

Half Yearly Report

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS

for the period ended 31 March 2023

(Un-audited)



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CORPORATE INFORMATION

Board of Directors

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

Audit Committee

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

Chief Financial Officer

Sohail Azam Khan

Company Secretary

Saleem Abbas

Internal Auditors'

Syed Waqar Ali Bukhari

Auditors'

Akhtar Mahmood Mian
Chartered Accountants

Registrar

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

Registered Office

7/10, A-2 Arkay Square
Shahrah-e-Liaqa, New Challil, Karachi

Mills

Abdullah Shah Ghaziabad, Garho,
District Thatta, Sindh

Bankers

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

Web Presence:

www.asgsml.com

DIRECTOR'S REPORT

Dear Members,

Assalam-o-Alaikum,

On behalf of the Board of Directors, I am pleased to present Condensed Interim Financial Statements of the Company for the half year ended March 30, 2023.

It brings me great joy to inform you that after a three-year closure, we successfully restarted our operations of the company. This report provides an overview of our performance, key achievements, and future prospects.

Financial Results

During the half year, we have witnessed encouraging financial performance since restarting our operations. Our revenue has steadily increased as we regained market share and expanded our customer base. However, profitability has not shown positive signs, mainly due to significant increase in operating costs. The financial results are as under:

	(Rupees in Thousands)
Profit/(Loss) before Taxation	(233,562)
Taxation	59,736
Profit after Taxation	(173,826)

Operational Highlights:

Restarting our operations after a three-year closure presented several challenges, but we have made commendable progress during the half year. Some notable operational highlights include:

1. Successfully Restructuring with BankIslami Pakistan Limited. The total debt Rs. 275 million has been restructured to be repaid 10 years.
2. Infrastructure Rehabilitation: We invested significant resources in rehabilitating our sugar mill, production facilities and supply chain infrastructure. This enabled us to resume operations efficiently and ensured smooth production processes.
3. Workforce Rebuilding: We hired and trained a skilled workforce to run our operations effectively. Through recruitment drives and comprehensive training programs, we have successfully rebuilt our team, fostering a culture of dedication and excellence.
4. Quality Assurance: We implemented stringent quality control measures to ensure that our sugar products meet the highest industry standards. By focusing on product quality, we aim to enhance customer satisfaction and strengthen our market position.

Market Recovery:

The sugar industry in Pakistan has witnessed a gradual recovery during the half year. The market demand has rebounded, driven by hard economic conditions, unstable sugar prices, and inflation rate. We have capitalized on this recovery by strategically positioning ourselves in the market and actively engaging with our customers to meet their sugar requirements.

Future Outlook:

As we move forward, we are optimistic about the future prospects of our company. The sugar industry is expected to witness steady growth, supported by a growing population, increasing consumer demand, and favorable market conditions. We will continue to focus on the following areas:

1. **Expansion and Modernization:** We plan to invest in expanding our production capacity and modernizing our infrastructure. This will enable us to meet the growing demand for sugar, improve operational efficiency, and maintain a competitive edge in the market.
2. **Research and Development:** We recognize the importance of innovation and product diversification. Through research and development initiatives, we aim to explore new sugar variants, value-added products, and sustainable manufacturing practices to meet changing consumer preferences and contribute to a greener future.
3. **Customer Relationships:** Building strong and lasting relationships with our customers remains a priority. We will continue to provide exceptional customer service, respond to their evolving needs, and enhance customer satisfaction through timely delivery, consistent product quality, and transparent communication.
4. **Cost Optimization:** Given the inflationary pressures, we are implementing stringent cost control measures throughout our operations. We are actively seeking efficiency improvements, exploring alternative energy sources, and negotiating favorable terms with suppliers to mitigate the impact of rising costs.
5. **Market Diversification:** While the domestic market remains our primary focus, we are exploring opportunities to diversify our revenue streams through exports. We will identify potential international markets where we can competitively position our sugar products and establish strategic partnerships to facilitate market entry.
6. **Sustainability and Innovation:** We understand the importance of sustainable practices and innovative solutions in today's business landscape. We are committed to minimizing our environmental impact by investing in renewable energy sources, implementing waste management strategies, and promoting responsible agricultural practices.
7. **Government Engagement:** We recognize the significance of engaging with the government to address industry-specific challenges and advocate for policies that foster a favorable business environment. We will actively participate in relevant industry forums and associations to voice our concerns, provide input, and collaborate on initiatives that benefit the entire sugar sector.

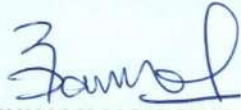
Conclusion:

In conclusion, the half year has been a period of remarkable progress for our company. After a three-year closure, we successfully restarted our operations, and our financial performance and operational achievements are testament to our resilience and dedication. We extend our gratitude to our shareholders, employees, and stakeholders for their unwavering support throughout this journey.

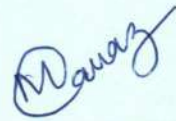
We remain committed to our mission of delivering high-quality sugar products and contributing to the economic development of Pakistan. With the market recovery and our strategic initiatives, we are confident in our ability to achieve sustained profitable growth and create long-term value for our shareholders.

Acknowledgement

The Board would like to place on record its appreciation of all the employees of the company for their dedication and hard work.



