



Ansari Sugar Mills Limited



**Third
Quarter Accounts
June 30, 2020**



COMPANY PROFILE

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

Khawaja Aleem Majid	Chairman, Non-Executive Director
Noor Muhammad	Member, Non-Executive Director (Independent)
Dawoodi Morkas	Member, Non Executive Director

HUMAN RESOURCE & RUMENERATION COMMITTEE

Khawaja Aleem Majid	Chairman, Non Executive Director
Noor Muhammad	Member, Non- Executive Director (Independent)
Waheed Ahmed	Member Non- Executive Director

CHIEF FINANCIAL OFFICER	Khawaja Muhammad Salman Younis
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COMPANY SECRETARY	Imran Hameed
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BANKERS	National Bank of Pakistan Sindh Bank Limited Summit Bank Limited UBL Bank Limited MCB Bank Limited Habib Bank Limited Bank-Al-Habib Limited
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AUDITORS	M/s. J.A.S.B & Associates Chartered Accountants
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COST AUDITOR	Rao & Co Chartered Accountants Cost and Management Accountants
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LEGAL ADVISOR	Kashif Hanif Law Associates
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REGISTRAR	C&K Management Associates (Pvt) Ltd 404, 4th floor, Trade Tower, Abdullah Haroon Road, Saddar, Karachi.
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REGISTERED OFFICE	Deh Jagsiyani, Taluka Tando Ghulam Hayder, District Tando Mohammad Khan, Hyderabad, Sindh.
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CORPORATE OFFICE	CL-5/4, State Life Building No. 10, Abdullah Haroon Road, Karachi
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EMAIL ADDRESS	ansarisugarmills@omnigroup.com.pk
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WEBSITE	www.ansarisugar.com.pk
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FACTORY	Deh Jagsiyani, Taluka Tando Ghulam Hayder District Tando Muhammad Khan, Sindh.
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DIRECTOR'S REPORT

We are pleased to present the financial statements of **Ansari Sugar Mills Ltd.** for the third quarter ended June 30, 2020 along with Directors' Report for the period ended.

June 30,
2020

June 30,
2019

Pakistani Rupees (PKR)

FINANCIAL RESULTS

Sales	174,997,904	278,389,401
Gross profit	56,802,570	67,781,283
Pre-tax (loss)	(484,615,465)	(390,383,157)

The crushing season 2019-20 started on December 15th 2019. The provincial government announced price of cane at Rs. 192 per 40 kg for the season 2019-20.

Season started		15-12-2019	19-12-2018
Actual	Days	74	79
Sugar Cane Crushed	M.Tons	31,341	74,166
Sugar produced	M.Tons	3,001	7,260
Sugar recovery	%	9.80	9.79
Molasses produced	M.Tons	1,369	4,450
Molasses recovery	%	4.43	6.0

The mill commenced its crushing operations on 15th December, 2019. The gross profit worked out to Rs56.8 million as against a gross profit of Rs. 67.8 million during the corresponding period. Loss before tax worked out to Rs. 484.6 million, in comparison to last period loss of Rs. 390.3 million. Company posted net loss after tax of Rs. 351.4 million compare to a net loss Rs. 411.9 million during the corresponding period last year.

Delay in issuance / submission of Accounts:

During the previous years, 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 (Alhamdulillah).

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: January 29, 2024

مستقبل کا لائحہ عمل:

مختلف آمدن کے دھارے:

کمپنی نے بہتر انرجی، فیشنسی کس اور پلاننگ، بیلنسنگ، موڈرنائزیشن اور رپلیسمنٹ (BMR) کو مد نظر رکھا جو کہ آمدن کے دھارے کو بہتر بنانے کا مثلاً بگاس، مولاسیز وغیرہ۔

گنے کی کاشت کا ویزن:

