

# Half Yearly Report

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS

for the period ended 31 March 2024  
(Un-audited)



## CONTENTS

Company Information.....	01
Director Report .....	02
Auditor Review Report.....	04
Balance Sheet.....	06
Profit & Loss Account.....	07
Statement of Comprehensive Income .....	08
Statement of Changes in Equity.....	09
Cash Flow Statement .....	10
Notes to the Financial Statements.....	11

## CORPORATE INFORMATION

### Board of Directors

Muhammad Dawood (Chief Executive/Director)  
Yasir Iqbal (Chairman)  
Muhammad Nawaz  
Muhammad Rasheed Rana  
Atif Butt  
Muhammad Talib  
Amjad Abbas

### Audit Committee

Muhammad Nawaz (Chairman/Member)  
Atif Butt (Member)  
Amjad Abbas (Member)

### Chief Financial Officer

Sohail Azam Khan

### Company Secretary

Saleem Abbas

### Internal Auditors'

Mamoon Ahmad Moon

### Auditors'

Zahid Jamil & Co.  
Chartered Accountants

### Registrar

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

### Registered Office

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

### Mills

Abdullah Shah Ghaziabad, Garho, District  
Thatta, Sindh

### Bankers

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

### Web Presence:

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



## DIRECTORS REVIEW REPORT

The Directors are pleased to present the un-audited condensed interim financial information of the Company for the six months' period ended on March 31, 2024. This condensed interim financial information is presented to the shareholders of the Company in compliance with the International Accounting Standard No. 34 "Interim Financial Reporting", the Code of Corporate Governance, under Section 237 of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019. The enclosed financial information has been reviewed by the external auditors, as required by the Code of Corporate Governance.

### OPERATIONAL PERFORMANCE

During the crushing season 2023-24, unfortunately, the operations had to be closed for the season due to serious technical problems in one of mills boiler and power turbine.

### FINANCIAL PERFORMANCE

The Company suffered loss after taxation of Rs. 191.216 million (2023: loss Rs. 173.826 million) during the six months' period ended on March 31, 2024 due to closure of operations of the mills during the crushing season 2023-24.

### ECONOMICAL CHALLENGES

Currently, Pakistan's domestic sugar prices are almost half of the world prices, as many countries protect their sugar industries, resulting in higher domestic prices. This makes sugar in Pakistan one of the cheapest in the world. Given that sugarcane prices have been increasing by 20-25% annually over the past few years, it is logical that sugar prices should also rise similarly. It is essential for sugarcane prices to continue increasing to prevent farmers from switching to other crops, as sugarcane is already planted on less than 5% of the country's agricultural land. Government needs to stabilize sugar prices by taking various measures to reduce the gap between imported and local sugar prices so that growers can get better prices of their produce according to the international prices of the commodity and sugar industry can make reasonable profits.

### ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this half yearly condensed interim financial information are the same as applied in the preparation of the preceding annual financial statements of the Company.

### ACKNOWLEDGEMENT

The Directors appreciate the spirit of good work done by the Company's staff at all levels and valuable support of our Bankers.

ON BEHALF OF THE BOARD



Chief Executive/Director



Director

Lahore

May 30, 2024

## ڈائریکٹرز کی جائزہ رپورٹ

ڈائریکٹرز 31 مارچ 2024 کو ختم ہونے والی چھ ماہ کی مدت کے لئے کمپنی کی غیر آڈٹ شدہ عبوری مالی معلومات پیش کرنے پر خوش ہیں۔ کمپنی ایکٹ 2017 کی دفعہ 237 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تحت کارپوریٹ گورننس کوڈ، انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈ نمبر 34 "عبوری مالیاتی رپورٹنگ"، کوڈ آف کارپوریٹ گورننس کی تعمیل میں کمپنی کے شیئرز ہولڈرز کو یہ مختصر عبوری مالی معلومات پیش کی جاتی ہیں۔ کارپوریٹ گورننس کوڈ کے مطابق ہر ذیلی آڈیٹرز کے ذریعہ منسلک مالی معلومات کا جائزہ لیا گیا ہے۔

### آپریشنل کارکردگی

کرشنگ سیزن 2023-24 کے دوران بد قسمتی سے ایک ملز بواکس اور پاور ٹرانزیشن میں شدید تکنیکی مسائل کی وجہ سے سیزن کے لیے آپریشن بند کرنا پڑا۔

### مالی کارکردگی

کرشنگ سیزن 2023-24 کے دوران ملز کے آپریشن کی بندش کی وجہ سے 31 مارچ 2024ء کو ختم ہونے والے چھ ماہ کی مدت کے دوران کمپنی کو 191.216 ملین روپے (2023: نقصان 173.826 ملین روپے) کا بعد از ٹیکس نقصان اٹھانا پڑا۔