MUHAMMAD DAWOOD
(CHIEF EXECUTIVE)



MUHAMMAD NAWAZ
(DIRECTOR)

Lahore:

May 30, 2023

ڈائریکٹرز رپورٹ

پیارے ممبران

السلام علیکم،

بورڈ آف ڈائریکٹرز کی جانب سے مجھے 30 مارچ 2023ء کو ختم ہونے والے ششماہی کے لیے کمپنی کے عبوری مالیاتی گوشوارے پیش کرتے ہوئے خوشی ہو رہی ہے۔

مجھے آپ کو یہ بتاتے ہوئے بہت خوشی ہو رہی ہے کہ تین سال کی بندش کے بعد، ہم نے کامیابی کے ساتھ کمپنی کے اپنے آپریشنز کو دوبارہ شروع کیا۔ یہ رپورٹ ہماری کارکردگی، کلیدی کامیابیوں اور مستقبل کے امکانات کا جائزہ فراہم کرتی ہے۔

مالی نتائج

نصف سال کے دوران، ہم نے اپنے آپریشنز کو دوبارہ شروع کرنے کے بعد سے حوصلہ افزا مالی کارکردگی دیکھی ہے۔ ہماری آمدنی میں مسلسل اضافہ ہوا ہے کیونکہ ہم نے مارکیٹ شیئر دوبارہ حاصل کیا ہے اور اپنے کسٹمرز کو بڑھایا ہے۔ تاہم، منافع نے مثبت علامات ظاہر نہیں کی ہیں، بنیادی طور پر آپریٹنگ اخراجات میں نمایاں اضافے کی وجہ سے۔ مالی نتائج درج ذیل ہیں:

(ہزاروں میں روپے)

(233,562)

ٹیکس سے پہلے منافع / (نقصان)

59,736

ٹیکسیشن

(173,826)

بعد از ٹیکس منافع

آپریشنل جھلکیاں:

تین سال کی بندش کے بعد اپنے آپریشنز کو دوبارہ شروع کرنے سے کئی چیلنجز پیش آئے، لیکن ہم نے نصف سال کے دوران قابل ستائش پیش رفت کی ہے۔ کچھ قابل ذکر آپریشنل خصوصیات درج ذیل ہیں:

1. بینک اسلامی پاکستان لمیٹڈ کے ساتھ کامیابی سے تنظیم نو۔ مجموعی طور پر 275 ملین روپے کے قرضوں کی ری اسٹرکچرنگ کی گئی ہے جو 10 سال میں ادا کیے جائیں گے۔

2. بنیادی ڈھانچے کی بحالی: ہم نے اپنی شوگر مل، پیداواری سہولیات اور سپلائی چین انفراسٹرکچر کی بحالی میں اہم وسائل کی سرمایہ کاری کی۔ اس نے ہمیں موثر طریقے سے آپریشن دوبارہ شروع کرنے کے قابل بنایا اور ہموار پیداوار کے عمل کو یقینی بنایا۔

3. افرادی قوت کی تعمیر نو: ہم نے اپنے آپریشنز کو موثر طریقے سے چلانے کے لئے ایک ہنرمند افرادی قوت کی خدمات حاصل کیں اور تربیت دی۔ بھرتی مہموں اور جامع تربیتی پروگراموں کے ذریعے، ہم نے کامیابی کے ساتھ اپنی ٹیم کی تعمیر نو کی ہے، لگن اور عمدگی کی ثقافت کو فروغ دیا ہے۔

4. معیار کی یقین دہانی: ہم نے اس بات کو یقینی بنانے کے لئے سخت کوالٹی کنٹرول اقدامات نافذ کیے کہ ہماری چینی کی مصنوعات اعلیٰ صنعت کے معیار پر پورا اترتی ہیں۔ مصنوعات کے معیار پر توجہ مرکوز کرتے ہوئے، ہم گاہکوں کے اطمینان کو بڑھانے اور اپنی مارکیٹ کی پوزیشن کو مضبوط بنانا چاہتے ہیں۔

مارکیٹ ریکوری:

پاکستان میں شوگر انڈسٹری میں نصف سال کے دوران بتدریج بحالی دیکھنے میں آئی ہے۔ سخت معاشی حالات، چینی کی غیر مستحکم قیمتوں اور افراط زر کی شرح کی وجہ سے مارکیٹ کی طلب میں بہتری آئی ہے۔ ہم نے اس بحالی کا فائدہ اٹھاتے ہوئے خود کو مارکیٹ میں اسٹریٹجک طور پر پیش کیا ہے اور اپنے گاہکوں کے ساتھ ان کی چینی کی ضروریات کو پورا کرنے کے لئے فعال طور پر مشغول ہیں۔

مستقبل کا نقطہ نظر:

جیسے جیسے ہم آگے بڑھتے ہیں، ہم اپنی کمپنی کے مستقبل کے امکانات کے بارے میں پر امید ہیں۔ بڑھتی ہوئی آبادی، صارفین کی بڑھتی ہوئی طلب اور سازگار مارکیٹ کے حالات کی مدد سے چینی کی صنعت میں مستحکم ترقی کی توقع ہے۔ ہم مندرجہ ذیل شعبوں پر توجہ مرکوز کرنا جاری رکھیں گے:

1. توسیع اور جدید کاری: ہم اپنی پیداواری صلاحیت کو بڑھانے اور اپنے بنیادی ڈھانچے کو جدید بنانے میں سرمایہ کاری کرنے کا ارادہ رکھتے ہیں۔ یہ ہمیں چینی کی بڑھتی ہوئی طلب کو پورا کرنے، آپریشنل کارکردگی کو بہتر بنانے اور مارکیٹ میں مسابقتی برتری برقرار رکھنے کے قابل بنائے گا۔
2. تحقیق اور ترقی: ہم جدت طرازی اور مصنوعات کے تنوع کی اہمیت کو تسلیم کرتے ہیں۔ تحقیق اور ترقی کے اقدامات کے ذریعے، ہمارا مقصد صارفین کی بدلتی ہوئی ترجیحات کو پورا کرنے اور سبز مستقبل میں حصہ ڈالنے کے لئے چینی کی نئی اقسام، ویلیو ایڈڈ مصنوعات اور پائیدار مینوفیکچرنگ کے طریقوں کو تلاش کرنا ہے۔
3. کسٹمر تعلقات: ہمارے گاہکوں کے ساتھ مضبوط اور دیرپا تعلقات کی تعمیر ایک ترجیح ہے۔ ہم غیر معمولی کسٹمر سروس فراہم کرنا جاری رکھیں گے، ان کی بڑھتی ہوئی ضروریات کا جواب دیں گے، اور بروقت ترسیل، مستقل مصنوعات کے معیار، اور شفاف مواصلات کے ذریعے گاہکوں کے اطمینان کو بڑھائیں گے۔
4. لاگت کو بہتر بنانا: افراط زر کے دباؤ کو دیکھتے ہوئے، ہم اپنے آپریشنز کے دوران سخت لاگت کنٹرول اقدامات نافذ کر رہے ہیں۔ ہم فعال طور پر کارکردگی میں بہتری کی تلاش کر رہے ہیں، توانائی کے متبادل ذرائع کی تلاش کر رہے ہیں، اور بڑھتے ہوئے اخراجات کے اثرات کو کم کرنے کے لئے سپلائرز کے ساتھ سازگار شرائط پر بات چیت کر رہے ہیں۔

5. مارکیٹ تنوع: اگرچہ گھریلو مارکیٹ ہماری بنیادی توجہ ہے، ہم برآمدات کے ذریعے اپنی آمدنی کے ذرائع کو متنوع بنانے کے مواقع تلاش کر رہے ہیں۔ ہم ممکنہ بین الاقوامی مارکیٹوں کی نشاندہی کریں گے جہاں ہم اپنی چینی کی مصنوعات کو مسابقتی پوزیشن دے سکتے ہیں اور مارکیٹ میں داخلے کو آسان بنانے کے لئے اسٹریٹجک شراکت داری قائم کر سکتے ہیں۔

6. پائیداری اور جدت طرازی: ہم آج کے کاروباری منظر نامے میں پائیدار طریقوں اور جدید حل کی اہمیت کو سمجھتے ہیں۔ ہم قابل تجدید توانائی کے ذرائع میں سرمایہ کاری، فضلے کے انتظام کی حکمت عملی پر عمل درآمد اور ذمہ دارانہ زرعی طریقوں کو فروغ دے کر اپنے ماحولیاتی اثرات کو کم سے کم کرنے کے لئے پرعزم ہیں۔

7. حکومتی مصروفیت: ہم صنعت کے مخصوص چیلنجوں سے نمٹنے کے لئے حکومت کے ساتھ مشغول ہونے کی اہمیت کو تسلیم کرتے ہیں اور ایسی پالیسیوں کی وکالت کرتے ہیں جو سازگار کاروباری ماحول کو فروغ دیتی ہیں۔ ہم اپنے خدشات کا اظہار کرنے، اینٹ فرام کرنے اور ایسے اقدامات پر تعاون کرنے کے لئے متعلقہ صنعتی فورمز اور ایسوسی ایشنز میں فعال طور پر شرکت کریں گے جو پورے چینی کے شعبے کو فائدہ پہنچائیں۔

نتیجہ:

اختتام میں، نصف سال ہماری کمپنی کے لئے قابل ذکر پیش رفت کا دور رہا ہے۔ تین سال کی بندش کے بعد، ہم نے کامیابی کے ساتھ اپنے آپریٹنگز کو دوبارہ شروع کیا، اور ہماری مالی کارکردگی اور آپریٹنگز کا مابیناں ہماری چلک اور لگن کا ثبوت ہیں۔ ہم اس سفر کے دوران غیر متزلزل حمایت پر اپنے شیئرز، ہولڈرز، ملازمین اور اسٹیک ہولڈرز کا شکریہ ادا کرتے ہیں۔ ہم اعلیٰ معیار کی چینی مصنوعات کی فراہمی اور پاکستان کی معاشی ترقی میں اپنا کردار ادا کرنے کے اپنے مشن سے وابستہ ہیں۔ مارکیٹ کی بحالی اور ہمارے اسٹریٹجک اقدامات کے ساتھ، ہم پائیدار منافع بخش ترقی حاصل کرنے اور اپنے شیئرز ہولڈرز کے لئے طویل مدتی قدر پیدا کرنے کی اپنی صلاحیت پر اعتماد ہیں۔

اعتراف

بورڈ کمپنی کے تمام ملازمین کو ان کی لگن اور سخت محنت کے لئے خراج تحسین پیش کرنا چاہتا ہے۔



محمد نواز

(ڈائریکٹر)



محمد داؤد

(چیف ایگزیکٹو)

لاہور: 30 مئی 2023ء

Akhter Mahmood Mian

Chartered Accountants

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATIONS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Abdullah Shah Ghazi Sugar Mills Limited ("the Company") as at 31 March 2023 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the financial statements for the six months period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Material Uncertainty Relating to Going Concern

