

# ANNUAL REPORT 2024

## HASEEB WAQAS SUGAR MILLS LIMITED

## Vision & Mission Statements

### VISION STATEMENT

To be the leader in Sugar Industry by building the Company's image through quality improvement, customers' satisfaction and by maintaining a high level of Ethical and Professional Standards through the Optimum use of Resources.

### MISSION STATEMENT

- Endeavoring to be the market leader by enhancing market share and to conduct business in the best possible manner by using high level of Ethical and Professional Standards.
- Seeking long term and good trading relations with customers and suppliers with fair, honest and mutually profitable dealings.
- Building an excellent reputation of our organization and to maintain high professional and ethical standards with eyes on the future.
- Offering high quality products according to the highest international standards.
- Continuous enhancement in shareholders' value through teamwork and constant improvement in performance in all operating areas in a competitive business environment.
- Providing congenial work environment, where employees are treated with respect and dignity and work as a team for common goals.
- Contributing to the national economy by uplifting and skills diversification of the people through fulfillment of our social responsibilities.

## Company Information

### Board of Directors

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

### Audit Committee

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

### Risk Management Committee

1. Mr. Raza Mustafa (Chairman)
2. Mrs. Yasmin Riaz

### Company Secretary

Mr. Ansar Ahmed, FCA  
Tel: 042-35917313  
Email: [cs@hwgc.com.pk](mailto:cs@hwgc.com.pk)

### Auditors

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

### Mills

Mouza Jagmal, Tehsil Jattoi  
District. Muzaffargarh

### Bankers

National Bank of Pakistan  
Sindh Bank Limited  
The Bank of Punjab

### Chairman

Director/Chief Executive  
Director  
Director  
Director  
Director  
Director  
Director

### Human Resource Committee

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

### Nomination Committee

1. Mrs. Yasmin Riaz
2. Mrs. Zainab Waqas

### Chief Financial Officer

Syed Mubashar Hussain Bukhari  
Tel: 042-35917313  
Email: [hwgc@hwgc.com.pk](mailto:hwgc@hwgc.com.pk)

### Registrar

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

### Registered Office

06-F, Model Town, Lahore  
Tel: 042-35917321-23  
Fax: 042-35917317  
Website: [www.hwgc.com.pk](http://www.hwgc.com.pk)

### Legal Advisor

Muhammad Ahsan Khan  
(Advocate)

**HASEEB WAQAS SUGAR MILLS LIMITED**  
**NOTICE OF 33<sup>RD</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 33<sup>rd</sup> Annual General Meeting of Haseeb Waqas Sugar Mills Limited will be held at its Registered Office, 06-F, Model Town, Lahore on Saturday, 25 January 2025 at 09:00 a.m. to transact the following business:-

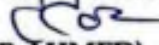
1. To confirm the minutes of the 32<sup>nd</sup> Annual General Meeting held on 08 March 2024.
2. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended 30 September 2024 together with Directors' and Auditors' Report thereon.
3. To elect 08 (eight) Directors of the Company as fixed by the Board of Directors under Section 159 (1) of the Companies Act, 2017, for a term of next three years. The names of the retiring Directors are given hereunder:-

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

(The retiring Directors are eligible for re-election.)

4. To appoint Auditors of the Company for the year ending 30 September 2025 and to fix their remuneration. The retiring auditors M/S Saeed Ul Hassan & Company, Chartered Accountants, being eligible, have offered themselves for re-appointment.
5. To transact any other business with the permission of the Chair.

Place: Lahore  
Dated: 03 January 2025

By Order of the Board  
  
(ANSAR AHMED)  
Company Secretary

**Notes:**

1. The Members Register will remain closed from 18 January 2025 to 25 January 2025 (both days inclusive). Transfers received at Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, Lahore, the Registrar and Shares Transfer Office of the Company, by the close of business on 17 January 2025 will be treated in time for the purpose of Annual General Meeting.
2. Any member who seeks to contest election of Directors whether he/she is a retiring Director or otherwise, file with the Company's Registered Office, 06-F, Model Town, Lahore, not later than 14 days before the date of the meeting at which election are to be held, a notice of his/her intention to offer himself/herself for election as a Director. Declaration in accordance with the Listing Regulations, detailed profile, attested copy of CNIC and NTN, consent on Form-28 to act as Director under Section 167 of the Companies Act, 2017 is also to be filed. Undertaking by Independent Director on non-judicial Stamp paper that he/she meet the requirement of sub-regulation (1) of



Regulation 04 of the Companies (Manner & Selection of Independent Directors) Regulations, 2018)

3. A member eligible to attend and vote at the meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company not later than 48 hours before the time for holding the meeting.
4. In order to valid, an instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the Company's Registered Office, 06-F Model Town, Lahore not less than 48 hours before the time of the meeting.
5. Pursuant to Companies (Postal Ballot) Regulations, 2018 for the purpose of election of directors and for any other agenda item classified as special business subject to the requirements of Section 143 and 144 of the Companies Act, 2017 members will be allowed to exercise their right of vote through postal ballot, that is voting by Post or E-Voting, in accordance with the requirements and procedure contained in the aforesaid Regulations.
6. Pursuant to the provisions of the Companies Act, 2017 the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the meeting. The demand for video-link facility shall be received by the company at the email address given herein below at least 7 (seven) days prior to the date of the meeting on the standard form which can be downloaded from the company's website: [www.hwgc.com.pk](http://www.hwgc.com.pk).

Further, in compliance with circular 04 of 2021 dated 15-02-2021 the shareholders of the company can opt to attend the meeting through video/webex/zoom or other electronic means. The shareholders whose names appear in the Book of the company be the close of business and who are interested to attend AGM through video link/zoom are hereby requested to get themselves, registered with the company secretary office by providing the following details at least 48 hours before the meeting; email: [cs@hwgc.com.pk](mailto:cs@hwgc.com.pk) whatsapp number:0323-4189400. Shareholders are requested to fill the particulars as per the below table:

Name of shareholder	CNIC No.	Folio No./CDC Account No.	No. of shares held	Cell no.	Email address

Upon receipt of the above information from interested shareholders, the company will send the login details/password at their email addresses. On the AGM day shareholders will be able to login and participate in the AGM proceedings through their smartphones or computer devices from any convenient location.

The members can also send their comments/suggestions related to the agenda items of the meeting on the above mentioned email and whatsapp number. The login facility will be opened 10 minutes before the meeting time to enable the participants to join the meeting.

7. Notice of Annual General Meeting has been placed on the Company's website: [www.hwgc.com.pk](http://www.hwgc.com.pk)
8. (a) individual beneficial owners of CDC entitled to attend and vote at the meeting must bring his/her participant ID and account/sub-account number along with original CNIC or passport to authenticate his/her identity. In case of Corporate entity, resolution of the Board of Directors/Power of Attorney with specimen signatures of nominees shall be produced (unless provider earlier) at the time of meeting.  
b) For appointing of proxies, the individual beneficial owners of CDC shall submit the proxy form as per above requirement along with participant ID and account/sub account number together with attested copy of their CNIC or Passport. The proxy form shall be witnessed by two witnesses with their names, addresses and CNIC numbers. The proxy shall produce his/her original CNIC or

Passport at the time of meeting. In case of Corporate entity, resolution of the Board of Director/Power of Attorney along with specimen signatures shall be submitted (unless submitted earlier) along with the proxy form.

9. Members are requested to notify any change in their registered address immediately.

#### **STATEMENT OF MATERIAL FACTS U/S 166(3) OF THE COMPANIES ACT 2017**

Independent Directors(s) shall be elected through the process of election of director in terms of Section 159 of the Act and he/she shall meet the criteria laid down in Section 166 of the Act, the Companies (Manner and Selection of Independent Directors) Regulations.

None of the Directors of the company have any personal interest in the aforesaid business except in their capacity as shareholders or directors of the Company.

## **HASEEB WAQAS SUGAR MILLS LIMITED**

### **Chairman's Review**

A Review Report by the Chairman on Board's overall performance and effectiveness of role played by the Board in achieving the Company's objectives u/s 192 of the Companies Act 2017.

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors (the "Board") of Haseeb Waqas Sugar Mills Limited (the "Company") is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company. Areas where improvements are required are duly considered and action plans are framed.

I am pleased to present the Annual Review for the year ended 30 September 2024:

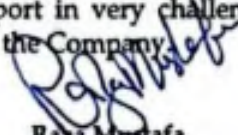
- The Board of Directors ("the Board") of Haseeb Waqas Sugar Mills Limited, has performed their duties diligently in upholding the best interest of shareholders' of the Company and has managed the affairs of the Company in an effective and efficient manner.
- The Board of Haseeb Waqas Sugar Mills Limited is highly professional and experienced people. They bring a vast experience including the independent director. All board members are well aware of their responsibilities and fulfilling these diligently.
- The Board has adequate representation of non-executive and independent directors on the Board and its committees as required under the Code and that members of the Board and its respective committees has adequate skill experience and knowledge to manage the affairs of the Company;
- The Board has ensured that the directors are provided with orientation courses to enable them to perform their duties in an effective manner. The Board unable arranged Directors Training Program for our Director Mr. Abdullah Ilyas and Miss Aqsa Riaz and the remaining directors meet the qualification and experience criteria of the Code.
- The Board has formed an Audit and Human Resource and Remuneration Committee and has approved their respective terms of references and has assigned adequate resources so that the committees perform their responsibilities diligently.



- The Board has ensured that the meetings of the Board and that of its committee were held with the requisite quorum, all the decision making were taken through Board resolution and that the minutes of all the meetings (including committees) are appropriately recorded and maintained.
- The Board has actively participated in strategic planning process enterprise risk management system, policy development, and financial structure, monitoring and approval. All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process.
- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process and particularly all the related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee.
- The Board has ensured that the adequate system of internal control is in place and its regular assessment through self-assessment mechanism and /or internal audit activities.
- The Board has prepared and approved the director's report and has ensured that the director report is published with the quarterly and annual financial statement of the Company and the content of the director's report are in accordance with the requirement of applicable laws and regulation.
- The Board has exercised its powers in light of the power assigned to the Board in accordance with the relevant laws and regulation applicable on the Company and the Board has always prioritized the Compliance with all the applicable laws and regulation in terms of their conduct as directors and exercising their powers and decision making.
- The Board has ensured the hiring, evaluation and compensation of the Chief Executive and other key executives including Chief Financial Officer, Company Secretary, and Head of internal Audit.
- The Board has ensured that adequate information is shared among its members in a timely manner and the Board members are kept abreast of developments between meetings.

I would like to place on record with thanks and appreciation to my fellow directors, shareholders, management and staff for their continued support in very challenging operating conditions. I look forward for more future success for the Company.

Lahore  
03 January 2025

  
Raza Mustafa  
Chairman



**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

The Directors of your Company take pleasure in presenting the Company's 33<sup>rd</sup> Annual Report and Audited Financial Statements for the year ended 30 September 2024 together with the Auditors' Report thereon.

**FINANCIAL INDICATORS**

The financial results of your company for the year ended 30 September 2024 are summarized as follows:

	For the year ended 30 September 2024 (Rupees)	
	2024	2023
Net Sales	-	-
Gross Profit/ (Loss)	(348,552,182)	(305,039,590)
Net Profit / (Loss) before tax	(370,402,717)	(477,935,797)
Net Profit (Loss) after tax	(296,796,127)	(466,344,822)
Basic Earning	(9.16)	(14.39)

The financial statements of the Company indicate that the During the year, the Company incurred gross loss amounting to Rs.348.552 million accumulated losses amounting to Rs.5,629.686 million, and its current assets by Rs.3,990.271 million. Furthermore, there has been no production activity in the company over the past few years. These conditions, alongwith other matters indicate the existence of a material uncertainty that may cast significant doubt on the company ability to continue as a going concern.

