

2nd QUARTER
MARCH 31, 2025



Abdullah Shah Ghazi

Sugar Mills Limited

CONTENTS

Corporate Information	2
Mission and Vision Statement	3
Directors' Report	4
Independent Auditor's Review Report.....	8
Statement of Financial Position	9
Statement Profit and Loss	10
Statement of Comprehensive Income	11
Statement Cash Flow	12
Statement of Changes in Equity	13
Notes to the Financial Statements	14

CORPORATE INFORMATION

Board of Directors

Muhammad Dawood (Chief)
Executive/Director
Yasir Iqbal (Chairman)
Muhammad Rasheed Rana
Amjad Abbas
Muddssar Iqbal
Fiaz Qadeer Butt
Bilquees Begum

Audit Committee

Fiaz Qadeer Butt (Chairman/Member)
Muddssar Iqbal (Member)
Amjad Abbas (Member)

Chief Financial Officer

Sohail Azam Khan

Company Secretary

Saleem Abbas

Internal Auditors'

Mamoon Ahmad Moon

Auditors'

Zahid Jamil & Co.
Chartered Accountants

Registrar

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

Registered Office

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

Mills

Abdullah Shah Ghaziabad, Garho,
District Thatta, Sindh

Bankers

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

Web Presence:

www.asgsml.com

Mission Statement

To be the premier sugar and allied product's manufacturer while providing our clients with flexibility, on-time delivery, and consistent quality and to achieve sustainable and equitable expansion and growth through efficient and effective resources and at the same time developing a corporate business environment most suited to all the employees and people Concerned.

Vision Statement

To transform the Company into a market leader for the Quality Sugar Manufacturing, while keeping our focus on the growing customer base, be characterized by a high degree of professionalism and is accountable for the successful fulfillment of the company's mission, and to play a meaningful role in the economy of Pakistan

Directors' Report

Dear members,
Assalam-o-Alaikum,

We are pleased to present the Directors' Report for the half year ended March 31, 2025. The period under review marked a significant milestone for Abdullah Shah Ghazi Sugar Mills Ltd. as we resumed operations after a one-year closure. Restarting the mill presented numerous challenges, but we are encouraged by the initial progress made during this critical phase.

Operational Highlights

Restarting our operations after a one-year closure required substantial effort. The team worked diligently to resume production, albeit for a limited number of days. While the season was short, it marks an important step toward normalizing operations. We are hopeful that the upcoming season will allow us to operate for a full duration and realize improved results.

Season Start on:	06-Jan-2025
Season Closed on:	28-Jan-2025
Crushing Days:	23
Cane Crushed (M. Tons):	8,358
Sugar Produced (M. Tons):	1,023.900
Average Sugar Recovery (%):	6.65%

Financial and Operational Performance

The financial and operational performance for the half year has been below expectations, mainly due to high operating costs associated with restarting the operations. The financial results for the period are summarized below:

	(Rupees in "000")
Profit/(Loss) Before Taxation:	(215,633)
Taxation:	95,492
Profit After Taxation:	(120,140)

Future Outlook

Despite the financial strain observed during the resumption period, we remain hopeful about the future. The management is committed to enhancing operational efficiency, optimizing cost structures, and strengthening the company's financial position. We

anticipate gradual improvement in performance in the upcoming periods, driven by strategic planning and focused execution.

Acknowledgement

We thank our shareholders, employees, and stakeholders for their continued support and confidence during this important transition.



Muhammad Dawood
(Chief Executive)



Yasir Iqbal
(Director)

Lahore: May 27, 2025

ڈائریکٹر زکی رپورٹ

پیارے ممبران،

السلام علیکم،

ہمیں 31 مارچ 2025 کو ختم ہونے والے ششماہی کے لیے ڈائریکٹر زکی رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔ زیر جائزہ مدت عبداللہ شاہ غازی شوگر ملز لمیٹڈ کے لیے ایک اہم سنگ میل کی حیثیت رکھتی ہے کیونکہ ہم نے ایک سال کی بندش کے بعد دوبارہ کام شروع کیا۔ مل کو دوبارہ شروع کرنے سے متعدد چیلنجز پیش آئے، لیکن اس نازک مرحلے کے دوران ہونے والی ابتدائی پیش رفت سے ہمیں حوصلہ ملا ہے۔