کمپنی یہ جان چکی ہے کہ گروتھ اور استحکام شکرکین کے کرشنگ حجم کی پہنچ پر منحصر ہے اس میں خاص طور پر ان علاقوں کی پہنچ شامل ہے جہاں گنا کاشت ہوتا ہے یہاں کنجی کسانوں سے دیرپا تعلقات پر منحصر ہے گنے کی ورائٹی کو واضح کرتے ہوئے (زیادہ پیداوار اور زیادہ منافع) بروقت پیداواری مددنیج کی فراہمی، کھاد اور ذریعہ امداد شامل ہیں تاکہ ان کو زیادہ اور بہتر پیداوار کی طرف مائل کیا جاسکے۔

حکومتی پالیسی:

انصاری شوگر ملز بمپرکین کرشنگ کی اُمید رکھتی ہے جیسا کہ پچھلے دو سے تین سالوں کی پروڈکشن سے ظاہر ہے۔ جیسا کہ فیڈرل گورنمنٹ ایکسپورٹ کو ریگولیٹ رکھتی ہے ہم اُمید رکھتے ہیں، سپلائی اور ڈیمانڈ کے بیلنس کے تحت اگلے سال مزید بہتری آئیگی اور مقامی پیداوار ملک کے پیداواری ضرورت کو پورا کرنے کے ساتھ چینی اور ایتھونال میں بہتات بھی لائی گئی لہذا بروقت وفاقی گورنمنٹ کی طرف سے برآمد کی 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 عزم ہے کہ ایکسپورٹ کو محظ کوٹے تک محدود رکھنے کے بجائے باقاعدہ طرز عمل قرار دے دیگی تاکہ اچھی قیمت میں غیر مقامی منڈیوں تک رسائی کی جاسکے۔

ورکنگ کمپنیل:

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 جیسے ابھی ہم سیزن میں بھی پورا مال فروخت کر دیتے ہیں تاکہ ورکنگ کمپنیل حاصل کر سکیں۔

مذکورہ معلومات کے تحت آپ کی مینجمنٹ پر اُمید ہے کہ شگر انڈسٹری کے حالات بدلنے کو ہیں لہذا ہم نے اپنے تمام ذرائع کو ان کی بساط کے مطابق منظم کرنا شروع کر دیا ہے تاکہ آنے والے 5 سیزن میں بھرپور پیداوار حاصل کی جاسکے مذکورہ سیزن کین سپلائی، ریکوری اور پلانٹ کے مقدار کے استعمال سے بہت سود مند ہے انصاری شوگر ملز ایک بڑے پلانٹ کی صورت میں فائدہ اٹھاتے ہوئے آنے والے سیزن میں زیادہ سے زیادہ گنے کی خرید اور کرشنگ انجام دے گی۔

اعتراف:

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

منجانب بورڈ آف ڈائریکٹرز



خواجا انور حمید

چیف ایکزیکٹو آفیسر

29 جنوری 2024، کراچی



BALANCE SHEET AS AT JUNE 30, 2020

	Note	Un-Audited June 30, 2020	Audited September 30, 2019
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	4,315,583,445	4,358,197,173
Intangible assets		379,568	504,409
Long term deposits		1,236,600	1,236,600
		4,317,199,613	4,359,938,182
CURRENT ASSETS			
Inventories		2,712,073,538	2,632,120,064
Trade and other receivables		209,269,631	184,777,019
Prepayments, deposits and advances		1,141,113,764	1,338,102,661
Cash and bank balances		333,993,344	328,502,556
		4,396,450,277	4,483,502,300
		8,713,649,890	8,843,440,482
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital			
Authorised capital		900,000,000	900,000,000
Issued, subscribed and paid-up capital		561,365,550	561,365,550
Reserves			
Capital reserve			
Share premium		317,293,570	317,293,570
Surplus on revaluation of fixed assets		1,796,138,537	1,812,938,099
Equity reserves		336,000,000	336,000,000
		2,449,432,107	2,466,231,669
Revenue reserves			
Dividend equalization reserve		27,000,000	27,000,000
Accumulated losses		(1,324,940,681)	(990,307,482)
		(1,297,940,681)	(963,307,482)
		1,712,856,976	2,064,289,737
NON CURRENT LIABILITIES			
Financial liabilities		1,679,906,027	2,089,286,955
Deferred liabilities		753,564,678	889,372,351
Provision for quality premium		264,108,125	264,108,125
		2,697,578,830	3,242,767,431
CURRENT LIABILITIES			
Trade and other payables		256,959,359	404,989,428
Financial liabilities		2,802,758,384	2,393,377,457
Accrued mark-up		1,224,512,789	721,657,845
Unclaimed dividend		2,196,784	2,196,784
Current tax liability		16,786,768	14,161,800
		4,303,214,084	3,536,383,314
CONTINGENCIES AND COMMITMENTS			
		8,713,649,890	8,843,440,482