**Audit Reports Observations**

Management would like to submit that we are in the process of arranging funds to run the mills in the coming season & all audit observations would be resolved once mills are operational.

However our response to the audit observations is as under:

- Gratuity Payable Rs.17.728 Million. Actuarial valuation not provided to support this balance. Since unit is not in operation & few employees are working in the organization therefore did not carry out the valuation. Once we are in operations will carry out the valuation.
- Since Mills were closed for the last 5 -6 years therefore could not pay the sales tax liability. We will pay the same before running the mills and will be on active Tax Payer List before start of coming season.
- Alhamdulillah Sindh Bank Limited has approved rescheduling/ restructuring of unit & we will comply the same. We are in the process of getting approval of Rescheduling/Restricting of loans from National Bank & Silk Bank Limited as well

& hope to get it done before start of mills operations. Regarding PAIR Investment & First national Bank Modaraba we have approached them for settlement as well & hopeful of getting it done.

- Trade & Other Payables, confirmation letters were circulated to various parties but response was poor. However we are taking up the matter & would try to get response from the parties to confirm the balances.
- Regarding unclaimed dividend, will resolve the same, once mills are in operations
- Advances, deposits and prepayments mainly consist of Advance Income Tax which will be adjusted once the assessment is finalized.

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

	2025	Projected 2026	2027
Sugar Cane crushing M.T	500,000	800,000	810,000
Sugar Cane rate	425	425	430
Sugar Price per kg	145	150	155

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

#### **CHANGES ON THE BOARD OF DIRECTORS**

There is no change in the Board of Directors since the last Annual General Meeting.

#### **FUTURE OUTLOOK**

Management of the company is hopeful of catching the crushing season 2025-26 and optimistic of doing the crushing at its maximum level.

#### **DIVIDEND**

As the Company is in the phase of heavy losses, therefore, no dividend is being declared.

#### **AUDITORS**

The present auditors M/s Saeed Ul Hassan & Co., Chartered Accountants, are retiring and being eligible, have offered themselves for re-appointment for the ensuing year. The Audit Committee has recommended the re-appointment of M/s Saeed Ul Hassan & Co., Chartered Accountants, as auditors of the Company for year ending 30 September 2026.

#### **CODE OF CORPORATE GOVERNANCE**

The Company has fully complied with requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. A Statement of Compliance is provided under the relevant section of the report.



## STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

The following statements are a manifestation of its commitment towards compliance with best practices of Code of Corporate Governance:-

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and departure there from, if any, has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented by the management and monitored by internal and external Auditors as well as Audit Committee. The Board reviews the effectiveness of established internal control through Audit Committee and further improvement in the internal control systems, wherever required.
- There are no doubts upon the Company's ability to continue as a going concern. The Company has adequate resources to continue in operation for the foreseeable future.
- There has been no material departure from the best practices of the Corporate Governance as detailed in the Listing Regulations.
- Key operating and financial data of last six years, in summarized form, is annexed.
- Information about outstanding taxes and other government levies are given in related note(s) to the accounts.
- The company strictly complies with the standard of safety rules & regulations. It also follows environmental friendly policies.
- During the year under review, Four (04) meetings of the Board of Directors were held. The attendance by each Director is as follows:

<i>Sr#.</i>	<i>Name of Directors</i>	<i>Attendance</i>
1.	Mr. Raza Mustafa	04
2.	Mr. Abdullah Ilyas (CEO)	04
3.	Mian Waqas Riaz	04
4.	Mrs. Zainab Waqas	04
5.	Mrs. Shahzadi Ilyas	04
6.	Mrs. Zakia Ilyas	04
7.	Mrs. Yasmin Riaz	04
8.	Miss. Aqsa Riaz	04



- The Statement of Code of Ethics and Business Practices has been developed and duly signed by the directors and employees of the Company in acknowledgement thereof.
- The Board has constituted an Audit Committee in compliance with the Code of Corporate Governance. It comprises of the following three (3) members who are Non-Executive Directors;

<i>Sr. No.</i>		<i>Designation</i>
1.	Mian Waqas Riaz	Chairman
2.	Mrs. Zakia Ilyas	Member
3.	Mrs. Yasmin Riaz	Member

- A statement of the pattern of shareholdings and additional information as at 30 September 2024 is annexed.
- During the year under review, no shares were traded by Board of Directors, Chief Financial Officer, Company Secretary, their spouses and minor children other than mentioned below:
- All the major decisions relating to investment or disinvestment of funds, changes in significant policies and overall corporate strategies, appointment, remuneration and terms & conditions of appointment of Chief Executive Officer and Executive Directors are taken over by the Board of Directors.

#### **ACKNOWLEDGEMENT:**

The Board expresses sincere appreciation to sugarcane growers, valuable customers, regulatory departments of the Government, financial institution and acknowledges the continued interest and support of esteemed shareholders and extremely grateful for their trust and confidence.

The directors deeply appreciate devotion, loyalty hard work and the laudable services rendered by the executives, all the employees and workers of the Company at its various divisions which enable us to pursue our corporate objectives with the renewed vigor.

On behalf of the Board

(ABDUELAH ILYAS)  
Chief Executive

Lahore  
03 January 2025

**SIX YEARS AT A GLANCE**

	2024	2023	2022	2021	2020	2019
<b>Operating Results</b>	<b>Rupees in Thousand</b>					
Sales - Net	-	-	-	-	-	-
Gross profit/ (loss)	(348,862)	(305,040)	(150,782)	(160,043)	(164,405)	(187,478)
Operating profit/(loss)	(370,374)	(352,711.0)	(30,020)	(171,620)	(180,649)	(210,809)
Profit/(loss) before tax	(370,463)	(477,936.0)	(214,710)	(339,340)	(411,616)	(427,307)
Profit/(loss) after tax	(246,846)	(466,345.0)	(184,955)	(308,817)	(392,123)	(339,997)

**FINANCIAL POSITION**

Fixed assets - net	5,883,828	6,152,109	2,827,514	2,978,825	3,135,643	3,304,259
Paid up capital	324,000	324,000	324,000	324,000	324,000	324,000
Shareholder's equity	(502,587)	(766,179)	(1,489,546)	(1,593,470)	(1,294,895)	(922,841)
Long term liabilities	1,483,167	1,426,794	534,670	564,480	595,026	1,052,118
Current assets	110,417	107,409	101,853	106,831	119,835	142,836
Current liabilities	4,100,738	4,067,036	3,884,732	4,112,937	3,945,318	3,317,819
Breakup value per share (Rs)	(9.16)	(14.39)	(5.71)	(9.53)	(11.18)	(10.40)

**STATISTICS**

No. of employees	37	85	28	29	22	54
Sugar produced (M. Tons)	-	-	-	-	-	-
Crushing period (days)	-	-	-	-	-	-

**Haseeb Waqas Sugar Mills Limited**

Categories Detail

As on:September 30, 2024.

P Date:03/01/2025

Page #:1 of 2

S Type:Complete

Sr. #	Folio Number	Name	Shares Held	Per % Total Capital
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**Financial Institutions**

1	CDC-245	BANK ALFALAH LIMITED - LAHORE STOCK EXCHANGE BRANC	800	0.0025
2	802	THE BANK OF PUNJAB	6,700	0.0207
3	805	TRUST LEASING CORPORATION	9,700	0.0299
<b>Running Total Financial Institutions</b>			<b>17,200</b>	<b>0.0531</b>

**Joint Stock Companies**

1	CDC-292	MAPLE LEAF CAPITAL LIMITED	1	0.0000
2	CDC-244	S.H. BUKHARI SECURITIES (PVT) LIMITED	400	0.0012
3	CDC-276	SARFRAZ MAHMOOD (PRIVATE) LTD	500	0.0015
4	CDC-133	Y.S. SECURITIES & SERVICES (PVT) LTD.	1,000	0.0031
5	CDC-88	TELE SYS TECH (PRIVATE) LIMITED	3,121	0.0096
6	CDC-781	HIGH LAND SECURITIES (PRIVATE) LIMITED	4,500	0.0139
7	CDC-281	MILEAGE (PVT) LTD	7,500	0.0231
8	CDC-147	ZAFAR SECURITIES (PVT) LTD.	10,000	0.0309
9	CDC-492	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	20,041	0.0619
10	CDC-266	ABDULLAH SUGAR MILLS LIMITED	2,900,500	8.9522
<b>Running Total Joint Stock Companies</b>			<b>2,947,563</b>	<b>9.0974</b>

**Insurance Companies**

1	CDC-68	SHAHEEN INSURANCE COMPANY LIMITED	119	0.0004
2	5920	STATE LIFE INSURANCE CORP.	200	0.0006
3	CDC-128	STATE LIFE INSURANCE CORP. OF PAKISTAN	617,600	1.9062
<b>Running Total Insurance Companies</b>			<b>617,919</b>	<b>1.9072</b>

**Modarabas**

1	806	TRUST MODARABA	100	0.0003
2	803	FIRST PUNJAB MODARABA	600	0.0019
3	812	FIRST PUNJAB MODARABA	1,400	0.0043
4	804	TRUST MODARABA	5,600	0.0173
<b>Running Total Modarabas</b>			<b>7,700</b>	<b>0.0238</b>

**General Public (Local)**

<b>Running Total General Public (Local)</b>	<b>28,490,718</b>	<b>87.9343</b>
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**General Public (Foreign)**



**Haseeb Waqas Sugar Mills Limited**  
**Categories Detail**  
 As on: September 30, 2024.

P Date: 03/01/2025  
 Page #: 2 of 2  
 S Type: Complete

Sr. #	Folio Number	Name	Shares Held	Per % Total Capital
<b>Running Total General Public (Foreign)</b>			<b>280,400</b>	<b>0.8654</b>
<b>Others</b>				
1	5261	HONG KONG BANK INTERNATIONAL	200	0.0006
2	5246	DEUTSCHE BANK SECURITIES CORP.	600	0.0019
3	5279	MORGAN STANLY TRUST COMPANY	14,900	0.0460
4	5176	JAMES CAPEL & CO.	22,800	0.0704
<b>Running Total Others</b>			<b>38,500</b>	<b>0.1188</b>
<b>Grand Total:</b>			<b>32,400,000</b>	<b>100.0000</b>

## Haseeb Waqas Sugar Mills Limited

Categories of Share Holders  
As on: September 30, 2024

Page #1 of 1

P Date:03-Jan-2025  
S Type:Complete

Ser #	Code	Category	No. of Shareholder	Shares Held	Percentage of Total Capital
1	2	Financial Institutions	3	17,200	0.0531
2	4	Joint Stock Companies	10	2,947,563	9.0974
3	5	Insurance Companies	3	617,919	1.9072
4	6	Modarabas	4	7,700	0.0238
5	22	General Public (Local)	1,168	28,490,718	87.9343
6	23	General Public (Foreign)	5	280,400	0.8654
7	24	Others	4	38,500	0.1188
<b>TOTAL:</b>			<b>1,197</b>	<b>32,400,000</b>	<b>100.0000</b>

**Pattern of Shareholding for Haseeb Waqas Sugar Mills Limited**  
**As on:- 30-Sep-2024**

Number of Shareholders	Shareholdings From	To	Total Number of Share Held	Percentage of Total Capital
229	1 -	100	8,990	0.03
375	101 -	500	170,338	0.53
203	501 -	1000	193,534	0.60
225	1001 -	5000	612,657	1.89
52	5001 -	10000	417,699	1.29
21	10001 -	15000	266,843	0.82
18	15001 -	20000	330,240	1.02
13	20001 -	25000	293,248	0.91
6	25001 -	30000	170,574	0.53
3	30001 -	35000	98,000	0.30
2	35001 -	40000	75,313	0.23
2	40001 -	45000	85,500	0.26
2	45001 -	50000	95,100	0.29
3	55001 -	60000	178,000	0.55
1	60001 -	65000	64,541	0.20
1	65001 -	70000	66,500	0.21
1	70001 -	75000	70,500	0.22
4	75001 -	80000	317,500	0.98
1	80001 -	85000	82,286	0.25
1	85001 -	90000	90,000	0.28
2	95001 -	100000	200,000	0.62
1	105001 -	110000	109,500	0.34
1	120001 -	125000	125,000	0.39
1	140001 -	145000	142,000	0.44
1	165001 -	170000	168,000	0.52
1	175001 -	180000	178,640	0.55
1	195001 -	200000	199,782	0.62
1	200001 -	205000	202,500	0.63
1	215001 -	220000	218,500	0.67
1	250001 -	255000	250,500	0.77
1	265001 -	270000	265,500	0.82
2	270001 -	275000	549,000	1.69
1	275001 -	280000	278,000	0.86
1	280001 -	285000	283,000	0.87
1	305001 -	310000	305,714	0.94



**Pattern of Shareholding for Haseeb Waqas Sugar Mills Limited**  
**As on:- 30-Sep-2024**

<b>Number of Shareholders</b>	<b>Shareholdings From</b>	<b>To</b>	<b>Total Number of Share Held</b>	<b>Percentage of Total Capital</b>
1	315001 -	320000	316,042	0.98
1	330001 -	335000	333,500	1.03
1	615001 -	620000	617,600	1.91
1	765001 -	770000	768,250	2.37
1	770001 -	775000	773,000	2.39
1	835001 -	840000	840,000	2.59
1	905001 -	910000	907,500	2.80
1	1020001 -	1025000	1,022,750	3.16
1	1055001 -	1060000	1,060,000	3.27
1	1115001 -	1120000	1,119,259	3.45
1	1260001 -	1265000	1,262,500	3.90
1	1285001 -	1290000	1,287,500	3.97
1	2210001 -	2215000	2,213,500	6.83
1	2400001 -	2405000	2,404,100	7.42
1	2840001 -	2845000	2,844,500	8.78
1	2900001 -	2905000	2,900,500	8.95
1	4565001 -	4570000	4,566,500	14.09
<b>1,197</b>			<b>32,400,000</b>	<b>100.00</b>

**STATEMENT OF COMPLIANCE WITH LISTED COMPANIES  
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019)**

**HASEEB WAQAS SUGAR MILLS LIMITED  
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

The Company has complied with the requirements of the Regulations in the following manner:

1	The total number of Directors are eight as per the following:	
a.	Male	03
b.	Female	05
2.	The composition of Board is as follows:	
a.	Independent Directors (*)	Mr. Raza Mustafa Mian Waqas Riaz
b.	Executive Director (**)	Mr. Abdullah Ilyas
c.	Non-Executive Directors	Mrs. Yasmin Riaz Mrs. Shahzadi Ilyas Mrs. Zainab Waqas Mrs. Zakia Ilyas Miss. Aqsa Riaz
(*)	The Board of Directors are of the view that the expertise and experience of 02 independent Directors are sufficient to perform their relevant role & responsibilities required under the provision of Code of Corporate Governance and law, therefore rounding up is not needed.	
(**)	Currently, one Director of the Company devotes their whole or substantially the whole time, therefore is categorized as Executive Director.	
3.	The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.	
4.	The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.	
5.	The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.	
6.	All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by board/shareholders as empowered by the relevant provisions of the Act and these Regulations.	
7.	The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the	

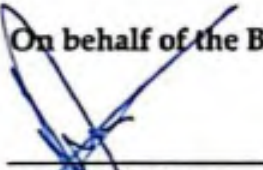


	requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.	
8.	The Board of Directors has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.	
9.	The Board did not arrange any Director's program during the year. On overall basis, our directors taken as a whole are compliant as of 30 September 2024 with the requirements of the Director's Training Program contained in the regulations. The Board unable to arranged Directors Training Program for our Director Mr. Abdullah Ilyas and Miss. Aqsa Riaz.	
10.	The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.	
11.	CFO and CEO duly endorsed the financial statements before approval of the Board.	
12.	The Board has formed committee comprising of members given below:	
a.	Audit Committee	Mian Waqas Riaz (Chairman) Mrs. Zakia Ilyas (Member) Mrs. Yasmin Riaz (Member)
b.	HR and Remuneration Committee	Mian Waqas Riaz (Chairman) Mrs. Zainab Waqas (Member) Mrs. Zakia Ilyas (Member)
c.	Risk Management Committee	Mr. Raza Mustafa (Chairman) Mrs. Yasmin Riaz (Member)
d.	Nomination Committee	Mrs. Yasmin Riaz (Chairperson) Mrs. Zainab Waqas (Member)
13.	The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.	
14.	The frequency of meetings (quarterly/half yearly/yearly) of the committee were as following:	
a.	Audit Committee	04
b.	HR and Remuneration Committee	01
c.	Nomination Committee	nil
d.	Risk Management Committee	01
15.	The Board has set up an effective internal audit function that is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company.	
16.	The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firms involved in the audit are not a close relatives (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or any Director of the Company.	



17.	The Statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.		
18.	We confirm that all other requirements of the Regulations have been complied with.		
19.	We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.		
20.	Explanation for non-compliance with requirements, other than regulation 3, 6, 7, 8, 37,32, 33 and 36 are below:		
	<b>Regulation</b>	<b>Requirement</b>	<b>Explanation</b>
	Regulation 19 (2)	Mr. Abdullah Ilyas, and Miss Aqsa Riaz, Director on the Board may acquire, the directors training program certification within a period of one year from the date of appointment as a director on the Board.	The Directors Training Program of Mr. Abdullah Ilyas, and Miss Aqsa Riaz, is in process of acquiring the certification to comply the regulation.

On behalf of the Board

  
 Abdullah Ilyas  
 Chief Executive

  
 Raza Mustafa  
 Chairman

Place: Lahore

Dated: 03 January 2025

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF HASEEB WAQAS SUGAR MILLS LIMITED**

Report on the Audit of the Financial Statements

**Qualified Opinion**

We have audited the annexed financial statements of HASEEB WAQAS SUGAR MILLS LIMITED ("the company"), which comprise the statement of financial position as of September 30, 2024, and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, we necessary for purpose of the audit.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Company as at September 30, 2024, and (of) its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for Qualified Opinion**

During our audit, we identified the following matters that form the basis for our qualified opinion:

- a) The Gratuity Payable balance amounting to Rs. 17.728 million has not been confirmed by management, and no actuarial valuation report was provided to support this balance. As a result, we were unable to verify the accuracy and completeness of this liability through alternative audit procedures or any other satisfactory evidence. Consequently, we are unable to determine whether any adjustments are necessary to this balance as reported in the financial statements.
- b) The company's sales tax status has been blacklisted by the Federal Board of Revenue (FBR) due to non-payment of outstanding sales tax liabilities amounting to Rs. 197.107 million, as disclosed in Note 10 and Note 14.2 of the financial statements. The blacklisted status indicates non-compliance with tax regulations, which may have material implications for the company's financial position. Furthermore, we were unable to obtain sufficient appropriate audit evidence to verify the completeness and accuracy of the outstanding sales tax liabilities.
- c) As disclosed in the note 11 & 13, balance payable to various banks in respect of current portion of long term loans and lease liabilities amounting to Rs. 1,367.188 million, and mark up on loans and other payables amounting to Rs. 1,183.696 million respectively, remains unpaid and unconfirmed. All the balances payable are in litigation. We were also unable to satisfy ourselves as



to the correctness and the terms and conditions of the reported balances by performing other alternative procedures.

- d) In the course of our audit, we noted that the trade and other payable balance of Rs. 599.166 million, as disclosed in Note 10 to the financial statements, could not be confirmed due to the unavailability of addresses for certain parties. Furthermore, due to the long outstanding nature of these balances, we were unable to verify the amounts through alternative procedures or obtain other corroborative evidence. As a result, we were unable to determine whether any adjustments might be necessary to these payables and their impact on the financial statements.
- e) The unclaimed dividends balance of Rs. 1.444 million, as disclosed in Note No. 14.4 of the financial statements, pertains to amounts outstanding for previous years. These amounts have not been deposited into the Government Treasury as required under Section 244 of the Companies Act, 2017. This section mandates that any unclaimed dividends remaining unpaid for three years or more must be deposited with the Federal Government. Furthermore, the Company has not issued any notifications to the respective shareholders regarding the unclaimed dividends, which is a key compliance requirement under the said Act. The said matter is non-compliance with the Laws and regulations. Consequently, we are unable to determine the adjustments, if any, that might be required in the financial statements.
- f) The advances, deposits, prepayments, and other receivables amounting to Rs. 45.376 million, as disclosed in Note No. 20 of the financial statements, have been outstanding for an extended period. We were unable to confirm these balances through direct confirmations from the counterparties. Additionally, alternative audit procedures could not be performed to verify the accuracy, existence, or recoverability of these balances due to insufficient supporting evidence. In our opinion, the Company has not made a provision for these balances, despite their long-outstanding nature and the uncertainty surrounding their recoverability. The absence of such a provision results in an overstatement of assets and profit, and we are unable to determine the adjustments that might be necessary to reflect the true financial position of the Company.
- g) The stores, spares, and loose tools amounting to Rs. 56.408 million, as disclosed in Note No. 18 of the financial statements, have not been supported by sufficient and appropriate audit evidence. The Company has not provided a valuation of these items or an aging analysis, which are essential for assessing their usability, impairment, or obsolescence. Furthermore, audited stock sheets have not been provided to us, which limits our ability to verify the physical existence and condition of these inventories. Due to these limitations, we were unable to perform alternative audit procedures to confirm the valuation, existence, or condition of the stores, spares, and loose tools. As a result, we are unable to determine the potential adjustments, if any, that



might be required to appropriately reflect these balances in the financial statements.

The above issues indicate limitations in the scope of our audit procedures, preventing us from obtaining sufficient and appropriate audit evidence to conclude that the financial statements are free from material misstatement in these areas.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### **Material Uncertainty Related to Going Concern**

We draw attention to Note 2.5 in the accompanying financial statements, which indicates that as of September 30, 2024, the Company has a gross loss of Rs. 348.552 million accumulated losses amounting to Rs. 5,629.736 million, and its current liabilities exceed its current assets by Rs. 3,990.321 million. Furthermore, there has been no production activity in the Company over the past few years. These conditions, along with other matters as outlined in Note 2.5, indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended September 30, 2024. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matters described in the 'Basis for Qualified Opinion' and 'Material Uncertainty relating to Going Concern' of our report, we have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matter	How the Matter Was Addressed in the Audit
<p><b>1. <u>Deferred Tax Asset:</u></b></p> <p>(Refer to note no. 9 to the financial statements)</p> <p>The company has recorded a deferred tax liability of Rs. 1,335.459 million.</p> <p>The recognition and measurement of deferred tax liabilities involve significant management judgment and estimates. Changes in tax regulations, tax rates, and assumptions about future taxable profits add complexity and uncertainty. There is also a risk that deferred tax liabilities are misstated due to errors or inappropriate assumptions.</p>	<p>a. reviewed the assumptions underlying the recognition of the deferred tax liability, including management's projections of future taxable profits.</p> <p>b. Evaluated the consistency and reasonableness of the assumptions used by management in determining the deferred tax liability against historical performance and the Company's future business plans.</p> <p>c. We also evaluated the appropriateness of management's disclosures in accordance with IAS-12 in the financial statements.</p>
<p><b>2. <u>Regularization Charges as Deferred Liability:</u></b></p> <p>(Refer to note no. 8 &amp; 17 to the financial statements)</p> <p>The company has recognized Regularization charges amounting to Rs. 130 million as a deferred liability under IAS 37, "Provisions, Contingent Liabilities, and Contingent Assets."</p> <p>This liability is amortized over 10 years, while the unamortized portion is recorded as a deferred cost. Recognition and amortization involve significant judgment in estimating the liability and determining the useful life for amortization. Given the complexity and materiality, this has been identified as a key audit matter.</p>	<p>a. We reviewed the company's accounting policy for deferred liabilities and amortization in relation to regularization charges to assess compliance with IAS 37.</p> <p>b. We examined supporting documentation for the deferred liability, including any agreements, contracts, and estimates that supported the recognition of the Rs. 130 million liability.</p> <p>c. We reviewed the amortization schedule to ensure it is being applied consistently over the 10 years and checked the appropriateness of the estimated period for amortization based on management's rationale.</p> <p>d. We reviewed the disclosures related to the deferred liability and its amortization in the financial statements to ensure they comply with IAS 37 and that sufficient information is provided for users to understand the impact of the deferred liability.</p>



**Information Other than the Financial Statements and Auditors' Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The board of directors is responsible for overseeing the Company's financial reporting process.

**Auditors' Responsibilities for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material statements, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

Based on our audit, except for the matters discussed in the basis for qualified opinion section of our report, we further report that in our opinion:

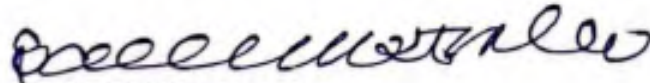
- (a) Proper books of accounts have been kept except for Fixed Asset register by the company as required by the Companies Act, 2017 (XIX of 2017).

- (b) The statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and agree with the books of account and returns;
- (c) Investments made, expenditures incurred, and guarantees extended during the year were for the purpose of the Company's business; and
- (d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

**Other Matter**

We draw attention to the fact that the audit of the financial statements for the year ended September 30, 2023, was conducted by Qadeer & Company Chartered Accountants, who expressed a qualified opinion on those financial statements in their February 22, 2024 report. Our audit opinion on the financial statements for the year ended September 30, 2024, is also qualified for the reasons described in the Basis for Qualified Opinion section of this report.

The engagement partner on the audit resulting in this independent auditor's report is Saeed UI Hassan.



**SAEED-UL-HASSAN & Co.**  
Chartered Accountants

Place: Lahore  
Dated: January 7, 2025  
UDIN: AR202410617xkYStnCU0





**HASEEB WAQAS SUGAR MILLS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2024**

	Note	2024	2023
		Rupees	
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Authorized capital 35,000,000 (2023: 35,000,000) ordinary shares of Rs. 10 each		350,000,000	350,000,000
Issued, subscribed and paid up capital	4	324,000,000	324,000,000
Loan from directors and sponsors	5	1,258,445,119	1,225,190,739
<b>Capital Reserves</b>			
Surplus on revaluation of property, plant and equipment	6	4,549,877,439	4,713,414,891
<b>Revenue reserves</b>			
Accumulated profit/(loss)		(5,629,735,684)	(5,496,427,007)
		502,586,874	766,178,623
<b>Non Current Liabilities</b>			
Long term financing	7	-	-
Deferred liabilities	8	147,727,972	17,727,972
Deferred taxation	9	1,335,458,933	1,409,065,523
		1,483,186,905	1,426,793,495
<b>Current Liabilities</b>			
Trade and other payables	10	796,322,771	841,461,866
Markup on loans and other payables	11	1,183,695,578	1,183,695,578
Short term borrowings	12	752,088,315	673,246,932
Unclaimed dividend		1,443,972	1,443,972
Current portion of non current liabilities	13	1,367,187,642	1,367,187,642
		4,100,738,278	4,067,035,990
<b>Contingencies and Commitments</b>			
	14	-	-
		6,086,512,057	6,260,008,108
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	15	5,863,625,134	6,152,109,232
Long term deposits	16	470,000	490,000
		5,864,095,134	6,152,599,232
Deferred cost	17	112,000,000	-
<b>Current Assets</b>			
Stores, spares and loose tools	18	56,407,829	61,310,234
Stock in trade	19	-	-
Advances, deposits, prepayments and other receivables	20	45,376,209	44,126,807
Cash and bank balances	21	8,632,885	1,971,835
		110,416,923	107,408,876
		6,086,512,057	6,260,008,108

The annexed notes from 1 to 36 form an integral part of these financial statements.

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**



**HASEEB WAQAS SUGAR MILLS LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Note	2024	2023
		Rupees	
Sales - Net	22	-	-
Cost of goods sold	23	(348,552,182)	(305,039,590)
<b>Gross (loss)</b>		<b>(348,552,182)</b>	<b>(305,039,590)</b>
Operating expenses:			
- Administrative and general expenses	24	(21,571,843)	(47,471,601)
- Other operating charges	25	(250,000)	(200,000)
<b>Loss from operations</b>		<b>(370,374,025)</b>	<b>(352,711,191)</b>
Finance cost	26	(78,692)	(125,224,606)
<b>Loss before taxation</b>		<b>(370,452,717)</b>	<b>(477,935,797)</b>
Taxation	27	73,606,590	11,590,975
<b>Loss after taxation</b>		<b>(296,846,127)</b>	<b>(466,344,822)</b>
<b>Earning per share - basic</b>	<b>28</b>	<b>(9.16)</b>	<b>(14.39)</b>

*The annexed notes from 1 to 36 form an integral part of these financial statements.*

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**HASEEB WAQAS SUGAR MILLS LIMITED**  
**STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	2024	2023
Note	Rupees	
(Loss) after taxation	(296,846,127)	(466,344,822)
Other comprehensive income		
Impact of deferred tax on revaluation surplus	-	(903,714,377)
	-	(903,714,377)
<b>Total comprehensive loss for the year</b>	<b>(296,846,127)</b>	<b>(1,370,059,199)</b>

*The annexed notes from 1 to 36 form an integral part of these financial statements.*

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

HASEEB WAQAS SUGAR MILLS LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Issued, subscribed and paid up capital	Loan from directors	Surplus on Revaluation of Property, Plant & equipment	Accumulated (loss) / profit	Total
	Rupees				
Balance as at October 01, 2022	324,000,000	1,130,821,739	1,262,648,855	(4,207,016,723)	(1,489,546,129)
Net (loss) for the year ended September 30, 2023	-	-	-	(466,344,822)	(466,344,822)
Other comprehensive income / (loss) for the year	-	-	-	(903,714,377)	(903,714,377)
	-	-	-	(1,370,059,199)	(1,370,059,199)
Increase in directors' / Sponsors loan during the year	-	94,369,000	-	-	94,369,000
Revaluation surplus arise during the year	-	-	3,531,414,951	-	3,531,414,951
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation - net of tax	-	-	(80,648,915)	80,648,915	-
Balance as at September 30, 2023	324,000,000	1,225,190,739	4,713,414,891	(5,496,427,007)	766,178,623
Net (loss) for the year ended September 30, 2024	-	-	-	(296,846,127)	(296,846,127)
Other comprehensive income / (loss) for the year	-	-	-	-	-
Total comprehensive Income/(loss) for the year	-	-	-	(296,846,127)	(296,846,127)
Transaction with owners:					
Increase in sponsors and directors' loan during the year	-	33,254,380	-	-	33,254,380
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation - net of tax	-	-	(163,537,450)	163,537,450	-
Balance as at September 30, 2024	324,000,000	1,258,445,119	4,549,877,441	(5,629,735,684)	502,586,876

The annexed notes from 1 to 36 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER



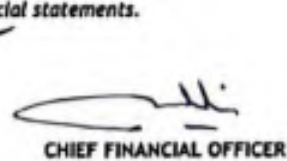
**HASEEB WAQAS SUGAR MILLS LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	2024	2023
Note	Rupees	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) before taxation	(370,452,717)	(477,935,797)
Adjustments for:		
Depreciation	15.02 288,484,099	206,819,510
Amortization of Deferred Cost	18,000,000	
Finance cost	26 78,692	125,224,606
	306,562,791	332,044,116
Operating profit/(loss) before working capital changes	(63,889,926)	(145,891,681)
(Increase) / decrease in current assets:		
Stores, spares and loose tools	4,902,402	(5,417,440)
Stock in trade	-	-
Advances, deposits, prepayments and other receivables	(300,467)	357,678
Increase / (decrease) in current liabilities:		
Trade and other payables	(45,139,095)	40,578,812
	(40,537,160)	35,519,050
Cash generated from operations	(104,427,086)	(110,372,631)
Income tax paid / deducted	(948,935)	(960,064)
Gratuity paid	-	(346,840)
Finance cost paid	(78,692)	-
Net cash generated from / (used in) operating activities	(105,454,713)	(111,679,535)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Long term deposits	20,000	-
Net cash generated from / (used in) investing activities	20,000	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds / (Repayment) from directors' / sponsor loan - Net	33,254,380	94,369,000
Proceeds / (Repayment) of Long Term Loans	-	-
Proceeds / (Repayment) of related parties	78,841,383	16,847,046
Net cash generated from / (used in) financing activities	112,095,763	111,216,046
Net increase / (decrease) in cash and cash equivalents	6,661,050	(463,489)
Cash and cash equivalents at the beginning of the year	1,971,835	2,435,324
Cash and cash equivalents at the end of the year	21 8,632,885	1,971,835

The annexed notes from 1 to 36 form an integral part of these financial statements.

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**HASEEB WAQAS SUGAR MILLS LIMITED.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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**1 Corporate and General Operation**

**1.1 Legal Status and operations**

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

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017 and provisions of and directives issued under the Companies Act 2017. Where provisions of and directives issued under the Companies Act 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act 2017 have been followed.

**2.2 Accounting convention**

These financial statements have been prepared under the historical cost convention except for certain financial instruments at fair value and certain items of property, plant and equipment that are stated at revalued amounts. In these financial statements, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

**2.3 Initial application of a standard, amendments or an understanding to an existing standard**

**2.3.1 Amendments to published accounting and reporting standards which are effective for the year ended September 30, 2024**

There were certain amendments to accounting and reporting standards which became effective for the company for the current year. However, these amendments are considered not to be relevant or to have any significant impact on Company's financial reporting and, therefore, have not been disclosed in these financial statements.

**2.4 Standards, amendments to published accounting and reporting standards and interpretations that are not yet effective and have not been early adopted by the Company as at September 30, 2024.**

There are certain other new standards and amendments to the approved accounting standards that will be mandatory for the Company's annual accounting periods beginning on or after October 1, 2023. However, these standards and amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

## 2.5 Going concern assumption

The financial statements of the Company indicate that the Company incurred gross loss amounting to Rs. 348,552,182 (2023: 305,039,590) and net loss from operations amounting to Rs. 370,324,025 (2023: 352,711,191) and accumulated losses Rs. 5,629,685,684 (2023: 5,496,427,007). Moreover, the current liabilities exceed current assets by Rs. 3,990,271,355 (2023: 3,959,627,114).