آپریشنل جھلکیاں

ایک سال کی بندش کے بعد اپنے آپریشنز کو دوبارہ شروع کرنے کے لیے کافی محنت درکار ہے۔ ٹیم نے پیداوار کو دوبارہ شروع کرنے کے لیے تندہی سے کام کیا، اگرچہ محدود دنوں کے لیے۔ جبکہ سیزن مختصر تھا، یہ کاموں کو معمول پر لانے کی طرف ایک اہم قدم ہے۔ ہمیں امید ہے کہ آنے والا سیزن ہمیں مکمل مدت تک کام کرنے اور بہتر نتائج کا احساس دلانے گا۔

سیزن کا آغاز: 06-جنوری-2025

سیزن بند ہونے کی تاریخ: 28-جنوری-2025

کرشنگ کے دن: 23

کین کرشنگ (ایم ٹن): 8,358

چینی کی پیداوار (ایم ٹن): 1,023.900

% شوگر کی اوسط وصولی (%): 6.65

مالیاتی اور آپریشنل کارکردگی

نصف سال کے لیے مالی اور آپریشنل کارکردگی توقعات سے کم رہی ہے، جس کی بنیادی وجہ آپریشنز کو دوبارہ شروع کرنے سے وابستہ اعلیٰ آپریٹنگ اخراجات ہیں۔ اس مدت کے مالی نتائج کا خلاصہ ذیل میں دیا گیا ہے

(روپے "000" میں)

(215,633)

95,492

(120,140)

ٹیکس سے پہلے منافع / نقصان:

ٹیکسیشن:

ٹیکس کے بعد منافع:

مستقبل کا آؤٹ لک

بحالی کی مدت کے دوران دیکھے گئے مالی تناؤ کے باوجود، ہم مستقبل کے بارے میں پرامید ہیں۔ انتظامیہ آپریشنل کارکردگی کو بڑھانے، لاگت کے ڈھانچے کو بہتر بنانے اور کمپنی کی مالی پوزیشن کو مضبوط بنانے کے لیے پرعزم ہے۔ ہم آنے والے ادوار میں کارکردگی میں بتدریج بہتری کی توقع کرتے ہیں، جو اسٹریٹجک منصوبہ بندی اور توجہ مرکوز پر عملدرآمد کے ذریعے کارفرما ہے۔

اعتراف

ہم اپنے شیئر ہولڈرز، ملازمین، اور اسٹیک ہولڈرز کا اس اہم منتقلی کے دوران مسلسل تعاون اور اعتماد کے لیے شکریہ ادا کرتے ہیں۔

Yasri

یاسر اقبال

(ڈائریکٹر)

Zawad

محمد داؤد

(چیف ایگزیکٹو)

لاہور: 27 مئی 2025

Independent Auditor's Review Report**To the Members of Abdullah Shah Ghazi Sugar Mills Limited**

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Abdullah Shah Ghazi Sugar Mills Limited as at March 31, 2025 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for three month period ended March 31, 2025 and 2024 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended March 31, 2025.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Material Uncertainty Relating to Going Concern

We draw attention to Note 3 of these interim financial statements which indicates that as at the condensed interim statement of financial position date, the Company's accumulated losses reported were Rs. 2,611.687 million (Sep. 2024: Rs. 2,548.814 million) and its current liabilities exceeded its current assets by 2,837.245 million (Sep 2024: Rs. 2,694.161 million). These conditions indicate that a material uncertainty exists, which may cast significant doubt on the Company's ability to continue as a going concern. However, these interim financial statements have been prepared on "going concern basis" in consideration of mitigating factors mentioned in Note 3 of these interim financial statements. Our opinion is not modified in respect of this matter.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six months period ended March 31, 2025 is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