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED JUNE 30, 2020

	Quarter ended		Nine months Period Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Sales - net	29,793	237,044,595	174,997,904	278,389,401
Cost of sales	(23,251)	(185,906,966)	(118,195,334)	(210,608,118)
Gross profit	6,542	51,137,629	56,802,570	67,781,283
Operating expenses				
Selling and distribution expenses	-	(3,315,206)	(2,324,121)	(5,401,463)
Administrative expenses	(10,889,990)	(13,074,045)	(36,475,994)	(38,289,611)
	(10,889,990)	(16,389,251)	(38,800,115)	(43,691,074)
Operating profit / (loss)	(10,883,448)	34,748,378	18,002,455	24,090,209
Finance cost	(149,366,972)	(159,607,223)	(502,617,920)	(414,473,366)
Loss before taxation	(160,250,420)	(124,858,845)	(484,615,465)	(390,383,157)
Taxation	43,931,167	(21,095,265)	133,182,704	(21,517,348)
Loss after taxation	(116,319,253)	(145,954,110)	(351,432,761)	(411,900,505)
Loss per share - basic and diluted	(2.07)	(2.60)	(6.26)	(7.34)

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



CASH FLOW STATEMENT FOR THE PERIOD ENDED JUNE 30, 2020

	Un-Audited June 30, 2020	Un-Audited June 30, 2019
Profit before taxation	(484,615,465)	(390,383,157)
Adjustments for :		
Depreciation	42,613,728	42,413,439
Amortization	124,842	186,330
Finance cost	502,854,943	414,473,366
	545,593,513	457,073,135
Operating (loss) / profit before working capital changes	60,978,048	66,689,978
Changes in working capital :		
(Increase) / decrease in current assets:		
Inventories	(79,953,474)	(193,920,975)
Trade and other receivables	(24,492,612)	64,441,322
Prepayments, deposits and advances	196,988,897	226,465,850
Trade and other payables	(148,030,069)	238,679,829
	(55,487,258)	335,666,026
Net cash generated from / (used in) operations	5,490,790	402,356,004
Taxes paid	-	(173,438)
Finance cost paid	-	(7,868,962)
Net cash used in operating activities	5,490,790	394,313,604
CASH FLOWS FROM INVESTING ACTIVITIES		
Long term investments	-	215,061,649
Net cash used in investing activities	-	215,061,649
CASH FLOWS FROM FINANCING ACTIVITIES		
long term loans-net	-	(5,169,424)
Net cash flow from financing activities	-	(5,169,424)
Net decrease in cash and cash equivalents	5,490,790	604,205,829
Cash and cash equivalents at the beginning of the year	(1,307,977,959)	(1,908,897,133)
Cash and cash equivalents at the end of the year	(1,302,487,169)	(1,304,691,304)

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED JUNE 30, 2020

	Quarter ended		Nine months Period Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Loss after taxation	(116,319,253)	(145,954,110)	(351,432,761)	(411,900,505)
Incremental depreciation arising from revaluation of	2,325,014	(3,104,939)	16,799,562	(26,653,814)
Total comprehensive Profit/(Loss) for the period	(113,994,239)	(149,059,049)	(334,633,199)	(438,554,319)

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED JUNE 30, 2020

	Issued, subscribed and paid-up capital	Capital Reserves				Revenue Reserve			Grand Total
		Share Premium	Equity Reserve	Revaluation Surplus on PPE	Sub Total	General reserve	Unappropriated profit / (Accumulated loss)	Sub Total	
(Rupees)									
As at September 30, 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)	2,785,760,037
Loss for the year	-	-	-	-	-	-	(694,412,422)	(694,412,422)	(694,412,422)
Issue of Shares at premium	-	-	-	-	-	-	-	-	-
Re-measurement of define benefit liability	-	-	-	-	-	-	(7,057,876)	(7,057,876)	(7,057,876)
Incremental depreciation on revalued fixed assets - net of tax	-	-	-	(24,379,977)	(24,379,977)	-	24,379,977	24,379,977	-
Balance as at September 30, 2019	561,365,550	317,293,570	336,000,000	1,812,938,099	2,466,231,671	27,000,000	(990,307,482)	(963,307,482)	2,064,289,737
Loss for the period	-	-	-	-	-	-	(351,432,761)	(351,432,761)	(351,432,761)
Issue of Shares at premium	-	-	-	-	-	-	-	-	-
Re-measurement of define benefit liability	-	-	-	-	-	-	-	-	-
Incremental depreciation on revalued fixed assets - net of tax	-	-	-	(16,799,562)	(16,799,562)	-	16,799,562	16,799,562	-
Balance as at June 30, 2020	561,365,550	317,293,570	336,000,000	1,796,138,537	2,449,432,109	27,000,000	(1,324,940,681)	(1,297,940,681)	1,712,856,976

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) AS AT JUNE 30, 2020

1. COMPANY AND ITS OPERATIONS

The company is a Public Limited Company incorporated in Pakistan on 09 July 1989 under the Companies Ordinance, 1984 and is listed on Pakistan Stock Exchange in Pakistan. The registered office of the company is situated at Deh Jagsiyani, Taluka Tando Ghulam Hayder, District Tando Mohammad Khan, Hyderabad, Sindh, and mill is located at Deh Jagsiyani, Taluka Tando Mohammad Khan, District Hyderabad, Sindh. The company is engaged in the manufacturing and sale of white sugar.

2. STATEMENT OF COMPLIANCE

This condensed interim financial report of the company for the 3rd Quarter ended 30th June 2020 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 Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

3. BASIS OF PREPARATION

This condensed interim financial information is unaudited and has been prepared in accordance with the requirements of the International Accounting Standards IAS 34 Interim Financial Reporting as applicable in Pakistan. The condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended September 30, 2019.

4. SIGNIFICANT ACCOUNTING POLICIES

- 4.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended 30 September 2019.
- 4.2 The preparation of condensed interim financial information requires management to make judgments, 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. In preparing the condensed interim financial information, the significant judgments made by management in applying accounting policies and key sources of estimation were the same as those that were applied to the financial statements as at and for the year ended 30 September 2019.

5. SEASONAL PRODUCTION

Due to seasonal availability of sugarcane, the manufacturing of sugar is carried out during the crushing season and costs incurred/ accrued up to the reporting date have been accounted for accordingly, the cost incurred/ accrued after the reporting date will be reported in the subsequent financial statements.

Un-audited June 30 2020	Audited September 30 2019
----- (Rupees) -----	

6. PROPERTY, PLANT AND EQUIPMENT

Opening book value	4,358,197,173	4,412,089,947
Addition during the period	-	-
	4,358,197,173	4,412,089,947
Less:		
Disposal during the period	-	(630,000)
Depreciation during the period	42,613,728	(53,262,774)
	42,613,728	(53,892,774)
Closing book value	4,315,583,445	4,358,197,173

7. CONTINGENCIES AND COMMITMENTS

There is no change in the status of contingencies as disclosed in the published annual financial statements for the year ended September 30, 2019.

8. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 29 Jan, 2024 by the board of directors.

9. GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



ANSARI SUGAR MILLS LIMITED

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