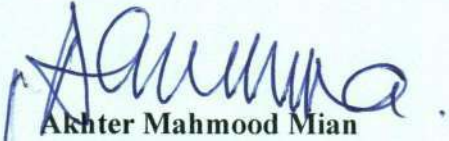
Without qualifying our conclusion, we draw attention of the members to note 3 to the interim condensed financial information which indicates that the company has prepared its financial statements on the basis of going concern assumption. The company has sustained a net loss after taxation of Rs. 173.825 million and as of that date it has accumulated losses of Rs. 2,307.253 million (Sep 2022: Rs. 1,994.795 million) and its current liabilities exceeded its current assets by Rs. 2,197.924 million (Sep 2022: Rs. 2,821.516 million). These conditions indicate that the material uncertainty exist, which may cast significant doubts on the company's ability to continue as a going concern and therefore the company may not be able to realize its assets and discharge its liabilities in the normal course of business. The company has appropriately disclosed this matter in the relevant note and provided technically feasible plans and cash flows forecast to cater to any adversity.

Other Matter Paragraph

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended March 31, 2023 have not been reviewed as we are required to review only the cumulative figures for the half year ended March 31, 2023. The comparative figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended March 31, 2022.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.


Akhter Mahmood Mian
Chartered Accountants

Place: Lahore

Date: *May 30 2023*

UDIN#RR202310464XvKBF4Twc

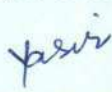
ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2023

	Note	<i>Unaudited</i> 31-03-23 <i>Rupees</i>	<i>Audited</i> 30-09-22 <i>Rupees</i>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital		792,616,660	792,616,660
Capital Reserve:			
-Revaluation surplus on property, plant and equipment		1,167,490,711	1,235,349,332
Revenue Reserve:			
-Un-appropriated loss		(2,307,253,986)	(2,201,286,662)
TOTAL EQUITY		(347,146,616)	(173,320,670)
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term loan from related party - unsecured	7	533,461,541	371,465,030
Long term loan from bank - secured	8	779,134,495	522,134,495
Employee benefit obligations		9,547,121	9,547,121
Deferred tax liability	9	98,935,890	162,994,719
		1,421,079,047	1,066,141,365
CURRENT LIABILITIES			
Trade and other payables	10	2,151,987,701	1,941,222,261
Finance cost payable	11	314,141,133	364,265,110
Short term borrowings - secured	12	18,973,000	18,973,000
Current portion of long term loan from bank		4,500,000	272,798,518
Current tax liability		4,322,961	-
		2,493,924,796	2,597,258,889
TOTAL LIABILITIES		3,915,003,843	3,663,400,254
CONTINGENCIES AND COMMITMENTS	13	-	-
		3,567,857,227	3,490,079,584
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	14	3,270,031,238	3,191,348,788
Long term deposits		1,826,165	1,826,165
		3,271,857,403	3,193,174,953
CURRENT ASSETS			
Stores and spares		45,556,199	40,355,104
Stock in trade	15	122,162,277	150,911,486
Advances, deposits and prepayments	16	116,816,693	98,972,896
Taxes recoverable		3,917,495	3,595,994
Cash and bank balances	17	7,547,160	3,069,151
		295,999,825	296,904,631
		3,567,857,227	3,490,079,584

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

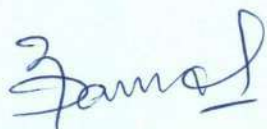


CHIEF FINANCIAL OFFICER

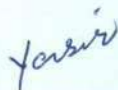
ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

	Note	<i>Six Months Period Ended</i>		<i>Quarter Ended</i>	
		<i>31-03-23</i>	<i>31-03-22</i>	<i>31-03-23</i>	<i>31-03-22</i>
		<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Sales - net	18	345,836,916	-	-	-
Cost of sales	19	611,161,195	94,887,102	508,698,022	48,181,284
Gross (loss) / profit		(265,324,279)	(94,887,102)	(508,698,022)	(48,181,284)
Administrative and general expenses		15,646,505	8,313,540	9,624,483	4,418,915
Distribution expenses		-	-	-	-
		15,646,505	8,313,540	9,624,483	4,418,915
Operating (loss) / profit		(280,970,784)	(103,200,642)	(518,322,505)	(52,600,199)
Other income		92,598,768	216,132	(47,298,711)	-
Finance cost		45,189,799	29,703,919	21,154,875	9,073,384
Loss before tax		(233,561,815)	(132,688,429)	(586,776,091)	(61,673,583)
Taxation	20	59,735,869	39,724,676	42,955,014	1,905,232
(Loss) / profit after tax		(173,825,946)	(92,963,753)	(543,821,077)	(59,768,351)
(Loss) / earnings per share		(2.19)	(1.17)	(6.86)	(0.75)

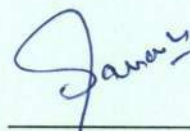
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CHIEF EXECUTIVE OFFICER



DIRECTOR

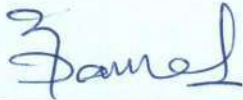


CHIEF FINANCIAL OFFICER

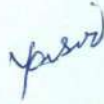
ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