### Operational measures

In view of above issues Company has already taken following mitigating steps:

- i- Restructuring of loan from Sindh Bank Limited amounting to Rs. 500 million has been renegotiated and rescheduled.
- ii- Restructuring of loan from Silk Bank Limited amounting to Rs. 390 million is in process but not finalized yet.
- iii- Shifting of mill to Allpur Jatol, Muzaffargarh has been completed where sugar cane availability and sugar recovery are better.
- iv- BMR has been done and we will see impact of this BMR in the financials of coming crushing season.

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

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

	Projected		
	2025	2026	2027
Sugar Cane Crushing M.T	500,000	800,000	810,000
Sugar cane rate	425	425	430
Sugar price per Kg	145	150	155

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

## 2.6 Judgment, estimates and assumptions

The preparation of financial statements in conformity with IASs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made and in any future periods affected.

Significant management estimates in these financial statements relate to the useful life of property, plant and equipment, provisions for doubtful receivables, slow moving inventory and taxation. However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in the financial statements.

Judgment made by management in the application of accounting and reporting standards that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent year are as follows;



#### **2.6.1 Depreciation method, rates and useful lives of property, plant and equipment**

The management of the Company reassesses useful lives, depreciation method and rates for each item of property, plant and equipment annually by considering expected pattern of economic benefits that the Company expects to derive from that item.

#### **2.6.2 Recoverable amount of assets/ cash generating units**

The management of the Company reviews carrying amounts of its assets and cash generating units for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

#### **2.6.3 Fair value of financial instruments having no active market**

Fair value of financial instruments having no active market is determined using discount cash flow analysis after incorporating all factors that market participants would consider in setting a price and using inputs that reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument.

#### **2.6.4 Taxation**

The Company takes into account income tax law and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by tax department at the assessment stage and where the Company considers that its view of items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

#### **2.6.5 Provisions**

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

#### **2.6.6 Revaluation of property, plant and equipment**

Revaluation of property, plant and equipment is carried out by independent professional valuer. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present depreciated replacement values.

#### **2.7 Functional currency**

These financial statements are prepared in Pak Rupees which is the Company's functional and presentation currency.

### **3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

#### **3.1 Ordinary share capital**

Ordinary share capital is recognized as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as deduction from equity.

#### **3.2 Surplus / deficit arising on revaluation of property, plant and equipment**

Surplus arising on revaluation of property, plant and equipment is recognized, in other comprehensive income and accumulated in reserves in shareholders' equity and is shown in equity. Revaluation is carried out with sufficient regularity to ensure that the carrying amounts of the assets does not differ materially from the fair value. Accumulated depreciation at the date of revaluation is eliminated against the cost of the asset and net amount is restated to the revalued amount of the asset.

The surplus on revaluation of property, plant and equipment to the extent of incremental depreciation charged on the related property, plant and equipment during the year is part of statement of changes in equity.

### 3.3 Employee benefits

#### Short-term employee benefits

The Company recognizes the undiscounted amount of short term employee benefits to be paid in exchange for services rendered by employees as a liability after deducting amount already paid and as an expense in profit or loss unless it is included in the cost of inventories or property, plant and equipment as permitted or required by the approved accounting standards. If the amount paid exceeds the discounted amount of benefits, the excess is recognized as an asset to the extent that the prepayment would lead to a reduction in future payments or cash refund.

The Company provides for compensated absences of its employees on unavailed balance of leaves in the period in which the leaves are earned.

#### Defined benefit plan

The Company operates an unfunded gratuity scheme covering its permanent employees. Employees are eligible for benefits under this scheme after the completion of a prescribed qualifying period of service. The latest actuarial valuation was carried out as at September 30, 2018. No charge and valuation is made during the year because of ceased operations. The following significant assumptions were used in the latest actuarial valuation:

	2024	2023
Discount rate	0.00%	0.00%
Expected rate of salary increase in future years	0.00%	0.00%
Average expected remaining working life time of employees	-	-
Actuarial valuation method	Projected unit credit method	

### 3.4 Borrowings

These are recognized initially at fair value less attributable transaction cost. Subsequent to initial recognition, these are stated at amortized cost with any difference between cost and redemption value being recognized in the profit and loss over the period of the borrowings on an effective interest basis.

### 3.5 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

### 3.6 Taxation

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

#### Current

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on the taxable income at current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.



### **Deferred**

Deferred tax is accounted for using the balance sheet liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. In this regard, the effects on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the requirement of "Technical Release - 27" of the Institute of Chartered Accountants of Pakistan. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is not recognized for timing differences that are not expected to reverse and for the temporary differences arising from the initial recognition of goodwill and initial recognition of assets and liabilities in a transaction that is not a business combination and that at the time of transaction affects neither the accounting nor the taxable profit.

#### **3.7 Trade and other payables**

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

#### **3.8 Trade and other receivables**

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost less impairment loss, if any.

#### **3.9 Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation except freehold land that is stated at revalued amount. Buildings, plant and machinery and grid station and generators are stated at revalued amounts less accumulated depreciation. Cost of property, plant and equipment consists of historical cost, revalued amount, borrowing costs pertaining to the erection / construction period and other directly attributable costs incurred to bring the assets to their working condition.

The management reviews the market value of revalued assets at each balance sheet date to ascertain whether the fair value of revalued assets have differed materially from the carrying value of such assets, thus necessitating further revaluation.

Depreciation on property, plant and equipment has been provided for using the reducing balance method at the rates specified in respective note. Depreciation on additions is charged from the month in which the asset was available for use up to the month in which the asset was disposed off.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized. Gain or loss on disposal of property, plant and equipment, if any, is shown in the profit and loss account.

#### **3.10 Impairment**

Carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable



amount is estimated and impairment loss is recognized in the profit and loss account.

### 3.11 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and cash with banks in current and saving accounts.

### 3.12 Stores, spares and loose tools

These are generally held for internal use and are valued at lower of cost and net realizable value. Cost is determined on the basis of moving average except for items in transit, which are valued at invoice price plus related expenses incurred up to the reporting date. For items identified as slow moving, a provision is made for excess of carrying amount over estimated net realizable value which signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated cost necessary to make the sale.

### 3.13 Stock in trade

These are valued at lower of cost and net realizable value. Cost is determined using the following basis:

Work in process	Average manufacturing cost
Finished goods	Average manufacturing cost
By-products	Net realizable value, where costs are not ascertainable.

Average manufacturing cost in relation to work in process and finished goods consists of direct material, labor and a proportion of appropriate manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

### 3.14 Financial Instruments

#### Financial assets

The Company classifies its financial assets in the following categories: at fair value through statement of profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Company as at statement of financial position date are carried at amortized cost.

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through statement of profit or loss:

(i) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

(ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost and contract assets. The Company measures loss allowance at an amount equal to lifetime ECLs.

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

#### **Financial liabilities**

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit or loss. Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit or loss.

#### **Off-setting of financial assets and financial liabilities**

A financial asset and financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### **3.15 Related party transactions**

All transactions with related parties are carried out by the company at arms' length price with the exception of loan taken from related parties which is interest / mark up free. Prices for these transactions are determined on the basis of comparable uncontrolled price method, which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer unrelated to the seller.

Components purchased by the Company from related party are priced at cost plus margin.

#### **3.16 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable, net of returns allowances, trade discounts and rebates, and represents amounts received or receivable for goods and services provided and other operating income earned in the normal course of business. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company, and the amount of revenue and the associated costs incurred or to be incurred can be measured reliably.

Revenue from different sources is recognized as follows:

Revenue from sale of goods is recognized when risk and rewards incidental to the ownership of goods are transferred.

Interest on saving accounts is recognized as and when accrued on time proportion basis.

#### **3.17 Borrowing costs**

Borrowing costs are charged to expense as and when incurred except to the extent of costs directly attributable to the acquisition, construction or production of qualifying assets that are capitalized as part of the cost of asset.



### 3.18 Dividends

Dividend is recognized as a liability in the period in which it is declared.

### 3.19 Accounting for finance lease

IFRS 16 supersedes IAS 17 'Leases', IFRIC 4 'Determining whether an arrangement contains a Lease', SIC 15 'Operating leases - incentives' and SIC 27 'Evaluating the substance of transactions involving the legal form of a lease'. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

The Company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of July 01, 2019. Under this method, the standard is applied retrospectively with cumulative effect of initially applying standard recognized at the date of initial application and accordingly the Company is not required to restate prior year results. The Company also elected to use the recognition exception for lease contracts that, at the commencement date, have a lease term of twelve months or less and do not contain a purchase option (short term leases).

Adoption of IFRS 16 does not have any material impact on financial statements except reclassification of 'Leased assets' as 'Right-of-use assets' and 'Liabilities against assets subject to finance lease' as 'Lease Liabilities'.

The Company has lease contracts for vehicles and plant and machinery. Before the adoption of IFRS 16, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Company; otherwise it was classified as an operating lease. Finance leases were capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognized as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalized and the lease payments were recognized as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognized under Prepayments and Trade and other payables, respectively.

Upon adoption of IFRS 16, the Company applied a single recognition and measurement approach for all leases, except for short-term leases. The standard provides specific transition requirements and practical expedients, which has been applied by the Company.

The Company did not change the initial carrying amounts of recognized assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognized under IAS 17).

As a result of adoption of IFRS 16, the Company has adopted following new accounting policy:

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Company mainly leases plant and machinery for its operations. The Company recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- The initial direct costs; and
- Restoration cost (if any).

Subsequently, right-of-use assets are recognized at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain re-measurements of the lease liability. The right-of-



use asset is depreciated using the reducing balance method over the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets.

### 3.20 Earning per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

	2024	2023
Note	Rupees	
4 Ordinary shares of Rs. 10 each:		
27,000,000 (2023: 27,000,000) shares issued for cash.	270,000,000	270,000,000
5,400,000 (2023: 5,400,000) shares issued as fully paid bonus shares.	54,000,000	54,000,000
	<u>324,000,000</u>	<u>324,000,000</u>

All ordinary shareholders have same rights regarding voting, board selection, right of first refusal and block voting.

#### 5 LOAN FROM DIRECTORS AND SPONSORS

Loan from directors and sponsors	1,258,445,119	1,225,190,739
	<u>1,258,445,119</u>	<u>1,225,190,739</u>

These loan has been obtained from Sponsors and Members of the Company, and is interest free. There is no fixed tenor or schedule for repayment of this loan. According to the loan agreement, the lenders shall not demand repayment and the same is entirely at the Company's option. Further, directors' loan is subordinated to National Bank of Pakistan, Sindh Bank Limited and Silk Bank Ltd.

These loans are accounted for under Technical Release - 32 "Accounting Directors' Loan" issued by the Institute of Chartered Accountants of Pakistan effective for the financial statements for the period beginning on or after January 01, 2016 with earlier application permitted.

#### 6 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

As at beginning of the year	4,713,414,889	1,262,648,855
Revaluation surplus arise during the year	-	3,531,414,951
Revaluation surplus transferred to unappropriated profit on account of Incremental depreciation (net of tax)	(163,537,450)	(80,648,915)
	<u>4,549,877,439</u>	<u>4,713,414,891</u>

6.1 The revaluation surplus on property, plant and equipment is a capital reserve, and is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

#### 7 LONG TERM FINANCING

Loan from Banking Companies - secured	7.1	-	-
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#### 7.1 Loan from banking companies and other financial institutions - secured

<b>National Bank of Pakistan</b>			
Demand Finance I	7.1.1	220,000,000	220,000,000
Demand Finance II	7.1.2	160,000,000	160,000,000
<b>Sindh Bank Limited</b>			
Demand Finance	7.1.3	500,000,000	500,000,000
<b>PAIR</b>			
Demand Finance	7.1.4	70,000,000	70,000,000
<b>Silk Bank Ltd</b>			
Demand Finance	7.1.5	390,000,000	390,000,000
		<u>1,340,000,000</u>	<u>1,340,000,000</u>

**Less: current portion shown under current liabilities**

NBP - Demand Finance - I	7.1.1	(220,000,000)	(220,000,000)
NBP - Demand Finance - II	7.1.2	(160,000,000)	(160,000,000)
Sindh Bank - Demand Finance	7.1.3	(500,000,000)	(500,000,000)
Demand Finance - PAIR	7.1.4	(70,000,000)	(70,000,000)
Demand Finance - Silk Bank Ltd	7.1.5	(390,000,000)	(390,000,000)
		<u>(1,340,000,000)</u>	<u>(1,340,000,000)</u>

**Non current portion**

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

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

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

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

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

**8 DEFERRED LIABILITIES**

Employee retirement benefits	8.01	17,727,972	17,727,972
Regularization Charges	8.03	130,000,000	-
		<u>147,727,972</u>	<u>17,727,972</u>



**B.01 EMPLOYEES RETIREMENT BENEFITS**

The amounts recognized in the Statement of Financial Position are as follows :

Present value of defined benefit obligation	<u>17,727,972</u>	<u>17,727,972</u>
<i>the Statement of Financial Position liability</i>		
Opening balance	17,727,972	17,727,972
Amount recognized during the year	-	-
Remeasurements	-	-
	<u>17,727,972</u>	<u>17,727,972</u>
Payable to outgoing employees	-	-
Benefits paid during the year	-	-
Closing balance	<u>17,727,972</u>	<u>17,727,972</u>
<i>Charge for the defined benefit plan</i>		
Service cost	-	-
Interest cost	-	-
	<u>-</u>	<u>-</u>

**B.02** The scheme provides for terminal benefits for all its permanent employees who attain the minimum qualifying period at varying percentages of last drawn basic salary up to the year ended September 30, 2023. The percentage depends on the number of service years with the Company. No provision is made for the current and prior years, since the Company was not operational and it is not financially feasible for the Company to carry out actuarial valuation.

**B.03 REGULARIZATION CHARGES**

(130,000,000)      -

The Ministry of Industry Punjab has approved the regularization / Shift in of the Mill from Hankana to Jatol (District Muzaffargarh) vide order No. PPS/Haseeb Waqas/S.M/ 2023 dated 06-02-2023 subject of submission of Rs. 140 million requital amount . Rs. 10 million has already been paid to Ministry of Industry Punjab.

**9 DEFERRED TAXATION**

(73,606,590)      (11,990,575)

**Deferred tax liability on taxable temporary differences**

Accelerated tax depreciation	(3,239,113)	70,367,477
Related to surplus on revaluation	1,477,391,421	1,477,391,421
	1,474,152,308	1,547,758,898

**Deferred tax asset on deductible temporary differences**

Employees retirement benefits	(11,806,028)	(11,806,028)
Finance lease	(7,884,419)	(7,884,419)
Unused tax losses	(119,002,928)	(119,002,928)
	(138,693,375)	(138,693,375)
	<u>1,335,458,933</u>	<u>1,409,065,523</u>

Deferred tax assets of Rs. 860 million (2023: 825 million) on deductible temporary differences have not been recognized due to unpredictability of adjustable in future periods.

**10 TRADE AND OTHER PAYABLES**

Trade creditors	10.1	255,953,673	216,096,110
Advances from Customers -Unsecured		185,794,429	261,953,957
Accrued liabilities		82,243,519	88,638,233
Sales tax payable		197,106,921	199,819,325
Other payables	10.2	75,224,230	74,954,242
		<u>796,322,771</u>	<u>841,461,866</u>

10.1 The provision for the Audit Oversight Board amounting to Rs. 250,000 (2023: Rs. 200,000) is included within "Trade creditors".

10.2 Other payables include an amount of Rs. 30,564,611 of penalty imposed by Trading Corporation of Pakistan (TCP). The Company is defending a suit filed by TCP for recovery before Honorable Sindh High Courts, and the case still pending. TCP has requested NAB to take up the case, so case is in NAB now and NAB summoned the authorized representative of the Company and proceedings are in progress.

**11 MARKUP ON LOANS AND OTHER PAYABLES**

Long term financing	11.01	1,162,877,952	1,162,877,952
Finance lease		954,816	954,816
Others	11.02 & 11.03	19,862,810	19,862,810
		<u>1,183,695,578</u>	<u>1,183,695,578</u>

11.01 This includes markup accrued on short term borrowings which was rescheduled as long term.

11.02 This represents markup accrued on return of funds to TCP as disclosed in note 10.1

11.03 As the balms are in litigation and the Management decided not to Charge Markup for the year and cost of funds will be charged as per decision of Court.

**12 SHORT TERM BORROWINGS**

Loan from related parties			
Abdullah Sugar Mills Limited		749,884,251	671,042,868
Haseeb Waqas Trading (Private) Limited		2,204,064	2,204,064
		<u>752,088,315</u>	<u>673,246,932</u>

These are unsecured, interest free and payable on demand of the related parties and for the purpose of

**13 CURRENT PORTION OF NON CURRENT LIABILITIES**

Long term financing	7.1	1,340,000,000	1,340,000,000
Finance lease		27,187,642	27,187,642
		<u>1,367,187,642</u>	<u>1,367,187,642</u>



#### 14 CONTINGENCIES AND COMMITMENTS

- 14.1 The collector of Sales Tax And Central Excise (Adjudication) Lahore has issued a show cause notice to the Company for the further tax amounting to Rs. 47 million up to the tax period September 2002 on the grounds that it charged sales tax at the rate of 15 % on its sales to persons liable to be registered.
- 14.2 The Federal Board of Revenue has blacklisted the Sales Tax status of the Company on 8th March 2018 due to non compliance of the Sales Tax Act, 1990 and the rules made thereunder including not discharging of sales tax liability as outstanding in note # 10. However, the Company will further proceed to regularize the sales tax status after starting of crushing.
- 14.3 Company has made defaults in repayment of installments of long term loans from financial institutions and bank. As a result, the Company's name has been included in CIB report of State Bank of Pakistan. The detail of the cases are as:

Sr. #	Name of the Court	Date Instituted	Principal parties	Description of factual basis of the proceedings	Relief sought
1	Lahore High Court	03-May-17	Sindh Bank Limited	Default in repayment of principal amount of long term loan along with markup	rescheduling of loan
2	Lahore High Court	22-Sep-16	National Bank Of Pakistan	Default in repayment of principal amount of long term loan along with markup	rescheduling of loan
3	Lahore High Court	8-Jun-20	Silk Bank Limited	Default in repayment of principal amount of long term loan along with markup	rescheduling of loan
4	Lahore High Court	31-Mar-17	First National Bank Modaraba	Default in repayment of principal amount of long term loan along with markup	rescheduling of loan
5	Banking Court	20-Apr-18	PAIR Investment Company Limited	Default in repayment of principal amount of long term loan along with markup	rescheduling of loan

- 14.4 The Company has not complied with the section 244 of Companies Act, 2017 with respect to unclaimed dividend but it is not expected to have any legal consequences.
- 14.5 Pakistan Stock Exchange Limited has placed the Company in Defaulters Segment due to disclaimer of opinion on the annual report of the Company for the year ended September 30, 2019. However, suspension order regarding trading of shares of company has been revoked by the Pakistan Stock Exchange.

- During the year, the cost of funds and the associated mark-up on loans have not been accounted for due to an ongoing legal proceeding. The matter pertains to a court case where the determination of the applicable cost of funds and the permissible mark-up is under judicial review.
- As a result, the financial impact of the court's decision, which could influence the recognition and measurement of costs and revenues related to loans, remains uncertain. In compliance with applicable accounting standards and prudence, the organization has opted to disclose this contingency rather than recognize any potential adjustments in the financial statements for the current period.
- 14.6 Management is actively monitoring the progress of the case and will ensure that any material financial impact resulting from the court's decision will be appropriately recognized and disclosed in the financial statements of the relevant period.



15 PROPERTY, PLANT AND EQUIPMENT - Tangible

"RUPEES"

Particulars	Cost / Revalued Amount				Rate %	Depreciation				Book Value as at September 30, 2024
	As at October 01, 2023	Additions/ (Deletions)	Revaluations	As at September 30, 2024		As at October 01, 2023	Adjustment	For the Year	As at September 30, 2024	
<b>Owened</b>										
Land - freehold	549,737,500	-	-	549,737,500	-	-	-	-	-	549,737,500
Buildings on freehold land										
- Factory	324,732,226	-	-	324,732,226	10%	218,082,348	-	10,864,988	228,947,335	95,984,891
- Non-factory	91,438,630	-	-	91,438,630	5%	39,999,712	-	2,571,946	42,571,658	48,866,972
Plant and machinery	6,678,456,008	-	-	6,678,456,008	5%	1,294,405,191	-	269,202,541	1,563,607,732	5,114,848,276
Electric equipment	624,971	-	-	624,971	10%	330,820	-	29,415	360,235	264,736
Furniture and fixtures	57,469,483	-	-	57,469,483	10%	48,885,111	-	858,437	49,743,548	7,725,935
Vehicles	24,985,116	-	-	24,985,116	20%	24,770,991	-	42,825	24,813,816	171,300
<b>Total</b>	<b>7,727,443,934</b>	<b>-</b>	<b>-</b>	<b>7,727,443,934</b>		<b>1,626,474,173</b>	<b>-</b>	<b>283,370,152</b>	<b>1,909,844,324</b>	<b>5,817,599,610</b>
<b>Right of use assets</b>										
Plant and machinery	139,500,000	-	-	139,500,000	10%	88,360,529	-	5,113,947	93,474,476	46,025,524
<b>Total</b>	<b>139,500,000</b>	<b>-</b>	<b>-</b>	<b>139,500,000</b>		<b>88,360,529</b>	<b>-</b>	<b>5,113,947</b>	<b>93,474,476</b>	<b>46,025,524</b>
<b>Grand total 2024</b>	<b>7,866,943,934</b>	<b>-</b>	<b>-</b>	<b>7,866,943,934</b>		<b>1,714,834,702</b>	<b>-</b>	<b>288,484,099</b>	<b>2,003,318,800</b>	<b>5,863,625,134</b>

"RUPEES"

Particulars	Cost / Revalued Amount				Rate %	Depreciation				Book Value as at September 30, 2023
	As at October 01, 2022	Additions/ (Deletions)	Revaluations	As at September 30, 2023		As at October 01, 2022	Adjustment	For the Year	As at September 30, 2023	
<b>Owened</b>										
Land - freehold	261,313,059	-	288,424,441	549,737,500	-	-	-	-	-	549,737,500
Buildings on freehold land										
- Factory	375,575,435	-	(50,843,209)	324,732,226	10%	202,936,969	-	15,145,380	218,082,347.55	106,649,878
- Non-factory	115,367,554	-	(23,928,924)	91,438,630	5%	36,557,741	-	3,441,971	39,999,712	51,438,918
Plant and machinery	3,360,693,365	-	3,317,762,643	6,678,456,008	5%	1,112,895,229	-	181,509,962	1,294,405,191	5,384,050,817
Electric equipment	624,971	-	-	624,971	10%	298,137	-	32,683	330,820	294,151
Furniture and fixtures	57,469,483	-	-	57,469,483	10%	47,931,292	-	953,819	48,885,111	8,584,372
Vehicles	24,985,116	-	-	24,985,116	20%	24,717,460	-	53,531	24,770,991	214,125
<b>Total</b>	<b>4,196,028,983</b>	<b>-</b>	<b>3,531,414,951</b>	<b>7,727,443,934</b>		<b>1,425,336,828</b>	<b>-</b>	<b>201,127,347</b>	<b>1,626,474,173</b>	<b>6,100,969,761</b>
<b>Right of use assets</b>										
Plant and machinery	139,500,000	-	-	139,500,000	10%	82,678,366	-	5,682,163	88,360,529	51,139,471
<b>Total</b>	<b>139,500,000</b>	<b>-</b>	<b>-</b>	<b>139,500,000</b>		<b>82,678,366</b>	<b>-</b>	<b>5,682,163</b>	<b>88,360,529</b>	<b>51,139,471</b>
<b>Grand total 2023</b>	<b>4,335,528,983</b>	<b>-</b>	<b>3,531,414,951</b>	<b>7,866,943,934</b>		<b>1,508,015,193</b>	<b>-</b>	<b>206,819,510</b>	<b>1,714,834,703</b>	<b>6,152,109,232</b>

15.01 Particulars of immovable property (i.e. Land and building on land) are as follows:

Location / address	Usage of immovable property	Total area (Acres)	Approx. covered area (Acres)
Mota Jajmal, All Pur Jatol Road, Tehsil Jatol, Distt. Muzaffargarh	Current Production Unit	72.05	55%
4 km, Nankana Boucheld Road, Nankana Sahib	Land Area	72.81	0%

15.02 The depreciation charged for the year has been allocated as under:

	Note	2024	2023
Rupees			
Cost of sales	23	284,981,476	202,337,505
Administrative expenses	24	3,502,623	4,482,005
		<u>288,484,099</u>	<u>206,819,510</u>

15.03 Revalued land, building and plant and machinery:

Last revaluation has been carried out by an independent valuer Medalion Services (Private) Limited on 18th May 2023. The fair value of land, building and plant and machinery as per evaluation report was 8,213 millions.

The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017

The activity in the property markets in which these assets are located provides observable market data on which reliable fair value estimates can be derived. In determining the valuation, the valuer refers to current market conditions and recent sales transactions of similar properties for land; class and type of construction, quality of material used, standard of workmanship and finish for building; and contacted to supplier and different sugar plant manufacturing consultants in the Country or abroad for plant and machinery. In estimating the fair value of the property, the highest and best use of the property is their current use.

The carrying values of the land, buildings and plant and machinery would have been Rs. 96 million, Rs. 134.25 million and Rs. 606.55 million under the cost model.

The forced sale value of the revalued of land, buildings and plant and machinery was assessed at the discount of 15 % of the value of revaluation at the date of revaluation.

### Commitments

No major commitments were outstanding as at September 30, 2023.

		2024	2023
	Note	Rupees	
<b>16 LONG TERM DEPOSITS</b>		<b>470,000</b>	<b>490,000</b>
These mainly comprise of security deposits with Central Depository Company and Sui Northern Gas			
<b>17 DEFERRED COST</b>			
Total Cost		130,000,000	-
Amortized during the year		(18,000,000)	-
Balance		<u>112,000,000</u>	<u>-</u>
Capacity Charges as per Note No 8.03 amortized during the year amounting to Rs. 18 Million.			
<b>18 STORES, SPARES AND LOOSE TOOLS</b>			
Stores		56,244,436	61,146,837
Loose Tools and Spares		163,397	163,397
		<u>56,407,833</u>	<u>61,310,234</u>
<b>18.1</b>	No identifiable store and spare are held for specific capitalization.		
<b>19 STOCK IN TRADE</b>			
Work in process			
Sugar		-	-
Molasses		-	-
Finished goods			
Sugar		-	-
		-	-
<b>20 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES - considered good</b>			
Advances to employees against purchases		781,559	368,562
Advances to employees against salary	20.01	770,445	882,975
Advance income tax		35,111,484	34,162,549
Deposits	20.02	8,712,721	8,712,721
		<u>45,376,209</u>	<u>44,126,807</u>
<b>20.01</b>	These are interest free amounts advanced to staff against future salaries and retirement benefits and are in accordance with the Company policy.		
<b>20.02</b>	These represent interest free unsecured deposit with TCP and will likely be set off against the liability as mentioned in note # 11.1.		



<b>21 CASH AND BANK BALANCES</b>			
Cash in hand		7,408,688	590,621
Cash with banks - in current accounts		1,224,197	1,381,214
		<u>8,632,885</u>	<u>1,971,835</u>
<b>22 SALES - NET</b>			
Sugar - Local		-	-
Molasses		-	-
Mud		-	-
		<u>-</u>	<u>-</u>
Less: Sales tax and federal excise duty		-	-
		<u>-</u>	<u>-</u>
<b>23 COST OF GOODS SOLD</b>			
Salaries, wages and other benefits	23.01	30,533,685	43,411,963
Repair and maintenance		13,186,402	56,330,979
Capacity Charges	23.02	18,000,000	-
Freight and Octroi		282,490	2,030,310
Miscellaneous Expenses		1,568,129	928,833
Depreciation	15.02	284,981,476	202,337,505
Others		-	-
		<u>348,552,182</u>	<u>305,039,590</u>
Opening work in process		-	-
Closing work in process		-	-
		<u>-</u>	<u>-</u>
Cost of goods manufactured		<u>348,552,182</u>	<u>305,039,590</u>
Opening finished goods		-	-
Closing finished goods		-	-
		<u>-</u>	<u>-</u>
		<u>348,552,182</u>	<u>305,039,590</u>

23.01 Salaries and benefits include Rs. Nil (2023: Rs. Nil million) on account of employees' retirement benefits.

23.02 The Ministry of Industry Punjab has approved the regularization / Shiftinh of the Mill from Nankana to Jatoi (District Muzaffargarh) vide order No. PPS/Haseeb Waqas/S.M/ 2023 dated 06-02-2023 subject of submission of Rs. 140 million requital amount . Rs. 10 million has already been paid to Ministry of Industry Punjab.

<b>24 ADMINISTRATIVE AND GENERAL EXPENSES</b>			
Salaries, wages and other benefits	24.01	10,162,400	18,182,897
Traveling and conveyance		343,669	1,199,356
Repairs and maintenance		72,595	749,580
Fees and subscription		3,252,700	286,540
Vehicle running and maintenance		573,168	4,280,723
Printing and stationery		218,774	229,832
Telephone and postage		159,395	412,920
Advertisement		36,000	83,632
Entertainment		1,267,005	2,923,871
Legal and professional charges		298,460	12,687,400
Depreciation	15.02	3,502,623	4,482,005
Miscellaneous		1,685,054	1,952,845
		<u>21,571,843</u>	<u>47,471,601</u>

24.01 Salaries and benefits include Rs. Nil (2023: Rs. Nil million) on account of employees' retirement benefits.

<b>25 OTHER OPERATING CHARGES</b>			
Auditors' remuneration			
Statutory audit		175,000	125,000
Half year review		30,000	30,000
Review and certifications		20,000	20,000
Out of pocket		25,000	25,000
		<u>250,000</u>	<u>200,000</u>

<b>26 FINANCE COST</b>			
Interest / mark up expense		-	124,877,766
Bank charges and commission		78,692	346,840
		<u>78,692</u>	<u>125,224,606</u>

26.01 As the claims are in litigation and the Management decided not to Charge Markup for the year and cost of funds will be charged as per decision of Court

<b>27 TAXATION</b>			
Current tax			
For the year		-	-
Prior years		-	-
		-	-
Deferred tax		(73,606,590)	(11,590,975)
		<u>(73,606,590)</u>	<u>(11,590,975)</u>

27.01 No tax reconciliation between applicable tax rate and average tax rate is shown because the company's current tax liability is Nil during the year.

<b>28 EARNING PER SHARE - Basic</b>			
(Loss) after taxation for the year	RUPEES	(296,846,127)	(466,344,822)
Outstanding weighted average ordinary shares	NUMBERS	32,400,000	32,400,000
Earnings per share - Basic and diluted	RUPEES	<u>(9.16)</u>	<u>(14.39)</u>

**28.1 Diluted earnings per share**

There is no dilution effect on the basic earnings per share of the Company as the Company has no such commitments.

**29 PLANT CAPACITY AND PRODUCTION**

**Processed cane**

Installed capacity (tons)	1,820,000	1,300,000
Installed capacity (days)	14,000	10,000
Actual crushing (tons)	-	-
Actual crushing (days)	-	-
Actual production (percentage of actual capacity in tons)		

**Sugar**

Installed capacity (tons)	163,800	117,000
Installed capacity (days)	1,260	900
Actual production (tons)	-	-
Actual production (days)	-	-
Actual production (percentage of actual capacity in tons)	-	-
Cane sugar recovery	-	-

**30 FINANCIAL INSTRUMENTS BY CATEGORY**

-As at Statement of Financial Position at amortized cost:

**Financial assets**

Long term deposits	470,000	490,000
Advances, deposits and other receivables	8,712,721	8,712,721
Cash and bank balances	8,632,885	1,971,835
	<u>17,815,606</u>	<u>11,174,556</u>

**Financial liabilities**

Trade and other payables	413,421,422	379,688,584
Loan from directors and sponsors	1,258,445,119	1,225,190,739
Loan from financial institution	1,367,187,642	1,367,187,642
Accrued interest / mark-up	1,183,695,578	1,183,695,578
Unclaimed dividend	1,443,972	1,443,972
Short term borrowings	752,088,315	673,246,932
	<u>4,976,282,048</u>	<u>4,830,453,447</u>

**30.01 Fair values of financial assets and liabilities**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction.



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

### 31 FINANCIAL INSTRUMENTS

#### 31.01 Fair value and risk management

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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).

31.02 The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. However, fair values are not disclosed as carrying values are reasonable approximation of their net fair value.

