

*Bringing Back  
Sweetness*



# 2022 ANNUAL REPORT



AL-ABBAS SUGAR MILLS LIMITED

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## COMPANY INFORMATION

### BOARD OF DIRECTORS

Zakaria Usman	Chairman
Asim Ghani	Chief Executive Officer
Asma Aves Cochinwala	Director
Darakshan Zohaib	Director
Haroon Askari	Director
Muhammad Salman Hussain Chawala	Director
Shahid Hussain Jatoi	Director
Siddiq Khokhar	Director
Suleman Lalani	Director

### COMPANY SECRETARY

Zuhair Abbas

### CHIEF FINANCIAL OFFICER

Samir Hajani

### HEAD OF INTERNAL AUDIT

Suhaib Afzal Khan

### AUDIT COMMITTEE

Haroon Askari	Chairman
Asma Aves Cochinwala	Member
Darakshan Zohaib	Member
Muhammad Salman Hussain Chawala	Member
Zakaria Usman	Member

### HUMAN RESOURCE AND REMUNERATION COMMITTEE

Haroon Askari	Chairman
Asim Ghani	Member
Shahid Hussain Jatoi	Member
Siddiq Khokhar	Member
Suleman Lalani	Member
Zakaria Usman	Member

### BANKERS

Al Baraka Bank Pakistan Limited  
Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
MCB Islamic Bank  
National Bank of Pakistan  
The Bank of Punjab  
Meezan Bank Limited  
Samba Bank Limited  
Soneri Bank Limited  
United Bank Limited

### STATUTORY AUDITORS

BDO Ebrahim & Co.  
Chartered Accountants

### COST AUDITORS

UHY Hassan Naeem & Co.  
Chartered Accountants

### REGISTERED OFFICE

2nd Floor, Pardesi House, Survey No. 2/1,  
R.Y. 16, Old Queens Road, Karachi – 74000  
Tel: 92-21-111-111-224  
Fax: 92-21-32470090  
Website: www.aasml.com

### SHARE REGISTRAR OFFICE

M/s. CDC Share Services Limited  
CDC House-99B, Block 'B', S.M.C.H.S  
Main Shakra-e-faisal, Karachi-74400

### FACTORIES/STORAGE LOCATIONS

- 1) Mirwah Gorchani, Distt. Mirpurkhas, Sindh
- 2) Main National Highway, Dhabeji, Sindh
- 3) Oil Installation Area, Kemari, Karachi, Sindh

### RISK MANAGEMENT COMMITTEE

Muhammad Salman Hussain Chawala	Chairman
Asim Ghani	Member
Darakshan Zohaib	Member
Siddiq Khokhar	Member

## VISION AND MISSION STATEMENT

### VISION

The Company is committed to keep its focus on improving its core competencies and its clients' needs thereby, keeping the Company as one of the leading sugar and ethanol manufacturing unit as well as the provider of bulk storage services in the country with a purpose of creating enhanced value for its stakeholders, its community and overall economy of Pakistan.

### MISSION

- To be a profitable Company with an expert management team, motivated and productive employees and satisfied clients.
- To remain consistent with management philosophy to always observe the accepted standard of fair-conduct in dealing with employees, customers, suppliers and others.
- To keep shareholders informed and ensure timely dissemination of all material information to them and concerned regulators.
- To keep the Company always compliant with Corporate Governance rules and all other applicable laws, rules and regulations.
- To keep the workplace and working environment safe, clean and comfortable for all employees.
- To be a partner with the community in all efforts to preserve healthy environment, ecological balance, heritage and overall quality of life.



## NOTICE OF 32ND ANNUAL GENERAL MEETING

Notice is hereby given that the 32nd Annual General Meeting of **Al-Abbas Sugar Mills Limited** will be held at Movenpick Hotel, Karachi on Thursday, January 26, 2023 at 12:00 noon to transact the following business:

### Ordinary Business

1. To confirm the minutes of the 31st Annual General Meeting of the shareholders of the Company held on January 26, 2022.
2. To receive, consider and adopt Annual Audited Financial Statements for the year ended September 30, 2022, together with the reports of the Auditors' and Directors' thereon.
3. To declare and approve the cash dividend for the year ended September 30, 2022 on the ordinary shares of the Company. The Directors have recommended a final cash dividend at 300% i.e. Rs. 30.00 per share. This is in addition to the interim dividend 250% i.e. Rs. 25.00 per share already paid. The total dividend for 2021-22 will thus amount to Rs. 954.927 million i.e. Rs. 55.00 per share.
4. To appoint auditors for the ensuing year, and to fix their remuneration. The retiring auditors M/s. BDO Ebrahim & Co. Chartered Accountants, being eligible have offered themselves for re-appointment for the year 2023.
5. To transact any other business with the permission of the chair.

By Order of the Board



**Zuhair Abbas**  
Company Secretary

Karachi: December 30, 2022

### Notes:

#### 1. Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed from January 19, 2023 to January 26, 2023 (both days inclusive) for the purpose of Annual General Meeting and payment of final dividend. Transfer requests on prescribed format, received at the office of the Share Registrar of the Company, M/s. CDC Share Registrar Services Limited, CDC House, 99 -B, Block B, S.M.C.H.S., Main Shahrah-e- Faisal, Karachi-74400 on or before the close of business on January 18, 2023 will be treated 'in time' for the purpose of above entitlement(s) to the transferees and/or to attend the AGM and vote at the meeting.

#### 2. Virtual Participation in the AGM Proceedings:

Shareholders interested in attending the AGM virtually are hereby advised to get themselves registered with the Company by providing the following information through email at [agm@asml.com](mailto:agm@asml.com)

Name of Shareholder	CNIC No.	Folio No./CDC Account No.	No. of Shares	Contact No.	Email Address
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Online meeting link and login credentials will be shared with only those Members whose emails, containing all the required particulars, are received at the given email address by the end of business on Wednesday January 25, 2023. The login facility shall remain open from 12:00 noon till the end of the Meeting on January 26, 2023.

### 3. Participation in the AGM:

All members, entitled to attend and vote at the meeting, are entitled to appoint another person in writing as their proxy to attend and vote on their behalf. A proxy must be a member of the Company. In case of corporate entities, power of attorney or other authority / board resolution under which it is signed or a notarially attested copy of power of attorney lodged at the Company's Registered Office address: Pardesi House, Survey No. 2/1, R.Y.16, Old Queens Road, Karachi at least 48 hours before the time of the meeting. The Form of Proxy is attached with this notice.

CDC account holders will further have to follow the below mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

#### A. For Attending the Meeting:

- i. In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations shall authenticate his/her original valid CNIC or the original passport at the time of attending the meeting.
- ii. Members registered on CDC are also requested to bring their particulars, I.D. numbers and account numbers in CDS.
- iii. In case of corporate entity, the Board of Directors' 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:

- i. In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the CDC Regulations shall submit the proxy form as per above requirements.
- ii. Attested copies of valid CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iii. The proxy shall produce original valid CNIC or original passport at the time of the meeting.
- iv. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
- v. Proxy form will be witnessed by two persons whose names, addresses and valid CNIC numbers shall be mentioned on the form.

### 4. Transmission of the Annual Audited Financial Statements through CD/DVD

SECP through its SRO 470 (I)/2016 dated May 31, 2016 have allowed companies to circulate their Annual Audited Financial Statements to their members through CD/DVD at their registered addresses. In view of the above, the Company has sent its Annual Report to the Shareholders in the form of CD/DVD. Any Member can send request for printed copy of the Annual Report to the Company on standard request form placed on its website <https://www.aasml.com>.

### 5. Transmission of Audited Financial Statements / Notices Through Email:

Members are hereby informed that pursuant to SECP SRO 787(1)/2014 dated September 8, 2014, and under section 223(6) of the Companies Act 2017, circulation of Audited Financial Statements and Notice of Annual General Meeting has been allowed in electronic format through email.

In compliance with the above mentioned requirements, members who wish to receive the Annual Report 2022 in electronic form may file an application as per the form provided on the Company's website in compliance with the subject SRO. The members who have provided consent to receive Annual Report 2022 can subsequently request any other media including hard copy which shall be provided free of cost.

**6. Placement of Financial Statements on Website:**

The Financial Statements of the Company for the year ended September 30, 2022 along with reports have been placed on the website of the Company:

<https://www.aasml.com>

**7. Mandatory Submission of CNIC Copies:**

With reference to the notification of Securities and Exchange Commission of Pakistan (SECP), SRO 779(1)/2011 dated August 18, 2011, the Members/ Shareholders who have not yet submitted photo copy of their valid CNIC to the Company are required to send the same at the earliest directly to the Company's 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-74400. In case of non-receipt of the copy of valid CNIC and non-compliance of the above mentioned SRO of SECP, the Company may be constrained to withhold transfer of dividend in the future, if any.

**8. Dividend Bank Mandate:**

Pursuant to Section 242 of the Companies Act, 2017, members are requested to provide their CNIC's and bank account details including name of the bank, address of bank branch and International Bank Account Number (IBAN) to receive their cash dividend directly into their bank account. Therefore, all members who have not yet provided their CNIC and Bank Account details are once again reminded to immediately submit a copy of their CNIC and duly filled 'Dividend Bank Mandate Form' to the Company's Share Registrar or to the Company directly. In the absence of valid bank account details and CNIC, dividend amount will be withheld in compliance with the provisions of Act and Regulations made thereunder by the Commission. The 'Dividend Bank Mandate Form' is available on the Company's website i.e. <https://www.aasml.com>.

Members who hold shares in CDC accounts are required to provide their bank mandates to their respective participants.

**9. Deduction of Income Tax from Dividend under Section 150 of the Income Tax Ordinance, 2001 ("Income tax Ordinance"):**

The rates of deduction of withholding tax for Filers and Non-Filers as prescribed under Section 150 of the Income Tax Ordinance 2001, are as under:

S.No.	Nature of Shareholder	Rate of Deduction
1	Filers of income tax return	15%
2	Non - filer of income tax return	30%

To enable the Company to make tax deductions on the amount of cash dividend at 15% instead of 30%, shareholders are requested to please check and ensure Filer status from Active Taxpayers List (ATL) available at FBR website <http://www.fbr.gov.pk/> as well as ensure that their CNIC/Passport number has been recorded by the participant/Investor Account Services or by Share Registrar (in case of physical shareholding). Corporate entities (non-individual shareholders) should ensure that their names and National Tax Numbers (NTN) are available in ATL at FBR website and recorded by respective Participant/Investor Account Services or in case of physical shareholding by Company's Share Registrar.

**Withholding tax on Dividend in case of Joint Account Holders**

Members who have joint shareholdings held by Filers and Non-Filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his/her shareholding.

If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company latest by the Annual General Meeting date.

Folio / CDC A/c No.	Name of Shareholder	CNIC	Shareholding	Total Shares	Principal / Joint Shareholder
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#### Valid Tax Exemption Certificate for Exemption from Withholding Tax

A valid tax exemption certificate is necessary for exemption from the deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001. Members who qualify under Clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 and wish to seek an exemption must provide a copy of their valid tax exemption certificate to the Shares Registrar prior to the date of commencement of Book closure otherwise tax will be deducted according to the applicable law.

#### 10. Unclaimed Dividend / Shares under Section 244 of the Companies Act, 2017:

An updated list for unclaimed dividend / shares of the Company is available on the Company's website <https://www.aasml.com>. These are unclaimed dividend / shares, which have remained unclaimed or unpaid for a period of three (3) years from the date these have become due and payable.

Shareholders are requested to ensure that their claims for unclaimed dividend and share are lodged promptly. Shareholders, who by any reason, could not claim their dividend, if any, are advised to contact our 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-74400 and collect / enquire about their unclaimed dividend, if any. In case no claim is lodged, the Company shall proceed to deposit the unclaimed/unpaid Account and shares with the Federal Government pursuant to the provision of Section 244 (2) of Companies Act, 2017.

#### 11. Consent for video conference facility:

Pursuant to Section 132(2) & section 134(b) of the Companies Act, 2017, if the Company receives consent form from Shareholders holding aggregate 10% or more shareholding residing at geographical location to participate in the meeting through video conference at least 7 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility please provide following information and submit to registered office of the Company:

I/We, \_\_\_\_\_ of \_\_\_\_\_, being a member of Al-Abbas Sugar Mills Limited, holder of \_\_\_\_\_ ordinary share(s) as per Registered Folio / CDC Account No. \_\_\_\_\_ hereby opt for video conference facility at \_\_\_\_\_.

\_\_\_\_\_  
Signature of Member

#### 12. E-Voting

Members can exercise their right to demand a poll subject to meeting requirements of Section 143 - 145 of Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations 2018.

**13. Deposit of Physical Shares in CDC Accounts**

As per section 72 of the Companies Act, 2017 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 the SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017, i.e 30th May 2017. The shareholders having physical shareholding are once again requested to open CDC sub-account with any of the brokers or investors account directly with CDC to place their physical shares into scrip less form. Conversion of physical shares into scrip less form will facilitate the shareholders in many ways, including safe custody, efficient trading and convenience in other corporate actions. Al-Abbas Sugar Mills Limited's Share Registrar is available to facilitate the shareholders regarding conversion procedure.



## CHAIRMAN'S REVIEW REPORT

**"It is a pleasure to be entrusted with Chairmanship of the Board of Al-Abbas Sugar Mills Limited, comprising of diverse and talented professionals. The recently concluded year ended September 30, 2022 is laced with milestone achievements and constructive development for the Company and its stakeholders."**

During the year ended September 30, 2022, the performance of the Company remained extraordinary. Major challenges faced by the Company by the impact of Russia and Ukraine confrontation; high energy cost; increasing finance cost; uncertainties at economic and political fronts; high inflation; volatility in PKR Vs US\$ parity, etc. Under the visionary strategic guidance of Chief Executive Officer, the Company has successfully managed to post the highest ever profit of Rs. 1.913 billion as compared to Rs. 0.752 billion of previous year.

The Company was also able to successfully achieve highest ever net sales of Rs. 10.362 billion, compared to Rs. 7.421 billion during the previous year. The Management under the enthusiastic leadership of Chief Executive is encouraged by the future prospects and expects to continue to demonstrate outstanding performance.

Your Company complies with the requirements set out in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 with respect to the composition, procedures and meetings of the Board of Directors and its committees. The focus of this report is on the overall governance of the Company and Board oversight of the Management during the financial year ended September 30, 2022.

The Chief Executive helped the management with their strategic decision making for the fulfillment of exceptional and unforeseen challenges and also ensured best practice of corporate governance which helped to maintain high professionalism and business conduct. The board met seven time during the year under review. Such meeting at regular interval shows the interest of management in the conduct of business. I would also take this opportunity to express my appreciation to the board for their contribution to the company.

The board has constituted Audit Committee, Human Resource and Remuneration Committee and Risk Management Committee. The valuable input from these committees help the board in making effective decision making. The audit committee mainly focused on the internal controls for the identification of risk of material misstatement associated with the entity and mitigating those risks. The audit committee as carry out detailed review of financial statements before presenting it to the board. The board has also Risk Management Committee for the identification, assessment and response of business risk associated with the company.

The Company under the leadership of Chief Executive is completely focused on the mission and vision of the company to be a leading refined sugar and ethanol manufacturer of Pakistan. As we proceed further for the achievement of our goals, we have numerous factors in our favor and the most important one is that Pakistan is an agricultural country.

During the year the Company has received award of "Top 25 Companies" from Pakistan Stock Exchange for best corporate practice, superior financial results and exceptional managerial performance. Further, by the Grace of Allah, the Company has also consecutively secured third time the Corporate Excellence Award conferred by the Management Association of Pakistan on the best performance in the sugar sector. The award reaffirms company's adherence for having the best corporate practices and governance in the Sugar Sector.

The farsighted approach of CEO has played a key role in ensuring that the Company's objectives are achieved through a joint effort with the management team and guidance and oversight by the Board and its members. I would like to acknowledge with appreciation the contributions of management and non-management staff, regulatory authorities and government organizations. I would also like to thank our shareholders for their continued support and believe on the board and management of the company.



**Zakaria Usman**  
Chairman  
Karachi: December 27, 2022

## DIRECTORS' REPORT

In the name of ALLAH, the most gracious and most merciful, The Directors of Al-Abbas Sugar Mills Limited present herewith, the Company's Annual Audited Financial Statements together with Auditors' report thereon and brief overview of financial and operational performance of the Company for the year ended September 30, 2022.

### ECONOMIC AND INDUSTRIAL OVERVIEW

The world economy is in a very tough situation. It has been witnessing a commodity super cycle after pandemic. The world has not fully recovered from the effect of the Covid-19 pandemic. Further the Russia-Ukraine conflict resulting in rising inflationary pressure which upended the fragile global recovery, pushing up food and commodity prices. The sharp raising of rates by Federal Reserve System especially in the United States and major European economies has triggered a tightening of global financial conditions. All of these developments have, consequently, resulted in economic shakeup across the globe, with falling growth rates, sharp increase in commodity prices, including food and fuel. This has adversely affected buying power of people, especially in countries with weaker exchange rates and all the economies had to embrace this, with extent of impact at varying degrees.

Like rest of the world, volatility in the global market has also hit Pakistan's economy very badly. At the start of the current fiscal year 2021-22 the GDP growth rate was estimated around 6%. However, the above mentioned global factors have changed the economic scenario sharply. The ballooning twin fiscal and current account deficits, political instability, high international fuel and food prices and the growing trade deficit exerted huge pressure on foreign exchange reserves resulting in significant depreciation of PKR which in turn contributed towards higher inflation in the country.

The recent cataclysmic floods in Pakistan due to climate change have destructed vast areas of cultivated land. It is estimated that the agriculture sector production loss can be around 25-30% including livestock and crop damages. The contraction of 25% can have a far-reaching impact as agriculture has a meaningful contribution to gross output and value addition. Several of the hardest-hit areas were already among the most vulnerable in Pakistan, where children suffer from malnutrition and lack of access to clean water and sanitation. The economic impact of this nature can be summarized as a reduction of GDP growth with higher inflation and increased unemployment.

Sugarcane is the primary raw material for production of sugar. After Textile, sugar industry in Pakistan is the largest agro based industry. It is an important source of income and employment for the farming community throughout the year. The provincial government set procurement price for sugarcane in consultation with representatives from both sugar industry and farmers' organizations. However, based on the supply demand situation, buyers usually has to procure sugarcane at a price above the minimum support price. The steady rise in sugarcane procurement prices has made it difficult for mills to profitably produce sugar.

### COMPANY'S FINANCIAL PERFORMANCE HIGHLIGHTS

	2022 (Rupees in thousand)	2021
Profit before taxation	2,050,244	834,723
Taxation	(136,555)	(82,794)
<b>Profit after taxation</b>	<u><u>1,913,689</u></u>	<u><u>751,929</u></u>
<b>Basic earnings per share (Rupees)</b>	<u><u>110.22</u></u>	<u><u>43.31</u></u>

Alhamdulillah, during the year, the Company was conferred with the required volume of export which enabled the maximum utilization of available capacities. As a result, Company made ever highest ever revenue of Rs. 10.362 billion and profit after tax of Rs. 1.914 billion. These results were achieved despite the fire incident that took place at the start of the year and the distillery plants were shut down for almost two months. The following comparison of key figures for 2022 and 2021 reveals a remarkable improvement:

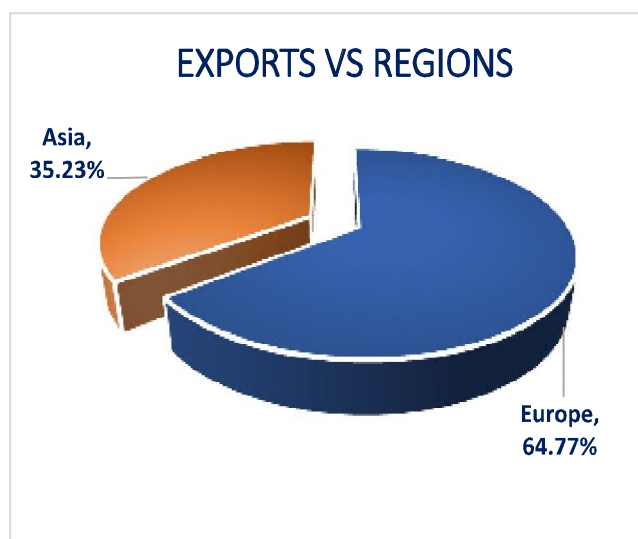
Description	Units	2022	2021
Export Sales	Rs. In million	7,178.90	4,327.46
Local sales and services - net	Rs. In million	3,174.29	3,093.92
Gross profit	Rs. In million	2,338.93	1,129.79
Profit before Tax	Rs. In million	2,050.24	834.72
Profit after tax	Rs. In million	1,913.69	751.93
EBITDA	Rs. In million	2,329.69	1,028.16
Earning per share	Rupees	110.22	43.31
Gearing Ratio	%	38.92	38.63
Current Ratio	Time	1.63	1.45
Breakup value per share	Rupees	265.27	194.13
Gross profit Margin	%	22.57	15.22
Profit before Tax Margin	%	19.79	11.25
Profit after tax Margin	%	18.47	10.13

The above results were achieved despite challenges like unpredictable movements in PKR Vs US\$ parity, continued increase in raw material prices, increase in utility prices, challenges in logistic front, enhanced supply chain cost and continuously growing inflation.

#### BUSINESS REVIEW

Despite these tough challenges of post Covid-19, commodity super cycle, economic and political instability in the country during the financial year 2021-22 your Company's exports has increased by Rs. 2.86 billion i.e. approximately 66%.

Your Company has the state-of-the-art sugar and ethanol plants and is committed of producing high quality sugar and ethanol products through process excellence and innovation. During the year the Company managed to export its products to different Regions such as Asia and Europe.

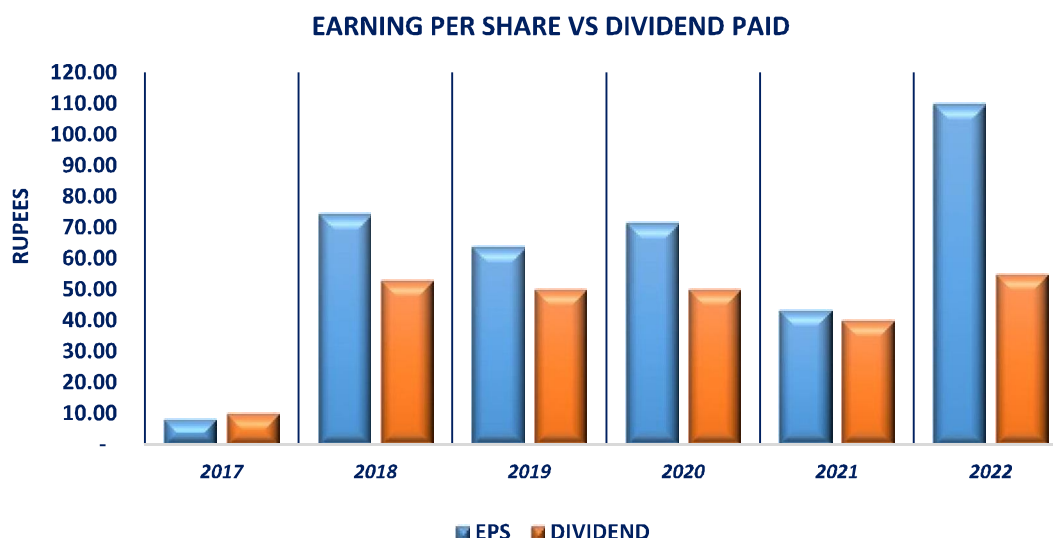


#### DIVIDENDS AND APPROPRIATION

The Board of Directors in their meeting held on December 27, 2022 has proposed the final cash dividend of 300% i.e. Rs. 30 per share. This is in addition to the interim dividends of 250% i.e. Rs. 25 per share already paid. The total dividend for the year ended September 30, 2022 will thus amount to Rs. 954.927 million i.e. Rs. 55 per share. The approval for the final dividend shall be obtained at the Annual General Meeting to be held on January 26, 2023. These financial statements do not include the effect of final cash dividend. The appropriation approved by the Board is as follows:

(Rupees in thousands)

Profit after taxation	1,913,689
Un-appropriated profit brought forward	1,803,227
Final dividend 2021 @ Rs. 10/share	(173,623)
Interim dividends 2022@ Rs. 25/share	(434,058)
Loss on remeasurement of defined benefit obligation	(6,515)
Available for appropriation and Un-appropriated profit carried forward	3,102,720



## SEGMENT RESULTS

Details of operations in respect of Sugar, Ethanol and other reportable segment are given as under:

### SUGAR SEGMENT

Season 2021-22 as predicted yield a better crop due to an increase in planting forecasts. The Government of Sindh issued notification of fixing the minimum support price of sugarcane for the crushing season 2021-22 at Rs. 250 per 40 kgs as against Rs. 202 per 40 kgs for crushing season 2020-21. Over the past few years the higher cane prices have allowed farmers to make handsome return on their investment and allow cane plantation to thrive. However, the high cane prices have resulted in massive liquidity requirements for the Company.

#### Operational Performance:

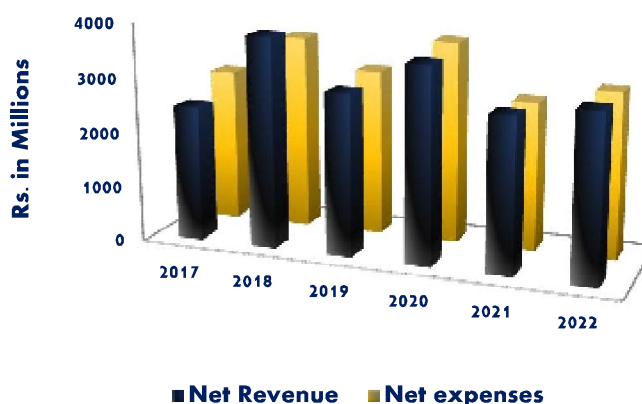
	2021-22	2020-21
Date of start of season	<b>November 11, 2021</b>	November 06, 2020
Duration of season (Days)	<b>116</b>	106
Total days of actual crushing	<b>99,572</b>	79,351
Crushing (M. Tons)	<b>501,010</b>	370,402
Production from sugarcane(M. Tons)	<b>53,945</b>	38,440
Sales (M. Tons)	<b>42,062</b>	35,213

	2022	2021
	(Rupees in thousand)	
Sales	<b>3,008,363</b>	2,801,207
Cost of Sales	<b>(2,795,589)</b>	(2,606,311)
Gross profit	<b>212,774</b>	194,896
Distribution Cost	<b>(10,082)</b>	(7,279)
Administrative Expenses	<b>(96,669)</b>	(96,348)
Operating segment results	<b>106,023</b>	91,269
Other operating expenses	<b>6,429</b>	(9,278)
Finance cost	<b>(74,889)</b>	(28,571)
Other income	<b>12,144</b>	82,926
Profit before taxation	<b>49,707</b>	136,346
Taxation	<b>(41,993)</b>	(35,636)
<b>Profit after taxation</b>	<b>7,714</b>	100,710

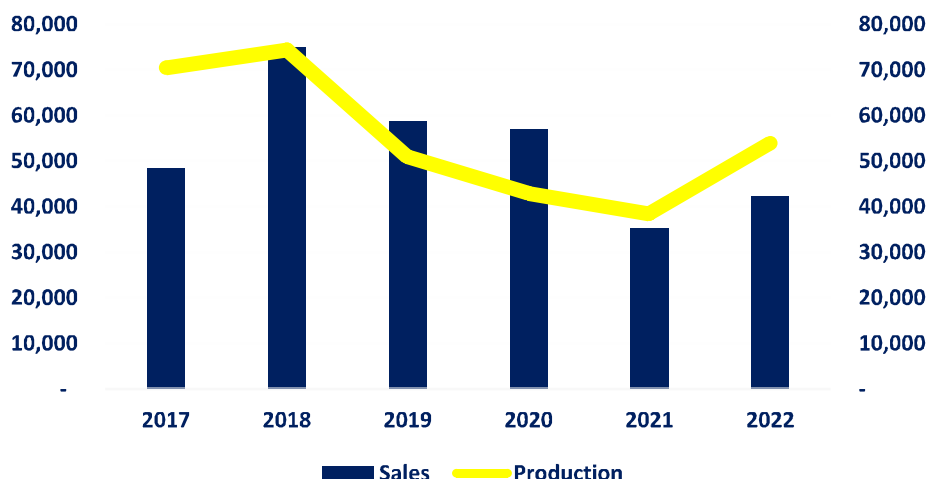
During the year, your Company's sugar segment revenue was increased by approximately 7.39% as compared to previous year due to increase in sales quantity. Finance cost was increased by approximately 162% due to increase in Kibor rate as compare to previous year. Sugar is only exported if there is a surplus production and stock in the Country. The mechanism of sugar selling price is based on the simple economics of demand and supply.

The prices of sugar in domestic market have decreased during the year due to the fact that the production of sugar was more as compare to the demand of sugar.

**REVENUES AND EXPENSES**



**SALES VS PRODUCTION**



**ETHANOL SEGMENT**

**Operating Performance:**

	2022	2021
Production (MT) - Unit - I and II	38,549	35,330
Sales (MT)	41,607	31,406

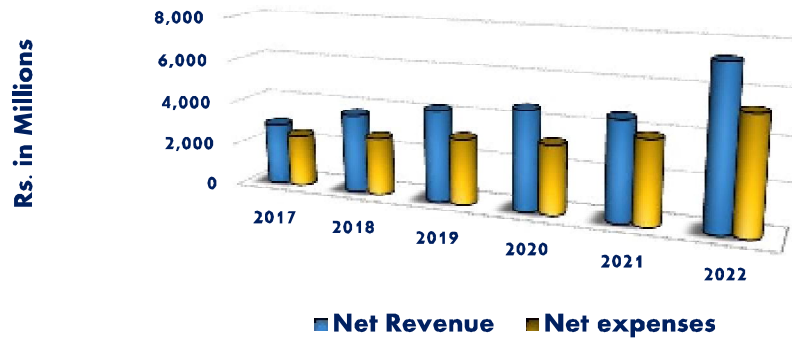
**Financial Performance:**

	2022 (Rupees in thousand)	2021
Sales	7,299,283	4,577,195
Cost of Sales	(5,077,150)	(3,590,078)
Gross Profit	2,222,133	987,117
Distribution Cost	(132,406)	(100,327)
Administrative Expenses	(60,971)	(62,640)
Operating segment results	2,028,756	824,150
Other operating expenses	(84,603)	(72,692)
Finance cost	(93,756)	(55,363)
Other income	246,696	55,255
Profit before taxation	2,097,093	751,350
Taxation	(94,075)	(46,816)
Profit after taxation	2,003,018	704,534

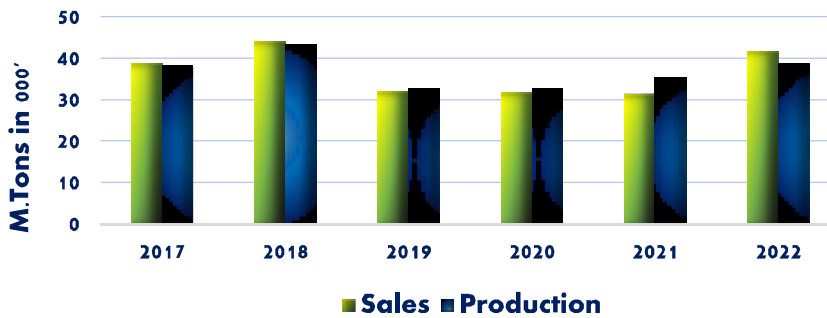
*Bringing Back Sweetness*



### REVENUES AND EXPENSES



### SALES VS PRODUCTION



The profit after tax of ethanol segment has increased by approximately 184.30% mainly due to increase in quantity sold by 32.48% together with the devaluation of PKR against US\$ which benefited the export industry. The increased in demand of ethanol was witnessed during the year mainly due to opening of business after Covid-19 restrictions.

The production of molasses is based on the production of sugar and if the production of sugar is reduced the similar impact can be seen for molasses. A stiff competition by rival distilleries to procure an optimal amount of molasses for their production ensued, which reduced the availability of molasses in the market. However, you will be delighted to know that your Company's management has done a tremendous job by procuring the molasses at a very competitive rate in advance.

The management also tried to change the sales mix of ethanol in order to leverage on the more profitable sales mix. More specifically, the reliance on Bulk sale was increased while the reliance placed on ISO or Drum was decreased.

#### OTHER REPORTABLE SEGMENT

The trial production of small furnace was started during March 2022. However, due to increase in fuel and electricity prices the operations were again suspended while production facility of chemical and power remained suspended during the period under review.

The storage tank terminal is licensed to act as customs public bonded warehouse and has a total capacity of 22,850 M.T to handle bulk liquid cargo. The terminal has permission to store dangerous goods which includes Ethanol as well as other petroleum products. The ethanol produced by your company has also been stored in the tank terminal to facilitate the timely shipment of export orders. The decrease in income was due to the lesser demand and availability of tenants.

During the year, loss from other reportable segment of Rs. 97.043 million was incurred as compare to a loss of Rs. 53.315 million.

## **FUTURE OUTLOOK**

### **SUGAR SEGMENT**

The Government of Sindh on November 23, 2022 issued a notification fixing the minimum sugarcane support price of Rs. 302 per 40 kgs for the crushing season 2022-23 as against Rs. 250 per 40 kgs for the crushing season 2021-22 registering a staging increase of around 21%. In addition, the sugar mills in Sindh are also required to pay quality premium at the rate of paisas fifty for every 0.1 percent sucrose recovery in excess of the bench mark of 8.7%.

As per past seasons crushing experience, the sugar mills have to pay high prices to ensure the smooth supply of sugarcane due to hold back in supply of sugarcane by the growers that resulted in unhealthy price competition amongst mills. The increase in sugarcane price will increase the cost of production and likely to affect the profitability of the sugar division.

Last year it was witnessed some improvement in sugarcane plantation due to higher returns to growers over the last two years and the same was expected for the upcoming season. However, the recent floods destructed vast areas of cultivated land and it is expected that decrease in sucrose recovery of around 20% might be witnessed in Sindh region.

Sugar Industry of Sindh has demanded from the Sindh Government to release the outstanding amount of sugar subsidy on export of sugar sales for the year 17-18. The Company is also working towards the development in cane area for the improve quality of cane to achieve better recovery.

The Pakistan Sugar Mills Association has been demanding export of 1 million tons of sugar from government of Pakistan. The government has been resisting, fearing that this would lead to shortage of sugar in the country. However the Sugar Advisory Board has finally firm up recommendations of export quantity and precautionary measures to avoid shortage of sugar and price hike in local market. The recommendation are pending before Economic Coordination Committee for formal decision. This export would fetch direly needed foreign exchange to country and provide better cash flows to the industry and farmers as well.

### **ETHANOL SEGMENT**

Ethanol segment of your company has proved to be the most profitable segment for many years. The global economies have opened up and the trades between the countries have revived again this has created some demand of ethanol.

The increased geopolitical risks induced by the Ukraine - Russian war will weigh adversely on global economic conditions. Such effects are estimated to reduce GDP and boost inflation significantly. Wheat, corn and sunflower oil have already hit record high prices while the energy prices are soaring to levels not seen in a decade. The conflict between these two countries has adversely affected present-day and future production of agriculture crops. The cost of molasses is expected to be increase by approximately 40 to 50 percent while the selling price of ethanol is expected to remain stable. However, a lot will depend on the intensity of the Ukraine-Russia war and its further impact on the world economy which will be unfold by the time.

The margin of this segment will also depend on the exchange rate movement of Pak rupee against the dollar which is weakening at a moment.

Your management is continuously working on further improvement. The production of ethanol is based on the availability of molasses which is produced through the process of sugar production. To take advantage over competitors, the management of your Company has made a practice to procure the maximum quantity of next year's molasses requirement before the start of the crushing season.

Despite all these facts prospects for this segment is quite bright.

### **OTHER REPORTABLE SEGMENT**

Tank wise permission has been started to grant by the Karachi Port Trust for the much needed repair and maintenance work on the tanks in order for the smooth running of storage business. We are very hopeful that the repair work will be completed in ensuing year. Once the repair and maintenance work will be completed, the Company expects

a healthy return from this segment.

The production facilities of chemical, alloys and power segment have been suspended in view of present business conditions and the matter of its recommencement will be reviewed when these conditions improve.

### **OVERALL**

The Company's business is closely associated with economic conditions in Pakistan and its exporting countries. The domestic economic conditions are fast changing with higher energy cost, supply chain disruption, increased in finance cost, higher inflation etc. The management however is geared up for challenges such as uncertainties in the economic environment, fluctuation in exchange rates, higher raw material cost, higher borrowing cost, tough competition, logistic issues including cost. Accordingly, strategies are in place and are regularly reviewed to ensure that the Company stays on the path of growth and progress.

We are optimistic that the Company's performance will sustain and further improve in the upcoming years, in terms of revenue, profit and liquidity positions.

### **RELATED PARTY TRANSACTIONS**

All the related party transactions are entered on arm's length basis in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2017. There are no material significant related party transactions made by the Company with Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders.

All the related party transactions were placed periodically before the Board's Audit Committee and upon their recommendation the same placed before the Board for review and approval. These transactions were reviewed by Board's Audit Committee and approved by the Board. All the transactions were in line with the policy of related parties approved by the Board. The details of related party transactions are disclosed in note 45 and 50 of the financial statements of the Company.

### **COMPOSITION OF BOARD OF DIRECTORS**

Al-Abbas Sugar Mills Limited has Eight-Member (6 Males and 2 Females) Board of Directors, which comprises individuals with diverse backgrounds, core competencies, knowledge, and expertise relevant to the Company's business. Our Board composition represents the interests of all categories of Shareholders and consists of:

- i) Independent Directors: Three (3)
- ii) Non-Executive Directors: Three (3)
- iii) Female Directors : Two (2)

### **REMUNERATION POLICY OF CHIEF EXECUTIVE OFFICER**

The Company has an approved remuneration policy for the Chief Executive Officer. The Board reviews the policy based on the performance of the Company. The details of salaries and other benefits of the Chief Executive Officer are disclosed in note number 45 of the financial statements of the Company.

### **REMUNERATION POLICY OF NON-EXECUTIVE DIRECTORS**

The Board has a formal policy for Non-executive directors including independent directors who are entitled to a meeting fee for attending the Board meetings of the Company at the rate approved by Board of Directors.

### **MEETINGS OF BOARD OF DIRECTORS**

During the year ended September 30, 2022 seven Board meetings were conducted. The name of the Directors and

the number of meetings attended by each director are as follows:

Name of Directors	Status	Number of meetings attended
Mr. Zakaria Usman	Chairman	7/7
Mr. Asim Ghani	Chief Executive Officer	7/7
Mrs. Asma Aves Cochinwala	Female Director	7/7
Mrs. Darakshan Zohaib	Female Director	7/7
Mr. Haroon Askari	Independent Director	6/7
Mr. Muhammad Salman Hussain Chawala	Independent Director	7/7
Mr. Muhammad Siddiq Khokhar	Independent Director	6/7
Mr. Shahid Hussain Jatoi	Non-Executive Director	7/7
Mr. Suleman Lalani	Non-Executive Director	7/7

#### AUDIT COMMITTEE

The Audit Committee assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information related internal controls to Shareholders and the audit processes. During the year five meetings were held. The name of the member and the number of meetings attended by each member are as follows:

Name of Members	Status	Number of meetings attended
Mr. Haroon Askari	Chairman (Independent)	5/5
Mrs. Asma Aves Cochinwala	Member	5/5
Mrs. Darakshan Zohaib	Member	5/5
Mr. Muhammad Salman Hussain Chawala	Member	5/5
Mr. Zakaria Usman	Member	0/5

The Audit Committee reviewed the quarterly, half yearly, annual financial statements along with the related party transaction register before submission to the Board. The Audit Committee also reviewed internal auditor's findings and held separate meetings with internal and external auditors as required under the Listed Companies (Code of Corporate Governance) Regulations, 2019.

#### HUMAN RESOURCE COMMITTEE

The Committee meets to review and recommend all elements of compensation, organization, and employee development policies related to senior executives. Human resource planning and management is one of the most important focus points at the highest management level. The name of the members and number of meetings attended by each member are as follows:

Name of Members	Status	Number of meetings attended
Mr. Haroon Askari	Chairman (Independent)	1/1
Mr. Asim Ghani	Member	2/2
Mr. Shahid Hussain Jatoi	Member	2/2
Mr. Muhammad Siddiq Khokhar	Member	2/2
Mr. Suleman Lalani	Member	1/1
Mr. Zakaria Usman	Member	1/2
Mr. Muhammad Salman Hussain Chawala	Ex-Chairman (Independent)	1/1

During the year a new committee was formed by the Board. Mr. Haroon Askari was appointed Chairman of the Committee in place of Mr. Muhammad Salman Hussain Chawala.

#### RISK MANAGEMENT COMMITTEE

The Risk Management Committee assists the Board in providing oversight on the adequacy and effectiveness of the risk management framework and internal control system. It includes evaluating operational, strategic, and

external risks; and reviewing all material controls (financial, operational, compliance). During the year one meeting was held.

Name of Members attended	Status	Number of meetings
Mr. Muhammad Salman Hussain Chawala	Chairman (Independent)	1/1
Mr. Asim Ghani	Member	1/1
Mrs. Darakshan Zohaib	Member	1/1
Mr. Muhammad Siddiq Khokhar	Member	1/1

## AUDITORS

The present auditors M/s. BDO Ebrahim & Co. Chartered Accountants have completed their tenure for the year ended September 30, 2022 and will be retiring at the conclusion of the forthcoming Annual General Meeting. Being eligible, they have offered themselves for re-appointment. On the suggestion of Audit Committee, the Board recommends reappointment of M/s. BDO Ebrahim & Co. Chartered Accountants, as auditors of the Company for the financial year ending September 30, 2023. Approval to this effect will be sought from the shareholders in the forthcoming Annual General Meeting scheduled on January 26, 2023.

## CORPORATE SOCIAL RESPONSIBILITY

Pakistan is currently facing catastrophic floods which are mammoth and extraordinary. Interior Sindh is the most affected area by these floods where our countrymen have lost everything and are in desperate need of help. Al-Abbas Sugar Mills have provided Rashan Bags to the affected families and is fully aware of its responsibilities to help our people in hour of need. We pray that people devastated by this catastrophe can be rehabilitated as soon as possible.

## IMPACT OF COMPANY'S BUSINESS ON ENVIRONMENT

Your Company is committed to safeguarding a healthy environment for everyone by reducing the environmental impacts of its business through compliance with all environmental standards at the production facilities and is fully cognizant of its responsibility in this regard. We focus on sustainability by minimizing our carbon footprint and undertaking projects that help conserve water and energy.

Further, the Company is completely aware of its responsibilities toward joining the community in the fight against the pandemic. For the cause, the Company has strictly followed the SOPs that include installation of hand sanitizers and temperature monitoring before entering the premises of the Company and encouraged its employees to follow the SOPs in its true letter and spirit. The health and safety of the employees is the top most priority of the Company in this pandemic.

Policies are regularly reviewed to ensure that the standards set are linked to industry's best practices. Health and safety training is provided to employees to ensure that they perform their work in accordance to the laid down policies.

## ACHIEVEMENTS

Al-Abbas Sugar Mills Limited has awarded a place in the Top 25 Companies declared by the Pakistan Stock Exchange. Further, the Company has also consecutively won the third time Corporate Excellence Award conferred by the Management Association of Pakistan (MAP), Karachi. The Corporate Excellence Awards are conferred by the MAP with an objective to recognize the listed companies which excel in corporate and management practices.

The award manifests the Company's commitment to quality, maintenance of the highest professional standards and constantly strives to achieve excellence in all spheres of its activity. These kinds of awards are considered the most prestigious achievement in the corporate sector.

## BOARD'S EVALUATION

Complying with the Code of Corporate Governance, 2019 the Board has approved a comprehensive mechanism for evaluation of its performance. The Company has introduced a questionnaire covering the Board's scope, objectives, function, and Company's performance and monitoring. The Board has evaluated all factors based on inputs received from every director.



## REVIEW OF CEO'S PERFORMANCE

The Board of Directors regularly evaluates the performance of the CEO, and this evaluation is based on the quantitative and qualitative values by the Board of Directors, which includes various financial and non-financial Key Performance Indicators (KPIs). The evaluation of the performance of the CEO are adherence to the mission, long and short-term objectives, ensuring long-term profitability, increasing shareholders' value and ensuring good governance and statutory reporting.

## ROLE OF CHAIRMAN AND CEO

The Chairman acts as the custodian of the Company on behalf of the Board and stakeholders. He heads the Board of Directors and is responsible for ensuring the Board's effectiveness. The Chairman ensures the development of business and protection of goodwill of the Company. He also ensures the balance of membership of the Board in terms of versatile exposure to various business operations and economic and business acumen.

The CEO has the prime responsibility of driving the Company's vision, mission, and long-term goals. He acts as a link between the Board and management of the Company and communicates with the Board on behalf of the management. The CEO is responsible for the day-to-day management of the Company's affairs and execution of long-term strategy, plans and budgets to increase shareholders' value.

The CEO also represents the Company to shareholders, government authorities and the public. He is the leader and decision-maker who motivates employees, drives change within the Company and takes decisions to achieve targets.

## CHAIRMAN'S REVIEW

The Chairman's review included in the Annual Report deals inter-alia with the economic outlook, performance of the Company and role of the Board of Directors.

## WHISTLEBLOWING POLICY

In line with the company's commitment to open communication, the whistleblowing policy through non-conformance reporting was designed to provide an avenue for employees to raise concerns and reassurance that they will be protected. As an aware and attentive organization, Al-Abbas Sugar Mills Limited believes in the conduct of the affairs of its business in a fair and see-through approach by adopting the uppermost principles of professionalism, truthfulness, reliability, and principled manners.

## DEBTS SERVICING

Our company has an effective cash flow strategy in place whereby inflows and outflows are projected and monitored regularly. This comprehensive strategy has always empowered your company in smooth settlement of its financial commitments and hopes to cater to any and every challenge that will come in its way. In compliance with the above, the management has put constant endeavors to rationalize borrowing costs by managing a balanced portfolio of sources of funds and efficient financing arrangements. The company has a practice of settling obligations timely, and accordingly, there is no history of any default concerning payment of debts, including this year.

## CORPORATE BRIEFING SESSION

Al- Abbas Sugar Mills Limited conducted a Corporate Briefing Session (CBS) based on Financial Statements for the year ended on September 30, 2021, on January 26, 2022, through a Zoom video link to apprise the stakeholders about the company's operational and financial performance and to solicit and understand views of shareholders. CEO provided insight on the company's current year performance along with the future prospects. Investors, research analysts, fund managers, and management representatives attended the event and showed great interest in the company's affairs. The briefing was followed by a Question & Answer session to explain further the matters stated in the briefing. Going forward, the management has planned to hold a Corporate Briefing Session for the year ended September 30, 2022, in January 2023.

## MATERIAL CHANGES AND COMMITMENTS

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.

### CONTRIBUTION TO THE NATIONAL / PROVINCIAL EXCHEQUER

The Company contributed a total amount of Rs. 696.250 (2021: Rs. 555.811) million to the Government Treasury in the shape of income tax, levies, excise duty and sales tax.

### PATTERN OF SHAREHOLDING AND SHARES TRADED

The statement showing the pattern of shareholding as at September 30, 2022 required under Section 227(2) f of the Companies Act, 2017 is separately annexed to this report.

No trading in the shares of the Company was carried out by the Chief Executive, Directors, Substantial Shareholders, Chief Financial Officer and Company Secretary and their spouses and minor children except the following:

NAME	CATEGORY	NATURE OF	MARKET TRANSACTION	NO. OF SHARES
M/s. Jahangir Siddiqui	Substantial Shareholder	Buy	Ready	182,000

### RISK MANAGEMENT FRAMEWORK

The Board of Directors have identified potential risks, assessed their impact on your Company and formulated strategies to mitigate foreseeable risks to the business. These strategies have been enforced throughout the hierarchy of your Company to ensure that no gaps remained in risk mitigation.

The objective of risk management is not necessarily to eliminate risk, but to ensure that the risks we do accept remain within a predetermined level of acceptability and control while pursuing value-enhancing opportunities. The ultimate goal of risk management within the Company is to continually assess the control environment to prevent and build resilience against any internal or external shocks, both anticipated and unforeseen.

The Board has established a risk management committee. The scope and purpose of Company's Risk Management framework is to identify potential risks in advance and analyze them and take precautionary measures to reduce the risks. The Company is proactive in its approach to risk management and undertakes contingency planning in the event that critical risks are realized.

The major risks and challenges faced by the Company are as follows:

- (i) Availability of raw material - Sugarcane and molasses are the main raw materials and its availability is vital for operations.
- (ii) Dollar rupee parity - The appreciation or depreciation of the Rupee also carries risk and any depreciation would have a favourable impact on the bottom-line of the Company.
- (iii) Employee turnover - Employees are the asset of the Company and loss of quality human resource due to surge in employee turnover would create a negative impact of the Company's growth.
- (iv) Industrial accidents - We strongly believes that accidents don't just happen, then are caused and as such they may be prevented from occurring.

### INTERNAL AUDIT AND CONTROL

The Board has setup an independent internal Audit Function headed by a qualified person reporting to the Audit Committee. A clearly define scope of Internal Auditing within the Company broadly involves reviewing and evaluating its internal control system. The Board reviews the adequacy of internal controls through the Audit Committee and Risk Management Committee, which receives reports from Management, Internal Audit, and the External Auditor on the systems of internal control and risk management arrangements. The Board confirms that the actions they consider necessary have been taken to remedy such weaknesses as it has determined to be significant from its review of the system of internal control.

**CREDIT RATING**

The Pakistan Credit Rating Agency Limited (PACRA) has maintained long term entity rating of A+ and short term A1 to the Company an outlook rating as "stable".

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

The Company has fully complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. Statement to this effect is annexed with this Report on page 31 to 32.

**ACKNOWLEDGEMENT**

The Board places on record its gratitude to our Board Members, Management and the devotion of the employees of all cadres for their dedication and commitment. The Board also appreciates and acknowledges the assistance, guidance, and cooperation of all stakeholders, including financial institutions, business associates, customers, bankers and all others whose efforts and contributions strengthened the Company.



**Asim Ghani**  
Chief Executive Officer



**Darakshan Zohaib**  
Director

Karachi: December 27, 2022

## PATTERN OF SHAREHOLDINGS

AS ON SEPTEMBER 30, 2022

Number of Shareholders	Shareholdings' slab		Total Number of Shares Held
	From	To	
340	1	100	16,667
552	101	500	243,385
80	501	1,000	71,871
78	1,001	5,000	195,160
8	5,001	10,000	57,100
3	10,001	15,000	34,500
3	15,001	20,000	53,200
3	20,001	30,000	86,900
1	30,001	50,000	50,000
1	50,001	120,000	119,900
1	120,001	135,000	130,479
1	135,001	210,000	206,600
1	210,001	370,000	370,000
1	370,001	585,000	583,183
1	585,001	600,000	598,287
1	600,001	945,000	943,027
1	945,001	965,000	964,802
1	965,001	1,100,000	1,029,289
1	1,100,001	1,715,000	1,714,500
1	1,715,001	1,920,000	1,916,368
1	1,920,001	2,310,000	2,309,250
1	2,310,001	5,700,000	5,667,832
<b>1081</b>			<b>17,362,300</b>

## CATEGORIES OF SHAREHOLDERS

AS ON SEPTEMBER 30, 2022

Shareholders Categories	Number of Shares Held	Percentage
Associated Companies, undertaking and related parties	5,874,432	33.8344
Mutual Fund	10,400	0.0599
Directors, Chief Executive Officer, and their spouse and minor children.	4,230,880	24.3682
Executives	NIL	NIL
Public Sector Companies and Corporations	NIL	NIL
NIT and ICP	583,683	3.3618
Banks, development Finance institutions, non]Banking Finance Companies, insurance Companies, takaful, modarabas and pension funds	733,544	4.2249
Share holders holding 5%	13,515,779	77.8456
General Public		
a. Local	2,639,012	15.1997
b. Foreign	NIL	NIL
Others	3,290,349	18.9511

**DETAIL OF SHAREHOLDERS CATAGORIES**

AS ON SEPTEMBER 30, 2022

	No. of Shares	Percentage
<b>1 Associated Companies , Undertakings and Related Parties</b>		
Al-Abbas Sugar Mills Limited]Employees Gratuity Fund	206,600	1.1899
Haji Abdul Ghani	5,667,832	32.6445
	<b>5,874,432</b>	<b>33.8344</b>
	No. of Shares	Percentages
<b>2 Mutual funds No. of Shares Percentage</b>		
Prodenial Stocks Fund Limited	600	0.0035
Jahangir Siddiqui & Company Limited Staff Provident Fund	500	0.0029
Cdc-Trustee Nit-Equity Market Opportunity Fund	9,300	0.0536
	<b>10,400</b>	<b>0.0599</b>
	No. of Shares	Percentages
<b>3 Directors, CEO and their spouses and minor children</b>		
Zakaria Usman	100	0.0006
Asim Ghani	2,309,250	13.3004
Asma Aves Cochinwala	943,027	5.4315
Darakshan Zohaib	964,802	5.5569
Haroon Askari	100	0.0006
Muhammad Salman Hussain Chawala	-	-
Shahid Hussain Jatoi	5 00	0.0029
Siddiq Khokhar	101	0.0006
Suleman Lalani	5 00	0.0029
Aves Cochinwala	1,000	0.0058
Hira Asim	11,500	0.0662
	<b>4,230,880</b>	<b>24.3682</b>
	No. of Shares	Percentages
<b>4 Executives</b>	<b>NIL</b>	<b>NIL</b>
	No. of Shares	Percentages
<b>5 Public Sector Companies and corporations</b>	<b>NIL</b>	<b>NIL</b>
	No. of Shares	Percentages
<b>6 NIT and ICP</b>		
Investment Corporation of Pakistan	500	0.0029
CDC-Trustee National Investment (Uuit) Trust	583,183	3.3589
	<b>583,683</b>	<b>3.3618</b>



## DETAIL OF SHAREHOLDERS CATAGORIES

AS ON SEPTEMBER 30, 2022

	No. of Shares	Percentage
<b>7 Banks, development finance institutions, Non- banking finance Companies, Insurance Companies, takaful, modarabas and pension funds</b>		
National Bank of Pakistan	598,287	3.4459
Trustee National Bank of Pakistan Employees Pension Fund	130,479	0.7515
Trustee National Bank of Pakistan Emp Bevevolent Fund Trust	4,578	0.0264
The Bank of Khyber	200	0.0012
	<b>733,544</b>	<b>4.2249</b>
	<b>No. of Shares</b>	<b>Percentages</b>
<b>8 Shareholder holding five percent or more voting interest in the Company</b>		
Haji Abdul Ghani	5,667,832	32.6445
Asim Ghani	2,309,250	13.3004
Jahangir Siddiqui	1,916,368	11.0375
Asma Aves Cochinwala	943,027	5.4315
Darakshan Zohaib	964,802	5.5569
Trustee-Future Trust	1,714,500	9.8748
	<b>13,515,779</b>	<b>77.8456</b>

## KEY FINANCIAL DATA

		2022	2021	2020	2019	2018	2017
<b>Investment Measure</b>							
Ordinary Share Capital	Rs. in ' 000 '	<b>173,623</b>	173,623	173,623	173,623	173,623	173,623
Reserves	Rs. in ' 000 '	<b>4,432,030</b>	3,196,905	3,221,027	3,053,628	3,420,351	2,334,735
Ordinary Shareholder's Equity	Rs. in ' 000 '	<b>4,605,653</b>	3,370,528	3,394,650	3,227,251	3,593,974	2,508,358
Dividend on Ordinary Shares	Rs. in ' 000 '	<b>954,927</b>	694,492	868,115	868,115	920,201	173,623
Dividend per Ordinary Share	Rs.	<b>55.00</b>	40.00	50.00	50.00	53.00	10.00
Profit Before Taxation	Rs. in ' 000 '	<b>2,050,244</b>	834,723	1,370,241	1,201,227	1,370,679	206,948
Profit After Taxation	Rs. in ' 000 '	<b>1,913,689</b>	751,929	1,244,347	1,111,978	1,293,780	142,976
Earnings per share of Rs. 10	Rs.	<b>110.22</b>	43.31	71.67	64.05	74.52	8.23
Price Earnings ratio	x : 1	<b>2.81</b>	6.67	4.44	3.15	2.79	20.20
Price to Book ratio	x : 1	<b>0.57</b>	0.70	0.85	0.55	0.64	0.56
Dividend Yield ratio	x : 1	<b>0.18</b>	0.14	0.16	0.25	0.26	0.06
Dividend Payout ratio	x : 1	<b>0.50</b>	0.92	0.70	0.78	0.71	1.21
Dividend Cover Ratio	x : 1	<b>2.00</b>	1.08	1.43	1.28	1.41	0.82
Market value per share at the end of the year	Rs.	<b>310</b>	289	318	202.00	207.80	166.34
Highest market value during the year	Rs.	<b>323</b>	400	354	280.10	207.99	331.00
Lowest market value during the year	Rs.	<b>256.84</b>	288.67	173	174.80	126.47	166.34
Breakup value per share	Rs.	<b>265.27</b>	194.13	195.52	185.88	207.00	144.47
<b>Measure of Financial Status</b>							
Current Ratio	x : 1	<b>1.63</b>	1.45	1.58	1.49	1.80	1.12
Quick / Acid test ratio	x : 1	<b>0.98</b>	0.83	1.21	1.05	0.80	0.35
Cash to Current Liabilities	x : 1	<b>0.36</b>	0.30	0.18	0.04	0.06	0.01
Cash flow from Operating Activity to Current Liabilities	x : 1	<b>0.06</b>	(0.38)	0.90	0.41	0.70	(0.61)
Financial leverage ratio	x : 1	<b>0.65</b>	0.64	0.39	0.50	0.20	0.71
Weighted average cost of debt	x : 1	<b>0.06</b>	0.05	0.03	0.04	0.04	0.06
Debt to Equity ratio	x : 1	<b>0.65</b>	0.64	0.39	0.50	0.20	0.71
Interest Cover /Time Interest earned ratio	x : 1	<b>14.07</b>	11.76	30.03	21.59	25.03	2.99
Total Assets turnover ratio	x : 1	<b>0.47</b>	0.44	0.50	0.48	0.61	0.45
Fixed Assets turnover ratio	x : 1	<b>7.09</b>	4.97	5.09	4.38	4.95	3.36
Total Debt Ratio	x : 1	<b>0.32</b>	0.30	0.20	0.25	0.13	0.35
Number of Days Stock	In days	<b>123.39</b>	98.42	72.90	109.90	130.22	102.45
No. of Days in Receivables	In days	<b>33.00</b>	29.35	32.94	33.11	26.50	9.47
No. of Days in Payables	In days	<b>46.43</b>	59.49	86.04	83.81	44.92	26.87
Operating cycle	In days	<b>109.96</b>	68.28	19.81	59.20	111.80	85.05
<b>Measure of Performance</b>							
Sales	Rs. in ' 000 '	<b>10,362,184</b>	7,421,377	8,153,544	7,164,862	7,494,077	5,327,415
Cost of Goods Sold as % of Sales	%	<b>77.43</b>	84.78	74.18	75.36	72.33	89.27
Gross Profit as % of Sales	%	<b>22.57</b>	15.22	25.82	24.64	27.67	9.60
EBITDA as % of Sales	%	<b>22.29</b>	13.76	18.78	19.05	20.49	8.03
Operating Leverage Ratio	x : 1	<b>3.58</b>	3.97	0.91	2.68	8.83	6.00
Return On Equity	x : 1	<b>0.42</b>	0.22	0.37	0.34	0.36	0.06
Return on Capital employed	x : 1	<b>0.28</b>	0.16	0.24	0.23	0.29	0.03
Shareholders' Funds	x : 1	<b>0.49</b>	0.47	0.52	0.50	0.64	0.49
Profit Before Taxation as % of Sales	%	<b>19.79</b>	11.25	16.81	16.77	18.29	3.88
Profit After Taxation as % of Sales	%	<b>18.47</b>	10.13	15.26	15.52	17.26	2.68
Quantity of sugar cane crushed	M.Tons	<b>501,010</b>	370,402	396,965	467,829	665,539	659,154
Quantity of sugar production	M.Tons	<b>53,945</b>	38,440	42,959	50,892	74,388	70,484
Recovery of sugar production	%	<b>10.77</b>	10.38	10.82	10.88	11.17	10.70
Quantity of Ethanol produced	M.Tons	<b>38,549</b>	35,330	32,593	41,143	43,221	38,213
Recovery of ethanol produced	%	<b>5.17</b>	5.10	5.53	5.49	5.59	5.49
<b>Production Per Employee</b>							
-Sugar	M.Tons	<b>85.22</b>	60.92	62.62	72.91	115.69	93.11
-Ethanol	M.Tons	<b>315.98</b>	296.89	260.74	345.74	351.39	303.28
Revenue Per Employee	Rs. in ' 000 '	<b>11,966</b>	8,501	8,683	7,566	8,355	5,203
<b>% of Plant Availability</b>							
-Sugar	%	<b>86.71%</b>	76.00%	77.26%	96.72%	80.17%	87.72%
-Ethanol	%	<b>98%</b>	98%	92%	95%	94%	96%
<b>Others</b>							
Spares Inventory as % of Asset Cost	%	<b>1.96%</b>	2.35%	2.77%	2.29%	2.55%	3.08%
Maintenance Cost as % of Operating Expenses	%	<b>1.69%</b>	1.80%	2.24%	3.00%	2.12%	2.66%

## SWOT ANALYSIS



### STRENGTHS

- A CEO with > 21 years of experience in the sugar, molasses and ethanol industry.
- The company has diversified businesses (and therefore related product and revenue streams).
- An export-oriented and highly profitable Ethanol segment (with 98% of the produced ethanol being exported).
- Synergistic advantages of having a distillery plant along with a sugar mills that include cost advantages in terms of raw materials (molasses), energy consumption (bagasse used for power generation) and skilled manpower (labour for both plants can be utilized for either).
- Superior quality of ethanol produced by the company that is recognized by its customers (both local and international) that are among the most renowned companies in the world.
- A strategically located bulk storage facility (near Karachi Port) that can be rented out (revenue earning) or used for storing own products (cost-saving).
- Dhabeji Unit, spread over a vast area, that houses a 15 MW coal-fired power generation plant, state-of-the-art electrical furnace and a Ferro-silicon plant.
- The company's credibility and goodwill due to its strong financial position (esp. in relation to growers) enables it to procure goods and services at competitive rates as compared to its peers in the industry.
- A conservative approach towards incurring costs allows the company to ward off major risks and the resulting financial losses.
- A low gearing that allows the company to minimize financial costs at a time when bank interest rates are at their highest.
- Ability to obtain external financing at highly competitive rates on the back of a strong financial position and market credibility.
- Low employee turnover mainly due to a well-trained, well-incentivized and loyal workforce.
- Low reliance on fossil fuels for power generation and instead using bagasse (a sugarcane by-product) for the same purpose.
- Cost-saving (raw material and transportation) from the production of sugar by-products, especially, molasses used in the manufacture of ethanol.
- Earning precious FOREX reserves for the country from the export of ethanol.



### WEAKNESSES

- Difficult in managing revenues and profits from sugar sales (finished product) due to sugar prices that are left at the mercy of the market forces that work against the company when supply exceeds demand (and exports need to be approved by the GoP), while simultaneously having to incur (ever-increasing) sugarcane purchase costs (raw material), that are tightly regulated by the GoP through a minimum support price to be paid to growers (below which the millers cannot pay).
- Difficulty in managing revenues and profits from sugar since it is very difficult to predict/estimate sugar sales, sugar costs and sugar price due to sugar production done during specific months only while sugar sales being spread over the entire year (the 'seasonality effect').
- Negative perception of the sugar industry held by the GoP and its regulatory bodies (based on politically instigated inquiries, probes and the resulting evidence in inquiry reports) and the media, with the industry being portrayed as a mafia rather than a legitimate profit-maximizing business.
- Low sugarcane yield-per-acre, as compared to other sugarcane cultivating countries, due to the use of outdated agricultural equipment and techniques and further exacerbated by a general reluctance to adopt mechanized farming.
- Low sucrose yield, from crushed sugarcane due to the use of aged, unapproved and banned varieties, which in turn is the result of a weak research and development apparatus, in Sindh province especially.
- Majority of the company's molasses supplies are dependent on supplies from external suppliers.



## OPPORTUNITIES

- The demand for sugar, being a staple food item, is likely to increase with the passage of time since the annual growth rate of Pakistan's population has been steadily increasing over time and this could translate into profits for the company if production capacity is enhanced accordingly.
- With an annual per-capita sugar consumption of only 25 Kgs (or 5.28 million MTs) and sugar quality rated among the best in the world, Pakistan could get easy access to the international market and earn precious foreign exchange through the export of sugar.
- A bulk storage terminal located at KPT where the potential for earning rental income is very high once the storage tanks (currently undergoing extensive repair) have been completely revamped. The tanks can simultaneously be used to store the ethanol export inventory thus avoiding the payment of hefty storage costs.
- The potential to introduce modern agricultural techniques and equipment especially by sponsoring or partnering with local or international research and development bodies/institutes to transfer such knowledge and resources to the growers for the mutual benefit of the company and the growers (for instance the development of environment friendly (or organic) pesticides, temperature resistant, low water consuming, high-yield, high-sucrose content and early maturing sugarcane varieties).
- The company ethanol segment also produces CO2 gas. With some investment, the company can install modern equipment to capture the CO2 gas which can then be sold at a handsome profit margin.

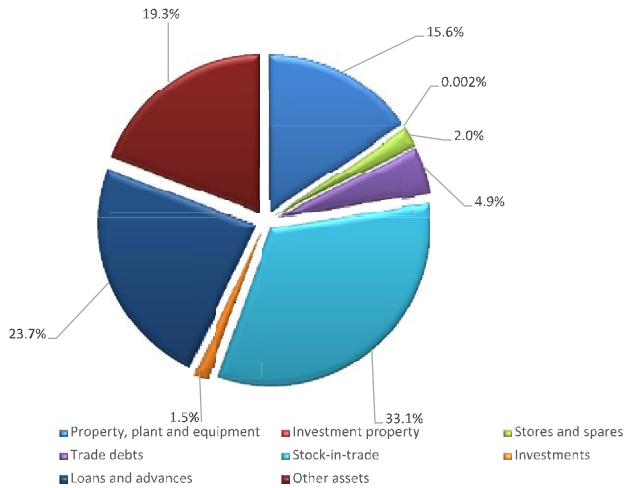


## THREATS

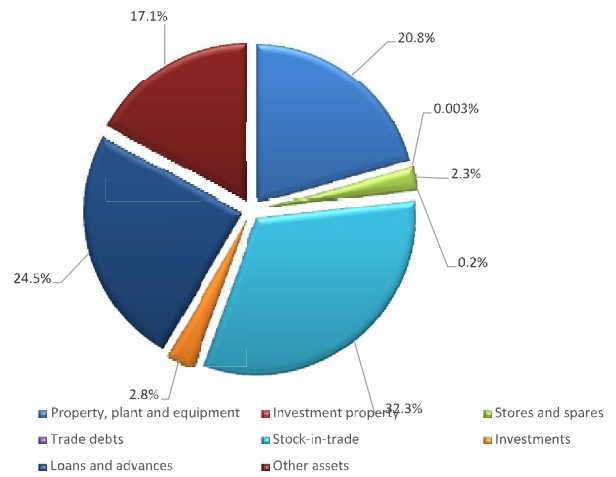
- Extreme and unpredictable weather and more frequent natural disasters (like droughts, floods etc) due to climate change have made sugarcane vulnerable to damage and destruction. This could have a severe impact on its availability and therefore its price
- Political and economic instability.
- Imposition of new taxes and enhanced rates of taxes already prevalent could have a negative financial impact on company.
- The cane radius of the company's sugar mills is home to several competitor mills that compete for the sugarcane crops alongwith the company. This competition sometimes results in price wars, pushing up the cane prices abnormally, and it becomes quite difficult to procure the desired quality sugarcane at a competitive price that includes transportation costs also.
- Water shortage, due the fact that Mirpurkhas District, where the company's sugar mills is located, is situated just before the southern end of Sindh province and is among the districts through which the River Indus DOES NOT pass. Therefore, being located at the tail end of the canals means that water shortage could still happen even when the water level in the river and dams is plentiful. Sugarcane is a water-intensive crop and water shortage has a negative impact on the cultivation of sugarcane depending on the cultivation stage (or the time of the year when the water shortage resulted).
- Ever-increasing number of distilleries may pose serious threats to the availability and price of molasses.

## Composition of Balance Sheet

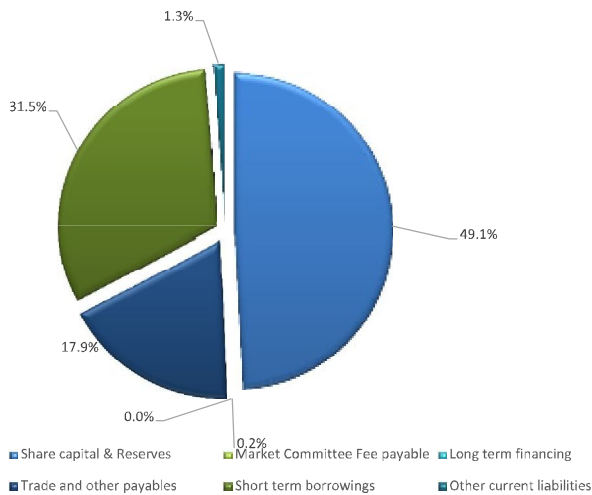
Total Assets FY 2022



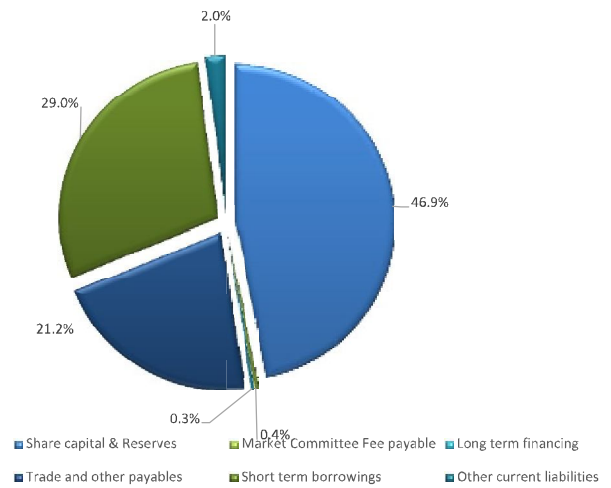
Total Assets FY 2021



Equities & Liabilities FY 2022

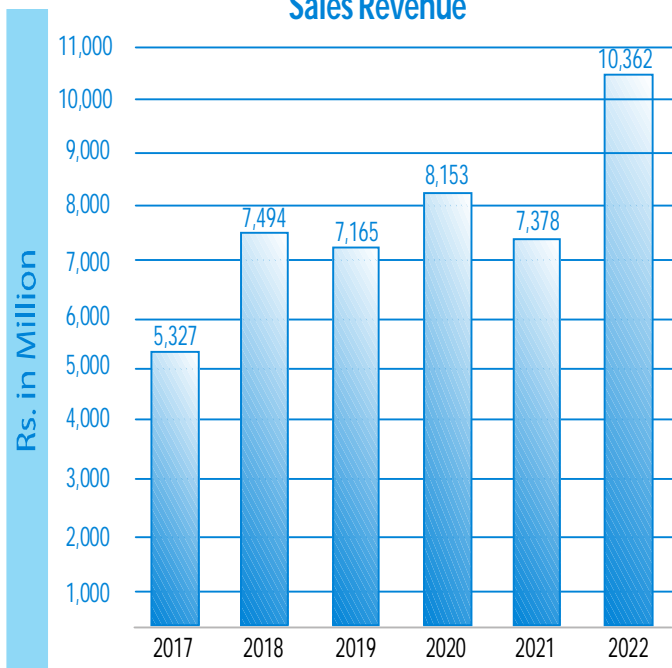


Equities & Liabilities FY 2021

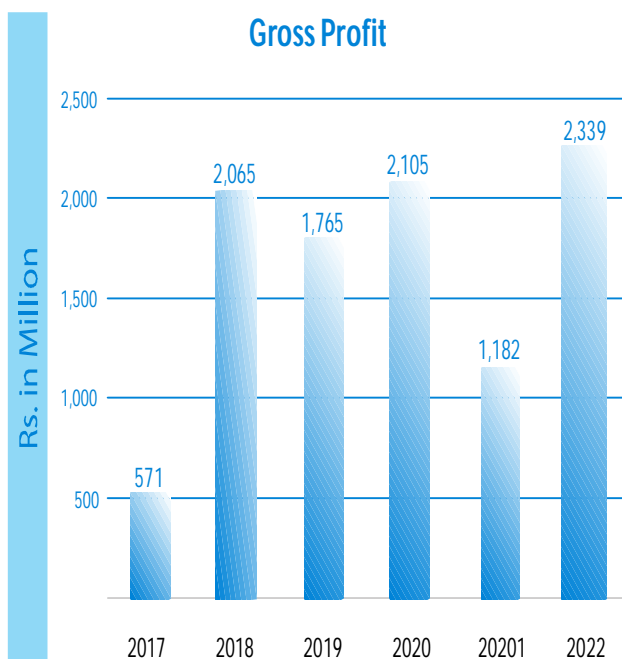


## Financials at a Glance

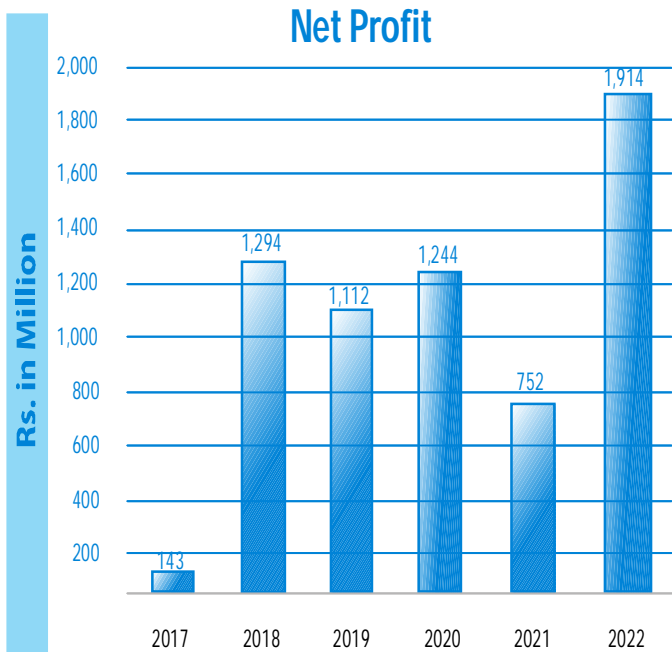
### Sales Revenue



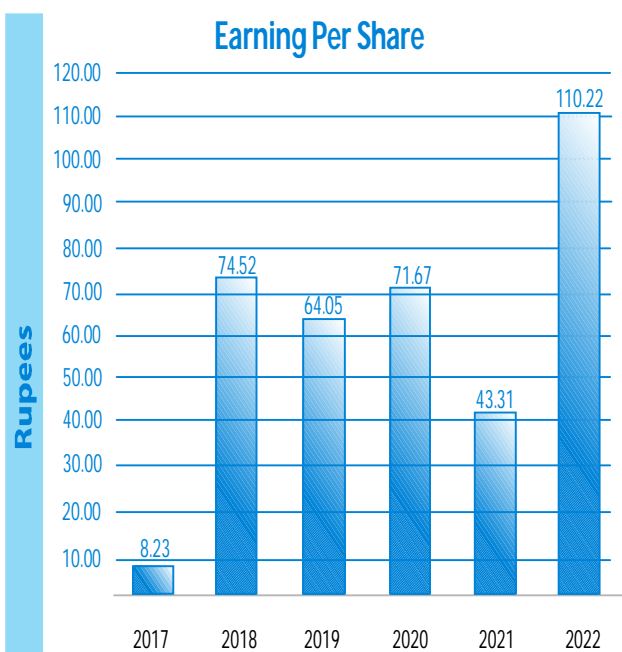
### Gross Profit



### Net Profit



### Earning Per Share



## **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AL-ABBAS SUGAR MILLS LIMITED 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 Al-Abbas Sugar Mills Limited for the year ended September 30, 2022 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 part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. 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.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended September 30, 2022.

KARACHI

DATED: December 27, 2022

UDIN: CR202210067z5BxpcSIG



**BDO EBRAHIM & CO.**  
CHARTERED ACCOUNTANTS  
Engagement Partner: Zulfikar Ali Causer



## Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 for the year ended September 30, 2022

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

1. The total number of directors are eight as per the following:
  - a. Male: Six (6)
  - b. Female: Two (2)
2. The composition of the board is as follows:

Category	Names
Independent Directors	Mr. Haroon Askari Mr. Muhammad Salman Hussain Chawala Mr. Muhammad Siddiq Khokhar
Non-Executive Directors	Mr. Shahid Hussain Jatoi Mr. Suleman Lalani Mr. Zakaria Usman
Female Directors	Mrs. Asma Aves Cochinwala Mrs. Darakshan Zohaib

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 and mission statement, overall corporate strategy and significant policies of the Company. The board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company.
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. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Seven directors have already completed the directors' training program. The Board consists of one director who is exempted from the directors' training program in accordance with clause 19(2) of Chapter VI of the Listed Companies (Code of Corporate Governance) Regulations, 2019 due to having minimum 14 years of education and over 15 years of experience on the board of a listed Company.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
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:

### Audit Committee

Mr. Haroon Askari  
Mrs. Asma Aves Cochinwala  
Mrs. Darakshan Zohaib  
Mr. Muhammad Salman Hussain Chawala  
Mr. Zakaria Usman

Chairman  
Member  
Member  
Member  
Member

**Human Resource and Remuneration Committee**

Mr. Haroon Askari	Chairman
Mr. Asim Ghani	Member
Mr. Shahid Hussain Jatoi	Member
Mr. Muhammad Siddiq Khokhar	Member
Mr. Suleman Lalani	Member
Mr. Zakaria Usman	Member

**Risk Management Committee**

Mr. Muhammad Salman Hussain Chawala	Chairman
Mr. Asim Ghani	Member
Mrs. Darakshan Zohaib	Member
Mr. Muhammad Siddiq Khokhar	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committees were as per following:
  - a. Audit Committee: Five quarterly meetings during the financial year ended September 30, 2022.
  - b. HR and Remuneration Committee: Two meetings during the year ended September 30, 2022.
  - c. Risk Management Committee: One meeting during the financial year ended September 30, 2022.
15. The board has set up effective internal audit functions that 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 ICAP 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 ICAP and that they and the partners of the firm involve in the audit are not a close relative (spouses, 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 the mandatory and non-mandatory requirements of the Regulations have been complied.



**Zakaria Usman**  
Chairman

Karachi: December 27, 2022

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AL-ABBAS SUGAR MILLS LIMITED

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of AL-ABBAS SUGAR MILLS LIMITED (the Company), which comprise the statement of financial position as at September 30, 2022, and the statement of profit or loss, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity 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 comprehensive income, the statement of cash flows and the statement of changes in equity 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, 2022 and of the profit, other comprehensive loss, its cash flows and the changes in equity for the year then ended.

#### Basis for Opinion

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

#### Key Audit Matters

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

#### Following are the Key audit matters:

S. No	Key audit matters	How the matter was addressed in our audit
1.	<p><b>Existence and valuation of stock in trade</b> Stock-in-trade has been valued following an accounting policy as stated in note 5.9 to the financial statements. As at the reporting date, the value of stock-in-trade as disclosed in note 14 to the financial statements amounted to Rs. 3.101 million. Stock-in-trade forms material part of the Company's assets representing 33% of the total assets.</p> <p>The cost of stock-in-trade has different components which involves judgment in relation to the allocation of overhead costs and in determining the net realizable value of stock-in-trade item in line with accounting policy.</p> <p>Due to the above factors, we have considered</p>	<p>Our audit procedures in respect of valuation of stock in trade, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>understanding of internal controls over purchases and valuation of stock in trade and testing, on a sample basis, their design, implementation and operating effectiveness;</li> <li>performed physical count of inventory at respective locations on a test basis;</li> <li>testing, on sample basis, the purchases with supporting documentation and contracts if any;</li> <li>compared calculations of the allocation of directly attributable costs with the underlying supporting documents;</li> </ul>

Key audit matters	How the matter was addressed in our audit
<p>the existence and valuation of stock-in-trade as a key audit matter.</p>	<ul style="list-style-type: none"> <li>● tested the calculations of the actual overhead costs and checked allocation of labor and overhead costs to the finished goods and work in process;</li> <li>● obtained an understanding of management's determination of net realizable value (NRV) and the key estimates adopted, including future selling prices, future costs to complete work-in process and costs necessary to make the sale and their basis;</li> <li>● Compared the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value inventory in accordance with applicable accounting and reporting standards; and</li> <li>● Evaluated the adequacy of disclosures in respect of the stock-in-trade in accordance with the applicable accounting and reporting standards.</li> </ul>
<p><b>2. Contingencies</b>                      The Company is exposed to different laws, regulations and interpretations thereof and hence, there is a litigation risk. In our judgement, the Company has significant litigation cases as disclosed in notes no. 28.1, 28.2, 28.3 and 34.1 to the accompanying financial statements.</p> <p>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 judgement, which can change over time as new facts emerge and each legal case progresses.</p> <p>Due to the above, we have considered the contingencies as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>● Obtained understanding of the Company's processes and controls over litigations through meetings with the management and review of the minutes of the Board of Directors and Board Audit Committee.</li> <li>● Reviewed the correspondence of the Company with the relevant authorities and the Company's legal advisors including the judgments or orders passed by the competent authorities.</li> <li>● Obtained and reviewed direct confirmations from the Company's external legal advisors for their views on the legal position of the Company in relation to the contingent matters.</li> <li>● Discussed open matters and developments with the in-house legal department personnel of the Company.</li> <li>● Evaluated the adequacy of disclosures made in respect of these contingencies in accordance with the applicable accounting and reporting standards.</li> </ul>
<p><b>3. Revenue recognition</b>                      The company principally generates revenue from sale of sugar and ethanol. Revenue has been recognized as per the accounting policy stated in note 5.19 to the financial statements.</p> <p>We have identified revenue recognition as a key audit matter as it is one of the key performance indicator of the Company and gives rise to an</p>	<p>Our audit procedures in respect of revenue recognition, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>● Obtained an understanding of the process relating to recording of revenue and testing the design, implementation and operating effectiveness of relevant key internal controls</li> </ul>

Key audit matters	How the matter was addressed in our audit
inherent risk of material misstatement to meet expectations or targets.	<p>over recording of revenue.</p> <ul style="list-style-type: none"> <li>● 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).</li> <li>● 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.</li> <li>● Compared a sample of sale transactions recorded during the year with sales orders, sales invoices, delivery notes and other relevant underlying documents.</li> <li>● 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.</li> <li>● Assessed the adequacy of disclosures in the financial statements to be in accordance with the applicable accounting and reporting standard.</li> </ul>

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

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern

and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) In our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

### Other matter

The financial statements of the Company for the year ended September 30, 2021 were audited by another firm of Chartered Accountants who have expressed an unmodified opinion thereon vide their report dated December 30, 2021.

The engagement partner on the audit resulting in this independent auditor's report is Zulfikar Ali Causer.

KARACHI  
DATED: December 27, 2022

UDIN: AR2022100679tiNdBw4v



**BDO EBRAHIM & CO.**  
CHARTERED ACCOUNTANTS



# STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2022

	Note	2022 (Rupees in thousand)	2021
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	1,462,350	1,493,214
Investment property	7	182	202
Right-of-use assets	8	7,434	21,226
Long term investments	9	138,299	202,609
Long term loans	10	1,520	2,620
Long term deposits		19,741	12,348
Deferred taxation	11	-	-
		<u>1,629,526</u>	<u>1,732,219</u>
<b>CURRENT ASSETS</b>			
Biological assets	12	2,001	1,163
Stores and spares	13	183,938	168,614
Stock-in-trade	14	3,101,107	2,323,584
Trade debts	15	456,857	11,618
Loans and advances	16	2,217,753	1,761,378
Trade deposits and short term prepayments	17	14,582	12,988
Short term investments	18	1,649,310	1,052,507
Other receivables	19	12,549	9,725
Interest accrued	20	6,305	4,566
Income tax refunds due from the government	21	33,532	49,392
Cash and bank balances	22	63,552	60,773
		<u>7,741,486</u>	<u>5,456,308</u>
<b>TOTAL ASSETS</b>		<u><b>9,371,012</b></u>	<u><b>7,188,527</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital			
40,000,000 (2021: 40,000,000) shares of Rs. 10 each		<u>400,000</u>	<u>400,000</u>
Issued, subscribed and paid-up capital			
17,362,300 (2021: 17,362,300) ordinary shares of Rs. 10 each	23	173,623	173,623
Accumulated reserves	24	4,432,030	3,196,905
		<u>4,605,653</u>	<u>3,370,528</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	25	-	24,770
Lease liability	26	-	13,490
Market committee fee payable	27	20,039	19,920
		<u>20,039</u>	<u>58,180</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	28	1,676,022	1,527,424
Accrued markup	29	23,795	9,340
Short term borrowings	30	2,951,236	2,087,881
Current portion of non-current liabilities	31	33,201	78,235
Unclaimed dividend	32	48,220	44,093
Provision for taxation	33	12,846	12,846
		<u>4,745,320</u>	<u>3,759,819</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>9,371,012</b></u>	<u><b>7,188,527</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	34		

The annexed notes from 1 to 56 form an integral part of these financial statements.



**Asim Ghani**  
Chief Executive Officer



**Darakshan Zohaib**  
Director



**Samir Hajani**  
Chief Financial Officer

**STATEMENT OF PROFIT OR LOSS**

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Note	2022 (Rupees in thousand)	2021
Sales-net	35	10,362,184	7,421,377
Cost of sales	36	(8,023,252)	(6,291,591)
<b>Gross profit</b>		<b>2,338,932</b>	<b>1,129,786</b>
Distribution cost	37	(142,488)	(107,606)
Administrative expenses	38	(157,640)	(158,988)
Other operating expenses	39	(78,174)	(81,970)
		<b>(378,302)</b>	<b>(348,564)</b>
<b>Operating profit</b>		<b>1,960,630</b>	<b>781,222</b>
Finance cost	40	(169,293)	(84,680)
Other income	41	258,907	138,181
<b>Profit before taxation</b>		<b>2,050,244</b>	<b>834,723</b>
Taxation	42	(136,555)	(82,794)
<b>Profit for the year</b>		<b>1,913,689</b>	<b>751,929</b>
<b>Earnings per share - Basic and diluted</b>	43	<b>110.22</b>	<b>43.31</b>

The annexed notes from 1 to 56 form an integral part of these financial statements.



**Asim Ghani**  
Chief Executive Officer



**Darakshan Zohaib**  
Director



**Samir Hajani**  
Chief Financial Officer

## STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	2022 (Rupees in thousand)	2021
Profit for the year	1,913,689	751,929
Other comprehensive loss for the year		
Items that will not be reclassified subsequently to statement of profit or loss		
Loss on remeasurement of investments at fair value through other comprehensive income	(64,368)	(63,499)
Loss on remeasurement of defined benefit obligation	(6,515)	(18,060)
<b>Total comprehensive income for the year</b>	<b>1,842,806</b>	<b>670,370</b>

The annexed notes from 1 to 56 form an integral part of these financial statements.



**Asim Ghani**  
Chief Executive Officer



**Darakshan Zohaib**  
Director



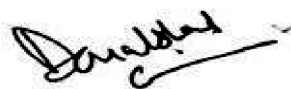
**Samir Hajani**  
Chief Financial Officer

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Issued, subscribed and paid-up capital	RESERVES				Total Reserves	Total Share holder's Equity
		Revenue reserves		Sub total	Capital reserves Unrealized (loss) on investment at fair value through other comprehensive income		
		General reserve	Unappropriated profit				
(Rupees in thousand)							
Balance as at October 1, 2020	173,623	1,458,000	1,763,850	3,221,850	(823)	3,221,027	3,394,650
<b>Total other comprehensive income for the year</b>							
Profit for the year	-	-	751,929	751,929	-	751,929	751,929
Other comprehensive income for the year							
Loss on remeasurement of investments at fair value through other comprehensive income	-	-	-	-	(63,499)	(63,499)	(63,499)
Loss on remeasurement of defined benefit obligation	-	-	(18,060)	(18,060)	-	(18,060)	(18,060)
<b>Total comprehensive income for the year</b>	-	-	733,869	733,869	(63,499)	670,370	670,370
<b>Transactions with owners</b>							
Final Dividend 2020: Rs. 10 per share	-	-	(173,623)	(173,623)	-	(173,623)	(173,623)
Interim Dividend 2021: Rs. 30 per share	-	-	(520,869)	(520,869)	-	(520,869)	(520,869)
	-	-	(694,492)	(694,492)	-	(694,492)	(694,492)
<b>Balance as at September 30, 2021</b>	<b>173,623</b>	<b>1,458,000</b>	<b>1,803,227</b>	<b>3,261,227</b>	<b>(64,322)</b>	<b>3,196,905</b>	<b>3,370,528</b>
Balance as at October 1, 2021	173,623	1,458,000	1,803,227	3,261,227	(64,322)	3,196,905	3,370,528
<b>Total other comprehensive income for the year</b>							
Profit for the year	-	-	1,913,689	1,913,689	-	1,913,689	1,913,689
Other comprehensive income for the year							
Loss on remeasurement of investments at fair value through other comprehensive income	-	-	-	-	(64,368)	(64,368)	(64,368)
Loss on remeasurement of defined benefit obligation	-	-	(6,515)	(6,515)	-	(6,515)	(6,515)
<b>Total comprehensive income for the year</b>	-	-	1,907,174	1,907,174	(64,368)	1,842,806	1,842,806
<b>Transactions with owners</b>							
Final Dividend 2021: Rs. 10 per share	-	-	(173,623)	(173,623)	-	(173,623)	(173,623)
Interim Dividend 2022: Rs. 10 per share	-	-	(173,623)	(173,623)	-	(173,623)	(173,623)
Interim Dividend 2022: Rs. 15 per share	-	-	(260,435)	(260,435)	-	(260,435)	(260,435)
	-	-	(607,681)	(607,681)	-	(607,681)	(607,681)
<b>Balance as at September 30, 2022</b>	<b>173,623</b>	<b>1,458,000</b>	<b>3,102,720</b>	<b>4,560,720</b>	<b>(128,690)</b>	<b>4,432,030</b>	<b>4,605,653</b>

The annexed notes from 1 to 56 form an integral part of these financial statements.


Asim Ghani  
Chief Executive Officer

Darakshan Zohaib  
Director

Samir Hajani  
Chief Financial Officer

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Note	2022 (Rupees in thousand)	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from / (used in) operations</b>	44	<b>715,878</b>	<b>(1,228,730)</b>
Finance cost paid		(151,601)	(79,004)
Workers' Welfare Fund Paid		(5,183)	-
Workers' Profit Participation Fund paid		(107,808)	(42,349)
Long term deposits paid		(7,393)	(500)
Long term loans recovered / (paid) - net		1,100	(1,940)
Income tax paid		(120,695)	(75,638)
Market committee fees paid		(17,010)	-
		<u>(408,590)</u>	<u>(199,431)</u>
<b>Net cash flows from / (used in) operating activities</b>		<b>307,288</b>	<b>(1,428,161)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Addition to property, plant and equipment		(74,224)	(2,030)
Proceeds from disposal of property, plant and equipment		-	6,244
Proceeds from insurance claim		105,000	-
(Addition) / disposal of investments in TDRs and T-Bills - net		(596,803)	716,567
Interest / markup received		63,678	63,703
Dividend received		5,123	6,690
<b>Net cash (used in) / flows from investing activities</b>		<b>(497,226)</b>	<b>791,174</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing		(60,227)	(35,256)
Lease rental paid		(6,857)	(1,277)
Dividend paid		(603,554)	(689,280)
Short term borrowings obtained - net		863,355	887,881
<b>Net cash flows from financing activities</b>		<b>192,717</b>	<b>162,068</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>2,779</b>	<b>(474,919)</b>
Cash and cash equivalents at beginning of the year		60,773	535,692
<b>Cash and cash equivalents at end of the year</b>		<b>63,552</b>	<b>60,773</b>

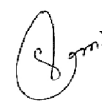
The annexed notes from 1 to 56 form an integral part of these financial statements.



**Asim Ghani**  
Chief Executive Officer



**Darakshan Zohaib**  
Director



**Samir Hajani**  
Chief Financial Officer

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

## 1 LEGAL STATUS AND NATURE OF BUSINESS

Al-Abbas Sugar Mills Limited - AASML ("the Company") was incorporated in Pakistan on May 2, 1991 as a public limited Company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is listed with Pakistan Stock Exchange Limited - PSX. The principal activities of the Company are manufacturing and sale of sugar, processing and sale of industrial ethanol, manufacturing and sales of chemical, alloys and power and providing bulk storage facility.

## 2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at Pardesi House, Survey No. 2/1, R.Y.16, Old Queens Road, Karachi, Pakistan. The Company's manufacturing facilities for the following business units are located at the following respective addresses:

S. No	Business Unit	Principal Activities	Address	Commencement of commercial production
1	Sugar	Manufacturing and sale of sugar	Deh 145, Tapo Kangaroo, Taluka Digri, District, Mirpurkhas	December 15, 1993
2	Ethanol	Processing and sale of industrial ethanol	Deh 145, Tapo Kangaroo, Taluka Digri, District, Mirpurkhas	Unit I: August 20, 2000 Unit II: January 23, 2004
3	Other reportable segment			
	a) Chemical, alloys and Power (note 2.1)	Manufacturing and sales of calcium carbide and ferro alloys. Generation and sales of electricity.	Dhabeji, Tapo Ghara, National Highway Road, Taluka Mirpur Sakro, District Thatta	November 01, 2006 April 06, 2010
	b) Tank Terminal	Providing bulk storage facility	Plot 63, Oil Industrial Area, Kemari, Karachi.	October 15, 2012

2.1 The small furnace started trial production during March 2022. However, due to increase in fuel and electricity prices, management has suspended its production till to-date. The production facilities of chemical and power segment have already been suspended temporarily in view of the business conditions.

## 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 (IFRS) 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 requirements

of IFRS, 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 basis except as otherwise disclosed.

### 3.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees (Rupees or 'Rs.'), which is the Company's functional and presentation currency.

## 4 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

### 4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended September 30, 2022

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

	<b>Effective date (annual periods beginning on or after)</b>
Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendments to IFRS 16: 'Leases' - Extended practical relief regarding Covid - 19 related rent concessions	April 01, 2021

### 4.2 New accounting standards, amendments and interpretations that are not yet effective

The following accounting standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have material impact on the Company's financial statements other than certain additional disclosures.

	<b>Effective date (annual periods beginning on or after)</b>
Amendments to IFRS 3: 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16: 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37: 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022
Amendments to IAS 1: 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12: 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 1: 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024



Certain annual improvements have also been made to a number of IFRSs.

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

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

IFRS 17 Insurance Contracts

## **5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **5.1 Property, plant and equipment**

#### **Operating fixed assets - owned**

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for land, which is stated at cost.

Depreciation is charged, on a systematic basis over the useful life of the asset, on reducing balance method, which reflects the patterns in which the asset's economic benefits are consumed by the Company, at the rates specified in the relevant note. Assets residual value and useful lives are reviewed and adjusted appropriately at each financial year end. Depreciation on additions is charged from the month in which the assets are put to use while no depreciation is charged in the month in which the assets are disposed off. No amortization is provided on leasehold land since the leases are renewable at the option of the lessee at nominal cost and their realizable values are expected to be higher than respective carrying values.

Subsequent costs are included in the asset's carrying amount 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. All other repairs and maintenance are charged to the statement of profit or loss during the financial year in which they are incurred.

Assets are derecognized when disposed or when no future economic benefits are expected from its use or disposal. Gains or losses on disposals, if any, are included in the statement of profit or loss.

### **5.2 Capital work-in-progress**

Capital work in progress is stated at cost and accumulated impairment losses, if any. This cost consists of expenditures incurred in respect of tangible assets in the course of their construction and installation. Transfers are made to the relevant asset category as and when assets are available for intended use.

### **5.3 Investment property**

Property, comprising land or a building or part thereof, held to earn rentals or for capital appreciation or both are classified as investment property. These are not held for use in the production or supply of goods or services or for administrative purposes.

Former office premises which is held to earn rental income is classified under investment property. It is carried at its respective cost, under the cost model, less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged, on a systematic basis over the useful life of the asset, on reducing balance method, at the rate specified in relevant note.

## 5.4 Leases

### Right of use assets

The right of use asset is measured at cost, as the amount equal to initially measured lease liability adjusted for lease prepayments made at or before the commencement date, initial direct cost incurred less any lease incentives received.

The right of use assets is subsequently depreciated using the straight line method from the date of recognition to the earlier of the end of useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis as those of property, plant and equipment. In addition, the right of use assets is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

### Lease Liability

The lease liability was measured upon initial recognition at the present value of the future lease payments over the lease term, discounted with the specific incremental borrowing rate. Subsequently lease liabilities are measured at amortized cost using the effective interest rate method.

It is measured when there is a change in future lease payments arising from a change in the rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets, or is recorded in the statement of profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

## 5.5 Impairment of non-financial assets

The carrying amount of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indications exist, the assets recoverable amount is estimated in order to determine the extent of impairment loss, if any.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash flows that is largely independent from other assets and group. Impairment losses are recognized as expense in the statement of profit or loss.

The recoverable amount is the higher of an assets fair value less costs to sell and value in use.

## 5.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### 5.6.1 Classification and measurement of financial assets

- i. On initial recognition, a financial asset is classified as measured at: amortised cost and fair value through profit or loss (FVTPL). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Financial assets are classified and measured at fair value through other comprehensive income (FVOCI) if they are held in a business model whose objective is achieved by both collecting contractual cash flows

and selling financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investment in Pakistan Investment Bonds (PIBs) and Treasury Bills (T-bills) are being measured at amortized cost as the Company is meeting both the conditions as mentioned above.

Financial assets that are not held in one of the two business models are measured at FVTPL.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

### 5.6.2 Subsequent measurement

The following accounting policy apply to the subsequent measurement of financial assets:

**Financial assets at FVTPL** These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit or loss.

**Financial assets at amortised cost** These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see below). Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss.

**Debt investments at FVOCI** These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in other comprehensive income (OCI) are reclassified to statement of profit or loss.

**Equity investments at FVOCI** These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to statement of profit or loss. The Company elected to classify irrevocably investment in listed equity investments under this category.

### 5.6.3 Impairment of financial assets

In relation to the impairment of financial assets, International Financial Reporting Standard - Financial instruments (IFRS 9) requires an expected credit loss model which requires an entity to account for expected credit losses (ECL) and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the ECL model is to reflect the general pattern of deterioration or improvement

in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

Under the simplified approach, there is no need to monitor for significant increases in credit risk and entities will be required to measure lifetime expected credit losses at all times. The standard requires the application of the simplified approach to trade receivable and contract assets that do not contain a significant financing component.

The Company's financial assets include mainly long term investments, long term loans, long term deposits, trade debts, loans and advances, trade deposits, interest accrued, other receivables, short term investments, cash and bank balances.

The Company's trade receivables do not contain a significant financing component (as determined in terms of the requirements of IFRS 15 "Revenue from Contracts with Customers"), therefore, the Company is using simplified approach, that does not require the Company to track the changes in credit risk, but, instead, requires to recognise a loss allowance based on lifetime ECLs at each reporting date.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging.

The expected loss rates are based on the Company's historical credit losses experienced over the three year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Company's customers. The Company has identified the gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors.

#### **5.6.4 Derecognition of financial assets**

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 risks and rewards of ownership.

#### **5.6.5 Financial liabilities**

##### **i. Initial recognition and measurement**

Financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized cost are initially measured at fair value less transaction costs.

##### **ii. Subsequent measurement**

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

### iii. Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respect of carrying amounts is recognized in the statement of profit or loss.

#### 5.6.6 Offsetting of financial assets and financial liabilities

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

#### 5.7 Biological assets

Biological assets are measured at their fair value less their point of sale costs. The fair value of a biological asset or agricultural produce is its market price less any costs to sell the produce. Costs to sell include commissions, levies, and transfer taxes and duties. Gain / (loss) on such measurement is recognized in the statement of profit or loss. Gain / (loss) on disposal of biological asset is recognized in the statement of profit or loss in the year of disposal.

#### 5.8 Stores and spares

Stores and spares are stated at cost less provision for slow moving and obsolete items. Cost is determined using moving average method. Items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

#### 5.9 Stock-in-trade

These are valued at the lower of cost and net realizable value applying the following basis:

- Raw material	At weighted average cost
- Work in process	Average manufacturing cost
- Finished goods	Average manufacturing cost
- Waste	Net realizable value

Goods in transit are stated at invoice price plus other charges paid thereon up to the date of the statement of financial position.

Cost in relation to work in process and finished goods represents cost of raw material and an appropriate portion of manufacturing overheads. Cost in respect of work in process is adjusted to an appropriate stage of completion of process whereas value of bagasse is taken equivalent to net realizable value.

Cost in relation to stock of molasses held in ethanol division is valued at weighted average cost.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale. Estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made of the amount the inventories are expected to realize.

#### 5.10 Trade debts

Trade debts are carried at original invoice amount being the fair value of the consideration to be received in future. An allowance for ECL is made against trade debts on the basis of lifetime expected credit loss

model as explained in note 5.6.3 whereas debts considered irrecoverable are written off.

#### **5.11 Loans, advances, deposits, prepayments and other receivables**

Loans, advances, deposits, prepayment and other receivables are carried at original amount less provision made for doubtful receivables based on a review of all outstanding amounts at the year end. Balance considered irrecoverable are written off.

#### **5.12 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and balances with banks.

#### **5.13 Taxation**

##### **a) Current**

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years and tax credit, if any. The charge for current taxation is based on taxable income at the current rate of taxation or minimum tax on turnover or Alternate Corporate Tax (ACT), whichever is higher.

##### **b) Deferred**

Deferred tax is recognized using the statement of financial statement method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and carry-forward of unused tax losses and tax credits to the extent that it is probable that future taxable profits will be available against which deferred tax asset can be utilized, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability that, at the time of transaction, affects neither the accounting nor taxable profits.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Deferred tax asset and liability is 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 rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position.

#### **5.14 Trade and other payables**

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

#### **5.15 Provisions**

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are determined by discounting future cash flows at appropriate discount rate where ever required. Provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

## 5.16 Contingencies

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

## 5.17 Staff retirement benefits

### a) Defined benefit plan - gratuity scheme

The Company operates an approved funded gratuity scheme (defined benefit plan) for all its employees who have completed the qualifying period under the scheme. Contributions are made to the fund in accordance with the actuarial recommendations. The most recent valuation in this regard was carried out as at September 30, 2022, using the Projected Unit Credit Method for valuation of the scheme. Actuarial gains and losses for the defined benefit plan are recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are recognized in equity as capital reserves as these will not be reclassified to the statement of profit or loss in subsequent periods. Current and past service costs, gain or loss on settlement and net interest income or expense are accounted for in the statement of profit or loss.

This scheme is governed by Trust Deed and Rules. All matters pertaining to this scheme including contributions to the scheme and payments to outgoing members are dealt with in accordance with the Trust Deed and Rules.

### b) Employees compensated absences

The Company accounts for liability in respect of unavailed compensated absences for all its permanent employees, in the period of absence. Provision for liabilities towards compensated absences is made on the basis of last drawn basic salary. Amount equal to compensation of unavailed leaves upto a maximum of sixty days of employees at every year end is transferred to this account and paid at the retirement of employees.

## 5.18 Inter-segment pricing

Transfer between business segments are recorded at net realizable value for bagasse and storage tank terminal. However, for molasses, it is recorded at weighted average purchase price.

## 5.19 Revenue recognition

Revenue comprises the fair value for the sale of goods net of sales taxes and discounts. Revenue from the sale of goods is recognized when control of the goods passes to customers and the customers can direct the use of and substantially obtain all the benefits from the goods.

Revenue is recognized when specific criteria have been met for each of the Company's activities as described below.

### Revenue from contracts with customers

#### Sale of goods

Revenue from the sale of goods is recognized at the point in time when the performance obligations arising from the contract with a customer is satisfied and the amount of revenue that it expects to be entitled to can be determined. This usually occurs when control of the asset is transferred to the customer, which is when goods are dispatched or delivered to the customer. Revenue is measured based on the



consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Revenue is disclosed net of returns, rebates, discounts and other allowances.

#### 5.20 Other income

- Markup on growers loan is accounted for in line with the recovery of the respective loan due to exigencies involved in such matters. Recognition of markup on loans considered doubtful is deferred.
- Mark-up on bank deposits is accrued on time proportion using effective interest method.
- Mark-up on term deposit receipts (TDRs) is recognised using effective interest method.
- Dividend income from equity instruments is recognised when the right to receive the dividend is established.
- Scrap sales are recognized on delivery to customers at realized amounts.
- Rental income from investment property and rental income of storage tank terminal are recorded on accrual basis. However, during the year, no such transaction relating to rental income on investment property occurred.
- All gains / (losses) of securities classified as 'fair value through other comprehensive income' are included in other comprehensive income in the period in which they arise and transferred to equity at the time of disposal.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' and 'fair value through other comprehensive income' are included in the statement of profit and loss and statement of other comprehensive income respectively in the year in which they arise.

#### 5.21 Foreign currency translation

Transactions in foreign currencies are translated into Pak rupees at the exchange rates prevailing at the date of transaction. Monetary assets and liabilities that are denominated in foreign currencies are translated into Pak rupees at the rates of exchange prevailing at the statement of financial position date. Foreign exchange differences are recognized in the statement of profit or loss. Exchange gains or losses resulting from the settlement of foreign currency transactions and translation of monetary assets and liabilities at the rates prevailing at the reporting date are included in the statement of profit or loss.

#### 5.22 Related party transactions

Transactions with related parties are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

#### 5.23 Share capital

Share capital is classified as equity and recognized at the face value. Incremental costs directly attributable to the issue of new shares are shown as a deduction in equity.

#### 5.24 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized in the financial statements in the year in which it is approved by the shareholders.

**5.25 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting structure. Management monitors the operating results of its business units separately for the purpose of making decisions regarding resource allocation and performance assessment.

Segment results, assets and liabilities include items directly attributable to segment as well as those that can be allocated on a reasonable basis. Segment assets, consist primarily of property, plant and equipment, stores and spares, stock in trade and trade debts and other receivables. Segment liabilities comprise of operating liabilities and exclude items such as taxation and other corporate liabilities.

Segment capital expenditure is the total cost included during the year to acquire property, plant and equipment.

**5.26 Earnings per share**

The Company presents earnings per share (EPS) data for its ordinary shares. Basic Earning per share is calculated by dividing the profit for the year attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the period.

**5.27 Significant accounting judgements and critical accounting estimates / assumptions**

The preparation of these financial statements in conformity with accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

- a) depreciation method, useful lives and residual values of operating fixed assets (notes 5.1 and 6);
- b) depreciation method, useful lives and residual values of right-of-use asset and determination and measurement of lease liabilities (notes 5.4, 8 and 26);
- c) provision of slow moving and obsolete stores and spares (note 5.8 and 13);
- d) allowance for expected credit losses (notes 5.6.3 and 15);
- e) taxation (notes 5.13 and 42);
- f) Staff retirement benefits (note 5.17); and
- g) contingencies (notes 5.16 and 34)

	Note	2022 (Rupees in thousand)	2021
<b>6 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	6.1	1,448,848	1,493,214
Capital work in progress (CWIP)	6.2	13,502	-
		<u>1,462,350</u>	<u>1,493,214</u>

### 6.1 OPERATING FIXED ASSETS

	September 30, 2022								
	Cost			Accumulated depreciation			Written down value as at September 30, 2022	Rate of depreciation %	
	As at October 01, 2021	Additions / (Deletions)	Transferred from CWIP	As at September 30, 2022	As at October 01, 2021	Charge for the year / (on disposal)			As at September 30, 2022
	----- Rupees in '000 -----								
<b>Owned</b>									
Free-hold land	77,534	11,895	-	89,429	-	-	-	89,429	-
Lease-hold land	22,694	-	-	22,694	-	-	-	22,694	-
Main factory building - on free-hold land	382,978	-	2,056	384,392	313,119	7,131	319,704	64,688	10
	-	(642)	-	-	-	(546)	-	-	-
Non-factory building - on free-hold land	195,976	-	-	195,976	156,146	3,983	160,129	35,847	10
- on lease-hold land	24,799	-	-	24,799	15,191	961	16,152	8,647	10
Plant and machinery	2,909,785	-	45,183	2,939,868	1,694,436	79,928	1,761,530	1,178,338	5 to 10
	-	(15,100)	-	-	-	(12,834)	-	-	-
Furniture and fittings	10,654	-	-	10,654	8,428	223	8,651	2,003	10
Vehicles	106,447	1,096	-	107,543	62,735	8,925	71,660	35,883	20
Office equipment	39,296	74	-	39,352	28,206	1,111	29,304	10,048	10
	-	(18)	-	-	-	(13)	-	-	-
Computers	10,162	418	-	10,053	8,932	425	8,848	1,205	30
	-	(527)	-	-	-	(509)	-	-	-
Tools and tackles	4,268	-	-	4,268	4,186	16	4,202	66	20
	3,784,593	13,483	47,239	3,829,028	2,291,379	102,703	2,380,180	1,448,848	
	-	(16,287)	-	-	-	(13,902)	-	-	-
	----- Rupees in '000 -----								
	As at September 30, 2021								
	Cost			Accumulated depreciation			Written down value as at September 30, 2021	Rate of depreciation %	
	As at October 01, 2020	Additions / (Deletions)	Transferred from CWIP	As at September 30, 2021	As at October 01, 2020	Charge for the year / (on disposal)			As at September 30, 2021
	----- Rupees in '000 -----								
<b>Owned</b>									
Free-hold land	77,534	-	-	77,534	-	-	-	77,534	-
Lease-hold land	22,694	-	-	22,694	-	-	-	22,694	-
Main factory building - on free-hold land	382,978	-	-	382,978	305,357	7,762	313,119	69,859	10
Non-factory building - on free-hold land	195,976	-	-	195,976	151,720	4,426	156,146	39,830	10
- on lease-hold land	24,799	-	-	24,799	14,123	1,068	15,191	9,608	10
Plant and machinery	2,909,785	-	-	2,909,785	1,611,758	82,678	1,694,436	1,215,349	5 to 10
Furniture and fittings	10,654	-	-	10,654	8,181	247	8,428	2,226	10
Vehicles	116,665	408	-	106,447	60,576	10,914	62,735	43,712	20
	-	(10,626)	-	-	-	(8,755)	-	-	-
Office equipment	38,318	978	-	39,296	27,033	1,173	28,206	11,090	10
Computers	9,518	644	-	10,162	8,486	446	8,932	1,230	30
Tools and tackles	4,268	-	-	4,268	4,166	20	4,186	82	20
	3,793,189	2,030	-	3,784,593	2,191,400	108,734	2,291,379	1,493,214	
	-	(10,626)	-	-	-	(8,755)	-	-	-
	----- Rupees in '000 -----								

## 6.1.1 Reconciliation of written down value:

	WRITTEN DOWN VALUE					As at September 30, 2022
	As at October 01, 2021	Additions	Transferred from CWIP	Net book value of deletions	Depreciation charge for the year	
----- (Rupees in thousand) -----						
<b>Owned</b>						
Free-hold land	77,534	11,895	-	-	-	89,429
Lease-hold land	22,694	-	-	-	-	22,694
Main factory building - on free-hold land	69,859	-	2,056	(96)	7,131	64,688
Non-factory building - on free-hold land	39,830	-	-	-	3,983	35,847
- on lease-hold land	9,608	-	-	-	961	8,647
Plant and machinery	1,215,349	-	45,183	(2,266)	79,928	1,178,338
Furniture and fittings	2,226	-	-	-	223	2,003
Vehicles	43,712	1,096	-	-	8,925	35,883
Office equipment	11,090	74	-	(5)	1,111	10,048
Computers	1,230	418	-	(18)	425	1,205
Tools and tackles	82	-	-	-	16	66
<b>September 30, 2022</b>	<b>1,493,214</b>	<b>13,483</b>	<b>47,239</b>	<b>(2,385)</b>	<b>102,703</b>	<b>1,448,848</b>
September 30, 2021	1,601,789	2,030	-	(1,871)	108,734	1,493,214

	Note	2022 (Rupees in thousand)	2021
<b>6.1.2 The depreciation charged for the year has been allocated as follows:</b>			
Cost of sales	36	92,492	96,530
Administrative expenses	38	10,211	12,204
		<b>102,703</b>	<b>108,734</b>

## 6.1.3 Particulars of immovable property in the name of the Company are as follows:

Particulars	Location	Usage of immovable property	Total Area
Freehold land and buildings thereon	Mirwah Gorchani, Mirpurkhas	Manufacturing facility	449 Acres
Freehold land and buildings thereon	Dhabeji Thatta	Manufacturing facility	30 Acres
Leasehold land and buildings thereon	Oil Industrial Area, Kemari, Karachi	Storage facility	5700 Square meters
Bungalow	Clifton, Karachi	Investment property	218.75 Square yards

6.1.4 The aggregate net book value of disposed assets doesn't exceeds the limit of Rs. 5 Million as per the requirement of Fourth Schedule to the Companies Act, 2017 therefore, no particulars are provided.

## 6.2 Capital work in progress - (CWIP)

Description	September 30, 2022			September 30, 2021				
	As at October 01, 2021	Additions	Transfer to operating fixed assets	As at September 30, 2022	As at October 01, 2020	Additions	Transfer to operating fixed assets	As at September 30, 2021
----- (Rupees in thousand) -----								
<b>Plant and machinery</b>								
Terminal storage tanks	-	13,502	-	13,502	-	-	-	-
Distillery control room	-	45,183	(45,183)	-	-	-	-	-
	-	58,685	(45,183)	13,502	-	-	-	-
<b>Main factory building</b>								
Factory building	-	2,056	(2,056)	-	-	-	-	-
<b>Total</b>	-	60,741	(47,239)	13,502	-	-	-	-

## 7 INVESTMENT PROPERTY

Description	Cost			Accumulated Depreciation			Written down value as on September 30	Rate of Depreciation %
	Opening	Additions	Closing	Opening	Charges for the year	Closing		
----- (Rupees in thousand) -----								
<b>At cost</b>								
Former office premises	1,600	-	1,600	1,398	20	1,418	182	10%
<b>September 30, 2022</b>	<b>1,600</b>	<b>-</b>	<b>1,600</b>	<b>1,398</b>	<b>20</b>	<b>1,418</b>	<b>182</b>	
September 30, 2021	1,600	-	1,600	1,376	22	1,398	202	10%

7.1 The estimated market value as per valuation carried out by M/s. Tristar International Consultant (Private) Limited as on November 30, 2017 is Rs. 45.684 Million.

Note	2022 (Rupees in thousand)	2021 (Rupees in thousand)
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## 8 RIGHT-OF-USE ASSETS

Balance at the beginning of the year		21,226	-
Additions		-	21,226
Re-assessment of lease	8.1	(6,359)	-
Depreciation charged during the year	8.2	(7,433)	-
Balance at the end of the year		7,434	21,226

Rate of depreciation % (Straight line basis)	50%	33%
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8.1 This represents the reassessment carried out during the year in respect of reduction of lease term of the leased property.

8.2 Depreciation charged on the right-of-use assets for the year has been allocated as follows:

Administrative expenses	38	7,433	-
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8.3 Rental contracts are made for a fixed period subject to renewal upon mutual consent of the Company and the lessor.

		Note	2022 (Rupees in thousand)	2021
<b>9</b>	<b>LONG TERM INVESTMENTS</b>			
	At fair value through other comprehensive income			
	- Quoted shares	9.1	<u>138,299</u>	<u>202,609</u>
<b>9.1</b>	<b>2022</b>	<b>2021</b>		
	<b>Number of shares</b>			
	<b>par value Rs. 10 each</b>			
	<b>4,500</b>	4,500	<b>28</b>	27
	<b>2,488,061</b>	2,488,061		
	<b>572,254</b>	572,254	<b>12,092</b>	17,466
	<b>4,500</b>	4,500	<b>3,846</b>	5,265
	<b>6,680</b>	900	<b>64</b>	146
	<b>1,000,000</b>	1,000,000	<b>69</b>	19
	<b>478,235</b>	386,453	<b>14,990</b>	17,950
	<b>872,850</b>	872,850	<b>17,193</b>	17,777
			<b>90,017</b>	143,959
			<u>138,299</u>	<u>202,609</u>

- 9.1.1** These are non-redeemable preference shares and are convertible into ordinary shares upon the expiry of 12 months from the issue date. Conversion ratio is to be determined by dividing the aggregate face value of preference shares plus the outstanding balance of any accumulated / accrued preferred dividend (if not paid till conversion) by Rs. 7.5/-. The rate of dividend on these shares is determined as 6-months KIBOR plus 1.5%.

As at September 30, 2022, the dividend accrued on these preference shares amounted to Rs. 0.950 million (2021: Rs. 0.410 million) which has not been recorded in these financial statements as the Investee Company has reported accumulated losses and also has not recorded the same in its books of account.

- 9.1.2** These are non-redeemable preference shares and are convertible into ordinary shares of Rs. 10 per ordinary share in the ratio of 1:1, plus unpaid preferential dividends, if any. The rate of dividend on these shares is determined as 6-months KIBOR plus 3%.

As at September 30, 2022, the dividend accrued on these preference shares amounted to Rs. 0.005 million (2021: Rs. 0.058 million) which has not been recorded in these financial statements as the Investee Company has accumulated losses and also has not recorded the same in its books of account.

- 9.1.3** During the year, the Company received the ordinary shares of Aisha Steel Mills Limited (ASL) in against of the dividend receivable in respect of preferential dividend announced on the cumulative preference shares of ASL held by the Company as at June 30, 2021. In line with the terms and conditions announced, the ordinary shares of ASL were issued to the Company based on every Rs. 10/- of the balance receivable as at year end.

9.1.4 The market value of each quoted security at the reporting date is as follows:

	Note	2022 (Rupees in thousand)	2021
HUM Network Limited (HUMNL)		6.31	5.98
Power Cement Limited (POWER)		4.86	7.02
Power Cement Limited (POWERPS)		6.72	9.20
Aisha Steel Mills Limited (ASLPS)		14.14	32.50
Aisha Steel Mills Limited (ASL)		10.34	20.81
Fauji Cement Limited (FFC)		14.99	17.95
Mehran Sugar Mills Limited (MRNS)		35.95	46.00
IGI Holding Limited (IGIHL)		103.13	164.93

## 10 LONG TERM LOANS

		(Rupees in thousand)	
<b>Considered good and secured</b>			
Due from executives	10.1 & 10.2	2,177	3,231
Due from other employees	10.2	1,030	683
		<u>3,207</u>	<u>3,914</u>
Less: current portion of long term loans	16	<u>(1,687)</u>	<u>(1,294)</u>
		<u>1,520</u>	<u>2,620</u>

10.1 Reconciliation of carrying amount of loans to executives:

Balance at beginning of the year		3,231	-
Add: disbursements		-	5,000
		<u>3,231</u>	<u>5,000</u>
Less: recoveries during the year		(1,300)	(1,300)
Effect of amortization on loan		246	(469)
Balance at end of the year		<u>2,177</u>	<u>3,231</u>

10.2 The above loans are interest free and are given to executives and other employees of the Company for personal use in accordance with their terms of employment and policy of the Company. These loans are to be repaid over a period of one to four years in equal monthly installments. These are secured against the retirement benefits and life insurance (incase of death) of the employees and are within the limits of such securities.

10.3 Maximum aggregate amount of loans outstanding at any month end was Rs. 5.229 million (2021: Rs. 5.95 million).

	Note	2022 (Rupees in thousand)	2021
<b>11 DEFERRED TAXATION</b>			
<b>Deductible temporary differences</b>			
Available tax losses		72,847	116,944
Minimum tax		86,906	79,115
Liabilities u/s 34(5)		94,800	83,309
Provisions		39,383	34,609
		<u>293,936</u>	<u>313,977</u>
<b>Taxable temporary differences</b>			
Accelerated tax depreciation		(246,381)	(222,849)
Investments		-	(2,341)
		<u>47,555</u>	<u>88,787</u>
Unrecognized deferred tax asset	11.1	<u>(47,555)</u>	<u>(88,787)</u>
		<u>-</u>	<u>-</u>



- 11.1** The Company has not recognized its entire deferred tax asset relating to its accumulated tax losses as the management expects that major portion of taxes of the Company in foreseeable future will fall under combination of minimum tax and final tax regime.

	Note	2022 (Rupees in thousand)	2021
<b>12</b>			
<b>BIOLOGICAL ASSETS</b>			
At fair value			
Carrying value at beginning of the year		1,163	1,912
Increase due to cultivation		2,001	1,163
		<u>3,164</u>	<u>3,075</u>
Reduction due to harvesting		(1,163)	(1,912)
Carrying value at end of the period	12.1	<u>2,001</u>	<u>1,163</u>
Physical quantities of the above biological assets are as follows:			
		In maunds (per 40 kg)	In maunds (per 40 kg)
At beginning of the year		13,525	17,550
Increase due to cultivation		8,700	13,525
Reduction due to harvesting		(13,525)	(17,550)
At end of the year		<u>8,700</u>	<u>13,525</u>

- 12.1** These represent the agricultural produce of sugarcane as the Company's agricultural activity mainly represents the cultivation of sugarcane. The fair value of these assets are determined based on the minimum price per maund (per 40 kg) of sugarcane as fixed by the Government of Sindh - Agriculture, Supply and Prices department through the notification issued in respect of the crushing season 2021-22.

	Note	2022 (Rupees in thousand)	2021
<b>13</b>			
<b>STORES AND SPARES</b>			
Stores and spares		213,876	198,552
Less: provision for slow moving and obsolete items		(29,938)	(29,938)
		<u>183,938</u>	<u>168,614</u>
<b>14</b>			
<b>STOCK-IN-TRADE</b>			
Raw materials	14.1	1,191,442	774,781
Work-in-process		5,681	6,711
Finished goods			
Sugar	14.2	1,325,755	668,960
Ethanol		537,953	866,174
Ferro Silicone	14.3	37,223	-
		<u>1,900,931</u>	<u>1,535,134</u>
Stock of bagasse in hand		3,053	6,958
		<u>3,101,107</u>	<u>2,323,584</u>

- 14.1** Value of raw material pledged with financial institutions as on the statement of financial position date amounts to Rs. 476.75 million (2021: Nil).
- 14.2** Value of finished goods pledged with financial institutions as on the statement of financial position date amounts to Rs. Nil (2021: Rs. 486.071 million).
- 14.3** Finished goods include stock items valued at net realizable value (NRV) at Rs. 37.223 million (2021: Rs. 26.383 million).

		Cost (Rupees in thousand)	NRV (Rupees in thousand)
Summary of related cost and net realisable value (NRV) is as under:			
Ferro Silicone		<u>85,658</u>	<u>37,223</u>
	Note	2022 (Rupees in thousand)	2021 (Rupees in thousand)
<b>15</b>	<b>TRADE DEBTS</b>		
	<b>Considered good</b>		
	Export - secured	434,325	-
	Local - unsecured	<u>22,532</u>	<u>11,618</u>
		<b>456,857</b>	<b>11,618</b>
	<b>Considered doubtful</b>		
	Local - unsecured	<u>15,432</u>	<u>15,432</u>
		<b>472,289</b>	<b>27,050</b>
	Less: provision for expected credit loss	<u>(15,432)</u>	<u>(15,432)</u>
		<b>456,857</b>	<b>11,618</b>
<b>16</b>	<b>LOANS AND ADVANCES</b>		
	<b>Loans - unsecured</b>		
	To growers		
	- Interest based:		
	Considered good	16.1	10,254
	15,928		15,928
	- Non-interest based:		
	Considered good	<u>5,270</u>	<u>1,274</u>
	Considered doubtful	<u>301</u>	<u>301</u>
		<b>5,571</b>	<b>1,575</b>
	Less: provision for loans considered doubtful	<u>(301)</u>	<u>(301)</u>
		<b>5,270</b>	<b>1,274</b>
	Current portion of loans to employees and executives	10	<u>1,687</u>
			<u>1,294</u>
		<b>17,211</b>	<b>18,496</b>
	<b>Advances - unsecured</b>		
	Considered good		
	To employees against expenses	<u>301</u>	<u>40</u>
	To suppliers and contractors	<u>2,197,809</u>	<u>1,740,781</u>
	Against letter of credit for stores and spares	<u>2,432</u>	<u>2,061</u>
		<b>2,200,542</b>	<b>1,742,882</b>
	Considered doubtful		
	To suppliers and contractors	<u>73,669</u>	<u>73,669</u>
		<b>2,274,211</b>	<b>1,816,551</b>
	Less: provision for advances considered doubtful	<u>(73,669)</u>	<u>(73,669)</u>
		<b>2,200,542</b>	<b>1,742,882</b>
		<b>2,217,753</b>	<b>1,761,378</b>

- 16.1** The rate of markup on such loans is 14.96% per annum (2021: 14.96% per annum) subject to final settlement with the respective grower. In order to ensure supply of sugarcane from certain growers, the Company has provided fertilizers, seeds and tricograma cards which has been provided as loan and the Company will recover the same out of the cane supply from the said growers in the ensuing season.

	Note	2022 (Rupees in thousand)	2021 (Rupees in thousand)
<b>17</b>	<b>TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>		
Trade deposits	17.1	2,214	1,000
Short-term prepayments	17.2	12,368	11,988
		<u>14,582</u>	<u>12,988</u>
<b>17.1</b>	These deposits are interest free.		
<b>17.2</b>	These prepayments include:		
Rent		1,021	886
Establishment charges		5,563	5,160
Insurance		4,671	4,882
Software license fees		1,113	1,060
		<u>12,368</u>	<u>11,988</u>
<b>18</b>	<b>SHORT TERM INVESTMENTS</b>		
<b>At amortized cost</b>			
Term deposit receipts (TDRs)	18.1	50,600	50,600
Government securities - Market Treasury Bills	18.2	1,598,710	1,001,907
		<u>1,649,310</u>	<u>1,052,507</u>
<b>18.1</b>	These carry profit at the rate ranging between 5.65% to 14% per annum (2021: 4.35% to 6.60% per annum).		
<b>18.2</b>	These carry effective yield ranging between 12.90% to 15.60% per annum (2021: 7.15% to 7.6% per annum).		
	Note	2022 (Rupees in thousand)	2021 (Rupees in thousand)
<b>19</b>	<b>OTHER RECEIVABLES</b>		
<b>Considered good</b>			
Sales tax and excise duty	19.1	3,894	3,894
Defined benefit plan - gratuity	28.6	-	5,801
Workers' Profit Participation Fund	19.2	125	-
Others	19.3	8,530	30
		<u>12,549</u>	<u>9,725</u>
<b>Considered doubtful</b>			
Freight subsidy on sugar export	19.4	274,405	274,405
		<u>286,954</u>	<u>284,130</u>
Less: provision for freight subsidy on sugar export		(274,405)	(274,405)
		<u>12,549</u>	<u>9,725</u>
<b>19.1</b>	This is in respect of show cause notice issued by Assistant Commissioner (Unit-08), Sindh Revenue Board (SRB), against short payment of Sindh Service Tax amounting to Rs. 15.575 million for the financial year 2013-14, 2014-15, 2015-16 and 2016-17. An Order-in-Original has been issued demanding payment of Rs. 31.929 million (Rs. 15.575 million plus a penalty of Rs. 16.354 million). The amount of Rs. 3.336 million was deducted directly by debiting the Company's National Bank account by SRB. The Company has filed an appeal before Commissioner (Appeals) Karachi which has granted the Stay while the Company has paid Rs. 0.558 million to make 25% payment of principal amount in order to avoid SRB for any further deductions under Section 66(1)(f). The case is pending before Commissioner (Appeals) Karachi and hearings are in progress.		

		2022	2021
		(Rupees in thousand)	
<b>19.2</b>	<b>Workers' Profit Participation Fund</b>		
	Balance at beginning of the year	(3,770)	(1,339)
	Interest for the year	(38)	(10)
		<u>(3,808)</u>	<u>(1,349)</u>
	Charge for the year	(103,875)	(44,770)
		<u>(107,683)</u>	<u>(46,119)</u>
	Net paid during the year	107,808	42,349
	Balance at end of the year	<u>125</u>	<u>(3,770)</u>
<b>19.3</b>	This includes Rs. 8.5 million receivable from insurance companies in respect of insurance claim lodged for business interruption caused due to fire incident as disclosed in note 41.1 to these financial statements.		
<b>19.4</b>	This includes Rs. 232.062 million (2021: Rs. 232.062 million) receivable against the subsidy related to sugar exports for the year 2018.		
	<b>Note</b>	<b>2022</b>	<b>2021</b>
		<b>(Rupees in thousand)</b>	
<b>20</b>	<b>INTEREST ACCRUED</b>		
	Interest accrued on:		
	Growers' loan	16.1	4,794
	Term deposit receipts (TDRs)	18.1	1,511
		<u>6,305</u>	<u>4,566</u>
<b>21</b>	<b>INCOME TAX REFUNDS DUE FROM THE GOVERNMENT</b>		
	Income tax refunds due from government	21.1	33,532
		<u>33,532</u>	<u>49,392</u>
<b>21.1</b>	Balance at beginning of the year		49,392
	Advance tax paid / deducted during the year		120,695
	Provision for taxation for the year	42	(131,586)
	Prior year tax		(4,969)
	Balance at end of the year		<u>33,532</u>
			<u>49,392</u>
<b>22</b>	<b>CASH AND BANK BALANCES</b>		
	Cash in hand		1,125
	Cash at banks		1,066
	Current accounts		32,734
	Savings accounts	22.1	29,693
			<u>62,427</u>
			<u>63,552</u>
			<u>22,071</u>
			<u>37,636</u>
			<u>59,707</u>
			<u>60,773</u>
<b>22.1</b>	These carry profit at the rates ranging between 5.75% to 13.5% per annum (2021: 3.3% to 5% per annum).		

**23 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

2022 (Number of shares)	2021 (Number of shares)	2022 (Rupees in thousand)	2021 (Rupees in thousand)
<u>17,362,300</u>	<u>17,362,300</u>	<u>173,623</u>	<u>173,623</u>

Ordinary shares of par value  
of Rs.10 each fully paid in cash

**23.1** Number of shares held by associated undertakings as on the statement of financial position date were 10,105,312 (2021: 11,819,812).

**23.2** The ordinary share holders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry one vote per share without restriction.

Note	2022 (Rupees in thousand)	2021 (Rupees in thousand)
<b>24 ACCUMULATED RESERVES</b>		
<b>Capital reserves</b>		
Unrealized loss on investment at fair value through other comprehensive income	24.1 (128,690)	(64,322)
<b>Revenue reserves</b>		
General reserve	1,458,000	1,458,000
Unappropriated profit	3,102,720	1,803,227
24.2	<u>4,560,720</u>	<u>3,261,227</u>
	<u>4,432,030</u>	<u>3,196,905</u>

**24.1** Capital reserves will be utilized for any purpose only after it is realized and transferred to equity. However, these reserves can individually be offset against losses arising in future periods (if any).

**24.2** Revenue reserves can be utilized for meeting any contingencies and for distribution of profit by way of dividend.

2022 (Rupees in thousand)	2021 (Rupees in thousand)	
<b>25 LONG TERM FINANCING</b>		
<b>From banking companies</b>		
Opening carrying amount	77,536	107,453
Add: interest recognized on unwinding of the liability	4,408	8,235
Less: payments made	(60,227)	(38,152)
	<u>21,717</u>	<u>77,536</u>
Current portion of long term financing	(21,717)	(54,784)
	-	22,752
Opening balance of deferred grant	7,357	12,696
Transferred to statement of profit or loss	(5,339)	(5,339)
	2,018	7,357
Less: current portion of deferred grant	(2,018)	(5,339)
	-	2,018
	-	<u>24,770</u>

**25.1** These represent financing obtained from Bank of Punjab and Allied Bank Limited under "Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns" for payment of wages and salaries to the workers and employees introduced by State Bank of Pakistan.

	Note	2022 (Rupees in thousand)	2021
<b>26 LEASE LIABILITY</b>			
<b>26.1</b>	Lease liabilities related to right-of-use asset - rented properties:		
	Balance at beginning of the period	19,949	-
	Impact of initial application of IFRS 16	-	21,226
	Re-assessment of lease	(6,359)	-
	Interest on lease liability	1,018	-
	Less: lease rental paid	(6,857)	(1,277)
	Closing balance at end of the period	7,751	19,949
	Less: current portion of lease liability	(7,751)	(6,459)
	Long-term lease liability	-	13,490

**26.2** Maturity Analysis of Minimum Lease Payments:

	2022		
	Minimum lease payments	Future Finance cost	Present value of minimum lease
	----- Rupees in thousand -----		
Not later than one year	8,134	(383)	7,751
Later than one year but not later than five years	-	-	-
	<b>8,134</b>	<b>(383)</b>	<b>7,751</b>

	2022 (Rupees in thousand)	2021
<b>27 MARKET COMMITTEE FEE PAYABLE</b>		
Balance at beginning of the period	31,573	96,011
Charge during the year	5,010	3,703
Effect of discounting	-	(68,141)
Unwinding of fees	2,181	-
Less: payment made	(17,010)	-
Closing balance at end of the period	21,754	31,573
Less: current portion of market committee fee	(1,715)	(11,653)
	<b>20,039</b>	<b>19,920</b>

- 27.1** During the current year, the Company submitted a settlement statement in the Honourable High Court of Sindh for the payment of market committee fee amounting to Rs. 99.714 million. As per the terms of settlement, the Company has paid Rs. 10 million upon the signing of agreement between the Company and Market Committee while the rest of the amount will be paid in ninety biannual installments of Rs. 1 million. The settlement has reached pursuant to the direction of High Court of Sindh. The liability had been discounted in the previous year.

	Note	2022 (Rupees in thousand)	2021
<b>28 TRADE AND OTHER PAYABLES</b>			
Creditors	28.1, 28.2 & 28.3	<b>1,010,544</b>	976,185
Accrued liabilities		<b>118,481</b>	96,036
Contract liabilities	28.4	<b>350,890</b>	287,505
Short term deposits	28.5	<b>21,383</b>	27,498
Sales tax payable		<b>124,084</b>	29,063
Workers' Profit Participation Fund	19.2	-	3,770
Workers' Welfare Fund		<b>9,732</b>	86,357
Retention money		<b>2,082</b>	2,069
Defined benefit plan - related party	28.6	<b>19,988</b>	-
Special excise duty payable		<b>9,696</b>	9,696
Withholding tax payable		<b>4,860</b>	5,614
Others		<b>4,282</b>	3,631
		<b><u>1,676,022</u></b>	<b><u>1,527,424</u></b>

**28.1** This includes amount of Rs. 141.139 million recorded by the management, on prudent basis, in respect of sugarcane purchases for crushing season 2014-15 considering the notifications issued by Cane Commissioner Sindh on November 07, 2014 and December 09, 2014 after adjusting the amount paid by Government of Sindh to the growers through Sugar Mills in the light of interim decision of Honorable High Court of Sindh. However, these notifications have been challenged by Pakistan Sugar Mills Association and other Sugar Mills in Honorable Supreme Court of Pakistan through CA 48/2015, and the case has been pending with the Honorable Court as at September 30, 2022.

**28.2** In accordance with Sugar Factories Control Act, 1950, the Company is required to pay quality premium at the rate of 50 paise per kg of sugarcane crushed for each 0.1 percent of excess sucrose recovery above the 8.7 percent to the sugarcane growers. The Company along with other sugar mills had challenged the levy of quality premium before the Honorable High Court of Sindh which had given adverse decision against the sugar mills. The Company then filed an appeal with the Supreme Court of Pakistan and obtained Stay Order against impugned judgment of the Court.

In 2019, the Honorable Supreme Court of Pakistan has disposed the appeal and issued Order. The Company had already paid quality premium for period 1998-99 uptill now by taking consideration of the additional/excess payment over and above the notified minimum support price fixed by Provincial Government.

In 2019, C.P - 3458 of 2019 has been filed by Sindh Growers Alliance against the Company and other sugar mills in the High Court of Sindh whereby they urged for execution and implementation of Apex Court Order. The Honorable Court had disposed of the case by making consensually agreed Order wherein it was directed that Cane Commissioner of Sindh shall examine each notification separately and determine the sucrose recovery rate according to each notification. The grower apply with their claims to the mills and mill will verify their claims within two months, thereafter, the payment will be made. As the Company already made excess/additional payments the growers, the Company is confident that no additional liability will arise and as a matter of prudence, the Company has not reversed the liability.

**28.3** This includes amount of Rs. 363.586 million recorded by the management in respect of sugarcane purchases for crushing season 2017-18. A notification was issued by Cane Commissioner Sindh which has fixed the price of sugarcane at Rs. 182 per maund which was challenged before Honorable High Court of Sindh. An interim arrangement was made between sugar mills located in Sindh and Sindh Sugarcane growers and an interim order was passed that sugar mills should purchase the sugarcane at the rate of Rs. 160 per maund from the growers for crushing season 2017-18. The Company has paid the sugarcane growers at the rate of Rs. 160 per maund and accrued the balance liability. The last hearing was on October 18, 2022 and the case was adjourned by date in office. Pending the final order of the High Court, the Company has recorded the unpaid amount as a matter of prudence.



## 28.4 Contract liabilities

During the year, the performance obligations underlying the opening contract liability of Rs. 280.85 million were satisfied in full. Accordingly, the said liability was recorded as revenue during the year. In addition, information regarding the timing of satisfaction of performance obligations underlying the closing contract liability of Rs. 331.64 million is not presented since the expected duration of all the contracts entered into with the customers is less than one year.

**28.5** This represents security deposit received from a customer on a written agreement and utilizable for Company's business which is in compliance with Section 217 of Companies Act, 2017.

## 28.6 Defined benefit plan - related party

As stated in note 5.17, the Company operates a defined benefit plan i.e. an approved funded gratuity scheme for all its permanent employees subject to attainment of retirement age and minimum service of prescribed period. Actuarial valuation of the scheme is carried out every year and the latest actuarial valuation was carried out as at September 30, 2022 using projected unit credit method. The disclosures made in notes 28.6.1 to 28.6.12 are based on the information included in that actuary's report.

	Note	2022 (Rupees in thousand)	2021
<b>28.6.1 The liability / (asset) recognized in the statement of financial position is as follows:</b>			
Present value of defined benefit obligation	28.6.2	95,994	83,397
Fair value of plan assets	28.6.3	(125,736)	(129,535)
Benefits due but not paid (payables)		36,441	32,272
Payable to / (receivable from) employees gratuity fund	28.6.7	6,699	(13,866)
Other liability - Payable to gratuity fund	28.6.8	13,289	8,065
Net payable / (receivable) at the end of the year		19,988	(5,801)
<b>28.6.2 Changes in present value of defined benefit obligation</b>			
Present value of defined benefit obligation at beginning of the year		83,397	112,591
Current service cost		19,123	18,818
Interest cost on defined benefit obligation		7,454	8,222
Benefits due but not paid (payables)		(4,347)	(6,694)
Benefits paid		(20,460)	(49,833)
Remeasurements due to - actuarial gain from change in assumption		(235)	(57)
Remeasurements due to - experience adjustments		11,062	350
Present value of defined benefit obligation at end of the year		95,994	83,397
<b>28.6.3 Changes in fair value of plan assets</b>			
Fair value of plan assets at beginning of the year		129,535	181,814
Contributions during the year		-	-
Interest income on plan assets		12,527	15,298
Benefits paid		(20,460)	(49,833)
Benefit (paid) / reversed during the year from payables		(178)	23
Return on plan assets, excluding interest income		4,312	(17,767)
Fair value of plan assets at the end of the year		125,736	129,535

**28.6.4 Plan assets comprises of:**

	2022		2021	
	Rupees in '000'	%	Rupees in '000'	%
Equity	90,454	71.94	81,218	62.70
Cash and/or deposits	14,837	11.80	28,928	22.33
Other	20,445	16.26	19,389	14.97
	<b>125,736</b>	<b>100.00</b>	<b>129,535</b>	<b>100.00</b>

**28.6.5 The following amounts have been charged to statement of profit or loss during the year**

	Note	2022 (Rupees in thousand)	2021
Current service cost		19,123	18,818
Interest cost on defined benefit obligation		7,454	8,222
Interest income on plan assets		(12,527)	(15,298)
		<b>14,050</b>	<b>11,742</b>

**28.6.6 Total remeasurements chargeable in other comprehensive income (OCI)****Loss on remeasurements of defined benefit obligation**

Remeasurements due to - actuarial gain from change in assumption		235	57
Remeasurements due to - experience adjustments		(11,062)	(350)
Return on plan assets, excluding interest income		4,312	(17,767)
		<b>(6,515)</b>	<b>(18,060)</b>

**28.6.7 Movement in net liability / (asset) recognized in the balance sheet**

Asset at beginning of the year		(13,866)	(43,668)
Charge for the year in statement of profit or loss	28.6.5	14,050	11,742
Remeasurements chargeable in other comprehensive income	28.6.6	6,515	18,060
Contributions	28.6.3	-	-
Liability / (asset) at end of the year		<b>6,699</b>	<b>(13,866)</b>

**28.6.8 Other liability - payable to gratuity fund - related party**

The Company operates a policy that its employees can obtain loans from Al-Abbas Sugar Mills Limited Employees Gratuity Fund Trust - a related party (the Fund). The Company recovers these loans from employees through monthly deduction from their salaries and offsets the same against the net receivable from the Fund.

**28.6.9 Principal actuarial assumptions**

The latest actuarial valuation for gratuity fund was carried out as at September 30, 2022 using the Projected Unit Credit Method (PUCM). The following significant assumptions used for the actuarial valuation:

	2022	2021
Discount rate	<b>13.25%</b>	10.50%
Expected rate of increase in salary	<b>12.25%</b>	9.50%
Average retirement age of the employee	<b>60 years</b>	60 years
Mortality rates	<b>Age based</b>	Age based

### 28.6.10 Year end sensitivity analysis on defined benefit obligation

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected rate of salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at end of the reporting period, while holding all other assumptions constant:

	Impact on defined benefit obligation		
	Changes in assumption %	Increase in assumption -- (Rupees in thousand) --	Decrease in assumption
Discount rate	1	(6,024)	6,795
Salary increase	1	6,648	(5,991)

28.6.11 Expected charge for the year 2022-23 will be Rs. 19.828 million.

### 28.6.12 Risks associated with the fund

**Investment Risk:** The risk of the investment underperforming and being not sufficient to meet the liabilities.

**Final Salary Risk (linked to inflation risk):** The risk that the final salary at the time of cessation of service is greater than what the Company assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macro-economic factors), the benefit amount increases as salary increases.

**Withdrawal Risk:** The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

**Mortality Risk:** The risk that the actual mortality experience is different than that of expected i.e. the actual life expectancy is longer than assumed.

	Note	2022 (Rupees in thousand)	2021
<b>29 ACCRUED MARKUP</b>			
Markup on short term borrowings		<u>23,795</u>	<u>9,340</u>
<b>30 SHORT TERM BORROWINGS</b>			
<b>From banking companies - secured</b>			
Running finances		28,658	18,881
Export refinance scheme (ERF)		2,346,000	2,069,000
Export finance scheme (EFS)		576,578	-
	30.1	<u>2,951,236</u>	<u>2,087,881</u>

30.1 The available aggregate finance facilities (short term funded) amounting to Rs. 4,810 million (2021: Rs. 4,610 million which have been arranged from various commercial banks out of which Rs. 3,685 million (2021: 3,485 million) are with export refinance and FE 25. Out of total export refinance limit, Rs. 3,685 million (2021: 3,485 million) are interchangeable. The short term financing facilities are secured against hypothecation of current assets, pledge of stock and hypothecation over present and future property, plant and equipment of the Company. Cash / running finance carry markup ranging from 1 to 3 months KIBOR plus 0.50% to 1% (2021: 1 to 3 months KIBOR plus 0.50% to 1%) per annum payable quarterly in arrears or upon maturity and Export refinance carry markup ranging from SBP rate plus 0.50% to 1% (2021: SBP rate plus 0.50% to 1%) per annum. At the year end, facilities amounting to Rs. 1,862 million (2021: Rs. 2,522 million) remained unutilized. These facilities are expiring on various dates latest by February 28, 2023 and are renewable.

**30.2** The available facilities for opening letters of credit on the reporting date aggregate to Rs. 300 million (2021: Rs. 300 million) of which facilities unutilized on reporting date amounting to Rs. 252.287 million (2021: Rs. 300 million).

**30.3** The available facilities in respect of letters of guarantee on the reporting date aggregate to Rs. 55 million (2021: Rs. 55 million) of which facilities unutilized on reporting date amounting to Rs. 0.400 million (2021: Rs. 0.400 million).

	Note	2022 (Rupees in thousand)	2021
<b>31</b>			
<b>CURRENT PORTION OF NON-CURRENT LIABILITIES</b>			
Long term financing	25	21,717	54,784
Deferred grant income	25	2,018	5,339
Lease liability	26	7,751	6,459
Market committee fee payable	27	1,715	11,653
		<u>33,201</u>	<u>78,235</u>
<b>32</b>			
<b>UNCLAIMED DIVIDEND</b>	32.1	<u>48,220</u>	<u>44,093</u>

**32.1** In pursuant of the provisions of the Companies Act, 2017, the Company has sent final notice to the shareholders in respect of unclaimed dividend of more than three years old and will be transferred to Government account in case they remain unclaimed after the expiry of notice period. The Company has also requested the Securities and Exchange Commission of Pakistan to provide the designated bank account details in order to transfer the amount of unclaimed dividend older than three years.

	Note	2022 (Rupees in thousand)	2021
<b>33</b>			
<b>PROVISION FOR TAXATION</b>	33.1	<u>12,846</u>	<u>12,846</u>

**33.1** The Company filed an appeal before Commission of Income Tax (CIT) against the said amount of tax levied by Income Tax Officer (ITO) under section 12(9A) of Income Tax Ordinance, 1979 related to assessment year 2002-2003, who set aside the order of ITO. The Department made appeal before the learned Income Tax Appellate Tribunal who maintained the decision of CIT. The Department again filed reference application before the Honourable High Court Sindh which is pending. As per view of the tax advisor, the decision of the reference will be in favour of the Company.

#### **34 CONTINGENCIES AND COMMITMENTS**

##### **34.1 Contingencies**

- a) The Karachi Water and Sewerage Board (Board) has demanded Rs. 20.876 million for water, sewerage, fire and conservancy charges which the Company has challenged in the Honourable High Court of Sindh, Karachi as no such facilities are being provided by the Board. The Court has stayed the operations of Demand Notice by the Board and hearings of the case are in process. The management, in the light of legal advisor's opinion, is confident that the case will be decided in favour of the Company, therefore, no provision has been made in these financial statements.
- b) The Competition Commission of Pakistan had issued show cause notice to the Company alleging cartelization in industry. The Company had challenged this show cause in the Honourable High Court of Sindh in Karachi through CP-164 of 2010 challenging the jurisdiction of Competition Commission of Pakistan. The Court had granted Stay Order against the show cause notice.

Through Order dated January 07, 2022, a division bench of Sindh High Court had dismissed the Civil Petition. The Company prefer Civil Petition for leave to Appeal before Supreme Court of Pakistan. As a matter has been disposed off, there are no financial implications related to this matter at the moment.

- c) A Suit, bearing no. 281 has been filed in 2013 in the Honourable High Court of Sindh at Karachi by Mr. Suleman Lalani (non-executive and minority Director of the Company) against the Company, its Ex-Chief Executive and eight others, alleging mismanagement in the Company's affairs including siphoning off and divergence of Company's funds by the Ex-Chief Executive and others. The prayer sought in the suit mainly comprises Rs. 236.716 million retrieval of the Company's funds along with the costs of the suit filed by the plaintiff and seeking appointment of receiver and carrying out the forensic audit of the Company and removal of its Ex-Chief Executive. In response to the aforementioned, the Company and its management denied all allegations of the plaintiff. The suit is at the stage of Civil Miscellaneous hearing at the Applications.

On March 08, 2021, Mr. Suleman Lalani filed an application under Order 1 Rule 10 R/W Section 151 C.P.C. 1908 in which he prayed to include the current Chief Executive Officer in the instant Suit and argued that he is influencing the Board for his personal gains and unjust enrichment at the expense.

The Company's legal counsel have stated that considering the uncertainty in the outcome of the litigation, no definite prediction can be made at this stage. However, in view of the Company's management, no adverse inference is likely to materialize in the suit.

Furthermore, Mr. Lalani also filed another Civil Miscellaneous Application (CMA) No. 9973 of 2013, seeking to refrain the Board of Directors of the Company from specifically approving any investment in Javedan Corporation Limited ("JCL"), a separate and unrelated public limited Company. The said CMA was argued before the Honourable High Court of Sindh by both parties which has restrained the defendant not to take any decision for investment in JCL until the final outcome of the suit and has directed the Securities and Exchange Commission of Pakistan ("SECP") to treat the complaint filed in this matter as a complaint under Section 263 of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and accordingly investigate the affairs of the Company and submit a report on the same.

The said Order of the Court has been challenged by the Company before the Division Bench of the Honourable High Court of Sindh through appeal bearing No. HCA-124, which has suspended a portion of the High Court's Order relating to SECP carrying out an investigation of the Company.

In the same matter, SECP had also issued Order under Section 231 of the Companies Ordinance, 1984, which the Company had challenged through CP. No. D-1990/2013 before the High Court of Sindh and obtained no coercive action Order. During the hearing of HCA No. 124/2013, the appellant requested to take up the case CPD-1990/2013 along with appeal No. HCA 124/2013. Interim Order granted earlier by High Court of Sindh had been modified and the Company Ordered to present all accounts before the SECP, however, the Court ordered the SECP not to take any final action against the Company. In pursuance of the Honourable Court Order in CP No. D-1990/2013 and in HCA No. 124/2013, the Company had made compliance. This Appeal is currently pending before the Division Bench, and as per the view of the legal advisor, the Company has fair chance to succeed in the said case.

- d) The Federal Government notified reduced rate of Federal Excise Duty (FED) @ 0.5% on local supply of sugar to the extent of sugar exported by sugar mills against export quota allocated by Economic Coordination Committee in meeting dated January 10, 2013, subject to the terms and conditions prescribed in S.R.O 77(1)/2013 dated February 07, 2013. The Company availed the facility with effect from January 10, 2013, however as per contention of the department the relief was applicable from the date of SRO, accordingly demand amounting to Rs. 85.450 millions relating to period prior to date of SRO was created. During financial year 2015-16, the same was contested before the Appellate Tribunal who made the decision in favor of the Company. Miscellaneous application for rectification were filed by the Commissioner Inland Revenue before the Appellate Tribunal Inland Revenue which were also rejected. The Department again filed a reference application before the Honourable High Court Sindh which is pending. As per view of the tax advisor, the decision of the reference will be in favor of the Company.
- e) A notification no. SO (TAXES) E&T / 1(91) 2014-15 / 250 dated July 08, 2014 issued by the Government of Sindh Excise, Taxation and Narcotics Department under Sections 19A and 35A of the Sindh Abkari Act, 1878, whereby a levy of Rs. 0.5 per liter was imposed for the storage of Rectified Spirit in a private bonded warehouse with effect from July 01, 2014. The Company has challenged the notification through C.P. No.

D-3917 / 2014 in the Honourable High Court of Sindh, Karachi on July 23, 2014 against the Province of Sindh through Secretary Excise, Taxation and Narcotics and Director General Excise, Taxation and Narcotics, Sindh on the ground that the said Sections 19-A and 35-A of the 1878 Act do not permit the issuance of such notification. The Court has granted Stay Order and hearings are in progress. The total financial impact of the levy are estimated at Rs. 124.755 million (2021: Rs. 102.675 million). Legal advisor of the Company is of the view that the Company has a strong prima facie case while the balance of convenience is also in favour of the Company therefore, no provision has been made in these financial statements.

- f) A case was filed by Mr. Mureed Ali Shah vs Federation of Pakistan and Others in High Court of Sindh, Karachi dated May 14, 2018, C.P. No. 3823 of 2018, wherein he prayed that Federal Government should withdraw / cancel / stop cash freight subsidy to sugar mills located in Sindh on sugar export because in his opinion Sindh Sugar Mills have violated the condition no. VI of the Cabinet of the Economic Coordination Committee (ECC) approval no. ECC 96/19/2017 dated September 14, 2017. The Condition No. VI states that "After November 2017, it will also be necessary for the mills to start crushing at full capacity throughout the crushing season to become eligible for exports". He further prayed that the additional cash paid approved by Sindh Cabinet minutes dated December 04, 2017 should also be refunded by all sugar mills located in Sindh. He also prayed that Federal Government should be restrained from implementing ECC aforesaid approval till the tendency of this petition.

As the Company has complied the condition No. VI of the ECC approval, therefore in view of the legal counsel, favourable outcome is expected.

- g) During the year, a notice under Section 37 of the Sales Tax Act 1990 dated 18-01-2022 issued by Additional Director, Directorate of Intelligence and Investigation (Inland Revenue) Karachi demanding sales tax payment of Rs. 42.735 million on sales made to a sugar broker during the years 2016-17, 2017-18, 2018-19 and 2019-20. The Company has filed a Petition C.P. D-1183 of 2022 before Honourable High Court of Sindh, Karachi and obtained a Stay Order against the said notice and directed the department that no further steps prejudicial to the interest of the petitioner. The case is at hearing stage. As per legal counsel, the outcome will be in favour of the Company.
- h) Income tax audit for the tax years 2015, 2016, 2018 and 2019 had been finalized by the Inland Revenue Department via Assessment Orders dated April 29, 2021. Inland Revenue Department raised the demand of Rs. 8.639 billion and a penalty of Rs. 7.404 billion was also imposed for the tax year 2015, 2016, 2018 and 2019. The Company had filed Appeals before Commissioner Inland Revenue (Appeals) and Stay Applications C.P. No. 748, 749, 750 and 751 of 2021 in Honourable High Court of Sindh and had obtained Stay Orders against Orders / Notices u/s 122(1)/(4) and u/s 182(2) which directed the department not to take coercive measures for recovery of demand till the decision of Commissioner Inland Revenue (Appeals). During the year, Honourable High Court of Sindh dismissed petition against Notices u/s 182(2) and DCIR issued hearing notices for reply to Notices u/s 182(2), reply was given by the Company. The Notices u/s 127(4) for the above tax years received from Commissioner Inland Revenue (Appeal) against Order u/s 122(1)/(4) who, after hearings, issued Orders confirming all additions made by DCIR. Against these Orders Company filed Appeals before Appellate Tribunal IR who after hearing the cases deleted the additions amounting to Rs. 24.966 billion and remanded back the issues related to provisions of Rs. 104.86 million and apportionment of expenses amounting to Rs. 649.055 million. The Company's Tax advisor is of the view that ultimate outcome will be in the favour of the Company in the appellate forum. Hence no provision has been made in the financial statements.
- i) A show cause notice No. 103/2020 dated November 05, 2020 was issued by Competition Commission of Pakistan based on an enquiry initiated under Section 37(1) of the Act in order to ascertain possible anti-competitive activities in the sugar industry and to examine any contraventions of Section 3 and 4 of the Act were committed on part of Pakistan Sugar Mills Association and on its member undertaking including causing price hike, stoppage of crushing during crushing season 2019-20 and withholding of sugar tender floated by Utility Store Corporation. Various hearings were made and Company had submitted its reply through its legal counsel.

On August 06, 2021, the Competition Commission of Pakistan had passed an Order in which out of four member of the Commission, the Chairperson and one member concluded that Pakistan Sugar Mills Association and its member undertaken prima facie involved in violation of Section 4 of the Competition Act 2010 and its Order stated that Enquiry Committee had found evidences of collusive / collective decision behind the sugar shortage and price hike. At the same time, the Commission had found that there was absence of any individual or collective dominant position in the relevant market. Therefore a case of abuse of dominance in terms of Section 3 of the Act was not made out.



With regard to Utility Store Corporation tenders, the Commission's Chairperson and one member of the Commission found that tender dated March 20, 2010 was a prima facie violation of Section 4(1) read with Section 4(2)(c) of the Act as it appears that Pakistan Sugar Mills Association and its members have taken collective decision on dividing and sharing quantity to be supplied. The Competition Commission of Pakistan has imposed a penalty of Rs. 358.243 million for collective decision on export quantities from 2012 to 2020 and Rs. 50 million for participating in Utility Store Corporation tender in 2010. Two members of the Commission had recorded difference of opinion, therefore Commission was faced with deadlock situation on the determination of issue based on which penalty was imposed. The Chairperson exercised second and casting vote in favour of imposing penalty, thus the Order dated August 13, 2021 was passed against the Company.

The Company through Suit No. 2273 of 2021 sought permanent injunction and challenged the legality and legitimacy of the casting vote Order dated 13-08-2021 passed by the Competition Commission of Pakistan. The Honourable High Court of Sindh suspended the operations of impugned Order dated 06-08-2021 and 13-08-2021. During the year, the Competition Commission of Pakistan has served show cause notice No. 34/2021 dated 08-10-2021 premised on the Order dated 13-08-2021 passed by the Competition Commission of Pakistan. The Company through Suit No. 2381 of 2021 in the High Court of Sindh challenged the Show Cause Notices as they are based on an illegal Order. The Honourable Court has passed an Order dated 14-10-2022 whereby the operations of the said notices were suspended and Competition Commission of Pakistan was restrained from taking any adverse action against the Company on the basis of said Show Cause Notice. In Order dated 13-06-2022 the Single Judge modified the interim Order by granting injunction to the extent of casting vote decision of chairman / chairperson subject to securing 50% of the respective penalties with Nazir of High Court.

The Company through HCA No. 235 of 2022 filed appeal before a Division Bench of Honourable High Court of Sindh whereby contesting parties submitted joint statement stating that: (a) Order dated 13-06-2022 passed by learned Single Judge in Suit No. 2273 be set aside. (b) Any bank guarantee submitted by the Company be discharged and return to Plaintiff. (c) The Competition Commission of Pakistan shall not initiate any recovery proceeding against the Plaintiff in Suit No. 2273 until the final decision on the appeals pending before the Competition Appellate Tribunal. Now the hearing in the matter of Appeal No. 37/2022 are pending before the Competition Appellate Tribunal. The lawyer of the Company is of the view that the ultimate outcome will be in favour of the Company.

- j) During the year a Show Cause Notice dated 27-01-2022 under Section 11(2) of the Sales Tax Act, 1990 issued from DCIR-LTO-Karachi, creating a tax liability of Rs.7.899 million plus default surcharge and penalty against inadmissible input u/s 8B and tax liability of Rs.10.893 million against inadmissible input u/s 73(4) for sales made to unregistered persons, for the period from July 2021 to November 2021. The Company submitted its reply. DCIR-LTO issued Order-in-Original 14/49/2022 dated 02-03-2022 creating demand of Rs.19.732 million (including penalty of Rs. 0.940 million) plus default surcharge. Appeal and Stay Application was filed with CIR(Appeals) through tax advisor. As per tax consultant, the ultimate outcome will be in favour of the Company.
- k) The Deputy Commissioner Inland Revenue (DCIR) passed an Order-in-Original No. (ONO) 13/49/2022-23 dated September 23, 2022 creating a demand of Rs. 106.932 million plus default surcharge and penalty in respect of difference of sales amounts shown in annual income tax return and annual sales tax return of tax year 2018. As of the view of management, the DCIR failed to recognize the fact that period of income tax for the year 2018 begins from October 01, 2016 and ends at September 30, 2017, while the tax period of sales tax considered in the ONO is from July 01, 2017 to June 30, 2018. Due to this, the difference of sales amounts of two different periods arises. The Company has filed an Appeal with CIR (Appeals) and hearings are in progress and as per tax consultant the ultimate outcome will be in favour of the Company.
- l) Bank guarantees of Rs. 54.60 million (2020: Rs. 54.6 million) have been issued by the banking companies on behalf of the Company in favour of customers and suppliers.

### 34.2 Commitments

- a) Commitments in respect of outstanding letter of credit amounts to Rs. 47.713 million (2021: Rs. Nil).
- b) Capital commitments in respect of plant and machinery amounting to Rs. 386.498 million (2021: Rs. Nil).



Note	Sugar		Ethanol		Other reportable segments		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	----- (Rupees in thousand) -----							
<b>35 SALES - NET</b>								
<b>Gross sales</b>								
Local	3,554,702	3,283,824	130,321	292,527	32,286	-	3,717,309	3,576,351
Export	-	-	7,187,898	4,327,462	-	-	7,187,898	4,327,462
Services - Local	35.1	-	-	-	28,991	46,534	28,991	46,534
	<b>3,554,702</b>	<b>3,283,824</b>	<b>7,318,219</b>	<b>4,619,989</b>	<b>61,277</b>	<b>46,534</b>	<b>10,934,198</b>	<b>7,950,347</b>
<b>Less:</b>								
Sales tax	(546,339)	(482,617)	(18,936)	(42,794)	(6,739)	(3,559)	(572,014)	(528,970)
	<b>3,008,363</b>	<b>2,801,207</b>	<b>7,299,283</b>	<b>4,577,195</b>	<b>54,538</b>	<b>42,975</b>	<b>10,362,184</b>	<b>7,421,377</b>

35.1 It includes exchange loss of Rs. 15.448 million (2021: Rs. 17.591 million) on export of ethanol.

Note	Sugar		Ethanol		Other reportable segments		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	----- (Rupees in thousand) -----							
<b>36 COST OF SALES</b>								
Cost of raw materials consumed	3,515,856	2,839,921	4,397,628	3,806,581	31,523	-	7,945,007	6,646,502
Stores and spare parts consumed	110,397	76,438	103,213	103,200	11,245	-	224,855	179,638
Packing materials	39,015	20,425	-	-	-	-	39,015	20,425
Salaries, wages and other benefits	36.1	269,828	241,768	62,906	60,046	46,557	23,945	379,291
Fuel, electricity and water charges	4,573	7,392	105,078	75,980	73,575	4,040	183,226	87,412
Other manufacturing expenses	36.2	58,969	48,030	39,954	45,750	38,905	33,836	137,828
Repairs and maintenance	6.1.2	5,657	7,926	8,296	8,534	13,817	4,029	27,770
Depreciation	36.3	36,759	38,947	28,716	28,231	27,017	29,352	92,492
	<b>4,041,054</b>	<b>3,280,847</b>	<b>4,745,791</b>	<b>4,128,322</b>	<b>242,639</b>	<b>95,202</b>	<b>9,029,484</b>	<b>7,504,371</b>
<b>Work-in-process</b>								
Opening	6,711	6,321	-	-	-	-	6,711	6,321
Closing	(5,681)	(6,711)	-	-	-	-	(5,681)	(6,711)
	<b>1,030</b>	<b>(390)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,030</b>	<b>(390)</b>
	<b>4,042,084</b>	<b>3,280,457</b>	<b>4,745,791</b>	<b>4,128,322</b>	<b>242,639</b>	<b>95,202</b>	<b>9,030,514</b>	<b>7,503,981</b>
<b>Less:</b>								
Transfer price of molasses	(528,961)	(353,038)	-	-	-	-	(528,961)	(353,038)
Sale of fusel oil - net	-	-	(1,950)	(1,452)	-	-	(1,950)	(1,452)
Purchase of bagasse	36,383	66,612	-	-	-	-	36,383	66,612
Transfer price of bagasse	(101,027)	(75,739)	-	-	-	-	(101,027)	(75,739)
Stock adjustment of bagasse in hand	3,905	(6,958)	-	-	-	-	3,905	(6,958)
50% share of Tariq Trading Company	36.3	-	-	-	(54,903)	-	(54,903)	-
	<b>(589,700)</b>	<b>(369,123)</b>	<b>(1,950)</b>	<b>(1,452)</b>	<b>(54,903)</b>	<b>-</b>	<b>(646,553)</b>	<b>(370,575)</b>
<b>Cost of goods manufactured</b>	<b>3,452,384</b>	<b>2,911,334</b>	<b>4,743,841</b>	<b>4,126,870</b>	<b>187,736</b>	<b>95,202</b>	<b>8,383,961</b>	<b>7,133,406</b>
<b>Finished goods</b>								
Opening	668,960	363,937	866,174	329,382	-	-	1,535,134	693,319
Closing	(1,325,755)	(668,960)	(532,865)	(866,174)	(37,223)	-	(1,895,843)	(1,535,134)
	<b>(656,795)</b>	<b>(305,023)</b>	<b>333,309</b>	<b>(536,792)</b>	<b>(37,223)</b>	<b>-</b>	<b>(360,709)</b>	<b>(841,815)</b>
	<b>2,795,589</b>	<b>2,606,311</b>	<b>5,077,150</b>	<b>3,590,078</b>	<b>150,513</b>	<b>95,202</b>	<b>8,023,252</b>	<b>6,291,591</b>

36.1 Salaries, wages and other benefits include Rs. 2.822 million (2021: Rs. 6.789 million) in respect of defined benefit plan - gratuity.

**36.2 Other manufacturing expenses**

Security services	10,881	10,521	7,254	7,014	12,771	-	30,906	17,535
Printing and stationery	744	128	496	85	80	-	1,320	213
Vehicle running and hire	10,051	6,547	6,701	4,365	1,250	-	18,002	10,912
Insurance	11,083	10,951	7,530	8,370	6,617	-	25,230	19,321
Travelling and conveyance	2,287	765	854	576	3,833	-	6,974	1,341
Others	23,923	19,118	17,119	25,340	14,354	-	55,396	44,458
	<b>58,969</b>	<b>48,030</b>	<b>39,954</b>	<b>45,750</b>	<b>38,905</b>	<b>-</b>	<b>137,828</b>	<b>93,780</b>

36.3 This represents the partnership arrangement agreed between the Company and Tariq Trading Corporation (the Corporation). Under the agreement, the income earned from and costs incurred in respect of the small furnace relating to Chemical, Alloys and Power division of the Company shall be shared equally by the Company and the Corporation.

Note	Sugar		Ethanol		Other reportable segment		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	(Rupees in thousand)							
<b>37 DISTRIBUTION COST</b>								
Sugar bags handling expenses	4,412	2,393	-	-	-	-	4,412	2,393
Export transportation and other expenses	-	-	128,958	96,972	-	-	128,958	96,972
Salaries and other benefits	37.1	2,115	1,602	3,448	3,355	-	5,563	4,957
Marking fees		3,555	3,284	-	-	-	3,555	3,284
		<b>10,082</b>	<b>7,279</b>	<b>132,406</b>	<b>100,327</b>	<b>-</b>	<b>142,488</b>	<b>107,606</b>

37.1 Salaries and other benefits include Rs. 0.224 million (2021: 0.434 million) in respect of defined benefit plan - gratuity.

### 38 ADMINISTRATIVE EXPENSES

Salaries and other benefits	38.1	28,197	27,096	18,844	18,129	-	-	47,041	45,225
CEO salaries and other benefits	38.2	19,567	26,676	13,046	17,785	-	-	32,613	44,461
Rent, rates and taxes		11	4,770	7	3,180	-	-	18	7,950
Communication charges		1,773	1,716	1,291	1,144	-	-	3,064	2,860
Traveling and conveyance		2,285	189	1,416	124	-	-	3,701	313
Printing and stationery		2,079	1,735	779	578	-	-	2,858	2,313
Entertainment		1,133	1,114	706	685	-	-	1,839	1,799
Vehicle running		6,356	4,552	3,864	2,738	-	-	10,220	7,290
Repairs and maintenance		1,846	1,529	928	526	-	-	2,774	2,055
Insurance		1,610	2,059	1,081	1,353	-	-	2,691	3,412
Fees and subscription		1,997	2,451	1,278	1,590	-	-	3,275	4,041
Legal and professional		5,733	5,288	2,239	3,525	-	-	7,972	8,813
Software license and consultancy fees		4,012	3,401	2,308	2,267	-	-	6,320	5,668
Auditors' remuneration	38.3	1,371	1,469	743	813	-	-	2,114	2,282
Charity and donations	38.4	1,914	300	1,276	200	-	-	3,190	500
Newspaper and periodicals		76	70	50	47	-	-	126	117
Utilities		2,685	2,064	1,789	1,376	-	-	4,474	3,440
Depreciation									
- Operating fixed assets	6.1.2	6,127	7,322	4,084	4,882	-	-	10,211	12,204
- Right-of-use-assets	8.2	4,460	-	2,973	-	-	-	7,433	-
- Investment property	7	12	13	8	9	-	-	20	22
Security charges		887	843	591	562	-	-	1,478	1,405
Board meetings expenses		1,755	1,371	1,171	913	-	-	2,926	2,284
Miscellaneous expenses		783	320	499	214	-	-	1,282	534
		<b>96,669</b>	<b>96,348</b>	<b>60,971</b>	<b>62,640</b>	<b>-</b>	<b>-</b>	<b>157,640</b>	<b>158,988</b>

38.1 Salaries and other benefits include Rs. 0.679 million (2021: Rs. 3.458 million) in respect of defined benefit plan - gratuity.

38.2 CEO salaries and other benefits include Rs. 10.325 million (2021: Rs. 1.061 million) in respect of defined benefit plan - gratuity.

	Sugar		Ethanol		Other reportable segment		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	(Rupees in thousand)							

#### 38.3 Auditors' remuneration

##### Statutory Auditors

Annual audit fee	720	720	480	480	-	-	1,200	1,200
Half yearly review fee	120	108	80	72	-	-	200	180
Code of Corporate Governance Review fee	75	75	50	50	-	-	125	125
Out of pocket expenses	206	86	133	59	-	-	339	145
Other services	-	230	-	152	-	-	-	382
	<b>1,121</b>	<b>1,219</b>	<b>743</b>	<b>813</b>	<b>-</b>	<b>-</b>	<b>1,864</b>	<b>2,032</b>

##### Cost Auditors

Audit fee	250	250	-	-	-	-	250	250
	<b>1,371</b>	<b>1,469</b>	<b>743</b>	<b>813</b>	<b>-</b>	<b>-</b>	<b>2,114</b>	<b>2,282</b>

38.4 No organisation or person to whom donations are paid exceeds the limits prescribed under Fourth Schedule to the Companies Act, 2017. None of the Directors or their spouse have any interest in the donees' fund.

### 39 OTHER OPERATING EXPENSES

Loss from biological asset - net	39.1	1,138	-	-	-	-	1,138	-
Receivables written off		-	-	-	8,127	-	-	8,127
Loss on disposal of Fixed Assets		14	-	9	-	-	23	-
Unrealized exchange loss		-	-	44,580	12,061	-	44,580	12,061
Workers' Profit Participation Fund		2,008	6,723	101,867	38,047	-	103,875	44,770
Workers' welfare fund								
- Current		670	2,555	9,062	14,457	-	9,732	17,012
- Prior		(10,259)	-	(70,915)	-	-	(81,174)	-
		<b>(6,429)</b>	<b>9,278</b>	<b>84,603</b>	<b>72,692</b>	<b>-</b>	<b>78,174</b>	<b>81,970</b>

39.1 Farm operations is a distinguishable business segment as per the criteria specified in International Financial Reporting Standard - 8 "Operating Segment", but it is substantially below the threshold mentioned for reportable segment under IFRS - 8, therefore, this is not classified as a reportable segment in these financial statements.

Note	Sugar		Ethanol		Other reportable segments		Total	
	2022	2021	2022	2021	2022	2021	2022	2021

(Rupees in thousand)

#### 40 FINANCE COST

Mark-up on long term financing	-	2,000	-	691	-	206	-	2,897
Markup on short term borrowings	66,545	22,318	90,304	52,375	-	-	156,849	74,693
Interest on Workers Profit Participation Fund	6	1	32	9	-	-	38	10
Amortization of interest free loan to executives	-	281	-	188	-	-	-	469
Mark-up on liability against Right-of-use assets	611	-	407	-	-	-	1,018	-
Interest on market committee fee	2,181	-	-	-	-	-	2,181	-
Bank charges and guarantee commission	5,546	3,971	3,013	2,100	648	540	9,207	6,611
	<b>74,889</b>	<b>28,571</b>	<b>93,756</b>	<b>55,363</b>	<b>648</b>	<b>746</b>	<b>169,293</b>	<b>84,680</b>

#### 41 OTHER INCOME

##### Income from financial assets

Markup on loan to growers	1,465	1,686	-	-	-	-	1,465	1,686
Income from TDRs / T-Bills / PLS deposits accounts	4,438	2,324	59,514	50,305	-	-	63,952	52,629
Effect of unwinding of interest free loan to employees	134	-	89	-	-	-	223	-
Net amortization of grant income	634	-	230	-	67	-	931	-
Dividend income	3,108	4,014	2,073	2,676	-	-	5,181	6,690
	<b>9,779</b>	<b>8,024</b>	<b>61,906</b>	<b>52,981</b>	<b>67</b>	<b>-</b>	<b>71,752</b>	<b>61,005</b>

##### Income from non - financial assets

Sale of mud fertilizer	246	-	-	-	-	-	246	-
Liability written back	-	64	-	403	-	-	-	467
Effect of discounting of market committee fee	-	68,141	-	-	-	-	-	68,141
Receipts in against of insurance claim	41.1	-	99,588	-	-	-	99,588	-
Insurance claim - business interruption	41.1	-	85,000	-	-	-	85,000	-
Gain on disposal of fixed assets	-	2,624	-	1,749	-	-	-	4,373
Income from biological asset - net	-	2,557	-	-	-	-	-	2,557
Income from bio-chemical lab	1,817	1,334	-	-	-	-	1,817	1,334
Miscellaneous	302	182	202	122	-	-	504	304
	<b>2,365</b>	<b>74,902</b>	<b>184,790</b>	<b>2,274</b>	<b>-</b>	<b>-</b>	<b>187,155</b>	<b>77,176</b>
	<b>12,144</b>	<b>82,926</b>	<b>246,696</b>	<b>55,255</b>	<b>67</b>	<b>-</b>	<b>258,907</b>	<b>138,181</b>

41.1 During the year, an insurance claim was lodged by the Company for the damage caused to fixed assets by a fire broke out due to short-circuit in the Distillery's electric panel room against which the Company received Rs. 105 million. Out of Rs. 105 million, Rs. 101.950 million was credited against damage caused to fixed assets of which Rs. 99.588 million was recorded as a gain while Rs. 3.050 million was recorded against damage of stock. Further, the Company also lodged an insurance claim for business interruption against which the Company has recorded Rs. 85 million of which Rs. 76.50 million was received during the year while Rs. 8.5 million was received subsequent to the year end. The Distillery's Unit-1 resumed operations on December 20, 2021 while Unit-2 resumed its operations on January 04, 2022.

Note	Sugar		Ethanol		Other reportable segment		Total	
	2022	2021	2022	2021	2022	2021	2022	2021

(Rupees in thousand)

#### 42 TAXATION

Current	42.1	39,506	35,636	91,593	46,816	487	342	131,586	82,794
Prior	42.2	2,487	-	2,482	-	-	-	4,969	-
		<b>41,993</b>	<b>35,636</b>	<b>94,075</b>	<b>46,816</b>	<b>487</b>	<b>342</b>	<b>136,555</b>	<b>82,794</b>

42.1 This represents turnover tax under section 113 of the Income Tax Ordinance, 2001 and Final Tax Regime ( FTR), therefore, no numerical tax reconciliation is given. The current tax also includes Super Tax for the tax year 2023.

- 42.2** Subsequent to the year end, the Company has filed a petition CP No. 6421 of 2022 against Super Tax for the tax year 2022 before Honourable High Court of Sindh. The Court in its Order dated December 22, 2022 has declared the operation of Section 4C to be discriminatory, hence, ultra vires to the Constitution and it shall be applicable from the tax year 2023. As per the judgment, 60 days' time period is given to file an appeal against the judgement in th said Order. Being prudent, the Company has not reversed the provision of Super Tax for the tax year 2022.
- 42.3** Income tax returns of the Company have been filed up to tax year 2021 which is considered to be deemed assessment. However, the Commissioner of Income tax may, at any time during the period of five years from the date of filing of return, select the deemed assessment for audit.
- 42.4** The Additional Commissioner Inland Revenue (ACIR) passed an order under section 122(5A) for the tax year 2014 whereby income tax demand of Rs. 28.751 million has been raised based on wrong apportionment of expenses between NTR and FTR, disallowances of expenses / cash withdrawal and not accounting for brought forward tax losses. The Company applied for rectification of Order to ACIR, LTU, Karachi, for wrong apportionment of expenses and not accounting brought forward tax losses and filed an appeal with the Commissioner Appeals Inland Revenue which gave the relief and allowed expenses / cash withdrawal to the extent of Rs. 26 million and confirmed disallowances of expenses of Rs. 140 million against the Company. The Company has filed the appeal before Tribunal against the disallowance of expenses of Rs. 140 million. However, the CIR has also filed an appeal before Tribunal against the relief of Rs. 26 million. The tax adviser of the Company expects favorable outcome, therefore, no provision has been made in these financial statements.
- 42.5** In the year 2020, the Company was selected for Audit u/s 177 of the Ordinance for the tax year 2017. Pursuant to the audit proceeding the concerned Officer Inland Revenue had completed the audit proceeding and duly passed the amended order under Section 122(l) of the Income Tax Ordinance, 2001 in which no taxable income has been assessed due to availability of previous tax years assessed brought forward losses. However, the Officer did not allow / determined actual losses to be carried forward and proper credit of taxes paid amounting to Rs. 20.978 Million. This being an apparent mistake from records is duly notified through rectification letter under Section 221 of the Income Tax Ordinance, 2001 allowing actual losses to be carried forward but refund of Rs. 20.978 million is still pending to be allowed.

	Note	2022 (Rupees in thousand)	2021
<b>43 EARNINGS PER SHARE - BASIC AND DILUTED</b>			
Net profit for the year		<u>1,913,689</u>	<u>751,929</u>
		<b>(No. of shares)</b>	
Weighted average number of ordinary shares outstanding		<u>17,362,300</u>	<u>17,362,300</u>
Basic and diluted earnings per share - Rupees	43.1	<u>110.22</u>	<u>43.31</u>

- 43.1** Diluted earnings per share is same as the basic, as the Company does not have any convertible instruments in issue as on the reporting date which would have any effect on the earnings per share if the option to convert is exercised.

	Note	2022 (Rupees in thousand)	2021
<b>44 CASH GENERATED FROM / (USED IN) OPERATIONS</b>			
<b>Profit before taxation</b>		<b>2,050,244</b>	<b>834,723</b>
<b>Adjustment for:</b>			
Depreciation			
-Operating fixed assets		102,703	108,734
-Right-of-use-assets		7,433	-
-Investment property		20	22
Markup on loan to growers		(1,465)	(1,686)
Provision for staff retirement benefits - gratuity		14,050	13,928
Income from TDRs / T-Bills / PLS deposits accounts		(63,952)	(52,629)
Impairment of stock		(3,050)	-
Net amortization of grant income		(931)	-
Dividend income		(5,181)	(6,690)
Gain on disposal of fixed assets against insurance claim		(99,588)	-
Loss / (gain) on fixed assets		23	(4,373)
Insurance claim - business interruption		(85,000)	-
Finance cost		169,293	84,670
Receivables written off		-	8,127
Market committee fees		5,010	3,703
Amortization income on market committee fees payable		-	(68,141)
Loss / (income) from biological asset - net		1,138	(2,557)
Workers' Welfare Fund			
- Current		9,732	17,012
- Prior		(81,174)	-
Workers' Profit Participation Fund		103,875	44,780
		72,936	144,900
Working capital changes	44.1	(1,407,302)	(2,208,353)
Cash generated from / (used in) operations		<u>715,878</u>	<u>(1,228,730)</u>
<b>44.1 Working capital changes</b>			
<b>(Increase) / decrease in current assets</b>			
Biological assets		(1,976)	3,306
Stores and spare parts		(15,324)	11,257
Stock-in-trade		(777,523)	(1,254,290)
Trade debts		(445,239)	267,050
Loans and advances		(456,375)	(1,134,302)
Trade deposits and short term prepayments		(1,594)	3,977
Other receivables		75,787	9,699
		<u>(1,622,244)</u>	<u>(2,093,303)</u>
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		214,942	(115,050)
Cash used in working capital		<u>(1,407,302)</u>	<u>(2,208,353)</u>

## 45 REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

	Chief Executive		Executives		Total	
	2022	2021	2022	2021	2022	2021
	(Rupees in thousand)					
Managerial remuneration	16,607	13,091	44,966	37,662	61,573	50,753
Medical allowances	1,680	1,309	4,399	3,732	6,079	5,041
Bonus	-	25,000	-	-	-	25,000
Leave fare allowance	4,000	4,000	-	-	4,000	4,000
Other perquisites	6,375	1,324	16,570	14,580	22,945	15,904
Retirement benefits	10,325	1,061	3,265	4,249	13,590	5,310
Total	38,987	45,785	69,200	60,223	108,187	106,009
No. of persons	1	1	17	15	18	16

45.1 Chief Executive Officer is provided with the Company maintained cars for business and personal use.

45.2 The Company has paid fees amounting to Rs. 2.7 million (2021: Rs. 2 million) to its Non-Executive Directors in respect of attending meetings held during the year.

45.3 Thirteen (2021: Thirteen) Executives of the Company are also provided with the Company maintained cars for the business and their personal use.

	Note	2022 (Rupees in thousand)	2021 (Rupees in thousand)
<b>46 FINANCIAL INSTRUMENTS BY CATEGORY</b>			
<b>Financial Assets</b>			
<b>At amortized cost</b>			
Loans including current portion	10	3,207	3,914
Long term deposits		19,741	12,348
Trade debts - gross	15	472,289	27,050
Trade deposits	17	2,214	1,000
Interest accrued - TDRs	20	1,511	538
Other receivables	19	8,530	30
Cash and bank balances	22	63,552	60,773
Short term investments	18	1,649,310	1,052,507
		2,220,354	1,158,160
<b>At fair value through other comprehensive income</b>			
Long term investments	9	138,299	202,609
		2,358,653	1,360,769
<b>Financial Liabilities</b>			
<b>At amortized cost</b>			
Long term financing including current maturity	25	23,735	84,893
Lease liabilities	26	7,751	19,949
Market committee fees payable	27	21,754	31,573
Trade and other payables	28	1,176,760	1,109,189
Accrued markup	29	23,795	9,340
Short term borrowings	30	2,951,236	2,087,881
Unclaimed dividend		48,220	44,093
		4,253,251	3,386,918

## 47 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (interest / markup rate risk and price risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the Company's financial assets and liabilities are limited. The Company

consistently manages its exposure to financial risk without any material change from previous period in the manner described in notes below.

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

#### 47.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fails to meet its contractual obligation and it mainly arises from balances with banks and financial institutions, trade debts, loans, advances, deposits and other receivables. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. Out of the total financial assets of Rs. 2.359 million (2021: Rs. 1.361 million), the financial assets which are subject to credit risk amounted to Rs. 2.358 million (2021: Rs. 1.36 million).

To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Sales contracts and credit terms are approved by the Chief Executive Officer. Where considered necessary, advance payments are obtained from certain parties. Sales made to exporters are secured through letters of credit. The management set out a maximum credit period in respect of certain customers as well in order to reduce the credit risk.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk before any provisions at the reporting date is:

	2022 (Rupees in thousand)	2021
Loans including current portion	3,207	3,914
Long term deposits	19,741	12,348
Trade debts - gross	472,289	27,050
Trade deposits	2,214	1,000
Interest accrued - TDRs	1,511	538
Short term investments	1,649,310	1,052,507
Long term investments	138,299	202,609
Other receivables	8,530	30
Bank balances	62,427	59,707
	<u>2,357,528</u>	<u>1,359,703</u>

#### Loans

The Company believes that no impairment allowance is required in respect of loans because these are not past due. The Company is actively pursuing for the recovery of debts and the Company does not expect any of its employees failing to meet their obligations.

#### Trade debts

All the trade debts at the statement of financial position date represent domestic and international parties.

The maximum exposure to credit risk before any credit enhancements and provisions for trade debts at the reporting date by division is:

	2022 (Rupees in thousand)	2021
Sugar	21,804	1,500
Ethanol	434,325	17
Chemical and alloys	9,783	9,636
Storage tank terminal	-	4,520
Bagasse	6,377	6,377
Others	-	5,000
	<u>472,289</u>	<u>27,050</u>

The aging of trade receivable at the reporting date is:

Past due 1-30 days	456,277	6,037
Past due 30-150 days	-	-
Past due 150 days	16,012	21,013
	<u>472,289</u>	<u>27,050</u>

The Company has made adequate provision of Rs. 15.432 million for receivables past due over three years since it is likely that the same is not to be received and for rest of the receivables, the Company considers the amount to be fully recoverable and therefore, no further provision has been made.

#### Quality of financial assets

The Company keeps its fund with banks having good credit ratings. Currently the funds are kept with banks having rating from A1+ to A3.

	2022 (Rupees in thousand)	2021
<b>Bank balances</b>		
With external credit rating		
A1+	59,875	58,023
A1	2,365	1,497
A2	51	51
A3	136	136
	<u>62,427</u>	<u>59,707</u>

#### 47.2 Liquidity risk

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or at the risk of Company's reputation. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to fulfill its obligation, monitoring statement of financial position liquidity ratios against internal and external requirements and maintaining debt financing plans.



The following are the contractual maturities of the financial liabilities:

	2022					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years and over
(Rupees in thousand)						
<b>Financial Liabilities</b>						
Long term financing including current portion	23,735	23,735	23,735	-	-	
Lease liabilities including current portion	7,751	7,751	3,876	3,875		
Market Committee fee payable including current portion	21,754	21,754	876	839	1,570	18,469
Trade and other payables	1,176,760	1,176,760	241,865	934,895	-	-
Accrued markup	23,795	23,795	23,795	-	-	-
Short term borrowings	2,951,236	2,951,236	2,951,236	-	-	-
Unclaimed dividend	48,220	48,220	-	48,220	-	-
	<u>4,253,251</u>	<u>4,253,251</u>	<u>3,245,383</u>	<u>987,829</u>	<u>1,570</u>	<u>18,469</u>
	2021					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to three years	Three to five years and over
(Rupees in thousand)						
<b>Financial Liabilities</b>						
Long term financing including current portion	84,893	84,893	30,062	30,062	24,769	-
Lease liabilities including current portion	19,949	19,949	-	6,459	13,490	-
Market Committee fee payable including current portion	31,573	31,573	10,737	916	1,715	18,205
Trade and other payables	1,109,189	1,109,189	172,124	937,065	-	-
Accrued markup	9,340	9,340	9,340	-	-	-
Short term borrowings	2,087,881	2,087,881	2,087,881	-	-	-
Unclaimed dividend	44,093	44,093	-	44,093	-	-
	<u>3,386,918</u>	<u>3,386,918</u>	<u>2,310,144</u>	<u>1,018,595</u>	<u>39,974</u>	<u>18,205</u>

The Company manages liquidity risk by maintaining sufficient cash and ensuring the fund availability through adequate credit facilities. At September 30, 2022, the Company has Rs. 1.859 (2021: Rs. 2.522) Billion available and unutilized short term borrowings limit from financial institutions and also has Rs. 62.427 (2021: Rs. 59.707) Million being balances at banks. Based on the above, management believes the liquidity risk is insignificant.

### 47.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company is exposed to foreign exchange risk, interest rate risk and other price risk are as follows:-

#### 47.3.1 Foreign Exchange Risk

Foreign exchange risk represents the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises mainly from future economic transaction or receivables or payables that exist due to transactions in foreign currency. The Company is exposed to foreign exchange currency risk on ethanol denominated in US Dollars. Approximately 98.22% from ethanol segment is denominated in currencies other than Pak Rupees which forms 65.74% of the total gross revenue of the Company. The Company's exposure to foreign currency risk for US Dollars is as follows:-

	2022 (Rupees in thousand)	2021
Foreign debtors	434,325	-
Advance from foreign customers	(41,624)	(278,769)
Export finance scheme (EFS)	(576,578)	-
Net exposure	<u>(183,877)</u>	<u>(278,769)</u>

The following significant exchange rate has been applied:

	Average rate		Reporting date rate	
	2022	2021	2022	2021
USD to PKR	<u>195.16</u>	<u>160.60</u>	<u>229.60</u>	<u>170.65</u>

### Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the USD with all other variables held constant, pre-tax profit for the year have been higher / (lower) by the amount shown below:

	2022 (Rupees in thousand)	2021
<b>Effect on profit or loss</b>		
US Dollars	<u>18,388</u>	<u>27,877</u>

The weakening of the PKR against USD would have had an equal but opposite impact on the pre tax profit.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

### 47.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rate. The interest rate exposure of the Company arises from long term financing, short term borrowings, loans to growers, short term investments and bank balances.

At the reporting date, the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	2022 Effective interest rate (in percent)	2021	2022 Carrying amount -- (Rupees in thousand) --	2021
<b>Financial assets</b>				
<b>Fixed rate instruments</b>				
Loans to growers	14.96	14.96	10,254	15,928
Term deposit receipts (TDR)	5.65 to 14	4.35 to 6.6	50,600	50,600
Treasury bills	12.90 to 15.60	7.15 to 7.60	<u>1,598,710</u>	<u>1,001,907</u>
			<u>1,659,564</u>	<u>1,068,435</u>
<b>Variable rate instruments</b>				
Bank balances	5.75 to 13.50	3.3 to 5	<u>29,693</u>	<u>37,636</u>
<b>Financial liabilities</b>				
<b>Variable rate instruments</b>				
Short term borrowings	9.5 to 16.27	2.5 to 3	<u>2,951,236</u>	<u>2,087,881</u>

Cash flow sensitivity analysis for variable rate instruments.

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2021.

	Statement of profit or loss	
	100 bp	
	increase	decrease
	-- (Rupees in thousand) --	
<b>Financial assets</b>		
<b>As at September 30, 2022</b>		
Cash flow sensitivity	297	(297)
<b>As at September 30, 2021</b>		
Cash flow sensitivity	376	(376)

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

	Statement of profit or loss	
	100 bp	
	increase	decrease
	-- (Rupees in thousand) --	
<b>As at September 30, 2022</b>		
Cash flow sensitivity	(29,512)	29,512
<b>As at September 30, 2021</b>		
Cash flow sensitivity	(20,879)	20,879

#### 47.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is exposed to price risk with respect to equity investment. Investments are monitored through continuous trend prevailing in the market for which an investment committee has been setup to take appropriate decision.

A 10% increase / decrease in share prices at year end would have increased / decreased the unrealized gain on remeasurement of fair value investments through OCI as follows:

	Share prices 10%	
	100 bp	
	increase	decrease
	-- (Rupees in thousand) --	
<b>As at September 30, 2022</b>		
Fair value through OCI	13,830	(13,830)
	13,830	(13,830)
<b>As at September 30, 2021</b>		
Fair value through OCI	17,099	(17,099)
	17,099	(17,099)

The sensitivity analysis prepared is not necessarily indicative of the effects on profit / equity and assets of the Company.

#### 47.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial assets which are tradable in an open market are remeasured at the market prices prevailing on the statement of financial position date. The carrying values of all other financial assets and liabilities reported in the financial statements approximate their fair value.

##### 47.4.1 In accordance with the requirements of IFRS 13 Fair value measurement, the Company classifies its long term investments in terms of following fair value hierarchy:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Fair value measurements using Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs).

Details of the Company's long term investments in terms of fair value hierarchy, explained above, at September 30, 2022 is as follows:

	Level 1	Level 2	Level 3
	----- (Rupees in thousand) -----		
<b>Long term investments - at fair value through OCI</b>			
September 30, 2022	<u>138,299</u>	<u>-</u>	<u>-</u>
September 30, 2021	<u>202,609</u>	<u>-</u>	<u>-</u>

#### 47.5 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares and take other measures commensuration to the circumstances. The Company finances its expansions projects through equity, borrowings and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk and maximize profitability.

The Company monitors capital using a gearing ratio, which is net debt divided by total shareholders equity plus net debt. Net debt is calculated as total loans and borrowings including any finance cost thereon, less cash and bank balances. The Company's strategy is to maintain leveraged gearing. The gearing ratios as at the statement of financial position are as follows:

		2022 (Rupees in thousand)	2021
Long term financing including current maturity		23,735	84,893
Accrued markup		23,795	9,340
Short term borrowings		2,951,236	2,087,881
Total debt		2,998,766	2,182,114
Less:			
Cash and bank balances		(63,552)	(60,773)
Short term investments		(1,649,310)	(1,052,507)
		<u>(1,712,862)</u>	<u>(1,113,280)</u>
Net debt	A	1,285,904	1,068,834
Shareholders' equity	B	4,605,653	3,330,364
Equity and net debt	C = A + B	<u>5,891,557</u>	<u>4,399,198</u>
Gearing ratio	(D = A / C)	<u>21.83%</u>	<u>24.30%</u>

**48 PLANT CAPACITY AND ACTUAL PRODUCTION**

	2022	2021
<b>Sugar Unit</b>		
Sugarcane crushing capacity per day in M.T	8,500	8,500
Total days of actual crushing	99,560	79,351
Sugar cane crushed during the year in M.T	501,010	370,402
Sugarcane yield	10.77%	10.38%
Capacity in M.T based on number of days operated and sugarcane yield	91,119	70,011
Actual production in M. T	53,945	38,440
<b>Ethanol Unit</b>		
<b>Unit - I</b>		
Capacity in liters per day	85,000	85,000
Actual no. of days operated	298	269
Capacity in liters based on number of days operated	25,330,000	22,865,000
Actual production in liters	24,550,806	22,172,738
<b>Unit - II</b>		
Capacity in liters per day	85,000	85,000
Actual no. of days operated	287	269
Capacity in liters based on number of days operated	24,395,000	22,865,000
Actual production in Liters	24,141,032	22,432,398
<b>Chemical alloys and others</b>		
Capacity in M.T based on 320 days	27,220	27,220
Actual production in M.T	170.94	-
<b>Power</b>		
Capacity in Kilo Watts Hour (KWH) per day	312,000	312,000
<b>Tank terminal</b>		
Capacity per month based on ethanol in M.T	22,850	22,850
Actual capacity utilized per month based on ethanol in M.T	6,000	6,000

**48.1 Reasons for shortfall in capacity utilization**

- a) **Sugar**  
Lesser availability of sugarcane.
- b) **Ethanol**  
Lesser availability of molasses and its quality.

c) **Chemical, alloys and power**  
Production facilities was suspended due to increase in fuel prices.

d) **Tank terminal**  
Lesser demand and non-availability of tenant.

#### 49 SEGMENT REPORTING

Note	2022				2021	
	Sugar	Ethanol	Other operating segment	Total		
----- (Rupees in thousand) -----						
<b>Segment assets and liabilities</b>						
Segment assets	2,147,035	6,303,207	560,668	9,010,910	6,732,165	
Unallocated segment assets	-	-	-	360,102	456,362	
				<u>9,371,012</u>	<u>7,188,527</u>	
Segment liabilities	1,456,497	2,987,899	48,243	4,492,639	3,437,910	
Unallocated segment liabilities	-	-	-	272,720	380,089	
				<u>4,765,359</u>	<u>3,817,999</u>	
Unallocated additions in operating fixed assets	-	-	-	13,483	2,030	
Addition in capital work in progress	6.2	47,239	13,502	60,741	-	
				<u>74,224</u>	<u>2,030</u>	
<b>Segment statement of profit or loss</b>						
Sales-net	35	3,008,363	7,299,283	54,538	10,362,184	7,421,377
Cost of sales	36	(2,795,589)	(5,077,150)	(150,513)	(8,023,252)	(6,291,591)
Gross profit		212,774	2,222,133	(95,975)	2,338,932	1,129,786
Distribution cost	37	(10,082)	(132,406)	-	(142,488)	(107,606)
Administrative expenses	38	(96,669)	(60,971)	-	(157,640)	(158,988)
Operating segment results		106,023	2,028,756	(95,975)	2,038,804	863,192
Other operating expenses	39	6,429	(84,603)	-	(78,174)	(81,970)
Finance cost	40	(74,889)	(93,756)	(648)	(169,293)	(84,680)
Other income	41	12,144	246,696	67	258,907	138,181
Profit / (loss) before taxation		49,707	2,097,093	(96,556)	2,050,244	834,723
Taxation	42	(41,993)	(94,075)	(487)	(136,555)	(82,794)
Profit / (loss) for the year		7,714	2,003,018	(97,043)	1,913,689	751,929
Depreciation		42,886	32,800	27,017	102,703	108,734

49.1 Revenue generated from customers external to the Company has been disclosed in note 35 to these financial statements. The inter-company transfer of molasses and bagasse from sugar segment to ethanol segment is accounted for as a reduction of cost of production of sugar segment as disclosed in note 36.

49.2 The accounting policies of the reportable segments are the same as the Companies' accounting policies described in note number 5 to these financial statements.

#### 49.3 Revenue from major products

The break up of Companies' revenue from external customers for major products is given in note number 35 to these financial statements.

#### 49.4 Information about major customers

Revenue from major customers (5% or above of segment's gross sales) of sugar segment represents Rs. 2,794 million (2021: Rs. 2,273 million) of total sugar segment gross revenue amounting to Rs. 3,555 million (2021: Rs. 3,284 million), ethanol segment of Rs. 6,677 million (2021: Rs. 3,814 million) of total ethanol segment revenue amounting to Rs. 7,318 million (2021: Rs. 4,620 million) and other operating segment represents Rs. 43.049 million (2021: Rs. 30.934 million) of total other operating segment revenue amounting

to Rs. 61.277 million (2021: Rs. 46.534 million).

## 50 RELATED PARTY TRANSACTIONS

The related parties comprise of associated undertakings, Directors of the Company, Key Management Personnel and post employment benefit plan. The Company in the normal course of business carries out transactions with various related parties. Amounts due to / from related parties, if any, are shown in respective notes to the financial statements. Transactions and balances with related parties are as follows:

	2022	2021
	(Rupees in thousand)	
<b>Post Employment Benefit Plan</b>		
<b>AI-Abbas Sugar Mills Limited - Employee Gratuity Fund</b>		
Loan installments recovered from employees on behalf of employees gratuity fund	6,595	8,543
Gratuity paid on behalf of gratuity fund	1,371	1,275
Balance (payable to) / receivable from employee gratuity fund at the end of the year	(19,988)	5,801
<b>Key Managerial Personnel</b>		
Staff emergency loan to Company Secretary	-	5,000
Installment recovered from Company Secretary	1,300	1,300
Balance receivable from Company Secretary at amortized value at the end of the year	2,177	-
<b>Associated Undertaking</b>		
<b>- Kharadar General Hospital</b>		
Donation given	500	500

50.1 During the year, the Company has paid dividend to its Directors and other related parties amounting to Rs. 353.686 million (2021: Rs. 472.918 million).

50.2 Following are the related parties with whom the Company had entered into transactions during the year:

S.No.	Name of Related Party	Relationship
1	Asim Ghani	Chief Executive Officer
2	Asma Aves Cochinwala	Director
3	Aves Cochinwala	Spouse of director
4	Darakshan Zohaib	Director
5	Haji Abdul Ghani	Associated Undertaking
6	Haroon Askari	Director
7	Hira Asim	Spouse of chief executive officer
8	Muhammad Salman Hussain Chawala	Director
9	Muhammad Siddiq Khokhar	Director
10	Shahid Hussian Jatoi	Director
11	Suleman Lalani	Director
12	Zakaria Usman	Director

## 51 DISCLOSURE RELATING TO SHARIAH COMPLIANCE AND COMPANY'S LISTING ON ISLAMIC INDEX:

	2022	2021
	(Rupees in thousand)	
i Financing arrangements as per Islamic mode	475,492	200,000
ii Shariah Compliant bank balances as at year end	18,265	1,538
iii Profit earned from Shariah Compliant bank balances during the year	1,194	561
iv Markup paid on Islamic mode of financing during the year	28,506	6,171
v Interest paid on conventional financing during the year	128,343	71,213
vi Dividend received from Shariah Compliant Company	319	580



**52 NON-ADJUSTING EVENT**

The Board of Directors of the Company in its meeting held on December 27, 2022 have proposed a final cash dividend of Rs. 30 (2021: Rs. 10) per share amounting to Rs. 520.869 (2021: Rs. 173.623 million) for approval of the members in the annual general meeting to be held on January 26, 2022. The financial statements for the year ended September 30, 2022 do not include the effect of the proposed cash dividend which will be accounted for in the financial statements for the year ended September 30, 2023.

**53 NUMBER OF EMPLOYEES**

Total number of employees at year end and average number of employees during the year were 866 (2021: 873) and 1,016 (2021: 983) respectively.

**54 CORRESPONDING FIGURES**

Corresponding figures have been re-arranged / reclassified, whenever necessary, for the purpose of compliance, comparison and better presentation. Major changes made during the year are as follows:

Reclassification from the caption component	Reclassification to the caption component	Note	Rupees in thousand
Loss from other reportable segments - net	Sales -net	35	42,975
Loss from other reportable segments - net	Cost of sales	36	95,202
Administrative expenses - Charity and donation sugar segment	Administrative expenses - Charity and donation ethanol segment	38	200
Administrative expenses - Depreciation on investment property sugar segment	Administrative expenses - Depreciation on investment property ethanol segment	38	9
Finance cost - Bank charges and gurantee commission sugar segment	Finance cost - Bank charges and gurantee commission other reportable segment	40	540

**55 GENERAL**

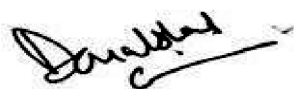
- Figures have been rounded off to the nearest thousand of Rupees, unless otherwise stated.
- Unallocated expenses / income are allocated between the sugar and ethanol segment in the ratio being consistently applied since prior years.

**56 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on 27th December 2022 by the Board of Directors of the Company.



**Asim Ghani**  
Chief Executive Officer



**Darakshan Zohaib**  
Director



**Samir Hajani**  
Chief Financial Officer

چیف ایگزیکٹو آفیسر کی دورانہدیش قیادت میں کمپنی نے اس بات کو یقینی بنانے میں کلیدی کردار ادا کیا ہے کہ کمپنی کے مقاصد کو انتظامیہ کے ساتھ مشترکہ کوششوں اور بورڈ اور اس کے اراکین کی رہنمائی اور نگرانی کے ذریعے حاصل کیا جائے۔ میں انتظامی اور غیر انتظامی عملے، ریگولیشنز اور سرکاری تنظیموں کے تعاون کو سراہتا ہوں۔ میں اپنے شیئرز ہولڈرز کا بھی شکریہ ادا کرتا ہوں کہ انہوں نے کمپنی کے بورڈ اور انتظامیہ پر بھروسہ اور اعتماد کیا۔



ذکریا عثمان  
چیئرمین

کراچی: 27 دسمبر 2022

## چیرمین کی جائزہ رپورٹ

"ہمیں از حد خوشی ہے کہ العباس شوگر مل لمیٹڈ کے بورڈ آف ڈائریکٹرز کی چیرمین شپ متنوع، تجربہ کار اور انتہائی باصلاحیت افراد پر مشتمل ہے۔ حال ہی میں ختم ہونے والا مالی سال 30 ستمبر 2022 کمپنی اور اس کے اسٹیک ہولڈرز کے لیے شاندار کامیابیوں اور تعمیر ترقی سے آراستہ ہے"

زیر جائزہ سال 30 ستمبر 2022 کے دوران بھی کمپنی کی کارکردگی انتہائی شاندار رہی باوجود ان کٹھن حالات کے کہ روس اور یوکرائن کے مابین جنگ کے اثرات، توانائی کی قیمتوں میں غیر معمولی اضافہ، مالیاتی لاگت میں اضافہ، اقتصادی اور سیاسی محاذوں پر غیر یقینی صورتحال، افراط زر میں ہوشربا اضافہ اور امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں غیر معمولی گراؤت جیسے امور شامل تھے۔ چیف ایگزیکٹو آفیسر کی بصیرت اور ذہانت عملی کے تحت کمپنی نے گزشتہ سال کے -0.752 بلین روپے کے مقابلے میں -1.913 بلین روپے کا اب تک کا سب سے زیادہ منافع حاصل کرنے میں شاندار کامیابی حاصل کی ہے۔

زیر جائزہ سال میں کمپنی اب تک کی سب سے زیادہ خالص فروخت -10.362 بلین روپے رہی جبکہ گزشتہ سال یہ فروخت 7.421 بلین روپے تھی۔ اسی طرح بعد از ٹیکس اب تک کا سب سے زیادہ خالص منافع -1.914 بلین روپے تھا جبکہ گزشتہ سال یہ منافع -0.752 بلین روپے تھا۔ چیف ایگزیکٹو آفیسر کی پر جوش قیادت میں انتظامیہ مستقبل کے روشن امکانات کے لیے انتہائی پر امید ہے اور توقع کرتی ہے کہ ان کی طرف سے فراہم کردہ اسٹریٹجک ہدایات کی روشنی میں اپنی کوششوں سے شاندار کارکردگی کا مظاہرہ کرتی رہے گی۔

آپ کی کمپنی بورڈ آف ڈائریکٹرز اور اس کی تشکیل کردہ کمیٹیوں کے ذریعے اہداف کے حصول کے تقاضوں کی تعمیل کرتی ہے۔ نیز مینیجنگ کے حوالے سے کمپنی ایکٹ 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 میں بیان کردہ قانونی تقاضوں کی تعمیل کرتی ہے۔ اس رپورٹ کا نوکس زیر جائزہ سال 30 ستمبر 2022 کے دوران کمپنی کی مجموعی کارکردگی پر ہے جو اس نے بورڈ کی طرف سے فراہم کردہ رہنمائی اور ہدایات کی روشنی میں کی۔

چیف ایگزیکٹو آفیسر نے کمپنی انتظامیہ کو درپیش غیر معمولی اور غیر متوقع چیلنجوں کو پورا کرنے کے لیے اسٹریٹجک فیصلے کرنے میں انتظامیہ کی مدد کی۔ بورڈ نے کارپوریٹ گورننس پر بہترین عملدرآمد کو یقینی بنایا ہے جس سے اعلیٰ اور پیشہ ورانہ کاروباری طرز عمل کو برقرار رکھنے میں مدد ملی ہے۔ زیر جائزہ سال کے دوران بورڈ کا سات مرتبہ اجلاس منعقد ہوا۔ باقاعدہ طور پر وقفہ وقفہ سے اس طرح کے اجلاس کاروبار کو کامیاب طور پر کرنے پر انتظامیہ یقیناً بہت تعریف کی مستحق ہے۔

بورڈ نے آڈٹ کمیٹی، ہیومن ریسورس اینڈ ریوریزیشن کمیٹی اور رسک مینیجمنٹ کمیٹی تشکیل دی ہے۔ ان کمیٹیوں کی قیمتی آراء بورڈ کو موثر فیصلہ سازی کرنے میں بے حد مدد دیتی ہیں۔ آڈٹ کمیٹی نے بنیادی طور پر کمپنی سے وابستہ مالیاتی غلط بیانی کے خطرے کی نشاندہی اور اس خطرے کو کم کرنے کے لیے کمپنی کے اندرونی کنٹرولز کو مستحکم و موثر بنانے پر توجہ دی۔ مالیاتی بیانیوں کو بورڈ کے سامنے پیش کرنے سے پہلے آڈٹ کمیٹی ان بیانیوں کا تفصیلی اور ناقہ اندازہ لیتی ہے۔ بورڈ کی ایک رسک مینیجمنٹ کمیٹی بھی ہے جس کا مقصد کاروباری خطرات کی شناخت اور ان خطرات سے نمٹنے کے لیے اقدامات تجویز کرنا ہے۔

چیف ایگزیکٹو آفیسر کی پر جوش قیادت میں کمپنی کی توجہ مکمل طور پر کمپنی کے مشن اور وژن پر مرکوز ہے۔ یعنی اس کا مقصد کمپنی کو پاکستان کی صف اول کی ریفاہینڈ شوگر اور اسٹیمول بنانے والی کمپنی بنانا ہے۔ اور جیسے جیسے ہم اپنے اہداف کے حصول کے لیے آگے بڑھتے ہیں تو ہم دیکھتے ہیں کہ بے شمار عوامل ہمارے حق میں ہیں جس میں سب سے اہم یہ ہے کہ پاکستان ایک زرعی ملک ہے۔

زیر جائزہ سال کے دوران کمپنی کو بہترین کارپوریٹ پریکٹس پر عملدرآمد، اعلیٰ مالیاتی نتائج اور غیر معمولی انتظامی کارکردگی پر پاکستان اسٹاک ایکسچینج کی جانب سے "ناپ 25 کمپنیز" کے ایوارڈ سے بھی نوازا گیا ہے۔ مندرجہ آں اللہ کے فضل سے کمپنی نے مسلسل تیسری بار شوگر سیکٹر میں بہترین کارکردگی پر مینجمنٹ ایسوسی ایشن آف پاکستان کی جانب سے دیا جانے والا "کارپوریٹ ایوارڈ" بھی حاصل کیا ہے جو کہ شوگر سیکٹر میں بہترین کارپوریٹ پریکٹس اور بہترین گورننس کے حوالے سے کمپنی کی شاندار کارکردگی کا منہ بولتا ثبوت ہے۔

اس مقصد کے لیے بورڈ نے ایک رسک مینجمنٹ کمیٹی قائم کی ہے جس کا مقصد کمپنی کے رسک مینجمنٹ فریم ورک کا دائرہ کار اور پیشگی ممکنہ خطرات کی نشاندہی کرنا اور متعلقہ احتیاطی تدابیر اختیار کرنا ہے۔

کمپنی خطرے کا انتظام کرنے کے معاملے میں انتہائی متحرک ہے اور کسی بھی ممکنہ خطرے کا ادارا کرنے پر ہنگامی طور پر بھی منصوبہ بندی کرتی ہے۔ کمپنی کو جو بڑے خطرات درپیش ہوتے ہیں وہ درج ذیل ہیں۔

(I) خام مال کی دستیابی۔ گنا اور مولاسسز بنیادی خام مال ہیں اور ان کی دستیابی پیداواری عمل کے دوران انتہائی لازمی ہے۔

(II) روپے اور ڈالر کی قدر میں اتار چڑھاؤ۔ ڈالر کے مقابلے میں روپے کی اٹھان یا گراؤٹ سے بھی بڑا مالیاتی خطرہ درپیش ہوتا ہے جس کا اثر کمپنی کی نجلی سطح تک براہ راست پڑتا ہے۔

(III) ملازمین کی کمپنی میں آمدورفت۔ کسی بھی کمپنی میں معیاری ملازمین کی کمپنی میں تیزی سے آمدورفت میں اضافہ کمپنی کی ترقی پر براہ راست منفی اثر ڈالتا ہے۔

(IV) صنعتی حادثات: ہم اس بات پر پختہ یقین رکھتے ہیں کہ حادثات اچانک رونما نہیں ہوتے بلکہ کچھ وجوہات کی بناء پر ہوتے ہیں جن سے بچنے کی کوششیں کی جاتی ہیں۔

### اندرونی مالیاتی نظم و نسق:

بورڈ نے آڈٹ کمیٹی کو رپورٹ کرنے والے ایک اہل شخص کی سربراہی میں ایک آزاد انٹرنل آڈٹ کاشعبہ قائم کیا ہے جس کا دائرہ کار بورڈ کے قائم کردہ اندرونی و بیرونی نظم و نسق کی موثریت کی جانچ کرنا ہے۔ بورڈ کو ان کمیٹیوں کو کے ذریعے مینجمنٹ، انٹرنل اور ایکسٹرنل آڈیٹرز کی طرف سے اندرونی نظام اور رسک مینجمنٹ سے متعلق رپورٹس ملتی ہیں۔ بورڈ آڈٹ اور رسک مینجمنٹ کمیٹیوں کے ذریعے مینجمنٹ، انٹرنل اور ایکسٹرنل آڈیٹرز سے موصول شدہ کی رپورٹس کی روشنی میں اندرونی و بیرونی نظاموں کی افادیت کا جائزہ لیتا ہے تاکہ کسی بھی متوقع خطرے سے بچا جاسکے نیز بورڈ اندرونی نظام کے جائزے کے بعد اگر اس نظام میں کوئی اہم کمزوری نظر آتی ہے تو یقین دہانی کرتا ہے کہ انتظامیہ نے اس کے تدارک کے لیے تمام تر ضروری اقدامات اٹھالیے ہیں۔

### کمپنی کی مالی ساکھ:

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے ہماری کمپنی کو طویل المدت میں مستحکم کمپنی کے طور پر "A+" اور قلیل المدت میں "A1" آڈٹ لک ریٹنگ میں "مستحکم" جیسے شاندار اعشاریے دیے ہیں۔

### لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی تعمیل:

کمپنی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی مکمل تعمیل کی ہے اور اس سلسلے میں کمپنی کا بیانیہ اس رپورٹ کے ہمراہ صفحہ نمبر 31 سے صفحہ نمبر 32 میں درج ہے۔

### اظہار تشکر:

بورڈ اپنے اراکین، انتظامیہ اور تمام ملازمین کی لگن اور عزم کے لیے ان کا شکریہ ادا کرتا ہے۔ بورڈ تمام اسٹیک ہولڈرز بشمول مالیاتی اداروں، کاروباری ساتھیوں، صارفین، بینکرز اور دیگر تمام افراد کی مدد، رہنمائی اور تعاون کے لیے ان کا شکریہ ادا کرتا ہے جو انہوں نے کمپنی کو مستحکم بنانے کے لیے کیا۔

### منجانب: بورڈ آف ڈائریکٹرز



درخشاں زوہیب  
ڈائریکٹر



عاصم غنی  
چیف ایگزیکٹو آفیسر

کراچی: 27 دسمبر 2022

## قرضہ جات:

ہماری کمپنی کے پاس نقدی کے معاملات سے متعلق ایک موثر پالیسی ہے جس کے تحت نقدی کی آمدورفت کا تخمینہ لگایا جاتا ہے اور باقاعدگی سے نگرانی کی جاتی ہے۔ اس جامع حکمت عملی نے کمپنی کو ہمیشہ اس کی مالی ذمہ داریوں کو طے شدہ وقت پر ادا کرنے کے لیے بااختیار بنایا ہے اور اس کی راہ میں آنے والے ہر چیلنج کو مقابلہ کرنے کی امید ہے۔ نیز اسی پالیسی کے تحت انتظامیہ نے فنڈز کے ذرائع کے متوازن پورٹ فولیو اور موثر مالیاتی انتظامات کے ذریعے قرض لینے کے اخراجات کو معقول بنانے کے لیے مسلسل کوششیں کی ہیں اور اسی پالیسی کی بدولت کمپنی اپنی مالی ذمہ داریاں بروقت ادا کرتی ہے نیز کمپنی کی تاریخ میں بشمول زیر جائزہ سال کے کمپنی نے کبھی بھی اپنی مالی ذمہ داریوں کی طے شدہ وقت میں تاخیر نہیں کی ہے۔

## کارپوریٹ بریفنگ:

العباس شوگر ملز لمیٹڈ نے 26 جنوری 2022 کو 30 ستمبر 2021 کو ختم ہونے والے سال کے مالیاتی گوشواروں پر مبنی ایک کارپوریٹ بریف سیشن (CBS) کا انعقاد کیا۔ کمپنی کی آپریشنل اور مالیاتی کارکردگی کے بارے میں اسٹیک ہولڈرز کو آگاہ کرنے اور ان کے خیالات سننے سمجھنے کے لیے بذریعہ زوم ویڈیو لنک کا بھی انتظام کیا تھا۔ اسی اوٹنے کمپنی کی اس سال کی کارکردگی اور مستقبل کے امکانات پر معلومات فراہم کیں۔ شیئرز ہولڈرز، تحقیقی تجزیہ کاروں، فنڈز مینیجرز اور انتظامی نمائندوں نے اس تقریب میں شرکت کی اور کمپنی کے معاملات میں بھرپور دلچسپی ظاہر کی۔ بریفنگ کے بعد سوال و جواب کا سیشن ہوا جس میں بریفنگ میں بیان کے بعد معاملات کی مزید وضاحت کی گئی۔ مزید برآں انتظامیہ نے جنوری 2023 میں 30 ستمبر 2022 کو ختم ہونے والے مالی سال کے لیے ایک کارپوریٹ بریفنگ سیشن منعقد کرنے کا منصوبہ بنایا ہے۔

## مالیاتی گوشواروں اور معاہدات میں اہم تبدیلیاں:

زیر جائزہ سال کے آخر سے لے کر کمپنی کے مالیاتی گوشواروں کو بیان کرنے کی تاریخ تک کمپنی کے معاہدات اور مالیاتی گوشواروں میں کوئی تبدیلی نہیں ہوئی ہے۔

## قومی اور صوبائی خزانے میں حصہ:

زیر جائزہ سال میں کمپنی نے قومی خزانے میں مختلف طرح کے ٹیکسیز، بالخصوص سیلز ٹیکس اور انکم ٹیکس کی مد میں -696.250 (2021:555.811) ملین روپے جمع کرائے تھے۔

## حصص یافتگان کا بیانیہ اور حصص کی خرید و فروخت:

کمپنی نے ایکٹ 2017 کی دفعہ (2) 227 کے تحت حصص یافتگان کا تفصیلی بیانیہ اس سالانہ رپورٹ کے ساتھ منسلک ہے۔ نیز زیر جائزہ سال کے دوران چیف ایگزیکٹو، ڈائریکٹر، چیف فنانسنگ آفیسر، کمپنی سیکریٹری اور ان کے نابالغ بچوں میں سے کسی نے بھی کمپنی کے حصص میں کوئی لین دین نہیں کیا ماسوائے مندرجہ ذیل کے جس کی تفصیلات درج ذیل ہیں۔

نام	درجہ بندی	حصص کی نوعیت	مارکیٹ سے لین دین	حصص کی تعداد
میسرز جہانگیر صدیقی	اہم حصص دار	فروخت	طے شدہ خریداری	182,000

## رسک مینجمنٹ:

بورڈ آف ڈائریکٹرز مکمل مالی خطرات کی نشاندہی اور اس کے اثرات کا جائزہ لیتا ہے اور ان خطرات کو کم کرنے کے لیے حکمت عملی مرتب کرتا ہے یہ حکمت عملی آپ کی کمپنی میں ہر سطح پر نافذ کی گئی ہے تاکہ اس بات کو یقینی بنایا جاسکے کہ مکمل مالی نقصان کے خطرے کی تخفیف میں کوئی خلا باقی نہ رہے۔

مالیاتی خطرے سے بچاؤ کے انتظامات کا مقصد نہ صرف اس خطرے کو ختم کرنا ہے بلکہ اس بات کو بھی یقینی بنانا ہے کہ یہ خطرات قابل قبول سطح کے اندر ہوں۔ کمپنی کے اندر رسک مینجمنٹ کا حتمی مقصد کسی بھی اندرونی، بیرونی، متوقع وغیر متوقع خطرات کو روکنے کے لیے متعلقہ کنٹرولس کا جائزہ لینا ہے۔

## اعزازات:

پاکستان اسٹاک ایکسچینج نے آپ کی کمپنی کو "TOP 25" میں شامل کیا ہے۔ نڈیہ کہ کمپنی نے مسلسل تیسری مرتبہ مینجمنٹ ایسوسی ایشن آف پاکستان (MAP) کراچی کا کارپوریٹ ایکسیلینس ایوارڈ جیتا ہے۔ اس ایوارڈ کا مقصد ان لیکچررز کی اعلیٰ خدمات کا اعتراف ہے جو انہوں نے کارپوریٹ قوانین پر عملدرآمد اور بہترین نظم و نسق کے حوالے سرانجام دیں، جس کا اعتراف اس ایوارڈ کی شکل میں میپ (MAP) کی جانب سے کیا گیا ہے۔

یہ ایوارڈ کمپنی کے معیار اور اعلیٰ ترین پیشہ وارانہ معیارات کو برقرار رکھنے کے عزم کو ظاہر کرتا ہے اور کمپنی کے تمام شعبوں میں، بہترین کارکردگی کے حصول کے تسلسل کا ثبوت ہے۔ اس ایوارڈ کو کارپوریٹ سیکٹر میں سب سے باوقار کامیابی سمجھا جاتا ہے جس میں کہ مختلف شعبوں یعنی کارپوریٹ گورننس، اسٹریٹجک پلاننگ، سماجی ذمہ داری، انسانی وسائل کی منصوبہ بندی، پروڈکشن مینجمنٹ، ریسرچ اینڈ ڈویلپمنٹ وغیرہ کے انتظامی طریقوں کے معیار کا اندازہ لگایا جاتا ہے۔

## بورڈ کی ساخت:

بورڈ نے کوڈ آف کارپوریٹ گورننس 2019 کی تعمیل کرتے ہوئے اپنی کارکردگی جانچنے کے لئے ایک جامع طریقہ کار کی منظوری دی ہے۔ کمپنی نے بورڈ کے دائرہ کار، مقاصد، کام اور کمپنی کی کارکردگی اور نگرانی کا احاطہ کرنے والا ایک سوالنامہ متعارف کرایا ہے۔ بورڈ نے ہر ڈائریکٹر سے موصول ہونے والی معلومات کی بنیاد پر تمام عوامل کا جائزہ لیا ہے۔

## چیف ایگزیکٹو آفیسر کی کارکردگی کا جائزہ:

بورڈ آف ڈائریکٹرز باقاعدگی سے سی ای او کی کارکردگی کا جائزہ لیتا ہے جس میں کی بورڈ کی مروجہ اقدار مد نظر رکھی جاتی ہیں یعنی مختلف مالی اور غیر مالی اشاریے اس کارکردگی کی بنیاد ہوتے ہیں۔ سی ای او کی کارکردگی کا جائزہ مشن کی پاسداری، قلیل اور طویل المدت مقاصد کے حصول، منافع کو یقینی بنانا، شئیرز ہولڈرز کی قدر میں اضافہ اور قانونی رپورٹنگ کو یقینی بنانا ہے۔

## چیرمین اور سی ای او کا کردار:

چیرمین بورڈ اور اسٹیک ہولڈرز کی جانب سے نگہبان کے طور پر کام کرتا ہے۔ وہ بورڈ آف ڈائریکٹرز کا سربراہ ہوتا ہے اور بورڈ کی افادیت کو یقینی بنانے کا ذمہ دار ہے۔ چیرمین کاروبار کی ترقی اور تحفظ کو یقینی بناتا ہے۔ وہ بورڈ کی رکنیت کے توازن کو بھی یقینی بناتا ہے جس میں مختلف کاروباری معاملات سے نمٹنے کے متنوع تجربہ ہوتا ہے۔

اس کی اولین ذمہ داری یہ ہے کہ وہ کمپنی کے مشن، وژن اور طویل المدتی اہداف کا حصول ممکن بنائے۔ وہ بورڈ اور کمپنی کی انتظامیہ کے درمیان ایک رابطہ ہوتا ہے جو انتظامیہ کی جانب سے بورڈ کے سامنے انتظامیہ کا تکتہ نظر بیان کرتا ہے۔ سی ای او کمپنی کے روزمرہ کے معاملات کے انتظام کا ذمہ دار ہوتا ہے نیز وہ طویل المدت اہداف کے لیے درکار حکمت عملی، بجٹ اور دیگر منصوبوں پر عملدرآمد کا پابند ہوتا ہے

سی ای او کمپنی کی نمائندگی شئیرز ہولڈرز، سرکاری حکام و درعوام کے سامنے کرتا ہے اور فیصلہ ساز رہنما ہوتا ہے جو ملازمین کی حوصلہ افزائی کرتا ہے۔ کمپنی کے اندر مثبت تبدیلی لاتا ہے اور اہداف کے حصول کے لیے مناسب فیصلے کرتا ہے۔

## چیرمین کا جائزہ:

سالانہ رپورٹ میں شامل چیرمین کا جائزہ اقتصادی نقطہ نظر، کمپنی کی کارکردگی اور بورڈ آف ڈائریکٹرز کے کردار اور کمپنی کی کارکردگی سے متعلق ہے۔

## احتیاط پسندی کی پالیسی:

احتیاط پسندی کی پالیسی کمپنی کے عزم کے مطابق ملازمین کے لیے تحفظات اور یقین دہانی کے لیے بنائی جاتی ہے۔ العباس شوگر ملز لمیٹڈ بھی ایک محتاط اور باخبر ادارہ ہونے کے ناطے اس امر پر یقین رکھتا ہے کہ پیشہ وارانہ مہارت، سچائی اور اصولی آداب کے اعلیٰ ترین اصولوں کو اپناتے ہوئے کاروبار کرنا چاہیے۔

اجلاس میں شرکت کی تعداد	حیثیت	اراکین کے نام
1/1	چیئرمین۔ (آزاد)	جناب محمد سلمان حسین چاؤلہ
1/1	رکن	جناب عاصم غنی صاحب
1/1	خاتون ڈائریکٹر	محترمہ درخشاں ذوہیب
1/1	رکن	جناب محمد صدیق کھوکھر

### آڈیٹرز:

میسرز بی ڈی او ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹینٹس نے کمپنی کے آڈیٹرز کی حیثیت سے 30 ستمبر 2022 کا عرصہ مکمل کر لیا ہے اور انہوں نے اپنی پیشہ وارانہ اہلیت کی بنیاد پر خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ آڈٹ کمیٹی کی سفارش پر بورڈ نے کمپنی کے موجودہ آڈیٹرز میسرز بی ڈی او ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس کی دوبارہ تقرری کی سفارش برائے سال 30 ستمبر 2023 کی ہے جس کی حتمی منظوری کمپنی کے ہونے والے سالانہ اجلاس عام منعقدہ 26 جنوری 2022 میں باہمی اتفاق رائے سے کی جائے گی۔

### کارپوریٹ سماجی ذمہ داری:

پاکستان اس وقت تباہ کن سیلابوں کا سامنا کر رہا ہے جو کہ بہت بڑے اور غیر معمولی ہیں۔ اندرون سندھ ان سیلابوں سے سب سے زیادہ متاثر ہوا ہے جہاں ہمارے اہل وطن اپنا سب کچھ کھو چکے ہیں اور انہیں مدد کی اشد ضرورت ہے۔ العباس شوگر ملز نے متاثرہ خاندانوں میں راشن بیکز تقسیم کیے ہیں اور وہ اپنی ذمہ داریوں سے بخوبی آگاہ ہے کہ وہ ضرورت کے وقت میں اپنے لوگوں کی مدد کرے۔ ہم دعا کرتے ہیں کہ اس تباہی سے تباہ ہونے والے لوگ جلد بحال ہوں۔

### کمپنی کے کاروبار کے ماحول پر اثرات:

آپ کی کمپنی پیداواری سہولیات پر تمام ماحولیاتی معیارات کی تعمیل کے ذریعے اپنے کاروبار کے ماحولیاتی اثرات کو کم کر کے ہر ایک کے لیے صحتمند ماحول کی حفاظت کے لیے پرعزم ہے۔ اور اس سلسلے میں اپنی ذمہ داری سے پوری طرح آگاہ ہے۔ ہم اپنے کاربن فوٹ پرنٹ کو کم سے کم کر کے پائیداری پر توجہ مرکوز کرتے ہیں اور ایسے منصوبے شروع کرتے ہیں جو پانی اور توانائی کے تحفظ میں مدد کرتے ہیں۔

نزدیکہ COVID-19 کے خلاف جنگ میں کمیونٹی میں شامل ہونے کی اپنی ذمہ داریوں سے آگاہ ہے۔ اسی لیے کمپنی نے ایس او پیز پر سختی سے عمل کیا ہے مثلاً کمپنی کے احاطہ میں داخل ہونے سے پہلے ہینڈ سینیٹائزر کی تنصیب اور درجہ حرارت کی نگرانی شامل ہے اور اپنے ملازمین کی حوصلہ افزائی کی ہے کہ وہ ایس او پیز پر اس کے حقیقی روح کے مطابق عمل کریں۔ اس وبائی مرض میں ملازمین کی صحت اور حفاظت کمپنی کی اولین ترجیح ہے۔

اس بات کو یقینی بنانے کے لیے اس حوالے سے کمپنی پالیسیز کا باقاعدگی سے جائزہ لیا جاتا ہے کہ طے شدہ معیارات صنعت کے بہترین طریقوں سے منسلک ہیں۔ ملازمین کو صحت اور حفاظت کی تربیت فراہم کی جاتی ہے تاکہ اس امر کو یقینی بنایا جاسکے کہ وہ اپنا کام طے شدہ پالیسیوں کے مطابق انجام دیں۔



## آڈٹ کمیٹی:

آڈٹ کمیٹی بورڈ کو اپنی نگرانی کی ذمہ داری سے عہدہ براہونے میں مددیتی ہے یعنی بنیادی طور پر شیئرز ہولڈرز کے معاملات اور مالی وغیر مالیاتی معلومات کا جائزہ لینے میں یہ آڈٹ کمیٹی بورڈ کی مدد کرتی ہے۔ آڈٹ کمیٹی کے پانچ اجلاس منعقد ہوئے۔ ان اجلاسوں میں ڈائریکٹرز کی میں شرکت کی تفصیل اس طرح سے ہے۔

اجلاسوں میں شرکت کی تعداد	حیثیت	اراکین کے نام
5/5	چیئرمین۔ آزاد	جناب ہارون عسکری
5/5	رکن	محترمہ اسماء کوچن والا
5/5	رکن	محترمہ درخشاں ذوہیب
5/5	رکن	جناب محمد سلمان حسین چاؤلہ
0/5	رکن	جناب ذکریا عثمان

آڈٹ کمیٹی نے بورڈ آف ڈائریکٹرز کو اپنی رپورٹ پیش کرنے سے پہلے سہ ماہی، ششماہی اور سالانہ آڈٹ شدہ حسابات اور متعلقہ فریق رجسٹر کا جائزہ لیا مزید برآں آڈٹ کمیٹی نے لٹل کمپینز کے لیے کوڈ آف کارپوریٹ گورننس 2019 کے تقاضوں کے مطابق کمپنی کے انٹرنل اور ایکسٹرنل آڈٹ رپورٹس میں ظاہر کردہ معاملات پر متعلقہ آڈیٹرز کے ہمراہ الگ الگ اجلاسوں میں غور و خوض کیا۔

## انسانی وسائل کی کمیٹی:

انسانی وسائل کی منصوبہ بندی اور انتظام بالخصوص شعبہ کی سربراہی کی سطح پر بہت اہمیت کے حامل ہیں۔ جس کے لیے کمپنی کی ایک انسانی وسائل کمیٹی ہے۔ یہ کمیٹی اہم عہدوں پر تعیناتی رخصتی اور معاوضوں کا وقتاً فوقتاً جائزہ لیتی ہے نیز یہ کمیٹی کمپنی کی انسانی وسائل کی پالیسی میں بہتری کی تجاویز بھی دیتی ہے۔ زیر جائزہ سال میں اس کمیٹی کا ایک اجلاس ہوا جس میں اراکین کی شرکت کی تفصیل اس طرح ہے۔

اجلاس میں شرکت کی تعداد	حیثیت	اراکین کے نام
1/1	آزاد ڈائریکٹر	جناب ہارون عسکری
2/2	رکن	جناب عاصم غنی صاحب
2/2	رکن	جناب شاہد حسین جتوئی
2/2	رکن	جناب محمد صدیق کھوکھر
1/1	رکن	جناب سلیمان لالانی
1/2	رکن	جناب ذکریا عثمان صاحب
1/1	سابقہ چیئرمین۔ (آزاد)	جناب محمد سلمان حسین چاؤلہ

زیرائزہ سال کے دوران بورڈ نے ایک نئی ہیومن ریسورس کمیٹی قائم کی ہے جس کے موجودہ چئرمین جناب ہارون عسکری جناب محمد حسین چاؤلہ کی جگہ منتخب ہوئے تھے۔

## رسک مینجمنٹ کمیٹی:

رسک مینجمنٹ کمیٹی کمپنی رسک مینجمنٹ فریم ورک اور اندرونی کنٹرول سسٹم کی مناسبت اور افادیت کی نگرانی کرنے میں بورڈ کی مدد کرتی ہے مثلاً آپریشنل، اسٹریٹجک، بیرونی خطرات، مالیاتی، پیداواری اور متعلقہ ملکی قوانین پر عملدرآمد وغیرہ کا جائزہ لیتی ہے۔ زیر جائزہ سال کے دوران اس کمیٹی کا ایک اجلاس منعقد ہوا۔

### بورڈ آف ڈائریکٹرز کی ترتیب:

العباس شوگر ملز لمیٹیڈ کا ایک بورڈ آف ڈائریکٹرز ہے جس کے اراکین کی تعداد آٹھ (8) ہے جو چھ (6) مرد حضرات اور دو (2) خواتین پر مشتمل ہے اور ان سب خواتین و حضرات کا انتہائی متنوع پس منظر، بنیادی قابلیت، علم اور کمپنی کے کاروبار سے پیشہ وارانہ مہارت پر مشتمل ہے نیز ہمارے بورڈ آف ڈائریکٹرز کی درج ذیل ساخت کمپنی کے تمام شیئرز ہولڈرز کی نمائندگی کرتی ہے

### بورڈ کی ڈائریکٹر شپ:

الف:	خود مختار ڈائریکٹر	3 (تین)
ب:	نان ایگزیکٹو ڈائریکٹر	3 (تین)
ج:	خواتین ڈائریکٹر	2 (دو)

### چیف ایگزیکٹو ڈائریکٹر کے مشاہرہ کی پالیسی:

کمپنی چیف ایگزیکٹو کے مشاہرے کی ضمن میں منظور شدہ پالیسی رکھتی ہے اور بورڈ کمپنی کی کارکردگی کے اعتبار سے اس کا وقتاً فوقتاً جائزہ لیتا ہے۔ چیف ایگزیکٹو کی تنخواہ اور دیگر مراعات کی تفصیلات کمپنی کے مالیاتی گوشواروں کے نوٹ نمبر 45 میں ظاہر کی گئی ہیں۔

### نان ایگزیکٹو ڈائریکٹرز کے مشاہرہ کی پالیسی:

نان ایگزیکٹو ڈائریکٹرز، بشمول آزاد ڈائریکٹرز، کے بورڈ کے اجلاسوں میں شرکت کی فیس اور ان کے مشاہرہ کا تعین بورڈ کی طے شدہ پالیسی کے مطابق ہے۔ جس میں کہ آزاد ڈائریکٹرز بھی میٹنگ فیس کے حقدار ہیں جس کے ریٹس بورڈ سے منظور شدہ ہیں۔

### بورڈ آف ڈائریکٹرز کے اجلاس:

سال 30 ستمبر 2022 کے دوران بورڈ آف ڈائریکٹرز کے سات (7) اجلاس منعقد ہوئے جن میں ڈائریکٹرز کی شرکت کی تفصیلات درج ذیل ہیں۔

ڈائریکٹر کے اسماء گرامی	حیثیت	اجلاسوں میں شرکت کی تعداد
جناب ذکریا عثمان صاحب	چیرمین	7/7
جناب عاصم فی صاحب	چیف ایگزیکٹو آفیسر	7/7
محترمہ ماسما کوچن والا	خاتون ڈائریکٹر	7/7
محترمہ درخششاں ذوہیب	خاتون ڈائریکٹر	7/7
جناب ہارون عسکری	آزاد ڈائریکٹر	6/7
جناب محمد سلمان حسین چاؤلہ	آزاد ڈائریکٹر	7/7
جناب محمد صدیق کھوکھر	آزاد ڈائریکٹر	6/7
جناب شاہد حسین جتوئی	نان ایگزیکٹو ڈائریکٹر	7/7
جناب سلیمان لالانی	نان ایگزیکٹو ڈائریکٹر	7/7

## دیگر قابل ذکر شعبہ جات:

کراچی پورٹ ٹرسٹ کی جانب سے ٹینگوں کی مرمت اور دیکھ بھال کے کام کے لیے ٹینک وارا اجازت دینا شروع کر دی گئی ہے تاکہ اسٹورج کے کام کو آسانی سے چلایا جاسکے۔ ہمیں پوری امید ہے کہ مرمت کا کام آنے والے سالوں میں مکمل ہو جائے گا۔ ایک بار مرمت اور دیکھ بھال کا کام مکمل ہو جانے کے بعد اس شعبے میں مذید منافع کی توقع ہے۔ موجودہ کاروباری حالات کے پیش نظر کیمیکل، الائز اور پاور کے شعبہ کی پیداواری سہولیات کو معطل کر دیا گیا ہے اور جب یہ حالات بہتر ہوں گے تو اس کے دوبارہ شروع ہونے کے معاملے کا جائزہ لیا جائے گا۔

## بحیثیت مجموعی:

کمپنی کے کاروبار کا پاکستان کے معاشی حالات اور برآمد کرنے والے ممالک کے معاشی حالات سے گہرا تعلق ہے۔ توانائی کی بڑھتی ہوئی قیمتیں، سپلائی چین میں خلل، مالیاتی لاگت میں اضافہ اور زیادہ افراط زر وغیرہ کے باعث ملکی اقتصادی حالات تیزی سے تبدیل ہو رہے ہیں تاہم آپ کی کمپنی کی انتظامیہ اقتصادی ماحول میں غیر یقینی کی صورت حال، شرح مبادلہ میں غیر معمولی اتار چڑھاؤ، خام مال کی بڑھتی ہوئی قیمتیں، قرض لینے کی لاگت، سخت مقابلہ، لاجسٹک کے مسائل جیسے چینلجوں سے نمٹنے کے لیے تیار ہے اور حالات کے مطابق لائحہ عمل وضع کر کے باقاعدہ جائزہ لیتی ہے تاکہ اس امر کو یقینی بنایا جاسکے کہ کمپنی ترقی کی راہ پر گامزن رہے۔ ہم پر امید ہیں کہ کمپنی کی کارکردگی برقرار رہے گی اور آنے والے سالوں میں آمدنی، منافع اور سرمایہ کی دستیابی کے لحاظ سے مذید بہتری آئے گی۔

## آڈیٹرز کی رپورٹ پر تبصرہ:

جیسا کہ مالیاتی گوشواروں کے نوٹ نمبر 34.1.C میں مکمل وضاحت کی گئی ہے کہ ایک سوٹ نمبر 281 سندھ ہائی کورٹ کراچی میں کمپنی اور دیگر نو افراد کے خلاف دائر کیا گیا ہے جس کے وضاحتی نوٹ میں کمپنی کے معاملات میں بدانتظامی کا الزام ہے۔ کمپنی کی انتظامیہ مدعی کے ان تمام الزامات کی تردید کرتی ہے اور اس کا موقف ہے کہ اس سوٹ کا کوئی ٹھوس نتیجہ برآمد نہیں ہوگا اور اس معاملے میں کمپنی کی طرف سے کوئی مالی انکشاف متوقع نہیں ہے۔

## متعلقہ فریق کے معاملات:

یہ معاملات کاروبار میں مروجہ اصول یعنی فریق کے درمیان آزادانہ اور بے کسی دباؤ کے معاملات کی بنیاد کمپنیز ایکٹ 2017 کی متعلقہ دفعات کے تحت انجام پزیر ہوئے ہیں۔ نیز کمپنی نے کسی بھی ڈائریکٹر یا افسر کے ساتھ ایسی کوئی معاملت نہیں کی ہے جو کہ کمپنی کے مفاد کے خلاف ہو یا جس کے لیے حصص یافتگان کی منظوری کی ضرورت پڑے۔ ایسے تمام معاملات زیر جائزہ سال میں بورڈ اور آڈٹ کمیٹی کو غور و خوض اور منظوری کے لیے پیش کیے گئے جو بعد ازاں کمپنی پالیسیز کے مطابق ہونے کی بناء پر بورڈ نے منظور کر لیے تھے۔ یہ معاملات کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کے نوٹ نمبر 45 اور 50 میں بیان کیے گئے ہیں۔

## دیگر قابل ذکر شعبہ جات:

کراچی پورٹ ٹرسٹ کی جانب سے ٹینکوں کی مرمت اور دیکھ بھال کے کام کے لیے ٹینک وارا اجازت دینا شروع کر دی گئی ہے تاکہ اسٹوریج کے کام کو آسانی سے چلایا جاسکے۔ ہمیں پوری امید ہے کہ مرمت کا کام آنے والے سالوں میں مکمل ہو جائے گا۔ ایک بار مرمت اور دیکھ بھال کا کام مکمل ہو جانے کے بعد اس شعبے میں مزید منافع کی توقع ہے۔ موجودہ کاروباری حالات کے پیش نظر کیمیکل، الائز اور پاور کے شعبہ کی پیداواری سہولیات کو معطل کر دیا گیا ہے اور جب یہ حالات بہتر ہوں گے تو اس کے دوبارہ شروع ہونے کے معاملے کا جائزہ لیا جائے گا۔

## بحیثیت مجموعی:

کمپنی کے کاروبار پاکستان کے معاشی حالات اور برآمد کرنے والے ممالک کے معاشی حالات سے گہرا تعلق ہے۔ توانائی کی بڑھتی ہوئی قیمتیں، سپلائی چین میں خلل، مالیاتی لاگت میں اضافہ اور زیادہ افراط زر وغیرہ کے باعث ملکی اقتصادی حالات تیزی سے تبدیل ہو رہے ہیں تاہم آپ کی کمپنی کی انتظامیہ اقتصادی ماحول میں غیر یقینی صورتحال، شرح مبادلہ میں غیر معمولی اتار چڑھاؤ، خام مال کی بڑھتی ہوئی قیمتیں، قرض لینے کی لاگت، سخت مقابلہ، لاجسٹک کے مسائل جیسے چیلینجوں سے نمٹنے کے لیے تیار ہے اور حالات کے مطابق لائحہ عمل وضع کر کے باقاعدہ جائزہ لیتی ہے تاکہ اس امر کو یقینی بنایا جاسکے کہ کمپنی ترقی کی راہ پر گامزن رہے۔ ہم پر امید ہیں کہ کمپنی کی کارکردگی برقرار رہے گی اور آنے والے سالوں میں آمدنی، منافع اور سرمایہ کی دستیابی کے لحاظ سے مزید بہتری آئے گی۔

## آڈیٹرز کی رپورٹ پر تبصرہ:

جیسا کہ مالیاتی گوشواروں کے نوٹ نمبر 34.1.C میں مکمل وضاحت کی گئی ہے کہ ایک سوٹ نمبر 281 سندھ ہائی کورٹ کراچی میں کمپنی اور دیگر نو افراد کے خلاف دائر کیا گیا ہے جس کے وضاحتی نوٹ میں کمپنی کے معاملات میں بدانتظامی کا الزام ہے۔ کمپنی کی انتظامیہ مدعی کے ان تمام الزامات کی تردید کرتی ہے اور اس کا موقف ہے کہ اس سوٹ کا کوئی ٹھوس نتیجہ برآمد نہیں ہوگا اور اس معاملے میں کمپنی کی طرف سے کوئی مالی انکشاف متوقع نہیں ہے۔

## متعلقہ فریق کے معاملات:

یہ معاملات کاروبار میں مروجہ اصول یعنی فریق کے درمیان آزادانہ اور بناء کسی دباؤ کے معاملات کی بنیاد کمپنیز ایکٹ 2017 کی متعلقہ دفعات کے تحت انجام پزیر ہوئے ہیں۔ نیز کمپنی نے کسی بھی ڈائریکٹریٹس کے ساتھ ایسی کوئی معاملت نہیں کی ہے جو کہ کمپنی کے مفاد کے خلاف ہو یا جس کے لیے حصص یافتگان کی منظوری کی ضرورت پڑے۔ ایسے تمام معاملات زیر جائزہ سال میں بورڈ اور آڈٹ کمیٹی کو غور و خوض اور منظوری کے لیے پیش کیے گئے جو بعد ازاں کمپنی پالیسیز کے مطابق ہونے کی بناء پر بورڈ نے منظور کر لیے تھے۔ یہ معاملات کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کے نوٹ نمبر 45 اور 50 میں بیان کیے گئے ہیں۔

## مستقبل کے امکانات:

کرشنگ سیزن 2022-23 کے لیے حکومت سندھ نے گنے کی کم از کم امدادی قیمت -302/ روپے فی من بتاریخ 23 نومبر 2022 ایک نوٹیفیکیشن کے ذریعے مقرر کی ہے جبکہ یہ گذشتہ سیزن 2021-22 میں یہ امدادی قیمت 250 فی من مقرر کی تھی۔ اس کے علاوہ شوگر ملوں کو چاہیے کہ وہ کوالٹی پریمیم شکر حصولی کی ہر 0.1 فیصد کے لیے -/0.50 Rs کی شرح سے ادا کریں جو کہ عمومی شرح 8.7 فیصد سے کچھ زیادہ ہے۔

گذشتہ سیزن کے تجربہ کی بنیاد پر شوگر ملوں کو گنے کی مسلسل فراہمی کو یقینی بنانے کے لیے زیادہ قیمتیں ادا کرنا پڑتی ہیں کیونکہ عدم ادائیگی کی صورت میں کاشتکاروں کی جانب سے گنے کی فراہمی روک دی جاتی ہے جس کے باعث شوگر ملوں کے درمیان گنے کی قیمتوں کو انتہائی منفی مقابلہ ہوتا ہے نیز گنے کی قیمت میں اضافہ کی وجہ سے پیداواری لاگت بھی بڑھتی ہے جس کا براہ راست اثر شوگر ملوں کے منافع پر بھی پڑتا ہے۔

گذشتہ سال گنے کی کاشت میں قابل ذکر اضافہ ہوا کیونکہ گذشتہ تین سالوں سے کاشتکاروں کو گنے کی کاشت میں اچھا منافع ہو رہا ہے۔ نیز اگلے سیزن کے لیے بھی یہی توقع تھی مگر حالیہ سیلاب نے زیر کاشت زمین کے بہت بڑے رقبے کو تباہ کر دیا ہے اور توقع ہے کہ سندھ کی علاقوں میں شکر حصولی کی شرح تقریباً 20 فیصد کم ہوگی۔ سندھ کی شوگر ملوں نے حکومت سندھ سے مطالبہ کیا ہے کہ سال 2017-18 کے لیے شکر کی برآمد پر سبسڈی کی بقایا رقم جلد ادا کی جائے۔ کمپنی گنے کے رقبے میں ترقی کے بہت کام کر رہی ہے تاکہ گنے کے معیار کو بہتر بنایا جاسکے۔

## استھنول کا شعبہ:

آپ کی کمپنی کا استھنول کا شعبہ کئی سالوں سے سب سے زیادہ منافع بخش ثابت ہوا۔ وباء کے بعد عالمی معیشتیں بحال ہو چکی ہیں اور ملکوں کے درمیان تجارت پھر سے بحال ہوئی ہے جس سے استھنول کی مانگ میں اضافہ ہوا ہے۔

یوکرین اور روس کے مابین جنگ کی وجہ سے بڑھتے ہوئے جغرافیائی اور سیاسی خطرات عالمی اقتصادی حالات پر منفی اثر ڈالیں گے جس سے جی ڈی پی میں نمایاں کمی اور افراط زر میں نمایاں اضافہ کا امکان ہے۔

گندم، مکئی اور سورج مکھی کے تیل کی قیمتیں پہلے ہی ریکارڈ بلند سطح کو چھو چکی ہیں۔ نیز توانائی کی قیمتیں بھی اس بلند سطح پر پہنچ چکی ہیں جو کہ گذشتہ ایک دہائی میں نہیں دیکھی گئی تھیں۔ ان دونوں ملکوں کے درمیان تنازعہ نے زرعی فصلوں کی موجودہ اور مستقبل کی پیداوار کو شدید متاثر کیا ہے۔ مولا سسر کی قیمت میں 40 سے 50 فیصد اضافہ متوقع ہے جبکہ استھنول کی قیمت فروخت بدستور مستحکم رہنے کی امید ہے تاہم بہت سے معاملات کا انحصار یوکرین روس جنگ کی شدت اور عالمی معیشت پر اس کے اثرات پر ہوگا جو وقت کے ساتھ ساتھ سامنے آئے گا۔

اس شعبہ کی شرح منافع کا انحصار امریکی ڈالر کے مقابلے میں پاکستانی روپے کی شرح مبادلہ پر ہے جو فی الوقت کمزور ہو رہا ہے۔

آپ کی کمپنی کی انتظامیہ مدید بہتری کیلئے مسلسل کام کر رہی ہے۔ استھنول کی پیداوار مولا سسر کی دستیابی پر منحصر ہے جو شکر کی پیداوار کے نتیجے میں تیار ہوتا ہے۔ آپ کی کمپنی کی انتظامیہ نے حریف کمپنیوں کے مقابلے میں زیادہ سے زیادہ فائدہ اٹھانے کے لیے سیزن کے آغاز سے پہلے اگلے سال کی زیادہ سے زیادہ مقدار میں مولا سسر کو حاصل کرنے کی مشق کی ہے۔ ان تمام حقائق کے باوجود اس شعبہ کی ترقی کے کافی روشن امکانات ہیں۔

2021	2022	مالیاتی کارکردگی
----- روپے ہزار میں -----		
4,577,195	7,299,283	فروخت
(3,590,078)	(5,077,150)	لاگت فروخت
987,117	2,222,133	خام منافع
(100,327)	(132,406)	تقسیمی لاگت
(62,640)	(60,971)	انتظامی اخراجات
824,150	2,028,756	پیداواری منافع
(72,692)	(84,603)	دیگر پیداواری اخراجات
(55,363)	(93,756)	مالیاتی لاگت
55,255	246,696	دیگر آمدن
751,350	2,097,093	منافع قبل از ٹیکس
(46,816)	(94,075)	ٹیکس
704,534	2,003,018	منافع بعد از ٹیکس

انتھنول کے شعبے میں بعد از ٹیکس منافع میں تقریباً 184.30 فیصد اضافہ ہوا ہے جس کی بنیادی وجہ فروخت کی مقدار میں 32.48 فیصد اضافہ ہے اور پاکستانی روپے کی قدر میں امریکی ڈالر کے مقابلے میں نمایاں کمی ہے جس سے اس برآمدی صنعت کو نمایاں فائدہ پہنچا ہے۔ زیر جائزہ سال میں COVID-19 کی پابندیوں کے بعد کاروباری سرگرمیاں بحال ہونے کے بعد انتھنول کی مانگ میں اضافہ دیکھنے میں آیا۔

مولاسسز کی پیداوار کا انحصار شکر کی پیداوار پر ہے یعنی اگر شکر کی پیداوار کم ہو جائے تو لازمی طور پر مولاسسز کی پیداوار پر بھی اس کا اثر پڑے گا۔ حریف ڈسٹری کمپنیوں کے مابین شکر کی پیداوار سے مولاسسز کی زیادہ سے زیادہ مقدار حاصل کرنے کے لیے سخت مقابلہ ہوا جس نے مائیکٹ میں مولاسسز کی دستیابی کو کم کر دیا تاہم آپ کو یہ جان کر خوشی ہوگی کہ آپ کی کمپنی کی انتظامیہ نے ارزوں قیمت پر پہلے سے مولاسسز کی خریداری کر کے ایک شاندار کام سرانجام دیا ہے۔

انتظامیہ نے زیادہ منافع بخش سیلزکس سے فائدہ اٹھانے کے لیے انتھنول کے سیلزکس کو بھی تبدیل کرنے کی کوشش کی ہے۔ خاص طور پر بلک سیلزکس پر انحصار بڑھا دیا گیا جبکہ آئی ایس او/ڈرم سیلز پر انحصار کم ہوا ہے۔

### دیگر منافع بخش شعبہ جات:

چھوٹی بھٹی کی آزمائشی پیداوار مارچ 2022 کے دوران شروع کی گئی تھی تاہم ایندھن اور بجلی کی قیمتوں میں بے پناہ اضافے کے باعث یہ آپریشن دوبارہ معطل کر دیا گیا ہے جبکہ کیمیکل اور بجلی کی پیداواری سہولت اس دوران معطل رہی۔

اسٹوریج ٹینک ٹرمینل کو کسٹم بانڈ ڈگودام کے طور پر کام کرنے کا لائسنس دیا گیا جبکہ بلک مائع کارگو کو ہینڈل کرنے کی کل صلاحیت 22,850 میٹرک ٹن ہے۔ ٹرمینل میں خطرناک اشیاء کو ذخیرہ کرنے کی اجازت ہے جس میں انتھنول کے ساتھ دیگر پیٹرو لیوم مصنوعات بھی شامل ہیں۔ آپ کی کمپنی کا تیار کردہ انتھنول کا ذخیرہ بھی اسی ٹینک ٹرمینل میں محفوظ ہے تاکہ برآمدی آرڈرز کی بروقت ترسیل کو آسان اور ممکن بنایا جاسکے۔ نیز کرایہ داروں کی مانگ میں کمی اور عدم دستیابی نوٹ کی گئی ہے۔ زیر جائزہ سال کے دوران دیگر شعبوں سے 97.043 ملین روپے کا نقصان ہوا ہے جبکہ گزشتہ سال کے دوران یہ نقصان 53.315 ملین روپے کا تھا۔

## مالیاتی کارکردگی

2021	2022	
----- (روپے ہزار میں) -----		
2,801,207	3,008,363	فروخت
(2,606,311)	(2,795,589)	لاگت فروخت
194,896	212,774	خام منافع
(7,279)	(10,082)	تقسیمی لاگت
(96,348)	(96,669)	انتظامی اخراجات
91,269	106,023	پیداواری منافع
(9,278)	6,429	دیگر پیداواری اخراجات
(28,571)	(74,889)	مالیاتی لاگت
82,926	12,144	دیگر آمدن
136,346	49,707	منافع قبل از ٹیکس
(35,636)	(41,993)	ٹیکس
100,710	7,714	منافع بعد از ٹیکس

زیر جائزہ سال کے دوران آپ کی کمپنی کے شکر کے شعبے کی آمدنی گذشتہ سال کے مقابلے میں 7.39 فیصد زیادہ ہوئی جس کی بنیادی وجہ شکر کی زیادہ مقدار میں فروخت تھی۔ نیز مالیاتی لاگت میں گذشتہ سال کے مقابلے میں 162 فیصد کا اضافہ ہوا۔ شکر صرف اسی وقت برآمد ہوتی ہے جب ملک میں شکر کا اضافی ذخیرہ موجود ہو۔ نیز شکر کی فروخت کا نظام بھی معاشیات کے انتہائی سادہ اصول طلب درسد پر مبنی ہے۔ شکر کی طلب کے مقابلے میں اس کی پیداوار زیادہ ہونے کی وجہ سے مقامی مارکیٹوں میں شکر کی قیمتیں کم رہیں۔

استتھنول ڈویژن:

## پیداواری کارکردگی

2021	2022	
35,330	38,549	پیداوار - میٹرک ٹن یونٹ I اور II
31,406	41,607	فروخت - میٹرک ٹن



روپے ہزار میں	منافع بعد از ٹیکس
1,913,689	غیر مختص منافع منقسمہ - سال کے شروع میں
1,803,227	حتی منافع منقسمہ سال 2021 - 10 روپے فی حصص
(173,623)	عبوری منافع سال 2022 - 25 روپے فی حصص
(434,058)	ملازمین کے مالی فوائد کے منصوبوں کی ذمہ داری کے از سر نو تعین پر نقصان
(6,516)	خالص دستیاب غیر مختص شدہ منافع
3,102,720	

### شعبہ جاتی نتائج:

شکر، ایتھنول، اسٹوریج ٹینک ٹرمنل، کیمیکل اور بھرت ڈویژنز کے پیداواری نتائج مندرجہ ذیل ہیں۔

### شکر کا شعبہ:

جیسا کہ سیزن 2021-22 میں پیش گوئی کی گئی تھی کہ گنے کے پودے لگانے میں اضافہ کی وجہ سے بہتر پیداوار ہوگی۔ حکومت سندھ نے کرشنگ سیزن 2021-22 کے لیے گنے کی کم از کم امدادی قیمت - 250 روپے فی من مقرر کی تھی جبکہ سیزن 2020-21 میں امدادی قیمت - 202 روپے فی من مقرر کی تھی۔ اگرچہ گذشتہ کچھ سالوں سے گنے کی بڑھتی ہوئی قیمتوں نے کاشتکاروں کو اپنی سرمایہ کاری کے شاندار منافع کی کشش نے گنے کی پیداوار بڑھانے میں اہم کردار ادا کیا ہے لیکن گنے کی بڑھتی ہوئی قیمتوں کے ساتھ ساتھ اس میں سرمایہ کاری کے لیے بھاری سرمایہ درکار ہوتا ہے۔

2020-21	2021-22	پیداواری کارکردگی
06 نومبر 2020	11 نومبر 2021	موسم کے آغاز کی تاریخ
106	116	پیداواری دورانیہ - دن
79.351	99.572	کرشنگ کے حقیقی پیداواری دن
370,402	501,010	کرشنگ - (میٹرک ٹن)
38.440	53,945	گنے سے پیداوار - (میٹرک ٹن)
35,213	42.062	فروخت - (میٹرک ٹن)

الحمد للہ زیر جائزہ سال کے دوران کمپنی کو مطلوبہ برآمدات ملیں جس سے دستیاب صلاحیتوں کا زیادہ سے زیادہ استعمال ممکن ہوا اس کے نتیجے میں کمپنی نے اب تک کی سب سے زیادہ آمدنی 10.362 بلین روپے اور بعد از ٹیکس 1.916 بلین روپے کا منافع حاصل کیا۔ یہ مندرجہ ذیل ایشا ندرستان گج سال کے آغاز میں پیش آنے والے واقعہ کے باوجود حاصل کیے گئے حالانکہ ڈسٹری پلائٹس تقریباً دو ماہ تک بند رہے۔ 2022 اور 2021 کے اہم اعداد و شمار کا موازنہ اس قابل ذکر بہتری کو ظاہر کرتا ہے۔

2021	2022	یونٹ	تفصیلات
4,327.46	7,187.90	روپے بلین میں	برآمدی فروخت
3,093.92	3,174.29	روپے بلین میں	مقامی فروخت اور خدمات۔ خالص
1,129.79	2,338.93	روپے بلین میں	خام منافع
834.72	2,050.19	روپے بلین میں	قبل از ٹیکس منافع
751.93	1,913.69	روپے بلین میں	بعد از ٹیکس منافع
1,028.16	2,329.64	روپے بلین میں	منافع قبل از سود و فرسودگی
43.31	110.22	روپے میں	منافع۔ فی حصص
38.63	38.92	فیصد	سرمایہ کے مقابلے میں قرض کی شرح
1.45	1.63	مرتبہ	قلیل المدت ادائیگیوں کے مقابلے میں دستیاب سرمایہ کی شرح
194.13	265.27	روپے	کمپنی کے اثاثوں کے مقابلے میں حصص کی قیمت
15.22	22.57	فیصد	خام منافع کی شرح
11.25	19.79	فیصد	قبل از ٹیکس منافع کی شرح
10.13	18.47	فیصد	بعد از ٹیکس منافع کی شرح

مندرجہ بالا نتائج باوجود سخت کاروباری حالات مثلاً امریکی ڈالر کے مقابلے میں پاکستانی روپے کی غیر معمولی گراوٹ، خام مال کی قیمتوں میں اضافہ، نقل و حمل کے مسائل، مسلسل بڑھتی ہوئی لاگت اور افراط زر میں اضافہ جیسی مشکلات کے باوجود حاصل کیے گئے۔

آپ کی کمپنی کے پاس چینی اور اتھنول کے جدید پلائٹس ہیں ساتھ ہی عمدہ پیداواری عمل اور جدت کے ذریعے کمپنی اعلیٰ معیار کی چینی اور اتھنول کی مصنوعات تیار کرنے کے لیے پرعزم ہے۔ زیر جائزہ سال کے دوران کمپنی اپنی مصنوعات کو مختلف براعظموں جیسے ایشیا، افریقہ اور یورپ میں برآمدی فروخت کرنے میں کامیاب ہوئی ہے۔

### کاروباری جائزہ:

زیر جائزہ سال 2022 میں عالمی اور غیر ملکی سطح پر سخت حالات مثلاً COVID-19 کے بعد اجناس کی قیمتوں میں بے پناہ اضافہ، معاشی اور سیاسی عدم استحکام کے باوجود آپ کی کمپنی کی برآمدی فروخت 2.86 بلین روپے یعنی تقریباً 66 فیصد بڑھ گئی۔

منافع منقسمہ اور اس کی تخصیص:

بورڈ آف ڈائریکٹرز نے اپنی میٹنگ منعقدہ 27 دسمبر 2022 میں حتمی نقد منافع منقسمہ 300 فیصد یعنی 30 روپے فی حصص کی تجویز پیش کی ہے اور یہ حتمی نقد منافع اس 250 فیصد عبوری منافع منقسمہ یعنی 25 روپے فی حصص کے علاوہ ہے جو پہلے ہی ادا کیا جا چکا ہے۔ چنانچہ کل منافع منقسمہ برائے سال 30 ستمبر 2022 954.927 ملین روپے یعنی 55 روپے فی حصص ہوا ہے۔ حتمی منافع منقسمہ کی منظوری بورڈ کمپنی کے سالانہ اجلاس عام منعقدہ 26 جنوری 2023 کے دوران حصص یافتگان سے حاصل کرے گا۔ ان مالیاتی گوشواروں میں حتمی نقد منافع منقسمہ کی تخصیص شامل نہیں ہے جبکہ دیگر مختص شدہ تخمینے جو کہ بورڈ نے منظور کیے ہیں مندرجہ ذیل ہیں۔

## ڈائریکٹرز رپورٹ

شروع اللہ کے نام سے جو نہایت مہربان اور رحم کرنے والا ہے۔ بورڈ آف ڈائریکٹرز آپ کی خدمت میں کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشوارے اور آڈیٹرز کی رپورٹ برائے سال 30 ستمبر 2022 اور پیداواری اور مالیاتی امور کا مختصر جائزہ پیش کر رہا ہے۔

### اقتصادی اور صنعتی جائزہ:

عالمی اور بالخصوص اجناس کی صنعت انتہائی مشکل صورتحال سے دوچار ہے اور وبا کے بعد اس صنعت میں انتہائی کساد بازاری کا مشاہدہ ہوا ہے کیونکہ COVID-19 کی وبا کے مہیب اثرات سے ابھی تک باہر نہیں آسکی ہے۔ نئی برآں روس اور یوکرائن تنازعہ جس کے باعث مہنگائی کے دباؤ میں اضافہ ہوا جس نے عالمی معیشت کی بحالی کی کوششوں کو شدید متاثر کیا جس کے نتیجے میں خوراک اور اجناس کی قیمتوں میں شدید اضافہ ہوا۔ فیڈرل ریزرو سسٹم کی طرف سے قیمتوں میں تیزی سے اضافے نے دنیا کی تمام معیشتوں بالخصوص امریکہ اور یورپ جیسی بڑی منڈیوں میں عالمی مالیاتی بحران کے حالات پیدا کیے جس کے نتیجے میں دنیا بھر میں منفی معاشی تبدیلیاں ہوئیں مثلاً شرح نمو، ایشیا، خورد و نوش کی قیمتوں میں ہوشربا اضافہ دیکھنے میں آیا جس کے باعث عام لوگوں کی قوت خرید کم ہوئی اور کمزور شرح مبادلہ والے ممالک کی معیشتوں کو مالی بحران کا سامنا کرنا پڑا۔ دنیا بھر کی عالمی منڈیوں کے اتار چڑھاؤ نے پاکستان کی معیشت کو بھی بری طرح متاثر کیا ہے۔ زیر جائزہ مالی سال 2021-22 کے آغاز میں جی ڈی پی کی شرح نمو کا اندازہ 6 فیصد کے قریب لگایا گیا تھا تاہم مذکورہ بالا عوامل نے عالمی معاشی منظر نامے کو تیزی سے تبدیل کر دیا ہے۔ بڑھتے ہوئے مالیاتی اور کرنٹ اکاؤنٹ خسارے، سیاسی عدم استحکام، ایندھن اور خوراک کی بین الاقوامی قیمتوں میں اضافے اور بڑھتے ہوئے تجارتی خسارے نے زرمبادلہ کے ذخائر پر بہت زیادہ دباؤ ڈالا جس کے نتیجے میں پاکستانی روپے کی قدر میں شدید کمی واقع ہوئی جس کے باعث ملک میں مہنگائی میں اضافہ ہوا۔

پاکستان میں موسمیاتی تبدیلیوں کی وجہ سے آنے والے تباہ کن سیلابوں نے قابل کاشت زمین کے وسیع رقبہ کو تباہ کر دیا ہے۔ ایک اندازے کے مطابق زرعی شعبے کی پیداوار کا نقصان تقریباً 25-30 فیصد ہو سکتا ہے جس میں مویشیوں اور فصلوں کے نقصانات بھی شامل ہیں اتنے بڑے رقبے کا یہ نقصان مستقبل قریب میں دور رس منفی اثرات مرتب کرے گا۔ یہ 25-30 فیصد علاقہ پہلے ہی سب سے زیادہ پسماندہ اور غربت کا شکار ہیں جہاں بچے غذائیت کی کمی اور صاف ستھرے پانی کی کمی کا شکار ہیں۔ اس نوعیت کے معاشی اثرات کے منفی نتائج لازماً جی ڈی پی کی شرح نمو میں کمی کے ساتھ افراط زر اور بڑھتی ہوئی مہنگائی ہوں گے۔

شکر کی پیداوار کے لیے گنا بنیادی خام مال ہے۔ پاکستان میں ٹیکسٹائل کے بعد شکر کی صنعت، زراعت پر مبنی، سب سے بڑی صنعت ہے جس کی سالانہ کرشنگ کی صلاحیت 6.1 ملین ٹن سے زیادہ ہے

اور یہ کاشتکار برادری کے لیے سال بھر کی آمدنی اور روزگار کا اہم ذریعہ ہے۔ صوبائی حکومت نے شوگر انڈسٹری اور کسان تنظیموں کے نمائندوں کی مشاورت سے گنے کی خریداری کی قیمت مقرر کی تاہم طلب و رسد کی صورتحال کی بنیاد پر خریدار عام طور پر کم از کم امدادی قیمت سے زیادہ قیمت پر گنے کی خریداری پر مجبور ہوتے ہیں۔ گنے کی قیمتوں میں مسلسل اضافہ نے ملز کے لیے شکر کی منافع بخش پیداوار ناممکن بنا دی ہے۔

کمپنی کی مالی کارکردگی کی جھلکیاں:

2021	2022	
----- (روپے ہزار میں) -----		
834,723	2,050,244	منافع قبل از ٹیکس
( 82,794)	(136,555)	ٹیکس
<u>751,929</u>	<u>1,913,689</u>	منافع بعد از ٹیکس
<u>43.31</u>	<u>110.22</u>	فی حصص منافع۔ روپے میں

# FORM OF PROXY

I/We.....of  
..... being a member of **AL-ABBAS SUGAR MILLS LIMITED**, holding of .....  
ordinary share(s), hereby Appoint Mr./Mrs./Miss .....  
as my / our proxy in my / our absence to attend and vote for me / us, and on my / our behalf at the Annual General Meeting of the Company to be held at Movenpick Hotel, Karachi on **Thursday, January 26, 2023 at 12:00 noon** and at any adjournment thereof.

Signed under my / our hand this .....day of .....2023.

**(Member's Signature on  
Rs. 5.00 Revenue Stamp)**

(Signature should agree with  
the specimen signature  
negotiated with the Company)

Shareholders folio No.....  
CDC A/c No.....  
CNIC No.....

Signed by the said (Name) in the presence of:

## Witnesses

1, Signature .....	2, Signature .....
Name .....	Name .....
CNIC / Passport No. ....	CNIC / Passport No. ....
Address .....	Address .....
.....	.....

## Note:

1. A member entitled to attend and vote at the annual general meeting is entitled to appoint another member as Proxy to attend and vote instead of him/her. A Corporation or a company being a member of the Company may appoint any of its officers, though not a member of the Company.
2. Proxies must be received at the Registered Office of the Company not less than 48 hours before the time appointed for the meeting.
3. The signature on the instrument of proxy must conform to the specimen signature recorded with the Company.
4. CDC Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued 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 whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or original Passport along with participant ID number and the Account number at the time of attending the meeting.
- b) In case of corporate entity, the Boards resolution / power of attorney with specimen signature of the nominee shall be produce [unless it has been provide earlier] at the time of the Meeting.

### B. For appointing Proxies :

- a) In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulation, shall submit the proxy form as per above requirements.
- b) The proxy form shall 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

## نوٹس:

- 1- سالانہ اجلاس عام میں شرکت اور ووٹ کا حقدار ممبر اپنی جگہ کسی اور ممبر کو اپنی جانب سے شرکت کرنے اور ووٹ دینے کے لئے نیابتی مقرر کر سکتا ہے۔ کارپوریشن یا کمپنی بحیثیت کمپنی رکن اپنے کسی بھی افسران کا تقرر چاہے وہ کمپنی کارکن نہ بھی ہو کر سکتی ہے۔
- 2- نیابتی فارم اجلاس کی مقررہ تاریخ سے 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں موصول ہونی چاہیں۔
- 3- نیابتی کے دستاویز دستخط، کمپنی کے ریکارڈ میں موجود دستخط کے نمونے کے ذریعے سے تصدیق لازم کی جائے گی۔
- 4- سی ڈی سی اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج آف پاکستان کی جانب سے جاری کردہ سرکولر نمبر 1 بتاریخ 26 جنوری 2023 میں مقرر کردہ گائڈ لائنز پر عمل کرنا ہوگا۔

## الف۔ برائے اجلاس میں شرکت:

- (i) افراد کی صورت میں اکاؤنٹ ہولڈر اور یا سب اکاؤنٹ ہولڈر اور ان کی رجسٹریشن تفصیلات سی ڈی سی کے ضابطوں کے مطابق اپ لوڈ ہوں اجلاس میں شرکت کے موقع پر اپنی شناخت کے لئے اصل کمپیوٹرائزڈ شناختی کارڈ یا اصل پاسپورٹ بمع پارٹیسپنٹ آئی ڈی نمبر اور اکاؤنٹ نمبر پیش کریں۔
- (ii) کارپوریٹ انٹیٹیٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کئے گئے ہوں) اجلاس کے موقع پر پیش کرنا ہوگا۔

## ب۔ برائے نیابتی کی تقرری:

- (i) افراد کی صورت میں اکاؤنٹ ہولڈر اور یا سب اکاؤنٹ ہولڈر اور ان کی رجسٹریشن تفصیلات سی ڈی سی کے ضابطوں کے مطابق اپ لوڈ ہوں، مندرجہ بالا شرائط کے مطابق نیابتی فارم جمع کرانا ہوگا۔
- (ii) نیابتی فارم پر دو افراد کی گواہی ہونی چاہئے جن کے نام، پتے اور سی این آئی سی یا پاسپورٹ نمبر فارم پر درج ہوں۔
- (iii) نیابتی کے بیفیشل اوزر کی سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں نیابتی فارم کے ہمراہ منسلک ہونی چاہیں۔
- (iv) نیابتی کو اجلاس کے موقع پر اپنا اصل سی این آئی سی یا پاسپورٹ پیش کرنا ہوگا۔
- (v) کارپوریٹ انٹیٹیٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کئے گئے ہوں) پیش کرنا ہوگا۔



Date \_\_\_\_\_

Folio No. \_\_\_\_\_

Name of Shareholder

F/H Name

Address

**Bank Account Details for Payment of Cash Dividend  
(Mandatory Requirement as per the Companies Act, 2017)**

Dear Shareholder,

This is to inform you that in accordance with the Section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Please note that giving bank mandate for dividend payments is **mandatory** and in order to comply with this regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, you are requested to please provide the following information:

Details of Shareholder	
Name of shareholder	
Folio / CDS Account No.	
CNIC No.	
Cell number of shareholder	
Landline number of shareholder, if any	
Details of Bank Account	
Title of Bank Account	
International Bank Account Number (IBAN) " <b>Mandatory</b> "  in	<b>PK</b> (24 digits) (Kindly provide your accurate IBAN number after consulting with your respective bank branch since in case of any error or omission in given IBAN, the company will not be held responsible in any manner for any loss or delay in your cash dividend payment).
Bank's name	
Branch name and address	
It is stated that the above-mentioned information is correct and in case of any change therein, I/ we will immediately intimate Participant / Share Registrar accordingly.	
_____ <b>Signature of shareholder</b>	

You are requested to kindly send this letter immediately duly filled in and signed by you along with legible photocopy of your valid CNIC at our address, **Share Registrar Services, Central Depository Company of Pakistan Limited, CDC House, 99-B, Block B, Main Shahrah-e-Faisal, Mian Shahrah-e-Faisal, Karachi. 74400, Pakistan.**

## Form for Video Conference Facility

The Company Secretary,  
M/s. Al-Abbas Sugar Mills Limited;  
Pardesi House, Survey No.2/1,  
R.Y.16, Old Queens Road,  
Karachi.

I/we, \_\_\_\_\_ of \_\_\_\_\_ being the registered shareholder(s) of **Al-Abbas Sugar Mills Limited** under Folio No. / \_\_\_\_\_ CDC Participant ID No. \_\_\_\_\_ and Sub Account No. \_\_\_\_\_ CDC Investor Account ID No., and holder of \_\_\_\_\_ Ordinary / Preference Shares, hereby request for video conference facility at \_\_\_\_\_ for the Annual General Meeting of the Company to be held on **26 January, 2023**.

Shareholder's Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Note: Copy of CNIC must be furnished with the Form**



Pursuant to the Securities and Exchange Commission of Pakistan's notification S.R.O 470(I)/2016 dated 31 May, 2016, the shareholders of Al-Abbas Sugar Mills Limited in 26th AGM of the Company held on January 30, 2017 had accorded their consent for transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company through CD or DVD instead of transmitting the same in hard copies. The shareholders who wish to receive hard copy of the aforesaid documents through courier or soft copy through email are requested to fill this form and send it to the Company Secretary / Share Registrar.

PLEASE NOTE THAT RECEIPT OF THE HARD COPY OF ANNUAL REPORT THROUGH COURIER OR SOFT COPY VIA EMAIL IS OPTIONAL AND NOT COMPULSORY.

## STANDARD REQUEST FORM

Date: \_\_\_\_\_

### The Share Registrar

CDC House-99B, Block B;  
S.M.C.H.S, Main Shahra-e-faisal,  
Karachi-74400

Pursuant to the directions given by the Securities Exchange Commission of Pakistan through its SRO 470(I)/2016 of May 31, 2016, I, Mr./Ms. \_\_\_\_\_ S/o, D/o, W/o \_\_\_\_\_ hereby consent to have Al-Abbas Sugar Mills Limited's Audited Financial Statements and Notice of Annual General Meeting through the below mentioned mode.

### Hard copy through courier

Name of Member/ Shareholder
Folio/ CDC Account Number
Registered mailing address

### Soft Copy through email address

Name of Member/ Shareholder
Folio/ CDC Account Number
Email address

It is stated that the above mentioned information is true and correct and that I shall notify the Company and its Share Registrar in writing of any change in my registered mailing address or email address or withdrawal of my consent.

\_\_\_\_\_  
Signature of the Member / shareholder

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