



MACCA GROUP



40th ANNUAL REPORT
2022-2023

Abdullah Shah Ghazi
Sugar Mills Limited

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CORPORATE INFORMATION

Board of Directors

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

Audit Committee

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

Chief Financial Officer

Sohail Azam Khan

Company Secretary

Saleem Abbas

Internal Auditors'

Syed Waqar Ali Bukhari

Auditors'

Zahid Jamil and Company
Chartered Accountants

Registrar

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

Registered Office

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

Mills

Abdullah Shah Ghaziabad, Garho,
District Thatta, Sindh

Bankers

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

Web Presence:

www.asgsmi.com

Mission Statement

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

Vision Statement

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 40th Annual General Meeting ("AGM") of Abdullah Shah Ghazi Sugar Mills Limited (the "Company") will be held on Friday, February 23, 2024 at 9:00 a.m. at Diamond Banquet, Plot No. C-36, 37 Extension, Gulshan -e- Hadeed, Phase 1, Karachi and via video link to transact the following Ordinary Business:

1. To receive, consider and adopt the Chairman's Review Report, Reports of Directors and Auditors together with Audited Annual Financial Statements of the Company for the year ended 30 September 2023.
2. To appoint Company's auditors and fix their remuneration. The members are hereby notified that the Audit Committee and the Board of directors have recommended the name of retiring auditors M/s Zahid Jamil & Co, Chartered Accountants for re-appointment as auditors of the Company

By Order of the Board



Saleem Abbas
Company Secretary

Lahore: January 25, 2024

Notes:

1. The Share Transfer Books of the Company will remain closed from February 17, 2024 to February 23, 2024 (both days inclusive). Transfers received in order at the office of the Company's Independent Share Registrar, M/s. CDC Share Registrar Services Limited, CDC House, 99 -B, Block B, S.M.C.H.S. Main Shahrah-e-Faisal, Karachi by the close of business (5:00 PM) on February 16, 2024, will be treated in time for the purposes of entitlement to attend, speak and vote at the AGM.
2. For safety and wellbeing of shareholders and the public at large The Company has also arranged participation via video link. The members can attend the AGM via video link using smart phones/tablets/computers for safety and well-being of the members of the Company and general public. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) through WhatsApp at 03028407700 or email at saleem.magsi@maccagroup.com by - February 20, 2024

Name of member	Company	CNIC No.	CDC Account No/Folio No.	Cell Number.	Email address

The members who are registered after the necessary verification shall be provided a video link by the Company on the same email address that they email with the Company

with. The Login facility will remain open from start of the meeting till its proceedings are concluded.

The shareholders who wish to send their comments/suggestions on the agenda of the AGM can email the Company at saleem.magsi@maccagroup.com or WhatsApp at 03028407700.

Shareholders are also encouraged to consolidate their attendance and participation through proxies for minimal public interaction.

3. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her and a proxy so appointed shall have the same rights, as respects attending, speaking and voting at the AGM as are available to the members. A Proxy must be a member of the Company.
4. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting. Proxy Forms, in English and Urdu languages, have been dispatched to the members along with the notice of AGM.
5. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

- a. In case of Individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.
- b. In case of corporate entity, the Board's resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- e. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

6. Change of address

Members are requested to promptly notify to the Company's Share Registrar of any change in their addresses.

7. Placement of Financial Statements and Other Information on Company's website

The Company has placed a copy of the Notice of AGM, Annual Financial Statements for the year ended September 30, 2023 along with Auditors and Directors Reports thereon, Chairman's Review and other information on the website of the Company: www.asgsml.com

8. Computerized National Identity Card (CNIC) of Shareholders (Mandatory)

Shareholders are requested to provide if not already provided, copy of their valid CNIC to the Company's Independent Share Registrar at the address given herein below. A legible scanned copy of the same can also be forwarded at saleem.magsi@maccagroup.com along with folio number and updated address for correspondence

9. Deposit of Physical Shares into CDC Account

The shareholders having physical shareholding may open CDC sub-account with any of the brokers or investor account directly with CDC to place their physical shares into script-less form. This will facilitate them in many ways including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Stock Exchange. Further, Section 72 of the Act states that after the commencement of the Act from a date notified by SECP, a company having share capital, shall have shares in book-entry form only. Every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding four years from the commencement of the Act.

سالانہ اجلاس عام کی اطلاع

پیر 17 اپریل 2023 کو سالانہ اجلاس عام (AGM) 2023 کو 23 اپریل 2024 کو 9:00 بجے ڈیڑھ بجے کے طور پر منعقد کیا جائے گا۔

- 30 اپریل 2023 کو سالانہ اجلاس عام کی اطلاع کے ساتھ ساتھ سالانہ رپورٹ اور حساب دہی کی رپورٹ بھی پیش کی جائے گی۔
- اجلاس عام کے انعقاد کی تاریخوں کے ساتھ ساتھ سالانہ رپورٹ اور حساب دہی کی رپورٹ بھی پیش کی جائے گی۔

حسب علم
اسلم علی
مینیجر

17 اپریل 2024

نوٹس

- 1) سالانہ اجلاس عام 17 اپریل 2024 کو 23 اپریل 2024 کو 9:00 بجے ڈیڑھ بجے کے طور پر منعقد کیا جائے گا۔
- 2) سالانہ رپورٹ اور حساب دہی کی رپورٹ بھی پیش کی جائے گی۔
- 3) سالانہ رپورٹ اور حساب دہی کی رپورٹ بھی پیش کی جائے گی۔
- 4) سالانہ رپورٹ اور حساب دہی کی رپورٹ بھی پیش کی جائے گی۔
- 5) سالانہ رپورٹ اور حساب دہی کی رپورٹ بھی پیش کی جائے گی۔

ممبر کا نام	کنکٹی	CNIC نمبر	CDC نمبر	تعلق نمبر	ایسی کس ایس ایم
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شریک تصدیق کے طور پر سالانہ رپورٹ اور حساب دہی کی رپورٹ بھی پیش کی جائے گی۔

- 1) سالانہ رپورٹ اور حساب دہی کی رپورٹ بھی پیش کی جائے گی۔
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CHAIRMAN'S REVIEW

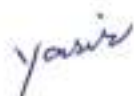
I am pleased to report on the performance of the Board of Directors (hereinafter the "Board"). The Board consists of competent and efficient members having immense experience in various business sectors and has been constituted in accordance with the provisions of Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Companies Act, 2017.

The Board is responsible for the management of Company affairs, for formulating and approving significant policies and strategies. The Board acknowledges its responsibility for the corporate and financial reporting framework and is committed to good corporate governance. The Board has constituted two committees of the Board - the Audit Committee and Human Resource & Remuneration Committee. The Committees comprise of suitably qualified persons having relevant competencies. The Committees perform their functions in line with their respective Terms of Reference assigned to them by the Board.

The Board also monitored the compliance with best corporate practices and governance, encouraging diversity and ethical behavior and development of skills to attain advancement and excellence. The Board is also well aware of its corporate social responsibility especially towards education, health safety and environment. The Board is satisfied with its efforts towards ensuring our corporate social responsibility and hope to improve the efforts with each passing year.

The Board carries out a review of its effectiveness and performance and of its committees each year after the closure of the fiscal year, on a self-assessment basis. Overall effectiveness of the Board and its committees was assessed as satisfactory.

The Board shall continue to play a vital role in setting the course of the Company, promoting its success and performance and guiding the management to conduct operations in conformity with the strategies approved by the Board while upholding the principles of good corporate governance.



Yasir Iqbal
Chairman

Lahore
January 25, 2024

چیئر مین کی جائزہ رپورٹ

مجھے بورڈ آف ڈائریکٹرز "بورڈ" کی کارکردگی کے بارے میں بتاتے ہوئے خوشی ہے۔ یہ بورڈ قابل اور موثر ممبروں پر مشتمل ہے جن کو مختلف کاروباری شعبوں میں بے پناہ تجربہ ہے اور اس کی تشکیل سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے (کارپوریٹ گورننس کا ضابطہ) ضابطہ، 2019 کی دفعات کے مطابق کی گئی ہے۔

بورڈ اہم پالیسیوں اور حکمت عملیوں کی تشکیل اور منظوری کے لیے کمپنی کے معاملات کے انتظام کے لیے ذمہ دار ہے۔ بورڈ کارپوریٹ اور مالیاتی رپورٹنگ کے فریم ورک کے لیے اپنی ذمہ داری کو تسلیم کرتا ہے اور اچھی کارپوریٹ گورننس کے لیے پر عزم ہے۔ بورڈ نے بورڈ کی دو کمیٹیاں تشکیل دی ہیں، آڈٹ کمیٹی اور انسانی وسائل اور معاوضے کی کمیٹیاں۔ کمیٹیاں مناسب اہلیت رکھنے والے افراد پر مشتمل ہوتی ہیں۔ کمیٹیاں بورڈ کی طرف سے انہیں تفویض کردہ اپنے متعلقہ شرائط کے مطابق اپنے کام انجام دیتی ہیں۔

بورڈ نے بہترین کارپوریٹ گورننس پریکٹسز اور گورننس کی تعمیل کی نگرانی کی، تنوع اور اخلاقی رویے کی حوصلہ افزائی کی اور ترقی اور فضیلت حاصل کرنے کے لیے مہارتوں کی نشوونما کی۔ بورڈ اپنی کارپوریٹ سماجی ذمہ داری سے بھی بخوبی واقف ہے خاص طور پر تعلیم، صحت کی حفاظت اور ماحولیات کے تئیں۔ بورڈ ہماری کارپوریٹ سماجی ذمہ داری کو یقینی بنانے کی کوششوں سے مطمئن ہے اور ہر گزرتے سال کے ساتھ کوششوں میں بہتری کی امید کرتا ہے۔

بورڈ مالی سال کے اختتام کے بعد ہر سال اپنی اور اپنی کمیٹیوں کی کارکردگی کا جائزہ لیتا ہے۔ بورڈ اور اس کی کمیٹیوں کی مجموعی کارکردگی کو تسلی بخش قرار دیا گیا۔

بورڈ کمپنی کے معاملات کو ترتیب دینے، اس کی کامیابی اور کارکردگی کو فروغ دینے اور اچھی کارپوریٹ گورننس کے اصولوں کو برقرار رکھتے ہوئے بورڈ کی طرف سے منظور شدہ حکمت عملیوں کے مطابق کام کرنے کے لیے انتظامیہ کی رہنمائی کرتا رہے گا۔

منصور

یا سراقبال

چیئر مین

لاہور: 25 جنوری، 2024

DIRECTORS' REPORT

IN THE NAME OF **ALLAH** THE MOST GRACIOUS AND MOST MERCIFUL

Dear Members; Asalam-o-Alaikum:

On behalf of the Board of Directors, I welcome all of you to the 40th annual general meeting of the Company and present before you the annual report for the financial year ended September 30, 2023 along with financial statements and auditors' report thereon. The financial results of the year under review can be summarized as follows:

FINANCIAL RESULTS

Particulars	2023 Rupees	2022 Rupees
Net Sales	385,282,154	-
Gross Loss	(457,974,230)	(195,594,590)
Net Loss after Tax	(283,613,765)	(319,998,547)
Key performance indicators		
Gross loss as % to sales	(119)%	-
Net loss % to sales	(74)%	-
Loss per share	(3.58)	(4.04)

The current financial year has been marked by a reported loss of Rs. 284 million in our sugar mills, compared to Rs. 319 million in the preceding year. It is crucial to note that during the last three years, our mills were non-operational. Despite this challenging backdrop, we managed to control our net losses this year, demonstrating our commitment to financial resilience and operational efficiency.

In the face of adversity, our team successfully operated the mills for 35 days in the current year, producing 78,030 sugar bags. This is a commendable achievement considering the non-operational status in the past three years. The decision to resume operations was strategic, aiming to utilize our existing infrastructure efficiently and cater to market demands.

DIVIDEND:

The Board of Directors have not recommended any dividend due to accumulated losses.

FUTURE OUTLOOK:

Due to scarcity of sugar cane in surrounding areas of mills and current liquidity crunch resulting from persistent losses, future looks tough. Management is striving hard to safely sail the Company out of current troubled situation and firmly believes that following factors will eventually pave way to deliver long term values to all stakeholders including our worthy shareholders:

Over the past few months, we have undertaken a meticulous project to upgrade our plant including but not limited to Mill house, Process House, Power House and major overhauling of boiler, a critical component of our infrastructure. As our plant remained inactive for the past three years so its undergoing a comprehensive overhaul to ensure it meets the highest standards of safety, efficiency, and reliability. With the successful upgrade of our plant, we

are optimistic about the resumption of full-scale operations in the upcoming sugar milling season. While the actual commencement of operations is subject to the availability of an adequate supply of sugar cane, we are making firm commitments to run the sugar mill at full capacity.

In anticipation of fostering sustainable growth and fortifying our market presence, the company is strategically planning to engage in comprehensive discussions with growers and cane farmers in the upcoming year. This proactive initiative aims to strengthen collaborative partnerships, optimize cane production, and enhance overall cane supply. The Board is optimistic that these strategic endeavors will not only contribute to the sustainable development of the sugar mills but also bolster our market share in the years to come.

The sponsors, despite of limited means available, have unconditional commitment to enable the Company to resume as a 'going concern'.

RISK AND UNCERTAINTIES FACING THE COMPANY:

The economic landscape remains challenging, but we are optimistic about our ability to navigate these difficulties. Our focus is on implementing robust financial management strategies, diversifying revenue streams, and fostering operational efficiency.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

The Directors are pleased to confirm compliance with corporate and financial reporting framework of the Securities and Exchange Commission of Pakistan and the Code of Corporate Governance for the following:

1. CORPORATE GOVERNANCE COMPLIANCE:

The compliance with the best practices of Code of Corporate Governance provides comfort to the Board. Therefore, the management ensures that all requirements of the code of corporate governance are complied with. The statement of compliance with the best practices of Code of Corporate Governance is annexed.

2. STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

In compliance with the Code of Corporate Governance, we give below statements on Corporate and Financial Reporting Framework:

The financial statements prepared by the management of the company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.

The Company has maintained proper books of accounts as per statutory requirements.

Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

The International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.

The system of internal control is sound in design and has been effectively implemented and monitored.

There are no significant doubts upon the company's ability to continue as a going concern.

There has been no departure from the best practices of corporate governance, as detailed in the list in regulations.

Key operating and financial data of last six years is annexed in summarize form.

3. CHANGES DURING FINANCIAL YEAR CONCERNING NATURE OF THE BUSINESS OF THE COMPANY OR OF ITS SUBSIDIARIES:

No changes have occurred during the financial year concerning the nature of the business of the Company or its subsidiaries.

4. MODIFICATION OR EXPLANATION IN THE AUDITORS REPORT:

There is no information or explanation to report in regard to any contents of modification in the Auditors' Report.

5. MAETRIAL CHANGES AFFECTING THE FINANCIAL POSITITON OF THE COMPANY:

No material changes and commitments affecting the financial position of the company have occurred between the end of the financial year of the company to which the financial statement relates and the date of the report.

6. BOARD MEMBERS:

The names of the Directors during the year are:

1. Mr. Muhammad Dawood	Chief Executive / Director
2. Mr. Yasir Iqbal	Chairman / Director
3. Mr. Muhammad Rasheed Rana	Independent Director
4. Mr. Muhammad Nawaz	Independent Director
5. Mr. Amjad Abbas	Non-Executive Director
6. Mr. Atif Butt	Non-Executive Director
7. Mr. Muhammad Talib	Executive Director

BOARD MEETINGS:

During the year under review four (04) meetings of the Board of Directors were held. Participation of Directors is as follows: -

<u>NAME OF DIRECTOR</u>	<u>ATTENDED</u>	<u>STATUS</u>
1. Mr. Muhammad Dawood	4	Executive Director
2. Mr. Muhammad Talib	4	Executive Director
3. Mr. Muhammad Rasheed Rana	4	Independent Director
4. Mr. Muhammad Nawaz	4	Independent Director
5. Mr. Yasir Iqbal	4	Non-Executive Director
6. Mr. Amjad Abbas	4	Non-Executive Director
7. Mr. Atif Butt	4	Non-Executive Director

7. AUDIT COMMITTEE:

The Board has also constituted an Audit Committee comprising of the following directors. During the period under consideration, four meetings of the Audit Committee were held and attendance of each director was as under:

NAME OF DIRECTOR		ATTENDED	STATUS
1.	Mr. Muhammad Nawaz Chairman	4	Independent Director
2.	Mr. Atif Butt Member	3	Non-Executive Director
3.	Mr. Amjad Abbas Member	2	Non-Executive Director

Terms of Reference of the Audit Committee have also been determined by the Board.

8. HUMAN RESOURCES AND REMUNERATION COMMITTEE:

The Board has also constituted Human Resource and Remuneration Committee in accordance with the guide lines provided in the Listing Regulations of Pakistan Stock Exchange Limited consisting of the following Directors.

NAME OF DIRECTOR		STATUS
1.	Mr. Muhammad Rasheed Rana Chairman	Independent Director
2.	Mr. Yasir Iqbal Member	Executive Director
3.	Mr. Amjad Abbas Member Director	Non-Executive

During the period, one meeting of the Committee was held and all the directors attended the meetings.

DIRECTORS' REMUNERATION POLICY:

Through the articles of the Company, the Board of Directors is authorized to fix remuneration of non-executive and independent Directors. Approval of members in general meeting is required in accordance with the articles of the Company and Companies Act 2017. The Board of Directors has developed a Directors' Remuneration Policy which describes in detail, the objectives and sets a transparent procedure for determination of the remuneration packages of individual director.

CORPORATE SOCIAL RESPONSIBILITY:

The Company is socially responsible and committed to conduct its business ethically and with responsibility. The Company is conscious of the role to play as responsible corporate citizen in fulfilling the various needs of the society concerning health, safety, environment, employee relationship and social welfare of the society. The Company considers itself accountable to its stakeholders and has identified dimensions of performing the social responsibilities which are contribution to economy, environment and society. The management peruses the strategy by following strategic guidelines to be a good corporate citizen:

Encouraging employment of work force living in the rural areas in order to yield significant gain and uplift their living standard.

Support social causes and human rights.

Behave responsibly and with sensitivity to local communities in the area in which we operate.

PATTERN OF SHAREHOLDING:

Pattern of shareholding as at September 30, 2023 is annexed.

AUDITORS:

The Board appointed M/s Akhtar Mahmood Mian, Chartered Accountants, appointed by the shareholders resigned on September 08, 2023 due to ACR suspension and the Board appointed M/s Zahid Jamil and Company, Chartered Accountants, who will stand retired with the conclusion of Annual General Meeting and being eligible have offered themselves for re-appointment. Audit Committee also recommended their re-appointment for the year 2023-24 and the Board of your company also endorsed the recommendation of the Audit Committee for re-appointment of M/s Zahid Jamil and Company, Chartered Accountant, till the conclusion of next Annual General Meeting.

APPRECIATION:

The Board acknowledges the continued support and cooperation extended by the shareholders, bankers, sugarcane farmers and all other stakeholders. The Board also places on record its appreciation for employees of the Company for their devotion and hard work.



MUHAMMAD RASHEED RANA
(DIRECTOR)

Lahore: January 25, 2024

On behalf of Board of Directors



MUHAMMAD DAWOOD
(CHIEF EXECUTIVE)

1. کارپورٹ گورننس کی قیمتیں:

گورننس کارپورٹ گورننس کے بہترین طریقوں کی قیمتیں ہیں، ان کو درست فراہم کرنے سے ان کا انتظام اس بات کو یقینی بنانی ہے کہ کارپورٹ گورننس کے کوڈ کی 17 ضروریات کی قیمتیں کی جائے۔ گورننس کارپورٹ گورننس کے بہترین طریقوں کی قیمتیں کا پیمانہ مندرجہ ذیل ہے۔

2. کارپورٹ گورننس کے مالیاتی پرکھ فریم ورک کی قیمتیں:

- گورننس کارپورٹ گورننس کی قیمتیں میں اہم کارپورٹ گورننس فریم ورک (گورننس کے اندر جو اہم بات دیکھتے ہیں):
- کوئی کی حکمرانی کی طرف سے تیار کردہ مالیاتی اعداد و شمار کے ساتھ ساتھ ان کے آپریشن کے نتائج کو پیش کرنا اور کوئی میں تبدیلیوں کو کوئی حد تک پیش کرتے ہیں۔
- قیمتیں کو کوئی کی قیمتوں کے مطابق انہیں کوئی مناسب نتائج پر قرار دینے ہیں۔
- مالیاتی اعداد و شمار میں سب سے اہم اعداد و شمار پائیدار و مستقل طور پر ان کو کوئی کیا ہے اور ان اعداد و شمار کے لیے مشعل اور ان اعداد و شمار کی قیمتیں۔
- مالیاتی اعداد و شمار کی چاروں میں ہیں ان اعداد و شمار کے ساتھ ساتھ انہیں کوئی کیا ہے اور ان اعداد و شمار کی قیمتیں۔
- انہیں کوئی کی قیمتوں کے ساتھ ساتھ انہیں کوئی کیا ہے اور ان اعداد و شمار کی قیمتیں۔
- کوئی کی قیمتوں کے ساتھ ساتھ انہیں کوئی کیا ہے اور ان اعداد و شمار کی قیمتیں۔
- کارپورٹ گورننس کے بہترین طریقوں سے کوئی کوئی کیا ہے اور ان اعداد و شمار کی قیمتیں۔
- قیمتیں کوئی کی قیمتوں کے ساتھ ساتھ انہیں کوئی کیا ہے اور ان اعداد و شمار کی قیمتیں۔

3. قیمتیں کوئی کی قیمتوں کے ساتھ ساتھ انہیں کوئی کیا ہے اور ان اعداد و شمار کی قیمتیں:

مالیاتی اعداد و شمار کی قیمتیں کوئی کی قیمتوں کے ساتھ ساتھ انہیں کوئی کیا ہے اور ان اعداد و شمار کی قیمتیں۔

4. کارپورٹ گورننس کے ساتھ ساتھ انہیں کوئی کیا ہے اور ان اعداد و شمار کی قیمتیں:

کارپورٹ گورننس کے ساتھ ساتھ انہیں کوئی کیا ہے اور ان اعداد و شمار کی قیمتیں۔

5. کوئی کی قیمتوں کے ساتھ ساتھ انہیں کوئی کیا ہے اور ان اعداد و شمار کی قیمتیں:

کوئی کی قیمتوں کے ساتھ ساتھ انہیں کوئی کیا ہے اور ان اعداد و شمار کی قیمتیں۔

6. کارپورٹ گورننس کے ساتھ ساتھ انہیں کوئی کیا ہے اور ان اعداد و شمار کی قیمتیں:

کارپورٹ گورننس کے ساتھ ساتھ انہیں کوئی کیا ہے اور ان اعداد و شمار کی قیمتیں۔

1. جناب محمد اسحاق
2. جناب سید اسحاق
3. جناب محمد اسحاق
4. جناب محمد اسحاق
5. جناب محمد اسحاق
6. جناب محمد اسحاق
7. جناب محمد اسحاق

کارپورٹ گورننس:

کارپورٹ گورننس کے ساتھ ساتھ انہیں کوئی کیا ہے اور ان اعداد و شمار کی قیمتیں۔

اعلامی شرکت	اعلامی شرکت	اعلامی شرکت	اعلامی شرکت
4	جناب اسحاق (سید اسحاق محمد اسحاق)	4	جناب محمد اسحاق (سید اسحاق محمد اسحاق)
4	جناب محمد اسحاق (سید اسحاق محمد اسحاق)	4	جناب محمد اسحاق (سید اسحاق محمد اسحاق)
4	جناب محمد اسحاق (سید اسحاق محمد اسحاق)	4	جناب محمد اسحاق (سید اسحاق محمد اسحاق)
		4	جناب محمد اسحاق (سید اسحاق محمد اسحاق)

7. ہائیڈروجنل (آڈٹ) کی کمیٹی:

آڈٹ کمیٹی کمیٹی کے بورڈ آف ڈائریکٹرز کے زیرِ اہمیت شیخ کریم نے سرکاری شراکتہ کے مطابق اپنے فرائض سرانجام سے دی ہے۔ سال کے دوران آڈٹ کمیٹی کی چار میٹنگز ہوئیں جس میں ممبران کی معاشرتی اور بہبودی اہمیت۔

ڈائریکٹر کا نام	مہرہ	ماہری
1. جناب محمد نواز	جناب منیر انصاری	4
2. جناب حافظ بخت	ممبر انان آئیڈیو ڈائریکٹر	3
3. جناب احمد عباس	ممبر انان آئیڈیو ڈائریکٹر	2

آڈٹ کمیٹی کی شراکتہ کا تعین بھی بورڈ نے کر دیا ہے۔

8. انسانی وسائل اور معاوضہ کمیٹی:

انسانی وسائل اور معاوضہ کمیٹی میں ممبران کی مشغولیت ہے۔ سال کے دوران کمیٹی کی ایک میٹنگ ہوئی جس میں تمام ممبران نے شرکت کی۔

ڈائریکٹر کا نام	مہرہ
1. جناب محمد رفیق	جناب منیر انصاری
2. جناب پسرانوں	ممبر انان آئیڈیو ڈائریکٹر
3. جناب احمد عباس	ممبر انان آئیڈیو ڈائریکٹر

اس عرصے کے دوران کمیٹی کا ایک اجلاس منعقد ہوا، جس میں تمام ڈائریکٹرز نے اجلاسوں میں شرکت کی۔

ڈائریکٹرز کے معاوضے کی پالیسی:

کمیٹی آف ڈائریکٹرز نے بورڈ آف ڈائریکٹرز کے ذریعہ ریگولر طور پر ڈائریکٹرز کے معاوضے طے کرنے کی ہدایت کی۔ کمیٹی ایلا کیٹنگ آگسٹ 2017 کے آڈٹ کے مطابق جنرل منیجنگ میں ممبران کی معاوضہ کی منظوری ضروری ہے۔ بورڈ آف ڈائریکٹرز نے ریگولر ڈائریکٹرز کے معاوضے کی پالیسی تیار کی ہے جس میں تحصیل، مقررہ معاوضے کے سیکڑ کے تعین کے لیے ضابطہ طریقہ کار طے کیا گیا ہے۔

کارپوریٹ سوشل ریسپانسیبلٹی:

کمیٹی سوشل ریسپانسیبلٹی اور سوشل ریسپانسیبلٹی کے ساتھ چلانے کے لیے ہر قسم کی کمیٹی سمیت حفاظت، ماحولیات، ماحولیات، ماحولیات اور معاشرے کی سوشل ریسپانسیبلٹی کے حلقے معاشرے کی مختلف ضروریات کو برقرار رکھنے میں بھرپور کارپوریٹ سوشل ریسپانسیبلٹی کے طرز پر کام کرتے آئے ہیں۔ کمیٹی کو اپنے سٹیک ہولڈرز کے سامنے جوابدہ سمجھتی ہے اور اس نے سوشل ریسپانسیبلٹی کی ہدایتوں کی نگرانی کی ہے جو کہ مصیبت ماحولیات اور معاشرے میں شراکت ہیں۔ انکسپ ایک ایچ ایچ آر کے لیے سخت عملی کے رہنما نظریہ عمل کرتے ہوئے سخت عملی کا استعمال کرتی ہے:

- وہی جانچیں میں رہنے والی ادارتی وقت کے، ڈیٹا کی حوصلہ افزائی کرنا کہ نمایاں کام حاصل ہو اور ان کے معیار زندگی کو بہتر بنانے کے لیے۔
- سوشل ریسپانسیبلٹی کے حقوق کی ضمانت کریں۔
- جس علاقے میں ہم کام کرتے ہیں وہاں کی مقامی کمیٹی کے ساتھ ادارتی اور معاشرتی کے ساتھ بہتر تعلق بنانے کے لیے۔

شیر ہوٹلنگ کا بیڑا:

30 ستمبر 2023 تک شیر ہوٹلنگ کا بیڑا منسلک ہے۔

آڈٹرز:

بورڈ کی جانب سے مقرر کردہ پانچ ڈائریکٹرز نے اسے ہی آر کی معیشت کی وجہ سے 8 ستمبر 2023 کو مستقل اسے اپنے فرائض سنبھالے اور کمیٹی کا نگران اور نگران سوشل ریسپانسیبلٹی کے اختتامی ریکارڈ ہو جائیگا کے اور ان کے لیے وہ ذمہ داری کے لیے خود کو پیش کر چکے ہیں۔ آڈٹ کمیٹی نے سال 2023-24 کے لئے ان کی ذمہ داری کی بھی معائنہ کی اور آپ کی کمیٹی کے بورڈ نے بھی آڈٹ کمیٹی کی اس معائنہ کی توثیق کی کہ آڈٹ سوشل ریسپانسیبلٹی کے اختتام تک سب سے زیادہ سنبھالے اور کمیٹی چارٹرڈ ڈائریکٹرز کو ذمہ داری کی ہے۔

قریب:

بورڈ شیڈولرز، ڈیٹا کے ساتھ سوشل ریسپانسیبلٹی اور سوشل ریسپانسیبلٹی کے ساتھ بہتر تعلق بنانے کے لیے بھی سنبھالے۔

بورڈ آف ڈائریکٹرز کی جانب سے


ڈائریکٹر


چیرمین

15 ستمبر، 2024

6 YEARS OPERATING HIGHLIGHTS

(Figure in Thousand)

	2023	2022	2021	2020	2019	2018
OPERATING HIGHLIGHTS						
Gross sales	502,407	-	-	68,360	168,625	128,863
Net sales	385,262	-	-	58,427	153,110	118,723
Cost of sales	843,256	195,595	200,934	260,827	327,372	363,033
Gross profit	(457,974)	(195,595)	(200,934)	(202,400)	(174,262)	(244,310)
Administrative and selling expenses	33,666	25,729	31,066	14,465	21,565	20,306
Operating Profit / (Loss)	(491,641)	(221,324)	(232,000)	(216,865)	(195,826)	(264,616)
Interest expenses	149,876	88,642	35,024	77,878	62,811	49,236
Other expenses	-	-	-	-	-	-
Other income	448,049	239	92,410	-	-	-
Profit before taxation	(193,468)	(309,727)	(174,615)	(294,743)	(258,637)	(313,853)
Profit after taxation	(283,614)	(319,537)	(222,152)	(209,298)	(54,022)	(322,611)
Basic earnings per share Rs.	(3.58)	(4.03)	(2.80)	(2.64)	(0.68)	(4.07)
PRODUCTION DATA						
Crushing days	35	-	-	-	38	70
Cane Crushed	TPD	1,236	-	-	652	562
Sugar production	M.Tons	3,902	-	-	1,755	3,096
Sugar recovery	% age	9.23	-	-	7.33	8.00
Molasses production	M.Tons	2,170	-	-	1,600	2,325
Molasses recovery	% age	5.03	-	-	6.59	5.92

PATTERN OF SHAREHOLDING AS AT SEPTEMBER 30, 2023

FORM "34" THE COMPANIES ACT 2017 (Section 227)(2)(f)

1 Incorporation Number

2 Name of Company

3 Pattern of holding of the shares held by the shareholding as 30-09-2023

# Of Shareholders	Shareholdings' Slab	Total Shares Held
748	1 to 100	58,113
685	101 to 500	263,404
144	501 to 1000	134,547
199	1001 to 5000	563,268
63	5001 to 10000	489,328
18	10001 to 15000	235,000
15	15001 to 20000	274,498
13	20001 to 25000	311,669
11	25001 to 30000	309,200
4	30001 to 35000	128,000
2	35001 to 40000	77,500
2	40001 to 45000	86,500
2	45001 to 50000	100,000
1	50001 to 55000	53,555
5	55001 to 60000	291,500
1	60001 to 65000	65,000
4	70001 to 75000	295,000
2	80001 to 85000	167,000
1	85001 to 90000	88,500
2	95001 to 100000	200,000
2	100001 to 105000	204,400
1	105001 to 110000	110,000
1	110001 to 115000	114,000
1	120001 to 125000	123,100
3	125001 to 130000	388,000
1	130001 to 135000	130,500
1	135001 to 140000	135,500
1	140001 to 145000	145,000
1	165001 to 170000	167,000
1	175001 to 180000	175,575
2	190001 to 195000	390,000
1	195001 to 200000	200,000
1	210001 to 215000	211,500
1	215001 to 220000	220,000
1	345001 to 350000	346,500
1	495001 to 500000	500,000
1	2030001 to 2035000	2,033,500
1	2880001 to 2885000	2,883,000
1	4495001 to 4500000	4,500,000
1	62090001 to 62095000	62,092,509
1946		79,261,666

CATEGORIES OF SHAREHOLDING AS AT SEPTEMBER 30,2023

Categories of Shareholders	Shareholders	Shares Held	Percentage	
Directors and their spouse(s) and minor children				
MUHAMMAD TALIB	1	400	0.00	
ATIF BUTT	1	400	0.00	
MUHAMMAD RASHID RANA	1	400	0.00	
YASIR IQBAL	1	400	0.00	
MR. MUHAMMED NAWAZ	1	100	0.00	
MR. MUHAMMAD DAWOOD	1	400	0.00	
MR. AMJAD ABBAS	1	100	0.00	
Associated Companies, undertakings and related parties				
HAQ BAHU SUGAR MILLS (PVT) LTD	2	62,215,609	78.49	
NIT and ICP				
	1	20,000	0.03	
Executives				
	-	-	-	
Banks, development finance institutions, non-banking finance companies,				
	2	433	0.00	
Insurance Companies				
	1	500	0.00	
Mutual Funds and Modarabas				
	1	101,400	0.13	
General Public				
a. Local	1,906	16,621,114	20.97	
b. Foreign	13	68,010	0.09	
Others				
	13	232,400	0.29	
Totals		1,946	79,261,666	100.00

Share holders holding 10% or more	Shares Held	Percentage
HAQ BAHU SUGAR MILLS (PVT) LTD	62,215,609	78.49

6 Signature of Company Secretary



7 Name of Signatory

Saleem Abbas

8 Designation

Company Secretary

9 CNIC Number

32304-8810990-5

10 Date

9/30/2023

INDEPENDENT AUDITOR'S REPORT**To the members of Abdullah Shah Ghazi Sugar Mills Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the annexed financial statements of **ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED**, which comprise the statement of financial position as at **September 30, 2023**, and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information 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, the statement of profit or loss, the statement of other 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 September 30, 2023 and of the loss, other comprehensive loss, 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.

Material Uncertainty Relating to Going Concern

We draw attention to Note 2, which indicates that as at statement of financial position date, the Company incurred a net loss before tax of Rs.193,468,246/- (2022: Rs.309,727,266/-) in the current year including depreciation of Rs.161,601,329/- (2022: Rs. 170,789,259/-). The current liabilities exceed the current assets by an amount of Rs. 2,723,732,256/- (2022: Rs. 2,823,957,314/-) and its accumulated loss stands out at Rs. 2,420,228,387/- (2022: Rs. 2,201,286,664/-). These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and therefore the company may not be able to realize its assets and discharge its liabilities in the normal course of business. However, these financial statements have been prepared on "going concern basis" in consideration of mitigating factors mentioned in Note 2 of these financial statements. Our opinion is not modified in respect of this matter.



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 year. 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. We have determined the matters below to be the key audit matters to be communicated in our report.

Following are the key audit matters:

Key audit matter	How the matter was addressed in our audit
<p>Creditors and advances from customers As referred in note 17 to the accompanying financial statements, the creditors and advances from customers represent a significant portion of the financial statements in the context of materiality, therefore these areas have been determined as key audit matter to be reported.</p>	<p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> - Obtained list of parties and circularized confirmations on sample basis. - Performed arithmetic test, analytical procedures. - Checked that the Company has performance obligation outstanding to creditors and customers. - Checked that appropriate presentation and disclosure is made in the financial statements.
<p>Pending litigations As referred in note no. 21.1. to the accompanying financial statements. The Company faces a number of pending litigations. There is a high level of judgment required in estimating the level of provisioning and/or the level of disclosure required. Where the impact of possible and present obligations is not probable or not reliably measurable, and thus no provision is recorded, failure to adequately disclose the nature of these circumstances within the financial statements may distort the reader's view as to the potential risks faced by the Company. Given the nature and amounts involved in such cases and the appellate forums at which these are pending, the ultimate outcome and the resultant accounting in the financial statements is subject to significant judgment, which can change over time as new facts emerge and each legal case progresses, and therefore, we have identified this as key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> - circularized confirmations to relevant third-party legal representatives; - as part of our audit procedures, we have assessed management's processes to identify new possible obligations and changes in existing obligations for compliance with Company policy and IAS 37 requirements; - we have analyzed significant changes from prior periods and obtained a detailed understanding of these items and assumptions applied - reviewed the subsequent position of pending litigations and - assessed the adequacy of disclosure in note no. 21.1. to the financial statements.



Revenue recognition

As referred in note no. 4.15. and 22. to the accompanying financial statements. The Company had no revenue in the preceding financial year, whereas it has generated sufficient revenue in the current fiscal year.

We identified the revenue recognition as a key audit matter as it is one of the Key Performance Indicators of the Company and gives rise to an inherent risk of material misstatement.

Our audit procedures included the following:

- Obtained an understanding of the process relating to recording of revenue and testing the design, implementation and operating effectiveness of relevant key internal controls over recording of revenue.
- Assessed the appropriateness of the Company's accounting policy for recording of revenue and its compliance with International Financial Reporting Standard - Revenue from contracts with customers (IFRS 15).
- Reviewed a sample of contractual arrangements entered into by the Company with its customers and checking the performance obligations involved, transaction price and recognition of revenue based on satisfaction of performance obligation.
- Compared a sample of sale transactions recorded during the year with sales orders, sales invoices, delivery notes and other relevant underlying documents.
- Compared a sample of sale transactions recorded before and after the year end with relevant underlying documentation to assess whether revenue has been recorded in the correct accounting period.
- Assessed the adequacy of disclosures in the financial statements to be in accordance with the applicable accounting and reporting standard.

Information other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information 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 conclusion 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.

Based on the work, we have performed as to report any material misstatement of this other information; 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 is 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 the 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 the 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 the 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 the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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, the 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 period were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Other Matter

The financial statements of the Company for the year ended September 30, 2022 were audited by another auditor, M/S Akhtar Mahmood Mian Chartered Accountants, whose report, dated January 06, 2023 expressed unmodified opinion on those statements.

**Chartered Accountants****Place: Lahore****Date: January 25, 2024****UDIN: AR202310366LRevs0Kz5**

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company : **ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED**
Year Ended: **September 30, 2023**

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

- 1 The total number of directors is seven as per the following:
 - a Male: 7
 - b Female: 0

- 2 The composition of the board is as follows:

Category	Names
Independent Directors	Mr. Muhammad Rasheed Rana Mr. Muhammad Nawaz
Non-Executive Directors	Mr. Amjad Abbas Mr. Atif Butt Mr. Yasir Iqbal
Executive Directors	Mr. Muhammad Dawood Muhammad Talib Mr. Muhammad Talib
Female Directors	Nil

- 3 The directors have confirmed that none of them is serving as a director on more than seven listed Companies including this Company.
- 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. The board has ensured that complete record of particulars of the significant policies along with their date of approval or the Company maintains updating.
- 6 All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
- 7 The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
- 8 The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- 9 Five members of the Board have requisite education and experience on the Board(s) of listed companies and are exempt from Directors' Training Program. Three directors have already completed training course as required.
- 10 The board has approved appointment of CFO, Company Secretary and head of internal audit, including their remuneration, terms, and conditions of employment complied with relevant requirements of the regulations.
- 11 Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board.

12 The Board has formed committees comprising of members given below:

Names of Committee	Names of Members and Chairman
Audit Committee	Mr. Muhammad Nawaz (Chairman/Member) Mr. Atif Butt (Member) Mr. Amjad Abbas (Member)
Human Resource and Remuneration Committee	Mr. Muhammad Rasheed Rana (Chairman/Member) Mr. Yasir Iqbal (Member) Mr. Amjad Abbas (Member)

13 The term of reference of the aforesaid committee have been formed, documented and advised to the committee for compliance.

14 The frequency of meetings (quarterly/half yearly/ yearly) were as per following:

- a Audit Committee Quarterly
- b HR&R Committee Yearly

15 The Board has set up an effective outsourced 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 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 3, 6, 7, 8, 27, 32, 33 and 36 of the regulations have been complied with.

19 Explanation for non compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below;

Sr. No.	Requirements	Explanations	Regulations No.
1	Constitution of Risk Management Committee	The function of risk of management committee are currently performed by chief internal auditor who apprises the board accordingly.	30
2	Disclosure of Significant Policies on Website	The company intends to disclose its significant policies on website before the close of current fiscal year.	35
3	Female director	As currently there is no female shareholder who is qualified to be director. The company intends to appoint female director before the close of current fiscal year.	7

On behalf of the board of director


Yasir Iqbal
(CHAIRMAN)

Lahore

25 January, 2024

INDEPENDENT AUDITOR'S REVIEW REPORT**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 Abdullah Shah Ghazi Sugar Mills Limited (the Company) for the year ended **September 30, 2023** in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations 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.

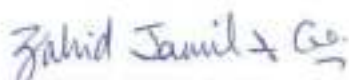
As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control 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 requires 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. 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.

Following instance of non-compliance with the requirement of the Regulations was observed which is not explained in the Statement of Compliance:

- i) There is no female director in Company. (Regulation number 7)
- ii) Risk management committee has not been constituted (Regulation number 30).

Based on our review, except for the above instance of non-compliance, 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 30 September 2023.

**ZAHID JAMIL & CO.****CHARTERED ACCOUNTANTS**

Place: Lahore

(Engagement Partner: Adeel Anwar, ACA)

Date: January 25, 2024

UDIN: CR202310366uNZrmWaBY

**STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023**

	NOTE	2023 RUPEES	2022 RUPEES
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5.	3,392,202,188	3,191,348,788
Long term deposits	6.	-	1,826,165
		3,392,202,188	3,193,174,953
CURRENT ASSETS			
Stores and spares		38,974,131	40,355,104
Stock in trade	7.	194,400	150,911,486
Advances	8.	83,632,857	82,918,124
Other receivables	9.	16,117,735	16,054,772
Tax refunds due from the government	10.	8,116,831	3,595,994
Cash and bank balances	11.	3,344,710	3,069,151
		150,380,664	296,904,631
		3,542,582,852	3,490,079,584
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
100,000,000 (2022: 100,000,000)			
Ordinary shares of Rs. 10/- each		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up	12.	792,616,660	792,616,660
Capital reserve			
Surplus on revaluation of property, plant and equipment - net	13.	1,171,239,257	1,235,349,333
Revenue reserve:			
Accumulated loss	13.	(2,420,228,387)	(2,201,286,664)
		(456,372,470)	(173,320,671)
NON-CURRENT LIABILITIES			
Long term loan from related party - unsecured	14.	622,073,947	371,465,030
Long term financing	15.	247,000,000	972,000
Deferred liabilities	16.	255,768,455	170,101,280
		1,124,842,402	542,538,310
CURRENT LIABILITIES			
Trade and other payables	17.	2,450,313,226	2,464,825,317
Accrued mark-up	18.	393,854,694	364,265,110
Short term borrowings	19.	18,973,000	18,973,000
Current portion of loan from bank	20.	10,972,000	272,798,518
		2,874,112,920	3,120,861,945
CONTINGENCIES AND COMMITMENTS			
	21.	-	-
		3,542,582,852	3,490,079,584

The annexed notes, from 1 to 37, form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

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

	NOTE	2023 RUPEES	2022 RUPEES
Sales - net	22.	385,282,154	-
Cost of sales	23.	843,256,384	195,594,589
Gross loss		(457,974,230)	(195,594,589)
Administrative and general expenses	24.	33,666,356	25,729,839
Operating loss		(491,640,586)	(221,324,428)
Other income	25.	448,048,713	239,401
Loss before interest and tax		(43,591,873)	(221,085,027)
Finance cost	26.	149,876,373	88,642,239
Loss before tax		(193,468,246)	(309,727,266)
Taxation	27.	(90,145,519)	(10,271,283)
Loss for the year		(283,613,765)	(319,998,549)
Loss per share - basic and diluted	28.	(3.58)	(4.04)

The annexed notes, from 1 to 37, form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

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

	NOTE	2023 RUPEES	2022 RUPEES
Loss for the year		(283,613,765)	(319,998,549)
Other comprehensive income:			
Items that will not be subsequently reclassified to statement of profit or loss:			
Re-measurement of defined benefit liability - net of deferred tax	16.1.5.	561,966	472,263
Total comprehensive loss for the year		<u>(283,051,799)</u>	<u>(319,526,286)</u>

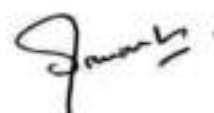
The annexed notes, from 1 to 37, form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR

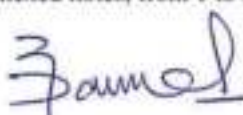


CHIEF FINANCIAL OFFICER

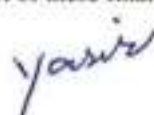
**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	2023 RUPEES	2022 RUPEES
A-CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(193,468,246)	(309,727,266)
Adjustments for non-cash income and expenses:		
Depreciation	161,601,329	170,789,259
Financial charges	149,876,373	73,412,672
Provision for gratuity	1,849,869	1,591,674
Long term deposits written-off	1,826,165	-
Creditor written-back	(355,449,945)	-
	(40,296,209)	245,793,605
Cash flows before working capital changes	(233,764,455)	(63,933,661)
Effect on cash flows due to changes in working capital:		
(Increase) / decrease in current assets :		
Stores and spares	1,380,973	(3,574,744)
Stock in trade	150,717,086	-
Advances	(714,733)	(47,730)
Other receivables	(62,963)	(239,772)
Tax refunds due from the government	(4,451,660)	-
	146,868,703	(3,862,246)
Increase in current liabilities :		
Trade and other payables	340,937,854	12,583,369
Cash generated from / (used in) operations	254,042,102	(55,212,538)
Income tax paid	(4,885,204)	(183,147)
Finance cost paid	(120,286,789)	(57,008)
Gratuity paid	(950,220)	(96,105)
	(126,122,213)	(336,260)
Net cash generated from / (used in) operating activities	127,919,889	(55,548,798)
B-CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for acquisition of property, plant and equipment	(362,454,729)	(78,500)
Net cash used in investing activities	(362,454,729)	(78,500)
C-CASH FLOWS FROM FINANCING ACTIVITIES		
Payments against long term financing	(15,798,518)	(1,000,000)
Proceeds from long term loan from related party	250,608,917	58,712,297
Net cash (used in) / generated from financing activities	234,810,399	57,712,297
Net increase in cash and bank balances (A+B+C)	275,559	2,084,999
Cash and bank balances at the beginning of the year	3,069,151	984,152
Cash and bank balances at the end of the year	3,344,710	3,069,151

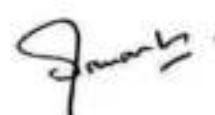
The annexed notes, from 1 to 37, form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

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

	Reserves			Total Reserves	Total Equity
	Capital	Revenue	Accumulated Loss		
	Surplus on Revaluation of PPE (Net)				
RUPEES					
Balance as at September 30, 2021	792,616,660	1,303,207,955	(1,949,619,000)	(646,411,045)	146,205,615
Loss for the year ended September 30, 2022	-	-	(319,998,549)	(319,998,549)	(319,998,549)
Other comprehensive income	-	-	472,263	472,263	472,263
Incremental depreciation on property, plant and equipment for the year (net of deferred taxation)	-	-	(319,526,286)	(319,526,286)	(319,526,286)
Balance as at September 30, 2022	792,616,660	1,235,349,333	(2,201,286,664)	(965,937,331)	(173,320,671)
Loss for the year ended September 30, 2023	-	-	(283,613,765)	(283,613,765)	(283,613,765)
Other comprehensive income	-	-	561,966	561,966	561,966
Incremental depreciation on property, plant and equipment for the year (net of deferred taxation)	-	-	(283,051,799)	(283,051,799)	(283,051,799)
Balance as at September 30, 2023	792,616,660	1,171,239,257	(2,420,228,387)	(1,248,989,130)	(456,372,470)

The annexed notes, from 1 to 37, form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2023

1. STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan on February 25, 1984 as a Private Limited Company and was subsequently converted into a Public Limited Company on February 11, 1990. The Company is listed on Pakistan Stock Exchange. The principal business of the Company is manufacturing and selling of refined sugar and by-products.

The Company has been classified as Public Interest Company as per the guidelines of SECP and ICAP.

Business Unit	Geographical Location
■ Head / Registered Office	Registered office of the Company is situated at 7/10, A-2 Arkay Square, Shakra - e - Liaquat, New Chilli, Karachi.
■ Mills / Plant	Garho, District Thatta, Sindh, Pakistan.

2. MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

The financial statements of the Company for the year ended September 30, 2023, show that the Company incurred a net loss before tax of Rs.193,468,246/- (2022: Rs. 309,727,266/-) in the current year including depreciation of Rs.161,601,329/- (2022: Rs.170,789,259/-). The current liabilities exceed the current assets by an amount of Rs.2,723,732,256/- (2022: Rs. 2,823,957,314/-) and its accumulated loss stands out at Rs. 2,420,228,387/- (2022: Rs. 2,201,286,664/-). These conditions indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as going concern and therefore the Company may not be able to realize its assets and discharge its liabilities in the normal course of business. In spite of the above-stated circumstances, the management of the Company considers that the going concern assumption used for the preparation of these financial statements is appropriate due to the following mitigating factors:

- (a) Arbitration efforts to resolve issues with TCP are underway and it is expected that the Company will be able to settle the subject amount in a favorable and sustainable manner. Also see note no. 21.1. (a) and (b).
- (b) The sponsors have unconditional commitment to enable Company to resume as going concern.
- (c) The financing arrangement with Bank Islami Pakistan Limited has been successfully restructured. As per the restructured agreement, the loan will be repaid in installments upto June 30, 2032. The Bank Islami Limited had filed a recovery suit for Rs. 360,907,225 on account of loan recovery against the Company, on May 2021, which will be withdrawn on completion of payments under restructuring agreement. Further details regarding the legal proceedings have been disclosed in note 21.1. (c).

Accordingly, these financial statements have been prepared on going concern basis.

3. BASIS OF PREPARATION

3.1 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 (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 Basis of Measurement

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

3.3 Functional and Presentation Currency

These financial statements are presented in Pak (Rs./ Rupees), which is the Company's functional and presentation currency. All financial information presented in Pak Rupee has been rounded off to the nearest Rupee unless stated otherwise.

3.4 Accounting Policies

The accounting policies adopted for the preparation of these financial statements are consistent with those applied in the preparation of the preceding annual financial statements of the Company for the year ended September 30, 2022, to the extent and manner stated.

3.5 Change in Accounting Standards, Interpretations and Amendments to Published Approved Accounting

The following new standards and interpretations are not effective for the financial year beginning on October 01, 2022 and have not been early adopted by the Company:

	Effective date (annual reporting periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 1, 2023
Amendments to IAS 7 'Statement of Cash Flows'	January 1, 2024
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors.' - Definition of accounting estimates	January 1, 2023
Amendments to IAS 12 'Income Taxes' - Deferred tax related to assets and liabilities arising from a single transaction	January 1, 2023
Amendments to IFRS 4 'Insurance Contracts' - Expiry date of the deferral approach	January 1, 2023
Amendments to IFRS 10 and 28 - Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely
Amendments to IFRS 7 'Financial Instruments'	January 1, 2024
Amendments to IFRS 16 'Leases'	January 1, 2024

The management anticipates that adoption of above amendments in future periods will have no material impact on the financial statements other than in presentation / disclosures.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1 First-time Adoption of International Financial Reporting Standards

IFRS 17 Insurance Contracts

The following interpretations issued by the IASB have been waived off by SECP:

IFRIC 4 Determining whether an arrangement contains lease

IFRIC 12 Service Concession Arrangements

3.6. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In process of applying the Company's accounting policies, the management has made following estimates and judgements which are significant to financial statements:

- (i) Useful life, residual value and depreciation method of property, plant and equipment (notes 4.1 & 5)
- (ii) Stores and spares (note 4.2)
- (iii) Stock-in-trade (notes 4.3 & 7)
- (iv) Measurement of defined benefit obligation – Key actuarial assumptions (notes 4.11 & 16.1.6)
- (v) Provision for taxation (notes 4.12 & 27)
- (vi) Provisions (note 4.14)
- (vii) Impairment (note 4.16)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, Plant and Equipment

(a) Operating Fixed Assets

- Fixed assets including additions are stated at cost less accumulated depreciation and less accumulated impairment loss if any, except that certain assets which are stated at revalued amount less accumulated depreciation and less accumulated impairment loss if any.
- Depreciation on fixed assets is provided on the reducing balance method over its useful life at the rates specified in the fixed assets schedule.
- Depreciation is charged to income applying the reducing balance method at the rates specified in property, plant and equipment note. In respect of additions and disposals during the year, depreciation is charged from the date of acquisition or capitalisation and up to the date preceding the day of disposal respectively. Depreciation on factory building, plant and machinery, electric installation, tools and equipment, tents and tarpaulins, and scales and weighbridges is charged to cost of goods manufactured and the rest is charged to administrative expenses.
- Subsequent costs are included in the asset's carrying amounts or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.
- Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major repairs and improvements which increase the asset's remaining useful economic life or the performance beyond the current estimated levels are capitalized.
- Gain or loss on scrapping or disposal of assets, if any, is charged to statement of profit or loss.
- The incremental depreciation charged on revalued assets during the year is transferred to retained earnings/accumulated profit to record realization of surplus to the extent of incremental depreciation.