### اقتصادی چیلنجز

اس وقت پاکستان میں چینی کی مقامی قیمتیں عالمی قیمتوں کا تقریباً نصف ہیں کیونکہ بہت سے ممالک اپنی چینی کی صنعتوں کو تحفظ فراہم کرتے ہیں جس کے نتیجے میں مقامی قیمتوں میں اضافہ ہوتا ہے۔ یہی وجہ ہے کہ پاکستان میں چینی دنیا میں سب سے سستی ہے۔ یہ دیکھتے ہوئے کہ گنے کی قیمتوں میں گزشتہ چند سالوں میں سالانہ 20-25 فیصد اضافہ ہو رہا ہے، یہ منطقی ہے کہ چینی کی قیمتوں میں بھی اسی طرح اضافہ ہونا چاہئے۔ کسانوں کو دوسری فصلوں کی طرف جانے سے روکنے کے لئے گنے کی قیمتوں میں اضافہ جاری رکھنا ضروری ہے، کیونکہ ملک کی 5 فیصد سے بھی کم زرعی زمین پر گنے کی کاشت پہلے ہی کی جا چکی ہے۔ حکومت کو چینی کی درآمدی اور مقامی قیمتوں کے درمیان فرق کو کم کرنے کے لئے مختلف اقدامات کرتے ہوئے چینی کی قیمتوں کو مستحکم کرنے کی ضرورت ہے تاکہ کاشتکاروں کو اجناس کی بین الاقوامی قیمتوں کے مطابق اپنی پیداوار کی بہتر قیمتیں مل سکیں اور چینی کی صنعت مناسب منافع کما سکے۔

### اکاؤنٹنگ پالیسیاں

اس ششماہی مختصر عبوری مالی معلومات کی تیاری میں اپنائی گئی ایکاؤنٹنگ پالیسیاں وہی ہیں جو کمپنی کے پچھلے سالانہ مالی بیانات کی تیاری میں لاگو ہوتی ہیں۔

### اعتراف

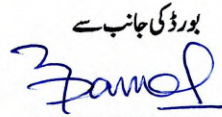
ڈائریکٹرز ہر سطح پر کمپنی کے عملے کی جانب سے کئے گئے اچھے کام کے جذبے اور ہمارے بینکرز کی قابل قدر حمایت کو سراہتے ہیں۔



ڈائریکٹر

لاہور

30 مئی، 2024

یورڈ کی جانب سے  


چیف ایگزیکٹو/ڈائریکٹر



## Independent Auditor's Review Report to the Members of Abdullah Shah Ghazi Sugar Mills Limited

### Report on Review of Interim Financial Statements

#### **Introduction**


We have reviewed the accompanying condensed interim statement of financial position of Abdullah Shah Ghazi Sugar Mills Limited as at March 31, 2024 and the related 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 the financial statements for the six-month 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 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 three month period ended March 31, 2024 and 2023 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended March 31, 2024.

#### **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 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.

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

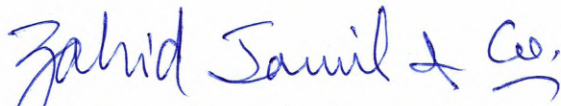
We draw attention to Note 3 of these interim financial statements which indicates that as at the condensed interim statement of financial position date, the Company's accumulated losses reported were Rs. 2,550.860 million (Sep. 2023: Rs. 2,420.228 million) and its current liabilities exceeded its current assets by 2,796.646 million (Sep 2023: Rs. 2,723.732 million). These conditions indicate that a material uncertainty exists, which may cast significant doubt on the Company's ability to continue as a going concern. However, these interim financial statements have been prepared on "going concern basis" in consideration of mitigating factors mentioned in Note 3 of these interim financial statements. Our opinion is not modified in respect of this matter..



### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six months period ended March 31, 2024 is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's report is Adeel Anwar (ACA).