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

**Chartered Accountants****Place: Lahore****Date: May 27, 2025****UDIN:RR202510366gIRzsHodj**

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2025

	Note	<i>Unaudited</i> 31-03-25 <i>Rupees</i>	<i>Audited</i> 30-09-24 <i>Rupees</i>
<u>EQUITY AND LIABILITIES</u>			
<u>SHARE CAPITAL AND RESERVES</u>			
Authorized share capital		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital		792,616,660	792,616,660
Capital Reserve:			
Surplus on revaluation of property, plant and equipment		1,053,387,494	1,110,654,739
Revenue Reserve:			
Accumulated loss		(2,611,687,497)	(2,548,814,371)
TOTAL EQUITY		(765,683,343)	(645,542,972)
<u>LIABILITIES</u>			
<u>NON-CURRENT LIABILITIES</u>			
Long term loan from related party - unsecured	7	874,273,450	731,369,788
Long term loan from bank - secured	8	217,000,000	236,028,000
Deferred liabilities	9	127,628,360	223,121,174
		1,218,901,810	1,190,518,962
<u>CURRENT LIABILITIES</u>			
Trade and other payables	10	2,293,462,019	2,188,946,493
Finance cost payable	11	635,690,538	567,688,720
Short term borrowings	12	18,973,000	18,973,000
Current portion of long term loan from bank		24,000,000	10,972,000
		2,972,125,557	2,786,580,213
TOTAL LIABILITIES		4,191,027,367	3,977,099,175
<u>CONTINGENCIES AND COMMITMENTS</u>			
	13	-	-
		3,425,344,024	3,331,556,203
<u>ASSETS</u>			
<u>NON CURRENT ASSETS</u>			
Property, plant and equipment	14	3,290,463,494	3,239,137,229
		3,290,463,494	3,239,137,229
<u>CURRENT ASSETS</u>			
Stores and spares		47,501,755	54,291,647
Stock in trade	15	44,504,447	-
Advances	16	16,188,214	23,290,605
Other receivables		302,735	302,735
Tax refunds due from the government		19,374,867	13,241,394
Cash and bank balances	17	7,008,512	1,292,593
		134,880,530	92,418,974
		3,425,344,024	3,331,556,203

The annexed notes, from 1 to 28, form an integral part of these financial statements.

 CHIEF EXECUTIVE OFFICER	 DIRECTOR	 CHIEF FINANCIAL OFFICER
---	--	---

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
AS AT MARCH 31, 2025

	Note	<i>Six Months Period Ended</i>		<i>Quarter Ended</i>	
		31-03-25	31-03-24	31-03-25	31-03-24
		<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Sales - net	18	120,043,671	-	120,043,671	-
Cost of sales	19	(278,886,764)	(136,471,901)	(231,058,419)	(72,326,452)
Gross loss		(158,843,093)	(136,471,901)	(111,014,748)	(72,326,452)
Administrative and general expenses		(8,038,536)	(8,256,303)	(6,210,371)	(3,058,551)
Operating loss		(166,881,629)	(144,728,204)	(117,225,119)	(75,385,003)
Other income		19,299,151	662,802	4,385,326	(139,234,678)
Finance cost		(68,050,707)	(87,281,944)	(31,871,019)	(44,261,574)
Loss before tax		(215,633,185)	(231,347,346)	(144,710,812)	(258,881,255)
Taxation	20	95,492,814	40,131,568	75,256,128	5,348,540
Loss after tax		(120,140,371)	(191,215,778)	(69,454,684)	(253,532,715)
Loss per share		(1.52)	(2.41)	(0.88)	(3.20)

The annexed notes, from 1 to 28, form an integral part of these financial statements.

 CHIEF EXECUTIVE OFFICER	 DIRECTOR	 CHIEF FINANCIAL OFFICER
---	--	---

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
AS AT MARCH 31, 2025

	<i>Six Months Period Ended</i>		<i>Quarter Ended</i>	
	31-03-25	31-03-24	31-03-25	31-03-24
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Items that will not be reclassified to profit or loss:				
Remeasurements of defined benefit obligation	-	-	-	-
Other comprehensive loss	-	-	-	-
Deferred tax on remeasurement of retirement benefit obligation	-	-	-	-
Other comprehensive loss	-	-	-	-
Loss after taxation	(120,140,371)	(191,215,778)	(69,454,684)	(253,532,715)
Total comprehensive loss	(120,140,371)	(191,215,778)	(69,454,684)	(253,532,715)