	<i>Six Months Period Ended</i>		<i>Quarter Ended</i>	
	<i>31-03-23</i>	<i>31-03-22</i>	<i>31-03-23</i>	<i>31-03-22</i>
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Items that may be reclassified subsequently to profit or loss				
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit obligation	-	-	-	-
Other comprehensive loss	-	-	-	-
Deferred tax on remeasurement of retirement benefit obligation	-	-	-	-
	-	-	-	-
Other comprehensive loss	-	-	-	-
loss after taxation	(173,825,946)	(92,963,753)	(543,821,077)	(59,768,351)
Total comprehensive income	(173,825,946)	(92,963,753)	(543,821,077)	(59,768,351)

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

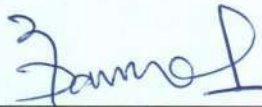


CHIEF FINANCIAL OFFICER

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDIITED)
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2023

	Share Capital	Un-appropriated Profit	Surplus on revaluation of property, plant and equipments - net	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Balance as at October 1, 2021 Audited	792,616,660	(1,949,619,000)	1,303,207,955	146,205,616
Total comprehensive loss for the period	-	(92,963,752)	-	(92,963,752)
Transfer from surplus on revaluation of property plant and equipment	-	47,787,762	(47,787,762)	-
Balance as at March 31, 2022 Un-Audited	<u>792,616,660</u>	<u>(1,994,794,990)</u>	<u>1,255,420,193</u>	<u>53,241,864</u>
Balance as at October 1, 2022 Audited	792,616,660	(2,201,286,662)	1,235,349,332	(173,320,670)
Total comprehensive loss for the period	-	(173,825,946)	-	(173,825,946)
Transfer from surplus on revaluation of property plant and ec	-	67,858,622	(67,858,622)	-
Balance as at March 31, 2023 Un-Audited	<u>792,616,660</u>	<u>(2,307,253,986)</u>	<u>1,167,490,710</u>	<u>(347,146,616)</u>

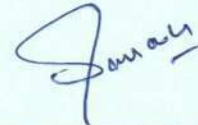
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CHIEF EXECUTIVE OFFICER



DIRECTOR

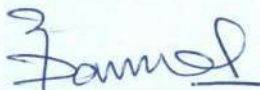


CHIEF FINANCIAL OFFICER

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2023

	<u>31-Mar-2023</u>	<u>31-Mar-2022</u>
	<i>Rupees</i>	<i>Rupees</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(233,561,814)	(132,688,428)
Adjustments for non-cash and other items:		
Depreciation	80,779,970	85,393,429
Provision for gratuity	-	-
Workers' welfare fund	-	-
Finance cost	45,189,799	29,703,918
	<u>125,969,768</u>	<u>115,097,347</u>
Profit before working capital changes	(107,592,045)	(17,591,081)
Working capital changes		
(Increase)/Decrease in:		
Stores and spares	(5,201,095)	(908,965)
Stock in trade	28,749,209	-
Advances, deposits and prepayments	(17,843,797)	26,058
	<u>5,704,318</u>	<u>(882,907)</u>
(Increase)/Decrease in:		
Trade and other payables	210,765,440	(9,327,651)
	<u>210,765,440</u>	<u>(9,327,651)</u>
Cash generated from operations	108,877,713	(27,801,639)
Income tax paid	(321,505)	(103,439)
Finance cost paid	(95,313,774)	(19,098)
Gratuity paid	-	-
	<u>(95,635,279)</u>	<u>(122,537)</u>
Net cash generated from operating activities	13,242,434	(27,924,176)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed assets acquired	(658,000)	-
Capital work in progress	(158,804,415)	-
Net cash used in investing activities	(159,462,415)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan term borrowings	(11,298,518)	(500,000)
Long term loan from related party - unsecured	161,996,508	33,910,059
Short term borrowings	-	-
Net cash (used in)/from financing activities	150,697,990	33,410,059
Net increase/(decrease) in cash and cash equivalents	4,478,009	2,084,999
Cash & cash equivalents at the beginning of the year	3,069,151	984,152
Cash & cash equivalents at the end of the period	<u>7,547,160</u>	<u>3,069,151</u>

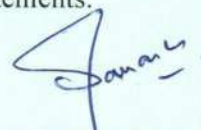
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CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

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

Mill location: Gharo, Sindh

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

2 BASIS OF PREPARATION

2.1 Basis of Accounting

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

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

2.1.2 These condensed interim financial statements provide maximum information as required by law, and should be read in conjunction with the annual audited financial statements for the year ended 30 September 2020.

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

3 GOING CONCERN ASSUMPTION

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

The interim condensed financial statements of the company for the half year ended March 31, 2022 reflect that company has sustained a net loss after taxation of Rs. Rs. 173.825/- million and as of that March 31, 2022 it has accumulated losses of Rs.2,307.253/- million (Sep 2022: Rs.2,201.286 million) and its current liabilities exceeded its current assets by Rs. 2197.924 million (Sep 2022: Rs. 2,821.516 million). These conditions indicate that the material uncertainty exist, which may cast significant doubts on the company's ability to continue as going concern and therefore the company may not be able to realize its assets and discharge its liabilities in the normal course of business. However management has taken the following significant measures to improve the operational performance and liquidity of the company:

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2023

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

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

4 ACCOUNTING STANDARDS AND POLICIES

- 4.1 The accounting standards, policies and the methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the audited financial statements for the year ended 30 September 2020, unless otherwise as mentioned.

5 ACCOUNTING ESTIMATES & JUDGEMENTS

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

In preparing the condensed interim financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of audited financial statements for the year ended 30 September 2022.

6 SEASONALITY OF OPERATIONS

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

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2023

	<i>Unaudited</i>	<i>Audited</i>
	31-03-23	30-09-22
	<i>Rupees</i>	<i>Rupees</i>
7 <u>LONG TERM LOAN FROM RELATED PARTY - UNSECURED</u>		
Subordinated loan from holding company	533,461,541	371,465,030
<p>The loan has been advanced by M/s. Haq Bahu Sugar Mills (Pvt.) Ltd. which carries mark-up @ 3 months KIBOR plus 1% (2022: @ 3 months KIBOR plus 1%) payable half yearly. Since the loan will not be repayable within next twelve months therefore the same has been classified as long term liability. The loan is subordinated to certain short term finance facility obtained by the company and is subject to BOD resolution/approval.</p>		
8 <u>LONG TERM LOAN FROM BANK - SECURED</u>		
Mark-up based borrowing from conventional banks (Secured):		
Term Finance		
Silk Bank	8.1	
	1,472,000	1,972,000
	1,472,000	1,972,000
Islamic Mode of Financing (Secured):	8.2	
Bank Islami	261,000,000	271,798,518
	261,000,000	271,798,518
	262,472,000	273,770,518
Less: Current Portion of Long term Loans	(4,500,000)	(272,798,518)
	257,972,000	972,000
Other Long term liabilities		
TCP	521,162,495	521,162,495
Total Long term Liabilities	779,134,495	522,134,495
8.1	<p>The facility has been obtained from Silk Bank Limited amounting to Rs. 100 million. As per the facility sanctioned advice, the facility carries no mark-up. The facility is secured against pledge of refined sugar with 10% margin. The Silk Bank limited entered into a restructuring programme in the earlier years. The company is making payments towards this obligation on bi annual basis as per the terms of the agreement.</p>	
8.2	<p>The facility has been obtained from Bank Islami Limited amounting to Rs. 275 million. As per the restructuring programme, it carries mark-up COF(5.10%)+2% payable quarterly over the period of 10 years as per terms of the agreement.</p>	
9 <u>DEFERRED TAXATION</u>		
The Liability of Deferred Tax comprises of Temporary differences relating to:		
Taxable Temporary Differences		
Accelerated tax depreciation	276,496,053	242,810,139
Revaluation - net of related depreciation	469,853,992	497,570,894
	746,350,045	740,381,033
Deductible Temporary Differences		
Retirement Benefit Obligation	(2,768,665)	(2,768,665)
Minimum Tax Available for Carry Forward	-	-
Available tax losses and credits	(644,645,490)	(574,617,648)
	(647,414,155)	(577,386,313)
	98,935,890	162,994,720
10 <u>TRADE AND OTHER PAYABLES</u>		
Trade creditors, accrued and other payables	2,051,385,762	1,840,676,666
Deposits	39,076	39,076
Income Tax Payable	3,935,282	3,878,938
Workers' Profit Participation Fund	89,595,978	89,595,978
Workers' Welfare Fund	7,031,603	7,031,603
	2,151,987,701	1,941,222,261

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2023

		<i>Unaudited</i>	<i>Audited</i>
		31-03-23	30-09-22
		<i>Rupees</i>	<i>Rupees</i>
11	<u>FINANCE COST PAYABLE</u>		
	Islamic Mode of Financing:		
	Long Term Financing	87,811,875	128,109,331
	Short Term Borrowings	-	51,706,758
		87,811,875	179,816,089
	Other		
	Long Term Financing	226,329,258	184,449,021
		226,329,258	184,449,021
		314,141,133	364,265,110
12	<u>SHORT TERM BORROWINGS</u>		
	Other Financing (Unsecured):	12.1	18,973,000
			18,973,000
		18,973,000	18,973,000
12.1	This loan is interest free and unsecured and is payable with the mutual consent.		
13	<u>CONTINGENCIES AND COMMITMENTS</u>		
	<u>Contingencies</u>		
a)	The Company received advances from Trading Corporation of Pakistan (TCP) under four different sugar supply agreements. The Company contends that this amount is not due as the buyer did not fulfil its performance obligations. As a prudent policy, adjustments would be made on finalization of the dispute. The company is of the view that Trading Corporation of Pakistan has made numerous breaches of the agreements causing enormous losses to the Company and has filed a civil suit in court of Honourable Civil Judge, Lahore praying to refer the dispute for arbitration under the terms of the agreements. The matter is pending arguments before the Court.		
b)	During the previous years, the TCP filed a complaint with National Accountability Bureau (NAB), Sindh for recovery of the amount advanced by it as referred in preceding paragraph. Total amount claimed by TCP is Rs. 1,311.528 million being principal amount of Rs. 570.913 million plus Rs. 740.615 million being penalty, mark-up and other incidental charges. The matter is pending with NAB for disposal and the management expects that outcome will be in its favour, the penalty, mark-up and other incidental charges of Rs. 740.615 million would not be payable, hence no provision has been made in these financial statements. During the previous years TCP has encashed Margin on Guarantee deposited by the company with the banks and therefore the principal amount claimed has been reduced to Rs. 521.165 million.		
c)	The Company had deposited an amount of Rs. 20.832 million of excise duty in 1991-92 under protest with Collector of Custom and Central Excise, Hyderabad on account of rebate of excise duty earlier claimed as per the incentive given by the government. The Honourable High Court of Sindh has decided the case in favour of Collector of Customs. The company has filed an appeal in Supreme Court of Pakistan which is pending for hearing. The management of the company expects favourable outcome.		
14	<u>PROPERTY, PLANT AND EQUIPMENT</u>		
	Operating assets	14.1	3,050,539,215
	Capital work in progress	14.2	219,492,023
			3,270,031,238
			3,191,348,788
14.1	<u>Operating Assets</u>		
	Net book value at beginning of the period		3,130,661,180
	Addition during the period		658,000
	surplus during the period / year		-
	Depreciation charged during the period		(80,779,970)
			3,050,539,215
			3,130,661,180
14.2	<u>Capital work in progress</u>		
	Plant and machinery		219,492,023
			219,492,023
			60,687,608

