



HASEEB WAQAS SUGAR MILLS LIMITED



Company Information

Board of Directors

1. Mr. Raza Mustafa
2. Mian Haseeb Ilyas
3. Mian Waqas Riaz
4. Mrs. Yasmin Riaz
5. Ms. Zainab Waqas
6. Mrs. Shahzadi Ilyas
7. Ms. Zakia Ilyas
8. Miss. Aqsa Riaz

Chairman
Director/Chief Executive
Director
Director
Director
Director
Director
Director

Audit Committee

1. Mr. Raza Mustafa (Chairman)
2. Ms. Zakia Ilyas (Member)
3. Mrs. Yasmin Riaz (Member)

Human Resource & Remuneration Committee

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

Company Secretary

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

Chief Financial Officer

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

Auditors

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

Registrar

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

Mills

Mouza Jagmal, Tehsil Jattoi
District. Muzaffargarh

Registered Office

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

Bankers

National Bank of Pakistan
Sindh Bank Limited
The Bank of Punjab

Legal Advisor

Muhammad Ahsan Khan
(Advocate)

**DIRECTORS' REVIEW
FOR THE HALF YEAR ENDED 31 MARCH 2020**

Dear Members

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

FINANCIAL RESULTS

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

	For the half year ended 31 March	
	2020	2019
	(Rupees in thousand)	
Net Sales	-	-
Gross Profit / (Loss)	(82,443)	(94,766)
Net Profit / (Loss) before tax	(216,068)	(201,513)
Net Profit / (Loss) after tax	(180,994)	(160,394)
Basic Earning	(5.59)	(4.95)

Since review petition dismissed by Supreme Court of Pakistan, we could not operate mills hence incurred losses.

OPERATIONAL DATA

		2020	2019
Crushing days	Days	-	-
Average recovery	%age	-	-
Cane crushed	M.T.	-	-
Sugar produced	M.T.	-	-

AUDITOR'S REPORT

Auditor's emphasis is the financial statements of the Company indicate remained non-operational during the crushing season 2019-2020 and the company faces many legal and liquidation issues and that the company incurred net loss of Rs. 180.993 million (2019:Rs.160.395 million) for the period under review; the equity of the company becomes negative to Rs.1,103.835 million (September 2019: Rs.922,841 million) as at the period ended March 31, 2020 and the current liabilities exceeded current assets by Rs.3,717 million (September 2019: Rs.3,174.98 million). Furthermore, the Supreme Court of Pakistan directed the company to shift the mill to its old location i.e. Nankana Sahib. These conditions indicate the existence of material uncertainty which may cast a significant doubt on the company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in normal course of business.

Auditor's emphasis is the financial statements of the Company indicate that the company neither properly disclosed nor have sufficient and comprehensive plan to start its operations and cater all legal and operational challenges known to us. As a result we do not concur with the management of appropriateness of preparing the interim financial statements on going concern basis. These interim financial statements must be prepared on other than going concern basis.

Auditor's emphasis is the financial statements of the Company which state that the Company could not provide and make available to us all of its books of account and other information which were necessary for the purpose of our review. As a result, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded elements making up the condensed interim statement of financial positions, condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flow.

In reply to Auditors' observations, your directors would like to submit that till the company has sufficient funds either to bring it back to its original location as ordered by Supreme Court of Pakistan or we get relief from Government of Punjab in the shape of approval under section 3 of the Punjab Industries (Control & Enlargement) Ordinance, 1963 which we apprehend to get the same by filing writ petition in Lahore High Court, Lahore. There is no way out to be seen in future.

FUTURE OUTLOOK

The Management of the company moved an application to Ministry of Industries, under section 3 of the Punjab Industries (Control & Enlargement) Ordinance, 1963. The application has been turned down by the Ministry of Industries. The management is in process of moving petition against the same in Lahore High Court, Lahore.

ACKNOWLEDGEMENT

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

Lahore
07 May 2021



On behalf of the Board
(MIAN HASEEB ILYAS)
Chief Executive



INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Haseeb Waqas Sugar Mills Limited

Report on Review of Interim Financial Statements

INTRODUCTION

We have reviewed the accompanying condensed interim statement of financial position of **HASEEB WAQAS SUGAR MILLS LIMITED** as at March 31, 2020 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the financial statements for the six months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended March 31, 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended March 31, 2020.

SCOPE OF REVIEW

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

BASIS FOR QUALIFIED CONCLUSION

As stated in Note # 5 to the Interim Financial Statements, the Company remained non-operational during the crushing season 2019-2020 and the Company faces many legal and liquidation issues. Also the Company incurred net loss of Rs. 180.993 million (2019: Rs. 160.395 million) for the period under review; the equity of the Company becomes negative to Rs. 1,103.835 million (September 2019: Rs. 922,841 million) as at the period ended March 31, 2020; and the Current liabilities exceeded current assets by Rs. 3,717 million (September 2019: Rs. 3,174.98 million). Furthermore, the Supreme Court of Pakistan has directed the Company to shift the mill to its old location i.e. Nankana Sahib. These conditions indicate the existence of material uncertainty which may cast a significant doubt on the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in normal course of business.

The Company neither properly disclosed nor have sufficient and comprehensive plan to start its operations and cater all legal and operational challenges known to us.

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E-mail: qadeerco@brain.net.pk

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Off: +92-51-2894591-3 E-mail: trko@hotmail.com



As a result, we do not concur with the management of appropriateness of preparing the interim financial statements on going concern basis. These interim financial statements must be prepared on other than going concern basis.

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

We expressed Disclaimer of Opinion on the preceding annual financial statements for the year ended September 30, 2019 due the reasons mentioned in the "Basis for Disclaimer of Opinion" paragraph of Auditors' Report to the Members.

DISCLAIMER OF CONCLUSION

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

The engagement partner on the review resulting in this independent auditor's review report is ABDUL RAHMAN.

LAHORE
Dated: May 07, 2021


QADEER & COMPANY
CHARTERED ACCOUNTANTS



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2020

EQUITY AND LIABILITIES	Note	Un-audited	Audited
		March 31, 2020	Sep 30, 2019
		Rupees	
Share Capital and Reserves			
Authorized capital 35,000,000 (Sept. 30, 2018: 35,000,000) ordinary shares of Rs. 10 each		350,000,000	350,000,000
Issued, subscribed and paid up capital	6	324,000,000	324,000,000
Loan from Directors	7	841,631,639	841,631,639
Surplus on Revaluation of Property, Plant and Equipment		1,417,968,928	1,455,221,265
Accumulated loss		(3,687,435,206)	(3,543,694,142)
		(1,103,834,639)	(922,841,238)
Non Current Liabilities			
Long term financing	8	379,500,000	408,000,000
Deferred liabilities		17,343,374	18,004,720
Deferred taxation		591,039,292	626,113,327
		987,882,666	1,052,118,047
Current Liabilities			
Trade and other payables		817,628,256	801,392,947
Markup/ interest payables		740,507,768	613,252,630
Short term borrowings	9	656,292,763	657,541,547
Unclaimed dividend		1,443,972	1,443,972
Current portion of non current liabilities	10	1,272,687,642	1,244,187,642
		3,488,560,400	3,317,818,738
Contingencies and Commitments			
	11	-	-
		3,372,608,428	3,447,095,547
ASSETS			
Non Current Assets			
Property, plant and equipment	12	3,221,409,871	3,303,769,176
Long term deposits		490,000	490,000
		3,221,899,871	3,304,259,176
Current Assets			
Stores, spares and loose tools		55,892,796	55,892,796
Stock in trade	13	-	-
Advances, deposits, prepayments and other receivables		94,327,782	85,198,837
Cash and bank balances		487,979	1,744,738
		150,708,557	142,836,371
		3,372,608,428	3,447,095,547

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

MIAN HASEEB ILYAS
CHIEF EXECUTIVE

RAZA MUSTAF
DIRECTOR

SYED MUBASHIR HUSSAIN BUKHARI
CHIEF FINANCIAL OFFICER

**HASEEB WAQAS SUGAR MILLS LIMITED****CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR AND 2ND QUARTER ENDED MARCH 31, 2020**

	Note	Half year ended		Quarter ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		Rupees		Rupees	
Sales - Net	14	-	-	-	-
Cost of goods sold	15	(82,442,017)	(94,766,911)	(40,053,456)	(45,107,904)
Gross (loss)		(82,442,017)	(94,766,911)	(40,053,456)	(45,107,904)
Operating expenses:					
- Administrative and general		(6,370,033)	(10,724,854)	(3,147,758)	(4,599,866)
		(88,812,050)	(105,491,765)	(43,201,214)	(49,707,770)
Other operating income		-	-	-	-
(Loss) from operation		(88,812,050)	(105,491,765)	(43,201,214)	(49,707,770)
Finance cost		(127,255,386)	(96,021,973)	(61,600,367)	(60,349,220)
(Loss) before taxation		(216,067,436)	(201,513,738)	(104,801,581)	(110,056,990)
Taxation					
Current		-	-	-	-
Deferred		35,074,035	41,118,747	9,275,969	30,797,793
		35,074,035	41,118,747	9,275,969	30,797,793
(Loss) after taxation		(180,993,401)	(160,394,991)	(95,525,612)	(79,259,197)
Loss per share - basic and diluted		(5.59)	(4.95)	(2.95)	(2.45)

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

MIAN HASEEB ILYAS
CHIEF EXECUTIVE

RAZA MUSTAF
DIRECTOR

SYED MUBASHIR HUSSAIN BUKHARI
CHIEF FINANCIAL OFFICER



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE HALF YEAR AND 2ND QUARTER ENDED MARCH 31, 2020

	Half year ended		Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Rupees		Rupees	
(Loss) after taxation	(180,993,401)	(160,394,991)	(95,525,612)	(79,259,197)
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) for the period	<u>(180,993,401)</u>	<u>(160,394,991)</u>	<u>(95,525,612)</u>	<u>(79,259,197)</u>

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

MIAN HASEEB ILYAS
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RAZA MUSTAF
DIRECTOR

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CHIEF FINANCIAL OFFICER



HASEEB WAQAS SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
 FOR THE HALF YEAR ENDED MARCH 31, 2020

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
	<u>Rupees</u>	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(216,067,436)	(201,513,738)
Adjustments for:		
- Depreciation	82,359,305	87,555,015
- Finance cost	127,255,386	96,021,973
	<u>209,614,691</u>	<u>183,576,988</u>
Operating profit before working capital changes	(6,452,745)	(17,936,750)
(Increase) / decrease in current assets:		
- Stores, spares and loose tools	-	(207,929)
- Stock in trade	-	-
- Advances, deposits, prepayments and other receivables	(9,128,945)	16,771,471
Increase / (decrease) in current liabilities:		
- Trade and other payables	16,235,309	(28,766,320)
	<u>7,106,364</u>	<u>(12,202,778)</u>
Cash generated /(used in) from operations	653,619	(30,139,529)
Income tax paid / deducted		-
Gratuity paid	(661,346)	-
Finance cost paid	(248)	30,562,391
Net cash generated from/(used in) operating activities	(7,975)	422,862
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	-	-
Capital work in process	-	-
Proceeds from sale of property, plant and equipment	-	-
Net cash (used in) investing activities	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) from long term loans - Net	-	-
Proceeds / (Repayment) from Directors/Sponsors- Net	-	11,909,317
Proceeds / (Repayment) from short term borrowings - Net	(1,248,784)	(12,482,949)
Net cash generated from financing activities	(1,248,784)	(573,632)
Net increase/(decrease) in cash and cash equivalents	(1,256,759)	(150,770)
Cash and cash equivalents at the beginning of the period	1,744,738	2,103,307
Cash and cash equivalents at the end of the period	<u>487,979</u>	<u>1,952,537</u>

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

MIAN HASEEB ILYAS
CHIEF EXECUTIVE

RAZA MUSTAF
DIRECTOR

SYED MUBASHIR HUSSAIN BUKHARI
CHIEF FINANCIAL OFFICER



HASEEB WAQAS SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
 FOR THE HALF YEAR ENDED MARCH 31, 2020

	Issued Subscribed and Paid up Capital	Loan from Directors	Surplus on Revaluation of Property, Plant & Equipmenys R u p e e s	Accumulated (Loss) / Profit	Total
Balance as at September 30, 2018	324,000,000	829,647,072	1,527,024,369	(3,278,500,546)	(597,829,105)
Loss for the period	-	-	-	(160,394,991)	(160,394,991)
Other comprehensive Income / (Loss) for the Period	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	-	(160,394,991)	(160,394,991)
Transation with Owners:					
Increase / (Decrease) in Director's Laon during the Period	-	11,909,317	-	-	11,909,317
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation - net of Tax	-	-	(39,602,567)	39,602,567	-
Balance as at March 31, 2019	324,000,000	841,556,389	1,487,421,802	(3,399,292,970)	(746,314,779)
Total comprehensive loss for the period	-	-	-	(176,601,709)	(176,601,709)
Net (loss) for the period	-	-	-	-	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	-	(176,601,709)	(176,601,709)
Increase in director's loan during the year	-	75,250	-	-	75,250
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation	-	-	(32,200,537)	32,200,537	-
Balance as at September 30, 2019	324,000,000	841,631,639	1,455,221,265	(3,543,694,142)	(922,841,238)
Total comprehensive loss for the period	-	-	-	(180,993,401)	(180,993,401)
Net loss for the period	-	-	-	-	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	-	(180,993,401)	(180,993,401)
Increase in director's loan during the year	-	-	-	-	-
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation	-	-	(37,252,337)	37,252,337	-
Balance as at March 31, 2020	324,000,000	841,631,639	1,417,968,928	(3,687,435,206)	(1,103,834,639)

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

MIAN HASEEB ILYAS
CHIEF EXECUTIVE

RAZA MUSTAF
DIRECTOR

SYED MUBASHIR HUSSAIN BUKHARI
CHIEF FINANCIAL OFFICER



HASEEB WAQAS SUGAR MILLS LIMITED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED MARCH 31, 2020

1 STATUS AND ACTIVITIES

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

2 STATEMENT OF COMPLIANCE

2.01 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which comprise of International Accounting Standard (IAS) 34 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act) and provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed.

These condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended September 30, 2019.

2.02 This condensed interim financial report comprises of the condensed interim statement of financial position as at March 31, 2020, the condensed interim profit or loss account, the condensed interim profit or loss account and other comprehensive income, condensed interim statement of changes in equity and the condensed interim statement of cash flows for the six months period then ended which have been subjected to a review but not audited. This condensed interim financial report also includes the condensed interim profit or loss account for the quarter ended March 31, 2019 which is not subject to a review.

2.03 The comparative Statement of financial position, presented in this condensed interim financial statement, as at March 31, 2020 has been extracted from the annual audited financial statements of the Company for the year ended September 30, 2019 whereas the comparative condensed interim profit or loss account, the condensed interim profit or loss account and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the six months period ended March 31, 2020 were subjected to review but not audited. The comparative condensed profit or loss account for the quarter ended March 31, 2018 included in this condensed interim financial report was not subject to a review.

3 BASIS OF MEASUREMENT

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

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods for computation adopted for the preparation of this condensed interim financial information is the same as those applied in preparation of the financial statements for the year ended September 30, 2018.

5 GOING CONCERN ASSUMPTION

During the period under review, the Company posted gross loss of Rs. 94,766,911/- as compared to last period's of Rs. 127,643,754/-. Further, the Company remain non operational during the crushing season and resultantly have zero production and sales during the period.

OPERATIONAL MEASURES

In view of above issues Company has taken and / or in the process of taking following mitigating steps:

Shifting of mill to Alipur Jatoi, Muzaffargarh done where sugar cane availability and sugar recovery are better.

BMR done and we will see impact of this BMR in the financials of coming season.

Our review petition (regarding shifting of mill to Alipur Jatoi) dismissed by Supreme Court and management considering alternate options available including but not limited to application to Ministry of Industries and Planning under Section 3 of the Punjab Industries (Control on Establishment and Inlargement) Ordinance, 1963.

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

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

	Year Ended September 30,		
	2021	2022	2023
Sugar Cane Crushing M.T	780,000	800,000	800,000
Sugar cane rate	180	185	190



Sugar price per Kg 60 62 64

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

6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL	Note	Mar. 31, 2020	Sept. 30, 2019
Rupees			
27,000,000 (Sept. 30, 2019: 27,000,000) shares issued for cash.		270,000,000	270,000,000
5,400,000 (Sept. 30, 2019: 5,400,000) shares issued as fully paid bonus share:		54,000,000	54,000,000
		<u>324,000,000</u>	<u>324,000,000</u>

There is no movement in ordinary share capital of the Company during the period.

7 LOAN FROM DIRECTORS	841,631,639	841,556,389
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This loan has been obtained from Sponsors of the Company, and is interest free. There is no fixed tenor or schedule for repayment of this loan. According to the loan agreement, the lenders shall not demand repayment and the same is entirely at the Company's option. Further, this loan is subordinated to National Bank of Pakistan, The Bank of Punjab, Sindh Bank Limited and Silk Bank Ltd.

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

8 LONG TERM FINANCING
Loan from banking companies and other financial institutions-secured

National Bank of Pakistan			
- Demand Finance I	8.1.1	220,000,000	220,000,000
- Demand Finance II	8.1.2	160,000,000	160,000,000
The Bank of Punjab			
- Demand Finance	8.1.3	285,000,000	285,000,000
Sindh Bank Ltd			
- Demand Finance	8.1.4	500,000,000	500,000,000
Silk Bank Ltd			
- Demand Finance	8.1.5	390,000,000	390,000,000
PAIR Investment Company Limited			
- Demand Finance	8.1.6	70,000,000	70,000,000
		<u>1,625,000,000</u>	<u>1,625,000,000</u>
Less: current portion shown under current liabilities			
- NBP - Demand Finance - I		(220,000,000)	(180,000,000)
- NBP - Demand Finance - II		(160,000,000)	(160,000,000)
- BOP - Demand Finance		(256,500,000)	(171,000,000)
- Sindh Bank - Demand Finance		(500,000,000)	(377,626,438)
- Silk Bank Ltd		(39,000,000)	(117,000,000)
- Demand Finance - PAIR		(70,000,000)	(70,000,000)
		<u>(1,245,500,000)</u>	<u>(1,075,626,438)</u>
		<u>379,500,000</u>	<u>549,373,562</u>



Note	Mar. 31, 2020	Sept. 30, 2019
	Rupees	
8.1.1 Demand Finance I - NBP		
Opening balance	220,000,000	220,000,000
Loan obtained during the period / year	-	-
	<u>220,000,000</u>	<u>220,000,000</u>
Less: payment made during the period / year	-	-
	<u>220,000,000</u>	<u>220,000,000</u>

This finance has been obtained from National Bank of Pakistan The finance is secured by 1st PP charge of Rs. 293.334 million on fixed assets of the Company and personal guarantees of sponsoring directors of the Company. It carries markup 3 months KIBOR +2.5% per annum. This loan is payable in ten bi-annual instalments.

8.1.2 Demand Finance II - NBP		
Opening balance	160,000,000	160,000,000
Loan obtained during the period / year	-	-
	<u>160,000,000</u>	<u>160,000,000</u>
Less: payment made during the period / year	-	-
	<u>160,000,000</u>	<u>160,000,000</u>

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

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

This finance has been obtained from The Bank of Punjab through restructuring of existing cash finance facility. The finance is secured by ranking charge over all present and future fixed assets of the Company and personal guarantees of directors of the Company. It carries markup 3 months KIBOR +1.25% per annum. This loan is payable in twenty eight quarterly instalments

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

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

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

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

Note	Mar. 31, 2020	Sept. 30, 2019
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Rupees

8.1.6 Demand Finance - PAIR

Opening balance	70,000,000	70,000,000
Less: payment made during the period / year	-	-
	<u>70,000,000</u>	<u>70,000,000</u>

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

9 SHORT TERM BORROWINGS

Loan from related parties	656,292,763	657,541,547
	<u>656,292,763</u>	<u>657,541,547</u>

10 CURRENT PORTION OF NON CURRENT LIABILITIES

Long term finances	1,245,500,000	1,075,626,438
Liabilities against assets subject to finance lease	27,187,642	27,187,642
	<u>1,272,687,642</u>	<u>1,102,814,080</u>

11 CONTINGENCIES AND COMMITMENTS

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

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

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

Sr. #	Name of the Court	Date Instituted	Principal parties	Description of the factual basis of the proceedings	Relief sought
1	Lahore High Court	03-May-17	Sindh Bank Limited	Default in repayment of principal amount of long term loans along with markup	rescheduling of loan
2	Lahore High Court	29-Jan-16	The Bank of Punjab	Default in repayment of principal amount of long term loans along with markup	rescheduling of loan
3	Lahore High Court	22-Sep-16	National Bank of Pakistan	Default in repayment of principal amount of long term loans along with markup	rescheduling of loan
4	Banking Courts	31-Mar-17	First National Bank Modarba	Default in repayment of principal amount of long term loans along with markup	rescheduling of loan
5	Banking Courts	20-Apr-18	PAIR Investment Company Limited	Default in repayment of principal amount of long term loans along with markup	rescheduling of loan

11.04 Our review petition (regarding shifting of mill to Alipur Jatoi) dismissed by Supreme Court and management considering alternate options available including but not limited to application to Ministry of Industries and Planning under Section 3 of the Punjab Industries (Control on Establishment and Enlargement) Ordinance, 1963.

However if management opt to restore and restitute the position by dismantling & removing the said mills from the present location than cost may be borne by the company.

12 PROPERTY, PLANT AND EQUIPMENT

Opening written down value	3,395,692,278	3,483,247,293
Addition / Deletion during the period	-	-
	3,395,692,278	3,483,247,293
Depreciation for the period / year	(82,359,305)	(87,555,015)
	<u>3,313,332,973</u>	<u>3,395,692,278</u>

13 STOCK IN TRADE

Work in process		
Sugar	-	-
By products stock	-	-
	<u>-</u>	<u>-</u>



	Half year ended		Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Rupees		Rupees	
14 SALES - NET				
- Sugar	-	-	-	-
- Molasses	-	-	-	-
- Mud	-	-	-	-
	-	-	-	-
Less: Sales tax and excise duty	-	-	-	-
	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
15 COST OF GOODS SOLD				
Raw materials consumed	-	-	-	-
Stores and spares consumed	799,405	1,623,522	122,673	1,358,416
Salaries, wages and other benefits	2,154,104	6,920,528	1,205,642	1,828,020
Repair and maintenance	82,527	1,342,802	33,240	488,383
Depreciation	79,332,417	84,314,204	38,691,901	41,074,538
Others	73,564	565,855	-	358,547
	<u>82,442,017</u>	<u>94,766,911</u>	<u>40,053,456</u>	<u>45,107,904</u>
Opening work in process	-	-	-	-
Closing work in process	-	-	-	-
	-	-	-	-
Cost of goods manufactured	<u>82,442,017</u>	<u>94,766,911</u>	<u>40,053,456</u>	<u>45,107,904</u>
Opening finished goods	-	-	-	-
Closing finished goods	-	-	-	-
	-	-	-	-
	<u>82,442,017</u>	<u>94,766,911</u>	<u>40,053,456</u>	<u>45,107,904</u>

16 RELATED PARTY TRANSACTIONS

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

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

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

	March 31, 2020	Sep 30, 2019
	Rupees	
16.1.1 Transactions with Associates		
Sale of molasses		
Abdullah Sugar Mills Ltd	-	-
(Repayment) / Obtain of Laon (to)/from		
Abdullah Sugar Mills Ltd	(1,248,784)	-
Sponsors and Directors	-	11,984,567

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

16.1.3 As per common practice in the sugar industry in Pakistan, the Company also purchased sugar cane from persons associated, directly and indirectly, with management personnel of the Company. These purchases were made in accordance with the cane procurement practice in the sugar industry. It is not practicable to determine the related amounts.



March 31, 2020 Sep 30, 2019
Rupees

16.2 Details of related party balances are as follows:

Due to:		
Abdullah Sugar Mills Limited	654,088,698	655,337,483
Haseeb Waqas Trading (Pvt.) Limited	2,204,064	2,204,064
Loan from Directors and Sponsors	841,631,639	841,631,639

17 AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue by the Board of Directors of the Company on May 31, 2019.

18 GENERAL

- Comparative figures have been rearranged / reclassified, wherever necessary, to facilitate comparison.
- Figures have been rounded off to the nearest of Pakistani rupees.

MIAN HASEEB ILYAS
CHIEF EXECUTIVE

RAZA MUSTAF
DIRECTOR

SYED MUBASHIR HUSSAIN BUKHARI
CHIEF FINANCIAL OFFICER