Chartered Accountants

Place: Lahore

Date: May 30, 2024

UDIN: RR202410366mfPpGFCI3



**ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT MARCH 31, 2024**

	Note	<i>Unaudited</i> 31-03-24 <i>Rupees</i>	<i>Audited</i> 30-09-23 <i>Rupees</i>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>SHARE CAPITAL AND RESERVES</u></b>			
Authorized share capital		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital		792,616,660	792,616,660
Capital Reserve:			
Revaluation surplus on property, plant and equipment		1,110,654,738	1,171,239,257
Revenue Reserve:			
Un-appropriated loss		(2,550,859,646)	(2,420,228,387)
<b>TOTAL EQUITY</b>		<b>(647,588,248)</b>	<b>(456,372,470)</b>
<b><u>LIABILITIES</u></b>			
<b><u>NON-CURRENT LIABILITIES</u></b>			
Long term loan from related party - unsecured	7	710,469,063	622,073,947
Long term loan from bank - secured	8	241,000,000	247,000,000
Deferred tax liability	9	215,216,297	255,768,455
		1,166,685,360	1,124,842,402
<b><u>CURRENT LIABILITIES</u></b>			
Trade and other payables	10	2,420,683,770	2,450,313,226
Finance cost payable	11	481,101,730	393,854,694
Short term borrowings - secured	12	18,973,000	18,973,000
Current portion of long term loan from bank		10,472,000	10,972,000
		2,931,230,500	2,874,112,920
<b>TOTAL LIABILITIES</b>		<b>4,097,915,860</b>	<b>3,998,955,322</b>
<b><u>CONTINGENCIES AND COMMITMENTS</u></b>			
	13	-	-
		<b>3,450,327,612</b>	<b>3,542,582,852</b>
<b><u>ASSETS</u></b>			
<b><u>NON CURRENT ASSETS</u></b>			
Property, plant and equipment	14	3,315,742,647	3,392,202,188
		<b>3,315,742,647</b>	<b>3,392,202,188</b>
<b><u>CURRENT ASSETS</u></b>			
Stores and spares		54,583,876	38,974,131
Stock in trade	15	-	194,400
Advances	16	48,350,465	83,632,857
Other receivables		16,117,735	16,117,735
Tax refunds due from the government		12,823,645	8,116,831
Cash and bank balances	17	2,709,245	3,344,710
		<b>134,584,966</b>	<b>150,380,664</b>
		<b>3,450,327,612</b>	<b>3,542,582,852</b>

The annexed notes, from 1 to 27, form an integral part of these financial statements.

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**


  
**CHIEF FINANCIAL OFFICER**



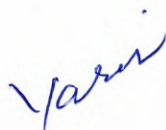
**ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2024**

	Note	<i>Six Months Period Ended</i>		<i>Quarter Ended</i>	
		<i>31-03-24</i>	<i>31-03-23</i>	<i>31-03-24</i>	<i>31-03-23</i>
		<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Sales - net	18	-	345,836,916	-	-
Cost of sales	19	(136,471,901)	(611,161,195)	(72,326,452)	(508,698,022)
<b>Gross (loss) / profit</b>		<b>(136,471,901)</b>	<b>(265,324,279)</b>	<b>(72,326,452)</b>	<b>(508,698,022)</b>
Administrative and general expenses		(8,256,303)	(15,646,505)	(3,058,551)	(9,624,483)
<b>Operating (loss) / profit</b>		<b>(144,728,204)</b>	<b>(280,970,784)</b>	<b>(75,385,003)</b>	<b>(518,322,505)</b>
Other income		662,802	92,598,768	(139,234,678)	(47,298,711)
Finance cost		(87,281,944)	(45,189,799)	(44,261,574)	(21,154,875)
<b>Loss before tax</b>		<b>(231,347,346)</b>	<b>(233,561,815)</b>	<b>(258,881,255)</b>	<b>(586,776,091)</b>
Taxation	20	40,131,568	59,735,869	5,348,540	42,955,014
<b>(Loss) / profit after tax</b>		<b>(191,215,778)</b>	<b>(173,825,946)</b>	<b>(253,532,715)</b>	<b>(543,821,077)</b>
(Loss) / earnings per share		<b>(2.41)</b>	<b>(2.19)</b>	<b>(3.20)</b>	<b>(6.86)</b>

The annexed notes, from 1 to 27, form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

**ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2024**

	<i>Six Months Period Ended</i>		<i>Quarter Ended</i>	
	<i>31-03-23</i>	<i>31-03-22</i>	<i>31-03-23</i>	<i>31-03-22</i>
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
<b>Items that may be reclassified subsequently to profit or loss</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurements of defined benefit obligation	-	-	-	-
Other comprehensive loss	-	-	-	-
Deferred tax on remeasurement of retirement benefit obligation	-	-	-	-
	-	-	-	-
<b>Other comprehensive loss</b>	-	-	-	-
loss after taxation	(191,215,778)	(173,825,946)	(253,532,715)	(543,821,077)
<b>Total comprehensive income</b>	<b>(191,215,778)</b>	<b>(173,825,946)</b>	<b>(253,532,715)</b>	<b>(543,821,077)</b>

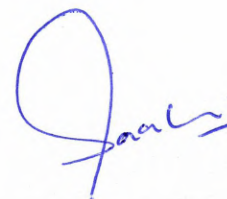
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CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



**ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2024**

	Share Capital	Un-appropriated Profit	Surplus on revaluation of property, plant and equipments - net	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
<b>Balance as at October 1, 2022 Audited</b>	792,616,660	(2,201,286,662)	1,235,349,332	(173,320,670)
Total comprehensive loss for the period	-	(173,825,946)	-	(173,825,946)
Transfer from surplus on revaluation of property plant and equipment	-	67,858,622	(67,858,622)	-
<b>Balance as at March 31, 2023 Un-Audited</b>	<u>792,616,660</u>	<u>(2,307,253,986)</u>	<u>1,167,490,710</u>	<u>(347,146,616)</u>
<b>Balance as at October 1, 2023 Audited</b>	792,616,660	(2,420,228,387)	1,171,239,257	(456,372,470)
Total comprehensive loss for the period	-	(191,215,778.10)	-	(191,215,778)
Transfer from surplus on revaluation of property plant and eq	-	60,584,519	(60,584,519)	-
<b>Balance as at March 31, 2024 Un-Audited</b>	<u>792,616,660</u>	<u>(2,550,859,646.00)</u>	<u>1,110,654,738</u>	<u>(647,588,248)</u>

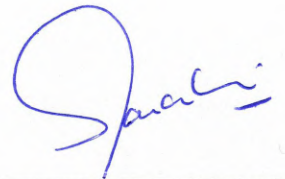
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CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

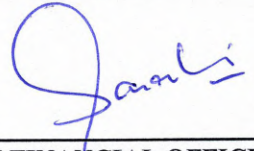
**ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2024**

	<u>31-03-24</u>	<u>31-03-23</u>
	<i>Rupees</i>	<i>Rupees</i>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Loss before taxation	(231,347,346)	(233,561,814)
Adjustments for non-cash and other items:		
Depreciation	76,459,541	80,779,970
Creditor Write off	(662,802)	-
Finance cost	87,281,944	45,189,799
	<b>163,078,683</b>	<b>125,969,769</b>
Profit before working capital changes	<b>(68,268,663)</b>	<b>(107,592,045)</b>
Working capital changes		
(Increase)/Decrease in:		
Stores and spares	(15,609,745)	(5,201,095)
Stock in trade	194,400	28,749,209
Advances, deposits and prepayments	30,575,578	(17,843,797)
	<b>15,160,233</b>	<b>5,704,317</b>
(Increase)/Decrease in:		
Trade and other payables	(28,966,654)	210,765,440
	<b>(28,966,654)</b>	<b>210,765,440</b>
Cash generated from operations	<b>(82,075,084)</b>	<b>108,877,712</b>
Income tax paid	(200,849)	(321,506)
Finance cost paid	(34,908)	(95,313,774)
Gratuity paid	(219,737)	-
	<b>(455,494)</b>	<b>(95,635,280)</b>
Net cash generated from operating activities	<b>(82,530,578)</b>	<b>13,242,432</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Fixed assets acquired	-	(658,000)
Capital work in progress	-	(158,804,415)
Net cash used in investing activities	-	<b>(159,462,415)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Loan term borrowings	(6,500,000)	(11,298,518)
Long term loan from related party - unsecured	88,395,113	161,996,508
Net cash (used in)/from financing activities	<b>81,895,113</b>	<b>150,697,990</b>
Net increase/(decrease) in cash and cash equivalents	(635,465)	4,478,009
Cash & cash equivalents at the beginning of the year	3,344,710	3,069,151
Cash & cash equivalents at the end of the period	<b>2,709,245</b>	<b>7,547,160</b>

The annexed notes, from 1 to 27, form an integral part of these financial statements.

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**



**ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2024**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

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

**Mill location:**Gharo, Sindh

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

**2 BASIS OF PREPARATION**

**2.1 Basis of Accounting**

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

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

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

**2.1.2** These condensed interim financial statements provide maximum information as required by law, and should be read in conjunction with the annual audited financial statements for the year ended 30 September 2023.

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

**3 GOING CONCERN ASSUMPTION**

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

The interim condensed financial statements of the company for the half year ended March 31, 2024 reflect that company has sustained a net loss after taxation of Rs. Rs. 191.216/- million and as of that March 31, 2024 it has accumulated losses of Rs.2,550,860/- million (Sep 2023: Rs.2,420.22 million) and its current liabilities exceeded its current assets by Rs. 2,796.646 million (Sep 2023: Rs. 2,723.732 million). These conditions indicate that the material uncertainty exist, which may cast significant doubts on the company's ability to continue as going concern and therefore the company may not be able to realize its assets and discharge its liabilities in the normal course of business. However management has taken the following significant measures to improve the operational performance and liquidity of the company:

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

e) Further, the management is actively pursuing a plan to reduce cost and to increase the efficiency of mills. Finally, the management is very much convinced that the above measures would result in improving the financial position and operational performance of the company.