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
AS AT MARCH 31, 2025

	<u>31-03-25</u>	<u>31-03-24</u>
	<i>Rupees</i>	<i>Rupees</i>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Loss before taxation	(215,633,185)	(231,347,346)
Adjustments for non-cash income and expenses:		
Depreciation	82,904,215	76,459,541
Creditor written-off	(19,299,151)	(662,802)
Finance cost	68,050,707	87,281,944
	<u>131,655,771</u>	<u>163,078,683</u>
Loss before working capital changes	(83,977,414)	(68,268,663)
Effect on cash flows due to changes in working capital:		
(Increase)/Decrease in:		
Stores and spares	6,789,895	(15,609,745)
Stock in trade	(44,504,447)	194,400
Advances	1,782,545	30,575,578
	<u>(35,932,007)</u>	<u>15,160,233</u>
(Increase)/Decrease in:		
Trade and other payables	123,814,677	(28,966,654)
	<u>123,814,677</u>	<u>(28,966,654)</u>
Cash generated from operations	<u>3,905,256</u>	<u>(82,075,084)</u>
Income tax paid	(813,627)	(200,849)
Finance cost paid	(48,888)	(34,908)
Gratuity paid	-	(219,737)
	<u>(862,515)</u>	<u>(455,494)</u>
Net cash generated from / (used in) operating activities	<u>3,042,741</u>	<u>(82,530,578)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Payments for acquisition of property, plant and equipment	(62,150)	-
Payments for acquisition of capital work in progress	(134,168,330)	-
Net cash used in investing activities	<u>(134,230,480)</u>	<u>-</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Payment against long term loan from bank	(6,000,000)	(6,500,000)
Proceeds from long term loan from related party - unsecured	142,903,658	88,395,113
Net cash generated from financing activities	<u>136,903,658</u>	<u>81,895,113</u>
Net increase/(decrease) in cash and cash equivalents	5,715,919	(635,465)
Cash & cash equivalents at the beginning of the year	1,292,593	3,344,710
Cash & cash equivalents at the end of the period	<u>7,008,512</u>	<u>2,709,245</u>

The annexed notes, from 1 to 28, form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDIITED)
AS AT MARCH 31, 2025

	Share Capital	Accumulated Loss	Surplus on revaluation of property, plant and equipment	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Balance as at October 1, 2023 Audited	792,616,660	(2,420,228,387)	1,171,239,257	(456,372,470)
Total comprehensive loss for the period	-	(191,215,778)	-	(191,215,778)
Transfer from surplus on revaluation of property plant and equipment	-	60,584,519	(60,584,519)	-
Balance as at March 31, 2024 Un-Audited	<u>792,616,660</u>	<u>(2,550,859,646)</u>	<u>1,110,654,738</u>	<u>(647,588,248)</u>
Balance as at October 1, 2024 Audited	792,616,660	(2,548,814,371)	1,110,654,739	(645,542,973)
Total comprehensive loss for the period	-	(120,140,371)	-	(120,140,371)
Transfer from surplus on revaluation of property plant and equipment	-	57,267,245	(57,267,245)	-
Balance as at March 31, 2025 Un-Audited	<u>792,616,660</u>	<u>(2,611,687,497)</u>	<u>1,053,387,494</u>	<u>(765,683,344)</u>

The annexed notes, from 1 to 28, form an integral part of these financial statements.



CHIEF EXECUTIV OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) AS AT MARCH 31, 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

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

Mill location: Gharo, Sindh

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

2 BASIS OF PREPARATION

2.1 **Basis of Accounting**

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

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

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

2.1.2 These condensed interim financial statements provide maximum information as required by law, and should be read in conjunction with the annual audited financial statements for the year ended September 30, 2024.

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

3 GOING CONCERN ASSUMPTION

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

The interim condensed financial statements of the Company for the half year ended March 31, 2025 reflect that Company has sustained a net loss after taxation of Rs. Rs. 120.140/- million and as of that March 31, 2025, it has accumulated losses of Rs.2,611.687/- million (Sep 2024: Rs.2,548.814 million) and its current liabilities exceeded its current assets by Rs. 2,837.245/- million (Sep 2024: Rs. 2,694.161 million). These conditions indicate that the material uncertainty exist, which may cast significant doubts on the Company's ability to continue as going concern and therefore the Company may not be able to realize its assets and discharge its liabilities in the normal course of business. However, management has taken the following significant measures to improve the operational performance and liquidity of the Company:

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

Finally, the management is very much convinced that the above measures would result in improving the financial position and operational performance of the Company.

4 ACCOUNTING STANDARDS AND POLICIES

The accounting standards, policies and the methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the audited financial statements for the year ended September 30, 2024 unless otherwise mentioned.

5 ACCOUNTING ESTIMATES & JUDGEMENTS

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

In preparing the condensed interim financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of audited financial statements for the year ended September 30, 2024.

6 SEASONALITY OF OPERATIONS

The Company has carried out its commercial operations during this season and carried out limited crushing due to non-availability of good quality sugarcane. The sugarcane crushing season normally starts from November and lasts till April each year.

7 LONG TERM LOAN FROM RELATED PARTY - UNSECURED

Subordinated loan from holding company

<i>Unaudited</i>	<i>Audited</i>
31-03-25	30-09-24
<i>Rupees</i>	<i>Rupees</i>
874,273,450	731,369,788

The loan has been advanced by M/s. Haq Bahu Sugar Mills (Pvt.) Ltd. which carries mark-up @ 3 months KIBOR plus 1% (2024: @ 3 months KIBOR plus 1%) payable half yearly. Since the loan will not be repayable within next twelve months, therefore the same has been classified as long term liability. The loan is subordinated to certain short term finance facility obtained by the Company and is subject to BOD resolution/approval.

8 LONG TERM LOAN FROM BANK - SECURED

Mark-up based borrowing from conventional banks (Secured):

Islamic Mode of Financing (Secured):

Bank Islami

8.1	241,000,000	247,000,000
	241,000,000	247,000,000
	241,000,000	247,000,000
	(24,000,000)	(10,972,000)
	217,000,000	236,028,000

Less: Current Portion of Long term Loans

8.1 The Bank Islami Limited had filed a recovery suit for Rs. 360,907,225/- on account of loan recovery against the Company. On May 2021, the learned court has reserved its judgment on this issue. Although, the case would be discharged from the court once the loan matures and NOC issued by the bank is filed with the court, but both the Company and the bank have mutually agreed to restructure the financing arrangement. Under the restructured financing arrangement, the Company shall pay principal amount of Rs. 275 Million, mark-up amount of Rs. 36.444 Million and an estimated additional rental / future profit of Rs. 126.358 Million to the bank by June 30, 2032, with markup payments starting from September 2028. All the agreed payments have been discounted and appropriately accounted and disclosed for. Further details regarding the legal proceedings have been disclosed in note 13 (c).

9 DEFERRED LIABILITIES**DEFERRED TAXATION**

The Liability of Deferred Tax comprises of Temporary differences relating to:

Taxable Temporary Differences

Accelerated tax depreciation

Revaluation - net of related depreciation

<i>Unaudited</i>	<i>Audited</i>
31-03-25	30-09-24
<i>Rupees</i>	<i>Rupees</i>
263,974,444	246,768,786
423,248,452	446,639,298
687,222,896	693,408,084

Deductible Temporary Differences

Retirement Benefit Obligation

Available tax losses and credits

(1,324,619)	(1,324,619)
(562,837,568)	(473,529,942)
(564,162,187)	(474,854,561)
123,060,709	218,553,523

STAFF RETIREMENT BENEFITS-GRATUITY

Opening balance

Expenses chargeable to statement of profit or loss

Re-measurements chargeable in other comprehensive income

Benefits paid

4,567,651	7,214,707
-	942,808
-	(3,327,989)
-	(261,875)
4,567,651	4,567,651
127,628,360	223,121,174

10 TRADE AND OTHER PAYABLES

Creditors for goods and services	983,735,632	851,577,980
Advance from customer	1,145,199,486	1,168,529,857
Accrued Liabilities	11,287,755	15,899,803
Deposits	39,076	39,076
Income Tax Payable	411,939	2,015,031
Workers' Profit Participation Fund	131,749,551	131,749,551
Workers' Welfare Fund	10,339,868	10,339,868
Other liabilities	10,698,712	8,795,327
	2,293,462,019	2,188,946,493

11 FINANCE COST PAYABLE

Mark-up on Borrowing from Conventional Banks:

Islamic Mode of Financing:

Long Term Financing

Short Term Borrowings

114,498,343	105,806,387
-	-
114,498,343	105,806,387

Other

Long Term Financing

521,192,195	461,882,333
521,192,195	461,882,333
635,690,538	567,688,720

12 SHORT TERM BORROWINGS

Other Financing (Unsecured):

12.1

18,973,000

18,973,000

18,973,000**18,973,000****12.1** This loan is interest free and unsecured and is payable with the mutual consent.**13 CONTINGENCIES AND COMMITMENTS****Contingencies**

- a) The Company received advances from Trading Corporation of Pakistan (TCP) under four different sugar supply agreements. The Company contends that this amount is not due as the buyer did not fulfil its performance obligations. As a prudent policy, adjustments would be made on finalization of the dispute. The Company is of the view that Trading Corporation of Pakistan has made numerous breaches of the agreements causing enormous losses to the Company and has filed a civil suit in court of Honourable Civil Judge, Lahore praying to refer the dispute for arbitration under the terms of the agreements. The matter is a pending arguments before the Court.
- b) During the previous years, the TCP filed a complaint with National Accountability Bureau (NAB), Sindh for recovery of the amount advanced by it as referred in preceding paragraph. Total amount claimed by TCP is Rs. 1,311.528 million being principal amount of Rs. 570.913 million plus Rs. 740.615 million being penalty, mark-up and other incidental charges. The matter is pending with NAB for disposal and the management expects that outcome will be in its favour, the penalty, mark-up and other incidental charges of Rs. 740.615 million would not be payable, hence no provision has been made in these financial statements. During the previous years, TCP has enquired Margin on Guarantee deposited by the Company with the banks and therefore the principal amount claimed has been reduced to Rs. 521.165 million.
- c) The Bank Islami Limited had filed a recovery suit for Rs. 360,907,225/- on account of loan recovery against the Company. On May 2021, the learned court has reserved its judgment on this issue. Although, the case would be discharged from the court once the loan matures and NOC issued by the bank is filed with the court, but both the Company and the bank have mutually agreed to restructure the financing arrangement. Under the restructured financing arrangement, the Company shall pay principal amount of Rs. 275 Million, mark-up amount of Rs. 36.444 Million and an estimated additional rental / future profit of Rs. 126.358 Million to the bank by June 30, 2032, with markup payments starting from September 2028. All the agreed payments have been discounted and appropriately accounted and disclosed for.
- d) The Company had deposited an amount of Rs. 20.832 million of excise duty in 1991-92 under protest with Collector of Custom and Central Excise, Hyderabad on account of rebate of excise duty earlier claimed as per the incentive given by the government. The Honourable High Court of Sindh has decided the case in favour of Collector of Customs. The Company has filed an appeal in Supreme Court of Pakistan which is pending for hearing. The management of the Company expects favourable outcome.

<i>Unaudited</i>	<i>Audited</i>
31-03-25	30-09-24
<i>Rupees</i>	<i>Rupees</i>

14 PROPERTY, PLANT AND EQUIPMENT

Operating assets	14.1	3,156,295,164	3,239,137,229
Capital work in progress	14.2	134,168,330	-
		3,290,463,494	3,239,137,229

14.1 Operating Assets			
Net book value at beginning of the period/ year	3,239,137,229	2,969,717,851	
Addition during the period/ year	62,150	422,506,339	
Deletion during the period/ year	-	(182,761)	
Depreciation charged during the period/ year	(82,904,215)	(152,904,200)	
	3,156,295,164	3,239,137,229	
14.2 Capital work in progress			
Opening balance	-	422,484,339	
Add: Additions during the period	134,168,330	-	
Less: Transfer to property, plant and equipment	-	(422,484,339)	
	134,168,330	-	
15 STOCK IN TRADE			
Work in Process	2,995,373	-	
Finished Goods	41,509,074	-	
	44,504,447	-	
16 ADVANCES			
Unsecured, considered good			
Growers	4,536,509	4,852,896	
Contractors	390,500	1,170,425	
Suppliers	4,897,353	9,565,755	
Employees	334,220	858,153	
For expenses	6,029,632	6,843,376	
	16,188,214	23,290,605	
OTHER RECEIVABLE			
Other receivable	302,735	302,735	
17 CASH AND BANK BALANCES			
Cash at Banks	2,850,163	781,948	
Cash in Hand	4,158,349	510,645	
	7,008,512	1,292,593	

