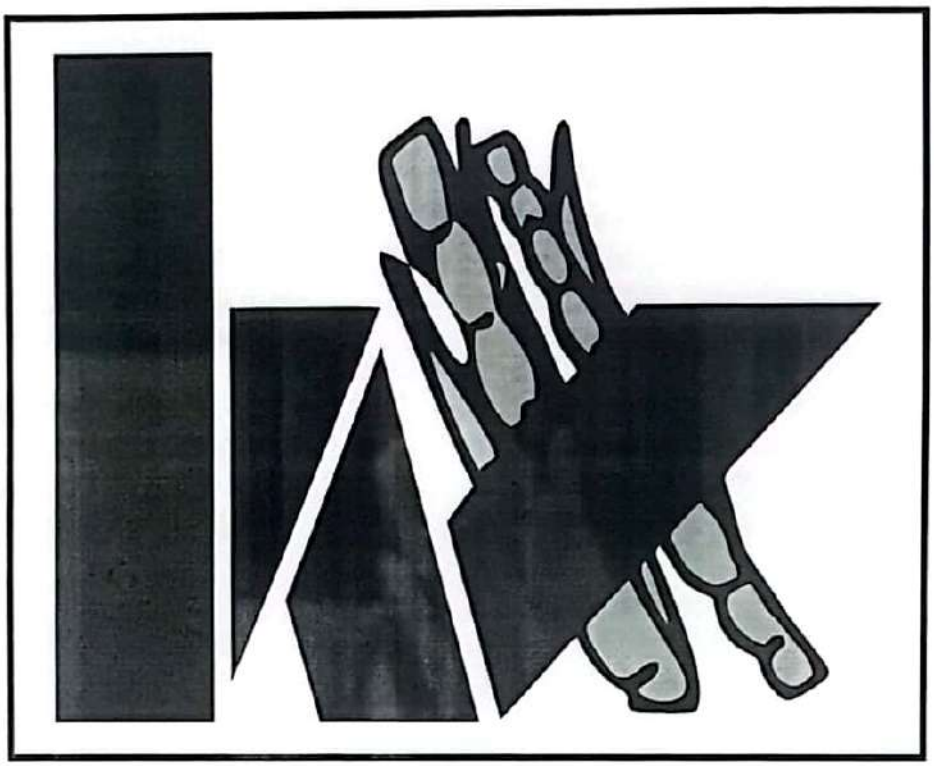

HASEEB WAQAS SUGAR MILLS LIMITED

CamScanner

Company Information

Board of Directors

1. Mr. Raza Mustafa — Chairman
2. Mian Haseeb Ilyas — Director/Chief Executive
3. Mian Waqas Riaz — Director
4. Mrs. Yasmin Riaz — Director
5. Mrs. Zainab Waqas — Director
6. Mrs. Shahzadi Ilyas — Director
7. Mrs. Zakia Ilyas — Director
8. Miss. Aqsa Riaz — Director

Audit Committee

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

Human Resource & Remuneration Committee

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

Company Secretary

Mr. Ansar Ahmed, FCA
Tel: 042-35917313
Email: cs@hwgc.com.pk

Chief Financial Officer

Syed Mubashar Hussain Bukhari
Tel: 042-35917313
Email: hwgc@hwgc.com.pk

Auditors

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

Registrar

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

Mills

Mouza Jagmal, Tehsil Jattoi
District. Muzaffargarh

Registered Office

06-F, Model Town, Lahore
Tel: 042-35917321-23
Fax: 042-35917317
Website: www.hwgc.com.pk

Bankers

National Bank of Pakistan
Sindh Bank Limited
The Bank of Punjab

Legal Advisor

Muhammad Ahsan Khan
(Advocate)

CamScanner

DIRECTORS' REVIEW
FOR THE HALF YEAR ENDED 31 MARCH 2022

Dear Members

On behalf of the Board of Directors, it is my privilege to present you the Half Yearly condensed financial statements duly reviewed by the statutory auditors and their report is attached to the financial statements.

FINANCIAL RESULTS

The financial results of the company for the period under review are summarized as follows:

	For the half year ended 31 March	
	2022	2021
	(Rupees in thousand)	
Net Sales	-	-
Gross Profit / (Loss)	(73,607)	(77,328)
Net Profit / (Loss) before tax	(22,146)	(169,167)
Net Profit / (Loss) after tax	5,115	(154,493)
Basic Earning	(0.16)	(4.77)

During the period under review, the Company posted gross loss of Rs.73,606,732 as compared to last period of Rs.77,327,088. Further, the company remains non-operational during the crushing season and resultantly have zero production and sales during the period.

As per order of Supreme Court of Pakistan, we could not operate mills hence incurred losses.

AUDITOR'S REPORT

Regarding Auditor's Report, we would like to submit as under:

Since shifting of sugar mill from Nankana to Muzafar Garh, challenged by Southern Punjab sugar mills. Therefore, we could not run the mill at its present location due to order by the Supreme Court of Pakistan to shift the mill back to Nankana Sahib, which resulted into huge losses and severe financial crunch. Due to this factor, we are in default of bank loans and facing recovery suits filed by the financial institutions.

Due to current financial position and closure of the mills the auditors expressed disclaimer of opinion in their audit report on the accompanying financial statements.

CamScanner

FUTURE OUTLOOK

The Management of the company moved an application to Ministry of Industries, under section 3 of the Punjab Industries (Control & Enlargement) Ordinance, 1963. The application has been turned down by the Ministry of Industries.

However, in the similar case Ittefaq Sugar Mills Limited v/s Province of Punjab, Lahore High Court, allowed setting up the mills under section 3 of the Punjab industries (Control & Enlargement) Ordinance, 1963 and against this order, Government of Punjab filed CPLA in August Supreme Court of Pakistan.

ACKNOWLEDGEMENT

The Board of Directors deeply express their appreciation and pay their gratitude to sugarcane growers, valuable customers, shareholders, banks and Government departments for their continued support, trust, persistent co-operation and patronage which gives strength to pursue our corporate objectives with renewed vigor. The Board also acknowledges the valuable teamwork, devotion and dedication by the executives, employees and workers of the Company.

On behalf of the Board

(MIAN HASEEB ILYAS)
Chief Executive

Place: Lahore:
Dated: 30 May 2022

CamScanner

QADEER & COMPANY
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF "HASEEB WAQAS SUGAR MILLS LIMITED"

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

INTORDUCTION

We have reviewed the accompanying condensed interim statement of financial position of **Haseeb Waqas Sugar Mills Limited** as at **March 31, 2022** and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the half year then ended (here-in-after referred to as the 'interim financial statements'). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim statement of profit or loss, condensed interim statement of other comprehensive income for the quarters ended March 31, 2021 and March 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended **March 31, 2022.**

SCOPE OF REVIEW

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

BASIS FOR DISCLAIMER OF CONCLUSION

The company could not provide and make available to us all of its books of accounts and other information which were necessary for the purpose of our review. As a result we were unable to determine whether any adjustment might have been found necessary in respect of recorded or unrecorded elements making up the condensed interim statement of financial position, condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the condensed interim information.

Head Office: 32-A, Lawrence Road, Lahore. Ph: +92 42 36373451-52-53
E-mail:qadeerco@brain.net.pk
Branch Office: Office # 503, 5th Floor, ISE Towers, Jinnah Avenue, Islamabad.
Off: +92-51-2894591-3 E-mail: trko@hotmail.com

CamScanner

DISCLAIMER OF CONCLUSION

Due to the significance of matters described in the **"Basis for Disclaimer of Conclusion"** Paragraph we were unable to obtain the sufficient appropriate evidence to form a conclusion on the accompanied interim financial statements. Accordingly, we do not express a conclusion on these condensed interim financial statements.

The engagement partner on the review resulting in this independent auditor's report is **Abdul Rahman**.

Qadeer and Company,
Chartered Accountants
Lahore
Date: May 30, 2022
UDIN:

Head Office: 32-A, Lawrence Road, Lahore. Ph: +92 42 36373451-52-53
E-mail:qadeerco@brain.net.pk
Branch Office: Office # 503, 5th Floor, ISE Towers, Jinnah Avenue, Islamabad.
Off: +92-51-2894591-3 E-mail: trko@hotmail.com

CamScanner

HASEEB WAQAS SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

	Note	Un-audited March 31, 2022 Rupees	Audited Sep. 30, 2021 Rupees
CAPITAL AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
35,000,000 ordinary shares of Rs. 10 each		**350,000,000**	**350,000,000**
Issued, subscribed and paid up capital	6	324,000,000	324,000,000
Loan from Directors	7	1,126,942,639	841,942,639
Surplus on Revaluation		1,292,954,829	1,323,260,805
Accumulated loss		(4,047,254,119)	(4,082,674,095)
		(1,303,356,651)	(1,593,470,651)
Non Current Liabilities			
Long term financing	8	-	-
Deferred liabilities		40,787,191	17,782,639
Deferred taxation		517,723,423	546,697,573
		558,510,614	564,480,212
Current Liabilities			
Trade and other payables		791,276,270	791,525,787
Provision for taxation		1,714,850	-
Markup/ interest payables		954,178,042	1,011,317,540
Short term borrowings	9	656,399,886	656,462,763
Unclaimed dividend		1,443,972	1,443,972
Current portion of non current liabilities	10	1,367,187,642	1,652,187,642
		3,772,200,662	4,112,937,704
Contingencies and Commitments	11	-	-
		3,027,354,625	3,083,947,265
ASSETS			
Non Current Assets			
Property, plant and equipment	12	2,903,647,990	2,976,625,434
Long term deposits		490,000	490,000
		2,904,137,990	2,977,115,434
Current Assets			
Stores, spares and loose tools		55,892,796	55,892,796
Stock in trade	13	-	-
Advances, deposits, prepayments and other receivables		65,390,972	49,209,513
Cash and bank balances		1,932,867	1,729,522
		123,216,635	106,831,831
		3,027,354,625	3,083,947,265

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

MIAN HASEEB ILYAS
CHIEF EXECUTIVE

RAZA MUSTAFA
DIRECTOR

SYED MUBASHIR HUSSAIN BUKHARI
CHIEF FINANCIAL OFFICER

CamScanner

HASEEB WAQAS SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR AND 2ND QUARTER ENDED MARCH 31, 2022

	Note	Six Months Ended March 31, 2022 Rupees	Six Months Ended March 31, 2021 Rupees	Quarter Ended March 31, 2022 Rupees	Quarter Ended March 31, 2021 Rupees
Sales - Net	14	-	-	-	-
Cost of goods sold	15	(73,606,732)	(77,327,088)	(35,929,093)	(37,907,038)
Gross (loss)		(73,606,732)	(77,327,088)	(35,929,093)	(37,907,038)
Operating expenses:					
Administrative and general		(5,676,586)	(5,826,906)	(2,869,915)	(3,194,898)
		(79,283,318)	(83,153,994)	(38,799,008)	(41,101,936)
Other Income	16	137,188,002	-	137,188,002	-
Profit / (Loss) from operation		57,904,684	(83,153,994)	98,388,994	(41,101,936)
Finance cost		(80,049,987)	(86,012,043)	(38,104,475)	(39,633,624)
(Loss) before taxation		(22,145,303)	(169,166,037)	60,284,519	(80,735,560)
Taxation					
Current		(1,714,850)	-	(1,714,850)	-
Deferred		28,974,153	14,673,666	21,657,126	7,336,833
		27,259,303	14,673,666	19,942,276	7,336,833
Profit / (Loss) after taxation		5,114,000	(154,492,371)	80,226,795	(73,398,727)
Loss per share - basic and diluted		0.16	(4.77)	2.48	(2.27)

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

MIAN HASEEB ILYAS	RAZA MUSTAFA	SYED MUBASHIR HUSSAIN BUKHARI
CHIEF EXECUTIVE	**DIRECTOR**	**CHIEF FINANCIAL OFFICER**

CamScanner

HASEEB WAQAS SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND 2ND QUARTER ENDED MARCH 31, 2022

		Six Months Ended March 31,		Quarter Ended March 31,	
		2022	2021	2021	2020
	Note	Rupees	Rupees	Rupees	Rupees
Profit / (Loss) after taxation		5,114,000	(154,492,371)	80,226,795	(73,398,727)
Other comprehensive income for the period		-	-	-	-
Total comprehensive Profit / (loss) for the period		5,114,000	(154,492,371)	80,226,795	(73,398,727)

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

MIAN HASEEB ILYAS
CHIEF EXECUTIVE

RAZA MUSTAFA
DIRECTOR

SYED MUBASHIR HUSSAIN BUKHARI
CHIEF FINANCIAL OFFICER

CamScanner

HASEEB WAQAS SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2022

	Note	Un-audited March 31, 2021 Rupees	Audited Sep. 30, 2021 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
profit / (Loss) before taxation		(22,145,303)	(169,166,037)
Adjustments for:			
- Depreciation		72,977,444	77,510,195
- Finance cost		80,049,987	86,012,043
- Other income		(137,188,002)	
- Deferred liabilities		23,004,552	
		38,843,981	163,522,238
Operating profit (loss) before working capital changes		16,698,678	(5,643,799)
(Increase) / decrease in current assets:			
- Stores, spares and loose tools		-	-
- Advances, deposits, prepayments and other receivables		(16,181,459)	780,820
Increase / (decrease) in current liabilities:			
- Trade and other payables		(249,517)	5,108,228
		(16,430,976)	5,889,048
Cash generated /(used in) from operations		267,702	245,248
Income tax paid / deducted		-	-
Finance cost paid		(1,480)	(1,289)
Net cash generated from/(used in) operating activities		266,222	243,959
CASH FLOW FROM INVESTING ACTIVITIES		-	-
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds / (Repayment) from long term loans - Net		(285,000,000)	-
Proceeds / (Repayment) from Directors/Sponsors- Net		285,000,000	-
Proceeds / (Repayment) from short term borrowings - Net		(62,877)	-
Net cash generated from financing activities		(62,877)	-
Net increase/(decrease) in cash and cash equivalents		203,345	243,959
Cash and cash equivalents at the beginning of the period		1,729,522	1,712,121
Cash and cash equivalents at the end of the period		1,932,867	1,956,080

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

MIAN HASEEB ILYAS	RAZA MUSTAFA	SYED MUBASHIR HUSSAIN BUKHARI
CHIEF EXECUTIVE	**DIRECTOR**	**CHIEF FINANCIAL OFFICER**

CamScanner

HASEEB WAQAS SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2022

	Rupees				
	Issued Subscribed and Paid up Capital	Loan from Directors	Surplus on Revaluation of Property, Plant & Equipments	Accumulated (Loss) / Profit	Total
Balance as at September 30, 2020	324,000,000	841,731,639	1,387,378,418	(3,837,974,792)	(1,284,864,735)
Total comprehensive income / (loss) for the period	-	-	-	(154,492,371)	(154,492,371)
Transaction with Owners:					
Increase / (Decrease) in Director's Loan during the Period	-	-	-	-	-
Surplus on revaluation of fixed assets transferred to-retained earnings in respect of incremental depreciation - net of Tax	-	-	(32,058,807)	32,058,807	-
Balance as at March 31, 2021 - Un audited	**324,000,000**	**841,731,639**	**1,355,319,611**	**(3,960,408,356)**	**(1,439,357,106)**
Balance as at September 30, 2021 -Audited	**324,000,000**	**841,942,639**	**1,323,260,805**	**(4,082,674,095)**	**(1,593,470,651)**
Total comprehensive income / (loss) for the period	-	-	-	5,114,000	5,114,000
Transaction with Owners:					
Increase in director's loan during the period	-	285,000,000	-	-	285,000,000
Surplus on revaluation of fixed assets transferred to-retained earnings in respect of incremental depreciation	-	-	(30,305,976)	30,305,976	-
Balance as at March 31, 2022 -Un audited	**324,000,000**	**1,126,942,639**	**1,292,954,829**	**(4,047,254,119)**	**(1,303,356,651)**

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

MIAN HASEEB ILYAS	RAZA MUSTAFA	SYED MUBASHIR HUSSAIN BUKHARI
CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

CamScanner

1 STATUS AND ACTIVITIES

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

2 STATEMENT OF COMPLIANCE

2.01 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which comprise of International Accounting Standard (IAS) 34 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act) and provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed.
These condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended September 30, 2021.

2.02 This condensed interim financial report comprises of the condensed interim statement of financial position as at March 31, 2022, the condensed interim profit or loss account, the condensed interim profit or loss account and other comprehensive income, condensed interim statement of changes in equity and the condensed interim statement of cash flows for the six months period then ended which have been subjected to a review but not audited. This condensed interim financial report also includes the condensed interim profit or loss account for the quarter ended March 31, 2022 which is not subject to a review.

2.03 The comparative Statement of financial position, presented in this condensed interim financial statement, as at March 31, 2022 has been extracted from the annual audited financial statements of the Company for the year ended September 30, 2021 whereas the comparative condensed interim profit or loss account, the condensed interim profit or loss account and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the six months period ended March 31, 2021 were subjected to review but not audited. The comparative condensed profit or loss account for the quarter ended March 31, 2021 included in this condensed interim financial report was not subject to a review.

3 BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention modified by adjustment of revaluation of certain assets. In this condensed interim financial information, except for the statement of cash flows, all the transactions have been accounted for on accrual basis.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods for computation adopted for the preparation of this condensed interim financial information is the same as those applied in preparation of the financial statements for the year ended September 30, 2021.

5 GOING CONCERN ASSUMPTION

During the period under review, the Company posted gross loss of Rs. 73,606,732/- as compared to last period's of Rs. 77,327,088 /-. Further, the Company remain non operational during the crushing season and resultantly have zero production and sales during the period.

OPERATIONAL MEASURES

In view of above issues Company has taken and / or in the process of taking following mitigating steps:
Shifting of mill to Alipur Jatoi, Muzaffargarh done where sugar cane availability and sugar recovery are better.
BMR done and we will see impact of this BMR in the financials of coming season.
Our review petition (regarding shifting of mill to Alipur Jatoi) dismissed by Supreme Court and management considering alternate options available including but not limited to application to Ministry of Industries and Planning under Section 3 of the Punjab Industries (Control on Establishment and Enlargement) Ordinance, 1963.

CamScanner

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

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

	Year Ended September 30,		
	2023	2024	2025
Sugar Cane Crushing M.T	780,000	800,000	800,000
Sugar cane rate	240	225	225
Sugar price per Kg	90	85	85

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

CamScanner

			Un-audited March 31, 2022 Rupees	Audited Sep. 30, 2021 Rupees
6	**ISSUED, SUBSCRIBED AND PAID UP CAPITAL**			
	27,000,000 (Sept. 30, 2021: 27,000,000) shares issued for cash.		270,000,000	270,000,000
	5,400,000 (Sept. 30, 2021: 5,400,000) shares issued as fully paid bonus shares.		54,000,000	54,000,000
			324,000,000	324,000,000
	There is no movement in ordinary share capital of the Company during the period.			
7	**LOAN FROM DIRECTORS**	7.01	1,126,942,639	841,731,639

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

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

8	**LONG TERM FINANCING**			
	Loan from banking companies and other financial institutions-secured			
	National Bank of Pakistan			
	- Demand Finance I	8.1.1	220,000,000	220,000,000
	- Demand Finance II	8.1.2	160,000,000	160,000,000
	The Bank of Punjab			
	- Demand Finance	8.1.3	-	285,000,000
	Sindh Bank Ltd			
	- Demand Finance	8.1.4	500,000,000	500,000,000
	Silk Bank Ltd			
	- Demand Finance	8.1.5	390,000,000	390,000,000
	PAIR Investment Company Limited			
	- Demand Finance	8.1.6	70,000,000	70,000,000
			1,340,000,000	1,625,000,000
	Less: current portion shown under current liabilities			
	- NBP - Demand Finance - I		(220,000,000)	(220,000,000)
	- NBP - Demand Finance - II		(160,000,000)	(160,000,000)
	- BOP - Demand Finance		-	(285,000,000)
	- Sindh Bank - Demand Finance		(500,000,000)	(500,000,000)
	- Silk Bank Ltd		(390,000,000)	(390,000,000)
	- Demand Finance - PAIR		(70,000,000)	(70,000,000)
			(1,340,000,000)	(1,625,000,000)
			-	-

8.1.1	**Demand Finance I - NBP**		
	Opening balance	220,000,000	220,000,000
	Loan obtained during the period / year	-	-
		220,000,000	220,000,000
	Less: payment made during the period / year	-	-
		220,000,000	220,000,000

This finance has been obtained from National Bank of Pakistan The finance is secured by 1st PP charge of Rs. 293.334 million on fixed assets of the Company and personal guarantees of sponsoring directors of the Company. It carries markup 3 months

KIBOR +2.5% per annum. This loan is payable in ten bi-annual instalments.

	Un-audited March 31, 2022 Rupees	Audited Sep. 30, 2021 Rupees
8.1.2 Demand Finance II - NBP		
Opening balance	160,000,000	160,000,000
Loan obtained during the period / year	-	-
	160,000,000	160,000,000
Less: payment made during the period / year	-	-
	160,000,000	160,000,000

This finance has been obtained from National Bank of Pakistan The finance is secured by 1st PP charge of Rs. 213.334 million on fixed assets of the Company and personal guarantees of sponsoring directors of the Company. It carries markup 3 months KIBOR +2.5% per annum. This loan is payable in twelve equal quarterly instalments.

8.1.3 Demand Finance - BOP		
Opening balance	285,000,000	285,000,000
Loan obtained during the period / year	-	-
	285,000,000	285,000,000
Less: payment made during the period / year	(285,000,000)	-
	-	285,000,000

The finance was secured by ranking charge over all present and future fixed assets of the Company and personal guarantees of directors of the Company. It carries markup 3 months KIBOR +1.25% per annum. The company has paid the principal amount and all the outstanding markup has been waived off by the bank through negotiation . The charge has been vacated and NOC has been issued by the bank accordingly.

8.1.4 Demand Finance - Sindh Bank		
Opening balance	500,000,000	500,000,000
Loan obtained during the period / year	-	-
	500,000,000	500,000,000
Less: payment made during the period / year	-	-
	500,000,000	50,000,000

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

8.1.5 Demand Finance - Silk Bank Ltd		
Opening balance	390,000,000	390,000,000
Loan obtained during the period / year	-	-
	390,000,000	390,000,000
Less: payment made during the period / year	-	-
	390,000,000	390,000,000

This finance has been obtained from Silk Bank Limited under demand finance arrangement. The finance is secured by Pari passu charge over all present and future fixed assets of the Company and corporate guarantee of Abdullah Sugar Mills Ltd. and personal guarantees of directors of the Company. It carries markup 6 months KIBOR + 2% per annum. This loan is payable in twelve quarterly instalments.

8.1.6 Demand Finance - PAIR		
Opening balance	70,000,000	70,000,000
Less: payment made during the period / year	-	-
	70,000,000	70,000,000

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

CamScanner

	Un-audited Dec 31, 2021 Rupees	Audited Sep. 30, 2021 Rupees
9 SHORT TERM BORROWINGS		
Loan from related parties	656,399,886	656,462,763
	656,399,886	656,462,763
10 CURRENT PORTION OF NON CURRENT LIABILITIES		
Long term finances	1,340,000,000	1,625,000,000
Liabilities against assets subject to finance lease	27,187,642	27,187,642
	1,367,187,642	1,652,187,642

11 CONTINGENCIES AND COMMITMENTS

11.01 The collector of Sales Tax And Central Excise (Adjudication) Lahore has issued a show cause notice to the Company for the further tax amounting to Rs. 47 million upto the tax period September 2002 on the grounds that it charged sales tax at the rate of 15 % on its sales to persons liable to be registered.

11.02 The Federal Board of Revenue has blacklisted the Sales Tax status of the Company on 8th March 2018 due to non compliance of the Sales Tax Act, 1990 and the rules made thereunder including not discharging of sales tax liability amounting to Rs. 209 million. However, the Company will further proceed to restate the sales tax status after starting of crushing season as mentioned in note # 5.

11.03 Company has made defaults in repayment of installment of long term loans form financial institutions and bank. As a result, company's name has been included in CIB report of State Bank of Pakistan. The detail of the cases are as:

Sr, #	Name of the Court	Date Initiated	Principal Parties	Description of factual basis of the proceedings	Relief sought
1	Lahore High court	3-May-17	Sindh Bank Limited	Default in repayment of Principal amount of long term loans along with markup	Rescheduling of loan
2	Lahore High court	22-Sep-16	National Bank of Pakistan	Default in repayment of Principal amount of long term loans along with markup	Rescheduling of loan
3	Banking courts	31-Mar-17	First National Bank Modarba	Default in repayment of Principal amount of long term loans along with markup	Rescheduling of loan
4	Banking courts	20-Apr-18	PAIR Investment Company Limited	Default in repayment of Principal amount of long term loans along with markup	Rescheduling of loan

11.04 Our review petition (regarding shifting of mill to Alipur Jatoi) dismissed by Supreme Court and management considering alternate options available including but not limited to application to Ministry of Industries and Planning under Section 3 of the Punjab Industries (Control on Establishment and Enlargement) Ordinance, 1963.
However if management opt to restore and restitute the position by dismantling & removing the said mills from the present location than cost may be borne by the company.

12 PROPERTY, PLANT AND EQUIPMENT		
Opening written down value	2,976,625,434	3,135,153,337
Addition / Deletion during the period	-	-
	2,976,625,434	3,135,153,337
Depreciation for the period / year	(72,977,444)	(158,527,901)
	2,903,647,990	2,976,625,434
13 STOCK IN TRADE		
Work in process	-	-
Sugar	-	-
By products stock	-	-
	-	-

CamScanner

	Six Months Ended March 31,		Quarter Ended March 31,	
	2022	2021	2022	2021
	Rupees	Rupees	Rupees	Rupees
14 SALES - NET				
- Sugar	-	-	-	-
- Molasses	-	-	-	-
- Mud	-	-	-	-
	-	-	-	-
Less: Sales tax and excise duty	-	-	-	-
	-	-	-	-
15 COST OF GOODS SOLD				
Raw materials consumed	-	-	-	-
Stores and spares consumed	-	-	-	-
Salaries, wages and other benefits	2,549,758	1,997,723	1,156,670	1,659,277
Repair and maintenance	734,986	653,040	400,618	395,248
Depreciation	70,321,988	74,676,325	34,371,805	36,461,285
Others	-	-	-	-
	73,606,732	77,327,088	35,929,093	38,515,810
Opening work in process	-	-	-	-
Closing work in process	-	-	-	-
	-	-	-	-
Cost of goods manufactured	73,606,732	77,327,088	35,929,093	38,515,810
Opening finished goods	-	-	-	-
Closing finished goods	-	-	-	-
	-	-	-	-
	73,606,732	77,327,088	35,929,093	38,515,810
16 OTHER INCOME	137,188,002	-	137,188,002	-

The company has recorded the interest expense during the prior years but on loan from the Bank of Punjab. In the current period the Bank of Punjab has settled its total liability with the Company and waived off the interest expense and resultantly the outstanding interest expense was reversed in the current period.

17 RELATED PARTY TRANSACTIONS

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

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

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

	Un-audited	Audited
	March 31, 2021	Sep. 30, 2021
	Rupees	Rupees
16.1.1 Transactions with Associates		
Sale of molasses		
Abdullah Sugar Mills Ltd	-	-
(Repayment) / Obtain of Loan (to)/from		
Abdullah Sugar Mills Ltd	(62,877)	(1,078,784)
Sponsors and Directors	285,000,000	100,000

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

CamScanner

	Un-audited March 31, 2021 Rupees	Audited Sep. 30, 2021 MIAN HASEEB ILYAS
16.2 Details of related party balances are as follows:		
Due to:		
Abdullah Sugar Mills Limited	654,195,822	654,258,699
Haseeb Waqas Trading (Pvt.) Limited	2,204,064	2,204,064
Loan from Directors and Sponsors	1,126,942,639	841,942,639

18 AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue by the Board of Directors of the Company on May 30, 2022.

19 GENERAL

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

Figures have been rounded off to the nearest of Pakistani rupees.

MIAN HASEEB ILYAS	RAZA MUSTAFA	SYED MUBASHIR HUSSAIN BUKHARI
CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

CamScanner