(b) Capital Work in Progress

Capital work in progress is stated at cost less identified impairment losses, if any. All expenditure including applicable borrowing costs, if any, connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these are available for use.

(c) Revaluation

Fixed assets are stated at revalued amount being the fair value at the date of revaluation, less any subsequent accumulated depreciation and accumulated impairment losses, if any. Revaluations are performed with sufficient regularity so that the fair value and carrying value do not differ materially at the date of statement of financial position. Increases in the carrying amounts arising on revaluation of fixed assets are recognised, net of tax (other than on land), in other comprehensive income and accumulated in revaluation surplus in shareholders' equity and 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. Decreases, 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.

The revaluation reserve is not available for distribution to the Company's shareholders.

4.2 Stores, Spares and Loose Tools

Stores, spares and loose tools are valued at lower of cost, which is calculated according to moving average cost, and net realizable value. The cost is determined using weighted average method.

Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make the sale.

Stores in transit are valued at invoice values including other charges, if any, incurred thereon.

4.3 Stock-in-trade

These are valued at lower of cost and net realizable value. The cost is determined as follows:

Raw materials:	Weighted average cost
Goods in transit:	Cost comprising invoice value plus
Work in process:	Weighted average manufacturing cost
Finished goods:	Average manufacturing cost
Molasses:	Contracted price / net realizable value

Net realizable value signifies the estimated selling price in ordinary course of business less expenses necessary to be incurred in order to make sale.

4.4 Advances & Taxes Receivable

These are carried at cost less provision made for doubtful receivables based on review of all outstanding amounts at the year end. Advances or taxes receivable considered irrecoverable are written off.

4.5 Cash and Cash Equivalent

Cash and cash equivalents are carried in the statement of financial position at nominal amounts. For the purpose of the statement of cash flows, cash and cash equivalents comprises cash in hand and balance with banks in current and saving accounts.

4.6 Financial Instruments

All the financial assets and liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset or a portion of a financial asset when, and only when, the enterprise loses control of the contractual rights that comprise the financial asset or portion of the financial asset. While a financial liability or part of a financial liability is derecognized from the statement of financial position, when, and only when it is extinguished, i.e. when the obligation specified in the contract is discharged cancelled or expires.

(a) Financial Assets

Financial assets may include long term deposits, short term loans and advances, other receivable and cash and bank balances. These are initially recognized at cost which represent fair value of consideration given for them and subsequent to initial recognition financial assets are carried at cost, if fair value is not materially different at the date of statement of financial position.

(b) Financial Liabilities

Financial liabilities are classified according to the substance of the contractual agreements entered into. Significant financial liabilities are long term loans, short term finances and trade and other payables. All financial liabilities are initially recognized at cost, which represents fair value of the consideration received at initial recognition. After initial recognition, financial liabilities held for trading are carried at fair value and all other financial liabilities are measure at amortized cost.

4.7 Financial Assets Classification

Effective October 01, 2020, the Company classifies its financial assets in the following measurement categories:

- (i) Amortised cost where the effective interest rate method will apply;
- (ii) fair value through profit or loss; and
- (iii) fair value through other comprehensive income.

The classification depends on the Company'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 statement of profit or loss or other comprehensive income (OCI).

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 fair value through profit or loss (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.

Definition of Default

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 collateral held by the Company).

Impairment of Financial Assets

Effective October 01, 2020, the Company assesses on a historical as well as forward-looking basis, the expected credit loss (ECL) as associated with its trade debts. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the ECL model:

- Trade debts
- Cash and bank balances

Simplified Approach for Trade Debts

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.

Recognition of Loss Allowance

The Company recognises 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.

Write-off

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.

Financial Liabilities

Classification, Initial Recognition and Subsequent Measurement

Financial liabilities are classified in the following categories:

- (i) fair value through profit or loss; and
- (ii) other financial liabilities.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised 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 amortised cost, using the effective interest rate method. Gains and losses are recognised in profit or loss for the year, when the liabilities are derecognised as well as through effective interest rate amortisation process.

Derecognition of Financial Liabilities

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

4.8 Off Setting of Financial Instruments

A financial asset and a financial liability 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 intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.9 Issued, Subscribed and Paid-up Capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4.10 Borrowings

Loans and borrowings are recorded at their fair value being the proceeds received. Financial charges are accounted for by applying effective interest rate method and included in accrued expenses.

4.11 Staff Retirement Benefits

The Company operates an un-funded gratuity scheme covering all employees eligible to the benefit. Provisions are made on the basis of actuarial recommendations. The actuarial valuations are carried out as at 30th September 2023 using the Projected Unit Credit Method, as required by International Accounting Standards (IAS-19).

The amount recognized in statement of financial position represents the present value of the defined benefit obligation as on 30th September, 2023 as adjusted for unrecognized actuarial gains and losses.

The amendments in IAS 19 require the recognition of changes in defined benefit obligation and fair value of plan asset when they occur thus eliminating 'Corridor Approach' permitted under previous version of IAS 19 thus accelerating recognition of past service cost. All actuarial gains and losses are recognized immediately through 'Other Comprehensive Income'.

4.12 Taxation

(a) Current Income Tax

Provision for current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for tax on income is calculated at the current rates of taxation as applicable after taking into account tax credit and tax rebates available, if any. Income tax expense is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

(b) Deferred Tax

Deferred tax is recognized using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for taxation purposes.

Deferred tax asset is recognized for all the deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the asset may be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that related tax benefits will be realized. Deferred tax liabilities are recognized for all the taxable temporary differences.

Deferred tax asset and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantially enacted by the statement of financial position date.

Deferred tax is charged in the statement of profit or loss, except in the case of items charged to comprehensive income or equity, in which case it is included in comprehensive income or equity.

(c) Sales Tax / Excise Duty

Revenues, expenses and assets are recognized net of the amount of sales tax / FED except:

- Where the sales tax / FED incurred on purchase of assets or services is not recoverable from the taxation authority.
- Receivables and payables balances that are stated with the amount of sales tax / FED included.

The net amount of sales tax / FED recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

4.13 Trade and Other Payables

Trade and other payables are carried at cost which is the fair value of consideration to be paid for goods and/or services received, whether or not billed to the Company.

4.14 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event and is probable that an outflow of resources embodying economic benefits will be required to settle the obligation of which reliable estimate can be made. The expense related to provision is presented in profit and loss net of any reimbursements. The provision is recognized at its present value, accounting for time value of money, except where the impact for discounting is considered to be immaterial. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

4.15 Revenue Recognition

Revenue from Customers:

The Company recognizes revenue from contracts with customers based on a five step model as set out in IFRS-15:

Step-1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step-2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step-3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step-4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step-5: Recognize revenue when (or as) the Company satisfies a performance obligation.

Mentioned below are different revenue streams of the Company and their terms of recognition of revenue after satisfying all the five steps of revenue recognition in accordance with IFRS 15.

(a) **Sale of Goods**

The Company's contracts with customers for the sale of goods generally include one performance obligation and recognized at a point of time. Revenue is recognized when goods are dispatched to customers and bill of lading is prepared. It is the time when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing involvement of management when the goods and the amount of revenue can be measured reliably. Revenue from sale of goods is measured at fair value of the consideration received or receivable, net of discounts and applicable taxes.

(b) **Interest Income**

Interest and rental income are recognized on accrual basis.

(c) **Dividend Income**

Dividend income is recognized when the Company's right to receive the dividend is established.

(d) **Scrap Sales**

Sale of scrap is recognized on actual realization basis.

(e) **Others**

Return on deposits is accounted for on 'accrual basis'.

Contract Assets and Contract Liabilities

Contract Assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due.

Contract Liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs its performance obligations under the contract.

Presentation and Disclosure Requirements

As required for the financial statements, the Company disaggregated revenue recognized from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

4.16 Impairment

(a) **Financial Assets**

The Company assesses at each date of statement of financial position whether there is any objective evidence that a financial asset or a group of financial asset is impaired. A financial asset is deemed to be impaired if and only if there is an objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Any impairment loss on financial assets, including the financial assets carried at amortized cost, is recognized in statement of profit or loss.

(b) **Non-financial Assets**

The Company continually assesses at each date of statement of financial position whether there is any indication that an asset may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in statement of profit or loss for the year. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

When impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized. Reversal of impairment loss is recognized in income.

4.17 Related Party Transactions

All transactions between Company and related parties are accounted for in the normal course of business and carried out on mutually agreed terms. The Company voluntarily places the related party transactions before the Board of Directors for their consideration and approval, distinguishing between transactions carried out on terms equivalent to those that prevail in accordance with normal business price, recording proper justification for using if any, alternate pricing mechanism.

4.18 Dividends

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved.

4.19 Earnings Per Share (EPS)

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders' of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by using profit and loss attributable to ordinary shareholders' and the weighted average number of ordinary shares outstanding, adjusted for the effect of all dilutive potential ordinary shares.

4.20 Segment Reporting

A segment is a distinguishable component within the Company that is engaged in providing products and under a common control environment (geographical segment), which is subject to risks and returns that are different from those of other segments. Segments results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment. The principal business of the Company is manufacturing and selling of refined sugar and by-products therefore no segmentation has been provided.

	NOTES	2023 RUPEES	2022 RUPEES
5. Property, plant and equipment			
Operating fixed assets	5.1.	2,969,717,849	3,130,661,180
Capital work in progress	5.2.	422,484,339	60,687,608
		<u>3,392,202,188</u>	<u>3,191,348,788</u>

5.1. Operating fixed assets

Initial	Acquired	Disposed	Subsidiary land		Plant w/hold	Basic w/hold	Tobacco equipment	Tobacco w/hold	Basic equipment	Valuation free	Other equipment	Annual revaluation	Revalued amount	Capital	W/hold	Subsidiary w/hold	Total
			Factory	Non-factory													
At 01/01/2022																	
Ge.	117.21	118.29	78,921	2,007.8	4,90,448	1,24.8	15,27	1,30.1	1,28.8	7,72.1	49.3	45.7	1,30.8	1,28.3	2,49.1	80.1	4,94,91.8
Amortisation	-	-	17,62.8	1,07.8	1,19,30.1	1,07.8	2,22.1	8,7.8	6,7.8	1,30.8	1,7.8	35.1	1,30.8	1,28.1	1,4.1	1.1	1,30.1
Balance	117.21	118.29	61,29.1	1,92.0	3,71,14.7	1,17.0	12,05	1,21.3	1,22.0	6,41.3	31.5	10.0	1,00.0	1,06.2	2,47.0	79.0	4,83,61.0
Year ended 30/09/2022																	
Add:	-	-	-	-	-	-	1.28	-	1.28	-	-	-	-	-	-	-	2.56
Less:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	1,94.1	1,04.1	1,22,10.1	8.1	6.1	6.1	6.1	3.4	8.4	1.1	1.1	6.1	2.4	1.1	1,30.1
Balance	117.21	118.29	60,35.0	1,81.0	2,48,04.6	1,08.9	5.9	6.1	1,15.9	3.0	11.8	9.9	1,00.0	1,03.7	2,44.6	77.9	4,70,51.0
Year ended 30/09/2023																	
Add:	-	-	-	-	-	-	-	-	-	2.5	-	-	-	4.0	-	-	6.5
Less:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	1,10.1	1,10.1	1,10,11	8.1	1.1	6.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1,10.1
Balance	117.21	118.29	59,25.0	1,70.0	2,37,03.5	1,00.8	4.8	5.0	1,14.8	1.9	10.7	8.8	9.9	1,02.6	2.5	1.0	2,59.5
At 30/09/2023																	
Ge.	117.21	118.29	78,921	2,007.8	4,90,448	1,24.8	15,27	1,30.1	1,28.8	7,72.1	49.3	45.7	1,30.8	1,28.3	2,49.1	80.1	4,94,91.8
Amortisation	-	-	17,62.8	1,07.8	1,19,30.1	1,07.8	2,22.1	8,7.8	6,7.8	1,30.8	1,7.8	35.1	1,30.8	1,28.1	1,4.1	1.1	1,30.1
Balance	117.21	118.29	61,29.1	1,94.0	3,71,14.7	1,17.0	12,05	1,21.3	1,22.0	6,41.3	31.5	10.0	1,00.0	1,06.2	2,47.0	79.0	4,83,61.0
At 30/09/2022																	
Ge.	117.21	118.29	78,921	2,007.8	4,90,448	1,24.8	15,27	1,30.1	1,28.8	7,72.1	49.3	45.7	1,30.8	1,28.3	2,49.1	80.1	4,94,91.8
Amortisation	-	-	17,62.8	1,07.8	1,19,30.1	1,07.8	2,22.1	8,7.8	6,7.8	1,30.8	1,7.8	35.1	1,30.8	1,28.1	1,4.1	1.1	1,30.1
Balance	117.21	118.29	61,29.1	1,94.0	3,71,14.7	1,17.0	12,05	1,21.3	1,22.0	6,41.3	31.5	10.0	1,00.0	1,06.2	2,47.0	79.0	4,83,61.0
Depreciation	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1

5.1.1. Depreciation for the period has been allocated as under :

Cost of goods manufactured	158,270,010	167,112,423
Administrative expenses	3,331,319	3,676,836
	<u>161,601,329</u>	<u>170,789,259</u>

5.1.2. Had there been no revaluation, the carrying amount of revalued assets would have been as follows:

Land freehold	3,937,054	3,937,054
Experimental land	2,490,004	2,490,004
Building on land freehold		
Factory	46,362,108	51,513,454
Non-factory	11,309,530	12,566,144
Plant and machinery	2,335,491,089	2,458,411,673
	<u>2,399,589,785</u>	<u>2,528,918,329</u>

5.1.3. Forced sale value, as at September 30, 2019, as per revaluation of freehold land was Rs. 18.09 M, building was Rs 140.40 M and plant and machinery was 2.88 B.

	NOTE	2023 RUPEES	2022 RUPEES
5.2. Capital work in progress - at cost			
Opening balance		60,687,008	60,687,008
Add: Additions during the year		361,796,731	-
Less: Transfer to property, plant and equipment		-	-
	5.2.1.	422,483,739	60,687,008
5.2.1. Breakup is as follows			
Plant and machinery		422,483,739	60,687,008
The management carried out an impairment review at the year end as per IAS 36 and is of the view that there is no impairment that needs to be accounted for in the financial statements relating to capital work in progress.			
6. Long term deposits			
Long term deposits (interest free and unsecured)	6.1.		1,526,65
6.1. The long term deposits, which had been on the financial records for several years, are no longer deemed recoverable. Consequently, during the current fiscal year, these long-term deposits have been written off.			
7. Stock in trade			
Work in process		194,400	150,011,486
Finished goods		-	-
		194,400	150,011,486
8. Advances			
8.1. Considered good			
Growers		31,997,712	31,634,566
Contractors		2,023,608	4,162,025
Suppliers		18,092,271	39,860,028
Employees against salaries		1,352,857	1,307,857
Employees for other expenses		16,186,362	15,153,208
		59,652,810	92,018,724
8.2. Other receivables			
Export rebate receivable	8.1.	15,815,000	15,815,000
Other receivable		302,735	239,772
		16,117,735	16,054,772
8.1. The management confirmed that since the claim still holds good against the authority and the authority has not rejected the claim till date, therefore no provision / impairment is required. Also see note no. 31 (a).			
10. Tax refunds due from the government			
Income tax refundable		3,585,371	3,595,094
Sales tax refundable		4,451,568	-
		8,036,939	3,595,094
11. Cash and bank balances			
Cash in hand		2,668,388	2,205,984
Cash at banks		-	-
Current accounts		1,175,231	161,886
Saving accounts		101,351	101,071
		3,944,970	3,469,941
12. Issued, subscribed and paid up capital			
		2023	2022
	Number of Shares		
	79,261,666	79,261,666 Ordinary shares of Rs. 10/- each fully paid at cost	792,616,660
	79,261,666	79,261,666	792,616,660
12.1. 62,215,609 (2022: 62,215,609) ordinary shares are held by Haq Rahn Sugar Mills (Private) Limited (holding Company) representing 78.49% (2022: 78.49%) shareholding in the Company.			
12.2. Voting rights, board selection, right of first refusal and block voting are in proportion to the shareholding of the shareholders.			
13. Reserves			
13.1. Capital reserves			
Surplus on revaluation of property, plant and equipment (Net)	13.1.	1,171,239,257	1,235,219,233
13.2. Revenue reserves			
Accumulated loss		(2,430,228,387)	(2,201,296,864)
		(1,258,989,130)	(965,977,631)

13.1. Surplus on revaluation of property, plant and equipment - net

The latest revaluation of property, plant and equipment of the Company was carried out by independent professional valuers, Unicorn International Surveyors (Approved business valuers on the panel of Pakistan Banks Association), which resulted in the revaluation surplus of Rs. 1,372,932,237 and report was issued on September 30, 2019. The Company has incorporated the result on adjustments in the relevant financial statements.

	NOTE	2023 RUPEES	2022 RUPEES
Opening balance		1,732,932,237	1,828,495,731
Add: Revaluation during the year		-	-
Less: Transferred to equity in respect of:			
Incremental depreciation on revalued asset		164,710,779	457,858,622
Related deferred tax liability		126,385,899	427,716,902
Closing balance - gross		1,642,604,345	1,773,930,237
Less: Related deferred tax liability			
Related deferred tax liability on revaluation surplus		497,570,894	525,267,756
Amount realized during the year on account of incremental depreciation		126,385,899	427,716,902
		471,185,088	497,570,894
Closing balance	13.1.1.	1,171,419,257	1,233,349,333

13.1.1. The revaluation surplus on property, plant and equipment is a capital reserve and is not available for distribution to the shareholders of the Company in accordance with the section 241 of the Companies Act, 2017.

14. Long term loan from related party - unsecured

Loan from the holding Company

	622,073,647	571,465,898
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The loan has been advanced by M/s. Iqbal Doko Sugar Mills (Pvt.) Ltd. which carries mark up @ 3 months KIBOR plus 1% (2022) or 3 months KIBOR plus 1% payable half yearly. Since the loan will not be repayable within next twelve months therefore the same has been classified as a long term liability. The loan is subject to BOD resolution / approval.

15. Long term financing

From banking companies

Secured

Under mark up arrangement

Term finance

Silk Bank Limited	15.1.	972,000	1,972,000
Islamic bank			
Bank Islami Pakistan Limited	15.2.	257,900,000	271,798,518
		257,900,000	273,770,518
Less: Current portion of long term loans		118,972,000	(272,798,518)
		147,000,000	972,000

15.1. The facility has been obtained from Silk Bank Limited amounting to Rs. 100 million. As per the facility sanctioned advice, the facility carries no mark up. The facility is secured against pledge of refined sugar with 10% margin. The Silk Bank Limited entered into a restructuring programme in the earlier years. The liability regarding principal amount of loan towards the bank has been fully settled. Out of the total outstanding finance facility of Rs. 58.00 million, Rs. 57.17 million have been paid and remaining Rs. 0.972 million shall be paid in coming year. The mark up charged earlier is no longer payable upon satisfactory timely repayment of loan as agreed under settlement terms with reference number "SILKBANKSAM/16/06".

15.2. The Bank Islami Limited had filed a recovery suit for Rs. 380,907,225/- on account of loan recovery against the Company. On May 2021, the learned court has reserved its judgment on this issue. Although, the case would be discharged from the suit since the loan matured and NOC issued by the bank is filed with the court, but both the Company and the bank have mutually agreed to restructure the financing arrangement. Under the restructuring financing arrangement, the Company shall pay principal amount of Rs. 275 Million, mark up amount of Rs. 26,141 Million and an estimated additional rental / future profit of Rs. 126,298 Million to the bank by June 30, 2022, with mark up payments starting from September 2020. All the agreed payments have been discharged and appropriately accounted and disclosed for. Further details regarding the legal proceedings have been disclosed in note 21.1.1 (c).

16. Deferred liabilities

Staff retirement benefits - gratuity	16.1.	2,213,707	2,106,598
Deferred taxation	16.2.	248,433,748	187,954,738
		250,647,455	190,101,296

16.1. Staff retirement benefits - gratuity

The Company operates an un-funded gratuity scheme covering all employees eligible to the benefit. Provisions are made on the basis of actuarial valuations done. The latest actuarial valuations are carried out as at 30th September 2022 using the Projected Unit Credit Method, as required by International Accounting Standards (IAS-19).

16.1.1. Amount recognized in the statement of financial position

Present value of defined benefit obligation	16.1.2.	2,213,707	2,106,598
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16.1.2. Movement in liability

Opening balance		2,106,598	6,276,139
Current service cost		971,202	927,224
Interest cost on defined benefit obligation		878,667	652,990
Re-measurements chargeable in other comprehensive income		(791,362)	(663,199)
Benefits paid		(670,228)	(796,105)
		2,213,707	2,106,598

	2023 RUPEES	2022 RUPEES
16.1.3. Amount charged to statement of profit or loss		
Current service cost	971,262	937,724
Interest cost on defined benefit obligation	878,667	653,896
	<u>1,849,929</u>	<u>1,591,620</u>
16.1.4. Expenses recognised in statement of profit or loss		
Cost of sales	776,045	688,503
Administrative and general expenses	1,072,024	951,171
	<u>1,848,069</u>	<u>1,591,674</u>
16.1.5. Remeasurements chargeable in other comprehensive income		
Remeasurement of plan obligation:		
Actuarial gains/(losses) from changes in demographic assumptions	-	-
Actuarial gains/(losses) from changes in financial assumptions	(37,655)	(31,736)
Experience adjustments	819,155	688,899
	<u>781,500</u>	<u>657,163</u>
Related deferred tax liability @ 29%	(229,538)	(192,896)
	<u>551,962</u>	<u>464,267</u>
16.1.6. Principal actuarial assumptions		
Discount rate used for interest cost in statement of profit or loss	13.25%	10.39%
Discount rate used for year end obligation	16.75%	12.25%
Salary increase used for year end obligation	N/A	N/A
Net salary is increased at	1-Jan-24	1-Jan-23
Mortality rates	2001-2005	2001-2005
Withdrawal rates	Age-Based	Age-Based
Retirement assumption	Age 68	Age 60
16.1.7. Year end sensitivity analysis (± 100 bps) on defined benefit obligation		
Discount rate - 100 BPS	6,991,586	6,892,065
Discount rate - 100 BPS	7,667,191	7,520,290
Salary increase - 100 BPS	7,475,218	7,356,347
Salary increase - 100 BPS	6,582,417	6,887,839
The average duration of the defined benefit obligation is 3 years.		
16.1.8. Expected maturity profile		
Following are the expected distribution and timing of benefit payments at the year end:		
Year	RUPEES	
2024	4,161,053	
2025	590,553	
2026	532,007	
2027	328,988	
2028	359,408	
2029	401,683	
2030	3,586,134	
2031	415,545	
2032	468,412	
2033	4,071,241	
2034 onward	63,020,389	
16.1.9. Projected change to statement of profit or loss for the year ending September 30,2024 is as follows:		
	2024	
	RUPEES	
Current service cost	977,331	
Interest cost	839,976	
	<u>1,817,307</u>	
16.2. Deferred taxation		
The liability of deferred tax comprises of temporary differences relating to:		
 taxable temporary differences		
Accelerated tax depreciation	246,055,576	242,810,139
Revaluation surplus	471,385,089	497,570,894
	<u>717,440,664</u>	<u>740,381,033</u>
 Deductible temporary differences		
Retirement benefit obligation	(2,745,369)	(1,768,865)
Financial losses	(468,741,555)	(574,617,648)
	<u>(471,486,924)</u>	<u>(576,386,513)</u>
	<u>245,953,740</u>	<u>163,994,520</u>

Deferred tax asset on business losses has been provided on the basis of expectation of future availability of normal taxable profits in the future against which this deferred tax asset could be utilized.

	NOTE	2022 RUPEES	2021 RUPEES
16.2.1. Movement in deferred tax balances is as follows:			
At beginning of the year		162,994,720	152,530,540
Effect of rate change		-	-
Recognized in statement of profit or loss:			
Accrued for depreciation / amortisation		3,215,437	6,258,398
Incremental depreciation		(26,185,886)	(27,716,962)
Tax credits / unused tax losses		148,475,097	32,165,365
Retirement benefit obligation		(206,252)	(443,715)
		<u>95,229,492</u>	<u>10,271,284</u>
Recognized in statement of comprehensive income:			
Comprehensive income		329,336	163,466
At end of the year		<u>348,223,745</u>	<u>162,801,724</u>
17. Trade and other payables			
Liabilities for goods and services		1,080,352,672	1,046,156,907
Advance from customers	17.1.	1,217,855,412	1,289,121,729
Accrued liabilities		19,746,072	(7,190,286)
Deposits		39,078	39,076
Reserves		2,448,197	2,448,197
Income tax withheld		3,962,742	3,878,038
Workers' profit participation fund	17.2.	112,792,781	89,595,978
Workers' welfare fund	17.3.	8,845,054	7,031,863
Salvage payable		-	7,726,715
Other liabilities		5,160,187	1,626,540
		<u>2,450,113,225</u>	<u>2,464,825,317</u>
17.1. It includes an amount of Rs. 521,162 million related to a disputed balance with the Trading Corporation of Pakistan. Refer to note 21.1 (b) for detailed information regarding the dispute. The matter is sub-judice with the appellate authority.			
17.2. Workers' profit participation fund			
Opening balance		89,393,573	73,474,668
Credited during the year		-	-
Interest charged		23,106,807	(4,121,719)
		<u>112,792,781</u>	<u>89,595,978</u>
Paid during the year		-	-
		<u>(12,702,78)</u>	<u>89,595,978</u>
No provision has been recognized in the current year and preceding year due to accounting loss. Furthermore, mark up has been charged including late payment exchange @ 1 year KIBOR plus 2.3% (2021: 2.5%).			
17.3. Workers' welfare fund			
Workers' welfare fund		<u>8,845,054</u>	<u>7,031,863</u>
No provision has been recognized in the current year and preceding year due to taxable assets. Furthermore, mark up has been charged including late payment exchange @ 1 year KIBOR plus 2.3% (2021: 2.5%).			
18. Accrued mark-up			
Islamic mark-up financing			
Long term financing		87,811,875	128,309,531
Short term borrowings		-	21,706,328
		<u>87,811,875</u>	<u>149,816,859</u>
Other			
Long term financing	18.1.	<u>285,642,889</u>	<u>154,449,071</u>
		<u>399,642,819</u>	<u>304,449,021</u>
		<u>397,854,694</u>	<u>304,565,110</u>
18.1. The mark-up is payable to Haal Shau Sugar Mills (Pvt.) Limited, holding of the Company, calculated at 3 month KIBOR +1% (2021: 3 month KIBOR +1%).			
19. Short term borrowings			
Other financing (unsecured)	19.1.	<u>18,972,080</u>	<u>18,972,080</u>
19.1. The financing facility has been obtained from Mr. Azhar Qudus Bhatti (related party). This loan is interest free, unsecured and repayable on demand.			
20. Current portion of loans from banks			
Current portion of loans from banks	19.	<u>19,972,080</u>	<u>22,798,218</u>
21. Contingencies and commitments			
21.1. Contingencies			
(a) The Company received advances from Trading Corporation of Pakistan (TCP) under four different sugar supply agreements. The Company contends that this amount is not due as the hyperinflation fulfil its performance obligations. As a prudent policy, adjustments would be made on finalisation of the dispute. The Company is of the view that Trading Corporation of Pakistan has made numerous breaches of the agreements causing enormous losses to the Company and has filed a civil suit in court of Honourable Civil Judge, Lahore paying to refer the dispute for arbitration under the terms of the agreements. The matter is a pending argument before the Court.			

(b) During the previous years, the TCP filed a complaint with National Accountability Bureau (NAB), South for recovery of the amount advanced by it as referred in preceding paragraph. Total amount claimed by TCP is Rs. 1,311,528 million being principal amount of Rs. 570,983 million plus Rs. 740,545 million being penalty, mark-up and other incidental charges. The matter is pending with NAB for disposal and the management expects that outcome will be in its favour. The penalty, mark-up and other incidental charges of Rs. 740,615 million would not be payable, hence no provision has been made in these financial statements. During the previous years, TCP has included margin on Guarantees deposited by the Company with the banks and therefore the principal amount claimed has been reduced to Rs. 521,162 million.

(c) The bank (Bank Limited) had filed a recovery suit for Rs. 260,997,225/- as account of loan recovery against the Company. On May 2021, the court has reserved its judgment on this issue. Although, the case would be discharged from the court once the loan moratorium and NOC issued by the bank is filed with the court, but both the Company and the bank have mutually agreed to restructure the financing arrangement. Under the restructured financing arrangement, the Company shall pay principal amount of Rs. 275 Million, mark-up amount of Rs. 16,444 Million and an estimated additional normal / future profit of Rs. 128,358 Million to the bank by June 30, 2025, with mark-up payments starting from September 2023. All the agreed payments have been discontinued and appropriately accounted and disclosed for.

(d) The Company had deposited an amount of Rs. 20,832 million of excise duty in 1991-92 under protest with Collector of Customs and Central Excise, Hyderabad as a means of rebate of excise duty earlier claimed as per the incentive given by the government. The Honorable High Court of South has decided the case in favour of Collector of Customs. The Company has filed an appeal in Supreme Court of Pakistan which is pending for hearing. The management of the Company expects favourable outcome.

21.2. Commitments

There have been no known commitments as at statement of financial position date (2022: Nil).

	NOTE	2023 Rupees	2022 Rupees
22. Sales - net			
Gross total sales			
Sugar		413,954,961	-
Miscosacs		95,124,433	-
Total gross sales		509,079,394	-
Less : sales tax		(74,342,946)	-
Less : Discounting due to sales tax notify price		(42,242,325)	-
		392,494,123	-
23. Cost of sales			
Cost of sugarcane		372,040,248	-
Stores and spares consumed		22,716,949	2,104,221
Oil and lubricants consumed		3,543,858	10,778
Packing material consumed		3,857,143	-
Chemical consumed		3,133,144	-
Salaries, wages and benefits	24.1.	96,294,716	19,844,839
Water, fuel and power		23,546,429	2,281,750
Vehicle running and maintenance		2,902,531	1,291,357
Freight, handling and octroi		3,748,714	125,687
Depreciation	5.1.1.	198,270,018	187,115,423
Others		6,473,826	2,907,533
		692,539,299	195,594,389
Works in process			
Opening stock		150,911,486	150,911,486
Closing stock		(154,400)	(150,911,486)
Cost of goods manufactured		843,256,384	195,594,389
Finished goods			
Opening stock		-	-
Closing stock		-	-
		843,256,384	195,594,389
23.1. It also includes an amount of Rs. 776,945/- (2022: 668,503/-) relating to staff retirement benefits - gratuity.			
24. Administrative and general expenses			
Salaries, wages and benefits	24.1.	5,051,949	2,419,606
Fees, subscription and renewals		4,358,066	5,305,768
Vehicle running and maintenance		1,551,638	951,611
Legal and professional charges		3,513,006	6,297,850
Printing and stationery		145,832	136,800
Traveling, conveyance and entertainment		-	1,511,428
Rent, rates and taxes		1,558,866	171,200
Auditor's remuneration	24.2.	1,000,000	1,000,000
Depreciation	5.1.1.	3,311,319	3,676,856
Long term deposits written-off	6.1.	1,826,145	-
Entertainment		-	11,620
Miscellaneous		11,179,589	2,184,285
		23,866,336	25,728,839
24.1. It also includes an amount of Rs. 1,673,924/- (2022: 925,171/-) relating to staff retirement benefits - gratuity.			
24.2. Auditor's remuneration			
Annual audit fee		850,000	850,000
Review of code of corporate governance		75,000	75,000
Half yearly review		75,000	75,000
		1,000,000	1,000,000

		2023 RUPPEES	2022 RUPPEES
25. Other income			
Mark up waived off	25.1.	92,004,213	-
Bank profit		594,355	239,601
Creditor written back	25.2.	255,449,940	-
		<u>448,048,511</u>	<u>239,601</u>
25.1.			
In the earlier years, the mark up on outstanding loans was charged in the financial statements relating to Silk Bank, the Bank and the Company were in litigation. The liability regarding principal amount of loan towards the Bank has been fully settled. Out of the total outstanding finance facility of Rs. 58,100 million, Rs. 57,131 million have been paid and remaining Rs. 969 million shall be paid in coming year. The mark up charged earlier is no longer payable upon satisfactory timely repayment of loan, as agreed under settlement letter with reference number "SILKBANK/SAMG/1506", and has been written back as other income.			
25.2.			
This represents an amount that is reported as not being payable anymore to Azam bank, and this has now been realized as the Company's other income.			
26. Finance cost			
Mark up on related party's loan - Haq Bahr Sugar Mills (Private) Limited		21,293,799	44,609,329
Mark up on long term loan		3,201,482	28,746,334
Mark up on WPPF and WWF		54,020,255	13,220,598
Bank charges and commission		100,639	57,908
		<u>79,616,175</u>	<u>86,634,169</u>
27. Taxation			
Current	27.1.	4,516,027	-
Deferred			
Relating to origination and reversal of temporary differences		85,379,482	10,271,253
		<u>89,895,509</u>	<u>10,271,253</u>

27.1. Relationship between tax expense and accounting profit

The provision for taxation related to current and preceding financial year represents the Minimum Tax Liability under section 113 of the Income Tax Ordinance, 2001. Accordingly, reconciliation between tax expense and accounting profit for current and preceding financial year has not been prepared and presented.

28. Loss per share - basic and diluted

Loss after taxation for the year attributable to ordinary shareholders	(205,613,765)	(305,950,540)
	NUMBER OF SHARES	
Weighted average number of ordinary shares outstanding during the year	79,261,266	79,261,266
Loss Per share	<u>(2.59)</u>	<u>(3.86)</u>

28.1. Diluted earning per share

No figures for diluted earnings per share have been presented as the Company has not yet issued any instruments which would have an impact on basic earnings per share when exercised.

29. Remuneration of chief executive, directors and executives

The aggregate amount charged in the accounts for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company was as follows:

	Chief Executive		Directors		Executives	
	2023	2022	2023	2022	2023	2022
Management remuneration	-	-	-	-	1,200,000	900,000
perquisites	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,200,000</u>	<u>900,000</u>
Number of persons	1	1	1	1	2	2

30. Transaction with related parties

Related parties comprise of holding Company, subsidiary, associated undertakings, directors of the Company, key employees and staff (including fund). The Company in normal course of business carries out transactions with various related parties on mutually agreed terms and conditions subjected to BOD approval. Amounts due from and to related parties are shown under receivables and payables. Parent, subsidiary and associated undertakings also have some common directorship.

Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements is as follows:

Name of related party	Relationship with the Company	Nature of Transactions	2023 RUPPEES	2022 RUPPEES
Haq Bahr Sugar Mills Private Limited	Holding Company	Mark up accrued Sales of raw sugar	- 5,850,000	44,609,329 -
		Loan received	758,455,917	-
		Loan outstanding as at year end	622,073,947	571,465,000
Mr. Ashar Qadeer Butt	Major Shareholder in Holding Company	Loan received Loan repaid	- -	- -
		Loan outstanding as at year end	18,973,000	18,973,000

31. Financial assets and liabilities

As at September 30, 2023

	Amortized Cost	Fair Value Through Profit and Loss	Fair Value Through Other Comprehensive Income	Total
Rupees				
Financial assets:				
Maturity upto one year				
Advances	85,632,857	-	-	85,632,857
Other receivables	16,117,735	-	-	16,117,735
Tax refund due from government	8,116,831	-	-	8,116,831
Cash and bank balances	5,344,710	-	-	5,344,710
	<u>115,212,133</u>	<u>-</u>	<u>-</u>	<u>115,212,133</u>
Rupees				
Financial Liabilities:				
Other financial liabilities				
Maturity upto one year				
Trade and other payables		2,450,313,226	-	2,450,313,226
Current maturity of non-current liabilities		18,972,000	-	18,972,000
Accrued work-up		393,854,694	-	393,854,694
Short term borrowings		18,972,000	-	18,972,000
Maturity after one year				
Long term finances		217,000,000	-	217,000,000
Long term loan from related party - unsecured		622,073,647	-	622,073,647
		<u>3,745,186,867</u>	<u>-</u>	<u>3,745,186,867</u>
Rupees				
Sensitivity gap				(3,531,974,734)
Interest bearing financial liabilities				1,771,936,641
Non-Interest bearing financial liabilities				2,471,230,226

As at September 30, 2022

	Amortized Cost	Fair Value Through Profit and Loss	Fair Value Through Other Comprehensive Income	Total
Rupees				
Financial assets:				
Maturity upto one year				
Advances	82,918,124	-	-	82,918,124
Other receivables	18,651,772	-	-	18,651,772
Tax refund due from government	3,395,694	-	-	3,395,694
Cash and bank balances	5,669,151	-	-	5,669,151
Maturity after one year				
Long term deposits	1,526,165	-	-	1,526,165
	<u>107,461,206</u>	<u>-</u>	<u>-</u>	<u>107,461,206</u>
Rupees				
Financial liabilities:				
Other financial liabilities				
Maturity upto one year				
Trade and other payables		2,466,825,317	-	2,466,825,317
Current maturity of non-current liabilities		771,798,514	-	771,798,514
Accrued work-up		364,265,110	-	364,265,110
Short term borrowings		18,972,000	-	18,972,000
Maturity after one year				
Long term finances		972,000	-	972,000
Long term loan from related party - unsecured		371,465,030	-	371,465,030
		<u>3,895,295,971</u>	<u>-</u>	<u>3,895,295,971</u>
Rupees				
Sensitivity gap				(3,787,834,765)
Interest bearing financial liabilities				1,609,500,658
Non-Interest bearing financial liabilities				2,485,798,317

The Company's activities are exposed to a variety of financial risks. The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's overall risk management strategy seeks to minimize adverse effects from the unpredictability of financial markets on the Company's financial performance. The Company sets policies, strategies and mechanisms, which aim at effective management of these risks within its unique operating environment. The key financial risks include credit risk, liquidity risk and interest rate risk.

Risk management is carried out in accordance with established policies and guidelines approved by the Board of Directors. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management objectives and policies are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company is exposed to the following risk:

- Credit risk
- Liquidity risk
- Market risk

a) Credit risk

Credit risk represents the amounting loss that would be recognized at the reporting date if counter-parties failed completely to perform as contracted. To reduce exposure to credit risk the Company has devised a formal approval process whereby credit limits are applied to its customers. The management also continuously monitors credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. Credit risk of the Company arises principally from trade debts, loans and advances, bank deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2023 RUPEES	2022 RUPEES
Financial assets		
Long term deposits	-	1,526,765
Advances	85,632,857	82,918,724
Bank balances	1,276,322	865,767
	84,909,179	85,309,456

Credit quality of financial assets:

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty.

(i) Counterparties without external credit ratings

The Company has a policy to provide for impairment of expected credit loss based upon the ageing analysis which is being implemented. Based on past experience the management believes that no further impairment allowance is necessary in respect of trade debts as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time.

(ii) Other financial assets

Based on past experience the management believes that no impairment allowance is necessary in respect of advances and other receivables as there are reasonable grounds to believe that these balances will be recovered.

(iii) Counterparties with external credit ratings

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not evaluate the performance by these counter parties on their obligations to the Company. Accordingly credit risk is minimal. The credit quality of Company's bank balances can be assessed with reference to external credit rating agencies as follows:

Bank balances are held only with reputable banks. The credit rating of banks holding balances is given below:

	Short-term	Long-term	Agency	30-Sep-23	30-Sep-22
Dink Allahdi Ltd.	A1+	AAA	PACRA	75,992	75,992
Meezan Bank Ltd.	A-1+	AAA	VIS	362,478	150,941
Mob Bank Ltd.	A-1+	AAA	PACRA	588,018	494,590
Hudud Bank Ltd.	A-1+	AAA	VIS	31,258	31,258
Sindh Bank Ltd.	A-1	A+	VIS	629	800
National Bank of Pakistan	A-1+	AAA	PACRA	85,811	85,811
Silk Bank Ltd.	A-2	A-	VIS	-	297
TS Bank Ltd.	A-1+	AA-	PACRA	15,878	13,878
Sreeji Bank Ltd.	A-1+	AA-	PACRA	146,739	31,395
Summit Bank Ltd.	A-3	BBB-	VIS	69,832	69,832
				1,276,322	865,457

Concentration of credit risk:

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial assets is broadly diversified and all transactions are entered into with credit worthy counterparties there by mitigating any significant concentrations of credit risk.

	2023 RUPEES	2022 RUPEES
Financial assets		
Long term deposits	-	1,526,765
Advances	85,632,857	82,918,724
Bank balances	1,276,322	865,767
	84,909,179	85,309,456

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 represent the maximum open amount without requiring approval from the higher management; customer limits are reviewed on a regular basis and where the credit limits of individual customers are exhausted, further transactions are discontinued.

Trade debtors	91-180 Days	181-365 Days	> 365 Days	Total
As at 30-09-2023	-	-	-	-
Less allowance	-	-	-	-
As at 30-09-2022	-	-	-	-
Less allowance	-	-	-	-

ECL on trade receivables is calculated using simplified approach. The Company has no receivables outstanding at the year end.

As at the reporting date, Company envisages that default risk assessment of non-classification of other receivables and advances is minimal and thus based on historical trends adjusted to reflect current and forward looking information, less 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 less allowance for other receivables was determined as follows:

	2023 RUPEES	2022 RUPEES
Gross carrying amount	83,532,857	84,744,289
Less Allowance	-	-

ECL on other receivables is calculated using general approach. Other receivables also include an amount of Rs 13,815,000 in terms of export rebate receivable. The management confirmed that since the claim still looks good against the relevant authority and the authority has not rejected the claim till to date, therefore no provision/impairment is required, and that the receivables from Government may be delayed but it is neither doubtful nor bad in the given circumstances. Furthermore, the same is backed by DOD resolution/approval.

The credit risk related to balances with banks, i.e. term deposits, savings accounts and current accounts, is managed in accordance with the Company's policy of placing funds with approved financial institutions and within the limits assigned in accordance with the counter party risk policy. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counter party failure.

(b) Liquidity risk

Liquidity risk reflects an enterprise's inability to raise funds to meet commitments. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate returns for new requirements. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

Non Derivative Financial Liabilities	Carrying Amount 2023	Contractual Cash Flows	One Year or Less	More Than One But Less Than Five Year	More Than Five Years
Long term loan from related party - unsecured	622,073,947	622,073,947	-	622,073,947	-
Long term loans	257,972,000	257,972,000	10,972,000	93,500,000	153,500,000
Short term borrowings	18,973,000	18,973,000	18,973,000	-	-
Finance cost payable	393,854,694	393,854,694	393,854,694	-	-
Trade and other payables	2,450,313,226	2,450,313,226	2,450,313,226	-	-
	<u>3,743,186,867</u>	<u>3,743,186,867</u>	<u>2,874,113,920</u>	<u>715,573,947</u>	<u>153,500,000</u>

Non Derivative Financial Liabilities	Carrying Amount 2022	Contractual Cash Flows	One Year or Less	More Than One But Less Than Five Year	More Than Five Years
Long term loan from related party - unsecured	371,465,030	371,465,030	-	371,465,030	-
Long term loans	273,770,518	273,770,518	272,798,518	972,000	-
Short term borrowings	18,973,000	18,973,000	18,973,000	-	-
Finance cost payable	364,263,110	364,263,110	364,263,110	-	-
Trade and other payables	2,464,825,317	2,464,825,317	2,464,825,317	-	-
	<u>3,493,298,975</u>	<u>3,493,298,975</u>	<u>3,170,861,945</u>	<u>372,437,030</u>	<u>-</u>

The contractual cash flows relating to the loan from Bank Islami Pakistan Limited have been determined on the basis of Cost of Funds as provided by SBP as at the date of re-structuring of the Financing facility. Amount of loans from respective banks along with their credit ratings are:

	Short-term	Long-term	Agency	30-Sep-23	30-Sep-22
SIB Bank Limited	A-2	A-	VIS	972,000	1,973,000
Bank Islami Pakistan Limited	A1	AA-	PACRA	257,000,000	271,798,518

(c) Market risk

(i) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's exposure to the risk of changes in interest rates relates primarily to the following:

Variable rate instruments or carrying amounts:

Financial liabilities	2023 RUPEES	2022 RUPEES
Long term loan from related party - unsecured	622,073,947	371,465,030
Long term financing	257,972,000	273,770,518
Short term borrowings	18,973,000	18,973,000
	<u>899,018,947</u>	<u>664,208,548</u>

Interest bearing financial assets:

Bank balances in deposit / saving accounts	101,071	101,071
	<u>101,071</u>	<u>101,071</u>

Fair value sensitivity analysis for fixed rate instruments:

The Company does not account for any fixed rate financial assets at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments:

A change of 100 basis points in interest rate at the reporting date would have increased / decreased loss / profit for the year subject to loans remain outstanding for the whole year by the amounts shown below:

Effect on loss / profit due to change of 100 BPs

Increase	8,950,189	8,642,885
Decrease	(8,950,189)	(8,642,885)

(iii) Equity price risk:

Equity price risk is the risk of variability in share prices resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. As of the balance sheet date, the Company is not exposed to any such risk.

(iv) Foreign currency risk:

Foreign currency risk is the risk that the value of a financial asset or a financial liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist as a result of transactions with foreign undertakings. As of the balance sheet date, the Company is not exposed to any such risk.

Exposure to foreign currency risk:

Exposure to foreign currency risk (as denominated in US \$) was as follows based on notional amounts:

	Average rate		Reporting date mid-spot rate	
	2023	2022	2023	2022
USD 1	Rupees		Rupees	
	N/A	N/A	N/A	N/A
	N/A		N/A	
	N/A		N/A	

Sensitivity analysis:

1% strengthening of Pak Rupee against US \$ at reporting date would have varied profit or loss as shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Decrease in profit or loss account

N/A N/A

d) Fair value of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction. The carrying values of all financial assets and liabilities reflected in the financial statements are approximate of their fair values.

The Company uses the following hierarchy for disclosure of the fair value of financial instruments by valuation techniques:

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

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as priced or indirectly (derived from prices); and

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

Reconciliation of movement of liabilities to cash flows

Arising from financing activities

	Short Term Borrowing	Accrued Markup	Long Term Loans
Balance as at October 01, 2022	18,973,000	354,265,118	645,235,548
Changes from financing activities			
Finances repaid	-	-	(17,795,518)
Finances obtained	-	-	350,605,917
Mark-up accrued	-	149,876,375	-
Mark-up repaid	-	(120,296,789)	-
Balance as at September 30, 2023	18,973,000	393,844,704	880,045,807
Balance as at October 01, 2022	18,973,000	246,969,446	587,522,251
Changes from financing activities			
Finances repaid	-	-	(1,000,000)
Finances obtained	-	-	54,715,297
Mark-up accrued	-	73,412,672	-
Mark-up repaid	-	157,000	-
Balance as at September 30, 2022	18,973,000	354,265,118	645,235,548

The Company has no investment in fixed derivatives.

32. Capital management

The primary objective of the Company's management is to ensure that it maintains a strong credit rating and healthy capital ratios while continue as going concern in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholder, issue new shares or sell assets to reduce debts or raise debts, if required.

As of the balance sheet date, the management considers that the capital of the Company is sufficient to meet the requirements of the business.

The Company monitors capital on the basis of the gearing ratio. The ratio is calculated as under:

	2023 RUPEES	2022 RUPEES
Long term loan from related party - unsecured	622,073,947	371,465,000
Long term financing	257,972,000	273,770,518
Short term borrowings	18,973,000	18,973,000
Less: cash and cash equivalents	3,344,710	3,069,151
Net Debt	895,674,237	661,139,397
Net Equity	(456,372,470)	(173,320,671)
Total capital employed	439,301,767	487,818,726
Gearing Ratio	204%	136%

33. Number of employees

The total and average number of employees during the year and as at September 30, 2023 and 2022, respectively, are as follows:

	2023	2022
Average number of employees during the year	96	33
Number of employees as at year end	54	64

34. Capacity and production

Years	No. of Days Mill Operated	Crushing Capacity (M.Tons)/Day	Total Crushing Capacity (M.Tons)	Sugar Production (M.Tons)	Actual Crushing (M.Tons)
2023	35	5,500	192,500	3,981,5000	43,255,1530
2022	-	5,500	-	-	-

Due to normal technical stoppage during the season 100 % crushing capacity could not be achieved.

A normal sugar cane crushing season spans 150 days, but the production was constrained by the quantity of raw materials available to the Company.

35. Corresponding figures

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

36. Nonreclassification of the following account head have been changed in these financial statements for better presentation:


Previous	Current
Advances, deposits and prepayments	-Advances -Other receivables
Taxes recoverable	Tax refund due from the government
Revaluation surplus on property, plant and equipment - net	Surplus on revaluation of property, plant and equipment - net
Un-appropriated losses	Accumulated loss
Long term loan from bank - secured	Long term financing
Finance cost payable	Accrued mark-up

37. Authorization date

These financial statements have been authorized for issue on **January 25, 2024** by the Board of Directors of the Company.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

PROXY FORM

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED

40 ANNUAL GENERAL MEETING

I / We _____ S/o _____ r/o _____ being a member of **Abdullah Shah Ghazi Sugar Mills Limited** and holder of _____ ordinary shares as per registered Folio / CDC Participant ID #.

_____ and CDC Sub Account # / CDC Investor Account ID #

_____ hereby appoint Mr. _____ s/o _____ r/o _____ having registered Folio / CDC Participant ID # _____ and CDC Sub Account # / CDC Investor Account ID # _____ as my/our proxy to attend and vote on my/our behalf at the 40th Annual General Meeting of the Company to be held at 9:00 a.m. on 23 February, 2024 at _____ or at any adjournment thereof.

Affix Rs. 5/-
Revenue Stamp

Signature of Member
(Signature should agree with the specimen Registered with the Company).

Dated this _____ day of _____, 2024

Witnesses:

1 Signature _____	2 Signature _____
Name _____	Name _____
Address _____	Address _____
CNIC or Passport # _____	CNIC or Passport # _____

Important notes:

1. No person shall act as proxy unless he himself is member of the Company, except that a corporate entity may appoint a person who is not a member. Non-natural members must furnish board resolution / power of attorney with specimen signatures of proxy along with the proxy form.
2. Attested copies of the CNIC or the Passport of the member and the proxy shall be furnished with the proxy form. The proxy shall produce original CNIC or original passport at the time of the meeting.
3. Proxies in order to be effective must be received by the Company at its Registered Office not less than forty-eight (48) hours before the time for holding the meeting.
4. CDC Shareholders and their proxies are each requested to attach an attested photocopy of their Computerized National Identity Card (CNIC) or Passport with the proxy form before submission to the Company (Original CNIC / Passport is required to be produced at the time of the meeting).
5. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

**40th ANNUAL REPORT
2022-2023**