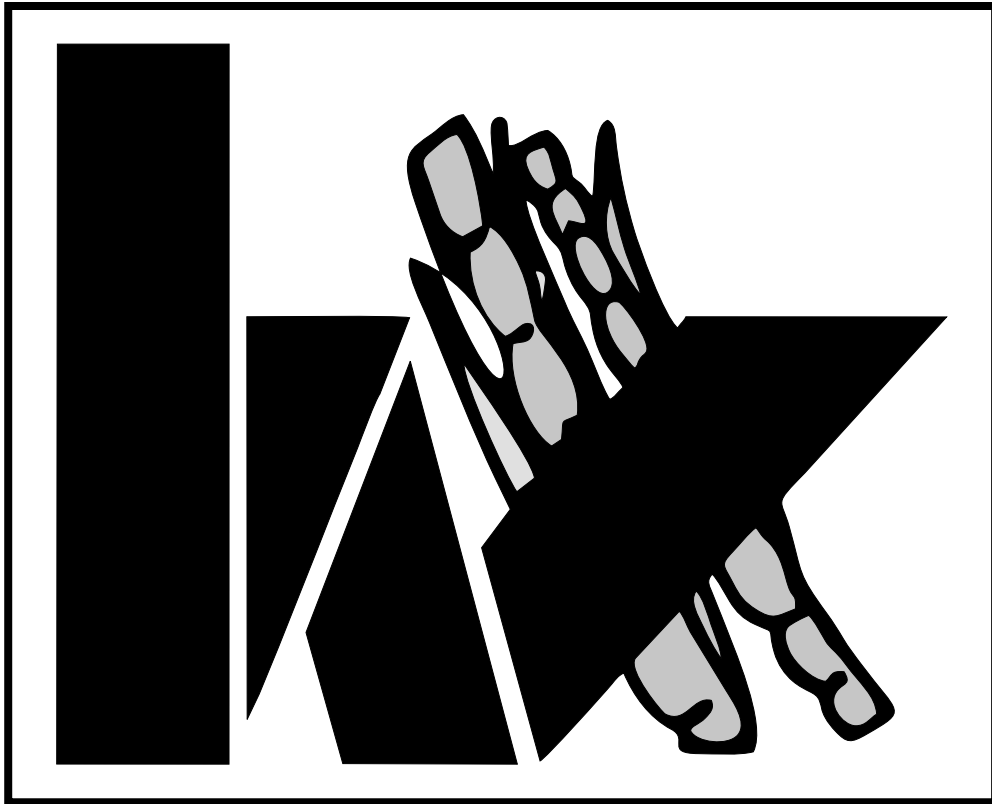


Annual Report 2022



HASEEB WAQAS SUGAR MILLS LIMITED



CONTENTS	PAGE
1. Company's Vision & Mission Statements	01
2. Company Information	02
3. Notice of Annual General Meeting	03 - 05
4. Chairman's Review	06 - 10
5. Directors' Report	11 - 20
6. Six Years Review at a Glance	21
7. Pattern of Shareholding	22 - 29
8. Statement of Compliance with the Best Practice of Code of Corporate Governance	30 - 32
9. Independent Auditor's Report	33 - 36
10. Balance Sheet	37
11. Profit & Loss Account	38
12. Statement of Comprehensive Income	39
13. Statement of Cash Flows	40
14. Statement of Changes in Equity	41
15. Notes of the Financial Statement	42 - 48
16. Proxy Form	69



Vision & Mission Statements

THE VISION

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.

THE MISSION

- 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 | Chairman |
| 2. Mian Haseeb Ilyas | Director/Chief Executive |
| 3. Mian Waqas Riaz | Director |
| 4. Mrs. Yasmin Riaz | Director |
| 5. Mrs. Zainab Waqas | Director |
| 6. Mrs. Shahzadi Ilyas | Director |
| 7. Mrs. Zakia Ilyas | Director |
| 8. Miss. Aqsa Riaz | Director |

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

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

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

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

Legal Advisor

Muhammad Ahsan Khan
(Advocate)



NOTICE OF 31ST ANNUAL GENERAL MEETING

Notice is hereby given that the **31st Annual General Meeting of Haseeb Waqas Sugar Mills Limited** will be held at its Registered Office, 06-F, Model Town, Lahore on **Saturday, 28 January 2023 at 09:00 a.m.** to transact the following business:-

1. To confirm the minutes of the 30th Annual General Meeting held on 25 December 2022.
2. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended 30 September 2022 together with Directors' and Auditors' Report thereon.
3. To appoint Auditors of the Company for the year ending 30 September 2023 and to fix their remuneration. The retiring auditors M/S Qadeer & Company, Chartered Accountants, being eligible, have offered themselves for re-appointment.
4. To transact any other business with the permission of the Chair.

By Order of the Board

(ANSAR AHMED)
Company Secretary

Place: **Lahore**
Dated: **05 January 2023**

Notes:

1. The Members Register will remain closed from 20 January 2023 to 28 January 2023 (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 19 January 2023 will be treated in time for the purpose of Annual General Meeting.
2. 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 at the Registered Office not later than 48 hours before the time for holding the meeting.
3. In order to be 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 Registered Office of the Company, 06-F, Model Town, Lahore, not less than 48 hours before the time of the meeting.
4. 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 provided 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.
6. As per Section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission.

The shareholders having physical shareholding are encouraged to open CDC sub account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

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



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 2022:

- 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. Due to ongoing COVID pandemic situation of the country, the Board unable arranged Directors Training Program for one of our Director 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
05 January 2023

Raza Mustafa
Chairman



حسیب وقاص شوگر ملز لمیٹڈ چیئرمین کا جائزہ

بورڈ کی مجموعی کارکردگی اور کمپنیز ایکٹ 2017 کے تحت کمپنی کے 192 کے مقاصد کے حصول میں بورڈ کی طرف سے ادا کیے گئے کردار کے بارے میں چیئرمین کی جائزہ رپورٹ۔

جیسا کہ کوڈ آف کارپوریٹ گورننس کے تحت ضرورت ہے، حسیب وقاص شوگر ملز لمیٹڈ ("کمپنی") کے بورڈ آف ڈائریکٹرز ("بورڈ") کا سالانہ جائزہ لیا جاتا ہے۔ اس تجزیے کا مقصد اس بات کو یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اور تاثیر کو کمپنی کے لیے مقرر کردہ مقاصد کے تناظر میں توقعات کے خلاف ماپا اور بینچ مارک کیا جائے۔ ان شعبوں میں جہاں بہتری کی ضرورت ہے مناسب طریقے سے غور کیا جاتا ہے اور ایکشن پلان بنائے جاتے ہیں۔

مجھے 30 ستمبر 2022 کو ختم ہونے والے سال کا سالانہ جائزہ پیش کرتے ہوئے خوشی ہو رہی ہے:

- حسیب وقاص شوگر ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز ("بورڈ") نے کمپنی کے حصص یافتگان کے بہترین مفاد کو برقرار رکھنے کے لیے اپنی ذمہ داریاں پوری تندی سے نبھائی ہیں اور کمپنی کے معاملات کو موثر اور موثر انداز میں چلایا ہے۔

- حسیب وقاص شوگر ملز لمیٹڈ کا بورڈ انتہائی پیشہ ور اور تجربہ کار افراد پر مشتمل ہے۔ وہ آزاد ڈائریکٹر سمیت ایک وسیع تجربہ لاتے ہیں۔ تمام بورڈ ممبران اپنی ذمہ داریوں سے بخوبی واقف ہیں اور ان کو احتیاط سے پورا کر رہے ہیں۔

- بورڈ کے پاس بورڈ اور اس کی کمیٹیوں میں غیر ایگزیکٹو اور آزاد ڈائریکٹرز کی مناسب نمائندگی ہے جیسا کہ ضابطہ کے تحت درکار ہے اور بورڈ اور اس کی متعلقہ کمیٹیوں کے ممبران کے پاس کمپنی کے معاملات کو منظم کرنے کے لیے کافی مہارت کا تجربہ اور علم ہے؛



- بورڈ نے اس بات کو یقینی بنایا ہے کہ ڈائریکٹرز کو اورینٹیشن کورسز فراہم کیے جائیں تاکہ وہ اپنے فرائض کو مؤثر طریقے سے انجام دے سکیں۔ ملک کی جاری COVID وبائی صورتحال کی وجہ سے، بورڈ نے ہماری ایک ڈائریکٹر مس کے لیے ڈائریکٹرز کے تربیتی پروگرام کا اہتمام نہیں کیا۔ اقصیٰ ریاض۔ اور باقی ڈائریکٹرز ضابطہ کی اہلیت اور تجربے کے معیار پر پورا اترتے ہیں۔

- بورڈ نے ایک آڈٹ اور انسانی وسائل اور معاوضے کی کمیٹی تشکیل دی ہے اور اس نے ان کے متعلقہ شرائط کی منظوری دی ہے اور مناسب وسائل تفویض کیے ہیں تاکہ کمیٹیاں اپنی ذمہ داریاں احتیاط سے انجام دیں۔

- بورڈ نے اس بات کو یقینی بنایا ہے کہ بورڈ اور اس کی کمیٹی کی میٹنگیں مطلوبہ کورم کے ساتھ ہوئیں، تمام فیصلے بورڈ کی قرارداد کے ذریعے کیے گئے اور تمام میٹنگز (بشمول کمیٹیوں) کے منس کو مناسب طریقے سے ریکارڈ اور برقرار رکھا گیا ہے۔

- بورڈ نے اسٹریٹجک پلاننگ کے عمل انٹرپرائزر سک مینجمنٹ سسٹم، پالیسی ڈویلپمنٹ، اور مالیاتی ڈھانچے، نگرانی اور منظوری میں فعال طور پر حصہ لیا ہے۔ کارپوریٹ فیصلہ سازی کے عمل کو مضبوط اور باضابطہ بنانے کے لیے سال بھر کے تمام اہم مسائل بورڈ یا اس کی کمیٹیوں کے سامنے پیش کیے گئے۔

- کارپوریٹ فیصلہ سازی کے عمل کو مضبوط اور باضابطہ بنانے کے لیے سال بھر کے تمام اہم امور بورڈ یا اس کی کمیٹیوں کے سامنے پیش کیے گئے تھے اور خاص طور پر کمپنی کے ذریعے کیے گئے تمام متعلقہ فریق لین دین کو بورڈ نے آڈٹ کمیٹی کی سفارش پر منظور کیا تھا۔

- بورڈ نے اس بات کو یقینی بنایا ہے کہ اندرونی کنٹرول کا مناسب نظام موجود ہے اور خود تشخیصی طریقہ کار اور/یا اندرونی آڈٹ سرگرمیوں کے ذریعے اس کا باقاعدہ جائزہ لیا جاتا ہے۔

- بورڈ نے ڈائریکٹر کی رپورٹ تیار اور منظور کر لی ہے اور اس بات کو یقینی بنایا ہے کہ ڈائریکٹر کی رپورٹ کمپنی کے سہ ماہی اور سالانہ مالیاتی بیان کے ساتھ شائع کی جائے اور ڈائریکٹر کی رپورٹ کا مواد قابل اطلاق قوانین اور ضابطوں کے تقاضوں کے مطابق ہو۔



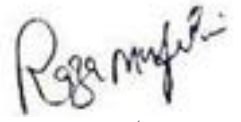
- بورڈ نے کمپنی پر لاگو متعلقہ قوانین اور ضابطوں کے مطابق بورڈ کو تفویض کردہ اختیارات کی روشنی میں اپنے اختیارات کا استعمال کیا ہے اور بورڈ نے بطور ڈائریکٹران کے طرز عمل کے لحاظ سے تمام قابل اطلاق قوانین اور ضابطوں کی تعمیل کو ہمیشہ ترجیح دی ہے۔ اور اپنے اختیارات اور فیصلہ سازی کا استعمال۔

- بورڈ نے چیف ایگزیکٹو اور چیف فنانشل آفیسر، کمپنی سیکرٹری، اور ہیڈ آف انٹرنل آڈٹ سمیت دیگر اہم ایگزیکٹوز کی خدمات حاصل کرنے، تشخیص اور معاوضے کو یقینی بنایا ہے۔

- بورڈ نے اس بات کو یقینی بنایا ہے کہ اس کے اراکین کے درمیان بروقت مناسب معلومات کا اشتراک کیا جائے اور بورڈ کے اراکین کو میٹنگوں کے درمیان ہونے والی پیش رفت سے باخبر رکھا جائے۔

میں اپنے ساتھی ڈائریکٹرز، شیئر ہولڈرز، انتظامیہ اور عملے کا بہت ہی مشکل آپریٹنگ حالات میں مسلسل تعاون کے لیے شکریہ اور تعریف کے ساتھ ریکارڈ پر رکھنا چاہوں گا۔ میں کمپنی کے لیے مستقبل میں مزید کامیابیوں کا منتظر ہوں۔

لاہور
05 جنوری 2023


رضا مصطفیٰ چیئرمین



DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

The Directors of your Company take pleasure in presenting the Company's 31st Annual Report and Audited Financial Statements for the year ended 30 September 2022 together with the Auditors' Report thereon.

FINANCIAL INDICATORS

The financial results of your company for the year ended 30 September 2022 are summarized as follows:

	For the year ended 30 September 2022 (Rupees)	
	2022	2021
Net Sales	-	
Gross Profit/ (Loss)	(150,781,542)	(160,043,178)
Net Profit / (Loss) before tax	(214,710,030)	(339,340,304)
Net Profit (Loss) after tax	(184,954,578)	(308,816,916)
Basic Earning	(5.71)	(9.53)

It is in your good knowledge that the above situation arose due to Supreme Court judgment about shifting of mills from Nankana to Ali Pur MuzaffarGarh.

We would like to inform you that there has been developed a positive scenario regarding the operations of the mills at its existing current location that is MuzaffarGarh. Recently the Punjab Provincial Assembly passed "The Punjab Industries (Control on Establishment and Enlargement) Amendment Act 2002 which after getting assent of Governor of Punjab on November 11, 2022 published as an Act of the Provincial Assembly of Punjab on November 14, 2022.

Keeping in view of the above, the Company moved an application for regularization of relocation and crushing capacity as 20,000 TCD under Section 11 of the Punjab Industries (Control on Establishment and Enlargement (amendment) Act 2022 to The "Director General of Industries, Prices, Weight & Measures, Government of Punjab".

The financial statements of the Company indicate that the During the year, the Company incurred gross loss amounting to Rs.150,781,542 (2021: 160,043,178) and net loss from operations amounting to Rs.30,020,273 (2021: 171,619,907) and accumulated losses Rs.4,207,016,72 (2021: Rs.4,082,674,095). Moreover, the current liabilities exceed current assets by Rs.3,782,879,825 (2021: 4,006,105,873).



AUDITORS' REPORT

Regarding auditors' report, we would like to submit as under:

1. Since shifting of sugar mill from Nankana to Muzaffargarh, challenged by Southern Punjab sugar mills therefore we could not run the mill at its present location due to various court orders, which resulted huge losses and severe financial crunch hence the bank loan defaulted and financial institutions filed recovery suit for the same.
2. Due to the factor stated above, we could not pay sales tax, therefore FBR blacklisted our unit.

OPERATIONAL MEASURES

We would like to submit that till the company has sufficient funds either to bring it back to its original location as ordered by Supreme Court of Pakistan or we get relief from Government of Punjab in the shape of approval under Section 11 of the Punjab Industries (Control on Establishment and Enlargement (amendment) Act 2022.

The management foresees positive cash flow from future operations in expectation of better availability of sugar cane and sugar prices in coming seasons, 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:

	2023	Projected 2024	2025
Sugar Cane crushing M.T	800,000	800,000	800,000
Sugar Cane rate	300	310	310
Sugar Price per kg	90	95	95

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

Since the last Annual General Meeting there is no change in the Board of Directors of the Company.

FUTURE OUTLOOK

We are hopeful, we would be able to secure approval of operation of the mills at its existing current location that is MuzaffarGarh. Recently the Punjab Provincial Assembly passed "The Punjab Industries (Control on Establishment and Enlargement) Amendment Act 2002 which after getting assent of Punjab on November 14, 2022. For ease of reference the same is reproduced hereunder:



“Short title and commencement (1) This Act may be cited as the Punjab Industries (Control on Establishment and Enlargement) (Amendment) Act 2022.

(2) This Act shall come into force at once.

2. Substitution of Section 11 of Ordinance IV of 1963- In the Punjab Industries (Control on Establishment and Enlargement) Ordinance 1963 (IV of 1964=3), for section 11, the following shall be substituted:

“11. Exemption and Regularization of Contraventions - (1) The Government may, by notification in the official Gazette, exempt an industrial undertaking or class of industrial undertakings established under this Ordinance from all or any of the provisions of this Ordinance or the rules, and may regularize Contravention of any of the provisions of this Ordinance committed till Commencement of the Punjab (Control on Establishment and Enlargement) Amendment) Act 2022, subject to such restraints as the Government may determine.

(2) An industrial undertaking or class of industrial undertaking duly established under this Ordinance may apply to the Director for the purposes of subsection (1) within six months of commencement of the Punjab industries (Control on Establishment and Enlargement) (Amendment) Act 2022.”

Keeping in view of the above change in legislation, the management of the company moved an application to “The Director General of Industries Government of Punjab, Lahore” to grant permission to operate the mills at its current location.

DIVIDEND

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

AUDITORS

The present auditors M/s Qadeer & 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 Qadeer & Co., Chartered Accountants, as auditors of the Company for year ending 30 September 2023.

CODE OF CORPORATE GOVERNANCE

During the financial year 2021 “Listed Companies (Code of Corporate Governance) Regulations” has been implemented which requires certain changes in the composition of the Board and its Committee.

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. No.</i>	<i>Name of Directors</i>	<i>Attendance</i>
1.	Mr. Raza Mustafa	04
2.	Mian Haseeb 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.



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 2022 is annexed.
- No trading of shares by the Directors, Chief Executive, and Chief Financial Officer, Company Secretary and their spouses & minor children has been carried out during the year.
- 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.

Lahore
05 January 2023

On behalf of the Board

(MIAN HASEEB ILYAS)
Chief Executive



ڈائریکٹرز کی رپورٹ 30 ستمبر 2022 کو ختم ہونے والے سال کے لیے

آپ کی کمپنی کے ڈائریکٹرز کمپنی کے 31 کو پیش کرنے میں خوشی محسوس کرتے ہیں۔ 30 ستمبر 2022 کو ختم ہونے والے سال کے لیے سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشواروں کے ساتھ اس پر آڈیٹرز کی رپورٹ۔

مالیاتی اشارے

30 ستمبر 2022 کو ختم ہونے والے سال کے لیے آپ کی کمپنی کے مالی نتائج کا خلاصہ درج ذیل ہے:

30 ستمبر 2022 کو ختم ہونے والے سال کے لیے (روپے)		
2021	2022	
-	-	خالص فروخت
(160,043,178)	(150,781,542)	مجموعی منافع / (نقصان)
(339,340,304)	(214,710,030)	ٹیکس سے پہلے خالص منافع / (نقصان)
(308,816,916)	(184,954,578)	ٹیکس کے بعد خالص منافع (نقصان)
(9.53)	(5.71)	بنیادی کمائی

یہ آپ کے بخوبی علم میں ہے کہ مذکورہ صورت حال نکانہ سے علی پور مظفر گڑھ میں ملوں کی منتقلی کے بارے میں سپریم کورٹ کے فیصلے کی وجہ سے پیدا ہوئی۔

ہم آپ کو مطلع کرنا چاہتے ہیں کہ ملوں کے موجودہ موجودہ مقام یعنی مظفر گڑھ پر آپریشن کے حوالے سے ایک مثبت منظر نامہ تیار کیا گیا ہے۔ آرحال ہی میں پنجاب کی صوبائی اسمبلی نے "پنجاب انڈسٹریز (کنٹرول آن اسٹیبلشمنٹ اینڈ انلارجمنٹ) ترمیمی ایکٹ 2002 منظور کیا جو 11 نومبر 2022 کو گورنر پنجاب کی منظوری کے بعد 14 نومبر 2022 کو پنجاب کی صوبائی اسمبلی کے ایکٹ کے طور پر شائع ہوا۔

مذکورہ بالا کو مدنظر رکھتے ہوئے، کمپنی نے پنجاب انڈسٹریز (کنٹرول آن اسٹیبلشمنٹ اینڈ انلارجمنٹ) ترمیمی ایکٹ 2022 کے سیکشن 11 کے تحت TCD 20,000 کے طور پر نقل مکانی اور کرشننگ کی صلاحیت کو ریگولرائز کرنے کے لیے ایک درخواست "ڈائریکٹر جنرل آف انڈسٹریز، پرائسز، کو بھیجی ہے۔ وزن اور پیمائش، حکومت پنجاب"۔

کمپنی کے مالیاتی بیانات بتاتے ہیں کہ سال کے دوران کمپنی کو 150,781,542 روپے (2021: 160,043,178) کا مجموعی نقصان ہوا اور آپریشنز سے 30,020,273 روپے (2021: 171,619,90,90,470) روپے کا خالص نقصان ہوا۔ 72 (2021: 4,082,674,095) روپے مزید برآں، موجودہ واجبات موجودہ اثاثوں سے 3,782,879,825 روپے (2021: 4,006,105,873) سے زیادہ ہیں۔



آڈیٹرز کی رپورٹ

آڈیٹرز کی رپورٹ کے بارے میں، ہم ذیل میں پیش کرنا چاہیں گے:

1. شوگر مل کی نکانہ سے مظفر گڑھ منتقلی کے بعد سے، جنوبی پنجاب کی شوگر ملوں کی طرف سے چیلنج کیا گیا تھا، لہذا ہم مختلف عدالتی احکامات کی وجہ سے مل کو اس کے موجودہ مقام پر نہیں چلا سکے، جس کے نتیجے میں بہت زیادہ نقصان ہوا اور شدید مالی بحران ہوا، اس لیے بینک کا قرض نادبندہ اور مالیاتی بحران کا شکار ہو گیا۔ اداروں نے اس کے لیے ریکوری کا مقدمہ دائر کیا۔

2. اوپر بیان کردہ فیکٹر کی وجہ سے، ہم سیلز ٹیکس ادا نہیں کر سکے، اس لیے FBR نے ہمارے یونٹ کو بلیک لسٹ کر دیا۔

آپریشنل اقدامات

ہم یہ عرض کرنا چاہیں گے کہ جب تک کمپنی کے پاس کافی فنڈز نہیں ہیں یا تو سپریم کورٹ آف پاکستان کے حکم کے مطابق اسے اس کی اصل جگہ پر واپس لانا ہے یا ہمیں پنجاب انڈسٹریز (کنٹرول) کے سیکشن 11 کے تحت منظوری کی صورت میں حکومت پنجاب سے ریلیف مل جائے اسٹیبلشمنٹ اینڈ انلارجمنٹ (ترمیمی) ایکٹ 2022 پر۔

انتظامیہ آنے والے سیزن میں گنے کی بہتر دستیابی اور چینی کی قیمتوں کی توقع میں مستقبل کے آپریشنز سے مثبت نقد بہاؤ کی پیش گوئی کرتی ہے، کیونکہ چینی کی حرکیات اچھی اور بڑھ رہی ہیں۔

انتظامیہ کی طرف سے اس کے جاری تشویش کے جائزے کی حمایت کرنے کے لیے تیار کردہ متوقع مالی بیانات درج ذیل مفروضوں پر مبنی ہیں:

2025	متوقع 2024	2023	
800,000	800,000	800,000	گنے کی کرشنگ ایم ٹی شوگر
310	310	300	کین ریٹ
95	95	90	چینی کی قیمت فی کلو

تاہم، یہ خیال کیا جاتا ہے کہ پچھلے پیراگراف میں بیان کردہ تخفیف کرنے والے عوامل پر غور کرتے ہوئے، تشویش کا مفروضہ مناسب ہے اور اس طرح، اس نے ان مالی بیانات کو جاری تشویش کی بنیاد پر تیار کیا ہے۔

بورڈ آف ڈائریکٹرز میں تبدیلیاں

گزشتہ سالانہ جنرل میٹنگ کے بعد سے کمپنی کے بورڈ آف ڈائریکٹرز میں کوئی تبدیلی نہیں ہوئی ہے۔

مستقبل کا آؤٹ لک

ہمیں امید ہے کہ ہم ملز کے موجودہ موجودہ مقام جو کہ مظفر گڑھ ہے، کے آپریشن کی منظوری حاصل کرنے میں کامیاب ہو جائیں گے۔ آرحال ہی میں پنجاب کی صوبائی اسمبلی نے "پنجاب انڈسٹریز (کنٹرول آن اسٹیبلشمنٹ اینڈ انلارجمنٹ (ترمیمی) ایکٹ 2002 منظور کیا جس کی منظوری کے بعد



حوالہ کی آسانی کے لیے اسے ذیل میں دوبارہ پیش کیا جاتا ہے:

مختصر عنوان اور آغاز (1) اس ایکٹ کا حوالہ پنجاب انڈسٹریز (کنٹرول آن اسٹیبلشمنٹ اینڈ انلارجمنٹ) (ترمیمی) ایکٹ 2022 کے طور پر دیا جا سکتا ہے۔

(2) یہ ایکٹ فوراً نافذ ہو جائے گا۔

1963.2 کے آرڈیننس IV کے سیکشن 11 کا متبادل۔ پنجاب انڈسٹریز (کنٹرول آن اسٹیبلشمنٹ اینڈ انلارجمنٹ) (ترمیمی) 1963 (IV of 1964=3) میں سیکشن 11 کے لیے، درج ذیل کو تبدیل کیا جائے گا:

"11۔ خلاف ورزیوں سے استثنیٰ اور ریگولریشن - (1) حکومت، سرکاری گزٹ میں نوٹیفیکیشن کے ذریعے، اس آرڈیننس کے تحت قائم کردہ صنعتی انڈرٹیکنگ یا صنعتی انڈرٹیکنگ کے طبقے کو اس آرڈیننس یا قواعد کی تمام شقوں یا کسی بھی شق سے مستثنیٰ قرار دے سکتی ہے، اور اسے باقاعدہ بنا سکتی ہے۔ پنجاب (کنٹرول آن اسٹیبلشمنٹ اینڈ انلارجمنٹ) (ترمیمی) ایکٹ 2022 کے آغاز تک اس آرڈیننس کی کسی بھی شق کی خلاف ورزی، حکومت کی جانب سے مقرر کردہ واجبات سے مشروط۔

(2) اس آرڈیننس کے تحت باقاعدہ طور پر قائم کردہ صنعتی انڈرٹیکنگ یا صنعتی انڈرٹیکنگ کی کلاس پنجاب انڈسٹریز (کنٹرول آن اسٹیبلشمنٹ اینڈ انلارجمنٹ) (ترمیمی) ایکٹ 2022 کے شروع ہونے کے چھ ماہ کے اندر ذیلی دفعہ (1) کے مقاصد کے لیے دائرہ کار پر درخواست دے سکتی ہے۔"

قانون سازی میں مندرجہ بالا تبدیلی کو مدنظر رکھتے ہوئے، کمپنی کی انتظامیہ نے "دائریکٹر جنرل آف انڈسٹریز گورنمنٹ آف پنجاب، لاہور" کو ملز کو اس کے موجودہ مقام پر چلانے کی اجازت دینے کے لیے درخواست بھیجی۔

دی آئی ڈینڈ

چونکہ کمپنی بھاری خسارے کے مرحلے میں ہے، اس لیے کسی ڈیویڈنڈ کا اعلان نہیں کیا جا رہا ہے۔

آڈیٹرز

موجودہ آڈیٹرز M/S قدیر اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو رہے ہیں اور اہل ہیں، نے خود کو آئندہ سال کے لیے دوبارہ تقرری کے لیے پیش کیا ہے۔ آڈٹ کمیٹی نے میسرز قدیر اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 30 ستمبر 2023 کو ختم ہونے والے سال کے لیے کمپنی کے آڈیٹرز کے طور پر دوبارہ تعینات کرنے کی سفارش کی ہے۔

کوڈ آف کارپوریٹ گورننس

مالی سال 2021 کے دوران "لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز" کو نافذ کیا گیا ہے جس کے لیے بورڈ اور اس کی کمیٹی کی ساخت میں کچھ تبدیلیوں کی ضرورت ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک پر بیان:

مندرجہ ذیل بیانات کارپوریٹ گورننس کے کوڈ کے بہترین طریقوں کی تعمیل کے تئیں اس کے عزم کا مظہر ہیں:-



- کمپنی کی انتظامیہ کے ذریعہ تیار کردہ مالیاتی بیانات، اس کی حالت، اس کے کاموں کے نتائج، نقد بہاؤ اور ایکویٹی میں ہونے والی تبدیلیوں کو کافی حد تک پیش کرتے ہیں۔
- حساب کتاب کی مناسب دیکھ بھال کی گئی ہے۔
- مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے۔ اکاؤنٹنگ تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہوتے ہیں۔
- بین الاقوامی اکاؤنٹنگ اسٹینڈرڈز، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالیاتی گوشواروں کی تیاری میں پیروی کی گئی ہے اور وہاں سے روانگی، اگر کوئی ہے، مناسب طور پر ظاہر کی گئی ہے۔
- اندرونی کنٹرول کا نظام ڈیزائن کے لحاظ سے درست ہے اور انتظامیہ کی طرف سے مؤثر طریقے سے نافذ کیا گیا ہے اور اندرونی اور بیرونی آڈیٹرز کے ساتھ ساتھ آڈٹ کمیٹی کی طرف سے نگرانی کی گئی ہے۔ بورڈ آڈٹ کمیٹی کے ذریعے قائم کردہ اندرونی کنٹرول کی تاثیر کا جائزہ لیتا ہے اور جہاں بھی ضرورت ہو، اندرونی کنٹرول کے نظام میں مزید بہتری لاتا ہے۔
- جاری تشویش کے طور پر جاری رکھنے کی کمپنی کی صلاحیت پر کوئی شک نہیں ہے۔ کمپنی کے پاس مستقبل قریب میں کام جاری رکھنے کے لیے کافی وسائل ہیں۔
- فہرست سازی کے ضوابط میں تفصیل کے مطابق کارپوریٹ گورننس کے بہترین طرز عمل سے کوئی مادی اخراج نہیں ہوا ہے۔
- پچھلے چھ سالوں کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا، خلاصہ شکل میں، منسلک ہے۔
- بقایا ٹیکسوں اور دیگر سرکاری محصولات کے بارے میں معلومات اکاؤنٹس کو متعلقہ نوٹ (نوٹوں) میں دی گئی ہیں۔
- کمپنی حفاظتی قواعد و ضوابط کے معیار کی سختی سے تعمیل کرتی ہے۔ یہ ماحول دوست پالیسیوں پر بھی عمل پیرا ہے۔
- زیر نظر سال کے دوران بورڈ آف ڈائریکٹرز کے چار (04) اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری حسب ذیل ہے:

حاضری	ڈائریکٹرز کے نام
04	1. جناب رضا مصطفیٰ
04	2. میاں حسیب الیاس (CEO)
04	3. میاں وقاص ریاض
04	4. محترمہ زینب وقاص
04	5. مسز شہزادی الیاس
04	6. مسز ذکیہ الیاس
04	7. مسز یاسمین ریاض
04	8. مس اقصیٰ ریاض

- ضابطہ اخلاق اور کاروباری طرز عمل کا بیان تیار کیا گیا ہے اور کمپنی کے ڈائریکٹرز اور ملازمین نے اس کے اعتراف میں دستخط کیے ہیں۔



اراکین پر مشتمل ہے جو غیر ایگزیکٹو ڈائریکٹرز ہیں؛

نمبر نمبر	عہدہ
1-	میاں وقاص ریاض
2.	مسز ذکیہ الیاس
3-	مسز یاسمین ریاض

- 30 ستمبر 2022 تک شیئر ہولڈنگ کے پیٹرن اور اضافی معلومات کا بیان منسلک ہے۔

- سال کے دوران ڈائریکٹرز، چیف ایگزیکٹو، اور چیف فنانشل آفیسر، کمپنی سیکریٹری اور ان کی شریک حیات اور نابالغ بچوں کی طرف سے شیئرز کی کوئی ٹریڈنگ نہیں کی گئی۔

- سرمایہ کاری یا فنڈز کی انویسٹمنٹ، اہم پالیسیوں میں تبدیلیوں اور مجموعی کارپوریٹ حکمت عملیوں، تقرری، معاوضے اور چیف ایگزیکٹو آفیسر اور ایگزیکٹو ڈائریکٹرز کی تقرری کی شرائط و ضوابط سے متعلق تمام اہم فیصلے بورڈ آف ڈائریکٹرز کے پاس ہیں۔

اعتراف:

بورڈنگ کے کاشتکاروں، قیمتی صارفین، حکومت کے ریگولیٹری محکموں، مالیاتی ادارے کی تہہ دل سے تعریف کرتا ہے اور معزز شیئر ہولڈرز کی مسلسل دلچسپی اور تعاون کو تسلیم کرتا ہے اور ان کے اعتماد اور اعتماد کے لیے بے حد مشکور ہے۔

ڈائریکٹرز لگن، وفاداری کی محنت اور کمپنی کے مختلف ڈویژن میں ایگزیکٹوز، تمام ملازمین اور ورکرز کی جانب سے پیش کی جانے والی قابل تعریف خدمات کی دل کی گہرائیوں سے تعریف کرتے ہیں جو ہمیں نئے جوش کے ساتھ اپنے کارپوریٹ مقاصد کو حاصل کرنے کے قابل بناتے ہیں۔

بورڈ کی جانب سے

(میاں حسیب الیاس)
چیف ایگزیکٹو

لاہور

05 جنوری 2023



SIX YEARS AT A GALANCE

	2022	2021	2020	2019	2018	2017
Operating Results	Rupees in Thousand					
Sales – Net	-	-	-	-	250,773	847,275
Gross profit/ (loss)	(150,782)	(160,043)	(164,405)	(187,476)	(340,215)	(395,609)
Operating profit/(loss)	(30,020)	(171,620)	(180,649)	(210,609)	(396,701)	(455,762)
Profit/(loss) before tax	(214,710)	(339,340)	(411,016)	(427,307)	(542,426)	(578,351)
Profit/(loss) after tax	(184,955)	(308,817)	(362,123)	(336,997)	(488,902)	(572,708)

FINANCIAL POSITION

Fixed assets – net	2,877,514	2,976,625	3,135,643	3,304,259	3,483,247	3,674,162
Paid up capital	324,000	324,000	324,000	324,000	324,000	324,000
Shareholder's equity	(1,489,546)	(1,593,470)	(1,284,865)	(922,841)	(597,829)	(1,737,303)
Long term liabilities	534,670	564,480	595,026	1,052,118	1,286,275	1,862,979
Current assets	101,853	106,831	119,835	142,836	189,585	476,748
Current liabilities	3,884,732	4,112,937	3,945,318	3,317,819	2,984,876	2,434,184
Breakup value per share (Rs)	(5.71)	(9.53)	(11.18)	(10.40)	(15.09)	(17.68)

STATISTICS

No. of employees	28	29	22	54	229	292
Sugar produced (M. Tons)	-	-	-	-	5,808	15,242
Crushing period (days)	-	-	-	-	35	72



CATEGORIES OF SHAREHOLDERS AS AT 30 SEPTEMBER 2022

	Shares held	%
Directors, CEO and their spouse and Minor Children		
1 Mian Waqas Riaz	768,250	2.371
2 Mian Haseeb Ilyas	2,213,500	6.832
3 Miss Aqsa Riaz	500	0.002
4 Mrs. Zainab Waqas	333,500	1.029
5 Mrs. Yasmeen Riaz	1,305,750	4.030
6 Mr. Raza Mustafa	500	0.002
7 Mrs. Shahzadi Ilyas	2,404,100	7.420
8 Mrs. Zakia Ilyas	10,382	0.032
	7,036,482	21.718
Public Sector Companies and Corporation		
Joint Stock Companies		
1 Maple Leaf Capital Limited	1	0.000
2 S.H. Bukhari Securities (Pvt.) Limited	400	0.001
3 Sarfaraz Mahmood (Pvt.) Limited	500	0.002
4 Y.S. Securities (Pvt.) Limited	1,000	0.003
5 Telesys Tech (Pvt) Limited	3,121	0.010
6 Mileage (Pvt.) Limited	7,500	0.023
7 Zafar Securities (Pvt) Limited	10,000	0.031
8 Apex Financial Services (Pvt.) Limited	15,000	0.046
9 Muhammad Bashir Kasmani (Pvt.) Limited	20,000	0.062
10 High Land Securities (Pvt.) Limited	22,500	0.069
11 Kohinoor Power Company Limited	76,500	0.236
12 Ali Hussain Rajabali Limited	592,500	1.829
13 Abdullah Sugar Mills Limited	2,900,500	8.952
	3,649,522	11.264
Banks, Developments Finance Instiutions, Non Banking Finance Instiutions		
1 Bank Alfalah Limited Lahore Stock Exchange Branch	800	0.002
2 The Bank of Punjab	6,700	0.021
3 Trust Leasing Corporation	9,700	0.030
	17,200	0.053
Insurance Companies		
1 Shaheen Insurance Company Limited	119	0.000
2 State Life Insurance Corp.	200	0.001
3 State Life Insurance Corp. of Pakistan	617,600	1.906
	617,919	1.907
Modaraba Companies		
1 Trust Modaraba	100	0.000
2 Trust Modaraba	5,600	0.017
3 First Punjab Modaraba	1,400	0.004
4 First Punjab Modaraba	600	0.002
	7,700	0.024
Others		
1 James Capel & Co	22,800	0.070
2 Morgan Stanly Trust & Company	14,900	0.046
3 Deutsche Bank Securities Corp.	600	0.002
4 Hong Kong Bank International	200	0.001
	38,500	0.119
General Public (Foreign)	14,000	0.043
	14,000	0.043
General Public Local	21,018,677	64.872
	21,018,677	64.872
TOTAL	32,400,000	100.000
Shareholders holding 05% or more voting interst in the Company		
1 Mian Muhammad Ilyas Miraj	4,566,500	14.09
2 Abdullah Sugar Mills Limited	2,900,500	8.95
3 Mrs. Shahzadi Ilyas	2,404,100	7.42
4 Mian Abdullah Ilyas	2,986,500	8.79
5 Mian Haseeb Ilyas	2,213,500	6.83
	15,071,100	46.09



Pattern of Shareholding for Haseeb Waqas Sugar Mills Limited

Page 1 of 2

As on:- 30-Sep-2022

(Complete)

Number of ShareHolders	Shareholdings From	To	Total Number of Share Held	Percentage of Total Capital
183	1 -	100	8,046	0.02
417	101 -	500	192,212	0.59
273	501 -	1000	263,330	0.81
380	1001 -	5000	1,069,039	3.30
123	5001 -	10000	1,032,695	3.19
51	10001 -	15000	680,282	2.10
25	15001 -	20000	467,396	1.44
19	20001 -	25000	431,300	1.33
10	25001 -	30000	278,500	0.86
6	30001 -	35000	198,000	0.61
5	35001 -	40000	196,000	0.60
4	40001 -	45000	167,000	0.52
5	45001 -	50000	250,000	0.77
1	50001 -	55000	53,500	0.17
5	55001 -	60000	296,000	0.91
3	60001 -	65000	191,000	0.59
4	70001 -	75000	295,500	0.91
3	75001 -	80000	234,500	0.72
2	80001 -	85000	166,286	0.51
4	85001 -	90000	355,500	1.10
7	95001 -	100000	698,500	2.16
1	100001 -	105000	104,500	0.32
2	105001 -	110000	214,500	0.66
1	110001 -	115000	114,500	0.35
1	120001 -	125000	125,000	0.39
1	140001 -	145000	142,000	0.44
1	145001 -	150000	150,000	0.46
1	155001 -	160000	160,000	0.49
1	170001 -	175000	173,500	0.54
1	190001 -	195000	194,500	0.60
1	245001 -	250000	250,000	0.77
2	270001 -	275000	548,000	1.69
1	280001 -	285000	283,000	0.87
2	295001 -	300000	600,000	1.85
1	305001 -	310000	305,714	0.94



Pattern of Shareholding for Haseeb Waqas Sugar Mills Limited

Page 2 of 2

As on:- 30-Sep-2022

(Complete)

Number of ShareHolders	Shareholdings From	To	Total Number of Share Held	Percentage of Total Capital
1	330001 -	335000	333,500	1.03
1	345001 -	350000	349,000	1.08
1	590001 -	595000	592,500	1.83
1	615001 -	620000	617,600	1.91
1	715001 -	720000	717,500	2.21
1	765001 -	770000	768,250	2.37
1	915001 -	920000	917,500	2.83
1	1020001 -	1025000	1,022,750	3.16
1	1260001 -	1265000	1,262,500	3.90
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
1,561			32,400,000	100.00



Pattern of Shareholding for Haseeb Waqas Sugar Mills Limited As on:- 30-Sep-2021

Page 1 of 2 (Complete)

Number of Shareholders	Shareholdings From	To	Total Number of Share Held	Percentage of Total Capital
184	1 -	100	8,117	0.03
414	101 -	500	191,441	0.59
265	501 -	1,000	258,030	0.80
382	1001 -	5,000	1,075,039	3.32
124	5001 -	10,000	1,042,695	3.22
49	10001 -	15,000	655,282	2.02
25	15001 -	20,000	467,396	1.44
20	20001 -	25,000	456,300	1.41
10	25001 -	30,000	278,500	0.86
6	30001 -	35,000	198,000	0.61
5	35001 -	40,000	196,000	0.60
4	40001 -	45,000	167,000	0.52
5	45001 -	50,000	250,000	0.77
1	50001 -	55,000	53,500	0.17
5	55001 -	60,000	296,000	0.91
4	60001 -	65,000	256,000	0.79
3	70001 -	75,000	220,500	0.68
3	75001 -	80,000	234,500	0.72
2	80001 -	85,000	166,286	0.51
4	85001 -	90,000	355,500	1.10
7	95001 -	100,000	698,500	2.16
1	100001 -	105,000	104,500	0.32
2	105001 -	110,000	214,500	0.66
1	110001 -	115,000	114,500	0.35
1	120001 -	125,000	125,000	0.39
1	140001 -	145,000	142,000	0.44
1	145001 -	150,000	150,000	0.46
1	155001 -	160,000	160,000	0.49
1	170001 -	175,000	173,500	0.54
1	190001 -	195,000	194,500	0.60
1	245001 -	250,000	250,000	0.77
2	270001 -	275,000	548,000	1.69
1	280001 -	285,000	283,000	0.87
2	295001 -	300,000	600,000	1.85
1	305001 -	310,000	305,714	0.94



Pattern of Shareholding for Haseeb Waqas Sugar Mills Limited As on:- 30-Sep-2021

Page 2 of 2 (Complete)

Number of Shareholders	Shareholdings From	To	Total Number of Share Held	Percentage of Total Capital
1	330001 -	335,000	333,500	1.03
1	345001 -	350,000	349,000	1.08
1	590001 -	595,000	592,500	1.83
1	615001 -	620,000	617,600	1.91
1	715001 -	720,000	717,500	2.21
1	765001 -	770,000	768,250	2.37
1	915001 -	920,000	917,500	2.83
1	1020001 -	1,025,000	1,022,750	3.16
1	1260001 -	1,265,000	1,262,500	3.90
1	2210001 -	2,215,000	2,213,500	6.83
1	2400001 -	2,405,000	2,404,100	7.42
1	2840001 -	2,845,000	2,844,500	8.78
1	2900001 -	2,905,000	2,900,500	8.95
1	4565001 -	4,570,000	4,566,500	14.09
1,553			32,400,000	100.00



Categories of Share Holders

As on: September 30, 2022

P Date:03-Jan-2023

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	13	3,649,522	11.2640
3	5	Insurance Companies	3	617,919	1.9072
4	6	Modarabas	4	7,700	0.0238
5	22	General Public (Local)	1,529	28,055,159	86.5900
6	23	General Public (Foreign)	5	14,000	0.0432
7	24	Others	4	38,500	0.1188

TOTAL:	1,561	32,400,000	100.0000
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HASEEB WAQAS SUGAR MILLS LIMITED

P Date:03/01/2023

Page #:1 of 2

S Type:Complete

Categories Detail

As on:September 30, 2022.

Sr. #	Folio Number	Name	Shares Held	Per % Total Capital
Financial Institutions				
1	CDC-341	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
Running Total Financial Institutions			17,200	0.0531
Joint Stock Companies				
1	CDC-405	MAPLE LEAF CAPITAL LIMITED	1	0.0000
2	CDC-340	S.H. BUKHARI SECURITIES (PVT) LIMITED	400	0.0012
3	CDC-386	SARFRAZ MAHMOOD (PRIVATE) LTD	500	0.0015
4	CDC-191	Y.S. SECURITIES & SERVICES (PVT) LTD.	1,000	0.0031
5	CDC-125	TELE SYS TECH (PRIVATE) LIMITED	3,121	0.0096
6	CDC-392	MILEAGE (PVT) LTD	7,500	0.0231
7	CDC-205	ZAFAR SECURITIES (PVT) LTD.	10,000	0.0309
8	CDC-178	APEX FINANCIAL SERVICES (PVT.) LIMITED	15,000	0.0463
9	CDC-1164	MUHAMMAD BASHIR KASMANI (PRIVATE) LIMITED	20,000	0.0617
10	CDC-1135	HIGH LAND SECURITIES (PVT) LIMITED	22,500	0.0694
11	CDC-1119	KOHINOOR POWER COMPANY LIMITED	76,500	0.2361
12	CDC-792	ALI HUSAIN RAJABALI LIMITED	592,500	1.8287
13	CDC-376	ABDULLAH SUGAR MILLS LIMITED	2,900,500	8.9522
Running Total Joint Stock Companies			3,649,522	11.2640
Insurance Companies				
1	CDC-105	SHAHEEN INSURANCE COMPANY LIMITED	119	0.0004
2	5920	STATE LIFE INSURANCE CORP.	200	0.0006
3	CDC-180	STATE LIFE INSURANCE CORP. OF PAKISTAN	617,600	1.9062
Running Total Insurance Companies			617,919	1.9072
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
Running Total Modarabas			7,700	0.0238
General Public (Local)				
Running Total General Public (Local)			28,055,159	86.5900



P Date:03/01/2023

Categories Detail

Page #:2 of 2

As on:September 30, 2022.

S Type:Complete

Sr. #	Folio Number	Name	Shares Held	Per % Total Capital
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General Public (Foreign)

Running Total	General Public (Foreign)	14,000	0.0432
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Others

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

Running Total	Others	38,500	0.1188
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Grand Total:	32,400,000	100.0000
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STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019)

HASEEB WAQAS SUGAR MILLS LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2022

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 Director	Mr. Raza Mustafa Mian Waqas Riaz
b.	Executive Director	Mian Haseeb Ilyas
c.	Non-Executive Directors	Mrs. Yasmin Riaz Mrs. Shahzadi Ilyas Mrs. Zainab Waqas Mrs. Zakia Ilyas Miss. Aqsa Riaz
3.	The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).	
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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.	
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 2022 with the requirements of the Director's Training Program contained in the regulations. Due to ongoing COVID pandemic situation of the country, the Board unable arranged Directors Training Program for one of our Director 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, except for the minimum experience requirement of the CFO, Regulation 23 (a) requires the CFO to have at least three years of managerial experience in fields of audit or accounting or is managing financial or corporate functions of a company and is a member of Institute of Chartered Accountants of Pakistan or Institute of Cost and Management Accountants of Pakistan. The Board is in process of complying with the 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)
	Regulation 28 (1){c} requires the Board to satisfy itself such that at least one member of the audit committee qualifies as financially literate. The Board will comply with aforementioned regulation upon-re-constitution of the Board after expiry of the current term.	
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	02
c.	Nomination Committee	01
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 56 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.

On behalf of the Board

Mian Haseeb Ilyas
Chief Executive

Raza Mustafa
Chairman

Place: Lahore

Dated: 05 January 2023



INDEPENDENT AUDITORS' REPORT

To the members of HASEEB WAQAS SUGAR MILLS LIMITED

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the annexed financial statements of **HASEEB WAQAS SUGAR MILLS LIMITED** ("the Company"), which comprise the statements of financial position as at September 30, 2022, and the statement of profit or loss and 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.

We do not express an opinion on the accompanying financial statements of the Company. Because of significance of matters described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Basis for Disclaimer of Opinion

- a) As stated in Note # 2.4 to the financial statements, the Company could not start operations during the crushing season 2021-22 and is directed to shift the mill from Muzaffargarh to Nankana Sahib. But, the management did not provide us sufficient and comprehensive plan and projections to start operations at either of the locations in the foreseeable future and overcome the existing financial and legal crisis. On the absence of required information, the going concern basis is not determinable.
- b) The Sales tax status of the Company has been blacklisted by the Federal Board of Revenue due to non-payment of outstanding net liability of Rs. 207.53 million as mentioned in Note # 10 and 14.2 of the financial statements.
- c) As stated in Note # 15.03 to the financial statements; the Company has not complied with the requirements of IAS 16 paragraph 31 and 34 with respect to revaluation of property, plant and equipment which require that revaluation should be made with sufficient regularity.

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- d) We did not receive direct confirmations from banks and financial institutions of long term loans and lease liabilities amounting to Rs. 1,367.19 million and markup outstanding amounting to Rs. 1,023.94 million. We remain unable to verify these balances by applying other alternate audit procedures as the information was not provided to us. Consequently, we were unable to determine whether any adjustments to these amounts were necessary;
- e) All the trade and other payables as mentioned in Note # 10 were remain unpaid and overdue due to mill closure and non-availability of funds. We remained unable to confirm these balances by applying other alternate audit procedures as the information was not provided to us. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.
- f) The Company has not carried out Actuarial Valuation from Actuarial expert and we were unable to verify the Employee Retirement Benefit outstanding as at year end and provision for the year was also not recorded by the management. We remain unable to verify these balances by applying other alternate audit procedures. Consequently, we were unable to determine whether any adjustments to these amounts were necessary;
- g) The Company has not complied with the requirements of Section 244 of the Companies Act 2017 with respect to unclaimed dividend amounting to Rs. 1,443,972/- as disclosed in Note # 14.5 to the financial statements;
- h) We did not receive direct confirmations from Company's tax advisors regarding the outstanding tax cases and their status. We remain unable to verify the status, completeness and accuracy of the reported contingencies in the financial statements. Consequently, we were unable to determine whether any adjustments to sales tax payable, tax provisions, deferred taxation and tax refundable due from government were necessary or needs to be disclosed. We remain unable to verify these disclosures and balances.
- i) Company has not carried out impairment testing of property, plant and equipment and stores and spares as required under the International Accounting Standard 36. We consider it necessary to be carried out at the end of current year because the Company could not start production during the crushing season 2021-2022.
- j) We were unable to physically verify the existence and condition of property, plant and equipment due to closure of factory on the decision of Supreme Court.
- k) We were unable to physically verify the existence and condition of store and spares as at the year end. We also remained unable to verify such balances by alternate audit procedures as information was not available to us. Further, compulsory cut off procedures could not be performed as at the year ended September 30, 2022.
- l) All the advances, deposits, prepayments and other receivables were static and no confirmation was received. We were unable to verify these balances by applying other alternative audit procedures as information was not available to us.

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- m) We did not receive direct confirmations from Company's legal advisors regarding the outstanding cases and their status. Consequently, we were unable to determine the accuracy and completeness of disclosures under contingencies and commitments. We also remain unable to verify these disclosures and balances as the information was not available to us.
- n) We were unable to obtain direct confirmations from banks amounting to Rs. 1.51 M. We remain unable to verify these balances by applying other alternate audit procedures as the information was not available to us. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.
- o) Pakistan Stock Exchange Limited has placed the Company in Defaulters Segment on the basis of last year audit report. Also, suspension in the trading of shares of company has been ordered by the Exchange.

- p) The Company could not provide and make available to us all of its books of account and other information which were necessary for the purpose of our audit. As a result, we were unable to determine whether any adjustments or disclosures might have been found necessary in respect of recorded or unrecorded elements and disclosures making up the statement of financial position, statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows and notes to the financial statements.

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 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.

Board of directors are responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Company's financial statements in accordance with International Standards on Auditing as applicable in Pakistan and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Report on Other Legal and Regulatory Requirements

Because of significance of the matters described in Basis of Disclaimer of Opinion section of our report, we express **no** opinion whether:

- a) Proper books of account have been kept 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 and 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 are in agreement with the books of account and returns;
- c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Nawaz Khan**.

Lahore,
Dated: January 04, 2022
UDIN:AR2022103291LTOoaNIM


QADEER AND COMPANY,
CHARTERED ACCOUNTANT



STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2022

	Note	2022	2021
		Rupees	
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized capital 35,000,000 (2021: 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	1,130,821,739	841,942,639
Capital Reserves			
Surplus on revaluation of property, plant and equipment	6	1,262,648,855	1,323,260,805
Revenue reserves			
Accumulated profit/(loss)		(4,207,016,723)	(4,082,674,095)
		(1,489,546,129)	(1,593,470,651)
Non Current Liabilities			
Long term financing	7	-	-
Deferred liabilities	8	17,727,972	17,782,639
Deferred taxation	9	516,942,121	546,697,573
		534,670,093	564,480,212
Current Liabilities			
Trade and other payables	10	800,883,054	791,525,787
Markup on loans and other payables	11	1,058,817,812	1,011,317,540
Short term borrowings	12	656,399,886	656,462,763
Unclaimed dividend		1,443,972	1,443,972
Current portion of non current liabilities	13	1,367,187,642	1,652,187,642
		3,884,732,366	4,112,937,704
Contingencies and Commitments			
	14	-	-
		2,929,856,330	3,083,947,265
ASSETS			
Non Current Assets			
Property, plant and equipment	15	2,827,513,789	2,976,625,434
Long term deposits	16	490,000	490,000
		2,828,003,789	2,977,115,434
Current Assets			
Stores, spares and loose tools	17	55,892,796	55,892,796
Stock in trade	18	-	-
Advances, deposits, prepayments and other receivables	19	43,524,421	49,209,513
Cash and bank balances	20	2,435,324	1,729,522
		101,852,541	106,831,831
		2,929,856,330	3,083,947,265

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED SEPTEMBER 30, 2022

		2022	2021
	Note	Rupees	
Sales - Net	21	-	-
Cost of goods sold	22	(150,781,542)	(160,043,178)
Gross (loss)		(150,781,542)	(160,043,178)
Operating expenses:			
- Administrative and general expenses	23	(16,226,733)	(11,276,729)
- Other operating charges	24	(200,000)	(300,000)
- Other income	25	137,188,002	-
Loss from operations		(30,020,273)	(171,619,907)
Finance cost	26	(184,689,757)	(167,720,397)
Loss before taxation		(214,710,030)	(339,340,304)
Taxation	27	29,755,452	30,523,388
Loss after taxation		(184,954,578)	(308,816,916)
Earning per share - basic	28	(5.71)	(9.53)

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Note	2022	2021
		Rupees	
(Loss) after taxation		(184,954,578)	(308,816,916)
Other comprehensive income			
Remeasurements of defined benefit obligation		-	-
Impact of deferred tax		-	-
		-	-
Total comprehensive loss for the year		<u>(184,954,578)</u>	<u>(308,816,916)</u>

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	2022	2021
Note	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(214,710,030)	(339,340,304)
Adjustments for:		
Depreciation	15.02 149,111,645	158,527,901
Finance cost	26 184,689,757	167,720,397
	333,801,402	326,248,298
Operating profit/(loss) before working capital changes	119,091,372	(13,092,006)
(Increase) / decrease in current assets:		
Stores, spares and loose tools	-	-
Stock in trade	-	-
Advances, deposits, prepayments and other receivables	5,840,109	13,188,181
Increase / (decrease) in current liabilities:		
Trade and other payables	9,357,267	(80,781)
	15,197,376	13,107,400
Cash generated from operations	134,288,748	15,395
Income tax paid / deducted	(155,017)	(167,232)
Gratuity paid	(54,667)	(22,081)
Finance cost paid	(137,189,485)	(19,681)
Net cash generated from / (used in) operating activities	(3,110,421)	(193,599)
CASH FLOW FROM INVESTING ACTIVITIES		
Long term deposits	-	-
Net cash generated from / (used in) investing activities	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) from directors' / sponsor loan - Net	288,879,100	211,000
Proceeds / (Repayment) of Long Term Loans	(285,000,000)	-
Proceeds / (Repayment) of related parties	(62,877)	-
Net cash generated from / (used in) financing activities	3,816,223	211,000
Net increase / (decrease) in cash and cash equivalents	705,802	17,401
Cash and cash equivalents at the beginning of the year	1,729,522	1,712,121
Cash and cash equivalents at the end of the year	2,435,324	1,729,522

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Issued, subscribed and paid up capital	Loan from directors	Surplus on Revaluation of Property, Plant & equipment	Accumulated (loss) / profit	Total
	R u p e e s				
Balance as at October 01, 2020	324,000,000	841,731,639	1,387,378,418	(3,837,974,792)	(1,284,864,735)
Net (loss) for the year ended September 30, 2021	-	-	-	(308,816,916)	(308,816,916)
Other comprehensive income / (loss) for the year	-	-	-	-	-
	-	-	-	(308,816,916)	(308,816,916)
Transaction with owners:					
Increase in directors' loan during the year	-	211,000	-	-	211,000
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation - net of tax	-	-	(64,117,613)	64,117,613	-
Balance as at October 01, 2021	324,000,000	841,942,639	1,323,260,805	(4,082,674,095)	(1,593,470,651)
Net (loss) for the year ended September 30, 2022	-	-	-	(184,954,578)	(184,954,578)
Other comprehensive income / (loss) for the year	-	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	-	(184,954,578)	(184,954,578)
Transaction with owners:					
Increase in sponsors and directors' loan during the year	-	288,879,100	-	-	288,879,100
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation - net of tax	-	-	(60,611,950)	60,611,950	-
Balance as at September 30, 2022	324,000,000	1,130,821,739	1,262,648,855	(4,207,016,723)	(1,489,546,129)

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2022

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 Jattoi Distt. Muzafargarh. 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 New standards, amendments to approved accounting and reporting standards and new interpretations

The following accounting standards, amendments and interpretations are effective for the year ended September 30, 2022. These standards, amendments and interpretations are either not relevant to the Company's operations or did not to have material impact on the financial statements.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 3: 'Business Combinations' - Reference to the conceptual framework	1-Jan-22
Amendments to IAS 16: 'Property, Plant and Equipment' - Proceeds before intended use	1-Jan-22
Amendments to IAS 37: 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	1-Jan-22



Amendments to IAS 1: 'Presentation of Financial Statements' - Disclosure of Accounting Policies 1-Jan-23

Amendments to IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates 1-Jan-23

Amendments to IAS 12: 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction 1-Jan-23

Amendments to IAS 1: 'Presentation of Financial Statements' - Classification of liabilities as current or non-current 1-Jan-24
Certain annual improvements have also been made to a number of IFRSs.

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1 First Time Adoption of International Financial Reporting Standards; and

IFRS 17 Insurance Contracts

2.3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company as at September 30, 2022.

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, 2020. 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.

2.4 Going concern assumption

The financial statements of the Company indicate that the Company incurred gross loss amounting to Rs: 150,781,542 (2021: 160,043,178) and net loss from operations amounting to Rs. 30,020,273 (2021: 171,619,907) and accumulated losses Rs. 4,207,016,723 (2021: 4,082,674,095). Moreover, the current liabilities exceed current assets by Rs. 3,782,879,825 (2021: 4,006,105,873).

Further as stated in note # 14.4 to the financial statements, the Supreme Court dismissed the appeal of the Company regarding location of factory.

Operational measures

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

Restructuring of loan from Silk Bank Limited amounting to Rs. 390 million is in process but not finalized yet.

Shifting of mill to Alipur Jatoi, Muzaffargarh has been completed where sugar cane availability and sugar recovery are better.

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

	Projected		
	2023	2024	2025
Sugar Cane Crushing M.T	800,000	800,000	810,000
Sugar cane rate	300	310	310
Sugar price per Kg	90	95	95

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

Our review petition (regarding shifting of mill to Alipur Jatoi) dismissed by Supreme Court and management considering alternate options available including but not limited to application to Ministry of Industries and Planning under Section 3 of the Punjab Industries (Control on Established and Enlargement) Ordinance, 1963. Therefore, Ministry has rejected the appeal and the company approached the high court against the decision of Ministry.

2.5 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;

2.5.1 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.

2.5.2 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.

2.5.3 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.

2.5.4 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.



2.5.5 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.

2.5.6 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.

2.6 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:

	2022	2021
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 with in 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 recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognised 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 amortised cost using the effective yield method. A financial liability is derecognised 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 recognised 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.



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'. 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.



		2022	2021
4 ISSUED, SUBSCRIBED AND PAID UP CAPITAL	Note	Rupees	
Ordinary shares of Rs. 10 each:			
27,000,000 (2021: 27,000,000) shares issued for cash.		270,000,000	270,000,000
5,400,000 (2021: 5,400,000) shares issued as fully paid bonus shares.		<u>54,000,000</u>	<u>54,000,000</u>
		<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		1,130,821,739	841,942,639
		<u>1,130,821,739</u>	<u>841,942,639</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, The Bank of Punjab, 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		1,323,260,805	1,387,378,418
Revaluation surplus transferred to unappropriated profit on account of Incremental depreciation (net of tax)		<u>(60,611,950)</u>	<u>(64,117,613)</u>
		<u>1,262,648,855</u>	<u>1,323,260,805</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	<u>-</u>	<u>-</u>
7.1 Loan from banking companies and other financial institutions - secured			
National Bank of Pakistan			
Demand Finance I	7.1.1	220,000,000	220,000,000
Demand Finance II	7.1.2	160,000,000	160,000,000
The Bank of Punjab			
Demand Finance	7.1.3	-	285,000,000
Sindh Bank Limited			
Demand Finance	7.1.4	500,000,000	500,000,000
PAIR			
Demand Finance	7.1.5	70,000,000	70,000,000
Silk Bank Ltd	7.1.6	390,000,000	390,000,000
		<u>1,340,000,000</u>	<u>1,625,000,000</u>



	2022	2021
Less: current portion shown under current liabilities		
	Rupees	
NBP - Demand Finance - I	(220,000,000)	(220,000,000)
NBP - Demand Finance - II	(160,000,000)	(160,000,000)
BOP - Demand Finance	-	(285,000,000)
Sindh Bank - Demand Finance	(500,000,000)	(500,000,000)
Demand Finance - PAIR	(70,000,000)	(70,000,000)
Demand Finance - Silk Bank Ltd	(390,000,000)	(390,000,000)
	(1,340,000,000)	(1,625,000,000)
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 was obtained from The Bank of Punjab through restructuring of existing cash finance facility. The finance was secured by ranking charge over all present and future fixed assets of the Company and personal guarantees of directors of the Company. It carried markup 3 months KIBOR +1.25% per annum. This loan was payable in twenty eight quarterly installments ending on 30 September 2021. The loan has been settled through sale of mortgaged property (3K-16M-139Sqft at 103 B-1, Gulberg III, Lahore) owned by Directors and sponsored of company.
- 7.1.4** 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.
- 7.1.5** This finance has been obtained from PAIR Investment Company Limited. The finance is secured by parri passu charges over the present and future fixed assets of the Company, with a margin of 33% above the financing amount. Parri 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.
- 7.1.6** 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.



	2022	2021
Note	Rupees	
8 DEFERRED LIABILITIES		
Employee retirement benefits	17,727,972	17,782,639
8.01 EMPLOYEES RETIREMENT BENEFITS		
<i>The amounts recognized in the the Statement of Financial Position are as follows :</i>		
Present value of defined benefit obligation	<u>17,727,972</u>	<u>17,782,639</u>
<i>the Statement of Financial Position liability</i>		
Opening balance	17,782,639	17,804,720
Amount recognized during the year		
Remeasurements	<u>17,782,639</u>	<u>17,804,720</u>
Payable to outgoing employees		
Benefits paid during the year	(54,667)	(22,081)
Closing balance	<u>17,727,972</u>	<u>17,782,639</u>
<i>Charge for the defined benefit plan</i>		
Service cost	-	-
Interest cost	<u>-</u>	<u>-</u>
8.02		
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 upto the year ended September 30, 2019. 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.		
9 DEFERRED TAXATION		
Deferred tax liability on taxable temporary differences		
Accelerated tax depreciation	81,958,452	80,063,078
Surplus on revaluation of property, plant and equipment	573,677,044	605,343,724
Property, plant and equipment	655,635,496	685,406,802
Deferred tax asset on deductible temporary differences		
Employees retirement benefits	(11,806,028)	(11,821,882)
Finance lease	(7,884,419)	(7,884,419)
Unused tax losses	(119,002,928)	(119,002,928)
	(138,693,375)	(138,709,229)
	<u>516,942,121</u>	<u>546,697,573</u>

Deferred tax assets of Rs. 735 million (2021: 703 million) on deductible temporary differences have not been recognized due to unpredictability of adjustable in future periods.



10 TRADE AND OTHER PAYABLES		2022	2021
		Rupees	
	Note		
Trade creditors		187,286,431	176,277,171
Advances from Customers -Unsecured		261,953,957	262,253,957
Accrued liabilities		69,814,103	70,940,417
Sales tax payable		207,527,557	208,023,289
Other payables	10.1	74,301,007	74,030,953
		<u>800,883,054</u>	<u>791,525,787</u>
<p>10.1 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.</p>			
11 MARKUP ON LOANS AND OTHER PAYABLES			
Long term financing	11.01	1,038,000,186	990,499,914
Finance lease		954,816	954,816
Others	11.02	19,862,810	19,862,810
		<u>1,058,817,812</u>	<u>1,011,317,540</u>
<p>11.01 This includes markup accrued on short term borrowings which was rescheduled as long term.</p> <p>11.02 This represents markup accrued on return of funds to TCP as disclosed in note 10.1</p>			
12 SHORT TERM BORROWINGS			
Loan from related parties			
Abdullah Sugar Mills Limited		654,195,822	654,258,699
Haseeb Waqas Trading (Private) Limited		2,204,064	2,204,064
		<u>656,399,886</u>	<u>656,462,763</u>
<p>These are unsecured, interest free and payable on demand of the related parties and for the purpose of working capital of the Company; and be adjusted against sale of goods etc.</p>			
13 CURRENT PORTION OF NON CURRENT LIABILITIES			
Long term financing	7.1	1,340,000,000	1,625,000,000
Finance lease		27,187,642	27,187,642
		<u>1,367,187,642</u>	<u>1,652,187,642</u>
14 CONTINGENCIES AND COMMITMENTS			
<p>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 upto 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.</p> <p>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 with permission of Superme Court. However, honorable supreme court has not permitted yet.</p> <p>14.3 Company has made defaults in repayment of installments of long term loans from financial</p>			



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	29-Jan-16	The Bank of Punjab	Settled	N/A
3	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
4	Lahore High Court	31-Mar-17	First National Bank Modarba	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 Division Bench of Honorable Lahore High Court Lahore in its judgment dated September 11, 2017 ordered the relocation of Haseeb Waqas Sugar Mills Limited from Muzaffar Garh to Nankana. Furthermore, Lahore High Court directed the mills to restore and retribute the position by dismantling & removing the said mills from the present location. The Supreme Court of Pakistan vide short order even dated September 13, 2018 dismissed the Company's appeal and prohibited the Company from conducting any business in relation to or functioning as a sugar mill after the period of two months i.e. 12 November 2018. Further, the appellants are directed to remove within the said period from Muzaffar Garh (current factory location) to Nankana (pervious factory location). However, the Company has filled review petition dated 6th November 2018 to review the above order and accept the appeal filed by the petitioners; but the Supreme Court upheld the previous order to remove the plant from Muzaffar Garh to Nankana Sahab. Further the company has moved an application to Ministry of Industries under section 3 of the Punjab Industries (Control on Establishment and Enlargement) Ordinance 1963 but the application has been turned down by Ministry of Industries. Principal parties for respondents are Govt. of the Punjab, JDW Sugar Mills Limited, Ashraf Sugar Mills Limited, Indus Sugar Mills Limited and RYK Mills Limited etc.

- 14.5** 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.
- 14.6** 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. Also, suspension in the trading of shares of company has been ordered by the Exchange.

Commitments

No major commitments were outstanding as at September 30, 2022.



15. PROPERTY, PLANT AND EQUIPMENT - Tangible

"RUPEES"

Particulars	Cost / Revalued Amount				Rate %	Depreciation			Book Value as at September 30, 2022
	As at October 01, 2021	Additions/ (Deletions)	Revaluations	As at September 30, 2022		As at October 01, 2021	Adjustment	For the Year	
Owned									
Land - freehold	261,313,059	-	-	261,313,059	-	-	-	-	261,313,059
Buildings on freehold land									
- Factory	375,575,425	-	-	375,575,425	10%	181,754,917	-	19,182,052	202,936,969
- Non-factory	115,367,554	-	-	115,367,554	5%	32,409,856	-	4,147,885	36,609,813
Plant and machinery	3,360,693,365	-	-	3,360,693,365	5%	994,590,064	-	118,305,185	1,112,895,229
Electric equipment	624,971	-	-	624,971	10%	261,822	-	36,315	298,137
Furniture and fixtures	57,469,483	-	-	57,469,483	10%	46,871,493	-	1,808,799	47,911,293
Vehicles	24,985,116	-	-	24,985,116	20%	24,650,546	-	66,914	24,717,460
Total	4,196,028,983	-	-	4,196,028,983		1,284,328,698	-	142,798,730	1,425,336,328
Right of use assets									
Plant and machinery	129,500,000	-	-	129,500,000	10%	76,364,851	-	6,313,515	81,679,366
Total	129,500,000	-	-	129,500,000		76,364,851	-	6,313,515	81,679,366
Grand total 2022	4,325,528,983	-	-	4,325,528,983		1,360,693,549	-	149,112,245	1,508,025,194

"RUPEES"

Particulars	Cost / Revalued Amount				Rate %	Depreciation			Book Value as at September 30, 2021
	As at October 01, 2020	Additions/ (Deletions)	Revaluations	As at September 30, 2021		As at October 01, 2020	Adjustment	For the Year	
Owned									
Land - freehold	261,313,059	-	-	261,313,059	-	-	-	-	261,313,059
Buildings on freehold land									
- Factory	375,575,425	-	-	375,575,425	10%	182,441,526	-	21,312,391	181,754,917
- Non-factory	115,367,554	-	-	115,367,554	5%	28,043,661	-	4,346,195	32,409,856
Plant and machinery	3,360,693,365	-	-	3,360,693,365	5%	870,058,311	-	124,331,753	994,590,064
Electric equipment	624,971	-	-	624,971	10%	221,472	-	46,350	261,822
Furniture and fixtures	57,469,483	-	-	57,469,483	10%	45,683,838	-	1,177,595	46,871,493
Vehicles	24,985,116	-	-	24,985,116	20%	24,566,504	-	83,642	24,650,546
Total	4,196,028,983	-	-	4,196,028,983		1,131,825,812	-	151,512,836	1,281,528,698
Right of use assets									
Plant and machinery	129,500,000	-	-	129,500,000	10%	69,349,834	-	7,015,017	76,364,851
Total	129,500,000	-	-	129,500,000		69,349,834	-	7,015,017	81,135,148
Grand total 2021	4,325,528,983	-	-	4,325,528,983		1,201,175,646	-	158,527,901	1,368,903,546



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)
Musa Jajmal, All Pur Jajmal Road, Tehsil Jajmal, Distt. Muzaffargarh	Current Production Unit	72.85	55%
4 km, Nankana Boucheki Road, Nankana Sahib	Land Area	72.81	0%

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

	Note	2022 Rupees	2021 Rupees
Cost of sales	22	143,800,732	152,860,160
Administrative expenses	23	5,310,913	5,667,761
		<u>149,111,645</u>	<u>158,527,921</u>

15.03 Revalued land, building and plant and machinery:

The fair value of the Company's land, buildings and plant and machinery were determined by an independent professionally qualified valuer A/S Empire Enterprises on September 30, 2014. The valuation is based on an open market value.

Last revaluation was carried out by an independent valuer Arif Evaluators on 22nd January 2019. However, the Company decided not to incorporate the revalued amounts in financial statements in 2019. The fair value of land, building and plant and machinery as per evaluation report was 4,021,408 millions.

Company is not complying with the requirements of IAS 16 paragraph 31 and 34 with respect to revaluation of property, plant and equipment which require that revaluation should be made with sufficient regularity.

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. 141.32 million and Rs. 638.47 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 20 % of the value of revaluation at the date of revaluation.



21 SALES - NET			
Sugar - Local		-	-
Molasses		-	-
Mud		-	-
		-	-
Less: Sales tax and federal excise duty		-	-
22 COST OF GOODS SOLD			
Salaries, wages and other benefits	22.01	5,086,638	5,465,709
Repair and maintenance		1,894,172	1,690,909
Depreciation	15.02	143,800,732	152,860,160
Others		-	26,400
		150,781,542	160,043,178
Opening work in process		-	-
Closing work in process		-	-
		-	-
Cost of goods manufactured		150,781,542	160,043,178
Opening finished goods		-	-
Closing finished goods		-	-
		-	-
		150,781,542	160,043,178

22.01 Salaries and benefits include Rs.Nil (2021: Rs. Nil million) on account of employees' retirement benefits.

23 ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries, wages and other benefits	23.01	5,346,821	4,196,375
Traveling and conveyance		45,740	70,019
Repairs and maintenance		168,814	-
Fees and subscription		258,493	155,614
Vehicle running and maintenance		162,440	52,720
Printing and stationery		61,040	2,090
Telephone and postage		30,000	27,000
Advertisement		20,000	-
Entertainment		52,985	37,000
Legal and professional charges		4,655,200	961,400
Depreciation	15.02	5,310,913	5,667,741
Miscellaneous		114,287	106,770
		16,226,733	11,276,729

23.01 Salaries and benefits include Rs. Nil (2021: Rs. Nil million) on account of employees' retirement benefits.

	2022	2021
Note	Rupees	



24	OTHER OPERATING CHARGES		
	Auditors' remuneration		
	Statutory audit	125,000	225,000
	Half year review	30,000	30,000
	Review and certifications	20,000	20,000
	Out of pocket	25,000	25,000
		200,000	300,000
25	OTHER OPERATING INCOME		
	Markup Written off by Bank	137,188,002	-
	Gain on sale of fixed assets	-	-
		137,188,002	-
26	FINANCE COST		
	Interest / mark up expense	184,688,274	167,700,716
	Bank charges and commission	1,483	19,681
		184,689,757	167,720,397
27	TAXATION		
	Current tax		
	For the year	-	-
	Prior years	-	-
		-	-
	Deferred tax	(29,755,452)	(30,523,388)
		(29,755,452)	(30,523,388)
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.		
28	EARNING PER SHARE - Basic		
	(Loss) after taxation for the year	RUPEES (184,954,578)	(308,816,916)
	Outstanding weighted average ordinary shares	NUMBERS 32,400,000	32,400,000
	Earnings per share - Basic and diluted	RUPEES (5.71)	(9.53)
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)	1,300,000	1,300,000
	Installed capacity (days)	10,000	10,000
	Actual crushing (tons)	-	-
	Actual crushing (days)	-	-
	Actual production (percentage of actual capacity in tons)		
		2022	2021



Sugar	Installed capacity (tons)	117,000	117,000
	Installed capacity (days)	900	900
	Actual production (tons)	-	-
	Actual production (days)	-	-
	Actual production (percentage of actual capacity in tons)	-	-
	Cane sugar recovery	-	-
	The reason for closure of production is disclosed in note # 14.4 to the financial statements.		

	2022	2021
Note	Rupees	
30 FINANCIAL INSTRUMENTS BY CATEGORY		
-As at Statement of Financial Position at amortized cost:		
Financial assets		
Long term deposits	490,000	490,000
Advances, deposits and other receivables	8,712,721	8,712,721
Cash and bank balances	2,435,324	1,729,522
	11,638,045	10,932,243
Financial liabilities		
Trade and other payables	331,401,541	321,248,541
Loan from directors and sponsors	1,130,821,739	841,942,639
Loan from financial institution	1,367,187,642	1,652,187,642
Accrued interest / mark-up	1,058,817,812	1,011,317,540
Unclaimed dividend	1,443,972	1,443,972
Short term borrowings	656,399,886	656,462,763
	4,546,072,592	4,484,603,097

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 exchange, dealer, broker, industry group, pricing service or regulatory agency and those 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
As at 30 September, 2022:								
Financial Assets not measured at fair value								
Advances, deposits, prepayments and other receivables	-	8,712,721	-	8,712,721	-	-	-	-
Long Term Deposits	-	490,000	-	490,000	-	-	-	-
Cash and bank balances	-	2,435,324	-	2,435,324	-	-	-	-
	-	11,638,045	-	11,638,045	-	-	-	-
Financial Liabilities not measured at fair value								
Loan from banking companies	-	-	1,367,187,642	1,367,187,642	-	-	-	-
Trade and other payables	-	-	331,401,541	331,401,541	-	-	-	-
Accrued Markup	-	-	1,058,817,812	1,058,817,812	-	-	-	-
Unclaimed Dividend	-	-	1,443,972	1,443,972	-	-	-	-
Loan from related parties	-	-	656,399,886	656,399,886	-	-	-	-
	-	-	3,415,250,852	3,415,250,852	-	-	-	-
As at 30 September, 2021:								
Financial Assets not measured at fair value								
Advances, deposits, prepayments and other receivables	-	8,712,721	-	8,712,721	-	-	-	-
Long Term Deposits	-	490,000	-	490,000	-	-	-	-
Cash and bank balances	-	1,729,522	-	1,729,522	-	-	-	-
	-	10,932,243	-	10,932,243	-	-	-	-
Financial Liabilities not measured at fair value								
Loan from banking companies	-	-	1,652,187,642	1,652,187,642	-	-	-	-
Trade and other payables	-	-	321,248,541	321,248,541	-	-	-	-
Accrued Markup	-	-	1,011,317,540	1,011,317,540	-	-	-	-
Unclaimed Dividend	-	-	1,443,972	1,443,972	-	-	-	-
Loan from related parties	-	-	656,462,763	656,462,763	-	-	-	-
	-	-	3,642,660,458	3,642,660,458	-	-	-	-

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.



	2022	2021
The gearing ratios were as follows:	Rupees	
Long term financing	1,367,187,642	1,652,187,642
Short term financing	656,399,886	656,462,763
Total debt	2,023,587,528	2,308,650,405
Total Equity	(1,489,546,129)	(1,593,470,651)
Capital employed	534,041,399	715,179,754
Gearing ratio	-279%	-223%

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 programme 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 resultantly 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

	2022	2021	2022	2021
	Percentage		Rupees	
	3Mk	3Mk		
Long term financing	+1.25% to 3Mk+5%	+1.25% to 3Mk+5%	1,340,000,000	1,625,000,000
Total yield / markup rate risk sensitivity gap			<u>1,340,000,000</u>	<u>1,625,000,000</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



As at September 30, 2022

Cash flow sensitivity - variable rate financial liabilities	<u>13,400,000</u>	<u>(13,400,000)</u>
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As at September 30, 2021

Cash flow sensitivity - variable rate financial liabilities	<u>16,250,000</u>	<u>(16,250,000)</u>
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(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 is equal to carrying amount of financial assets. Out of total financial assets of Rs. 46,449,745 (2021: Rs.51,429,035) the financial assets exposed to credit risk amount to Rs. 34,811,700 (2021 : 20,025,515)

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:



	2022	2021
	Rupees	
Long term deposits	490,000	490,000
Advances, deposits, prepayments and other receivables	43,524,421	49,209,513
Bank balances	2,435,324	1,729,522
	<u>46,449,745</u>	<u>51,429,035</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	A-1+	AA+
Sindh Bank Limited	JCR-VIS	A-1	A+
MCB Bank Limited	PACRA	A-1+	AAA
National Bank of Pakistan	JCR-VIS / PACRA	A-1+	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.

	2022			
	Carrying Amount	Contractual cash flows	Upto twelve months	Two to five years
Financial Liabilities				
Loan from banking companies	1,367,187,642	1,367,187,642	1,367,187,642	-
Trade and other payables	331,401,541	331,401,541	331,401,541	-
Accrued Markup	1,058,817,812	1,058,817,812	1,058,817,812	-
Unclaimed Dividend	1,443,972	1,443,972	1,443,972	-
Loan from related parties	656,399,886	656,399,886	656,399,886	-
	3,415,250,852	3,415,250,852	3,415,250,852	-
	2021			
	Carrying Amount	Contractual cash flows	Upto twelve months	Two to five years
Financial Liabilities				
Loan from banking companies	1,652,187,642	1,652,187,642	1,652,187,642	-
Trade and other payables	321,248,541	321,248,541	321,248,541	-
Accrued Markup	1,011,317,540	1,011,317,540	1,011,317,540	-
Unclaimed Dividend	1,443,972	1,443,972	1,443,972	-
Loan from related parties	656,462,763	656,462,763	656,462,763	-
	3,642,660,458	3,642,660,458	3,642,660,458	-



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	Chief Executive / Director	6.832
Mian Abdullah Ilyas	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:

	2022	2021
	Rupees	
32.1.1 Transactions with related parties		
Sale of molasses		
Abdullah Sugar Mills Limited	-	-
(Repayment) / Obtain loan (to) / from - net:		
Abdullah Sugar Mills Limited	(62,877)	-
Mrs. Shehzadi Ilyas	392,500	211,000
Mian Abdullah Ilyas	-	-
Mian Haseeb Ilyas	-	-
Mian Abdullah Ilyas	-	-
Mian Muhammad Ilyas Mehraj	144,243,300	-
Mian Ijaz Mehraj	72,121,650	-
Mrs. Yasmeen Riaz	72,121,650	-

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:

	2022	2021
	Rupees	
32.2.1 Balances payable to related parties		
Haseeb Waqas Trading (Private) Limited	2,204,064	2,204,064
Abdullah Sugar Mills Limited	654,195,822	654,258,699
Mian Muhammad Ilyas Mehraj	144,243,300	-
Mian Ijaz Mehraj	72,121,650	-
Mrs. Yasmeen Riaz	72,121,650	-
Mian Waqas Riaz	15,597,680	15,597,680
Mrs. Shehzadi Ilyas	408,786,256	408,393,756
Mrs. Zainab Waqas	117,500,100	117,500,100
Mian Haseeb Ilyas	252,257,150	252,257,150
Mian Abdullah Ilyas	48,193,953	48,193,953

32.3 Compensation of directors, chief executive and executives

	Year ended 30 September 2022		
	Chief		
	Executive	Directors	Executives
Remuneration	-	-	3,000,000
Other benefits	-	-	-
	-	-	3,000,000



No. of persons	-	-	1
	Year ended 30 September 2021		
	Chief Executive Directors Executives		
Remuneration	-	-	3,000,000
Other benefits	-	-	-
	<u>-</u>	<u>-</u>	<u>3,000,000</u>
No. of persons	<u>-</u>	<u>-</u>	<u>1</u>

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	28	29
Number of employees as at September 30, 2022	<u>28</u>	<u>26</u>

35 AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements have been authorized for issue by the Board of Directors of the Company on January 04, 2022.

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 I.D. No.
_____ hereby appoints Mr/Mrs/Miss _____ of _____ who is also a
member of the Company, Folio No./CDC Participant I.D. No. _____ or failing
him/her _____ of _____ Folio No./ CDC Participant I.D. 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 31st Annual General Meeting of the Company to be held on 28 January
2023 at 09:00 a.m. at the Registered Office of the Company.

Signed this _____ day of _____ 2023

Please affix Five
Rupees Revenue
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.