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
 FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2023

14.1 PROPERTY, PLANT & EQUIPMENT

Particulars	Land free hold	Experimental land	Building on free hold land:		Plant and machinery	Electric installations	Tools and equipment	Telephone installation	Electric equipment	Furniture and fixture	Office equipment	Arms and ammunition s	Tents and tarpaulins	Computers	Vehicles	Scales and weighbridges	Total
			- Factory	-Non factory													
.....RUPEES.....																	
As at October 01, 2021																	
Cost	9,337,791	11,844,084	270,950,261	106,000,769	4,426,648,485	12,529,128	3,526,377	1,030,151	7,223,203	7,717,229	4,439,008	453,677	3,210,660	3,281,263	12,479,065	14,000	4,880,685,151
Accumulated depreciation	-	-	175,463,556	75,950,961	1,279,530,250	12,037,606	3,062,366	962,876	6,157,184	6,835,815	2,974,998	398,522	2,091,508	2,595,511	11,241,617	10,442	1,579,313,212
Book value	9,337,791	11,844,084	95,486,705	30,049,808	3,147,118,235	491,522	464,011	67,275	1,066,019	881,414	1,464,010	55,155	1,119,152	685,752	1,237,448	3,558	3,301,371,939
Year ended September 30, 2022:																	
Additions	-	-	-	-	-	-	10,500	-	68,000	-	-	-	-	-	-	-	78,500
Disposal:																	
-cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	9,548,671	3,004,981	157,355,912	49,152	46,416	6,728	109,005	88,141	146,401	5,516	111,915	68,575	247,490	356	170,789,262
Book value	9,337,791	11,844,084	85,938,034	27,044,827	2,989,762,323	442,370	428,095	60,547	1,025,014	793,273	1,317,609	49,639	1,007,237	617,177	989,958	3,202	3,130,661,177
Year ended September 30, 2023:																	
Additions	-	-	-	-	-	-	-	-	-	213,300	-	-	-	444,700	-	-	658,000
Disposals:																	
- cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	4,296,902	1,352,242	74,744,058	22,119	21,405	3,028	51,251	39,854	65,881	2,482	50,362	31,230	98,996	160	80,779,970
Book value	9,337,791	11,844,084	81,641,133	25,692,586	2,915,018,265	420,252	406,690	57,520	973,764	966,720	1,251,729	47,157	956,875	1,030,647	890,962	3,042	3,050,539,208
As at September 30, 2022																	
Cost	9,337,791	11,844,084	270,950,261	106,000,769	4,426,648,485	12,529,128	3,536,877	1,030,151	7,291,203	7,717,229	4,439,008	453,677	3,210,660	3,281,263	12,479,065	14,000	4,880,763,651
Accumulated depreciation	-	-	185,012,227	78,955,942	1,436,886,162	12,086,758	3,108,782	969,604	6,266,189	6,923,956	3,121,399	404,038	2,203,423	2,664,086	11,489,107	10,798	1,750,102,471
Book value	9,337,791	11,844,084	85,938,034	27,044,827	2,989,762,323	442,370	428,095	60,547	1,025,014	793,273	1,317,609	49,639	1,007,237	617,177	989,958	3,202	3,130,661,180
As at September 30, 2023																	
Cost	9,337,791	11,844,084	270,950,261	106,000,769	4,426,648,485	12,529,128	3,536,877	1,030,151	7,291,203	7,930,529	4,439,008	453,677	3,210,660	3,725,963	12,479,065	14,000	4,881,421,651
Accumulated depreciation	-	-	189,309,129	80,308,184	1,511,630,220	12,108,877	3,130,187	972,632	6,317,440	6,963,810	3,187,380	406,520	2,253,785	2,695,316	11,588,103	10,958	1,830,882,438
Book value	9,337,791	11,844,084	81,641,133	25,692,586	2,915,018,265	420,252	406,690	57,520	973,764	966,720	1,251,729	47,157	956,875	1,030,647	890,962	3,042	3,050,539,214
Depreciation rate (%)	-	-	10	10	5	10	10	10	10	10	10	10	10	10	20	10	

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

	2023 Rupees	2022 Rupees
Cost of goods manufactured	79,135,008	167,112,425
Administrative Expenses	1,644,962	3,676,837
	80,779,970	170,789,262

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2023

	<i>Unaudited</i>	<i>Audited</i>
	<u>31-03-23</u>	<u>30-09-22</u>
	<i>Rupees</i>	<i>Rupees</i>
15 STOCK IN TRADE		
Work in Process	112,632,372	150,911,486
Finished Goods	9,529,905	-
	<u>122,162,277</u>	<u>150,911,486</u>
16 ADVANCES, DEPOSITS AND PREPAYMENTS		
Advances - Unsecured, considered good		
Growers	33,692,118	31,634,966
Contractors	9,652,341	4,162,025
Suppliers	40,615,892	30,860,028
Employees	1,031,857	1,107,857
For expenses	15,769,713	15,153,248
	239,772	239,772
Export rebate receivable	15,815,000	15,815,000
	<u>116,816,693</u>	<u>98,972,896</u>
Excise duty deposit	20,831,910	20,831,910
Sales tax receivable	-	-
	<u>137,648,603</u>	<u>119,804,806</u>
Provision against excise duty deposit	(20,831,910)	(20,831,910)
	<u>116,816,693</u>	<u>98,972,896</u>
17 CASH AND BANK BALANCES		
Cash at Banks	5,422,738	865,167
Cash in Hand	2,124,422	2,203,984
	<u>7,547,160</u>	<u>3,069,152</u>