Un-Audited		Un-Audited	
Half Year Ended		Quarter Ended	
31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
Rupees	Rupees	Rupees	Rupees

18 SALES - NET**Gross Local Sales**

Sugar	98,878,486	-	98,878,486	-
Molasses	42,970,409	-	42,970,409	-
Total Gross Sales	141,848,895	-	141,848,895	-
Less: Sales tax	(21,805,224)	-	(21,805,224)	-
	120,043,671	-	120,043,671	-

19 COST OF SALES

Cost of sugar cane	194,554,370	-	194,554,370	-
Stores and spares consumed	3,911,418	19,039,375	3,389,639	10,459,030
Oil and lubricants consumed	1,575,325	1,393,071	1,406,558	-
Packing material consumed	872,181	-	872,181	-
Chemical consumed	3,251,721	84,591	3,244,821	-
Salaries, wages and benefits	18,595,803	29,440,884	14,313,147	19,802,780
Water, fuel and power	10,594,548	6,400,111	8,930,867	1,753,956
Vehicle running and maintenance	855,192	1,252,739	844,632	932,086
Freight, handling and octroi	6,606,779	1,214,630	6,566,279	1,047,860
Depreciation	81,578,129	74,958,707	40,789,653	37,479,354
Others	995,745	2,493,393	650,720	656,986
	323,391,211	136,277,501	275,562,866	72,132,052
Add: Opening WIP	-	194,400	-	194,400
Less: Closing WIP	(2,995,373)	-	(2,995,373)	-
Cost of Goods Manufactured	320,395,838	136,471,901	272,567,493	72,326,452
Add: Opening Finished Goods	-	-	-	-
Less: Closing Finished Goods	(41,509,074)	-	(41,509,074)	-
	278,886,764	136,471,901	231,058,419	72,326,452

14.1.1

20 TAXATION

Taxation for the period

Current

Deferred

-	-	-	-
(95,492,814)	(40,131,568)	(75,256,128)	(5,348,540)
(95,492,814)	(40,131,568)	(75,256,128)	(5,348,540)

Half Year Ended	
31-03-25	31-03-24
Rupees	Rupees
59,309,862	78,151,644
8,691,956	9,095,392
48,889	34,908
68,050,707	87,281,944

21 FINANCE COST

Mark up on subordinated sponsors' loan-Haq bahu sugar mills (pvt.) limited

Mark up on long term loan

Bank charges and commission

22 TRANSACTIONS WITH RELATED PARTIES

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

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

Name of the related party	Relationship	Nature of Transaction	Un-Audited	
			Half Year Ended	
			31-Mar-25	30-Sep-24
			Rupees	Rupees
Haq Bahu Sugar Mills (Private) Limited	Parent Company	Mark-up expense	59,309,862	78,151,644
Mr. Azhar Qadeer Butt	Key management personnel	Remuneration and other benefits	-	-

23 FINANCIAL RISK MANAGEMENT

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

There has been no change in the Company's sensitivity to these risks since September 30, 2024, except for the change in exposure from liquidity risks due to increase in borrowings and general exposure due to fluctuations in foreign currency and interest rates. There have been no change in risk management objectives and policies of the Company during the current period.

These condensed interim financial statements does not include all financial risk management information and disclosures as required in the audited annual financial statements and should be read in conjunction with the Company's annual audited financial statements as at September 30, 2024.

24 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

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

25 CORRESPONDING FIGURES

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

26 CORRESPONDING FIGURES

The corresponding and comparative figures have been rearranged and reclassified for the purpose of comparison and better presentation. However, there has been no significant reclassification, effecting the financial results.

27 DATE OF AUTHORIZATION

These condensed interim financial statements have been authorized for issue by the Board of Directors on May 27, 2025.

28 GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