On-SOPF financial instruments	Carrying amount			Fair Value				
	Fair Value through Profit or Loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>As at 30 September, 2024:</b>								
<b>Financial Assets not measured at fair value</b>								
Advances, deposits, prepayments and other receivables	-	8,712,721	-	8,712,721	-	-	-	-
Long Term Deposits	-	470,000	-	470,000	-	-	-	-
Cash and bank balances	-	8,632,885	-	8,632,885	-	-	-	-
	-	17,815,606	-	17,815,606	-	-	-	-
<b>Financial Liabilities not measured at fair value</b>								
Loan from banking companies	-	-	1,367,187,642	1,367,187,642	-	-	-	-
Trade and other payables	-	-	413,421,422	413,421,422	-	-	-	-
Accrued Markup	-	-	1,182,695,378	1,182,695,378	-	-	-	-
Unclaimed Dividend	-	-	1,443,972	1,443,972	-	-	-	-
Loans from related parties	-	-	752,088,318	752,088,318	-	-	-	-
	-	-	3,717,836,928	3,717,836,928	-	-	-	-
<b>As at 30 September, 2023:</b>								
<b>Financial Assets not measured at fair value</b>								
Advances, deposits, prepayments and other receivables	-	8,712,721	-	8,712,721	-	-	-	-
Long Term Deposits	-	490,000	-	490,000	-	-	-	-
Cash and bank balances	-	1,871,835	-	1,871,835	-	-	-	-
	-	11,174,556	-	11,174,556	-	-	-	-
<b>Financial Liabilities not measured at fair value</b>								
Loan from banking companies	-	-	1,367,187,642	1,367,187,642	-	-	-	-
Trade and other payables	-	-	379,688,584	379,688,584	-	-	-	-
Accrued Markup	-	-	1,182,695,378	1,182,695,378	-	-	-	-
Unclaimed Dividend	-	-	1,443,972	1,443,972	-	-	-	-
Loans from related parties	-	-	673,246,922	673,246,922	-	-	-	-
	-	-	3,605,362,708	3,605,362,708	-	-	-	-

### 31.03 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. There were no changes to Company's approach to capital management during the year. The Company is not subject to any externally imposed Capital requirements.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue right shares or negotiate with banks for new financing or restructure existing financing.

	2024	2023
	Rupees	
The gearing ratios were as follows:		
Long term financing	1,367,187,642	1,367,187,642
Short term financing	752,088,315	673,246,932
Total debt	2,119,275,957	2,040,434,574
Total Equity	502,586,874	766,178,623
Capital employed	2,621,862,831	2,806,613,197
Gearing ratio	19%	27%

### 31.04 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors.

#### (a) Market risk

##### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company has no significant interest-bearing assets, the Company's income and resultant operating cash flows are substantially independent of changes in market interest rates.

At the reporting date, the interest rate profile of the company's significant interest bearing financial instruments was as follows:

**Financial liabilities**

	2024	2023	2024	2023
	Percentage		Rupees	
Long term financing	3Mk +1.25% to 3Mk+5%	3Mk +1.25% to 3Mk+5%	1,340,000,000	1,340,000,000
Total yield / markup rate risk sensitivity gap			<u>1,340,000,000</u>	<u>1,340,000,000</u>

**Fair value sensitivity analysis for fixed rate instruments:**

The company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account.

**Cash flow sensitivity analysis for variable rate instruments:**

	Effect on Profit and Loss 1% rate	
	Increase	Decrease
<b>As at September 30, 2024</b>		
Cash flow sensitivity - variable rate financial liabilities	<u>13,400,000</u>	<u>(13,400,000)</u>
<b>As at September 30, 2023</b>		
Cash flow sensitivity - variable rate financial liabilities	<u>13,400,000</u>	<u>(13,400,000)</u>

**(ii) Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity securities price risk as there is no investment in listed securities.

**(iii) Foreign currency risk**

The Company does not have any commitment or balance in foreign currency as at financial position date which result in foreign currency risk.



(b) **Credit risk**

Credit risk represents the risk of financial loss being caused if counter parties fail to discharge an obligation.

Credit risk arises from deposits with banks, trade debts, loans and advances, deposits and other receivables. The company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. Where considered necessary, advance payments are obtained from certain parties. The maximum exposure to credit risk is equal to carrying amount of financial assets. Out of total financial assets of Rs. 54,479,094 (2023: Rs. 46,588,642) the financial assets exposed to credit risk amount to Rs. 54,479,094 (2023 : 46,588,642).

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets which have not impaired are as under:

	2024	2023
	Rupees	
Long term deposits	470,000	490,000
Advances, deposits, prepayments and other receivables	45,376,209	44,126,807
Bank balances	8,632,885	1,971,835
	<u>54,479,094</u>	<u>46,588,642</u>

The credit quality of receivables can be assessed with reference to their historical performance with no or some defaults in recent history, however, no losses. The credit quality of Company's bank balances can be assessed with reference to external credit.

Bank	Rating agency	Short Term Borrowings	Long Term Loans
United Bank Limited	JCR-VIS	A-1+	AAA
The Bank of Punjab	PACRA	A1+	AA+
Sindh Bank Limited	JCR-VIS	A-1	A+
MCB Bank Limited	PACRA	A1+	AAA
National Bank of Pakistan	PACRA	A1+	AAA

Geographically, there is no concentration of credit risk.

(c) Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate committed credit facilities and directors and sponsor of the Company.

The table shows analyses how management monitors net liquidity based on details of the remaining contractual maturities of financial assets and liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	2024			
	Carrying Amount	Contractual cash flows	Up to twelve months	Two to five years
<b>Financial Liabilities</b>				
Loan from banking companies	1,367,187,642	1,367,187,642	1,367,187,642	-
Trade and other payables	413,421,422	413,421,422	413,421,422	-
Accrued Markup	1,183,695,578	1,183,695,578	1,183,695,578	-
Unclaimed Dividend	1,443,972	1,443,972	1,443,972	-
Loan from related parties	752,088,315	752,088,315	752,088,315	-
	<b>3,717,836,928</b>	<b>3,717,836,928</b>	<b>3,717,836,928</b>	<b>-</b>
	2023			
	Carrying Amount	Contractual cash flows	Up to twelve months	Two to five years
<b>Financial Liabilities</b>				
Loan from banking companies	1,367,187,642	1,367,187,642	1,367,187,642	-
Trade and other payables	379,688,584	379,688,584	379,688,584	-
Accrued Markup	1,183,695,578	1,183,695,578	1,183,695,578	-
Unclaimed Dividend	1,443,972	1,443,972	1,443,972	-
Loan from related parties	673,246,932	673,246,932	673,246,932	-
	<b>3,605,262,708</b>	<b>3,605,262,708</b>	<b>3,605,262,708</b>	<b>-</b>

## 32 RELATED PARTY TRANSACTIONS AND BALANCES

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

The Company during the year entered into transactions with the following related parties:

Name of Related Party	Nature of relationship	% of Shareholding
Abdullah Sugar Mills Limited	Associate (common management/directorship)	8.952
Haseeb Waqas Trading (Private) Limited	Associate (common management/directorship)	-
Mian Waqas Riaz	Director	2.37
Mrs. Shehzadi Ilyas	Director	7.42
Mrs. Zainab Waqas	Director	1.029
Mian Haseeb Ilyas	Sponsor Director	6.832
Mian Abdullah Ilyas	Chief Executive / Director	9.218
Key Management Personnel	Employer - Employee	-

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

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

	2024	2023
	Rupees	
<b>32.1.1 Transactions with related parties</b>		
(Repayment) / Obtain loan (to) / from - net:		
Abdullah Sugar Mills Limited	79,010,162	16,847,046
Mrs. Shehzadi Ilyas	5,034,880	41,053,500
Mian Abdullah Ilyas	-	-
Mian Haseeb Ilyas	7,000,000	5,300,000
Mian Abdullah Ilyas	6,200,000	41,521,000
Mian Muhammad Ilyas Mehraj	15,019,500	3,958,000
Mrs. Yasmeen Riaz	-	2,300,000

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

### 32.2 Details of related party balances are as follows:

	2024	2023
	Rupees	
<b>32.2.1 Balances payable to related parties</b>		
Haseeb Waqas Trading (Private) Limited	2,204,064	2,204,064
Abdullah Sugar Mills Limited	749,884,251	671,042,868
Mian Muhammad Ilyas Mehraj	163,220,800	148,201,300
Mian Ijaz Mehraj	72,121,650	72,121,650
Mrs. Yasmeen Riaz	74,421,650	74,421,650
Mian Waqas Riaz	15,597,680	15,597,680
Mrs. Shehzadi Ilyas	454,874,636	449,839,756
Mrs. Zainab Waqas	117,500,100	117,500,100
Mian Haseeb Ilyas	264,557,150	257,557,150
Mian Abdullah Ilyas	95,914,953	89,714,953



32.3 Compensation of directors, chief executive and executives

	Year ended 30 September 2024		
	Chief Executive	Directors	Executives
Remuneration	-	-	3,000,000
Other benefits	-	-	-
	<u>-</u>	<u>-</u>	<u>3,000,000</u>
No. of persons	-	-	1

	Year ended 30 September 2023		
	Chief Executive	Directors	Executives
Remuneration	-	-	3,000,000
Other benefits	-	-	-
	<u>-</u>	<u>-</u>	<u>3,000,000</u>
No. of persons	-	-	1

Due to the negative cash flows, the Chief Executive and all the Directors of the Company have waived their right to receive Directors' remuneration and meeting fee. Additionally, Chief Executive and one Director are provided with free use of cellular phones and Company maintained cars.

33 ENTITY WIDE INFORMATION

The Company constitutes of a single reportable segment, the principal product is refined white sugar.

Information about geographical areas

The Company does not hold non-current assets in any foreign country. Revenues from customers attributed to foreign countries is nil during the current year.

Information about major customers

The Company does not have transactions with any external customer which amount to 10 percent or more of its revenues.

34 NUMBER OF EMPLOYEES

	Number of employees	
Average number of employees during the year	<u>37</u>	<u>85</u>
Number of employees as at September 30, 2024	<u>44</u>	<u>340</u>

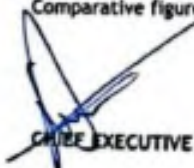
35 AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements have been authorized for issue by the Board of Directors of the Company on January 07, 2025.

36 GENERAL

Figures have been rounded off to the nearest of Pakistani Rupees,

Comparative figures have been rearranged / reclassified, wherever necessary, to facilitate comparison.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

## FORM OF PROXY

The Company Secretary  
Haseeb Waqas Sugar Mills Limited  
06-F, Model Town,  
Lahore.

I / We \_\_\_\_\_  
of \_\_\_\_\_ being member(s) of Haseeb Waqas Sugar Mills Limited  
holding \_\_\_\_\_ ordinary shares as per share Register Folio No./CDC Participant ID. No.  
\_\_\_\_\_ hereby appoints Mr/Mrs/Miss \_\_\_\_\_ of \_\_\_\_\_ who is also a  
member of the Company, Folio No./CDC Participant ID. No. \_\_\_\_\_ or failing  
him/her \_\_\_\_\_ of \_\_\_\_\_ Folio No. / CDC Participant ID. No.  
\_\_\_\_\_ another member of the Company as my / our Proxy in my / our absence to attend and vote for me/us  
and on my/our behalf at the 33<sup>rd</sup> Annual General Meeting of the Company to be held on 25 January  
2025 at 09:00 a.m. at the Registered Office of the Company.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2025

Place office  
Reverend Stamp

Signature of Member  
(The Signature should agree with the  
specimen registered with the Company.)

Witness:  
Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
NIC No: \_\_\_\_\_

Witness:  
Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
NIC No: \_\_\_\_\_

### Notes

1. This proxy form, duly completed and signed, must be received at the Registered Office of the Company, 6-F, Model Town, Lahore, not less than 48 hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instruments of proxies are deposited by a member with the company, all such instruments of proxy shall be rendered invalid.
3. No person can act as proxy unless he / she is member of the Company, except that a corporation may appoint a person who is not a member.

### For CDC Account Holders / Corporate Entities.

In addition to the above, the following requirements have to be met.

- i. The proxy form shall be witnessed by two persons whose names, addresses and CNIC number shall be mentioned on the form.
- ii. Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be provided with the proxy form.
- iii. The proxy shall produce his original CNIC or Passport at the time of attending the meeting.
- iv. In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.