Un-Audited		Un-Audited	
Half Year Ended		Quarter Ended	
31-Mar-23	31-Mar-22	31-Mar-22	31-Mar-21
Rupees	Rupees	Rupees	Rupees

18 SALES - NET				
Gross Local Sales				
Sugar	324,073,131	-	-	-
Molasses	82,529,516	-	-	-
Total Gross Sales	<u>406,602,647</u>	-	-	-
Less: Sales tax	(60,765,731)	-	-	-
	<u>345,836,916</u>	-	-	-
19 COST OF SALES				
Cost of sugar cane	371,653,260	-	371,538,662	-
Stores and spares consumed	16,621,613	436,055	13,798,332	420,015
Oil and lubricants consumed	2,760,663	-	2,579,718	-
Packing material consumed	2,807,143	-	2,807,143	-
Chemical consumed	5,174,739	-	5,151,348	-
Salaries, wages and benefits	55,956,620	8,137,749	33,362,582	4,506,850
Water, fuel and power	31,411,589	967,639	29,241,924	443,873
Vehicle running and maintenance	3,060,511	583,734	2,041,342	334,421
Freight, handling and octroi	9,215,880	87,947	7,382,060	87,547
Depreciation	79,135,008	83,556,212	39,567,502	41,778,110
Others	4,614,961	1,117,767	1,227,409	610,468
	<u>582,411,986</u>	<u>94,887,102</u>	<u>508,698,022</u>	<u>48,181,284</u>
Add: Opening WIP	150,911,486	150,911,486	150,911,486	150,911,486
Less: Closing WIP	(112,632,372)	(150,911,486)	(150,911,486)	(150,911,486)
Cost of Goods Manufactured	<u>620,691,100</u>	<u>94,887,102</u>	<u>508,698,022</u>	<u>48,181,284</u>
Add: Opening Finished Goods	-	-	-	-
Less: Closing Finished Goods	(9,529,905)	-	-	-
	<u>611,161,195</u>	<u>94,887,102</u>	<u>508,698,022</u>	<u>48,181,284</u>

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2023

		<i>Unaudited</i>	<i>Audited</i>
		<u>31-03-23</u>	<u>30-09-22</u>
		<i>Rupees</i>	<i>Rupees</i>
20	<u>TAXATION</u>		
	Taxation for the period		
	Current	4,322,961	-
	Deferred	(64,058,830)	(39,724,676)
		<u>(59,735,869)</u>	<u>(1,905,232)</u>
		<u>(59,735,869)</u>	<u>(39,724,676)</u>
		<u>(26,239,386)</u>	<u>(1,905,232)</u>
		<u>(26,239,386)</u>	<u>(1,905,232)</u>
21	<u>FINANCE COST</u>		
	Mark up on subordinated sponsors' loan-Haq bahu	41,880,237	17,291,076
	Mark up on long term loan	3,201,482	12,393,744
	Bank charges and commission	108,080	19,099
		<u>45,189,799</u>	<u>29,703,919</u>

22 **TRANSACTIONS WITH RELATED PARTIES**

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

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

Relationship	Nature of Transaction	Un-Audited	
		Half Year Ended	
		31-Mar-22	31-Mar-22
		Rupees	Rupees
Parent Company	Mark-up expense	41,880,237	17,291,076
Key management personnel	Remuneration and other benefits	3,275,807	143,000

23 **FINANCIAL RISK MANAGEMENT**

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

There has been no change in the Company's sensitivity to these risks since September 30, 2020, except for the change in exposure from liquidity risks due to increase in borrowings and general exposure due to fluctuations in foreign currency and interest rates. There have been no change in risk management objectives and policies of the Company during the current period.

These condensed interim financial statements does not include all financial risk management information and disclosures as required in the audited annual financial statements and should be read in conjunction with the Company's annual audited financial statement as at September 30, 2020.

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

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

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

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

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

25 **CORRESPONDING FIGURES**

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

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2023

<i>Unaudited</i>	<i>Audited</i>
31-03-23	30-09-22
<i>Rupees</i>	<i>Rupees</i>

26 CORRESPONDING FIGURES

The preparation & presentation of these financial statements for the year ended September 30, 2022 is in accordance with the requirement of Companies Act 2017. The fifth schedule to the Companies Act, 2017 has introduced certain presentation and classification requirement for the elements of the financial statements. Accordingly, the corresponding figures have been rearranged and reclassified, wherever necessary, to comply with requirements of the Companies Act 2017 & for better presentation. Following major reclassifications have been made during the year.

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

26 DATE OF AUTHORIZATION

These condensed interim financial statements have been authorized for issue by the Board of Directors on 30 May 2023.

27 GENERAL

27.1

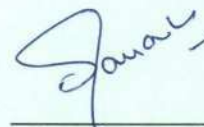
Figures in these condensed interim financial statements has been rounded off to the nearest Rupee unless otherwise stated.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER