansari Sugar Mill Limited for their untiring efforts.

On behalf of the Board of Directors

**Khawaja Anver Majid**  
Chief Executive Officer

Karachi: April 12, 2023



## ڈائریکٹرز کی رپورٹ

ہم نہایت مسرت کے ساتھ انصاری شوگر مل لمیٹڈ کے ششماہی کوارٹر کے اکاؤنٹس 31 مارچ 2019 کو بمائے ڈائریکٹر رپورٹ پیش کر رہے

ہیں۔

مالیاتی نتائج	31 مارچ 2018	31 مارچ 2019
فروخت	1,256,877,900	33,734,234
کل منافع	355,649,585	9,033,082
(نقصان)/منافع قبل از ٹیکس	107,425,620	(273,602,059)

### انتظامی نتائج

سین کا آغاز	29-11-2017	19-12-2018
اصل دن	123	79
گنے کی کرشنگ	میٹرک ٹن 332,465	میٹرک ٹن 74,166
چینی کی پیداوار	میٹرک ٹن 43,934	میٹرک ٹن 7,260
چینی کی ریکوری	% 11.2	% 9.79
ملاس کی پیداوار	میٹرک ٹن 18,584	میٹرک ٹن 4,450
ملاس کی ریکوری	% 4.7	% 6.0

جیسا کہ آپریشن نتائج سے واضح ہے کہ کرشنگ آپریشن کا آغاز 19 دسمبر 2018 کو طے پایا اور محض 79 دن مکمل دورانیہ رہا جبکہ گذشتہ سیزن 123 دن میں انجام پائی تھی۔ آغاز کی تاخیر اور محدود دورانیہ گنے کی عدم دستیابی کی وجہ سے ہوئی۔ مذکورہ سیزن میں 74,166 میٹرک ٹن گنا کرش کیا گیا جبکہ گذشتہ سیزن میں 332,465 میٹرک ٹن کیا گیا یعنی اس سیزن میں 258,299 میٹرک ٹن کم کرشنگ ہوئی۔ اس ہی طرح چینی کی پیداوار بھی 43,934 میٹرک ٹن کم رہی جبکہ گذشتہ سیزن میں 43,934 میٹرک ٹن تیار کی گئی تھی یعنی مجموعی طور پر صرف 7,260 میٹرک ٹن چینی بنی علاوہ ازیں گنے سے چینی حاصل کرنے کی صلاحیت کا ریٹ بھی 1.41 کم رہا جو پچھلے سیزن میں %11.20 تھا جبکہ حالیہ سیزن میں %9.79 کرشنگ سیزن ہم 2018-19 کا آغاز نسبتاً غیر متوازن تھا۔ عمومی طور پر کرشنگ سیزن کا آغاز نومبر کے مہینے میں ہوتا ہے لیکن اس مرتبہ یہ پورے ملک میں ایک مہینے کی تاخیر سے شروع ہوا جس کی وجہ گذشتہ سال کے ایکسپورٹ ریٹ کی عدم وصولی ٹھہری اس کے ساتھ ساتھ ٹیکس کا تعین 60 PKR پر کلوگرام کے بجائے اصلی سیل پرائس پر وصولی کی ترجیح دی گئی لہذا آپریشن میں تاخیر سامنے آئی۔ اس کے علاوہ زبردستی سیزن میں پوری انڈسٹری دباؤ کا شکار رہی جس کا سبب برسات میں کمی کے ساتھ ساتھ پانی کی ترسیل کی کمی کا سامنا تھا، پیداوار کی اس کمی کے تحت سندھ گورنمنٹ نے گنے کی سپورٹ پراس 40 کلوگرام سیزن 2018-19 کے لئے متعین کی۔

### وجہ تاخیر اشاعت و اجراء آڈیٹ اکاؤنٹ 2018

سال 2018 کے دوران کمپنی کے ڈائریکٹر شیئر ہولڈرز اور دیگر گروپ آف کمپنیز کے خلاف فیڈرل انویسٹیگیشن ایجنسی کی جانب سے ایک انکوائری کا آغاز ہوا مزید یہ کہ یہ انکوائری فیڈرل انکوائری بورڈ (NAB) کے حوالے کر دی گئی اور ہمیں معلوم ہوا کہ مالیاتی اداروں نے کمپنی کے بینک



اکاؤنٹ نیپ نوٹس برائے سیکشن 23 نیشنل اکاؤنٹ ہیلپی آرڈیننس 1999 (NAB) کے تحت بلاک کر دیئے۔ واضح رہے کہ اکاؤنٹ بلائنگ کا عمل کسی ماتحت عدالت کے فیصلے کے تحت نہیں کیا گیا۔

نیچینا کمپنی اپنے موجودہ فنڈ، جائز فروخت کے حصول، مالیاتی امداد سے لاقانونی طور پر نیپ کے احکامات کے تحت بغیر کسی تحفے کے محروم رہی۔ اس صورتحال کے نتیجے میں کمپنی مجبوراً اپنی ادائیگیاں جیسے کہ تنخواہوں، بینک کی انسٹالمنٹ، کاشکار اور گاہکوں کی عدم ادائیگیوں کی وجہ سے ڈیفالٹ کر گئی۔ یہاں یہ بات قابل ذکر ہے کہ مسکورہ بالا (JIT) ہے۔ آئی۔ ٹی سپریم کورٹ آف پاکستان کے نافذ عمل ہونے کے بعد مکمل جائزہ لینے کے باوجود کسی بھی طرح کے چارج لاگو کرنے سے آج تک قاصر ہے اور تمام اقدامات کے باوجود کمپنی کے خلاف کوئی بھی مقدمہ درج نہ ہو سکا۔

بالآخر نیپ آرڈیننس کی ترمیم کے بعد تمام بینک اکاؤنٹ بہال کر دیئے گئے لہذا ہم بتدریج آگے بڑھتے ہوئے تمام اسٹیک ہولڈرز سے ادائیگیوں کے سلسلے میں رابطے میں ہیں۔

یہاں یہ واضح کرنا ضروری ہے کہ تمام مالیاتی کرائسٹس، دباؤ اور غیر یقینی کاروباری صورتحال کے باوجود کمپنی نے سخت مشکل حالات میں ہر ممکنہ اقدام اٹھائے ہوئے بشمول ڈائریکٹرز کے ذاتی مالیاتی انتظامات کو بروئے کار لاتے ہوئے اور (Going Concern) کو مد نظر رکھتے ہوئے انصاری شوگر ملز کی پوری ٹیم کے ساتھ مل کر جدوجہد جاری رکھنے کا فیصلہ کیا اور بالآخر اللہ کے فضل و کرم سے۔ اس غیر منصفانہ صورتحال سے باہر آچکے ہیں۔

(الحمد للہ)

**مستقبل کا لائحہ عمل:**

**مختلف آمدن کے دھارے:**

کمپنی نے بہتر انرجی، فیشنری کس اور پلاننگ، ہیلسنگ، موڈرناٹائزیشن اور پمپنگ سٹ (BMR) کو مد نظر رکھا جو کہ آمدن کے دھارے کو بہتر بنانے کا مثلاً نگاس، مولاسینز وغیرہ۔

**گنے کی کاشت کا ویزن:**

کمپنی یہ جان چکی ہے کہ گروتھ اور اسٹاکام شکر کین کرشنگ و الیم کے حجم پر منحصر ہے جس میں خاص طور پر ان علاقوں کی پہنچ جہاں گنا کاشت ہوتا ہے یہاں کچی کسانوں سے دیرپا تعلقات پر منحصر ہے شکر کین کی ورائٹی کو واضح کرتے ہوئے (زیادہ پیداوار اور زیادہ منافع) بروقت پیداواری مدد (بیج کی فراہمی، کھاد اور زرعی امداد) تاکہ ان کو زیادہ اور بہتر پیداواری طرف مائل کیا جاسکے۔

علاوہ ازیں جہاں کثیر برسات اور اس کے نتیجے میں سیلاب کے نقصاندارہ اثرات کا زراعت پر برا اثر ہو رہا ہے اس مجموعی صورتحال میں پیداواری کمی ہوگی۔ ہم پر امید ہیں کاشت اپنی عروج پر ہوگی اور آنے والے سیزن میں ملز کو گنے کی فراہمی بھرپور ہوگی۔

**حکومتی پالیسی:**

انصاری شوگر ملز بمپر کین کرشنگ کی امید رکھتی ہے جیسا کہ پچھلے دو سے تین سالوں میں پروڈکشن بڑھی ہے اور جیسا کہ فیڈرل گورنمنٹ ایکسپورٹ کو ریلوے لٹ رکھتی ہے ہم امید رکھتے ہیں، سپلائی اور ڈیمانڈ کے بتلنس کے تحت اگلے سال مزید تیزی آئیگی اور مقامی پیداوار ملک کے پیداواری ضرورت کو پورا کرنے کے ساتھ چینی اور انتھونال میں بہتات بھی لائی گئی لہذا بروقت وفاقی گورنمنٹ کی طرف سے برآمدگی اجازت بہت اہمیت کی حامل ہے جو کہ نہ صرف بہتر قیمت پر بہتات کی ذمہ دار ہے بلکہ مقامی مارکیٹ کو یکساں رکھنے میں معاون ہے۔

گورنمنٹ پر امید ہے ایکسپورٹ کو بحال کرنے کے بجائے باقاعدہ طرز عمل قرار دے دی گئی تاکہ اچھی قیمت میں غیر مقامی منڈیوں تک رسائی کی جاسکے۔



### ورکنگ کیپٹل:

ہم اپنے بینکرز کے ساتھ مذاکرات کے اگلے مراحل میں داخل ہو چکے ہیں تاکہ ہم اپنے قرضے کو ری اسٹرکچر کروا سکیں تاکہ ہم خود کو جبری فروخت سے بچائیں اور آف سیزن میں بھی بہترین پرائز حاصل کریں، برعکس اس کے کہ جیسا کہ ابھی ہم سیزن میں بھی پورا مال فروخت کر دیتے ہیں، تاکہ ورکنگ کیپٹل بروقت حاصل کر سکیں۔

مذکورہ معلومات کے تحت آپ کی مینجمنٹ پر امید ہے کہ شگراڈ سیزن کے حالات بدلنے کو ہیں لہذا ہم نے اپنے تمام ذرائع کو منظم کرنا شروع کر دیا ہے تاکہ آنے والے 5 سیزن میں بھرپور پیداوار حاصل کی جاسکے۔ مذکورہ سیزن کین سپلائی، ریکوری ریٹ اور پلاننگ کے بہتر استعمال سے بہت سودمند ہے انصاری شگر ملز ایک بڑی پلانٹ کی صورت فائدے اٹھاتے ہوئے آنے والے سیزن میں زیادہ سے زیادہ حصول کین اور کرشنگ انجام دے گی۔

### اعتراف:

ہم اپنے ملازمین کی جانب سے لگن اور انتھک محنت کے لئے اور اپنے کلائینٹ، بزنس پارٹنرز اور شیئر ہولڈرز کی حمایت اور اعتماد کے لئے اپنی مخلصانہ حوصلہ افزائی کا اظہار کرتے ہیں۔ بورڈ اس موقع پر انصاری شگر مل لمیٹڈ کے تمام ملازمین کی انتھک کوششوں پر شکرگزاری کا اظہار کرتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

خواجہ انور مجید

چیف ایگزیکٹو آفیسر

کراچی

12 اپریل 2023



## 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 **Ansari Sugar Mills Limited (the Company)** as at March 31, 2019 and the related condensed interim statement of profit and loss, condensed interim statement of comprehensive income condensed interim statement of changes in equity, condensed interim cash flow statement and notes to the accounts for the six months period 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 financial reporting. Our responsibility is to express a conclusion on these interim financial information based on our review. The figures of the condensed interim statement of profit or loss, condensed interim statement of comprehensive income for the three months ended March 31, 2019 and 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months ended March 31, 2019.

### 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 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.

### Basis for Qualified Conclusion

- a.) The company holds inventories and cash balance amounting to Rs. 3,222 Million and Rs. 27.117 Million respectively as of March 31, 2018. These inventories comprise of stores, spares and loose tools, work-in process, by-product and finished goods. We were unable to obtain sufficient appropriate audit evidence about the physical existence of these inventories and cash balance mainly because we were appointed as auditor after lapse of 36 months from end of financial year. Had we been able to complete our review of above, matters might have come to our attention indicating that adjustments might be necessary to the interim financial statements.
- b.) During the period, an enquiry against the Company's shareholders, directors and group companies has been initiated by the National Accountability Bureau & Federal Investigation Agency (FIA) in the matter of fake bank accounts and accordingly bank accounts of the Company were seized by the State Bank of Pakistan. We were unable to obtain sufficient appropriate audit evidence of the matter because we did not have access to the records of investigation agencies with respect to investigation which is pending and sub-judice before court. Had we been able to complete our review of above, matters might have come to our attention indicating that adjustments might be necessary to the interim financial statements.



#### **Qualified Conclusion**

Based on our review, with the exception of the matters described in preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial statement is not prepared, in all material respects, in accordance with accounting standards as applicable in Pakistan for interim financial reporting.

#### **Other Matters**

Prior Period Financial Statements Reviewed by Predecessor Auditor The financial statements of the Company for the Period ended March 31, 2018 were reviewed by another auditor who had expressed an un-modified opinion vide their report dated April 10, 2018.

The Engagement partner on the review resulting this independent auditor's review report is Mr. Basharat Rasool.

*J.A. Associates*

Chartered Accountants  
Karachi  
Dated: 12 April, 2023



## CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT MARCH 31, 2019

	Un-Audited March 31, 2019	Audited September 30, 2018
Note	----- (Rupees) -----	
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	4,376,409,833	4,412,089,947
Intangible assets	628,629	752,849
Long term investment	-	215,061,649
Long term deposits	1,236,600	1,236,600
	4,378,275,062	4,629,141,045
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	273,099,312	277,738,084
Stock-in-trade	2,948,629,155	2,378,809,115
Trade debts	219,753,089	274,724,848
Loans and advances	1,413,405,608	1,696,449,812
Tax refunds due from the government	23,401,540	22,648,149
Cash and bank balances	320,350,559	252,795,292
	5,198,639,263	4,903,165,300
	9,576,914,325	9,532,306,345
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorised capital 90,000,000 (2018 : 90,000,000) Ordinary shares of Rs.10 each	900,000,000	900,000,000
<b>Issued, subscribed and paid-up capital</b>	561,365,550	561,365,550
<b>Capital reserves</b>		
Surplus on revaluation of fixed assets	1,813,769,203	1,837,318,078
Share Premium	317,293,570	317,293,570
Equity Reserves	336,000,000	336,000,000
	2,467,062,773	2,490,611,648
<b>Revenue reserves</b>		
General reserves	27,000,000	27,000,000
Accumulated losses	(563,693,028)	(313,217,161)
	(536,693,028)	(286,217,161)
	2,491,735,295	2,765,760,037
<b>NON CURRENT LIABILITIES</b>		
Long term finances	2,571,817,521	2,600,748,222
Deferred liabilities	789,935,123	790,108,560
Provision for quality premium	264,108,125	264,108,125
	3,625,860,769	3,654,964,907
<b>CURRENT LIABILITIES</b>		
Current portion of long term finances	274,366,378	250,605,100
Short term borrowings	2,166,437,111	2,166,437,111
Trade and other payables	572,371,296	470,582,436
Accrued mark-up	434,827,459	213,062,819
Taxation - net	11,316,017	10,893,935
	3,459,318,261	3,111,581,401
<b>CONTINGENCIES AND COMMITMENTS</b>		
	9,576,914,325	9,532,306,345

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

 CHIEF EXECUTIVE	 CHIEF FINANCIAL OFFICER	 DIRECTOR
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**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2019**

	For the second Quarter ended		For the half year ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	----- (Rupees) -----			
Sales - net	17,495,495	985,241,187	33,734,234	1,256,877,900
Cost of sales	<u>(12,819,784)</u>	<u>(708,659,032)</u>	<u>(24,701,152)</u>	<u>(901,228,315)</u>
<b>Gross profit</b>	<b>4,675,711</b>	<b>276,582,155</b>	<b>9,033,082</b>	<b>355,649,585</b>
<b>Operating expenses</b>				
Selling and distribution expenses	<u>(1,654,137)</u>	<u>(4,090,408)</u>	<u>(2,086,257)</u>	<u>(4,425,189)</u>
Administrative expenses	<u>(12,010,334)</u>	<u>(37,531,728)</u>	<u>(25,683,341)</u>	<u>(51,553,285)</u>
	<u>(13,664,471)</u>	<u>(41,622,136)</u>	<u>(27,769,598)</u>	<u>(55,978,474)</u>
<b>Operating (Loss) / Profit</b>	<b>(8,988,760)</b>	<b>234,960,019</b>	<b>(18,736,516)</b>	<b>299,671,111</b>
Other operating income	<u>-</u>	<u>2,113,409</u>	<u>-</u>	<u>11,739,822</u>
	<b>(8,988,760)</b>	<b>237,073,428</b>	<b>(18,736,516)</b>	<b>311,410,933</b>
Finance cost	<u>(135,329,447)</u>	<u>(135,766,983)</u>	<u>(254,866,143)</u>	<u>(203,985,313)</u>
<b>(Loss) / Profit before taxation</b>	<b>(144,318,207)</b>	<b>101,306,445</b>	<b>(273,602,659)</b>	<b>107,425,620</b>
Taxation	<u>(219,099)</u>	<u>2,989,708</u>	<u>(422,083)</u>	<u>49,173,698</u>
<b>(Loss) / Profit after taxation</b>	<b>(144,537,306)</b>	<b>104,296,153</b>	<b>(274,024,742)</b>	<b>156,599,318</b>
<b>(Loss) / Profit per share - Basic &amp; Diluted</b>	<b>(2.57)</b>	<b>4.27</b>	<b>(4.88)</b>	<b>6.42</b>

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

  
\_\_\_\_\_  
CHIEF EXECUTIVE

  
\_\_\_\_\_  
CHIEF FINANCIAL OFFICER

  
\_\_\_\_\_  
DIRECTOR





**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
(UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2019**

	For the second Quarter ended		For the half year ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	----- (Rupees) -----			
(Loss) / Profit after taxation	(144,537,306)	104,296,153	(274,024,742)	156,599,318
Other comprehensive income	11,774,438	-	23,548,875	-
Total comprehensive (Loss) / profit for the year	<u>(132,762,868)</u>	<u>104,296,153</u>	<u>(250,475,867)</u>	<u>156,599,318</u>

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

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR



## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2019

	MARCH 2019	MARCH 2018
	----- (Rupees) -----	
<b>(Loss) / Profit before taxation</b>	<b>(273,602,659)</b>	<b>107,425,620</b>
<b>Adjustments for :</b>		
Depreciation	35,680,114	34,130,261
Amortization	124,220	177,381
Finance cost	254,866,143	203,985,313
Provision for gratuity	-	174,131
Gain on disposal of assets	-	(449,594)
Profit On DSC Investment	-	(11,290,228)
	<b>290,670,477</b>	<b>226,727,264</b>
<b>Operating (loss) / profit before working capital changes</b>	<b>17,067,818</b>	<b>334,152,884</b>
<b>Changes in working capital :</b>		
<b>(Increase) / decrease in current assets:</b>		
Stores, spares and loose tools	4,638,772	(61,630,173)
Stock-in-trade	(569,820,040)	(367,243,294)
Trade debts	54,971,759	(686,306,330)
Loans and advances	283,044,204	743,957,923
Tax Refunds Due from the Government	(753,391)	-
	<b>(227,918,697)</b>	<b>(371,221,874)</b>
<b>Increase in current liabilities:</b>		
Trade and other payables	101,788,862	366,770,276
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net cash generated from / (used in) operations</b>	<b>(109,062,017)</b>	<b>329,701,286</b>
Taxes paid	(173,438)	878,381
Long term staff loans sanctioned	-	(136,570)
Finance cost paid	(33,101,503)	(205,295,405)
<b>Net cash used in operating activities</b>	<b>(142,336,957)</b>	<b>125,147,692</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure incurred	-	(25,766,892)
Long term investment	215,061,649	-
Long term deposits received / (paid)	-	113,700
Proceeds from disposal of property plant and equipment	-	596,415
<b>Net cash used in investing activities</b>	<b>215,061,649</b>	<b>(25,056,777)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Borrowings obtained during the year	(5,169,424)	(73,411,212)
Short term Finances	-	6,632,124
<b>Net cash flow from financing activities</b>	<b>(5,169,424)</b>	<b>(66,779,088)</b>
Net decrease in cash and cash equivalents	67,555,267	33,311,826
Cash and cash equivalents at the beginning of the year	(1,913,641,819)	(2,173,499,833)
Cash and cash equivalents at the end of the year	<b>(1,846,086,552)</b>	<b>(2,140,188,007)</b>
<b>Cash and cash equivalents</b>		
Cash and bank balances	320,350,559	26,448,992
Short term borrowing	(2,166,437,111)	(2,166,636,999)
	<b>(1,846,086,552)</b>	<b>(2,140,188,007)</b>

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

 CHIEF EXECUTIVE	 CHIEF FINANCIAL OFFICER	 DIRECTOR
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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
(UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2019**

	Issued, subscribed and paid-up capital	Capital Reserves			Total	Revenue Reserves		Total	Grand Total
		Share Premium	Equity Reserve	Revaluation Surplus on PPE		General reserve	Unappropriated profit / (Accumulated loss)		
		----- (Rupees) -----							
Balance as at September 30, 2017 (Restated)	244,071,980	-	336,000,000	1,869,613,831	2,205,613,831	27,000,000	(142,940,703)	(115,940,703)	2,333,745,108
Profit after taxation	-	-	-	-	-	-	156,599,318	156,599,318	156,599,318
Incremental depreciation on revalued fixed assets – net of tax	-	-	-	(22,743,488)	(22,743,488)	-	22,743,488	22,743,488	-
Balance as at September 30, 2018	<u>244,071,980</u>	<u>-</u>	<u>336,000,000</u>	<u>1,846,870,343</u>	<u>2,182,870,343</u>	<u>27,000,000</u>	<u>36,402,103</u>	<u>63,402,103</u>	<u>2,490,344,426</u>
Balance as at October 01, 2018	561,365,550	317,293,570	336,000,000	1,837,318,078	2,490,611,648	27,000,000	(313,217,161)	(286,217,161)	2,765,760,037
Loss after taxation	-	-	-	-	-	-	(274,024,742)	(274,024,742)	(274,024,742)
Incremental depreciation on revalued fixed assets - net of tax	-	-	-	(23,548,875)	(23,548,875)	-	23,548,875	23,548,875	-
Balance as at March 31, 2019	<u>561,365,550</u>	<u>317,293,570</u>	<u>336,000,000</u>	<u>1,813,769,203</u>	<u>2,467,062,773</u>	<u>27,000,000</u>	<u>(563,693,028)</u>	<u>(536,693,028)</u>	<u>2,491,735,295</u>

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

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR



## CONDENSED NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2019

### 1 THE COMPANY AND ITS OPERATIONS

1.1 **Ansari Sugar Mills Limited** ("the Company") was incorporated in Pakistan on July 09, 1989, as a public limited company and listed on Pakistan Stock Exchange. The principal business of the Company is to manufacture and sell white sugar. The registered office of the Company is situated at Deh Jagsiyani, Taluka Tando Mohammad Khan, District Hyderabad, Sindh.

### 1.2 Seasonality of operations

The Company's production process is seasonal in nature because of the cultivation and reaping of sugarcane due to which production is carried out in the first half of the financial year.

### 2 STATEMENT OF COMPLIANCE

The condensed interim financial information for the six months period ended March 31, 2019 has been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The condensed interim financial information is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984 and the listing regulations of the Pakistan Stock Exchange.

The condensed interim financial information do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 30 September 2018.

The comparative condensed balance sheet, presented in this condensed interim financial information, as at 30 September 2018 has been extracted from the annual audited financial statements of the Company for the year ended 30 September 2018, whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement for the half year ended 31 March 2019 have been extracted from the condensed interim financial information for the six months period ended 31 March 2019 which were subjected to a review but not audited. The comparative condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended 31 March 2019 included in this condensed interim financial report was not subject to a review.

### 3 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

#### 3.1 Accounting policies

This condensed interim financial information has been prepared using the same accounting policies which were applied in preparation of annual financial statements of the Company for the year ended September 30, 2018.

#### 3.2 Estimates

The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the preceding published annual financial statements of the Company as at and for the year ended September 30, 2018.

		March 31, 2019	Sept 30, 2018
	Note	----- (Rupees) -----	
<b>4 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets - at net book value	4.1	4,179,537,166	4,215,217,280
Capital work in progress - at cost	4.2	196,872,667	196,872,667
		<u>4,376,409,833</u>	<u>4,412,089,947</u>



		March 31, 2019	Sept 30, 2018
	Note	----- (Rupees) -----	
<b>4.1 Operating fixed assets - at net book value</b>			
Opening - at net book value		5,766,243,024	5,736,869,315
Add: Additions during the period / year	4.1.1	-	31,976,209
Less: Disposal		-	(2,602,500)
		5,766,243,024	5,766,243,024
Less: Depreciation charged during the period / year		(1,586,705,858)	(1,551,025,744)
Closing - at net book value		<u>4,179,537,166</u>	<u>4,215,217,280</u>
<b>4.1.1 Addition during the period</b>			
Factory building		-	332,714
Plant and machinery		-	25,210,811
Electrical installations		-	4,400
Office equipment & others		-	358,429
Electrical appliances		-	3,332,770
Furniture and fixtures		-	249,200
Vehicles		-	2,487,885
		-	<u>31,976,209</u>
<b>4.1.2 Disposals during the period</b>			
Vehicles		-	(2,602,500)
		-	<u>(2,602,500)</u>
<b>4.2 Capital work in progress</b>			
Opening - at cost		196,872,667	169,169,737
Add: Addition during the period / year		-	27,702,930
		<u>196,872,667</u>	<u>196,872,667</u>
<b>5 INTANGIBLE ASSETS</b>			
Opening - at net book value		752,849	1,123,655
Amortization during the year		124,220	370,806
Closing - at net book value		<u>628,629</u>	<u>752,849</u>
Amortization rate		<u>33%</u>	<u>33%</u>
<b>6 LONG TERM INVESTMENT</b>			
<b>Held to maturity</b>			
Defence Saving Certificates (DSCs)	6.1	-	72,000,000
Accrued profit	6.2	-	143,061,649
		-	<u>215,061,649</u>
<b>6.1</b>	This represents the DSCs purchased by the Company on March 18, 2009 with a maturity of 10 years having effective interest rate of 12.15%. These have been pledged with National Bank of Pakistan as a security of repayment of Term Loan of Rs. 213.551 million.		
<b>6.2</b>	The amount represents accrued profit on DSCs purchased by the Company calculated using the effective rate of interest.		
<b>7 STOCK-IN-TRADE</b>			
<b>In hand</b>			
Finished goods		2,861,994,738	2,332,067,407
Molasses		56,061,270	13,341,825
Baggage		8,487,000	11,875,000
Sugar in process		21,040,120	19,224,258
Molasses in process		1,046,027	2,300,625
		<u>2,948,629,155</u>	<u>2,378,809,115</u>



- 7.1 At March 31, 2019, the finished goods inventory amounting to Rs. 2,861 Million (2018: 2,332 Million) was pledged as security against short term financing amounting to Rs. 2,166 Million (2018: 2,166 Million) from scheduled banks namely Summit Bank Ltd., National Bank of Pakistan and Sindh Bank Ltd.

March 31, 2019      Sept 30, 2018  
----- (Rupees) -----

**8 CASH AND BANK BALANCES**

Cash in hand	27,117,302	2,089,124
Cash with banks - current account	<u>293,233,257</u>	<u>250,706,168</u>
	<u><b>320,350,559</b></u>	<u><b>252,795,292</b></u>

- 8.1 The bank accounts of the company have been seized with effect from 25th July 2019 due to enquiry initiated by National Accountability Bureau (NAB), Federal Investigation Agency (FIA).

**9 LONG TERM FINANCES**

	Note	Installments Number	Commencing from	Mark-up	March 31, 2019	Sept 30, 2018
<b>Term loans</b>						----- (Rupees) -----
National Bank of Pakistan - Demand Finance Facility - I (Rescheduled)	9.1	22 quarterly	July 2016	3-months KIBOR + 2% per annum	<b>612,091,610</b>	612,088,035
National Bank of Pakistan - Demand Finance Facility - II (Rescheduled)	9.2	22 quarterly	July 2016	3 months KIBOR plus 2.5% per annum	<b>335,134,772</b>	335,134,772
National Bank of Pakistan - Demand Finance		24 quarterly	April 2018	3-months KIBOR + 2% per annum	<b>200,000,000</b>	200,000,000
Sindh Bank Limited - Term Finance - I	9.3	28 Quarterly	October 2017	3-months KIBOR + 3% per annum	<b>145,500,000</b>	145,500,000
Sindh Bank Limited - Term Finance - II	9.3	28 Quarterly	October 2017	3-months KIBOR + 3% per annum	<b>80,510,000</b>	80,510,000
Sindh Bank Limited - Syndicated Term Finance Facility	9.4	8 semi-annual	July 2014	6 months KIBOR plus 2% per annum	<b>97,000,000</b>	98,000,000
Sindh Bank Limited - Restructured from Running Finance	9.5	24 Quarterly	October 2017	3-months KIBOR + 2.75% per annum	<b>323,904,251</b>	328,077,250
Sindh Bank Limited	9.6	24 Quarterly	October 2016	3-months KIBOR + 2.75% per annum	<b>90,160,000</b>	90,160,000
Summit Bank Limited	9.7	24 Quarterly	October 2017	6-months KIBOR + 2.75% per annum	<b>133,375,000</b>	133,375,000
Summit Bank Limited - Restructure	9.8	24 Quarterly	October 2017	6-months KIBOR + 2.75% per annum	<b>730,508,265</b>	730,508,265
Sindh Bank Limited	9.9	24 Quarterly	July 2016	3-months KIBOR + 2.75% per annum	<b>98,000,000</b>	98,000,000
					<u><b>2,846,183,898</b></u>	<u>2,851,353,322</u>
Less: Current portion shown under current liabilities					<u><b>(274,366,378)</b></u>	<u>(250,605,100)</u>
					<u><b>2,571,817,521</b></u>	<u><b>2,600,748,222</b></u>

- 9.1 National Bank of Pakistan had amalgamated and re-scheduled four long term loans' outstanding amount up-to Rs. 703.55 million into a single facility. The principal and mark-up thereon is repayable in 4.25 years and 19 quarterly instalments to be paid on step-up basis as the 1st instalment was felt due on January 01, 2017. The Facility is secured against 1st pari passu equitable mortgage charge over all present and future fixed assets of the Company including land, building, plant & machinery and 1st pari passu hypothecation charge over present and future plant and machinery of the Company situated at Deh Jagsiyani, Tappo Fateh Bagh, Taluka Tando Ghulam Hyder, district Tando Muhammad Khan, Sindh.



9.2 The Company had entered into an agreement dated February 23, 2009 with National Bank of Pakistan (NBP) in respect of settlement of long term loans amounting to Rs. 956.437 million against which Rs. 656.40 million was reflected in Company's books (NBP - I of Rs. 34.30 million, NBP - II of Rs. 116.45 million of General Term Finance, NBP LCY of Rs. 127.636 and frozen markup on these loans amounting to Rs. 377.20 million). The above settlement resulted in the extinguishment of debt by Rs. 484.9 million. According to the agreement, the Company has to pay an amount of Rs. 213.551 million after ten (10) years from the date of agreement i.e. by January 01, 2019. The amount is secured against the pledge of Defense Saving Certificates (DSCs) of Rs.72 million as explained in note 7.2 to these financial statements. The loan is measured on amortized cost, discounted on 12.16% over the period of 10 years.

The NBP will retain the 1st charge but release the sponsor's shares lying pledged in lieu of security in the shape of DSCs of Rs. 72 million to be kept under lien with NBP till recovery of entire settlement amount. However, NBP may consider request for NOC 1st pari passu charge with the approval of competent authority.

9.3 National Bank of Pakistan had re-scheduled existing running finance facility into long term loan amount up-to Rs. 385.21 million. The principal and mark-up thereon is repayable in 4.75 years and 19 quarterly instalments to be paid on step-up basis with the 1st instalment was felt due on January 01, 2017. The Facility is secured against 1st pari passu equitable mortgage charge over all present and future fixed assets of the Company including land, building, plant & machinery and 1st pari passu hypothecation charge over present and future plant and machinery of the Company situated at Deh Jagsiyani, Tappo Fateh Bagh, Taluka Tando Ghulam Hyder, district Tando Muhammad Khan, Sindh.

9.4 This represent Long term Finance Facility of Rs. 150 million and Rs. 83 million from Summit Bank Limited for the expenses incurred against maintenance, servicing and overhauling of property, plant and machinery of the mill. Since Principal repayment has to be commenced only after the end of 1 year grace period but the markup is being accrued. The facility is secured against moveable and immoveable fixed asset of the company with 20% margin to be upgraded to pari-passu within 90 days from the date of disbursement.

9.5 This represent Syndicated Term Finance Facility (STFF) of Rs 230 million to settle cane growers and suppliers/contractors liabilities and to improve liquidity position. The parties of the syndicates are Sindh Bank Limited with the share of Rs. 200 million and Summit Bank Limited (agent) with the share of Rs. 30 million. Since the date the facility was availed the loan was repayable in five years including one year grace period. The facility is secured by first pari passu charge over all present and future fixed assets of the Company.

9.6 Sindh Bank Limited had restructured a short term Running Finance Facility of Rs. 325 million as Long Term Finance Facility with effect from October 2017. The principal and markup thereon is repayable in seven years including one year grace period but the markup is being accrued. The facility is secured against moveable and immoveable fixed asset of the company with 20% margin to be upgraded to pari-passu within 90 days from the date of disbursement.

9.7 This represent Long Term Finance Facility of Rs. 92 million from Sindh Bank Limited with effect from October 2016 for payment of grower liabilities. The principal and markup thereon is repayable in seven years including one year grace period but the markup is being accrued. The principal and mark-up thereon is repayable in 24 quarterly instalments to be paid on step-up basis with the 1st instalment falling due on January 30, 2018. The facility is secured against pari passu charge over all present and future moveable and immoveable fixed asset of the company with 20% margin to be upgraded to pari-passu within 90 days from the date of disbursement.

9.8 This represent Long term Finance Facility of Rs. 137.5 million from Summit Bank Limited for settlement of growers liability, suppliers repayment and adjustment of advances. The principal and markup thereon is repayable in seven years including one year grace period but the markup is being accrued. The first principal payment shall fall due within 15 months from the date of disbursement i.e. January 17, 2018. The facility is secured against joint pari-passu hypothecation charge / pari-passu charge (both acceptable) over all present and future movable fixed assets of the customer with 20% margin over facility amount, joint pari-passu equitable mortgage over Land, building any other immovable property with 20% margin over facility amount and over all rights and benefits of customer under any and all project insurances and cut through agreements for reinsurance.

9.9 Summit Bank had re-scheduled existing Running Finance - I, Running Finance - II, Syndicated term Finance and Long Term Finance facilities amounting to Rs. 199.93 million, Rs. 300 million, Rs. 15 million and Rs. 250 million respectively into Long Term Finance facility Rs. 764.93 million for balance sheet restructuring, change



in debit mix and optimum utilization of resources to maximize can crushing. The principal and mark-up thereon is repayable in 24 quarterly instalments to be paid on step-up basis with the 1st instalment felt due on September 01, 2017. The principal and markup thereon is repayable in seven years including one year grace period but the markup is being accrued. The facility is secured against joint pari-passu hypothecation charge over all present and future movable fixed assets of the company with 20% margin over facility amount, joint pari-passu equitable mortgage over Land, building any other immovable property with 20% margin over facility amount and over all rights and benefits of the company under any and all project insurances and cut through agreements for reinsurance.

9.10 The company had converted the Syndicated Term Finance Facility into Long Term Finance amounting Rs. 100 million from Sindh Bank Limited to settle cane growers and suppliers/contractors liabilities and to improve liquidity position in the aftermath of devastating floods in Sindh in 2011 with effect from July 2016. Since the date of conversion the principal and markup thereon is repayable in seven years including one year grace period but the markup is being accrued, the first repayment falling due in fifteen months from the first drawdown date and subsequently every three months thereafter. The facility is secured against initial ranking charge over fixed asset of the company with 20% margin to be upgraded to pari-passu within 90 days from the date of disbursement.

		March 31, 2019	Sept 30, 2018		
	Note	----- (Rupees) -----			
<b>10</b>	<b>SHORT TERM BORROWINGS - secured</b>				
	Cash finances	10.1	<table><tr><td>2,166,437,111</td><td>2,166,437,111</td></tr></table>	2,166,437,111	2,166,437,111
2,166,437,111	2,166,437,111				

10.1 The Company has obtained cash finances amounting to Rs. 2,166 million (2018: Rs. 2,166 million). The rate of mark-up applicable during the year is 3 month KIBOR Plus 1.5% to 2.5 % (2018 : 3 month KIBOR Plus 1.5% to 2.5%) on the outstanding balance or part thereof to be paid quarterly. These facilities are secured against charge on the current and fixed assets of the Company and pledge of stock of refined sugar.

#### 11 TRADE AND OTHER PAYABLES

Creditors	45,869,661	43,781,853
Sugar cane creditors	190,173,730	183,134,579
Accrued expenses	32,876,412	18,930,542
	<b>268,919,803</b>	<b>245,846,974</b>
<b>Other liabilities</b>		
Advances from customers	81,442,341	76,147,290
Due to associates	208,902,070	139,052,840
Withholding tax payable	3,288,798	2,728,919
Sales tax payable	3,772,535	1,750,328
Unclaimed dividend	2,196,784	2,194,784
Others	3,848,965	2,861,301
	<b>303,451,493</b>	<b>224,735,462</b>
	<b>572,371,296</b>	<b>470,582,436</b>

#### 12 TAXATION

Allocation to the provision for taxation are provisional. Final liability would be determined on the basis of annual results.

#### 13 CONTINGENCIES AND COMMITMENTS

##### 13.1 Contingencies

The Company has following contingent liabilities in respect of legal and other claims arising in the ordinary course of business.





### 13.1.1 Claims subject to legal proceedings

A During the year and Subsequent to year end following cases have been filed against the company.

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
High Court Sindh at Karachi	Suit filed against the recoveries of outstanding amount	Sindh Bank	31-08-2019
Banking Court	Suit filed against the recoveries of outstanding amount	National Bank	18-10-2019
Banking Court	Suit filed against the recoveries of outstanding amount	Summit Bank	17-10-2019
Banking Court	Suit filed against the recoveries of outstanding amount	Summit Bank	24-08-2020
High Court Sindh at Karachi	Suit filed against the recoveries of outstanding amount	The Collector Sales Tax	10-04-2004
High Court Sindh at Karachi	Suit filed against the recoveries of outstanding amount	Additional Collector Sales Tax	16-04-2003
High Court Sindh at Karachi	Suit filed against the recoveries of outstanding amount	Collectorate of Customs	10-01-2004

B Suit B-44 of 2019 file against the Company for the recoveries of outstanding amount of Rs. 1,715,813,366 by Sindh Bank. The Company has denied the outstanding amount as claimed by the bank in the subject suit as the Bank without having any lawful jurisdiction recovered huge amount from the Company and has illegally adjusted the same toward alleged markup after the expiry of contractual period. No provision has been made in accounts as in view of legal advisor the claimed amount by Bank has to qualify the test of judicial determination with respect to amount actually payable by the Company in accordance with law.

C Suit B-64 of 2019 file against the Company for the recoveries of outstanding amount of Rs. 2,932,119,904 & 1,430,374,965 by National Bank Of Pakistan. The Company has denied the outstanding amount as claimed by the bank in the subject suit as the Bank without having any lawful jurisdiction recovered huge amount from the Company and has illegally adjusted the same toward alleged markup after the expiry of contractual period. No provision has been made in accounts as in view of legal advisor the claimed amount by Bank has to qualify the test of judicial determination with respect to amount actually payable by the Company in accordance with law.

D Suit B-61 of 2019 file against the Company for the recoveries of outstanding amount of Rs. 1,091,573,113 by Summit Bank. The Company has denied the outstanding amount as claimed by the bank in the subject suit as the Bank without having any lawful jurisdiction recovered huge amount from the Company and has illegally adjusted the same toward alleged markup after the expiry of contractual period. No provision has been made in accounts as in view of legal advisor the claimed amount by Bank has to qualify the test of judicial determination with respect to amount actually payable by the Company in accordance with law.



- E Suit B-28 of 2020 file against the Company for the recoveries of outstanding amount of Rs. 109,565,519 by Summit Bank. The Company has denied the outstanding amount as claimed by the bank in the subject suit as the Bank without having any lawful jurisdiction recovered huge amount from the Company and has illegally adjusted the same toward alleged markup after the expiry of contractual period. No provision has been made in accounts as in view of legal advisor the claimed amount by Bank has to qualify the test of judicial determination with respect to amount actually payable by the Company in accordance with law.
- F Excise duty rebate on excess production during the crushing season 1993-94 over the previous three years average production amounting to Rs. 22.40 million refunded by the department had been claimed back by the Collector of Customs and Central Excise on the ground that the amount was erroneously refunded. The Sales Tax Appellate Tribunal decided the case in favor of Company vide its order dated 20-10-2003. Against the said order the department has filed appeal before the High Court. The Company expects a favorable outcome of the case in view of legal advisor, hence no provision has been made in these financial statements.
- G The Company is contesting a case relating to additional sales tax amounting to Rs. 10.364 million on account of in house consumption of baggase as fuel for production during season 1996-97. The matter was under appeal at the Sales Tax Appellate Tribunal which passed an unfavorable order dated 22-05-2004. The other bench of the Tribunal had however remanded back similar case of other mills to the department to consider afresh the valuation aspect of baggase and exemption offered by the government for additional taxes and penalties on discharging only the principal sales tax liability in installments by the mills. The Company has preferred an appeal before the High Court against the order and has made no provision as in view of its legal council the Company has a case on merit which is expected to be decided favorably.
- H The Company is defending the case of further tax amounting to Rs. 31.181 million under the Sales Tax Act, 1990 pending adjudication before the High Court of Sindh. Earlier, the High Court maintained the favourable order of the Sales Tax Appellate Tribunal, Karachi wherein it was decided that the taxpayer companies were not required to charge impugned further tax. Upon the appeal of Collector of sales tax, the Honourable Supreme Court of Pakistan has remanded the case back to the High Court. The Company has paid a sum of Rs. 6.97 million in the same case in respect of further tax of Rs. 6.45 million and additional tax of Rs. 0.517 million under protest and recorded it as an asset in the financial statements. The Company expects that the High Court will maintain its previous favourable order, hence it does not expect any liability to be materialised and no provision is made in these financial statements.
- I As discussed in note 19 the Company has adjusted the quality premium against the subsidies paid above minimum cane price level for the year ranging from 2004 to 2007 to the growers. The Company has no liability for the period 2007-08 to 2011-12 due to recovery rate is less than threshold of quality premium. However for the season 2012-13 and 2013-14, as a matter of prudence the Company has not made any provision for quality premium amounting to Rs. 20.76 million (2017: Rs. 20.76 million).

### 13.2 Commitments

13.2.1 There are no further commitments in respect of capital and revenue expenditures as at March 31, 2019.

## 14 RELATED PARTY TRANSACTIONS

The related parties comprise directors, key management personnel, post employment benefit plan and other related companies. The Company in the normal course of business carries out transactions with various related parties.

	Six months period ended	
	March 31, 2019	March 31, 2018
	----- (Rupees) -----	
<b>Directors</b>		
Directors' Remuneration	<u>800,941</u>	<u>728,129</u>
<b>Key Management Personnel</b>		
Executives' Remuneration	<u>9,967,390</u>	<u>9,061,264</u>
<b>Others</b>		
Pak Ethanol	<u>(117,000,000)</u>	<u>103,905,760</u>
Omni Aviation	<u>1,800,000</u>	<u>1,800,000</u>
Omni Polymer	<u>6,542,900</u>	<u>14,121,202</u>
Contribution to ASML Employees provident fund trust	<u>1,836,677</u>	<u>1,240,573</u>



## 15 EVENTS AFTER THE END OF THE REPORTING DATE

**15.1** Subsequent to period end, an enquiry against the Company's shareholders, directors and other group companies has been initiated by the National Accountability Bureau & Federal Investigation Agency (FIA) in the matter of fake bank accounts and accordingly bank accounts of the company were seized by the State Bank of Pakistan. As a consequence of this the Production of this Company has declined Significantly as well as the Company has defaulted in making repayments of principal and interest thereon of loans obtained from banks. The Company has engaged legal counsel to defend false allegations of money laundering and illegal actions taken by National Accountability Bureau (NAB) and Federal Investigation Agency (FIA) against the Company, its business, shareholders, directors and lenders. The commercial operations including productions of the Company have been resumed for the year 2020 and 2021. Further, bank borrowings of the companies are being rescheduled/restructured and be implemented in due course. The management is also confident that outcome of the court proceedings in respect of alleged enquiry would be in the Company's favor.

**15.2** On March 11, 2020, the World Health Organization declared the 2019 Novel Coronavirus (the "Covid-19") out break a pandemic. In response to the outbreak, many countries including Pakistan have implemented measures to combat the outbreak, such as quarantines and travel restrictions. The Company's financial and operating performance may be adversely affected by the recent corona virus outbreak. Any prolonged restrictive measures in order to control the spread of Covid-19, or other adverse public health developments may significantly impact the demand for the Company's products. The extent to which Covid-19 will impact the Company's results of operations and financial condition will depend on future developments, which are highly un-certain and cannot be predicted, and accordingly, an estimate of the impact on these financial statements cannot be made at this time. The financial impact of Covid-19, if any, will be accounted for in the relevant period financial statements.

## 16 IMPACT OF COVID-19 (CORONA VIRUS)

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. On March 20, 2020, the Government of the Sindh announced a temporary lock down as a measure to reduce the spread of the COVID-19. Complying with the lockdown, the Company temporarily suspended its operations from March 23, 2020. In the Company's case, the lockdown was subsequently relaxed from end of May, 2020.

After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Company henceforth resumed its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business in order to maintain business performance despite slowed down economic activity. The lockdown has caused disruptions in supply chain including supply to the customers resulting in a decline in sales. It is also expected that the outbreak may result in lower demand in future. Due to this, management has assessed the accounting implications of these developments on these financial statements, including but not limited to the following areas:

- expected credit losses under IFRS 9, 'Financial Instruments';
- the impairment of tangible and intangible assets under IAS 36, 'Impairment of non-financial assets';
- the net realizable value of inventory under IAS 2, 'Inventories';
- deferred tax assets in accordance with IAS 12, 'Income taxes';
- provisions and contingent liabilities under IAS 37, including onerous contracts; and
- Going concern assumption used for the preparation of these financial statements.

According to management's assessment, there is no significant accounting impact of the effects of COVID-19 in these financial statements.

## 17 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

During the year, the business was conducted as usual, however, after balance sheet dates some significant events have happened which are properly disclosed in note 15 above.

## 18 AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized by the Board of Directors of the Company for issue on 12th April 2023.

## 19 GENERAL

Figures have been rounded off to the nearest rupee.

 CHIEF EXECUTIVE	 CHIEF FINANCIAL OFFICER	 DIRECTOR
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**ANSARI SUGAIR MILLS LIMITED**  
Deh Jagsiyani, Taluka Tando Ghulam Hayder,  
District Tando Muhammad Khan Sindh.