**4 ACCOUNTING STANDARDS AND POLICIES**

4.1 The accounting standards, policies and the methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the audited financial statements for the year ended 30 September 2023, unless otherwise as mentioned.

**5 ACCOUNTING ESTIMATES & JUDGEMENTS**

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

In preparing the condensed interim financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of audited financial statements for the year ended 30 September 2023.

**6 SEASONALITY OF OPERATIONS**

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



**ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2024**

	<i>Unaudited</i> 31-03-24	<i>Audited</i> 30-09-23
	<i>Rupees</i>	<i>Rupees</i>
<b>7 LONG TERM LOAN FROM RELATED PARTY - UNSECURED</b>		
Subordinated loan from holding company	<b>710,469,063</b>	<b>622,073,947</b>
<p>The loan has been advanced by M/s. Haq Bahu Sugar Mills (Pvt.) Ltd. which carries mark-up @ 3 months KIBOR plus 1% (2023: @ 3 months KIBOR plus 1%) payable half yearly. Since the loan will not be repayable within next twelve months therefore the same has been classified as long term liability. The loan is subordinated to certain short term finance facility obtained by the company and is subject to BOD resolution/approval.</p>		
<b>8 LONG TERM LOAN FROM BANK - SECURED</b>		
Mark-up based borrowing from conventional banks (Secured):		
Term Finance		
Silk Bank	8.1	
	472,000	972,000
	<b>472,000</b>	<b>972,000</b>
Islamic Mode of Financing (Secured):	8.2	
Bank Islami	251,000,000	257,000,000
	<b>251,000,000</b>	<b>257,000,000</b>
	<b>251,472,000</b>	<b>257,972,000</b>
Less: Current Portion of Long term Loans	(10,472,000)	(10,972,000)
	<b>241,000,000</b>	<b>247,000,000</b>
<b>8.1</b>	<p>The facility has been obtained from Silk Bank Limited amounting to Rs. 100 million. As per the facility sanctioned advice, the facility carries no mark-up. The facility is secured against pledge of refined sugar with 10% margin. The Silk Bank limited entered into a restructuring programme in the earlier years. The liability regarding principal amount of loan towards the Bank has been fully settled. Out of the total outstanding finance facility of Rs. 58.103 million, Rs. 57.631 million have been paid and remaining Rs. 0.472 million shall be paid in coming year. The mark up charged earlier is no longer payable upon satisfactory/ timely repayment of loan, as agreed under settlement letter with reference number "SILKBANK/SAMG/16/06".</p>	
<b>8.2</b>	<p>The Bank Islami Limited had filed a recovery suit for Rs. 360,907,225/- on account of loan recovery against the Company. On May 2021, the learned court has reserved its judgment on this issue. Although, the case would be discharged from the court once the loan matures and NOC issued by the bank is filed with the court, but both the Company and the bank have mutually agreed to restructure the financing arrangement. Under the restructured financing arrangement, the Company shall pay principal amount of Rs. 275 Million, mark-up amount of Rs. 36.444 Million and an estimated additional rental / future profit of Rs. 126.358 Million to the bank by June 30, 2032, with markup payments starting from September 2028. All the agreed payments have been discounted and appropriately accounted and disclosed for. Further details regarding the legal proceedings have been disclosed in note 21.1 (c).</p>	
<b>9 DEFERRED TAX LIABILITIES</b>		
<b>DEFERRED TAXATION</b>		
The Liability of Deferred Tax comprises of Temporary differences relating to:		
<b>Taxable Temporary Differences</b>		
Accelerated tax depreciation	280,982,205	246,055,576
Revaluation - net of related depreciation	446,639,299	471,385,088
	<b>727,621,504</b>	<b>717,440,664</b>
<b>Deductible Temporary Differences</b>		
Retirement Benefit Obligation	1,970,293	(2,745,361)
Available tax losses and credits	(521,169,617)	(466,141,555)
	<b>(519,199,324)</b>	<b>(468,886,916)</b>
	<b>208,422,180</b>	<b>248,553,748</b>
<b>STAFF RETIREMENT BENEFITS-GRATUITY</b>		
Balance sheet liability	7,214,707	7,106,560
Expenses chargeable to profit and loss account	-	<b>1,849,869</b>
Re-measurements chargeable in other comprehensive income	-	<b>(791,502)</b>
Benefits paid	(420,590)	(950,220)
	<b>6,794,117</b>	<b>7,214,707</b>
	<b>215,216,297</b>	<b>255,768,455</b>
<b>10 TRADE AND OTHER PAYABLES</b>		
Creditors for goods and services	1,046,562,741	1,080,352,672
Advance from customer	1,218,458,802	1,217,056,443
Accrued Liabilities	16,939,239	19,746,072
Deposits	39,076	39,076
Road Cess	2,448,191	2,448,191
Income Tax Payable	3,857,447	3,962,742
Workers' Profit Participation Fund	112,702,781	112,702,781
Workers' Welfare Fund	8,845,054	8,845,054
Other liabilities	10,830,439	5,160,195
	<b>2,420,683,770</b>	<b>2,450,313,226</b>

		<i>Unaudited</i>	<i>Audited</i>
		<b>31-03-24</b>	<b>30-09-23</b>
		<i>Rupees</i>	<i>Rupees</i>
<b>11</b>	<b><u>FINANCE COST PAYABLE</u></b>		
	Mark-up on Borrowing from Conventional Banks:		
	Islamic Mode of Financing:		
	Long Term Financing	96,907,267	87,811,875
	Short Term Borrowings	-	-
		<b>96,907,267</b>	<b>87,811,875</b>
	Other		
	Long Term Financing	384,194,463	306,042,819
		<b>384,194,463</b>	<b>306,042,819</b>
		<b>481,101,730</b>	<b>393,854,694</b>
<b>12</b>	<b><u>SHORT TERM BORROWINGS</u></b>		
	Other Financing (Unsecured):	18,973,000	18,973,000
		<b>18,973,000</b>	<b>18,973,000</b>
	<b>12.1</b> This loan is interest free and unsecured and is payable with the mutual consent.		
<b>13</b>	<b><u>CONTINGENCIES AND COMMITMENTS</u></b>		
	<b><u>Contingencies</u></b>		
	a) The Company received advances from Trading Corporation of Pakistan (TCP) under four different sugar supply agreements. The Company contends that this amount is not due as the buyer did not fulfil its performance obligations. As a prudent policy, adjustments would be made on finalization of the dispute. The company is of the view that Trading Corporation of Pakistan has made numerous breaches of the agreements causing enormous losses to the Company and has filed a civil suit in court of Honourable Civil Judge, Lahore praying to refer the dispute for arbitration under the terms of the agreements. The matter is pending arguments before the Court .		
	b) During the previous years, the TCP filed a complaint with National Accountability Bureau (NAB), Sindh for recovery of the amount advanced by it as referred in preceding paragraph. Total amount claimed by TCP is Rs. 1,311.528 million being principal amount of Rs. 570.913 million plus Rs. 740.615 million being penalty, mark-up and other incidental charges. The matter is pending with NAB for disposal and the management expects that outcome will be in its favour, the penalty, mark-up and other incidental charges of Rs. 740.615 million would not be payable, hence no provision has been made in these financial statements. During the previous years TCP has encashed Margin on Guarantee deposited by the company with the banks and therefore the principal amount claimed has been reduced to Rs. 521.165 million.		
<b>14</b>	<b><u>PROPERTY, PLANT AND EQUIPMENT</u></b>		
	Operating assets	2,893,258,308	2,969,717,849
	Capital work in progress	422,484,339	422,484,339
		<b>3,315,742,647</b>	<b>3,392,202,188</b>
	<b>14.1</b> <b><u>Operating Assets</u></b>		
	Net book value at beginning of the period	2,969,717,849	3,130,661,180
	Addition during the period	-	657,998
	Depreciation charged during the period	(76,459,541)	(161,601,329)
		<b>2,893,258,308</b>	<b>2,969,717,849</b>
	<b>14.2</b> <b><u>Capital work in progress</u></b>		
	Opening balance	422,484,339	60,687,608
	Add: Additions during the year	-	361,796,731
		<b>422,484,339</b>	<b>422,484,339</b>
<b>15</b>	<b><u>STOCK IN TRADE</u></b>		
	Work in Process	-	194,400
<b>16</b>	<b><u>ADVANCES, DEPOSITS AND PREPAYMENTS</u></b>		
	Advances - Unsecured, considered good		
	Growers	15,891,356	51,997,712
	Contractors	2,520,007	2,023,610
	Suppliers	19,125,386	18,092,571
	Employees	1,307,857	1,352,857
	For expenses	9,505,859	10,166,107
		<b>48,350,465</b>	<b>83,632,857</b>
	<b><u>OTHER RECEIVABLE</u></b>		
	Other receivable	302,735	302,735
	Export rebate receivable	15,815,000	15,815,000
		<b>16,117,735</b>	<b>16,117,735</b>
<b>17</b>	<b><u>CASH AND BANK BALANCES</u></b>		
	Cash at Banks	642,939	1,276,322
	Cash in Hand	2,066,306	2,068,388
		<b>2,709,245</b>	<b>3,344,710</b>



14.1 PROPERTY, PLANT & EQUIPMENT

Particulars	Land free hold	Experimental land	Building on free hold land:		Plant and machinery	Electric installations	Tools and equipment	Telephone installation	Electric equipment	Furniture and fixture	Office equipment	Arms and ammunition s	Tents and tarpaulins	Computers	Vehicles	Scales and weighbridges	Total
			- Factory	-Non factory													
.....RUPEES.....																	
As at October 01, 2022																	
Cost	9,337,791	11,844,084	270,950,261	106,000,769	4,426,648,485	12,529,128	3,536,877	1,030,151	7,291,203	7,717,229	4,439,008	453,677	3,210,660	3,281,263	12,479,065	14,000	4,880,763,651
Accumulated depreciation	-	-	185,012,227	78,955,942	1,436,886,162	12,086,758	3,108,782	969,604	6,266,189	6,923,956	3,121,399	404,038	2,203,423	2,664,086	11,489,107	10,798	1,750,102,471
Book value	9,337,791	11,844,084	85,938,034	27,044,827	2,989,762,323	442,370	428,095	60,547	1,025,014	793,273	1,317,609	49,639	1,007,237	617,177	989,958	3,202	3,130,661,180
Year ended September 30, 2023:																	
Additions	-	-	-	-	-	-	-	-	-	213,298	-	-	-	444,700	-	-	657,998
Disposal:																	
-cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	8,593,803	2,704,483	149,488,116	44,237	42,810	6,055	102,501	94,770	131,761	4,964	100,724	88,793	197,992	320	161,601,329
Book value	9,337,791	11,844,084	77,344,231	24,340,344	2,840,274,207	398,133	385,285	54,492	922,513	911,801	1,185,848	44,675	906,513	973,084	791,966	2,882	2,969,717,849
Year Period ended March 31, 2024:																	
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals:																	
- cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	3,867,212	1,217,017	71,006,855	19,907	19,265	2,725	46,126	45,590	59,293	2,234	45,326	48,654	79,197	144	76,459,541
Book value	9,337,791	11,844,084	73,477,020	23,123,327	2,769,267,352	378,227	366,021	51,768	876,388	866,211	1,126,556	42,441	861,188	924,430	712,770	2,738	2,893,258,308
As at September 30, 2023																	
Cost	9,337,791	11,844,084	270,950,261	106,000,769	4,426,648,485	12,529,128	3,536,877	1,030,151	7,291,203	7,930,527	4,439,008	453,677	3,210,660	3,725,963	12,479,065	14,000	4,881,421,649
Accumulated depreciation	-	-	193,606,030	81,660,425	1,586,374,278	12,130,995	3,151,592	975,659	6,368,690	7,018,726	3,253,160	409,002	2,304,147	2,752,879	11,687,099	11,118	1,911,703,800
Book value	9,337,791	11,844,084	77,344,231	24,340,344	2,840,274,207	398,133	385,285	54,492	922,513	911,801	1,185,848	44,675	906,513	973,084	791,966	2,882	2,969,717,849
As at March 31, 2024																	
Cost	9,337,791	11,844,084	270,950,261	106,000,769	4,426,648,485	12,529,128	3,536,877	1,030,151	7,291,203	7,930,527	4,439,008	453,677	3,210,660	3,725,963	12,479,065	14,000	4,881,421,649
Accumulated depreciation	-	-	197,473,242	82,877,442	1,657,381,133	12,150,902	3,170,857	978,384	6,414,816	7,064,316	3,312,453	411,236	2,349,473	2,801,533	11,766,296	11,262	1,988,163,341
Book value	9,337,791	11,844,084	73,477,020	23,123,327	2,769,267,352	378,227	366,021	51,768	876,388	866,211	1,126,556	42,441	861,188	924,430	712,770	2,738	2,893,258,308
Depreciation rate (%)	-	-	10	10	5	10	10	10	10	10	10	10	10	10	20	10	

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

	Mar-31	Sep-30
	2024	2023
	Rupees	Rupees
Cost of goods manufactured	74,958,707	158,270,010
Administrative Expenses	1,500,834	3,331,319
	<u>76,459,541</u>	<u>161,601,329</u>

	Un-Audited		Un-Audited	
	Half Year Ended		Quarter Ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	Rupees	Rupees	Rupees	Rupees
<b>18 SALES - NET</b>				
<b>Gross Local Sales</b>				
Sugar	-	324,073,131	-	-
Molasses	-	82,529,516	-	-
Total Gross Sales	-	<b>406,602,647</b>	-	-
Less: Sales tax	-	(60,765,731)	-	-
	-	<b>345,836,916</b>	-	-

<b>19 COST OF SALES</b>				
Cost of sugar cane	-	371,653,260	-	371,538,662
Stores and spares consumed	19,039,375	16,621,613	10,459,030	13,798,332
Oil and lubricants consumed	1,393,071	2,760,663	-	2,579,718
Packing material consumed	-	2,807,143	-	2,807,143
Chemical consumed	84,591	5,174,739	-	5,151,348
Salaries, wages and benefits	29,440,884	55,956,620	19,802,780	33,362,582
Water, fuel and power	6,400,111	31,411,589	1,753,956	29,241,924
Vehicle running and maintenance	1,252,739	3,060,511	932,086	2,041,342
Freight, handling and octroi	1,214,630	9,215,880	1,047,860	7,382,060
Depreciation	74,958,707	79,135,008	37,479,354	39,567,502
Others	2,493,393	4,614,961	656,986	1,227,409
	<b>136,277,501</b>	<b>582,411,986</b>	<b>72,132,052</b>	<b>508,698,022</b>
Add: Opening WIP	194,400	150,911,486	194,400	150,911,486
Less: Closing WIP	-	(112,632,372)	-	(150,911,486)
<b>Cost of Goods Manufactured</b>	<b>136,471,901</b>	<b>620,691,100</b>	<b>72,326,452</b>	<b>508,698,022</b>
Add: Opening Finished Goods	-	-	-	-
Less: Closing Finished Goods	-	(9,529,905)	-	-
	<b>136,471,901</b>	<b>611,161,195</b>	<b>72,326,452</b>	<b>508,698,022</b>

<b>20 TAXATION</b>				
Taxation for the period				
Current	-	4,322,961	-	-
Deferred	(40,131,568)	(64,058,830)	(5,348,540)	(26,239,386)
	<b>(40,131,568)</b>	<b>(59,735,869)</b>	<b>(5,348,540)</b>	<b>(26,239,386)</b>

	Unaudited		Audited	
	31-03-24		30-09-23	
	Rupees	Rupees	Rupees	Rupees
<b>21 FINANCE COST</b>				
Mark up on subordinated sponsors' loan-Haq bahu		78,151,644		41,880,237
Mark up on long term loan		9,095,392		3,201,482
Bank charges and commission		34,908		108,080
		<b>87,281,944</b>		<b>45,189,799</b>

**22 TRANSACTIONS WITH RELATED PARTIES**

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

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

Relationship	Nature of Transaction	Un-Audited	
		Half Year Ended	
		31-Mar-24	31-Mar-23
		Rupees	Rupees
Parent Company	Mark-up expense	78,151,644	41,880,237
Key management personnel	Remuneration and other benefits	-	3,275,807

**23 FINANCIAL RISK MANAGEMENT**

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

There has been no change in the Company's sensitivity to these risks since September 30, 2023, except for the change in exposure from liquidity risks due to increase in borrowings and general exposure due to fluctuations in foreign currency and interest rates. There have been no change in risk management objectives and policies of the Company during the current period.

These condensed interim financial statements does not include all financial risk management information and disclosures as required in the audited annual financial statements and should be read in conjunction with the Company's annual audited financial statement as at September 30, 2023.

**24 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
  - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
  - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].
- The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

**25 CORRESPONDING FIGURES**

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

**26 CORRESPONDING FIGURES**

The preparation & presentation of these financial statements for the half year ended March 31, 2024 is in accordance with the requirement of Companies Act 2017. The fifth schedule to the Companies Act, 2017 has introduced certain presentation and classification requirement for the elements of the financial statements. Accordingly, the corresponding figures have been rearranged and reclassified, wherever necessary, to comply with requirements of the Companies Act 2017 & for better presentation. Following major reclassifications have been made during the year.

Financial Statement Line Item	Reclassified from	Reclassified to	Reason	Amount(Rs.)	Reclassified to	Reason
Trade and other payables	TCP	Other long term liabilities	Better presentation	521,162,495/-	Other long term liabilities	Better presentation

**26 DATE OF AUTHORIZATION**

These condensed interim financial statements have been authorized for issue by the Board of Directors on 30 May 2024.

**27 GENERAL**

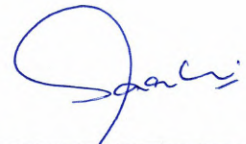
27.1 Figures in these condensed interim financial statements has been rounded off to the nearest Rupee unless otherwise stated.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER