

# **ANNUAL REPORT AND ACCOUNTS**

---

# 2023



# **DATA AGRO LIMITED**


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**COMPANY INFORMATION**

<b>Chairman:</b>	Mr. Salim Husain	
<b>Chief Executive:</b>	Mr. Faaiz Rahim Khan	
<b>Directors:</b>	Mr. Faaiz Rahim Khan Mr. Shahzad Ullah Khan Mr. Salim Husain Mr. Tariq Mahmood Hassan Butt Mr. Saad Rahim Khan Mr. Anwar-ul-Haq Mrs. Saman Ghazi Khan	
<b>Chief Financial Officer:</b>	Mr. Muhammad Azam	
<b>Company Secretary:</b>	Mr. Suhail Mehmood	
<b>Audit Committee:</b>	Mr. Tariq Mahmood Hassan Butt (Chairman) Mr. Salim Husain (Member) Mr. Saad Rahim Khan (Member)	
<b>HR Committee:</b>	Mr. Saad Rahim Khan (Chairman) Mr. Tariq Mahmood Hassan Butt (Member) Mrs. Saman Ghazi Khan (Member)	
<b>Risk Management Committee:</b>	Mr. Saad Rahim Khan (Chairman) Mr. Shahzad Ullah Khan (Member) Mrs. Salim Husain (Member)	
<b>Auditors:</b>	Masoom Akhtar & Co., Chartered Accountants Office No. 611, 6th floor, ISE Towers, Jinnah Avenue, Islamabad	
<b>Bankers:</b>	Habib Bank Limited Allied Bank Limited The Bank of Punjab MCB Bank Limited	Meezan Bank Limited Askari Bank Limited National Bank Limited
<b>Legal Advisor:</b>	Ashtar Ali & Co. Advocates and Corporate Consultants	
<b>Share Registrar:</b>	Hameed Majeed Associates (Pvt.) Ltd. H.M. House, 7-Bank Square, Lahore	
<b>Registered Office:</b>	Suite 5, The Polo Residence, Opposite Allama Iqbal International Airport, Adjacent Sector A, Phase 8, DHA, Lahore.	

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting of Shareholders of Data Agro Limited will be held on Monday November 27, 2023 at 11:00 A.M. at the Registered Office of the Company, Suite 5, The Polo Residence, Opposite Allama Iqbal International Airport, Adjacent Sector-A, Phase-8, DHA, Lahore to transact the following business.

1. To confirm the minutes of 30th Annual General Meeting held on October 28, 2022.
2. To receive and adopt the Audited Accounts of the Company along with Directors and Auditors reports thereon, for the year ended June 30, 2023.
3. To appoint Auditors of the company for the year ended June 30, 2024 and to fix their remuneration. The retiring Auditors M/s Masoom Akhtar & Co. Chartered Accountants, being eligible has offered themselves for re-appointment.
4. In accordance with Section 223 of the Companies Act, 2017 and pursuant to S.R.O.389/(I)/2023 dated March 21, 2023 the Financial Statements of the Company have been uploaded on the website of the Company which can be downloaded from the following weblink enabled QR code: 
4. Any other business with the permission of the chair.

Lahore  
November 06, 2023

**BY ORDER OF THE BOARD**  
**(Suhail Mehmood)**  
Company Secretary

### **Participation in Annual General Meeting Through Video Link:**

Securities and Exchange Commission of Pakistan through its Circular No. 4, dated February 15, 2021 has directed the listed companies to ensure the participation of members in Annual General Meeting through electronic means as per regular feature in addition to holding physical meetings.

Accordingly, the Company will be providing the facility to all shareholders to participate in the AGM through video link while ensuring compliance with the quorum requirements.

The shareholders intending to participate in the meeting via video link are hereby requested to share following information with the office of the Company Secretary (address mentioned below) earliest but not later than 48 hours before the time of the AGM i.e before 11:00 am on November 25, 2023.

### **Required information:**

Shareholder Name, CNIC Number, Folio/CDC Account No., Mobile phone Number\* and Email address\* Shareholders are requested to provide active mobile number and email address to ensure timely communication.

**Modes of Communication:**

The above mentioned information can be provided through following modes:

- a) Mobile/WhataApp: 0321-4458932 b) suhail.mehmood@dataagrolimited.com

Video link details and login credentials (ZOOM) Application) will be shared with those shareholders who provide their intent to attend the meeting containing all the particulars as mentioned above on or before November 25, 2023 by 11.00 am.

Shareholders are also encouraged to provide their comments and queries on the agenda items of the AGM through above contact number/email address which will be appropriately address in the meeting.

**NOTES:**

- (a) The Share Transfer Books of the Company will remain close from November 21, 2023 to November 28, 2023 (both days inclusive).
- (b) A member entitled to attend and vote at the above meeting may appoint another member as proxy to attend, speak, & vote on his/her behalf. Proxies in order to be effective must be received at the Registered Office of the Company not later than forty eight hours before the time of meeting and must be duly stamped, signed and witnessed.
- (c) Members whose shares are deposited within CDC of Pakistan Limited are requested to bring original computerized CNIC along with the participants ID number and their account number in CDC of Pakistan Limited to facilitate identification at the time of annual general meeting. In case of proxy, an attested copy of proxy's CNIC, account and participant CNIC be enclosed. In case of corporate entity, the board of directors resolution/Power of attorney with the specimen signature of the nominee shall be produced at the time of meeting (unless it has been provided earlier or the corporate entity has appointed proxy).
- (d) Members are requested to notify the Company of the any change in their addresses, if any change inform the Company's Share Registrar M/s Hameed Majeed Associates (Pvt) Ltd at H.M House 7-Bank Square, Lahore.
- (e) SECP through its Notification SRO 787 (I)/2014 dated September 8, 2014 has allowed the circulation of Audited Financial Statements along with Notice of Annual General Meeting to the members of the Company through e-mail. Therefore, all members of the Company who which to receive soft copy of Annual Reports are requested to send their e-mail address. The consent form for electronic transmission could be downloaded from the Company's website: [www.dataagrolimited.com](http://www.dataagrolimited.com).

The Company shall, however, provide hard copy of the Audited Financial Statement to its shareholders, on request, free of cost, within seven days of receipt of such request.

## **CHAIRMAN'S REVIEW**

I would like to take this opportunity to express my views in the enclosed Chairman Review for the year ended June 30, 2023 as required under the section 192(4) of Companies Act, 2017 on overall performance and effectiveness of the board of Data Agro Limited in achieving its objectives.

The global outlook does not seem supportive for the business sector since high energy cost supply-chain disruptions, surging commodities prices coupled with rising interest rates and high inflationary pressure adding the risk of recession. Nonetheless, I believe that by utmost efforts of the board we can smoothly steered the company in these challenging times.

The company has an effective governance framework in place which complies with the requirements set out in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 with respect to the composition, procedures and meetings of the Board and its committees.

The role of governance board becomes more important where country is facing declining economics growth, massive devaluation of the currency, double-digit inflation and sky-high interest rates. In these testing times the of the board of is critical to the success of an organization and ultimately the board of directors are responsible for its success since they collectively bear the legal responsibility to govern the organization. The board members of the company having the strong strategic and diverse experience in assist the organization to sail smoothly by addressing opportunities and potential threats. The strategic planning has been done on ongoing basis by the board including both short and long term goals. The board directors have devised strategies to counter the challenges, increased volatility and competitive pressure in the business environment faced by the business sector.

**LAHORE**  
November 04, 2023



**Chairman**

## DIRECTOR'S REPORT

The Directors of your Company are please to present the 31st Annual Report along with the audited accounts for the year ended June 30, 2023.

### Performance Review

The company has processed seeds of Cotton, Wheat and produced Hybrid Corn. We continue to add new crops to our range of seeds that we provide to the farmer. We are actively involved in Hybrid Corn production. We benefited from the farmers positive outlook on the cotton crop. Seed processing/delinting totaling 3,305 Metric Tons (2022: 3679 Metric Tons)

	<b>2023</b> (M.Ton)	<b>2022</b> (M.Ton)
Production	<u>3305</u>	<u>3679</u>

### Financial Results

The summary of financial results is being furnished hereunder for a quick glance.

	<b>2023</b> (Rupees)	<b>2022</b> (Rupees)
Sales	214,572,969	202,622,430
Cost of sales	163,007,081	154,743,159
Gross profit	<b>51,565,888</b>	<b>47,879,271</b>
Operating expenses	31,708,280	28,682,110
Finance & other charges	7,445,977	1,447,560
Other income	3,826,336	831,886
<b>Profit before taxation</b>	<b>16,237,967</b>	<b>18,581,487</b>
Taxation	(582,372)	15,904,285
<b>Profit/ (loss) after taxation</b>	<b>16,820,339</b>	<b>2,677,202</b>
<b>Earnings per share</b>	<b>4.21</b>	<b>0.67</b>

This Financial year has shown better performance despite inflationary effects of international markets. Financials show a slightly decrease in profit before tax due to increase in financial cost. The main reason for the overall positive change has been the efforts of our professional staff. Third party cultivation reduced our costs and we hope to continue to use this as a major form of production for our various seed programmes. Our new Hybrids produced good results and reports from market and farmers are positive. We hope sales of these seeds will increase further.

Due to inflation, cost of raw material has increased significantly. To take care of this unprecedented rise we have obtained working capital loans from banks. We are confident this will have a positive impact on the overall health of the company. Management has done extremely well in controlling administrative costs. Distribution has been made more effective while maintaining strict financial checks. The company meets all Prudential Regulations/Ratios of State Bank of Pakistan.

We continue to invest heavily in R&D of Hybrid Corn and other seeds. This has lowered profit margins but we consider it a worthwhile investment. We are hopeful the coming year will produce favorable results from Hybrid Corn sales. We are optimistic about the yields from our Hybrids. Our sale of Hybrid seeds has maintained high standards of quality.

## Corporate Governance

Please note that our company is fully compliant to the provisions of the Code of Corporate Governance as incorporated in Listing Rules of the stock Exchange;

The following are statements on corporate and financial reporting frame work;

1. The financial statement, prepared by the management of the company, present fairly its state of Affairs, the result of its operations, cash flows and changes in equity.
2. Proper books of accounts have been maintained by the company.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International accounting Standards, as applicable in Pakistan have been followed in preparation of financial statements.
5. The system of internal control is sound and is continuously reviewed by internal audit and other such procedures. The process of review will continue with the objective to improve further.
6. The company has followed the best practices of Corporate Governance, as detailed in the listing regulations wherever possible.
7. There are no doubts upon the company's ability to continue as a going concern.
8. The company has not declared any dividend. The company has planned to invest and utilize available funds to get better results and profit.

## Audit Committee

The board has constituted an audit committee, consisting of two non-executive directors and its chairman is an independent director.

## HR Committee

The board has constituted a HR committee, consisting of two non-executive directors and an independent director.

## Risk Management Committee

The board has constituted a Risk Management Committee, consisting of two non-executive directors and an independent director.

## Key Operating and Financial Data

A statement summarizing key operating and financial data for six years including current year is annexed.

## Vision/Mission

The statement reflecting the Vision/Mission of the company is annexed.

## Ethics and Business Practices

The statement outlining the Ethics and Business Practices of the company is annexed.



### Board Meeting

During the financial year under consideration six meetings were held and the attendance by respective directors was as follows:

Name of Directors	Number of Board Meetings Attended
Mr. Faaiz Rahim Khan	5
Mr. Salim Husain	5
Mr. Tariq Mahmood Hassan Butt	6
Mr. Saad Rahim Khan	6
Mr. Anwar-ul-Haq	6
Mr. ShahzadUllah Khan	4
Mrs. Saman Ghazi	5

Leave of absence was granted to Directors who could not attend any of the Board meetings.

### Changes in Board during the year

Casual Vacancies:

During the year, no casual vacancy occurred in the Board:

### Pattern of Shareholdings

The pattern of Shareholdings is on page No.53.

### Future Outlook

In future we shall concentrate on Hybrid Corn seed but will also make efforts to make our range of seeds comprehensive. In the coming year we shall invest in varieties of cotton seed and wheat and plan to enter in the vegetable seeds market. This will increase our capacity utilization further while maintaining our high standards of quality.

### Auditors

The present Auditors M/S.Masoom Akhtar & Co. Chartered Accountants, retired and being eligible for re-appointment for the year ending June 30, 2024.

### Acknowledgment

I want to thank our employees, customers, and suppliers for their continued support and faith in the company. All our shareholders must closely examine the results and see that we are making progress in the right direction. I would like to express our gratitude to our shareholders for support and encouragement.

LAHORE  
November 04, 2023



Director



Chief Executive

## ڈائریکٹر کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز براہ کرم 30 جون 2023 کو ختم ہوئے سال کے آڈٹ شدہ اکاؤنٹس کے ساتھ 31 ویں سالانہ رپورٹ پیش کر رہے ہیں۔

کارکردگی کا جائزہ

کمپنی نے کپاس اور گندم کے بیجوں پر کام کیا ہے اور ہائبرڈ کارن کے بیج تیار کئے ہیں۔ ہم اپنے بیجوں کی حد میں نئی فصلیں شامل کرتے رہتے ہیں جو ہم کسان کو فراہم کرتے ہیں۔ ہم ہائبرڈ کارن کے بیجوں کی تیاری پر پوری طرح کام کر رہے ہیں۔ کپاس کی فصل کے بارے میں کاشتکاروں کے مثبت انداز سے ہمیں فائدہ ہوا۔ ہمارے نتائج میں تھرڈ پارٹی کاٹن بیج کی پروسیسنگ میں کمی آئی ہے اور کل پیداوار ڈائننگ

3305 میٹرک ٹن ہے۔ (2022: 3679)

2022 میٹرک ٹن 3679	2023 میٹرک ٹن 3305	پیداوار
		مالی نتائج
		یہاں مالی نتائج کا خلاصہ پیش کیا جا رہا ہے۔
202,622,430	214,572,969	فروخت
154,743,159	163,007,081	قیمت فروخت
<b>47,879,271</b>	<b>51,565,888</b>	ابتدائی منافع
28,682,110	31,708,280	آپریٹنگ اخراجات
1,447,560	7,445,977	مالی اور دیگر اخراجات
831,886	3,826,336	متفرق آمدنی
<b>18,581,487</b>	<b>16,237,967</b>	آمدنی ٹیکس لگانے سے پہلے
15,904,285	(582,372)	ٹیکس
<b>2,677,202</b>	<b>16,820,339</b>	ٹیکس لگانے کے بعد (نقصان) / منافع
<b>0.67</b>	<b>4.21</b>	فی شیئر آمدنی

کمپنی کے حسابات اچھی کارکردگی دکھا رہے ہیں۔ انٹرنیشنل سطح پر مہنگائی کی وجہ سے کاروباری لوگوں کو مشکلات کا سامنا ہونے کے باوجود حسابات کمپنی کے منافع میں ٹیکس سے پہلے معمولی سی کمی دکھا رہے ہیں اس کی بڑی وجہ مارک اپ ہے۔ ان مشکل حالات میں اس مثبت تبدیلی کی اصل وجہ ہمارے پیشہ ور عمل کی کوششیں ہیں۔ تیسری پارٹی کی کاشت نے ہمارے اخراجات کو کم کر دیا اور ہم امید کرتے ہیں کہ بیج کے ہمارے مختلف پروگراموں میں اس کو پیداوار کی ایک بڑی شکل کے طور پر استعمال کرتے رہیں گے۔ ہمارے نئے ہائبرڈس نے اچھے نتائج برآمد کیے اور مارکیٹ اور کسانوں کی طرف سے آنے والی اطلاعات مثبت ہیں۔ ہمیں امید ہے کہ ان بیجوں کی فروخت میں مزید اضافہ ہوگا۔

مہنگائی کی وجہ سے خام مال کی قیمتوں بہت اضافہ ہو گیا ہے اس کی وجہ سے کمپنی کی قوت خرید میں کمی ہوئی اس کو پورا کرنے کیلئے کمپنی نے بینکوں سے قرضہ لیا ہے انتظامیہ امید کر رہی ہے کہ یہ کمپنی کیلئے فائدہ مند ہوگا۔ انتظامی اخراجات کو کنٹرول کرنے میں انتظامیہ نے بہت عمدہ کارکردگی کا مظاہرہ کیا ہے۔ سخت مالی جانچ پڑتال کرتے ہوئے تقسیم کو زیادہ موثر بنایا گیا ہے۔ کمپنی اسٹیٹ بینک آف پاکستان کے تمام پروڈیوسٹیل ریگولیشنز/تناسب کو پورا کرتی ہے۔

ہم ہائبرڈ کارن اور دیگر بیجوں کے R&D میں بھاری سرمایہ کاری جاری رکھے ہوئے ہیں۔ اس سے منافع کا مارجن کم ہوا ہے لیکن ہم اسے قابل قدر سرمایہ کاری سمجھتے ہیں۔ ہمیں امید ہے کہ آنے والی سہ ماہی ہائبرڈ کارن کی فروخت سے سازگار نتائج برآمد کرے گی۔ ہم پیداوار کے نتائج کے بارے میں پرامید ہیں۔ ہماری کپاس کے بیج کی فروخت نے پیداوار کے اعلیٰ معیار کو برقرار رکھا ہے۔

## کارپوریٹ گورننس

- براہ کرم نوٹ کریں کہ آپ کی کمپنی کوڈ آف کارپوریٹ گورننس کی دفعات کی پوری طرح تعمیل کر رہی ہے جیسا کہ اسٹاک ایکسچینج نے ہدایات دی ہوئی ہیں۔
- کارپوریٹ اور مالی رپورٹنگ فریم ورک کے بارے میں مندرجہ ذیل بیانات ہیں۔
1. کمپنی انتظامیہ کے ذریعے تیار کردہ مالیاتی رپورٹ، اس کے معاملات / کیش فلو اور ایکویٹی کی صحیح تصویر پیش کرتی ہے۔
  2. کمپنی کے زیر نگرانی اکاؤنٹس کی کتابیں بنائی گئی ہیں۔
  3. مالی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو ہوتی ہیں اور محاسبہ کا تخمینہ معقول اور محتاط فیصلے پر مبنی ہوتا ہے۔
  4. بین الاقوامی اکاؤنٹنگ کا معیار جو کہ پاکستان میں لاگو ہوتا ہے، مالی رپورٹس کی تیاری کیلئے استعمال کیا گیا ہے۔
  5. اندرونی کنٹرول کا نظام مستحکم ہے اور اندرونی آڈٹ اور اس طرح کے دیگر طریقہ کار کے ذریعہ اس کا مستقل جائزہ لیا جاتا ہے۔ نظر ثانی کا عمل مزید بہتر بنانے کے مقصد کے ساتھ جاری رہے گا۔
  6. کمپنی نے کارپوریٹ گورننس کے بہترین طریقوں پر عمل کیا ہے، جیسا کہ جہاں بھی ممکن ہو اسٹیک کے ضوابط پر عمل کیا گیا ہے۔
  7. کمپنی کے کام کرنے کی صلاحیت پر کوئی شک نہیں۔
  8. کمپنی نے کسی بھی منافع کا اعلان نہیں کیا ہے۔ کمپنی نے بہتر نتائج اور منافع حاصل کرنے کے لئے دستیاب فنڈز میں سرمایہ کاری اور ان کا استعمال کرنے کا منصوبہ بنایا ہے۔

## آڈٹ کمیٹی

بورڈ نے ایک آڈٹ کمیٹی تشکیل دی ہے، جس میں دونوں ایگزیکٹو ڈائریکٹرز شامل ہیں اور اس کا چیئر مین خود مختار ڈائریکٹر ہے۔

## ایچ آر کمیٹی

بورڈ نے ایک ایچ آر کمیٹی تشکیل دی ہے، جس میں دونوں ایگزیکٹو ڈائریکٹرز اور ایک خود مختار ڈائریکٹر شامل ہیں۔

## رسک مینجمنٹ کمیٹی

بورڈ نے ایک رسک مینجمنٹ کمیٹی تشکیل دی ہے، جس میں دونوں ایگزیکٹو ڈائریکٹرز اور ایک خود مختار ڈائریکٹر شامل ہیں۔

## کلیدی آپریٹنگ اور مالیاتی ڈیٹا

نظر ثانی رپورٹ میں چھ سالوں کے کلیدی آپریٹنگ اور مالی اعداد و شمار کا خلاصہ پیش کیا گیا ہے۔

## وژن/میشن

کمپنی کے وژن/میشن کی عکاسی کرنے والا بیان ضمیمہ ہے۔

## اخلاقیات اور کاروباری عمل

کمپنی کے اخلاقیات اور کاروباری طریقوں کا خاکہ پیش کیا گیا ہے۔

## بورڈ کے اجلاس

مالی سال کے دوران زیر نگرانی اجلاس ہوئے اور متعلقہ ڈائریکٹرز کی حاضری کچھ اس طرح تھی۔

بورڈ میننگ میں شرکت کی تعداد	ڈائریکٹرز کے نام
5	فائزر حیم خان
5	سلیم حسین
6	طارق محمود حسن بٹ
6	سعد رحیم خان
6	انوار الحق
4	شہزاد اللہ خان
5	شمن غازی خان

غیر حاضری کی چھٹی ان ڈائریکٹرز کو دی گئی جو بورڈ کے اجلاسوں میں شرکت نہیں کر سکتے تھے۔

شیئر ہولڈنگز کا نمونہ

شیئر ہولڈنگز کا نمونہ صفحہ نمبر 53 پر ہے۔

مستقبل کا تعین

مستقبل میں ہم باہر ڈکارن بیج پر توجہ دیں گے لیکن اپنے بیجوں کی حد کو جامع بنانے کے لئے بھی کوششیں کریں گے۔ آنے والے سال میں ہم کپاس کے بیج اور گندم کی مختلف اقسام میں سرمایہ کاری کریں گے اور سبزیوں کے بیجوں کی منڈی میں داخل ہونے کا ارادہ کریں گے۔ یہ ہمارے اعلیٰ معیار کے معیار کو برقرار رکھتے ہوئے ہماری صلاحیت کے استعمال میں مزید اضافہ کرے گا۔

آڈیٹرز

موجودہ آڈیٹرز معصوم اختر چارٹرڈ اکاؤنٹنٹس، ریٹائرڈ ہوئے ہیں اور اہل ہیں اور خود کو 30 جون 2024 کو ختم ہونے والے سال کے لئے دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔

اعتراف

میں اپنے ملازمین، صارفین اور سپلائرز کا ان کی مسلسل حمایت اور کمپنی میں اعتماد کے لئے ان کا شکریہ ادا کرنا چاہتا ہوں۔ ہمارے تمام حصص یافتگان کو نتائج کا قریب سے جائزہ لینا چاہئے اور یہ دیکھنا چاہئے کہ ہم صحیح سمت میں ترقی کر رہے ہیں۔ میں حمایت اور حوصلہ افزائی کے لئے اپنے حصص داروں سے اظہار تشکر کرنا چاہتا ہوں۔

LAHORE  
November 04, 2023

SAND KIAN

Director

Shahid Khan

Chief Executive

## **VISION/MISSION STATEMENT**

### **a. Vision Statement**

Our Vision is;

- \* A leading producer of agro products (seeds, chemicals) by providing the highest quality of products and services to its customers/growers by making an efficient use of the sciences of modern genetics, biotechnology and plant nutrition.
- \* To strive for excellence through commitment, integrity, honesty and team work.
- \* Highly ethical company and be respected corporate citizen to continue playing due role in the social and environmental sectors of the country.
- \* To develop an extremely motivated and professional trained work force, which would drive growth through innovation and renovation.
- \* Sustained growth in earning in real terms.

### **b. Mission Statement**

- \* Our mission is to be dynamic, profitable and growth oriented company by providing good return on investment to its shareholders and investors, quality products to its customers/growers and a secure and friendly environment place of work to its employees and to project Pakistan's image in the National and International agro Market.

**STATEMENT OF COMPLIANCE  
With Listed Companies (Code of Corporate Governance) Regulations, 2019  
Year ending: June 30, 2023**

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

1. The total number of director's areas per the following:

Gender	Number
Male	6
Female	1

2. The total number of directors are as per the following:

Category	Names
Independent Director	Mr. Tariq Mahmood Hassan Butt Mr. ShahzadUllah Khan
Other Non-Executive Directors	Mr. Saad Rahim Khan Mr. Salim Husain Mrs. Saman Ghazi Khan
Executive Directors	Mr. Faaiz Rahim Khan Mr. Anwar UIHaq

Best practices of corporate governance entail having an optimal number and mix of board members with adequate skills and experience. The current Board of Directors of the Company adequately meets this requirement. Further, existing independent directors play an effective part within the Board and make valuable contribution. Therefore, the fraction (2.3) has not been rounded up.

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 Companies Act, 2017 (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 have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. In terms of Regulation 20 of Code of Corporate Governance Regulations, 2017, the listed Companies are required to ensure that all directors on their board must have acquired the prescribed certification under Director Training Program by June 30, 2022. Five directors have completed their Director Training Program and two of of the seven Directors are exempt from this training program on the basis of having a minimum of 14 years of education and 15 years of experience on the board of a listed company.
10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

<b>Committees</b>	<b>Composition/Names</b>
Audit Committee	Mr. Tariq Mahmood Hassan Butt - Chairman (Independent Director) Mr. Saad Rahim Khan - Member Mr. Salim Husain - Member
HR & Remuneration Committee	Mr. Saad Rahim Khan–Chairman Mr. Tariq Mahmood Hassan Butt– Member (Independent Director) Mrs. Saman Ghazi Khan - Member
Risk Management Committee	Mr. Saad Rahim Khan - Chairman Mr. ShahzadUllah Khan– Member (Independent Director) Mr. Salim Husain – Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committee was as per following:

<b>Committees</b>	<b>Composition/Names</b>
Audit Committee	Four quarterly meetings were held during the financial year ended June 30, 2023
HR & Remuneration Committee	Two meeting was held during the financial year ended June 30, 2023
Risk Management Committee	Two meeting was held during the financial year ended June 30, 2023

15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or 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.

Place: Lahore.  
Date: November 04, 2023



**Chief Executive**

14



**Chairman**

## **STATEMENT OF ETHICS AND BUSINESS PRACTICES**

Data Agro Limited was established with an aim of producing quality delinted cotton seed for its customers. The following core values have been incorporated in our system to promote ethical business practices while producing quality products.

### **THE QUALITY OF PRODUCT**

We strive to produce the best quality delinted cotton seed for our customers. We continuously update ourselves with technological advancements in cotton seed delinting technology and strive to implement these changes in our company. We maintain all relevant technical and professional standards to be compatible with the requirements of the trade.

### **EMPLOYEES**

Recruitment of personnel on merit offering training and career development, equal opportunities of growth, no discrimination or harassment and reward for achievements. Improved working conditions, ensuring safety and health. Terminal benefits as per policy on retirement or redundancy.

Employees shall not use company information and assets for their personal advantage. Conflict of interest shall be avoided and disclosed where it exists and guidance sought.

### **CUSTOMER RELATION**

Ensure customer satisfaction by providing quality products at competitive prices and ensuring after sale service and advice. Prompt, efficient attention to complaints is integral to our client care commitment.

### **SHARE HOLDERS, FINANCIAL INSTITUTIONS & CREDITORS**

Protection of investment made in the company. We focus on maximizing long term share holder's value through strong financial performance and returns, disciplined and profitable expansion. A commitment to accurate and timely communication on achievements and prospects.

### **SUPPLIERS**

Prompt settling of bills, co-operation to achieve quality and efficiency, no bribery or excess hospitality accepted or given.

### **SOCIETY/COMMUNITY**

Compliance with the spirit of laws. Timely payment of all Government taxes and dues. Eliminate the release of substance that may cause environmental damage. Financial assistance for promoting education and social activities including games and donations charity to deserving.

### **GENERAL**

The company shall neither support any political party nor contribute funds to groups or associations whose activities promote political interest through trade association.

### **IMPLEMENTATION**

Company board to ensure implementation of these codes, regular monitoring, review for modification/amendment where necessary.



## KEY OPERATING AND FINANCIAL DATA FOR THE LAST SIX YEARS

### Historical 6 years data BALANCE SHEET

	2023 Rupees	2022 Rupees	2021 Rupees	2020 Rupees	2019 Rupees	2018 Rupees
<b>CAPITAL &amp; LIABILITIES</b>						
Share Capital & Reserve						
Authorise Capital						
5,000,000 ordinary shares of Rs. 10 each	<b>50,000,000</b>	<b>50,000,000</b>	<b>50,000,000</b>	<b>50,000,000</b>	<b>50,000,000</b>	<b>50,000,000</b>
<b>Issued, subscribed and paid up capital</b>						
4,000,000 ordinary shares of Rs. 10 each	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000
Surplus on Revaluation of Property, Plant & equipment	72,678,511	77,961,659	57,659,418	61,756,000	66,307,758	46,569,160
Revenue reserve	76,034,319	53,193,900	41,445,541	29,303,759	18,943,441	10,498,310
	188,712,830	171,155,558	139,104,959	131,059,759	125,251,199	97,067,470
Loan from directors	24,378,943	24,378,943	24,378,943	24,378,943	27,878,943	24,378,943
<b>NON-CURRENT LIABILITIES</b>						
Deferred liabilities	33,978,962	37,361,648	26,675,353	25,805,466	25,952,919	21,767,017
	33,978,962	37,361,648	26,675,353	25,805,466	25,952,919	21,767,017
<b>CURRENT LIABILITIES</b>						
Short term financing	126,098,445	-	-	-	-	-
Trade and other payable	21,193,905	17,470,980	27,303,184	23,105,828	20,066,670	20,562,945
Loan from directors	-	2,000,000	-	-	-	-
provision for taxation	5,219,386	4,338,734	5,781,565	5,229,034	4,139,303	4,155,430
	152,511,736	23,809,714	48,084,749	28,334,862	24,205,973	24,718,375
	<b>399,582,472</b>	<b>256,705,863</b>	<b>238,244,003</b>	<b>209,579,029</b>	<b>203,289,033</b>	<b>167,931,805</b>
<b>NON-CURRENT ASSETS</b>						
Property plant & equipment	107,006,201	115,644,936	89,129,742	93,072,455	99,028,064	75,660,922
<b>CURRENT ASSETS</b>						
Store, spares & loose tools	10,528,559	6,244,579	8,046,464	5,173,230	4,792,724	3,893,053
Stock in trade	159,481,993	52,324,564	64,100,379	36,035,095	31,059,304	30,032,857
Trade debts	82,288,198	56,155,044	57,407,402	51,555,886	51,183,004	40,243,065
Loans, advances, deposit and prepayments, tax refund	22,593,170	5,859,952	10,883,143	7,757,000	9,466,544	7,139,786
Trade deposit and short term payments	7,858,567	5,821,276	3,146,341	3,344,374	2,541,547	2,302,774
Cash & bank balances	9,825,785	14,655,512	5,530,531	12,640,989	5,217,846	8,659,348
	292,576,272	141,060,927	149,114,260	116,506,574	104,260,969	92,270,883
	<b>399,582,472</b>	<b>256,705,863</b>	<b>238,244,003</b>	<b>209,579,029</b>	<b>203,289,033</b>	<b>167,931,805</b>

**PROFIT AND LOSS ACCOUNT**  
Historical 6 years data

	2023	2022	2021	2020	2019	2018
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Turnover	214,572,969	202,622,430	191,625,140	146,878,482	148,444,493	130,597,599
Cost of sales	163,007,081	154,743,159	152,557,821	113,685,088	117,717,725	103,292,839
<b>Gross profit</b>	<b>51,565,888</b>	<b>47,879,271</b>	<b>39,067,319</b>	<b>33,193,394</b>	<b>30,726,768</b>	<b>27,304,760</b>
<b>Operating Expenses</b>						
Administrative expenses	23,019,882	20,227,723	18,925,997	18,245,577	16,742,984	13,287,148
Selling & distribution expenses	8,688,399	8,454,387	7,007,235	6,304,739	6,956,270	7,130,654
	31,708,280	28,682,110	25,933,232	24,550,316	23,699,255	20,417,802
<b>Operating profit</b>	<b>19,857,608</b>	<b>19,197,161</b>	<b>13,134,087</b>	<b>8,643,078</b>	<b>7,027,514</b>	<b>6,886,958</b>
Finance cost	7,445,977	1,447,560	1,150,734	1,136,379	1,018,038	907,381
Other income	3,826,336	831,886	290,985	941,214	293,279	897,764
<b>Profit before taxation</b>	<b>16,237,967</b>	<b>18,581,487</b>	<b>12,274,338</b>	<b>8,447,913</b>	<b>6,302,755</b>	<b>6,877,341</b>
Taxation	(582,372)	15,904,285	4,231,074	2,609,551	2,332,465	3,024,329
<b>Profit/(loss) after tax</b>	<b>16,820,339</b>	<b>2,677,202</b>	<b>8,043,264</b>	<b>5,838,362</b>	<b>3,970,290</b>	<b>3,853,012</b>
Unappropriated profit/loss b/f	53,193,900	41,445,541	29,303,759	18,943,441	10,498,309	2,345,792
	70,014,239	44,122,743	37,347,023	24,781,803	14,468,599	6,198,804
<b>Total comprehensive income</b>	<b>736,932</b>	<b>5,863,482</b>	<b>1,932</b>	<b>(29,802)</b>	<b>389,957</b>	<b>84,952</b>
Transfer from surplus	5,283,149	3,207,676	4,096,586	4,551,758	4,084,884	4,214,554
<b>Accumulated profit/(loss) c/f to balance sheet</b>	<b>76,034,319</b>	<b>53,193,900</b>	<b>41,445,541</b>	<b>29,303,759</b>	<b>18,943,441</b>	<b>10,498,309</b>

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF DATA AGRO LIMITED  
REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES  
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Data Agro Limited for the year ended June 30, 2023 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulation is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

Place: Islamabad  
Dated: November 04, 2023



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DATA AGRO LIMITED**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the annexed financial statements of DATA AGRO LIMITED (the Company), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss, and statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and other comprehensive profit, the changes in equity and its cash flows for the year then ended.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

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

Following are the Key audit matters:

Key audit matter	How the matter was addressed in our audit
<p><b>Revenue Recognition</b></p> <p>The Company's major revenue comprises sale of hybrid Paddy seeds which has been disclosed in note 20.1.1 to the financial statements.</p> <p>Revenue from the sale of Paddy Seeds recognized, when the Company satisfies the performance obligation under the contract by transferring the promised goods to the customers. Revenue recognition criteria has been explained in note 3.16 to the financial statements.</p> <p>We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognized based on the satisfaction of the performance obligation under the contract with the customer in line with the accounting policy adopted or may not have been recognized in the appropriate period.</p>	<p>Our audit procedures to address this Key Audit Matter included the following:</p> <ul style="list-style-type: none"> <li>- obtaining an understanding of and assessing the design and implementation and operating effectiveness of key internal controls over recognition of revenue;</li> <li>- assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards;</li> <li>- checking on a sample basis the recorded sales transactions with underlying sales invoices;</li> <li>- testing timeliness of revenue recognition by comparing individual sales transactions before and after the year end to underlying documents; and</li> <li>- assessed the adequacy of related disclosures in the financial statements.</li> </ul>

**Information Other than the Financial Statements and Auditor's Report Thereon**

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of 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.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- 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 statement of 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) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

### OTHER MATTER PARAGRAPH

The annual financial statements of the Company for the year ended June 30, 2022 were audited by another firm of Chartered Accountants who vide their report dated October 06, 2022 expressed an unmodified opinion thereon.

The engagement partner on the audit resulting in this independent auditor's report is Masoom Akhtar (FCA).

Place: Islamabad  
Dated: November 04, 2023

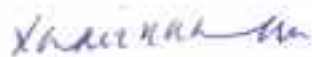


**STATEMENT OF FINANCIAL POSITION**

**EQUITY AND LIABILITIES**

	Note	2023 Rupees	2022 Rupees
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized Capital</b>		<b>50,000,000</b>	<b>50,000,000</b>
Issued, subscribed and paid-up capital.	4	40,000,000	40,000,000
Surplus On Revaluation of Property Plant and Equipment	5	72,678,511	77,961,659
Revenue reserves		76,034,320	53,193,900
		188,712,831	171,155,558
Loan from Director	6	24,378,943	26,378,943
<b>NON - CURRENT LIABILITIES</b>			
Deferred liabilities	7	33,978,963	37,361,648
		33,978,963	37,361,648
<b>CURRENT LIABILITIES</b>			
Short term borrowings	8	126,098,445	-
Trade and other payables	9	21,193,905	17,470,980
Provision for taxation	10	5,219,386	4,338,734
		152,511,736	21,809,714
<b>CONTINGENCIES AND COMMITMENTS</b>	11	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>399,582,473</b>	<b>256,705,863</b>


*The annexed notes from 1 to 35 form an integral part of these financial statements.*



Chief Executive



Chief Financial Officer



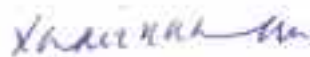
Director



**AS AT JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	12	107,006,201	115,644,936
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	13	10,528,559	6,244,579
Stock in trade	14	159,481,993	52,324,564
Trade debts	15	82,288,198	56,155,044
Loans and advances	16	21,860,365	5,154,487
Trade deposits and short term prepayments	17	7,858,567	5,821,276
Tax refunds due from the Government	18	732,805	705,465
Cash and bank balances	19	9,825,785	14,655,512
		292,576,272	141,060,927
<b>TOTAL ASSETS</b>		<b>399,582,473</b>	<b>256,705,863</b>


*The annexed notes from 1 to 35 form an integral part of these financial statements.*



Chief Executive



Chief Financial Officer

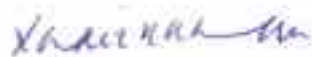


Director

**STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
Revenue	20	214,572,969	202,622,430
Cost of sales	21	<u>163,007,081</u>	<u>154,743,159</u>
<b>Gross profit</b>		<b>51,565,888</b>	<b>47,879,271</b>
Administrative expenses	22	<u>23,019,882</u>	<u>20,227,723</u>
Distribution cost	23	<u>8,688,399</u>	<u>8,454,387</u>
		<u>31,708,280</u>	<u>28,682,110</u>
<b>Operating profit</b>		<b>19,857,608</b>	<b>19,197,161</b>
Finance cost	24	<u>7,445,977</u>	<u>1,447,560</u>
		<b>12,411,631</b>	<b>17,749,601</b>
Other income	25	<u>3,826,336</u>	<u>831,886</u>
<b>Profit before taxation</b>		<b>16,237,967</b>	<b>18,581,487</b>
Taxation	26	(582,372)	15,904,285
<b>Profit after taxation</b>		<b><u>16,820,339</u></b>	<b><u>2,677,202</u></b>
<b>Earning per share-Basic and diluted</b>		<b><u>4.21</u></b>	<b><u>0.67</u></b>


*The annexed notes from 1 to 35 form an integral part of these financial statements.*



Chief Executive



Chief Financial Officer

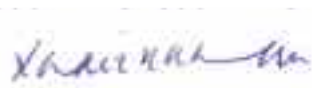


Director

**STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
<b>PROFIT AFTER TAXATION</b>		16,820,339	2,677,202
<b>Other comprehensive income for the year</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>		-	-
<b>Items that will not be subsequently reclassified to profit or loss:</b>		-	-
Remeasurement of retirement benefit		571,265	(2,769,698)
Remeasurement of retirement benefit-related to Deferred tax		165,667	803,212
		736,932	(1,966,486)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>17,557,271</u></u>	<u><u>710,716</u></u>


*The annexed notes from 1 to 35 form an integral part of these financial statements.*



Chief Executive



Chief Financial Officer

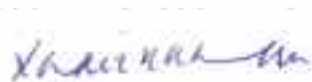


Director

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2023**

Description	Share Capital Rs.	Capital Reserve	Revenue Reserves Rs.	Total Rs.
		Surplus on revaluation of property, plant and equipment		
<b>Balance as at July 1, 2021</b>	<b>40,000,000</b>	<b>57,659,414</b>	<b>41,445,540</b>	<b>139,104,954</b>
<b>Profit after tax for the year</b>			2,677,202	2,677,202
<b>Other Comprehensive Income for the year</b>			(1,966,486)	(1,966,486)
Surplus for the year		31,339,889		31,339,889
Deferred tax on revaluation of surplus		(7,829,968)	7,829,968	
Revaluation surplus transferred to unappropriated profit due to incremental depreciation		(3,207,676)	3,207,676	
<b>Balance as at June 30, 2022</b>	<b>40,000,000</b>	<b>77,961,659</b>	<b>53,193,900</b>	<b>171,155,559</b>
<b>Balance as at July 01, 2022</b>	<b>40,000,000</b>	<b>77,961,659</b>	<b>53,193,900</b>	<b>171,155,559</b>
<b>Profit after tax for the year</b>			<b>16,820,339</b>	16,820,339
<b>Other Comprehensive Income for the year</b>			736,932	736,932
Revaluation surplus transferred to unappropriated profit due to incremental depreciation		(5,283,149)	5,283,149	
<b>Balance as at June 30, 2023</b>	<b>40,000,000</b>	<b>72,678,510</b>	<b>76,034,320</b>	<b>188,712,830</b>

*The annexed notes from 1 to 35 form an integral part of these financial statements.*



Chief Executive



Chief Financial Officer




Director

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit/(Loss) before tax		16,237,967	18,581,487
<b>Adjustments for:</b>			
Depreciation		9,398,235	7,597,764
Gain on disposal of assets		-	(301,569)
Financial charges		6,032,852	66,709
Provision for doubtful debts		-	669,779
Provision for workers profit participation fund		530,570	380,234
Provision for workers welfare fund		882,555	1,000,617
Provision for gratuity		3,312,548	3,454,124
<b>Operating Profit/(loss) before working capital changes</b>		<b>36,394,727</b>	<b>31,449,145</b>
<b>Working capital changes</b>			
<b>(Increase) / decrease in current assets</b>			
Stores, spares and loose tools	13	(4,283,980)	1,801,885
Stock in trade	14	(107,157,429)	11,775,815
Trade debts	15	(26,133,154)	582,579
Loan and advances	16	(16,705,878)	4,075,439
Trade deposits and short term prepayments	17	(2,037,291)	(2,674,935)
		<b>(156,317,732)</b>	<b>15,560,783</b>
<b>Increase /(decrease) in current liabilities</b>			
Trade and other payables		(1,227,909)	(9,352,239)
<b>Cash generated from/(utilized in) operations</b>		<b>(121,150,914)</b>	<b>37,657,689</b>
<b>Financial Charges Paid</b>			
Workers profit participation fund paid	9.2	(1,175,555)	(66,709)
Workers welfare fund paid	9.1	(869,223)	(638,339)
Gratuity paid		(450,365)	(1,222,478)
Income Tax paid	18	(541,650)	(6,184,869)
		(3,980,968)	(4,948,813)
		(7,017,761)	(13,061,208)
<b>Net cash flow from/(utilized in) operating activities</b>	<b>A</b>	<b>(128,168,673)</b>	<b>24,596,481</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure	12.1	(759,500)	(2,811,500)
Proceeds from sale of assets		-	340,000
<b>Net cash flow from/(utilized in) investing activities</b>	<b>B</b>	<b>(759,500)</b>	<b>(2,471,500)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Short term financing	8	126,098,445	-
Loan from Director	6	(2,000,000)	(13,000,000)
<b>Net cash flow from/(utilized in) financing activities</b>	<b>C</b>	<b>124,098,445</b>	<b>(13,000,000)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>A+B+C</b>	<b>(4,829,727)</b>	<b>9,124,981</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>14,655,512</b>	<b>5,530,531</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>9,825,785</b>	<b>14,655,512</b>
<b>Cash &amp; cash equivalents are</b>			
Cash in hand		2,078,189	1,104,923
Cash at bank		7,747,596	13,550,589
	19	<b>9,825,785</b>	<b>14,655,512</b>

The annexed notes from 1 to 35 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 30, 2023

### 1. STATUS AND NATURE OF BUSINESS

The company was initially incorporated as a private limited company in Pakistan under the repealed Companies Ordinance, 1984 (Repealed with the enactment of Companies Act, 2017 on May 30, 2017) on November 10, 1992 having registration # 0028858 and was converted into a public limited company on March 06, 1994. The company is listed on Pakistan Stock Exchanges. The principal activity of the company is production, processing and grading of agro seeds. The registered office of the company is Suite 5, The Polo Residence, Opposite Allama Iqbal International Airport, Adjacent Sector A, Phase 8, DHA, Lahore and principal place of business is at 8-Km Khanewal road, Kabirwala.

#### Location of Factory

The location of the principal place of business of the company is at 8-km Khanewal road, Kabirwala and the area of whole factory is 43 Kanals.

#### 1.1 Summary of significant events and transactions in the current reporting year

The Company's financial position and performance was affected by the following events and transactions during the reporting year:

a) Company Secured short term financing during the year. As detailed in note # 8

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 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 applicable in Pakistan comprise of International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) 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 or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### 2.2 Standards, interpretation and amendment adopted during the year

##### 2.2.1 Standards, interpretations and amendments to published approved accounting standards

The accounting policies adopted are consistent with those of the previous financial year, except for the following new amendments effective for annual period beginning on 01 July 2022, as listed below. The Company has not early adopted any amendment that has been issued but is not yet effective.

#### New amendments

The Company has adopted the following revised standards and amendments to IFRSs which became effective for the current year

IAS 1	Presentation of Financial Statements: Definition of Material — (Amendments)
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material — (Amendments)
IFRS 3	Business Combinations: Definition of Business — (Amendments)
IFRS 9	Financial Instruments: Interest Rate Benchmark Reform — (Amendments)
IFRS 7	Financial Instruments Disclosures: Interest Rate Benchmark Reform— (Amendments)
IAS 39	Financial Instruments: Recognition and Measurement: Interest Rate Benchmark Reform — (Amendments)

The adoption of above standards and amendments, will not have any material impact on the Company's financial statements.

#### Standards, interpretation and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods beginning on or after)
IAS 1 Presentation of Financial Statements (Amendments)	January 1, 2023
IAS 8 Changes in Accounting Estimates and Errors (Amendments)	January 1, 2023
IAS 12 Income Taxes (Amendments)	January 1, 2023

IAS 1 Classification of liabilities as current or non-current — (Amendments) 01 January 2023

IAS 8 Definition of accounting estimates — (Amendments) 01 January 2023

IFRS 10 & Sale or Contribution of Assets between an Investor and its Associate or Joint

IAS 28 Venture – (Amendment) Not yet finalized

IAS 12 Deferred tax related to Assets and Liabilities arising from a Single Transaction — (Amendments) 01 January 2023

IAS 1 and IFRS Disclosure of accounting policies — (Amendments) 01 January 2023

Practice

Statement 2

The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards and conceptual framework have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2023.

The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

**Effective date (annual periods beginning on or after)  
Standard or Interpretation**

IFRS 17 Insurance Contracts 01 January 2023

IFRS 1 First-time Adoption of IFRS 01 July 2004

The Company expects that application of above standards will not have any material impact on the Company's financial statements.

### 2.3 Basis of preparation

These financial statements have been prepared under the historical cost convention without any adjustment for the effect of inflation or reference to current values, except to the extent that land, building and certain plant and machinery have been included at revalued amounts, staff retirement benefits recognized at present value and financial assets have been measured and recorded at fair value.

### 2.4 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pakistan Rupees, which is the Company's functional and presented currency. All financial information presented in Pakistan Rupees has been rounded to the nearest rupees.

### 2.5 MEASUREMENT OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the measurement of fair value both for financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. Management has overall responsibility for overseeing all significant fair value measurements, including Level 3 Fair Values.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the approved accounting standards as applicable in Pakistan, including the level in the fair value hierarchy in which the valuations should be classified

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred

### 2.6 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and 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.

Significant management estimates in these financial statements relate to the useful life and residual value of property, plant and equipment, provision for doubtful receivables, slow moving inventory, defined benefits plans, accrued liabilities, taxation etc. 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.

## 3 THE PRINCIPAL ACCOUNTING POLICIES APPLIED CONSISTENTLY

### 3.1 Property, plant and equipment

Property, plant and equipment except freehold land, building on freehold land, plant and machinery, and capital work in progress are stated at cost less accumulated depreciation and impairment, if any.

#### REVALUATION

Freehold land, building on freehold land and plant and machinery, are stated at revalued amount being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity so that the fair value and carrying value do not differ materially at the balance sheet date. Increases in the carrying amounts arising on revaluation of land, buildings and plant and machinery are recognised, net of tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognised in the statement of profit or loss, the increase is first recognised in the statement of profit or loss. Decrease that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property, plant and equipment to unappropriated profit. Depreciation is charged to income applying reducing balance method to write-off the cost over the estimated remaining useful life of assets. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment. Rates of depreciation are stated in note 12. In respect of additions and disposals during the year, depreciation is charged from the month of acquisition and up to the month preceding the disposal respectively.

Normal repair & maintenance costs are charged to the profit and loss account in the year in which these are incurred. Major renewals, improvements, cost or expenditure incurred on the property, plant equipment subsequent to their initial recognition is capitalized when it increases the future economic lives of the relevant assets and it is probable that future economic benefits embodied within the item of addition will flow to the company and its cost can be measured reliably.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized in Statement of Profit or Loss.

#### LEASED ASSETS

The leases, where all the risks and rewards incidental to ownership of the leased assets have been transferred to the company are classified as finance leases. Assets subject to finance lease are stated at the lower of present value of minimum lease payments under the lease agreements and the fair value of the leased assets less accumulated depreciation and accumulated impairment losses, if any.

The related rental obligations, net of finance charges, are included in liabilities against assets subject to finance leases. The liabilities are classified as current and long term depending upon the timing of the payment.

Each lease payment is allocated between the liability and finance charges so as to produce a constant periodic rate of interest on the balance outstanding. The interest element of the rental is charged to income over the lease term.

Assets acquired under a finance lease are depreciated over the useful life of assets on reducing balance method at the same rates that are applicable to the owned assets. Depreciation of leased assets is charged to profit and loss account.

Full depreciation on additions in leased assets is charged when an asset is acquired while no depreciation is charged in the year in which the asset is disposed off/ transferred to owned assets.

#### CAPITAL WORK IN PROGRESS

Capital work in progress is stated at cost less any identifiable impairment loss and includes the expenditure on material, labour and appropriate overheads directly relating to the project. These costs are transferred to fixed assets as and when assets are available for intended use.

### 3.2 INTANGIBLE ASSETS

Intangible asset is an identifiable non-monetary item without physical substance. Intangible assets are recognized when it is probable the expected future economic benefit will flow to the entity and the cost of the asset can be measured reliably. Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged over the estimated useful life of the asset on a systematic basis applying the straight line method. Useful lives of intangible operating assets are reviewed, at each balance sheet date and adjusted if the impact of amortization is significant. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized in Statement of profit or loss.

### 3.3 IMPAIRMENT

The carrying amount of the company's assets are reviewed at each balance sheet date to determine whether there are any indications of impairment. If any such indication exist, the asset's recoverable amount is estimated and impairment losses are recognized in the profit and loss account. The recoverable amount is the higher of an assets fair value less costs to sell and value in use. Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of initial cost of the asset. Reversal of impairment loss is recognized as income.

### 3.4 STOCKS, STORES AND SPARES

Inventories are valued at lower of cost and net realizable value as per requirements of IAS 2. Cost of major stock items is determined as follows;

- Stores, spares and loose tools	At weighted average cost
- Raw material	At weighted average cost
- Finished goods	Comprised of direct material, labour, and appropriate manufacturing overheads.
- Waste	At net realizable value.
- Material in transit	Are stated at invoice value plus other charges incurred thereon.



Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make a sale.  
 Stock produced at own farms Fair Value less estimated cost to sell

### 3.5 LOANS AND ADVANCES

Loans and advances are recognized initially at cost and subsequently measured at amortized cost.

### 3.6 CASH AND CASH EQUIVALENTS

For the purpose of cash flow statement, Cash and cash equivalents comprise of cash in hand and Bank balance on current and deposit accounts.

### 3.7 STAFF RETIREMENT BENEFITS

#### Defined Benefit Plan

The Company operates an unfunded gratuity scheme for all of its permanent employees who have attained the minimum qualifying period for entitlement to the gratuity. Provisions are made periodically on the basis of actuarial valuations for the gratuity scheme. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the year in which they arise. Past service costs are recognized immediately in the profit and loss account.

#### THE PRINCIPAL ACTUARIAL ASSUMPTION USED IN THE VALUATION ARE AS FOLLOWS:

	2023	2022
Discount rate	16.25%	13.25%
Expected rate of increase in salaries	15.25%	12.25%
Expected mortality rate	SLIC (2001-2005) mortality table	SLIC (2001-2005) mortality table
Actuarial valuation method	Projected Unit Credit	Projected Unit Credit
Average expected remaining life of the employees	6 Years	6 Years

Actuarial valuations are conducted annually and the last valuations were conducted as on September 21, 2023 by Nauman Associates based on the "projected unit credit method"

All these calculations are subjective and judgements involved are based on estimates and assumptions.

### 3.8 TRADE DEBTS AND OTHER RECEIVABLES

Trade debts and other receivables are carried at original invoice amount less an estimates made for doubtful debts, if any, base on the review of all outstanding amounts at the year end. Debts considered irrecoverable, are written off, as and when identified.

### 3.9 REVENUE RECOGNITION

Revenue from sale of goods is measured at the fair value of consideration received or receivable and recognized on delivery of goods to customers when significant risks and rewards are transferred to the buyers. Income from processing and harvesting services is recognized on accrual basis in accordance with the terms and conditions of the agreement with customers to the extent services are actually rendered and associated costs and outcomes of the transaction involving the rendering of such services can be measured reliably.

### 3.10 EXPENSE RECOGNITION

Expenses are recognized on accrual basis, or otherwise, as stated.

### 3.11 BORROWINGS

Loans and borrowings are recorded at the proceeds received. Financial charges are accounted for on accrual basis and are included in interest / mark-up payables on loans and other payables to the extent of amount remaining unpaid, if any.

### 3.12 BORROWING COST

Borrowing costs are recognized as an expense in the year in which these are incurred.

### 3.13 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.

### 3.14 RELATED PARTY TRANSACTIONS

The related parties comprise associated undertakings, directors of the Company and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Transactions and contracts with related parties (if any) are carried out at arm's length price determined in accordance with comparable uncontrolled price method.

### 3.15 FINANCIAL INSTRUMENTS

#### FINANCIAL ASSETS

**Classification:** The Company classifies its financial assets in the following measurement categories:

- Amortised cost where the effective interest rate method will apply;
- Fair value through profit or loss (FVTPL); and
- Fair value through other comprehensive income (FVTOCI)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income (OCI). For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

## RECOGNITION AND DERECOGNITION

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Further, financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership

**Measurement:** At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

**Debt instruments:** Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company can classify its debt instruments

**Amortised cost:** Financial assets that are held for collection of contractual cash flows where the contractual terms of the financial assets give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss.

**Fair value through other comprehensive income (FVTOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the contractual terms of the financial asset give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue, and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other income. Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income and impairment expenses are presented as separate line item in the statement of profit or loss.

**Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income in the period in which it arises.

**Equity instruments:** The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established

## FINANCIAL LIABILITIES

Financial liabilities are classified in the following categories:

- fair value through profit or loss; and
- other financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in case of other financial liabilities also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

**Fair value through profit or loss:** Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

**Other financial liabilities:** After initial recognition, other financial liabilities which are interest bearing subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in profit or loss for the year, when the liabilities are derecognized as well as through effective interest rate amortisation process.

The Company derecognises financial liabilities when and only when the Company's obligations are discharged, cancelled or they expire.

Financial assets and liabilities are 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 there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously

## IMPAIRMENT

**Financial assets:** The Company assesses on a historical as well as on a forward looking basis the expected credit losses (ECL) as associated with its trade debts, deposits, advances, other receivables and cash and bank balances carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade debts, the Company applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance to be recognised from initial recognition of the receivables while general 3-stage approach for deposits, advances and other receivables and cash and bank balances i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognised when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognised without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk:

actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;

- actual or expected significant changes in the operating results of the debtor;
- significant increase in credit risk on other financial instruments of the same debtor; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or

information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company)

Irrespective of the above analysis, in case of trade debts, the Company considers that default has occurred when a debt is more than 365 days past due, unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

The Company recognises life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions

Trade debts with individually significant balance are separately assessed for ECL measurement. All other receivables are grouped and assessed collectively based on shared credit risk characteristics and the days past due. The expected credit losses on these financial assets are estimated using a provision matrix approach based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis :

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- external credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Company recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

#### **NON-FINANCIAL ASSET**

Assets that have an indefinite useful life are not subject to depreciation/amortization and are tested annually for impairment. Assets that are subject to depreciation/amortization are reviewed for impairment at each statement of financial position date, or wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each statement of financial position date. Reversals of the impairment loss are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no new impairment loss had been recognized. An impairment loss or reversal of impairment loss is recognized in income for the year.

#### **3.16 REVENUE RECOGNITION IFRS 15**

The company has adopted IFRS 15 that replaces previous standards/interpretations and it has prescribed five step model approach for revenue recognition.

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Company has applied IFRS 15 using modified retrospective approach with initial application date of July 01, 2018 as notified by the Securities and Exchange Commission of Pakistan (SECP). Based on management's assessment of the contractual arrangements with customers, the adoption of IFRS 15 does not have any impact on the unconsolidated financial statements of the Company. Hence, no cumulative adjustment amounts have been recognized to adjust the opening retained earnings as at July 01, 2018. Accordingly, the information presented for previous years has not been restated, as previously reported, under IAS 18 and related interpretations.

Revenue is recognized on the following basis.

- (i) Local sales are recorded when goods are delivered to customers and invoices raised.
- (ii) Export sales are booked on shipment basis on receipt of bill of lading.
- (iii) Processing charges are recorded when goods are delivered to customers and invoices raised.
- (iv) Gain on 'sale and lease-back' transactions that result in finance lease, is deferred and amortized over the lease term.
- (v) Dividend income is recognized when the right to receive payment is established.
- (vi) Profits on short term deposits is accounted for on time apportioned basis on the principal outstanding and at the rate applicable.
- (vii) Rental income from investment properties is credited to profit or loss on accrual basis.

#### **3.17 OFF SETTING OF FINANCIAL ASSETS AND LIABILITIES**

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off the recognized amounts and the company intends to either settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

#### **3.18 CONTINGENT LIABILITIES**

Contingent liabilities are disclosed when there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company; or there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

#### **3.19 TAXATION**

##### **CURRENT**

Provision for current taxation is based on taxable income at the current tax rates after taking into account tax credits, assumptions and rebates available, if any or on turnover at the specified rates or Alternate Corporate Tax Act as defined in section 113C of the Income Tax Ordinance, 2001, whichever is higher. The charge for current tax also includes adjustments, where necessary, relating to prior years which arise due to assessments framed / finalized during the year.

##### **DEFERRED**

Deferred tax is recognized using the liability method, on all temporary differences at the balance sheet date calculated at the prevailing rates, between the tax bases of assets and liabilities and their carrying costs for the purposes of financial reporting. Deferred tax liabilities are recognized for all taxable temporary differences to the extent that such differences will reverse in the due future and taxable income will be available for deducting temporary differences.

The carrying amount of deferred tax asset is reviewed on the balance sheet date and is reduced to the extent that it is no longer probable that the sufficient taxable profit will be available to allow in all or part of it for the deferred tax asset.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets is realized or the liability is settled based on the tax rates that have been enacted currently or subsequently at the balance sheet date.

Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it becomes probable future taxable profits will allow deferred tax asset to be recovered.

### 3.20 PROVISIONS

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

### 3.21 RESEARCH AND DEVELOPMENT COST

Research and development cost are recognized in the year in which these are incurred as per the requirements of IAS 38.

### 3.22 OFF SETTING:

Financial assets and liabilities are offset and the amount is reported in the financial statements only when there is legally enforceable right to set-off the recognized amount and the company intends either to settle on a net basis, or to realize the assets and to settle the liability simultaneously.

### 3.23 EARNING PER SHARE:

The company presents basic and diluted earning per share (EPS) for its ordinary shares. Basis EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects for all dilutive potential ordinary shares as per IAS-33.

### 3.24 IAS 41- AGRICULTURE PROPERTY- CHANGE IN ACCOUNTING POLICY

The company has changed its accounting policy from IAS-2 to IAS-41 for Seeds grown at owned farms and applied the effects in the current year and to be followed prospectively due to its impracticability and complexity for retrospective application, had the effects been accounted for in earlier years there would have been nominal effects requiring separate disclosure, however these were included in retained earnings of earlier years.

#### Initial recognition

An entity recognises a biological asset or agriculture produce only when the entity controls the asset as a result of past events, it is probable that future economic benefits will flow to the entity, and the fair value or cost of the asset can be measured reliably.

#### Measurement

Biological assets within the scope of IAS 41 are measured on initial recognition and at subsequent reporting dates at fair value less estimated costs to sell, unless fair value cannot be reliably measured. Agricultural produce is measured at fair value less estimated costs to sell at the point of harvest. The gain on initial recognition of biological assets at fair value less costs to sell, and changes in fair value less costs to sell of biological assets during a period, are included in profit or loss. All costs related to biological assets that are measured at fair value are recognised as expenses when incurred, other than costs to purchase biological assets.

### 3.25 DISCOUNT POLICY

The company policy on discount is different for each type of seed and percentage varies from buyer to buyer. The discounts are allowed on bulk purchases. The discount amount is separately disclosed on sales invoices. The company policy of discounts is duly approved by the Board of Directors.

### 3.26 SALES RETURN POLICY

The company has sales return policy that is contingent upon , if any sold seeds ripen unexpectedly due to events like unfavorable humidity conditions and climate change not wholly in control of the company. Therefore, no provision can be created for any sales return in advance as per taking consideration to the requirements of IFRS 15 and IAS 37. The company advises its customers to adopt efficient storage facilities , favorable humidity control measures and congenial environment to minimize such sales return.

		2023 Rupees	2022 Rupees
<b>4- SHARE CAPITAL</b>			
<b>Authorized</b>			
5,000,000 (2022: 5,000,000) ordinary shares of Rs. 10 each		<u>50,000,000</u>	<u>50,000,000</u>
<b>Issued, subscribed and paid-up</b>			
4,000,000 (2022: 4,000,000) ordinary shares of Rs. 10 each fully paid for cash consideration		<u>40,000,000</u>	<u>40,000,000</u>
<b>Shares held by Associates</b>		<b>Number of Shares</b>	<b>Number of Shares</b>
<b>Data Enterprises (Pvt.) Ltd</b>		<u>394,900</u>	<u>394,900</u>
Percentage of equity held 9.87% ( 2022: 9.87% )			
<b>4.1-</b>	The shareholders' are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the company. All shares carry "one vote" per share without restriction.		
<b>4.2-</b>	There is no movement in share capital during the year		
<b>5- SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>		<b>Rupees</b>	<b>Rupees</b>
Gross surplus		<u>77,961,659</u>	<u>57,659,418</u>
Opening excluding Land		57,171,483	36,869,242
Land Surplus		20,790,176	20,790,176
Decreognition of surplus on disposal of Fixed Assets (portion of land & Building)		-	-
<b>Add: Surplus arising due to revaluation of Property, plant and equipment</b>			
Land		-	4,340,000
Building		-	21,379,955
Machinery		-	5,619,934
		-	31,339,889
Allocated to deferred tax liability @ 29%		-	(7,829,968)
Incremental depreciation on opening surplus		(5,283,149)	(3,207,676)
Incremental depreciation on new surplus		-	-
		<u>(5,283,149)</u>	<u>(3,207,676)</u>
		<u><b>72,678,511</b></u>	<u><b>77,961,662</b></u>
<b>5.1-</b>	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.		
<b>5.2- DISCLOSURE RELATED TO DEFERRED TAX LIABILITY</b>			
Opening Deferred Tax Liability		19,129,600	15,914,974
For the year derecognized		(5,509,739)	(4,615,342)
Addition during the year on revaluation surplus		-	7,829,968
Closing Deferred Tax Liability		<u><b>13,619,861</b></u>	<u><b>19,129,600</b></u>
<b>6- LOAN FROM DIRECTOR</b>			
<b>Unsecured- from related party</b>			
Opening balance		26,378,943	39,378,943
Received during the year		-	-
Payment made during the year		<u>(2,000,000)</u>	<u>(13,000,000)</u>
		<u><b>24,378,943</b></u>	<u><b>26,378,943</b></u>
	This represents the interest free loan given by related parties. Loan is payable on discretion of the company and company has the option to issue shares against this loan after complying with all legal and statutory requirements. This is not measured at amortized cost as per IFRS 9. Rather , it is recognised at the full amount payable – its face value is in accordance with the guidelines provided through TR 32- (Accounting for Directors loan) issued by the Institute of Chartered Accountants of Pakistan. The Loan is interest free and carries no markup.		
<b>7- DEFERRED LIABILITIES</b>			
Deferred tax - net	7.1	17,944,221	23,526,540
Employees retirement benefits - gratuity	7.2	16,034,741	13,835,108
		<u><b>33,978,963</b></u>	<u><b>37,361,648</b></u>

	Note	2023 Rupees	2022 Rupees
<b>7.1- DEFERRED TAX - NET</b>			
Deferred tax liabilities/(assets) arising due to:			
Accelerated tax depreciation		9,629,302	8,607,968
Provision for profit participation fund		(302,155)	-
Provision for workers fund		(153,865)	-
Provision for gratuity		(4,650,075)	(4,012,181)
Provision for doubtful debts		(198,847)	(198,847)
		<u>4,324,360</u>	<u>4,396,940</u>
Surplus on revaluation of property plant and equipment		13,619,861	19,129,600
		<b><u>17,944,221</u></b>	<b><u>23,526,540</u></b>
<b>7.2- Employees Retirement benefits (gratuity unfunded)</b>			
Present value of defined benefits obligations	7.2.1	15,728,514	13,528,881
Benefits payable		306,227	306,227
		<b><u>16,034,741</u></b>	<b><u>13,835,108</u></b>
<b>7.2.1- Movement in present value of defined benefits obligations</b>			
Present value of defined benefits obligation at the beginning of the year		13,528,881	13,566,519
Current service cost for the year		1,555,856	1,496,790
Past Service Cost		-	913,755
Interest cost for the year		1,756,692	1,043,579
Benefits due but not paid (payables)		-	(76,592)
Benefits paid during the year		(541,650)	(6,184,868)
Gains and losses arising on planned settlements remeasurements		-	-
Acturial (gains)/losses from changes in demographic assumptions		-	-
Acturial (gains)/losses from changes in financial assumptions		64,232	65,565
Experience adjustments		(635,497)	2,704,133
Present value of defined benefits obligation at the closing of the year		<b><u>15,728,514</u></b>	<b><u>13,528,881</u></b>
<b>7.2.2-Expenses recognized in statement of profit and loss account</b>			
Current service cost		1,555,856	1,496,790
Interest cost on defined benefit obligation		1,756,692	1,043,579
		<b><u>3,312,548</u></b>	<b><u>2,540,369</u></b>
<b>7.2.3-Total remeasurements chargeable in other comprehensive income</b>			
Remeasurements of plan obligations:			
Acturial (gains)/losses from changes in demographic assumptions		-	-
Acturial (gains)/losses from changes in financial assumptions		64,232	65,565
Experience adjustments		(635,497)	2,704,133
		<b><u>(571,265)</u></b>	<b><u>2,769,698</u></b>
<b>7.2.4-Changes in Net Liability</b>			
Balance Sheet liability/(asset)		13,835,108	13,835,108
Expense chargeable to P&L		3,312,548	3,454,124
Remeasurement chargeable in other comprehensive income		(571,265)	2,769,698
Benefits paid		(541,650)	(6,184,868)
Benefits payable transferred to short term liability		-	-
		<b><u>16,034,741</u></b>	<b><u>13,874,062</u></b>
<b>7.3-Apportionment of staff retirement benefits</b>			
The expenses recognized in the income statement under following heads:			
Cost of goods sold		1,198,836	1,720,830
Administrative expenses		1,785,460	1,256,220
Distribution cost		328,253	477,074
		<b><u>3,312,548</u></b>	<b><u>3,454,124</u></b>

		2023 Rupees	2022 Rupees
<b>7.4- General description</b>			
	The scheme provides for terminal benefits for all of its permanent employees who attain the minimum qualifying period. Annual charge is made by the management on the basis of actuarial valuation.		
<b>7.5- Principal actuarial assumptions</b>			
	Following are a few important actuarial assumption used in the valuation.		
	Discount rate	16.25%	13.25%
	Expected rate of increase in salary	15.25%	12.25%
<b>7.6- Sensitivity analysis of actuarial assumption</b>			
	The calculation of defined benefit obligation is sensitive to assumption given above. The below information summarizes how the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result of change in respective assumption by 100 basis point.		
		Decrease in Assumption	Increase in Assumption
	Discount rate	2,605,645	1,833,152
	Expected rate of change in future salaries	2,445,298	1,694,801
<b>7.7-</b>	Expected gratuity expense for the year ending June 30, 2024 works out to Rs. 3,722,234/-.		
<b>7.8-</b>	The weighted average duration of defined benefit obligation is three years.		
<b>8- SHORT TERM BORROWINGS</b>			
	Loan from banks	8.1	126,098,445
			-
		<u>126,098,445</u>	<u>-</u>
<b>8.1 Loan from Banks</b>			
	National Bank of Pakistan	8.1.1	17,031,314
	Dubai Islamic Bank Pakistan Limited	8.1.2	85,944,786
	United Bank Limited	8.1.3	23,122,345
			-
		<u>126,098,445</u>	<u>-</u>
<b>8.1.1</b>	The company has obtained short term loan facility with the sanctioned limit of Rs. 45 Million (2022: NIL) from National Bank of Pakistan Limited to meet working capital requirements. It carried mark up rate of 03 month Kibor+3.75% p.a on rebate mechanism to be recoverable on quarterly basis. The tenor of this facility is will expire on 31.12.2023 extendable to 31.01.2024. This facility is secured against pari passu charge on all Land, Building and fixed assets (including Seed Processing Unit ) installed and to be installed and personal Guarantee of all directors including Corporate Guarantee of M/S Data Enterprises (Pvt) Limited and mortgaging amounting to Rs 80.182 M.		
<b>8.1.2</b>	The Company has obtained Istisna Cum Wakala facility with the sancation limit of Rs. 100 Million (2022: NIL) from Dubai Islamic Bank Limited will be utilised for purchase of Raw material Wheat Seeds, Cotton Seeds, Paddy Seeds and Corn Seeds only. It carried markup of Matching KIBOR+ 0.50% p.a. The tenor of this facility is 150 days. This facility is secured against 110% Cash Scured through Lien over RDA account no. 0844010001/1NOC no. 0844010002-006 in the name of Mr. Nadeem Akbar (Shareholder) with Dubai Islamic Bank Pakistan Limited and Personal Guarantee of the Depositor Mr. Nadeem Akbar (Share holder) along with PNWS.		
<b>8.1.3</b>	The compnay has obtained short term loan facility with sanction limit of Rs. 110 Million (2022: NIL ) from United Bnak Limited to meet the working capital requirement. It carried markup of 3 Month Kibor +0.75% payable quarterly. The tenor of this facility will expire of 31.12.2023. This facility is secured against 110% lian on Naya Pakistan Certificate of Mrs. Nadeem AKbar (Sharholder) maintained under bank account at Shahra-E Tufail Road Branch, Lahore and Promissory Note for NICF issued amounting to Rs. 140,800,000/-.		
<b>9- TRADE AND OTHER PAYABLES</b>			
	Creditors		7,723,548
	Interest Payable		5,840,251
	Accrued liabilities		4,857,297
	Advances from customers		-
	Worker's Welfare Fund	9.1	3,698,474
	Worker's Profit Participation Fund	9.2	5,436,783
	Tax deducted at source		4,626,688
			530,570
			450,365
			1,041,913
			1,028,581
			105,505
			88,312
			<u>21,193,905</u>
			<u>17,470,980</u>
<b>9.1- Workers Welfare Fund</b>			
	Balance as at beginning		450,365
	Contribution for the year		1,292,608
			530,570
			380,234
			<u>980,935</u>
			<u>1,672,842</u>
	Payment made during the year		(450,365)
			(1,222,477)
			<u>530,570</u>
			<u>450,365</u>



	Note	2023 Rupees	2022 Rupees
<b>9.2- Workers Profit Participation Fund</b>			
Balance as at beginning		1,028,581	666,302
Charge for the year		882,555	1,000,617
		<u>1,911,136</u>	<u>1,666,919</u>
Payment made during the year		(869,223)	(638,338)
		<u><b>1,041,913</b></u>	<u><b>1,028,581</b></u>
<b>10. PROVISION FOR TAXATION</b>			
Opening balance		4,338,734	5,781,565
Provision for the year		5,219,386	4,338,734
		<u>9,558,120</u>	<u>10,120,299</u>
Prior year adjustment		(385,106)	114,999
Paid/adjusted		(3,953,628)	(5,896,564)
		<u><b>5,219,386</b></u>	<u><b>4,338,734</b></u>

10.1- This represents tax chargeable under Normal tax regime. Tax expenses represents higher of corporate tax @ 29%, alternate corporate tax @ 17% of accounting profit and minimum tax @ 1.25% . The company is recognising provision for taxation @ 29% of its taxable profit as alternative corporate tax and minimum tax is lower than corporate tax.

## 11- CONTINGENCIES AND COMMITMENTS

11.1. The Deputy Commissioner Inland Revenue passed an order under sections 161/205 of the Income Tax Ordinance, 2001 creating a demand of Rupees 3.6 million for the tax year 2014. The Company preferred an appeal against this order before CIR(A). The proceedings are pending for adjudication. No provision against this demand has been made in these financial statements as the Company is confident of favorable outcome of its appeals.

### 11.2. COMMITMENT

There were no commitments at the year end (Nil : 2022)

## 12- PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets-Owned	12.1	107,006,201	115,644,936
		<u><b>107,006,201</b></u>	<u><b>115,644,936</b></u>

### 12.1 OPERATING FIXED ASSETS

	Rupees									
	Owned assets								Total	
	Freehold land	Building on freehold land	Plant and machinery	Electrical Equipment	Furniture and fittings	Agricultural equipment	Office equipment	Harvesting equipment	Vehicles	
<b>Depreciation Rate</b>	<b>0%</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	
<b>Year ended July 01, 2021</b>										
Opening net book value	21,700,000	19,168,158	42,293,145	2,543,824	148,638	31,241	522,807	45,270	2,676,658	89,129,742
Additions	-	-	1,152,000	120,000	-	300,000	97,000	-	1,142,500	2,811,500
Deletions	-	-	-	-	-	-	-	-	38,431	38,431
Surplus on revaluation of fixed assets	<b>4,340,000</b>	<b>21,379,955</b>	<b>5,619,934</b>	-	-	-	-	-	-	31,339,889
Depreciation charged for the year	-	2,037,698	4,323,412	266,382	14,864	66,248	123,961	9,054	756,145	7,597,764
Closing net book value	<u><b>26,040,000</b></u>	<u><b>38,510,415</b></u>	<u><b>44,741,667</b></u>	<u><b>2,397,442</b></u>	<u><b>133,774</b></u>	<u><b>264,993</b></u>	<u><b>495,846</b></u>	<u><b>36,216</b></u>	<u><b>3,024,582</b></u>	<u><b>115,644,936</b></u>
<b>At June 30, 2022</b>										
Cost	21,700,000	59,785,020	173,921,935	2,926,724	768,048	483,750	1,587,223	7,669,000	9,294,288	<b>278,135,988</b>
Surplus on revaluation of fixed assets	<b>4,340,000</b>	<b>21,379,955</b>	<b>5,619,934</b>	-	-	-	-	-	-	<b>31,339,889</b>
Accumulated depreciation	-	36,372,255	120,429,530	529,282	634,274	218,757	1,091,377	7,632,784	6,269,706	<b>173,177,965</b>
Depreciation written off	-	6,282,305	14,370,672	-	-	-	-	-	-	<b>20,652,977</b>
<b>Net book value</b>	<u><b>26,040,000</b></u>	<u><b>38,510,415</b></u>	<u><b>44,741,667</b></u>	<u><b>2,397,442</b></u>	<u><b>133,774</b></u>	<u><b>264,993</b></u>	<u><b>495,846</b></u>	<u><b>36,216</b></u>	<u><b>3,024,582</b></u>	<u><b>115,644,936</b></u>
<b>Year ended July 01, 2022</b>										
Opening net book value	26,040,000	38,510,415	44,741,667	2,397,442	133,774	264,993	495,846	36,216	3,024,582	115,644,936
Additions	-	-	589,500	-	-	170,000	-	-	-	759,500
Deletions	-	-	-	-	-	-	-	-	-	-
Surplus on revaluation of fixed assets	-	-	-	-	-	-	-	-	-	-
Depreciation charged for the year	-	3,851,042	4,507,079	239,744	13,377	75,665	99,169	7,243	604,916	9,398,235
Closing net book value	<u><b>26,040,000</b></u>	<u><b>34,659,373</b></u>	<u><b>40,824,088</b></u>	<u><b>2,157,698</b></u>	<u><b>120,397</b></u>	<u><b>359,328</b></u>	<u><b>396,677</b></u>	<u><b>28,973</b></u>	<u><b>2,419,666</b></u>	<u><b>107,006,201</b></u>
<b>At June 30, 2023</b>										
Cost	26,040,000	81,164,975	180,131,370	2,926,724	768,048	653,750	1,587,223	7,669,000	9,294,288	<b>310,235,378</b>
Surplus on revaluation of fixed assets	-	-	-	-	-	-	-	-	-	<b>203,229,177</b>
Accumulated depreciation	-	46,505,602	139,307,282	769,026	647,651	294,422	1,190,546	7,640,027	6,874,622	<b>203,229,177</b>
Depreciation written off	-	-	-	-	-	-	-	-	-	<b>-</b>
<b>Net book value</b>	<u><b>26,040,000</b></u>	<u><b>34,659,373</b></u>	<u><b>40,824,088</b></u>	<u><b>2,157,698</b></u>	<u><b>120,397</b></u>	<u><b>359,328</b></u>	<u><b>396,677</b></u>	<u><b>28,973</b></u>	<u><b>2,419,666</b></u>	<u><b>107,006,201</b></u>

Note: The carrying amount of the revalued assets that would have been included in the financial statements had these assets being carried at its cost less accumulated depreciation and accumulated impairment losses is shown as under:

Description	Carrying Value as at 30-06-2023			Carrying Value as at 30-06-2022		
	Inclusive of surplus	Surplus	Exclusive of surplus	Inclusive of surplus	Surplus	Exclusive of surplus
Land freehold	26,040,000	-	26,040,000	26,040,000	4,340,000	21,700,000
Building including Plant & Machinery	75,483,461	7,768,621	83,252,082	83,252,082	21,790,779	61,461,303
	<b>101,523,461</b>	<b>7,768,621</b>	<b>109,292,082</b>	<b>109,292,082</b>	<b>26,130,779</b>	<b>83,161,303</b>

First Revaluation was made on 30-06-1996 of land, building and plant and machinery and was carried out by independent valuer M/s.Haseeb Associates and certified by M/s. Anjum Asim Shahid & Co. Chartered Accountant, and revaluation surplus was amounting to Rs. 32.959 Million. Second revaluation was made on May 22, 2006 of aforesaid assets by the independent valuer M/s. Mughal Associates and certified by M/s. Khalid Majid Rehman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants and revaluation surplus was determined at Rs. 46,026,266/- on that date and third revaluation was made on June 25, 2012 of aforesaid assets by the independent valuer M/s. Mughal Associates and revaluation surplus was determined at Rs. 32,312,096/- Fourth revaluation was performed on April 08, 2016 of aforesaid assets by independent valuer M/s. Mughal associates and revalued surplus was determined at Rs. 35,353,045/-. Fifth revaluation was performed on May 31, 2019 of aforesaid assets by independent valuer M/s.Mughal associates and revalued surplus was determined at Rs.28,590,709/-. Sixth Revaluation was performed on May 28, 2022 of aforesaid assets by independent valuer M/s. Mughal Associates and revalued surplus was determined at Rs. 31,339,889/-.

#### BASIS OF REVALUATION

Land freehold	Inspection and market inquiry was conducted to determine the value of land and fair value was determined mainly with reference to price of similar properties in the locality.
Building on freehold land	Survey of the building was conducted and fair value was determined keeping in view the type of construction, existing condition, life lived, aging effect of super structure, expected future life and residual factor.
Plant and Machinery	Fair value determined after conducting investigation, examining current condition, specification, technical data, year of manufacturing, working efficiency, useful life, capacity utilization, maintenance schedule, useful and expected future life, current market value and replacement of plant and machinery

12.2- The forced sale value of the revalued property, plant and machinery in 2022 had been assessed at Rs. 92.26 million.

	2023 Rupees	2022 Rupees
<b>12.3- The depreciation for the year has been allocated as follows:</b>		
Cost of goods sold	8,358,121	6,361,110
Administrative expenses	1,040,114	1,236,654
	<b>9,398,235</b>	<b>7,597,764</b>
<b>13. STORES, SPARES PARTS AND LOOSE TOOLS</b>		
Stores and spares parts	10,297,712	6,013,732
Loose tools	230,847	230,847
	<b>10,528,559</b>	<b>6,244,579</b>
<b>14. STOCK IN TRADE</b>		
Raw material	134,162,561	36,674,388
Finished goods	25,319,432	15,650,176
	<b>159,481,993</b>	<b>52,324,564</b>
<b>15. TRADE DEBTS -UNSECURED</b>		
- Unsecured - Considered good	72,142,672	47,562,530
- Unsecured - Considered doubtful	10,831,205	9,278,193
	<b>82,973,877</b>	<b>56,840,723</b>
15.1 Provision for doubtful debts	(685,679)	(685,679)
	<b>82,288,198</b>	<b>56,155,044</b>

	Note	2023 Rupees	2022 Rupees
<b>Provision for doubtful debts</b>			
15.1		685,679	2,238,691
		-	-
		-	(1,553,012)
		<b>685,679</b>	<b>685,679</b>
<b>16. LOAN AND ADVANCES</b>			
<b>Loan to Director</b>			
	16.1	392,000	236,948
<b>Advances to Staff :unsecured</b>			
		267,369	161,510
	16.2	1,521,156	1,579,901
<b>Advances to suppliers:</b>			
		19,679,840	3,176,128
		<b>21,860,365</b>	<b>5,154,487</b>
16.1	These represents Loan to Director.The maximum aggregate amount due from Director at the end of any month during the year Rs. 367,000 /- (2022: Rs.3,512,948/-).		
16.2	Advances to employees against expenses are provided to meet business expenses and are settled as and when the expenses are incurred.		
<b>17. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
		705,850	705,850
	17.1	7,152,717	5,115,426
		<b>7,858,567</b>	<b>5,821,276</b>
<b>17.1- PREPAYMENTS</b>			
		126,220	-
		7,026,497	5,115,426
		<b>7,152,717</b>	<b>5,115,426</b>
<b>18. TAX REFUNDS DUE FROM THE GOVERNMENT</b>			
<b>Advance Income Tax</b>			
		705,465	1,653,217
		3,980,968	4,948,812
		4,686,433	6,602,029
		(3,953,628)	(5,896,564)
		<b>732,805</b>	<b>705,465</b>
<b>19. CASH AND BANK BALANCES</b>			
<b>Cash in hand</b>			
		78,752	379,542
		1,999,437	725,381
		2,078,189	1,104,923
<b>Cash at bank:</b>			
		7,747,596	13,550,589
		<b>9,825,785</b>	<b>14,655,512</b>
<b>20. REVENUE</b>			
	20.1	177,848,560	170,563,684
	20.2	36,724,409	32,058,746
		<b>214,572,969</b>	<b>202,622,430</b>

	<b>2023</b>	<b>2022</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>20.1 SALE OF GOODS</b>		
Gross Revenue	204,557,922	196,432,043
<b>Less:</b>		
-Trade discounts	(7,580,872)	(8,527,364)
-Sale Return	(19,128,490)	(17,340,995)
	<b><u>177,848,560</u></b>	<b><u>170,563,684</u></b>
<b>20.1.1 Sale of Goods</b>		
Hybrid corn seed	101,584,778	97,881,275
Fgoyee	826,000	9,003,150
Commercial Corn	2,106,420	1,792,162
Fuzzy & cotton seed	20,145,322	18,144,802
Peas / Vegetable seed/Raya	5,753,325	412,400
Okra seed	6,288,719	1,600,300
Wheat seed	16,090,956	29,475,966
S.S.G.	10,424,387	5,406,490
Silage	210,771	1,459,428
Paddy seed	26,523,044	14,257,945
Paddy Commercial	-	7,298,958
Hybrid Rice	626,900	1,123,200
Sale of Sesame	8,832,350	1,165,240
Micronutrient/Zinc	64,000	411,725
Sale of lint	4,902,550	5,619,252
Sale of Vanda	178,400	1,379,750
	<b><u>204,557,922</u></b>	<b><u>196,432,043</u></b>
<b>20.2 SALE OF SERVICES</b>		
Seed processing	35,291,185	30,346,267
Cleaning and drying	1,433,224	1,712,479
	<b><u>36,724,409</u></b>	<b><u>32,058,746</u></b>
<b>21 COST OF SALES</b>		
Raw material consumed	110,486,834	94,018,530
Chemicals, stores and others	6,834,055	6,481,131
Salaries, wages & benefits	9,741,828	10,145,282
Fuel and powers	17,318,622	12,709,847
Repair and maintenance (Plant & machinery)	991,226	607,591
Repair and maintenance (Building)	343,620	188,227
Repair and maintenance (Electrical)	113,140	101,130
Processing expenses	4,626,980	4,563,150
Research and development expenses	13,472,341	15,082,321
Micronutrient expenses	21,000	2,500
Vehicle repair and maintenance	562,017	275,006
Laboratory expenses	165,505	89,744
Entertainment	646,581	451,734
Telephone charges	14,462	153,214
Germination claims	1,235,990	911,152
Kappa's Ginning charges	311,755	240,729
Insurance of stocks & machinery	126,220	-
Depreciation	8,358,121	6,361,110
Miscellaneous charges	236,918	330,592
	<b><u>175,607,215</u></b>	<b><u>152,712,990</u></b>
Finished goods:		
- Opening	15,650,176	19,966,563
- Pre-paid expenses	(2,930,878)	(2,286,219)
- Closing	(25,319,432)	(15,650,176)
	<b><u>(12,600,134)</u></b>	<b><u>2,030,168</u></b>
	<b><u>163,007,081</u></b>	<b><u>154,743,159</u></b>

		2023 Rupees	2022 Rupees
<b>21.1 RAW MATERIAL CONSUMED</b>	<b>Note</b>		
Opening Stock		36,674,388	44,133,816
Add: Purchases		175,794,968	63,519,974
Add: Expenses on production		32,180,039	23,039,128
		244,649,395	130,692,918
Closing Stock		(134,162,561)	(36,674,388)
		<b><u>110,486,834</u></b>	<b><u>94,018,530</u></b>
<b>21.2</b>	Salaries, wages and benefits include Rs. 1,198,836 /- (2022: Rs. 1,720,830/-) in respect of staff retirement benefits - gratuity (Note # 7.3).		
<b>22. ADMINISTRATIVE EXPENSES</b>	<b>Note</b>	<b>2023 Rupees</b>	<b>2022 Rupees</b>
Salaries, wages and benefits	<b>22.1</b>	14,508,781	13,447,751
Printing and stationery		404,381	259,027
Traveling and conveyance		385,697	326,551
Vehicle running and maintenance		491,850	28,910
Rent, rates and taxes		1,484,693	859,263
Postage and telegram		70,219	53,962
Utilities expenses		393,736	421,532
Generator expenses		345,210	-
Telephone expenses		306,425	139,370
Entertainment		359,683	244,332
Newspaper and periodicals		11,625	9,040
Fee and subscription		500,350	590,963
Legal and professional charges		824,820	502,480
Auditor's remuneration	<b>22.2</b>	800,000	550,000
Canteen expenses		506,988	476,565
Repair & maintenance		451,390	283,170
Charity & donation		62,540	38,852
Insurance expenses		-	32,162
Depreciation	<b>12.3</b>	1,040,114	1,236,654
Miscellaneous expenses		71,380	57,360
Bad debt Written off		-	669,779
		<b><u>23,019,882</u></b>	<b><u>20,227,723</u></b>
<b>22.1</b>	Salaries, wages and benefits include Rs. 1,785,460 /- (2022: Rs. 1,256,220/-) in respect of staff retirement benefits - gratuity (Note # 7.3).		

		2023 Rupees	2022 Rupees
<b>22.2 Auditor's remuneration</b>			
Statutory Audit fee		600,000	400,000
Tax consultancy		200,000	150,000
		800,000	550,000
<b>23. DISTRIBUTION COST</b>			
Salaries, wages and benefits	<b>23.1</b>	2,667,406	2,711,070
Telephone expenses		65,740	46,200
Traveling and conveyance		119,606	10,080
Entertainment		31,160	21,521
Advertisement		403,884	438,560
Vehicle running expenses		2,592,044	3,208,844
Tag Expenses		404,100	290,017
Freight & octroi		1,571,739	1,378,700
Sale promotion expenses		758,145	261,230
Miscellaneous expenses		74,575	88,165
		<b>8,688,399</b>	<b>8,454,387</b>
<b>23.1.</b> Salaries, wages and benefits include Rs. 328,253/- (2022: Rs. 477,074/-) in respect of staff retirement benefits - gratuity (Note # 7.3).			
<b>24. FINANCE AND OTHER COST</b>			
Bank Charges		238,204	66,709
Mark up on short term borrowings		5,794,648	-
<b>Other cost</b>			
- Workers profit participation fund		882,555	1,000,617
- Workers welfare fund		530,570	380,234
		<b>7,445,977</b>	<b>1,447,560</b>
<b>25. OTHER INCOME</b>			
<b>Others</b>			
Gain on disposal of fixed asset		-	301,569
Misc.		228,411	-
Cleaning & drying		3,597,925	530,317
		<b>3,826,336</b>	<b>831,886</b>

	2023 Rupees	2022 Rupees
<b>26. TAXATION</b>		
Current year	5,219,386	4,338,734
Prior years	(385,106)	114,999
	4,834,280	4,453,733
<b>DEFERRED</b>		
Current year	(5,416,652)	11,450,552
	(5,416,652)	11,450,552
	<b>(582,372)</b>	<b>15,904,285</b>
<b>26.1- NUMERICAL RECONCILIATION BETWEEN THE AVERAGE EFFECTIVE TAX RATE AND THE APPLICABLE TAX RATE.</b>	<b>%AGE</b>	<b>%AGE</b>
Applicable tax rate	29.00%	29.00%
Tax effect of non deductible expenses	15.18%	12.00%
Tax effect of deductible expenses	-12%	-17.65%
Tax charge relating to prior year	-2.37%	0.62%
Tax effect relating to deferred tax current year	-33.36%	61.62%
<b>Average effective tax rate</b>	<b>-3.59%</b>	<b>85.59%</b>
Tax expense for the year divided by profit before tax	-3.59%	85.59%

**26.2-** The Company has filed Income Tax Return up to tax year 2022 which is deemed assessed as per Income Tax Ordinance, 2001.

**26.3-** Management is of view that the income tax provision for the year is sufficient to discharge the tax liability. Comparison of tax provision as per accounts viz a viz tax assessment for last three years is as follows:

Tax year	As per tax Assesment. Income / (Expense) .....Rupees.....	As per Accounts
2020	(4,939,544)	(5,229,034)
2021	(5,896,574)	(5,781,565)
2022	(4,338,734)	(3,953,628)

	2023	2022
<b>27. EARNING PER SHARE</b>		
Profit for the year after taxation	16,820,339	2,677,202
Number of ordinary shares issued and subscribed at the end of the year	4,000,000	4,000,000
	<b>4.21</b>	<b>0.67</b>
<b>27.1. BASIC</b>		
Earning per share	<b>4.21</b>	<b>0.67</b>

**27.2. DILUTED**  
There is no dilution effect on the basic earning per share of the company as the company has no such commitments or outstanding financial instruments.

**28- NOTE SUPPORTING THE STATEMENT OF CASHFLOWS**

	2023	July 01, 2022	Cash inflows /(outflows)	Non cash Changes	June 30, 2023
Short term borrowings		-	126,098,445.46	-	126,098,445
Loan from director		26,378,943	(2,000,000)		24,378,943
	2021	July 01, 2021	Cash inflows /(outflows)	Non cash Changes	June 30, 2022
Loan from director		39,378,943	(13,000,000)	-	26,378,943

## 28-A NUMBER OF EMPLOYEES

The total average number of employees during the period and as at the period end are as follows:

	At year end		Average	
	2023	2022	2023	2022
Head office	17	17	17	17
Plant	35	34	37	37
<b>Total number of employees</b>	<b>52</b>	<b>51</b>	<b>54</b>	<b>54</b>

## 29. REMUNERATION OF CHIEF EXECUTIVES, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the accounts for the period for remuneration, including all benefits to the Chief executive, Directors, and executive of the Company are as follows:

	2023		
	Chief Executive	Directors	Executives
Managerial remuneration	2,400,000	3,138,333	2,498,667
Utilities	120,000	156,917	124,933
House rent	1,080,000	1,412,250	1,124,400
Medical	-	81,200	-
	<b>3,600,000</b>	<b>4,788,700</b>	<b>3,748,000</b>
Number of persons	1	1	3

Director has been provided with free use of company's maintained car for official use only.

No meeting fee paid to any director.

	2022		
	Chief Executive	Directors	Executives
Managerial remuneration	2,400,000	3,178,667	1,680,000
Utilities	120,000	158,933	84,000
House rent	1,080,000	1,430,400	756,000
Medical	-	139,200	-
	<b>3,600,000</b>	<b>3,178,667</b>	<b>2,520,000</b>
Number of persons	1	1	2

Director has been provided with free use of company's maintained car for official use only. No meeting fee paid to any director.

## 30. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, directors of the Company and key management personnel. The Company in the normal course of business carries out transactions with various related parties on mutually agreed terms. There are no related party transactions except for the remuneration of directors and key management personnel as disclosed in note 29. The Company in the normal course of business carries out transactions with various related parties. Significant transactions with related parties are as follows:

Nature of Transaction	2023	2022
Director Loan Received	-	-
Loan paid to Director	2,000,000	13,000,000
Repayment of loan by Director	-	-

The Related parties with whom the Company had entered into transactions or have arrangement / agreement in place are following:

Name of the related party	Relationship	Basis of relationship	'Aggregate % of shareholding
Faaiz Rahim Khan	Related Party	Director	0.25%
Saad Rahim Khan	Related Party	Director	9.12%
Dr. Anwar-ul-Haq	Related Party	Director	0.03%

## 31. CAPACITY AND PRODUCTION

Annual rated capacity (at 100% capacity)  
(Based on 50 Tons per day of 24 hours and 365 days a year)

### Actual Production

- Cotton seeds
- Other seeds
- Third party seed-processed

	2023	2022
	M.Tons	M.Tons
	<b>18,250</b>	<b>18,250</b>
	22	39
	1,341	797
	1,942	2,843
	<b>3,305</b>	<b>3,679</b>



- 31.1. The exact rated capacity of the plant cannot be determined as it varies according to nature of seeds to be processed and also affected by various other associated factors.
- 31.2. Due to perishable nature of the product, the actual production is limited to market demand.

## 32. FINANCIAL RISK MANAGEMENT

### 32.1 FINANCIAL RISK FACTORS

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non derivative financial instruments and investment of excess liquidity.

#### (a) Market risk

##### (i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is not exposed to currency risk as it has no import and export at June 30, 2023 had Pakistani rupees weakened/strengthened by 5% against the USD with all other variables held constant, profit before taxation for the year would have been lower/ higher by Rs. Nil (2022: Nil). This will mainly result due to foreign exchange gains/losses on translation of USD.

##### (ii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company has no interest bearing assets. The Company's interest rate risk is not arising from short term borrowings and bank balances in saving accounts. Financial instruments at variable rates expose the company to cash flow interest rate risks. Financial instruments at fixed rate expose the Company to fair value interest rate risk. There is no interest bearing financial instruments.

##### Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees nil (2022: nil) lower / higher, mainly as a result of higher / lower interest expense/income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at balance sheet dates were outstanding for the whole year.

##### (iii) Other price risk

'Other price risk represents 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 interest rate risk or currency 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 effect of changes in fair value of such investments made by the company, on the future profits are not considered to be material in the overall context of these financial statements. Furthermore, the Company is not exposed to commodity price risk.

### Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange (PSX) Index on the Company's profit after taxation for the year and on equity (fair value reserve). The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

Index	Impact on profit after taxation		Statement of comprehensive income (fair value reserve)	
	Jun-23	Jun-22	Jun-23	Jun-22
KSE 100 (5% increase)	-	-	-	-
KSE 100 (5% decrease)	-	-	-	-
Equity (fair value reserve) would increase / decrease as a result of gain / loss on equity investment classified as available for sale.				

## (b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, receivables from related parties, other receivables, bank balances and term deposits with banks. The maximum exposure to credit risk at the reporting date was as follows:

		2023 Rupees	2022 Rupees
Trade debts	See note no. 15	82,288,198	56,155,044
Loans and advances	See note no. 16	21,860,365	5,154,487
Cash and Bank balance	See note no. 19	9,825,785	14,655,512
		<b>113,974,348</b>	<b>75,965,043</b>

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating			2023	2022
	Short Term	Long term	Agency	Rupees	Rupees
<b>Banks</b>					
Bank of Punjab	A1+	AAA+	PACRA	442,387	442,387
MCB	A1+	AAA	PACRA	1,155,523	5,300,555
HBL	A1+	A+	PACRA	2,256,046	2,953,779
ABL	A1+	AAA	PACRA	-	100,909
UBL	A-1+	AAA	VIS	2,820	500
Bank Alfalah	A1+	AA	PACRA	11,040	11,040
Askari Bank Limited	A1+	AA+	PACRA	67,095	67,095
National Bank of Pakistan	A1+	AAA	PACRA	62,173	464,493
Faysal Bank Limited	A1+	AA	PACRA	2,083,074	1,167,008
Meezan Bank Limited	A+			1,444,221	-
Dubai Islamic Bank Pakistan limited				223,217	-
<b>Cash In Hand</b>				<b>2,078,189</b>	<b>1,104,923</b>
				<b>9,825,785</b>	<b>11,612,689</b>

The Company's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 15.

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, the management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly the credit risk is minimal.

The Company has established a credit policy for its industrial and retail customers under which each new customer is analyzed individually for credit worthiness before the Company enters into a commercial transaction. The Company's review includes identity checks, minimum security deposits, bank guarantees and in some cases bank references. Credit limits are established for each customer in accordance with the security deposit or bank guarantee received, which represents the maximum open amount without requiring approval from the higher management; customer limits are reviewed on a regular basis and once the credit limits of individual customers are exhausted, further transactions are discontinued.

The Company recognises ECL for trade debts using the simplified approach described below,

	Not past due	91-180 Days	181-365 Days	More than 365 Days	Total
		4%	6%	10%-12%	
Balance as at June 30, 2023	65,549,363	3,318,955	4,978,433	9,127,126	82,973,877
Loss allowance	-	-	-	(685,679)	(685,679)
Balance as at June 30, 2022	44,904,171	2,273,629	3,410,443	6,252,480	56,840,723
Loss allowance	-	-	-	-	-

ECL on other receivables is calculated using general approach.

As at the reporting date, Company envisages that default risk on account of non-realisation of other receivables and advances is minimal and thus based on historical trends adjusted to reflect current and forward looking information, loss allowance has been estimated by the Company using a range of probable recovery pattern of related other receivables and assigning a time value of money to same. As per the aforementioned approach, the loss allowance for other receivables was determined as follows:

	2023	2022
<b>Gross carrying amount</b>	9,127,126	11,681,228
Loss allowance	-	-

(c) **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June, 2023 the company had Rupees 9,825,785/- (2021: Rs. 14,655,512) Cash and Bank Balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements. Following are the contractual maturities of financial liabilities. The amounts disclosed in the table are undiscounted cash flows.

**Contractual maturities of financial liabilities as at 30 June 2023**

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
(Rupees)						
<b>Non-derivative financial liabilities:</b>						
Trade and other payables	21,193,905	21,193,905	21,193,905	-	-	-
Loan from related party (Director)	24,378,943	24,378,943			24,378,943	
	<u>45,572,848</u>	<u>45,572,848</u>	<u>21,193,905</u>	<u>-</u>	<u>24,378,943</u>	<u>-</u>

**Contractual maturities of financial liabilities as at 30 June 2022**

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
(Rupees)						
<b>Non-derivative financial liabilities:</b>						
Trade and other payables	17,470,980	17,470,980	17,470,980	-	-	-
Loan from related party (Director)	2,000,000	-	-	-	2,000,000	-
	<u>19,470,980</u>	<u>17,470,980</u>	<u>17,470,980</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of actual disbursement having no markup.

Reconciliation of movement of liabilities to cash flows arising from financing activities is as follows:

	Short-Term Borrowings Used For Cash Management Purpose	TOTAL
Balance as at July 01, 2022	2,000,000	2,000,000
Changes from financing cash flows		
Repayment of loan	(6,664,000)	(6,664,000)
Proceeds from loan	130,762,445	130,762,445
Receipts of security deposit	-	-
Disbursement of security deposit	-	-
Total changes from financing activities	124,098,445	124,098,445
Balance as at June 30, 2021	<u>126,098,445</u>	<u>126,098,445</u>

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

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 : Quoted prices in active markets for identical assets and liabilities;
- Level 2 : Observable inputs; and
- Level 3 : Unobservable inputs.

	Level 1	Level 2	Level 3	Total
(Rupees)				
<b>As at 30 June 2023</b>				
<b>Assets</b>				
Available for sale financial assets	-	-	-	-
<b>As at 30 June 2022</b>				
<b>Assets</b>				
Available for sale financial assets	-	-	-	-

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial instruments held by the Company is the current bid price. These financial instruments are classified under level 1 in above referred table.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value a financial instrument are observable, those financial instruments are classified under level 2 in above referred table. The Company has no such type of financial instruments as at 30 June 2023.

If one or more of the significant inputs is not based on observable market data, the financial instrument is classified under level 3. The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments. The Company has no such type of financial instruments.

### 32.3 Financial instruments by categories

	At Fair Value Rupees	At Amortized Cost Rupees	Total Rupees
<b>As at 30 June 2023</b>			
<b>Assets as per balance sheet</b>			
Trade Debts		82,288,198	82,288,198
Loans and Advances		21,860,365	21,860,365
Cash and Bank Balances		9,825,785	9,825,785
	-	113,974,348	113,974,348

	At Amortized Cost Rupees
<b>Liabilities as per balance sheet</b>	
Trade and other payables	21,193,905
Loan from related party (Director)	-
Short term borrowings	126,098,445
	<b>147,292,350</b>

	At Fair Value Rupees	At Amortized Cost Rupees	Total Rupees
<b>As at 30 June 2022</b>			
<b>Assets as per balance sheet</b>			
Trade Debts	-	56,155,044	56,155,044
Loans and Advances	-	5,154,487	5,154,487
Cash and Bank Balances	-	14,655,512	14,655,512
	-	75,965,043	75,965,043

	At Amortized Cost Rupees
<b>Liabilities as per balance sheet</b>	
Trade and other payables	17,470,980
Loan from related party (Director)	2,000,000
	<b>19,470,980</b>

### 32.4 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 benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent short term borrowings obtained by the company as referred to in Note 6. Total Capital employed includes 'total equity' as shown in balance sheet .

		Jun-23	Jun-22
Short Term Borrowings	Rupees in thousand	126,098.45	2,000.00
Total Equity	Rupees in thousand	188,712.83	171,156
Total Capital Employed	Rupees in thousand	314,811	173,156
Gearing ratio	Percentage	40.06%	1.16%

### 33 GENERAL

33.1 **Figures have been rounded off to nearest rupee.**

#### 33.2 Impact of COVID - 19 on the financial statements

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on March 11, 2020, impacting countries globally. Measures taken to contain the spread of the virus, including lock-downs, travel bans, quarantines, social distancing, and closures of non-essential services and factories triggered significant disruptions to Manufacturing, transportation, distribution and selling of seeds, fertilizers and pesticides, being essential commodities, was permitted by the Government even during the lock down period. Consequently, the Company's plants have continued uninterrupted operations during this pandemic.

The management is of the view that COVID-19 pandemic has not materially affected the financial performance of the Company as the activities of the Company remained continued during the lock down period. Keeping in view the latest updates regarding the pandemic, future effects cannot be predicted. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

#### 33.3 EXEMPTION FROM SALES TAX

The Principle activity of the company is related to agriculture products that is exempt as per 6th schedule of Sales Tax Act , 1990 and 2nd schedule of Punjab sales Tax Act, 2012. The company is not registered with the Sales Tax Laws since inception, and neither had been served with any notice regarding registration under the Sales Tax Act, 1990 from any relevant authority.

#### 33.4 EXEMPTION FROM INCOME TAX ON SELF GROWN SEED

The Principle activity of the company is related to agriculture products that is exempt as per Section 41 of Income Tax Ordinance, 2001 on self cultivated agriculture products and paid agriculture tax.

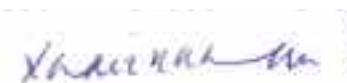
### 34 EVENTS

There are no events subsequent to balance sheet date that may require adjustments / disclosures in the financial statements .

### 36 DATE OF AUTHORIZATION

These financial statements have been approved and authorized for issue on 04-10-2023 by the Board of Directors of the company.

*The annexed notes from 1 to 35 form an integral part of these financial statements.*



Chief Executive



Chief Financial Officer



Director

**DATA AGRO LIMITED  
PATTERN OF SHAREHOLDING  
AS ON 30-06-2023**

Number of ShareHolders	Shareholding		Number of Share Held	% of Capital
	From	To		
96	1	100	2,377	0.06
1922	101	500	955,772	23.89
36	501	1000	34,651	0.87
35	1001	5000	88,600	2.22
9	5001	10000	77,000	1.93
3	10001	15000	37,000	0.93
4	15001	20000	71,500	1.79
1	20001	25000	21,000	0.53
2	25001	30000	59,500	1.49
2	30001	35000	68,000	1.70
1	45001	50000	50,000	1.25
1	60001	65000	64,500	1.61
1	110001	115000	110,500	2.76
1	130001	135000	130,300	3.26
1	145001	150000	150,000	3.75
1	215001	220000	219,200	5.48
1	230001	235000	233,500	5.84
1	235001	240000	238,000	5.95
1	265001	270000	269,300	6.73
1	355001	365000	359,800	9.00
1	360001	365000	364,600	9.12
1	390001	395000	394,900	9.87
<b>2,122</b>	<b>&lt;-----TOTAL-----&gt;</b>		<b>4,000,000</b>	<b>100.00</b>

**DATA AGRO LIMITED CATEGORIES OF SHAREHOLDERS AS ON 30-06-2023**

Sr #	Shareholder's Category	Number of Shareholders	Number of Shares Held	Percentage
1	Directors/Chief Executive Officer and their Spouse and minor children.	12	1,599,700	39.99
2	Executives	1	30,000	0.75
3	Associated Companies, Undertakings and Public Sector Companies and Corporations	1	394,900	9.87
4	NIT and ICP N.B.P Trustee Department -----> 11,700 IDBP ( ICP UNIT) -----> 34,000	2	43,700	1.09
5	Public Sector Companies and Corporations	-	-	-
6	Banks, Development Financial Institutions, Non-Banking Financial Institutions, Insurance Companies, Modarabas and Mutual Funds	4	11,565	0.29
7	Shareholding 5% or More (including in above category)	7	2,079,300	51.98
8	Others	2	12,001	0.30
9	Individuals	2,100	1,908,134	47.70
	<b>TOTAL : -</b>	<b>2,122</b>	<b>4,000,000</b>	<b>100.00</b>

## DETAIL OF CATEGORIES OF SHAREHOLDERS AS ON JUNE 30, 2023

CATEGORIES OF SHAREHOLDERS		TOTAL SHARES HELD	%
<b>A) Directors/Chief Executive Officer and their spouse and minor Children</b>			
1	MR. OMAR RAHIM KHAN	269,300	6.73
2	MRS. SAMAN GHAZI KHAN	500	0.01
3	MR. OSMAN RAHIM KHAN	130,300	3.26
4	MR. TARIQ MAHMOOD HASSAN BUTT	1,000	0.03
5	MR. ANWAR-UL-HAQ	1,000	0.03
6	MR. ASAD RAHIM KHAN	233,500	5.84
7	MR SAAD RAHIM KHAN	364,600	9.12
8	MR HAIDER SADIK	219,200	5.48
9	MR SHAMIM AHMAD KHAN	500	0.01
10	MR FAAIZ RAHIM KHAN	10,000	0.25
11	MR ASIF RAHIM KHAN	10,000	0.25
12	MRS FAAIZA FAAIZ KHAN	359,800	9.00
<b>TOTAL:</b>		<b>1,599,700</b>	<b>39.99</b>
<b>B) Executives</b>			
1	RIZWAN HASSAN	30,000	0.75
<b>TOTAL:</b>		<b>30,000</b>	<b>0.75</b>
<b>C) Associated Companies, Undertakings and related parties</b>			
1	DATA ENTERPRISES (PVT) LTD	394,900	9.87
<b>TOTAL:</b>		<b>394,900</b>	<b>9.87</b>
<b>D) NIT and IDBP (ICP UNIT)</b>			
1	N.B.P. TRUSTEE DEPARTMENT	9,700	0.24
2	IDBP (ICP UNIT)	34,000	0.85
<b>TOTAL:</b>		<b>43,700</b>	<b>1.09</b>
<b>E) Banks, Development Financial Institutions, Non-Banking Financial Institutions, Insurance companies, Modarabas and Mutual Funds</b>			
1	THE BANK OF KHYBER	2,000	0.05
2	NATIONAL BANK OF PAKISTAN	55	0.00
	SALIM SOZER SECURITIES (PRIVATE) LIMITED	9,500	0.24
3	NATIONAL BANK OF PAKISTAN	10	0.00
<b>TOTAL:</b>		<b>11,565</b>	<b>0.29</b>
<b>F) *Shareholding 5% or more</b>			
1	MR SAAD RAHIM KHAN	364,600	9.12
2	MR HAIDER SADIK	219,200	5.48
3	DATA ENTERPRISES (PVT) LTD	394,900	9.87
4	MR. ASAD RAHIM KHAN	233,500	5.84
5	MR. OMAR RAHIM KHAN	269,300	6.73
6	MRS FAAIZA FAAIZ KHAN	359,800	9.00
7	TAHIR MAHMOOD	238,000	5.95
<b>TOTAL:</b>		<b>2,079,300</b>	<b>51.98</b>
<b>G) Others</b>			
1	MAPLE LEAF CAPITAL LIMITED	1	0.00
3	RS CAPITAL (PRIVATE) LIMITED	12,000	0.30
<b>TOTAL:</b>		<b>12,001</b>	<b>0.30</b>
<b>H) Individuals</b>			
<b>DATA AGRO LIMITED</b>		<b>1,908,134</b>	<b>47.70</b>
<b>GRAND TOTAL:</b>		<b>4,000,000</b>	<b>100.00</b>

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed.

Serial Number	Name	Sale	Purchase
-	-	-	-

Signature of the Company Secretary

Name of Signatory

Suhail Mehmood

Designation

Company Secretary

NIC Number

Date

30.6.2023

**FORM OF PROXY**

I/We-----  
of -----being a member of **DATA AGRO LIMITED** and holding-----  
- ordinary shares as per Share Register Folio No-----hereby appoint Mr.-----  
----- of -----or failing him Mr.-----of ----  
----- as my /our proxy in my/our absence to attend and vote for me/us and on  
my/our behalf at the Annual General Meeting of the Company to be held on 27<sup>th</sup>  
November 2023 at 11:00 a.m. at Suite 5, The Polo Residency, Opposite Allama Iqbal  
Intenational Airport, Adjacent Sector A, Phase 8, DHA, Lahore and at any adjournment  
thereof

Signed this -----day of -----2023.

Witnesses:

1. Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
NIC or  
Passport No. \_\_\_\_\_



The Signature should agree  
with the specimen registered  
with the Company.

2. Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
CNIC or  
Passport No. \_\_\_\_\_

Note:

Proxies in order to be effective must be received at the Company’s registered office not less than 48 hours before the meeting. No person shall be appointed a proxy who is not member of the Company qualified to vote except that a corporation being a member may appoint as proxy a per son who is not a member.

CDC Shareholders and their Proxies are each requested to attach an attested photocopy to their National Identity Card or Passport with this proxy form before submission to the Company.