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HUSEIN

SUGAR

54 years

of excellence

annual report 2021

www.husein.pk

CONTENTS

54 years *of excellence*

Husein Sugar Mills Limited (The Company) was incorporated on February 14, 1966 in Karachi and received its Certificate for Commencement of Business on April 16, 1966. The Company is listed on the Pakistan Stock Exchange and has received the award for Top 25 Companies of Pakistan twice in its history. The Company commenced trial production on January 22, 1968 and went into commercial production on February 15, 1968, making it one of the pioneers of Pakistan's sugar industries. Given the rich history of the company, which is now in its third generation, it enjoys cordial and familial relations with the sugarcane growers of the area.

The ancestors of the current sponsors took control of the Company in 1977 and transformed the Company to its current identity through a continued process of BMR. The current sponsors consolidated control of the company and took over management in 2015. The existing sugar manufacturing process is based on Defecation Remelt Sulphitation that was changed in 1986- 87 from out-fashioned Double Carbonation Double Sulphitation process.

VISION STATEMENT

To be a leading producer of sugar and its by-products by delivering the highest quality of products of the highest international standards to our customers at the lowest possible cost.

To maximize the wealth of our shareholders by increasing equity and earnings in real terms.

To strive for excellence through integrity, unrelenting efforts, and by synergizing the integral components of the company.

To achieve sustainable growth and development by anticipating the expectations of our customers, predicting market trends, and through constant and fluid innovation.

To provide a safe, hygienic, challenging, and non-discriminatory workplace environment to our employees.

To contribute to the social and economic development of our community.

MISSION STATEMENT

Our mission is to be a dynamic, profitable, and growth oriented company by working with all relevant stakeholders to maximize the returns on the investments of our shareholders and investors through the production and sale of the highest quality of products at the lowest possible costs in a secure and harmonious environment. To conduct business with the philosophy of “business for better life, respect for human dignity, and intelligent investment for a prosperous future.”

COMPANY INFORMATION

DIRECTORS

Mian Ahmed Ali Tariq	Chairman
Mian Mustafa Ali Tariq	Chief Executive Officer
Mrs. Sadia Ali Tariq	Non Executive Director
Mrs. Maryam Habib	Executive Director
Mr. Taufiq Ahmed Khan	Independent Director
Mr. M. Imran Khan	Independent Director
Mr. Saif Hasan	Independent Director

CHIEF OPERATING AND FINANCIAL OFFICER

Mr. Wasim Saleem

COMPANY SECRETARY

Mr. Khalid Mahmood

HEAD OF INTERNAL AUDIT

Mr. Zahid Mahmood

AUDIT COMMITTEE

Chairman	Mr. Taufiq Ahmad Khan
Member	Mian Ahmed Ali Tariq
Member	Mr. Muhammad Imran Khan

HUMAN RESOURCE & REMUNERATION COMMITTEE

Chairman	Mian Ahmed Ali Tariq
Member	Mian Mustafa Ali Tariq
Member	Mr. Taufiq Ahmad Khan

RISK MANAGEMENT COMMITTEE

Chairman	Mian Mustafa Ali Tariq
Member	Mrs. Maryam Habib
Member	Mr. Saif Hasan

EXTERNAL AUDITORS

Kreston Hyder Bhimji & Co
Chartered Accountants

SHARE REGISTRAR

M/s Corptec Associates (Pvt) Limited
503 – E, Johar Town, Lahore, Pakistan
Ph: 042-35170336-7
Fax: 042-35170338

LEAGAL ADVISOR

Saad Rasool Law Associates

COST AUDITORS

Fazal Mahmood & Co
Chartered Accountants

MILLS

Lahore Road, Jaranwala
Ph:041-4312499

REGISTERED / HEAD OFFICE

28-C, Block E-1, Gulberg-III, Lahore
Ph: 042-111-111-HSM (476)
Fax: 042-35712680
Email: info@husein.pk

WEBSITE INFORMATION

www.husein.pk

PSX SYMBOL

HSM

BANKERS OF THE COMPANY

ISLAMIC

Askari Bank Limited
Bankislami Pakistan Limited
Dubai Islamic Bank Limited
Habib Bank Limited
Meezan Bank Limited
Orix Modaraba

CONVENTIONAL

Bank Alfalah Limited
First Credit and Investment Bank Limited
National Bank of Pakistan
Samba Bank Limited

CODE OF CONDUCT
FOR DIRECTORS

HUSEIN SUGAR

It is a fundamental policy of the Company to conduct its business with honesty, integrity and in accordance with the highest professional, ethical, and legal standards. The Company has adopted a comprehensive Code of Conduct (Code) for members of the Board of Directors. The Code defines acceptable and unacceptable behavior, provides guidance to Directors in specific situations that may arise and foster a culture of honesty, accountability and high standards of personal and professional integrity.

SALIENT FEATURES OF THE CODE

1. Conflict of Interest

   Each Director must avoid any conflict of interest between the Director and the Company, its associated or subsidiary undertaking(s). Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly.

2. Corporate Opportunities

   Directors are prohibited from taking for themselves personally, opportunities related to the Company's business; using the Company's property, information or position for personal gain or competing with the Company for business opportunities.

3. Confidentiality

   Directors must maintain the confidentiality of information entrusted upon to them by the Company and any other confidential information about the Company and its associated or subsidiary undertaking(s) that comes to them, except when disclosure is authorized by the Chairman of the Board or legally mandated.

4. Honesty, Integrity and Fair Dealing

   Directors must act honestly and fairly and exhibit high ethical standards in dealing with all the stakeholders of the Company.

5. Compliance with Laws, Rules and Regulations

   Directors shall comply with laws, rules and regulations applicable to the Company including but not limited to the Companies Ordinance, 1984, Listing Regulations of the Stock Exchanges and Insider Trading Laws.

6. Encouraging the Reporting of any Possible Illegal or Unethical Behavior

   Directors should take steps to ensure that the Company promotes ethical behavior; encourages employees to talk to supervisors, managers, and other appropriate personnel when in doubt about the best course of action in a particular situation; encourages employees to report violation of laws, rules, regulations, Company policies and procedures or the Company's Code of Conduct to appropriate personnel; and informs employees that the Company will not allow any retaliation for reports made in good faith.

7. Trading in Company Shares

   Certain restrictions / reporting requirements apply to trading by the Directors in Company shares. Directors shall make sure that they remain compliant with these statutory requirements.

8. Compliance Procedures

   Directors should disclose any suspected violations of this Code promptly in the immediate subsequent meeting of the Board of Directors.

9. Compliance Officer

   The Company has designated Company Secretary who serves as a Compliance Officer to administer the Code. Directors, at their discretion may make any report or complaint provided for in this Code to the Chairman of the Board or to the Compliance Officer. The Compliance Officer will refer complaints submitted to the Chairman of the Board.

10. Public Company Reporting

    As a public company it is of great importance that the Company's filings with the SECP and concerned Stock Exchange(s) on which the shares of the Company are or may be listed be full, fair, accurate, timely and understandable. Directors may be requested to provide information necessary to ensure that the Company's published reports meet these requirements. The Company expects directors to provide prompt and accurate answers to enquiries relating to its public disclosure requirements.

11. Disclosure of Interest

    Directors are also required to disclose, at the time of appointment and on an annual basis the directorship and/ or memberships they hold in other companies.

CODE OF CONDUCT FOR EMPLOYEES

It is a fundamental policy of the Company to conduct its business with honesty, integrity, and in accordance with the highest professional, ethical and legal standards. The Company has adopted a comprehensive Code of Conduct (Code) for employees. The Code defines acceptable and unacceptable behavior, provides guidance to Directors in specific situations that may arise and foster a culture of honesty, accountability and high standards of personal and professional integrity.

SALIENT FEATURES OF THE CODE

1. Conflict of Interest

Employees/trainees must not engage in activity or transactions which may give rise, or which may be seen to have given rise to conflict between their personal interests and the interests of the Company.

2. Confidentiality and Disclosure of Information

Employees/trainees are expected to safeguard confidential information and must not, without authority, disclose such information about the Company activities to any third party including, but limited to, the press, customers, suppliers, employees are not entitled to such information or any other outside party.

3. Political Contribution

No funds or assets of the Company may be contributed to any political party or organization or to any individual who either holds public office or is a candidate for public office except where such a contribution is permitted by law.

4. Bribes and Commercial Payments

An employee/trainee must not give or receive bribes or other payments, which are intended to influence a business decision or compromise independent judgment; nor must any employee/trainee give money in order to obtain business for the Company, nor receive money for having given Company business to an outside agency.

5. Proper Recording of Funds, Assets, Receipts and Disbursements

All funds, assets, receipts and disbursements must be properly recorded in the books of the Company.

6. Agreements with Agents, Sales Representatives or Consultants

Agreements with agents, sales representatives or consultants should state clearly the services to be performed for the Company, the amount to be paid and all other relevant terms and conditions.

7. Relations and Dealings with Suppliers, Consultants, Agents, Intermediaries and Other Third Parties

HSML's relations and dealings with suppliers, consultants, agents, intermediaries and other third parties should at all times be such that HSML's integrity and its reputation should not be damaged if details of the relationship or dealings were to become public knowledge.

8. Health, Safety and Environment Policy

Every employee/trainee at work must take reasonable care for the health and safety of himself/herself and others including visitors who may be affected by his / her acts or omissions at work; and co-operate in the Company's efforts to protect the environment.

9. Smoking Policy

Smoking and exposure of workplace to tobacco poses serious health hazards to the employees/trainees besides potential risks of explosions. Considering this, smoking is permitted only in the designated 'Smoking Areas'.

10. Seat Belt Policy

As per policy, it is mandatory for all HSML employees/trainees, contractors, visitors and all other persons to fasten seat belts in the front seats of the vehicle while traveling.

11. Other Employment, Outside Interests, Civic Activities

HSM does not allow its employees/trainees to take any part-time and/or full-time second employment during employees'/trainees' engagement with the Company.

CODE OF CONDUCT
FOR EMPLOYEES

12. Unsolicited Gifts

Accepting gifts that might place an employee/trainee under obligation is prohibited. Employee/ trainee must politely but firmly decline any such offer and explain that in accordance with the Company's instructions, they are unable to accept the offer.

13. Family Connections and Employment of Relatives

Any dealings between staff themselves or outside organizations in which they have a direct, indirect or family connection must be fully disclosed to the Management.

14. Company and Personal Property

An employee/trainee must not take or use Company property or the property of another employee/ trainee without permission; nor must be employee/trainee use Company property for private purposes without the Management's permission.

15. Alcohol and Drugs

Alcohol in any form and the use of drugs, except under medical advice, is prohibited at all locations.

16. Gambling

All forms of organized gambling or betting on the Company's premises is forbidden.

17. Rumour Mongering & Gossiping

Rumour mongering, persuasive allegations, accusations and exaggerations with the main purpose of negatively influencing and manipulating the minds and emotions of the fellow employees/ trainees are strictly prohibited.

18. Harassment

It is the policy of the Company to promote a productive work environment and not to tolerate verbal or physical conduct by any employee/trainee that harasses, disrupts or interferes with another's work performance, creates an intimidating, humiliating, offensive or hostile environment.

19. Grievance Handling

HSML strives to provide a fair and impartial process to its employees/trainees and ensure timely resolution of their grievance.

20. Whistle Blowing

In order to enhance good governance and transparency, HSML has introduced a Whistle Blowing Policy. The Policy provides an avenue to employees/trainees and vendors to raise concerns and report legal and ethical issues like fraud, corruption or any other unlawful conduct or dangers to the public or the environment. These concerns should be raised by bringing those into the notice of supervisors/managers or compliance office.

21. General Discipline

Every employee/trainee must adhere to the Company's rules of service and make sure that he/she is familiar with them.

22. Reporting Violations / Disciplinary Actions

Any violation of this Code shall be promptly reported to the Human Resources department by any employee/trainee having knowledge thereof or having reasonable belief that such a violation has occurred.

23. Compliance Office

The Human Resources Department will act as the designated compliance office for implementation of the code.

BUSINESS CONTINUITY PLAN

The Board of Directors ensures that the Company has an updated Business Continuity and Disaster Recovery plan in place for the continuity of Company's business and operations in case of any extra ordinary circumstances. The comprehensive plan is designed to ensure the protection of overall company's operations and assets along with regular archival and system backups at remote sites.

The key highlights and actions of Husein Sugars' Business Continuity Plan are as follows:

- It is regularly ensured that Data Recovery processes are operating effectively.
- The management is responsible for the development and execution of an effective Business Continuity Plan.
- The development of the plan must be done keeping in mind the on-going business needs and the environment it is operating in.
- A company-wide and detailed Process Documentation Activity has been done whereby all the processes are mapped and serve as an SOP for all practices.
- The Management also ensures the training of all the employees on how to respond in case of any unforeseen or extraordinary event.
- Employees are imparted multi-skill training which helps in the continuity of business activities.
- To ensure protection of employees and assets, adequate systems are in place for natural disasters, fire emergencies, etc at plants.
- The Company has also deployed adequate security staff at its plant to ensure uninterrupted sugar production regardless of the political situation and other external factors.
- The Company ensures backup of all the assets whether physical or virtual; the physical assets are backed by insurance whereas backup of virtual assets and data is created on a routine basis.

Growth through Business Integration

COMPANY PROFILE

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The ancestors of the current sponsors took control of the Company in 1977 and transformed the Company to its current identity through a continued process of BMR. The current sponsors consolidated control of the company and took over management in 2015. The existing sugar manufacturing process is based on Defecation Remelt Sulphitation that was changed in 1986- 87 from out-fashioned Double Carbonation Double Sulphitation process.

The plant is located in Jaranwala. Approximately 80KM from Lahore and 40 KM from Faisalabad, Jaranwala is situated in the heart of Punjab's urban centers. The region is highly suitable for the plantation of sugarcane because of the area's unique climate and soil conditions. The area has large tracts of land where sugarcane is cultivated and produces approximately 40-45 million maunds of sugarcane a year.

The Company has recently initiated an efficiency improvement scheme in which equipment is being installed, which will reduce steam consumption per ton of cane processed. The bagasse saved will help increase revenues and maximize profitability. In fact, various measures have already been completed and positive results have already been achieved, which have been reflected in the improved revenue generation and the increased profitability of the company.

DIRECTORS PROFILE

Mian Ahmed Ali Tariq is the Chairman of the Board of Directors of the company. He completed his higher education at the Lahore University of Management Sciences and was awarded with a Bachelors of Science (Honors) degree. Mian Tariq is also a certified director from the Institute of Cost and Management Accountants of Pakistan (ICMAP). He has been associated with the company for more than a decade, and has served in an executive capacity since 2009. Mian Ahmed's vision and leadership at Husein has played a critical role in the company's growth, success, and development. An industry leader, Mian Ahmed has also serves on the Executive Committee of The Pakistan Sugar Mills Association for Punjab.

Mian Tariq is a strong advocate of giving back to the community. Under his leadership, Husein Sugar Mills Limited has expanded its commitment and contribution towards social welfare and development. His family trust is providing quality education and healthcare for generations at affordable prices through substantial scholarships and financial aid.

MIAN AHMED ALI TARIQ
CHAIRMAN

DIRECTORS PROFILE

MIAN MUSTAFA ALI TARIQ

CHIEF EXECUTIVE OFFICER

Mian Mustafa Ali Tariq is the Chief Executive Officer of the company. He completed his higher education at the University of California, Los Angeles and was awarded with a Bachelor of Arts degree in Economics. He has also been certified by the Lahore University of Management Sciences for successfully completing their course on Enhancing Board Effectiveness. He is a member of the HR&R Committee of the Board.

He is also a trustee of his family's non-profit social welfare organization. The family's education trust, which operates Mian Mohammad Ali Tariq College and Mian Nazir Husein School, has provided financial aid and scholarships to thousands of children since its inception. The family's healthcare trust operates a non-profit hospital that provides low-cost and free health care services.

MRS. SADIA ALI TARIQ

NON-EXECUTIVE DIRECTOR

Mrs. Sadia Ali Tariq is a non –executive director of Husein Sugar Mills Limited. Mrs. Sadia Ali Tariq is also a Director of Tariq Welfare Foundation, a Company Registered under Section 42 with Securities and Exchange Commission of Pakistan (SECP). She has completed her Directors Training Program from the Lahore University of Management Sciences (LUMS).

MRS. MARYAM HABIB

EXECUTIVE DIRECTOR

Mrs. Maryam Habib was elected as a director on the board of Husein Sugar Mills in March of 2017. Mrs. Habib pursued her higher education at Kinnaird College Lahore. She is currently serving as the Executive Director of the company. In her short time at the company, she has been instrumental in initiating and implementing various programs of the company

MR. TAUFIQ AHMED KHAN

INDEPENDENT DIRECTOR

Mr. Khan is a highly decorated executive of Pakistan's pharmaceutical industry. Serving as the independent director on Husein Sugar's Board of Directors, and as the Chairman of the Board's Audit Committee, Mr. Khan's contributions to the company are of the utmost importance. He pursued his higher education at the University of Exeter where he was rewarded with a Bachelors of Science Degree in Economics Mr. Khan is also a director of Highnoon Laboratories Ltd., one of Pakistan's largest pharmaceutical manufacturers. He is also the Chief Executive Officer of Curexa Health Pvt. Ltd, a wholly owned subsidiary of Highnoon Labs. After completing the necessary requirements as per the Code of Corporate Governance, The Pakistan Institute of Corporate Governance has also certified Mr. Khan. Given his vast capabilities and wide-ranging exposure, Mr. Khan is an invaluable member of the Board of Directors.

DIRECTORS PROFILE

MR. SAIF HASAN

INDEPENDENT DIRECTOR

Mr. Saif Hasan is an experienced executive in the global textile and fashion industry with a background in technology operations and management. He is also serving as a Director of Intermoda Brands Pvt. Ltd and is an executive at Matrix Sourcing, Triple Tree Solutions, and Lulusar. Previously, Mr. Hasan has worked in Silicon Valley. He completed his higher education at The George Washington University in Washington DC. He has also completed executive courses at the London School of Economics and the Lahore University of Management Sciences. Mr. Hasan joined the Board of Directors of Husein Sugar on the December 18, 2019.

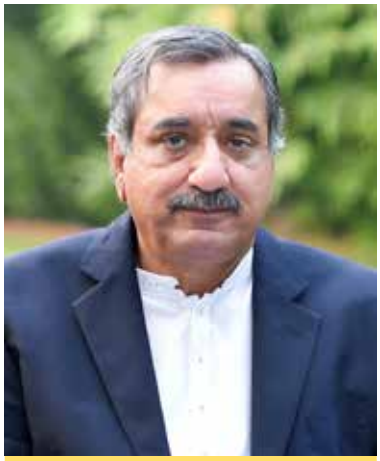
MR. MUHAMMAD IMRAN KHAN

INDEPENDENT DIRECTOR

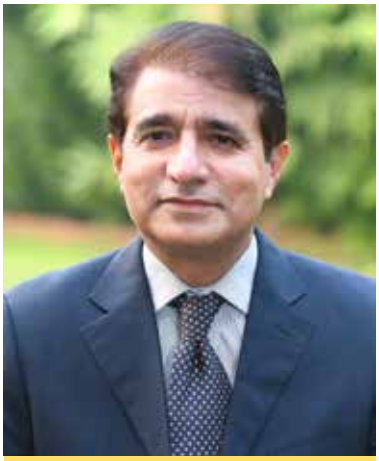
Mr. Muhammad Imran Khan joined the Board on 31 May 2018. He is currently serving as independent director on Husein Sugar's Board of Directors, and as the Member of the Board's Audit Committee. Mr. Khan's contributions to the company are of the utmost importance .Mr. Khan serves as CEO/Founder of Sule International and brings in several years of experience in commodities trading domestic and internationally. He was Co-Founder of Amber Road Trading Co New York with focus on trading between South East Asia, North America and England. Mr. Khan also serves on the board of Admaxim a global digital advertising technology company. Mr. Khan holds a bachelor's degree from Government College (Lahore, Pakistan) and has completed a business management and marketing certification from the University of California Los Angeles. .

MANAGEMENT
HEAD OFFICE

Mian Mustafa Ali Tariq
Chief Executive Officer



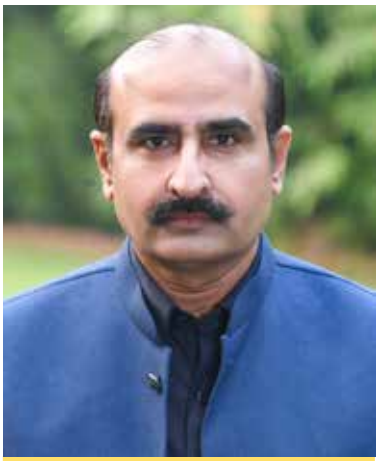
Wasim Saleem
Chief Operating and Financial Officer



M. Mudassar Ahsan
General Manager (Head Office)

Khalid Mahmood
Company Secretary

M. Iqbal Qasim Bhutta
Assistant General Manager (Finance)



M. Khalid Mahmood Chatta
Assistant General Manager (Purchase)

INSPIRED BY A DREAM
BUILT TO GROW

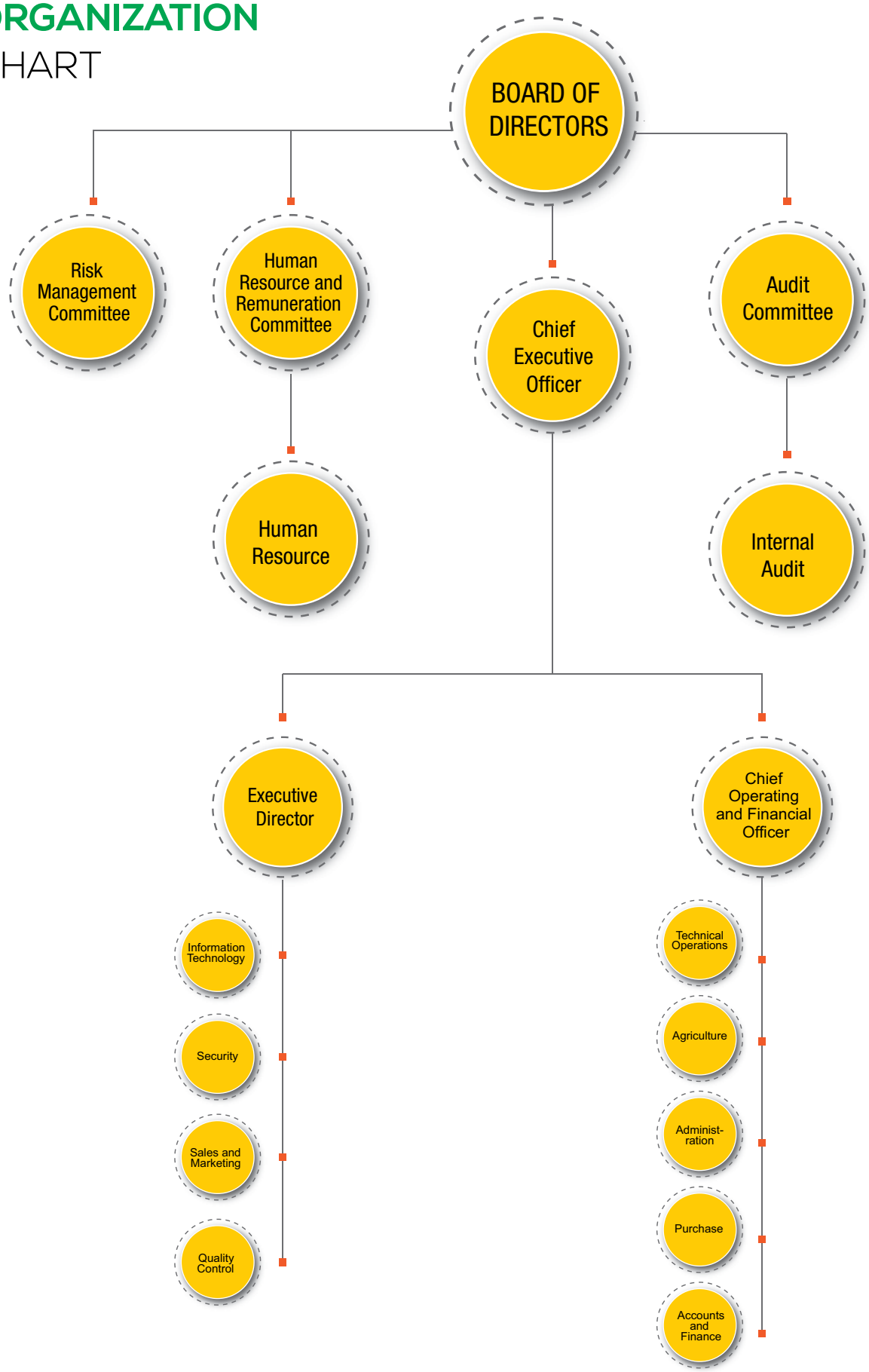
To be a leading producer of sugar and its by-products by delivering the highest quality of products of the highest international standards to our customers at the lowest possible cost. To maximize the wealth of our shareholders by increasing equity and earnings in real terms.

To achieve sustainable growth and development by anticipating the expectations of our customers, predicting market trends, and through constant and fluid innovation.

From Left ot Right Sitting Position | Wasim Saleem | M. Mudassar Ahsan | Mian Mustafa Ali Tariq | Waseem Ahmed Ghafoor | Khalid Mehmood Chattah

From Left ot Right Standing Position | Kiran Alvi | Khurram Shehzada | M. Iqbal Qasim Bhutta | Tariq Manzoor | Rashid Javed | Khalid Mahmood Ghazanfar Ali | Muhammad Shafique | Abdullah Naseem

ORGANIZATION CHART




HSM
BOILER HOUSE

NOTICE OF ANNUAL GENERAL MEETING

55th AGM

JANUARY 28, 2022

Notice is hereby given that (55th) Annual General Meeting of the Husein Sugar Mills Limited will Insha Allah be held on Friday, the January 28, 2022 at 10:00 a.m. at 180 Abu Bakar Block, New Garden Town, Canal Road, Lahore to transact the following business:

ORDINARY BUSINESS

1. To confirm minutes of the Extra Ordinary General Meeting of the company held on August 27, 2021.

2. To receive, consider and adopt the annual audited Financial Statements of the company for the year ended September 30, 2021 together with the Directors' and Auditors' Reports thereon.

3. To appoint Auditors for the financial year ending September 30, 2022 and to fix their remuneration.

SPECIAL BUSINESS

4. INCREASE IN AUTHORIZED CAPITAL OF THE COMPANY

To consider and, if thought fit approve an increase in the Authorised Capital of the company and for the purpose to pass the following resolution as a Special Resolution with or without any modification, and to make consequent amendments in the Memorandum and Articles of Association of the company:-

"RESOLVED THAT pursuant to the provisions of section 85 and other applicable provisions of the Companies Act, 2017, the Authorized Capital of the Company be and is hereby increased from Rs. 680,000,000/- to Rs. 1,600,000,000 divided into 125,000,000 ordinary shares of Rs 10 each and 35,000,000 preference shares of Rs 10 each with such preferential, qualified or special rights, privileges, conditions or restrictions attaching thereto as the Company may from time to time determine by Special Resolution, with the power insofar as is permitted by law.

RESOLVED FURTHER THAT consequent upon the proposed increase in the Authorized Capital of the Company, the existing Clause V of the Memorandum of Association and Article (clause II Capital) of the Articles of Association of the Company be and are hereby altered and shall be substituted with the following:-

CLAUSE V OF THE MEMORANDUM OF ASSOCIATION:

"V". The authorized share capital of the Company is Rs.1,600,000,000 (Rupees 1.6 billion only) divided into 125,000,000 (One hundred twenty five million) ordinary shares of Rs.10 (Rupees ten) each, and 35,000,000 (thirty five million) preference shares of Rs.10 (Rupees ten) each, being with such preferential, qualified or special rights, privileges, conditions or restrictions attaching thereto as provided under the Companies Act, 2017. The company shall have the power to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by law.

ARTICLE "6.A" OF THE ARTICLES OF ASSOCIATION.

'6A' The authorized share capital of the Company is Rs.1,600,000,000 (Rupees 1.6 billion only) divided into 125,000,000 (One hundred twenty five million) ordinary shares of Rs.10 (Rupees ten) each, and 35,000,000 (thirty five million) preference shares of Rs.10 (Rupees ten) each, being with such preferential, qualified or special rights, privileges, conditions or restrictions attaching thereto as provided under the Companies Act, 2017. The company shall have the power to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by law.

5. To transact any other business with permission of the chair.

By Order of the Board

Lahore
January 07, 2022

KHALID MAHMOOD
Company Secretary

Notes:

1. The Share Transfer Books of the Company will remain closed from 21 January 2022 to 28 January 2022 (both days inclusive) to determine the names of members entitled to attend the Annual General Meeting. Transfers received in order at the office

of the company's Share Registrar M/s Corptec Associates (Pvt) Limited, 503-E, Johar Town, Lahore by the close of business on 20 January 2022, will be treated in time for determination of entitlement of the members to attend and vote at the meeting.

2. A member entitled to attend and vote at this meeting may appoint any other member as proxy to attend, speak and vote on behalf of him/her. A proxy must be a member of the Company. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of the power of attorney must be deposited at the registered office of the Company at least 48 hours before the time of holding the meeting. Proxies in order to be effective, must be duly stamped, signed and witnessed.

3. Any individual beneficial owners of CDC, entitled to attend and vote at the meeting must bring his/her original CNIC or passport to prove his/her identity. In case of corporate members, the Boards' resolution or power of attorney with specimen signatures of the nominee shall require to be produced at the time of meeting.

4. For the convenience of Members, a Standard Request Form with appropriate details has been uploaded on the Company's website www.husein.pk. Those Members who opt to receive the hard copies of the annual audited financial statements instead of sending the same through CD/DVD at their registered addresses may apply to the Company's Secretary at his postal address at 28-C, Block E-1, Gulberg-III, Lahore.

5. Members are requested to promptly notify any change in their address.

6. Pursuant to Section 132(2) of the Companies Act, 2017 if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 7 days prior to the date of Annual General 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 fill the following form and submit to the registered address of the Company within seven (07) days before holding of annual general meeting.

I / We,_____ of _____' being a member of Husein Sugar Mills Limited, holder of_____ Ordinary Shares as per Register Folio No. / CDCA/C No..._____ hereby opt for Video Conference facility at_____ .

_____

Signature of member

STATEMENT OF MATERIAL FACTS UNDER SECTION134 (3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the special business to be transacted at the annual general meeting of the Company to be held on 28 January 2022.

1. ITEM NO.4 OF THE NOTICE

INCREASE IN AUTHORIZED SHARES CAPITAL OF THE COMPANY AND CONSEQUENT AMENDMENTS IN THE MEMORANDUM AND ARTICLES OF ASSOCIATION:

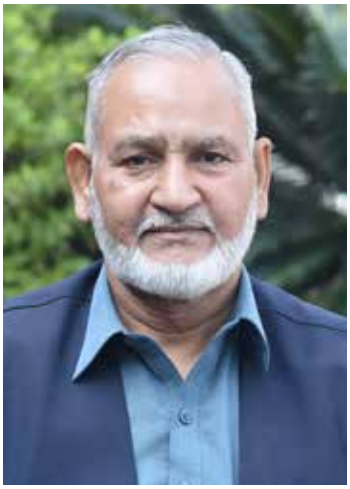
In order to cater for the future increase in paid up share capital, the Authorized Capital of the Company needs to be enhanced. In light of the same and for future potential issuance of shares, the company seeks to increase its Authorised Capital from Rs. 680,000,000/- to Rs. 1,600,000,000 divided into 125,000,000 ordinary shares of Rs. 10 each and 35,000,000 preference shares of Rs. 10 each with such preferential, qualified or special rights, privileges, conditions or restrictions attaching thereto as the Company may from time to time determine by Special Resolution, with the power insofar as is permitted by law.

The proposed increase in the Authorized Share Capital of the Company will also necessitate amendments in clause V of the Memorandum of Association and clause II of the Articles of Association of the Company. The Board of Directors have also recommended alteration in the Memorandum and Articles of Association of the Company to reflect increase in Authorized Share Capital of the company.

None of the directors of the company has any direct or indirect interest in the aforementioned special special businesses except to the extent of his shareholding as has been detailed in the pattern of shareholding annexed to the Financial Statements.

TECHNICAL
MANAGEMENT

MR. AZHAR FAZAL
GENERAL MANAGER MILLS



CH. MUHAMMAD ASHRAF
GENERAL MANAGER (AGRICULTURE)

MR. JAVID IQBAL SODAGAR
DEPUTY GENERAL MANAGER (OPERATIONS)

MR. GULZAMIN SAID
DEPUTY GENERAL MANAGER (ADMIN & PUBLIC RELATIONS)

MR. MUHAMMAD SAEED ANWAR
ASSISTANT GENERAL MANAGER (TECHNICAL)

MAJ. (R) MUHAMMAD ANWAR
ASSISTANT GENERAL MANAGER (SECURITY & HR)

MR. SOHAIL AKBAR

ASSISTANT GENERAL MANAGER
(PRODUCTION)

MR. SHAH NAWAZ

ASSISTANT GENERAL MANAGER
(AGRICULTURE)

MR. ZAHID MEHMOOD

SR. MANAGER
(INTERNAL CONTROL)

SYED HASSAN MUJTABA

SR. CHIEF ENGINEER
(INSTRUMENTS)

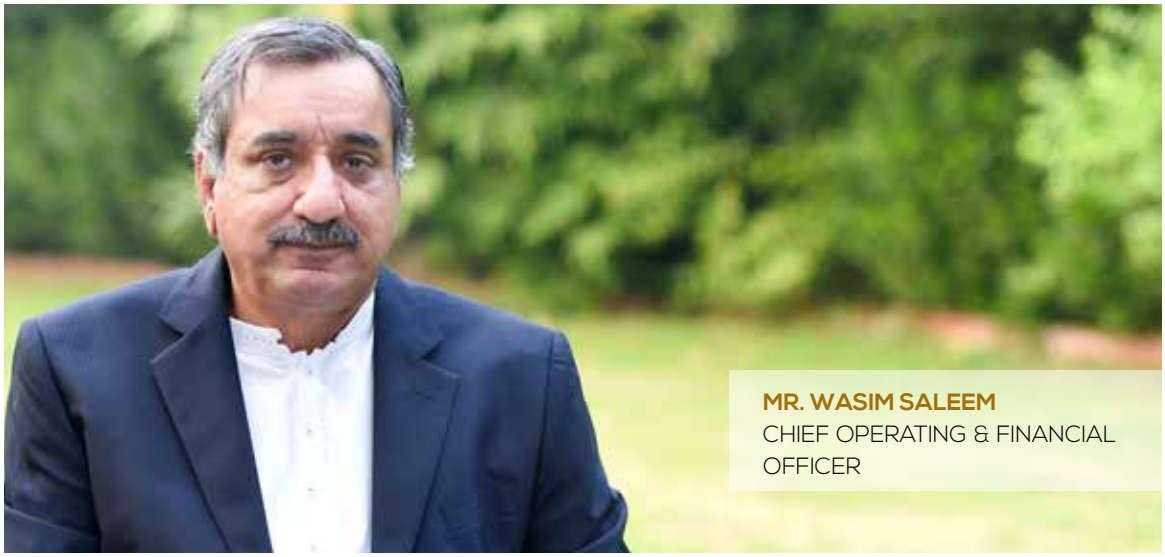
MR. SHER-I-YAZDAN KHAN

SR. MANAGER
(QUALITY CONTROL)

MR. JALAL UD DIN KHAN

SR. MANAGER (ACCOUNTS)

PROFILE OF KEY
MANAGEMENT



MR. WASIM SALEEM
CHIEF OPERATING & FINANCIAL OFFICER

Mr. Wasim Saleem is the Chief Financial Officer of the Company. He did his masters in Business Administration. He is a member of Institute of Cost and management Accountants of Pakistan and Institute of Bankers in Pakistan. Besides attending many senior executive/management courses he has diversified experience of over thirty years at senior management level in development banking and sugar industry. Prior to joining Husein Sugar Mills Limited. He has worked with the NDFC and Ashraf Sugar Mills Limited.

MR. M. MUDASSAR AHSAN
GENERAL MANAGER
HEAD-OFFICE

Mr. Muhammad Mudassar Ahsan is the General Manager (Head Office at Husein Sugar). He has more than 20 years experience of sugar industry. He has previously been on the Board of the Husein Sugar Mills Limited. He got his Masters in Business Administration (MBA Marketing) from University of Management and Science, Lahore in 1995 along with Diplomas in Export Marketing Management and Computer Applications. He has attended Financial Management Courses from Lahore University of Management Sciences (LUMS).

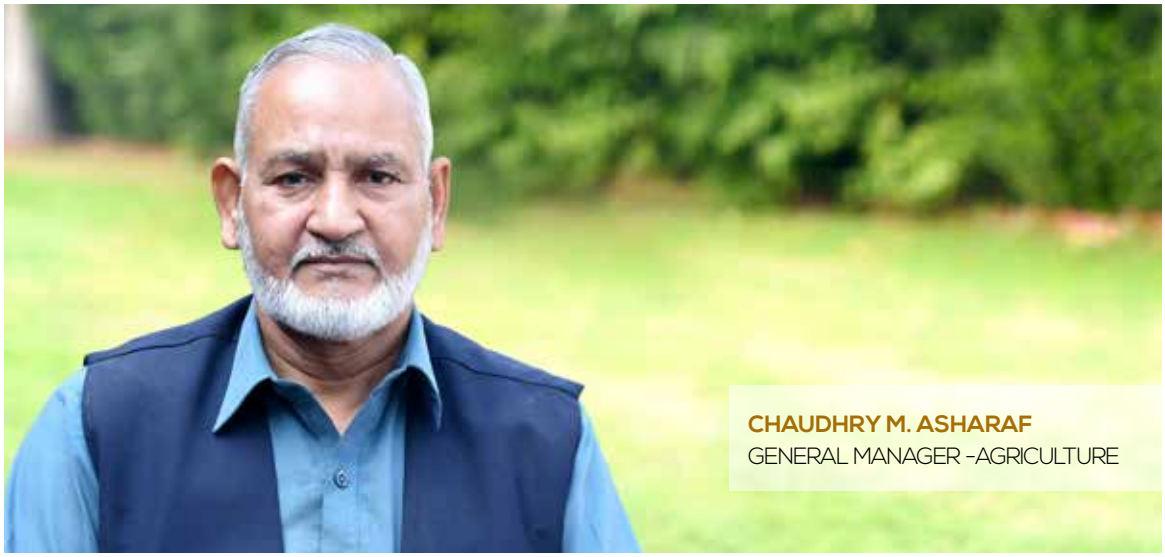
MR. WASEEM AHMED GHAFOOR
TECHNICAL DIRECTOR

Mr. Waseem Ahmed Ghafoor is the Technical Director of the company. He joined Husein Sugar Mills in 2012. He has done masters in Chemistry from the University of Agriculture Faisalabad. He has 31 years of practical experience in the sugar industry. He is being assisted by an adequately and well experienced team of technical engineers.

MR. KHALID MAHMOOD
COMPANY SECRETARY

Mr. Khalid Mahmood has been working in Husein Sugar Mills Limited as the Company Secretary. He has been associated with the Company since 2005 Mr. Khalid is associate member of Institute of Chartered Secretaries of Pakistan (ICSP). He is also Associate Member of Institute of Corporate Secretaries of Pakistan (ICSM) He got his Masters in Business Administration (MBA) from Virtual University of Pakistan, Lahore in 2008. He done CAF from the Institute of Chartered Accountants of Pakistan (ICAP). He has complete command over good corporate secretarial practices.

PROFILE OF KEY
MANAGEMENT



CHAUDHRY M. ASHARAF
GENERAL MANAGER -AGRICULTURE

Chaudhary Muhammad Ashraf is working with Husein Sugar Mills Limited as General Manager-Agriculture. The University of Agriculture in Faisalabad rewarded Mr. Chaudhry with a Masters degree MSC (Hons) Agri in 1982. Mr. Ashraf has been instrumental in the innovation and development of the Cane Procurement and Cane Development department at the company. He has 35 years of experience in the sugar industry.

MR.AZHER FAZAL
GENERAL MANAGER MILLS

Mr. Azher Fazal has been a part of the Husein team since 2013. Mr. Azher Fazal completed his higher education at the University of Engineering and Technology where he was rewarded with a degree in Mechanical Engineering. Mr. Fazal is also a certified engineer from the Pakistan Engineering Council. Mr. Azher's numerous contributions in the technical operations of the plant have been instrumental in the operating success of the company.

KEY OPERATING AND FINANCIAL DATA

OPERATING DATA	2021	2020	2019	2018	2017	2016
Cane crushed (M.Tons)	822,621	476,430	491,278	600,773	660,136	499,396
Sugar produced from Sugar Cane (M.Tons)	74,564	43,307	48,251	55,331	65,024	46,861
Average Recovery from Sugarcane(%)	9.06	9.12	9.81	9.21	9.85	9.41
Number of days worked	123	117	98	135	151	111
	.....(Rupees in ' 000).....					
FINANCIAL DATA						
Sales	6,148,523	2,954,630	3,715,573	2,755,737	3,856,539	3,144,147
Gross Profit	476,048	292,105	240,082	259,095	485,320	245,551
Operating Profit	232,964	47,665	74,514	71,923	286,354	68,130
Profit / (Loss) before taxation	68,520	(208,942)	313,185	32,792	228,853	98,257
Taxation	(44,864)	(77,265)	(19,642)	2,376	(27,263)	17,408
Profit / (Loss) after taxation	23,657	(286,206)	293,543	35,168	201,590	115,665
Earning / (Loss) per share (Rupees)	0.58	(6.98)	9.05	1.28	9.55	5.61
Total Assets	7,135,473	6,891,961	4,640,998	5,137,458	3,732,920	3,139,121
Current Liabilities	3,177,416	2,950,762	1,395,380	2,439,517	1,052,191	1,276,551
Capital Employed	3,958,057	3,941,199	3,245,618	2,697,941	2,680,729	1,862,570
Represented by:						
Share Capital	385,200	385,200	360,000	250,000	250,000	170,000
Share Subscription money	211,758	-	-	-	-	-
Reserves	2,188,780	2,295,364	1,938,295	1,998,952	2,043,551	1,644,092
Accumulated Profit / (Loss)	(50,191)	(137,888)	102,945	(246,489)	(341,669)	(770,789)
Directors' Loan	261,954	424,429	446,381	530,352	531,852	609,682
Shareholders' Equity	2,997,501	2,967,105	2,847,621	2,532,815	2,483,734	1,652,985
Non - current Liabilities						
Liabilities against assets subject to finance lease	8,264	3,714	-	-	-	-
Long term financing	674,873	702,028	277,663	-	-	-
Deferred income tax liability	277,419	268,352	120,334	165,126	196,995	209,585
	960,556	974,094	397,997	165,126	196,995	209,585
	3,958,057	3,941,199	3,245,618	2,697,941	2,680,729	1,862,570

REPORT OF THE BOARD
AUDIT COMMITTEE

The Board Audit Committee (BAC) is governed by the mandate given to it by the Board of Directors in compliance of the Code of Corporate Governance. It is a vital platform to ensure the transparency of financial reporting and is critical for the efficient effectiveness of the company's objectives.

The BAC assists the Board in scrutinizing the financial and non-financial information and maintaining an independent check on the activities of the management. It also serves as a platform to evaluate, asses, and monitor internal controls, compliance, and manage risks.

The Board Audit Committee comprises of three members:

Mr. Taufiq Ahmad Khan	Independent Director	Chairman
Mian Ahmed Ali Tariq	Non-Executive Director	Member
Mr. M. Imran Khan	Independent Director	Member

All the members have extensive knowledge and experience in the fields of finance, accounting, controls, and systems management.

The BAC takes into account information from various sources such as biweekly reports from management, internal auditors' report, external auditors' report among other sources. The BAC is empowered to invite and question any person from management as and when required for the purposes it has been authorized to scrutinize by the Board of Directors.

During FY2020-21, The Board Audit Committee met four times. The Chief Financial Officer and the Head of Internal Audit are regular participants of the meeting. The BAC also meets external and internal auditors independently once a year.

The terms of BAC are precisely defined by the Board. The Committee monitors including other things:

- Internal Controls
- Risk Management
- Integrity of Financial Information
- Internal Audit Report
- Audit Observations
- Compliance with Applicable Laws
- Assessing accounting & financial estimates, changes in accounting policies, and compliance with standards.
- Recommendation of External Auditors Appointment based on independence, integrity and satisfactory rating with ICAP

The Board Audit Committee has reviewed the performance and operations of the Company for the year ended September 30, 2021 and reports that:

- Internal controls of the company are sound and are working properly;
- Departments of the company are working in line with company objectives;
- Records are maintained in accordance with applicable laws and regulations;
- Financial statements are in conformity with applicable laws and regulations;
- Code of Corporate Governance is followed;
- Recommended the present auditors, M/S Kirsten Hyder Bhimji & Co. Chartered Accountants, for re-appointment for year ending September 30, 2022.

TAUFIQ AHMAD KHAN
Chairman

BOARD AUDIT COMMITTEE
Lahore

ROLES AND RESPONSIBILITIES OF THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

Listed below are the responsibilities of the Chairman and the Chief Executive Officer of the Company.

CHAIRMAN

The Chairman is responsible for the leadership of the Board. In particular, he will:

1. Ensure effective operation of the Board and its committees in conformity with the highest standards of corporate governance.
2. Ensure effective communication with shareholders.
3. Set the agenda of Board discussions to promote constructive debate and effective decision-making.
4. Chair the Nominations Committee and build an effective and complementary Board, initiating change and planning succession on Board and Executive appointments.
5. Ensure that all Board committees are properly established, composed and operated.
6. Ensure comprehensive induction programs for new directors and updates for all directors as and when necessary.
7. Support the Chief Executive in the development of strategy and, more broadly, to support and advise the Chief Executive.
8. Maintain access to senior management as is necessary and useful, but not intrude on the Chief Executive's responsibilities.
9. Promote effective relationships and communications between non-executive directors Executive directors.
10. Ensure that the performance of the Board, its main committees and individual directors is formally evaluated on an annual basis.
11. Preside over all the BOD meetings and AGM.

12. Declare results of the meetings where result based on show of hands of General Meeting.

13. Sign the minutes of meetings of the Board Of Directors and the Annual General Meeting.

14. Establish a harmonious and open relationship with the Chief Executive Officer and Management.

CHIEF EXECUTIVE OFFICER

The Chief Executive Officer is responsible for leadership of the business and managing it within the authorities delegated by the Board. In particular, he will:

1. Develop strategy proposals for recommendation to the Board and ensure that agreed strategies are reflected in the business.

2. Develop annual plans, consistent with agreed strategies, for presentation to the Board for support.

3. Plan human resource strategies to ensure that the Company has the capabilities and resources required to achieve its plans.

4. Develop an organizational structure and establish processes and systems to ensure the efficient organization of resources.

5. Be responsible to the Board for the performance of the business consistent with agreed plans, strategies, and policies.

6. Lead the executive team, including the development of performance contracts and appraisals.

7. Ensure that financial results, business strategies and, where appropriate, targets and milestones are communicated to the investors.

8. Develop and promote effective communication with shareholders.

9. Ensure that business performance is consistent with the Business Principles.

10. Ensure that robust management succession and management development plans are in place and presented to the Board from time to time.

11. Develop processes and structures to ensure that capital investment proposals are reviewed thoroughly and that associated risks are identified and appropriate steps taken to manage the risks.

12. Develop and maintain an effective framework of internal controls over risk in relation to all business activities including the Company's trading activities.

13. Ensure that the flow of information to the Board is accurate, timely and clear.

14. Establish a close relationship of trust with the Chairman, reporting key developments to him in a timely manner and seeking advice and support as appropriate.

CHAIRMAN'S REVIEW

Dear Shareholders,

It gives me great pleasure to address my fellow stockholders at the culmination of another year. Husein Sugar has successfully completed another successful year. Although the company has continued to grow continuously, last year has been particularly exceptional. I would like to take this opportunity to highlight the commitment of the company to achieve excellence and provide a broad review of the economic environment your company operates in today. Despite the challenges of post Covid-19 economic turmoil, the company has achieved record gross profitability and outperformed in the sector.

For the financial year ended September 30, 2021, the Board has deemed the overall performance of management as satisfactory and in line with the vision set forth by the Board. The overall assessment as satisfactory is based on an evaluation of integral components, such as strategic planning, effective fiscal budgeting, successful implementation of policies, enhancement of systems, and operational results. In the Financial Year 20-21, the company has contributed more than Rs. 1 Billion to the national exchequer in various taxes and levies. Furthermore, the company has realized record revenues and profitability with topline growth around 108% year on year.

We look forward to continue to work with the government to do our part in the stabilization and growth of the economy. Apart from continuous engagement with the government on legislative reform of the sugar industry, we continue to work with the government on shared social responsibilities from healthcare to community service. Also, in the last few months, the government has initiated encouraging new programs. The digitization of various governmental departments and in particular the FBR's Track and Trace program is an admirable effort to streamline preexisting deficiencies.

This season saw a dramatic fall in sugar production, as farmers had preferred to cultivate alternate crops other than sugarcane. However, given the exceedingly high prices farmers secured on sugarcane, we predict, next year, there

will be a significant increase in sugarcane plantation across the country. It remains to be seen what the total sugar production will be as the effects of climate change on recoveries in Central Punjab and the rest of the country continue to be realized.

As the company has continued to excel over the last few decades, the company has ensured continuous investment in social projects in our community. Our commitment to giving back to our community has only grown with time. We are proud to state that our CSR projects have set a benchmark for other companies to follow. The schools and college at our associated educational complex continue to provide the highest standard education to more than a thousand children every year from Kindergarten to College at extremely subsidized rates. This year, we have focused on ensuring employee access to Vaccines. I am happy to report that 99% of Husein Employees were given access to Vaccines in close coordination with local government departments within a month of their availability. Furthermore, more than 99% of Husein Employees have been vaccinated. Apart from ensuring the vaccination of the Husein Family, the company has ensured that Standard Operating Procedures as recommended by the World Health Organization and the Health Department of the Government of Punjab are strictly enforced.

The management at Husein continues to pursue the policy of hiring capable and motivated individuals, rewarding hard work, and providing platforms for personal development. In this regard, not only are we ensuring that executives undertake Director's Training Programs in compliance with the Code of Corporate Governance, but we are also providing internships to aspiring engineers and investing in the development of our managers and executives throughout the company. We at Husein strongly believe that transparency and accountability are essential to generate value at any institution in the long run. Thus, we continue to ensure compliance to the Code of Corporate Governance and warrant the highest professional standards throughout the company. Accordingly, we have developed and implemented policies to guarantee the highest safety, health, and equal opportunity standards at your company.

The confidence of the shareholders and other stakeholders in the management and the board has been indispensible in allowing the company to embark on a new journey from a time of crisis to a position where we have sound prospects for sustainable development, greater value creation, and stable growth in the years ahead. I look forward to welcome as many of our shareholders as possible at the forthcoming Annual General Meeting.

Our management has worked tremendously hard to steer the company to a place where we can comfortably expect sustainable development, growth, and financial success in the years ahead. I would like to take this opportunity to place on record my appreciation to all stakeholders for their continued support. In particular, I would like to acknowledge the hard work, unrelenting efforts, and steadfast dedication of the entire Husein team and look forward to the same cooperation and commitment in the future.

As always, Husein Sugar continues its unwavering support for sustainable development and remains resolute in its commitments to all its stakeholders.

MIAN AHMED ALI TARIQ
Chairman of the Board


HSM
MILL HOUSE

DIRECTORS' REPORT

Your Directors are pleased to present the 54th Annual Report of Husein Sugar Mills Limited for the year ended September 30, 2021.

The Company's performance for the current and last year is given below:

September 30		2021	2020
OPERATIONS			
Sugarcane crushed	(M. Tons)	822,621	476,431
Sugar produced	(M. Tons)	74,564	43,307
Molasses produced	(M.Tons)	38,527	22,955
Sugar recovery	(%age)	9.06	9.12
		Rupees in Thousand	
FINANCIAL			
Sales - Net		6,148,523	2,954,630
Gross Profit		476,048	292,105
Operating Profit		232,964	47,665
Finance Cost		314,909	374,089
Profit / (Loss) After Taxation		23,657	(286,206)
Earnings / (Loss) Per Share (Rupees)		0.58	(6.98)

CHAIRMAN'S REVIEW

The Directors of your Company fully endorse the Chairman's Review for the year ended September 30, 2021.

THE POST COVID-19 ECONOMY

After recovering from the first pandemic in the century, countries across the world are feeling the economic effects resulting from the devastation of the pandemic. As the economy attempts to stabilize, sectors across the industry are facing price volatility of materials, inflationary pricing, and a general sense of uncertainty. From shipping costs to raw materials, the cost of manufacturing has continued to rise in the last year. Embracing the new normal, like companies across the planet, Husein Sugar has also learned to adapt and adopt new technologies and systems to stay competitive in a pandemic shaken world. Given one of the worst economic and humanitarian crises the world has ever seen, like other sectors of the economy, Pakistan's sugar industry, too, has had a challenging year.

Across various industries, production has taken a serious blow, and the cost of doing business has increased considerably. Pakistan's sugar industry has not survived this economic devastation. As the policy rate returns to pre-pandemic levels, it has become almost twice as expensive to access capital. Although consumer demand and industrial manufacturing are recovering, margins have decreased as input costs have skyrocketed. From higher minimum wages, to three-year highs in oil prices, the depreciation of the rupee to a historic a low, and pre-pandemic costs of capital, the cost of manufacturing has increased dramatically. Perhaps, no industry has seen costs rise to the levels the Sugar sectors has. Undoubtedly, with raw material costs having increased to levels unprecedented in the country's history, last year, the cost of manufacturing of sugar and its price has been the highest recorded till date in Pakistan.

OPERATIONAL RESULTS

The management at Husein has always emphasized on staying ahead of the market. Upon completion of Phase 2 of our Efficiency Improvement Project, the company has recorded outstanding results in terms of technical performance that has resulted in record revenues and gross profitability. For this financial year, your company has recorded gross sales of PKR 7.10 Billion compared to PKR 3.40 Billion the year earlier. This translates to an increase of 108% in our revenues. Furthermore, Gross Profitability has increased to Rs. 476 Million from Rs. 292 Million indicating an increase of 63% YoY.

This year, Husein Sugar crushed more than 822,621 tons of sugarcane at a recovery of 9.06% as compared to last year's crushing of 476,431 tons at a recovery of 9.12%. A longer crushing season, administrative debottlenecking, and better technical efficiencies at the plant have contributed to the 73% increase in cane crushed. The drop in sugar recovery in marginal and we are confident that next season, our recovery will return to pre 2019 levels.

With the Covid-19 pandemic and sugarcane prices and interest rates at new highs, it has been one of the toughest years on record. We at Husein have not been deterred by the challenges. Rather, we have faced the difficulties head on and persevered. Since 2015, Husein Sugar's story has been one of recovery, rejuvenation, and resilience, as has been the case in the last two years. In 2022, you can expect a story of growth.

HEALTH, SAFETY, AND VACCINES

At Husein, we make no compromises on the health and safety of our employees. This year, we have taken measures to implement the latest international techniques to improve and enhance the working conditions of our workers to maintain the highest safety and health standards. In particular, our focus this year was on ensuring access to vaccines for our employees and their families. In coordination with local government functionaries, we are happy to report that 99% of our employees have been vaccinated and zero cases of severe Covid-19 in our company. We are committed to providing a hygienic and secure environment for our employees, stakeholders, and visitors. Our top priority is always safety and this year, we have continued to build upon the progress of earlier years. We continue to take measures to ensure the same level of safety and health in the future.

THE ENVIRONMENT AND CLIMATE CHANGE

Another priority of ours is the environment. With record levels of poor air quality in Punjab, to some of the lowest temperatures recorded in previous years the effects of climate change are becoming increasingly clearer every year. As responsible corporate citizens, we share a collective responsibility in protecting the ecosystem that permits our operations, development, and growth. In this regard, along with the coordination of the local administration, we have embarked on various eco-friendly projects. We have begun a tree plantation campaign and have made significant progress in minimizing our waste through renewed investment in recycling among other initiatives. We look forward to working with local partners and other stakeholders to do our part in ensuring that all Husein products are made in a responsible and environmentally friendly manner. We are also exploring new technologies to innovate and improve our processes.

It is recommended that the government in coordination with farmers and millers formulate a long-term policy with regard to the sustainability of the environment. Compared to other crops, sugarcane is unique in that almost all of it's by-products can be used for value addition. Not only is sugarcane used to manufacture sugar, but can also be used to generate electricity, ethanol, and fertilizer. With a

comprehensive private-public policy, new avenues can be used to generate additional value in the supply chain of sugarcane.

FUTURE OUTLOOK

For the crushing season 2021-22 the government of Punjab has notified a support price of sugar cane at Rs.225 per 40 kg. Although the notified price is Rs. 225 per KG, in practicality, the market is 30-35% higher than this. Undoubtedly, with higher sugarcane prices, the cost of manufacturing of sugar and the resultant price of sugar will rise. Based on the area of sugarcane under cultivation, the average yield per acre of sugarcane, and the varieties of sugarcane planted, it is expected that sugar production for the upcoming year will be 5-10% higher than last year. The company started its crushing season on November 17, 2021 as compared to November 13, 2020 last year and up to December 31, 2021 has crushed around 300,000 tons as against 319,530 last year. This means the company has crushed on par to last year and can comfortably predict a similar technical season to last year's.

The sugarcane crop in our operational domain is about 10-15% more than last year. However, it remains to be seen whether recoveries will rise to last year's given the limited rainfall this year. The current working environment indicates that the company is poised to produce more sugar than last year which will boost both the top and bottom lines of the company.



Considering all the above factors, we can safely say that operational and financial results for the next season will be even better next year INSHA ALLAH.

CORPORATE SOCIAL RESPONSIBILITY

The Company provides a safe, healthy, and friendly atmosphere to its all employees, besides promoting a culture of tolerance, mutual respect, and openness.

Apart from offering apprenticeship to fresh graduates and postgraduates, the Company maintains an employment policy purely on the basis of merit. In tune with the vision set forth by the Board of Directors, the Company ensures an equal employment opportunity is provided to all potential employees. Furthermore, the company has a strict zero tolerance policy with regard to discrimination. The company also provides employment to physically handicapped and special persons to maximize their potential and integrate them into the community.

As a responsible corporate entity, the Company continues to work with government functionaries and other local representatives to maximize the development of the local community. The Company has, for this purpose, established non-profit institutions for the welfare of the poor and needy, primarily in the field of education and health. Over the course of the company's history, the aforesaid institutions have provided free medical facilities and quality education to tens of thousands of individuals in the area.

MODERNIZATION AND EFFICIENCY IMPROVEMENT

It is your Company's policy to constantly invest and explore options for strategical expansion, technological advancement, and/or environment safety. Cutting edge technologies in key areas of the sugar plant are being incorporated to enhance overall efficiencies and reduction in overall cost of production are being adopted.

EARNINGS PER SHARE

The Company's post-tax profit of Rs. 23.657 million translates into profit per share Rs. 0.58 as compared to loss per share of Rs. 6.98 last year.

DIVIDEND

The Company has not earned sufficient cash profits due the reasons as described in Operational Results section of this report, from which dividend could be declared / paid. However, the Company expects to pay dividend based on the future profitability of the Company.

CORPORATE GOVERNANCE

BEST CORPORATE PRACTICES

The directors of the company are committed to good corporate governance and are compliant with the requirements of the Listed Companies (Code of Corporate

Governance) Regulations, 2019 and the Rule Book of the Pakistan Stock Exchange. The statement of compliance with the CCG Regulations, 2019 is enclosed.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

1. These financial statements prepared by the management of the Company present a fair state of affairs of the company, the results of its operations, cash flows and changes in equity.

2. Proper books of accounts of the Company have been maintained as required by the Companies Act, 2017.

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

4. The International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements.

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

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

7. There has been no material departure from the best practices of Corporate Governance as listed in the listing regulations of the Pakistan Stock Exchange where the Company is listed.

8. Key operating and financial data for last six years in summarized form is annexed.

9. The Provident Fund is managed by a duly executed separate Trust and the Trust has invested Rupees 138.084 million, as at September 30, 2021 (2020: Rupees 116.515 million).

10. Adhering to the best business practices, the Company recognizes its responsibility of timely repayments of due amount. No default on payment of loan/debts was recorded during the year under review.

11. The Management is aware of its responsibility 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.

12. No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company and the date of this report.


میاں شمیم انور جنرل ہسپتال
اینڈ
فری ڈسپنسری
PHC REGD NO R-38791
حسین شوگر ملز لمیٹڈ جڑانوالہ


MIAN SHAMIM ANWAR
MEMORIAL HOSPIT

PATTERN OF SHAREHOLDING AND SHARES TRADED

A statement of the pattern of shareholding as at September 30, 2021, which is required to be disclosed under the reporting framework, is annexed to this report.

Trade in Shares:

Detail of trade in the shares of the Company by Directors, and other executives their spouses and minor children is as under:

Mian Mustafa Ali Tariq – Chief Executive Officer	11,000
Mrs. Nusrat Shamim – Non-Executive Director	9,500
Mrs. Maryam Habib - Executive Director	11,000

COMPOSITION OF THE BOARD

In line with the requirements of the CCG, the Company encourages representation of Independent and Non-Executive Directors, as well as gender diversity on its Board. The current composition of the Board is as follows: The total number of directors is Seven (7) as per the following:

Category	No of Directors
Male Directors	5
Female Directors	2

The composition of board is as follows:

Category	Name
Independent Directors	Mr. Taufiq Ahmad Khan Mr. Muhammad Imran Khan Mr. Saif Hasan
Executive Director	Mian Mustafa Ali Tariq
Non-Executive Director	Mian Ahmed Ali Tariq
Female Directors	Mrs. Nusrat Shamim (Non Executive Director) Mrs. Maryam Habib (Executive Director)

BOARD COMMITTEES

AUDIT COMMITTEE

The Board of Directors has established Audit Committee in compliance with the Code of Corporate Governance. A chairman heads the Audit Committee, which consists of three members. The committee regularly meets with the Chief Financial Officer and the Head of Internal Audit to review and ensure that the highest accounting standards are being maintained. The Audit Committee comprises of the following members:

Directors' Names	Status	Category
Mr. Taufiq Ahmad Khan	Independent Director	Chairman
Mian Ahmed Ali Tariq	Non - Executive Director	Member
Mr. Muhammad Imran Khan	Independent Director	Member

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 the internal audit department's findings and held separate meetings with internal and external auditors as required under the Code of Corporate Governance.

HUMAN RESOURCES AND REMUNERATION (HR&R) COMMITTEE

Human resource planning and management is one of the most important focus points at the highest management level. The Company has a Human Resource and Remuneration Committee, which is involved in the selection, evaluation,

compensation, and succession planning of key management personnel. It is also involved in endorsing improvements in Company's human resource policies and procedures and their periodic appraisal. The Human Resources and Remuneration Committee comprises of the following members:

Directors' Names	Status	Category
Mian Ahmed Ali Tariq	Non - Executive Director	Chairman
Mr. Taufiq Ahmad Khan	Independent Director	Member
Mian Mustafa Ali Tariq	Chief Executive Officer	Member

RISK MANAGEMENT COMMITTEE

The Risk Management Committee serves a term of three years. A director retiring by rotation may be re-elected. The Committee report directly to the Board of Directors and perform their tasks as assigned by the Board of Directors. The Risk Management Committee comprises of the following members:

Directors' Names	Status	Category
Mian Mustafa Ali Tariq	Chief Executive Officer	Chairman
Mrs. Maryam Habib	Executive Director	Member
Mr. Saif Hasan	Independent Director	Member

MEETINGS OF BOARD OF DIRECTORS

The Board of the Company met four times during the current year in Pakistan and the attendance of the directors is summarized below:

Directors' Names	Status	No. of Meetings Attended
Mian Ahmed Ali Tariq	Chairman	4
Mian Mustafa Ali Tariq	Chief Executive Officer	4
Mrs. Nusrat Shamim	Non - Executive Director	3
Mrs. Maryam Habib	Executive Director	4
Mr.Taufiq Ahmed Khan	Independent Director	4
Mr. Muhammad Imran Khan	Independent Director	3
Mr. Saif Hasan	Independent Director	4

Leaves of absence was granted to the director who could not attend the Board meetings.

ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman and the Chief Executive Officer have separate and distinct roles. The Chairman has all the powers vested under the Code of Corporate Governance and presides over Board meetings. The principal role of the Chairman is to manage and to provide leadership to the Board of Directors of the Company. The Chairman is accountable to the Board and acts as a direct liaison between the Board and the management of the Company through the Chief Executive Officer. The Chairman is independent from management and free from any interest and any business or other relationship that could conflict with the Chairman's independent judgment. The Chief Executive Officer performs his duties under the powers vested by the law and the Board. The Chief Executive Officer recommends and implements business strategy and is responsible for the overall control and operations of the Company.

DIRECTORS TRAINING PROGRAMME (DTP)

The Directors of the Company are adequately trained to perform their duties and are aware of their powers and responsibilities under the Companies Act, 2017 and the Regulations of PSX rule book.


GLAND STEAM
0
-0.5
COMPOUND GAUGE
0.5
-1
kgf/cm²
1

RELATED PARTIES TRANSACTIONS

All related parties transactions entered into are at arm's length basis and were reviewed and approved by the Board of Directors upon recommendation of the Audit Committee in compliance with the Code of Corporate Governance and the Companies Act, 2017. The detail of transactions with the related parties is provided in respective notes the financial statements.

CORPORATE BRIEFING SESSION

The Company carried out a corporate briefing session during year. The objective behind the company's engagement through this briefing was to give investors the right perspective of the company's business affairs. Investors from all walks of life attended the event and showed great interest in the affairs of the company. The Board continues to value the importance of building strong investor relations.

COMMUNICATION

The Company focuses on the importance of the communication with the shareholders. The annual, half yearly, and quarterly reports are distributed to them within the time specified in the Companies Act, 2017. The website of the Company is compliant to all requirements of Securities and Exchange Commission of Pakistan (SECP), and all the information relating to the Company is available on the website. Stakeholders and members of the general public can visit the company's website www.husein.pk to get their desired information.

CHIEF FINANCIAL OFFICER, COMPANY SECRETARY AND HEAD OF INTERNAL AUDIT

The Chief Financial Officer (CFO) and the Head of Internal Audit possesses the requisite qualification and experience as prescribed in the Code of Corporate Governance. The Company Secretary possesses the requisite qualification and experience as prescribed in the Companies Act, 2017. The appointment, remuneration and terms and conditions of employment of Chief Financial Officer, the Company Secretary and the Head of Internal Audit were determined by the Board of Directors. The removal of the Chief Financial Officer and Company Secretary whenever applicable is made with the approval of the Board of Directors.

DIRECTOR'S REMUNERATION

The Company has formal policy and transparent procedure for determining the remuneration of Executive Directors, Non-Executive and Independent Directors. Executive directors are paid remuneration with view of attracting and retaining Directors needed to govern the Company successfully. For information on remuneration of Directors and Chief Executive Officer, please refer to note - 36 of the financial statements.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board of Directors has made an efficient system of internal financial controls. They confirm to comply with the Listed Companies Code of Corporate Governance except as disclosed in Statement of Compliance, with applicable laws, regulation and have been effectively implemented and monitored. Internal Audit function of our company regularly appraises the financial controls and Audit committee reviews the internal controls and Financial accounts on quarterly basis.

BOARD EVALUATION

In compliance with the Code of Corporate Governance, the Board approved self-evaluation mechanisms for evaluation of performance of the Board, its directors and committees through discussion and questions focusing on the Board's scope, objectives, functions, responsibilities, the Company's performance and monitoring. The Board has evaluated all the factors based on the inputs of the Directors made in the Board Meeting.

EXTERNAL AUDITORS

The present Auditors Messrs. Kreston Hyder Bhimji & Co. Chartered Accountants, retire at the conclusion of forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment. As suggested by the Audit Committee in terms of the Code of Corporate Governance, the Board of Directors has recommended their appointment as External Auditors of the Company for the year ending September 30, 2022 at the same remuneration subject to approval of the members in the forthcoming Annual General Meeting.

APPRECIATION

The generation of long-term shareholder value is the primary driving force of our company. The continued confidence and trust of our shareholders is of the utmost importance to us. At Husein - we have always strived to maximize our shareholder's equity and we remain determined in our commitment. This would not be possible without the continued support of all our stakeholders. The Board acknowledges with thanks the continued support and cooperation extended by the shareholders, bankers, sugarcane farmers and all other stakeholders. The Board also places on record its appreciation for employees of the Company for its devotion and hard work.

For and on Behalf of the Board of Directors,

MIAN MUSTAFA ALI TARIQ
Chief Executive Officer

MIAN AHMED ALI TARIQ
Chairman

Lahore: December 30, 2021

CORPORATE CALENDAR
AND NOTABLE EVENTS
2020-2021

DECEMBER 31 2020
Audit Committee meeting to consider annual accounts of the Company for the year ended September 30, 2020

DECEMBER 31 2020
Board of Directors meeting to consider annual accounts of the Company for the year ended September 30, 2020

JANUARY 28 2021
Annual General meeting of Shareholders to consider annual accounts of the Company for the year ended September 30, 2021

JANUARY 28 2021
Audit Committee meeting to consider interim accounts of the Company for the first quarter ended December 31, 2021

JANUARY 28 2021
Board of Directors meeting to consider interim accounts of the Company for the first quarter ended December 31, 2021

FEBRUARY 15 2021
Corporate Briefing Session (CBS)

MAY 28 2021
Audit Committee meeting to consider interim accounts of the Company for the second quarter ended March 31, 2021

MAY 28 2021
Audit Committee meeting to consider interim accounts of the Company for the second quarter ended March 31, 2021

July 16 2021
Audit Committee meeting to consider interim accounts of the Company for the third quarter ended June 30, 2021

July 16 2021
Audit Committee meeting to consider interim accounts of the Company for the third quarter ended June 30, 2021

19 66

AUGUST 27 2021
Extra Ordinary General meeting of Shareholders (EOGM) of the Company for approval of Preference Shares and Investment in Associate

STATEMENT OF COMPLIANCE

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

Name of Company: Husein Sugar Mills Limited
Year Ended: 30 September 2021

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

1. The total number of directors are 7 as per the following:

Category	No of Directors
Male Directors	5
Female Directors	2

2. The composition of board is as follows:

Independent Directors	Mr. Taufiq Ahmad Khan
	Mr. Muhammad Imran Khan
	Mr. Saif Hasan
Executive Director	Mian Mustafa Ali Tariq
Non-Executive Director	Mian Ahmed Ali Tariq
Female Directors	Mrs. Nusrat Shamim (Non Executive Director)
	Mrs. Maryam Habib (Executive Director)

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.

4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

8. The board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The Board remained fully compliant with the provision with regard to their Directors' Training Program. Out of

seven directors, three (03) directors have completed the Director's Training program in prior years and the remaining directors shall obtain certification under the DTP in due course of time.

10. All appointments (including remuneration, terms and conditions of employment) of Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit have been duly approved by the Board as per the requirements of applicable provisions of the Act and the Regulations.

11. The CEO and CFO duly endorsed the financial statements before approval of the Board.

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

Audit Committee:	
Name of Director	Designation
Mr. Taufiq Ahmad Khan	Chairman
Mian Ahmed Ali Tariq	Member
Mr. Muhammad Imran Khan	Member

HR and Remuneration Committee:	
Name of Director	Designation
Mian Ahmed Ali Tariq	Chairman
Mr. Taufiq Ahmad Khan	Member
Mian Mustafa Ali Tariq	Member

Risk Management Committee:	
Name of Director	Designation
Mian Mustafa Ali Tariq	Chairman
Mrs. Maryam Habib	Member
Mr. Saif Hasan	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 (quarterly/half yearly/ yearly) of the committee were as per following:

    a) Audit Committee: Four quarterly meetings during the financial year ended September 30, 2021.
    b) HR and Remuneration Committee: One meeting during the financial year ended September 30, 2021.
    c) Risk Management Committee: No meeting during the financial year ended September 30, 2021.

15. The Board has set up an effective internal audit function controlled by internal audit department, which is comprised of qualified and experienced professionals for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firms involved in the audit are not a close relatives (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or any Director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with.

For and on Behalf of the Board of Directors,

Lahore: December 30, 2021

MIAN MUSTAFA ALI TARIQ
Chief Executive Officer

MIAN AHMED ALI TARIQ
Chairman

PATTERN OF SHAREHOLDING

1.1 Name of the Company	Husein Sugar Mills Limited
2.1 Pattern of holding of the shares held by the shareholders as at	September 30, 2021

2.2 No. of Shareholders	Shareholding From	To	Total shares held
374	1	100	7,581
114	101	500	29,522
143	501	1,000	96,945
246	1,001	5,000	557,160
61	5,001	10,000	446,104
28	10,001	15,000	356,072
16	15,001	20,000	277,008
8	20,001	25,000	182,354
6	25,001	30,000	165,333
6	30,001	35,000	194,661
3	35,001	40,000	110,650
10	40,001	45,000	429,704
4	45,001	50,000	194,650
1	50,001	55,000	50,290
3	55,001	60,000	168,893
1	60,001	65,000	64,364
2	65,001	70,000	136,148
1	70,001	75,000	72,000
1	75,001	80,000	75,692
1	80,001	85,000	80,250
2	100,001	105,000	205,383
1	105,001	110,000	107,000
1	120,001	125,000	124,437
1	130,001	135,000	134,516
1	135,001	140,000	136,500
1	140,001	145,000	140,935
1	165,001	170,000	166,275
2	170,001	175,000	344,932
2	175,001	180,000	355,485
2	180,001	185,000	365,363
1	185,001	190,000	187,285
1	205,001	210,000	205,475
3	210,001	215,000	635,894
1	215,001	220,000	215,149
1	345,001	350,000	349,596
1	355,001	360,000	355,050
1	375,001	380,000	377,099
1	420,001	425,000	423,484
1	530,001	535,000	533,617
1	690,001	695,000	692,171
1	695,001	700,000	696,280
1	820,001	825,000	824,280
1	1,065,001	1,070,000	1,070,000
1	2,960,001	2,965,000	2,963,900
1	11,195,001	11,200,000	11,197,229
1	12,015,001	12,020,000	12,017,284
1,061			38,520,000

Sr. No	Categories of Shareholders	Shares Held	Percentage
A)	Associated Companies, Undertakings and related parties	-	-
B)	Mutual Funds	-	-
C)	Directors/Chief Executive Officer and their spouse and minor Children		
1	Mian Ahmed Ali Tariq	12,017,284	31.20
2	Mian Mustafa Ali Tariq	11,210,229	29.10
3	Mst. Nusrat Shamim	7,000	0.02
4	Mrs. Maryam Habib	434,484	1.13
5	Mr. Taufiq Ahmed Khan	5,511	0.01
6	Mr. M.Imran Khan	749	0.00
7	Mr. Saif Hasan	535	0.00
	TOTAL: -	23,675,792	61.46
D)	Executives	1,029	0.00
E)	Public Sector Companies & Corporations	-	-
F)	Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds		
1	Habib Bank Limited	2,140	0.01
2	National Bank of Pakistan	1	0.00
3	Industrial Development Bank of Pakistan	1,304	0.00
	TOATL : -	3,445	0.01
G)	**Shareholding 10% or more:*		
1	Mian Ahmed Ali Tariq	12,017,284	31.20
2	Mian Mustafa Ali Tariq	11,210,229	29.10
	TOTAL: -	23,227,513	60.30
H)	Joint Stock Companies		
1	MERCANTILE COOPERATIVE FINANCE CORP. LTD.	9,945	0.03
2	RS CAPITAL (PRIVATE) LTD.	107,000	0.28
3	SHAFFI SECURITIES (PVT) LTD.	324	0.00
4	BULK MANAGEMENT PAKISTAN (PVT.) LTD.	215,149	0.56
5	WESTBURY (PRIVATE) LTD	66,148	0.17
6	NADEEM INTERNATIONAL (PVT.) LTD.	10,072	0.03
7	NAEEM'S SECURITIES (PVT) LTD	39	0.00
8	KAIZEN CONSTRUCTION (PVT) LTD	20,000	0.05
9	PROSPERITY SECURITIES (SMC-PVT.) LTD.	19,000	0.05
10	SHARE CENTRE (PRIVATE) LTD.	56,175	0.15
11	PAKISTAN CLOTH MERCHANT ASSOCIATION	1,534	0.00
12	HH MISBAH SECURITIES (PRIVATE) LTD.	14,993	0.0413
13	KAIZEN CONSTRUCTION (PVT) LTD.	46,500	0.12

Sr. No	Categories of Shareholders	Shares Held	Percentage
14	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	2,500	0.01
15	FAIRTRADE CAPITAL SECURITIES (PVT.) LTD.	376	0.00
16	FIKREES (PRIVATE) LTD.	1,070	0.00
17	ARIF HABIB LIMITED - MF	36,500	0.09
	TOTAL:-	607,325	1.58
I)	Investment Companies	-	-
J)	Others	-	-
1	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	125	0.00
2	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	4	0.00
	TOTAL:-	129	0.00
K)	General Public	14,232,208	36.95
	GRAND TOTAL	38,520,000	100.00

* Shareholders having 10% or above shares exist in other categories therefore not included in total.

All trade in the Company's shares,carried out by its Directors,CEO,CFO,Company Secretary and their spouses and minor children during the year are as under:

		Sold	Purchased
2	Mian Mustafa Ali Tariq - Chief Executive Officer	-	11,000
3	Mrs. Nusrat Sahmim - Non Executive Director	-	9,500
4	Mrs. Maryam Habib - Executive Director	-	11,000

KRESTON
HYDER BHIMJI & CO
CHARTERED ACCOUNTANTS

Amin Building,
65-The Mall, Lahore.
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INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Husein Sugar Mills Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Husein Sugar Mills Limited for the year ended September 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended September 30, 2021.

Kreston Hyder Bhimji

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

Lahore: December 30, 2021

Other Office at: **Karachi - Faisalabad - Islamabad**
Web site: **www.krestonhb.com**

FINANCIAL STATEMENTS

for the Year Ended September 30, 2021

KRESTON
HYDER BHIMJI & CO
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the members of Husein Sugar Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Husein Sugar Mills Limited ("the Company"), which comprises statement of financial position as at September 30, 2021, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, statement of changes in equity and statement of cash flows together with the notes forming part thereof conform with the accounting and reporting Standards as applicable in Pakistan, and, give the information required by the Companies Act, 2017(XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the company's affairs as at September 30, 2021 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the Key Audit Matter(s):

S.No.	Key Audit Matter(s)	How the Matter was addressed in audit
1.	Capitalization of Property, Plant and Equipment:	
	The Company has made significant capital expenditure on balancing and modernization to improve plant efficiency and product quality as discussed in note - 5 to the annexed financial statements. We identified capitalization of property, plant and equipment as a key audit mater because there is a risk that amounts being capitalized may not meet the capitalization criteria with related implications on capitalization of borrowing costs and depreciation charge for the year.	Our audit procedures to assess the capitalization of property, plant and equipment, amongst others, included the following: • Understand the design and implementation of management controls over capitalization and performing tests of control over authorization of capital expenditure and accuracy of its recording in the system; • test on a sample basis, the costs incurred on projects with supporting documentation and contracts; • assess the nature of costs incurred for the capital projects through testing, on sample basis, of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the accounting policy discussed in note 4.2 to the financial statements and applicable accounting standards; and • verify supporting documents for the date of capitalization when project was ready for its intended use to assess whether depreciation commenced from that date and assessing the useful life assigned by management to such assets including testing the calculation of related depreciation.
2.	Inventory	
	As at September 30, 2021 inventory comprises consumable stores and spares and stock in trade as disclosed in note - 9 to the annexed financial statements. There is a risk in estimating the eventual NRV of items held, as well as assessing which items may be slow-moving or obsolete. The Company's principal accounting policy on inventory and the critical accounting estimates, judgements and assumptions are disclosed in note 4.4 to the annexed financial statements. Further, stock in trade in financial statements as disclosed in note - 9 includes: • By-products comprising press mud, bagasse and molasses; • work-in-progress mainly comprising sugar in process and molasses in process; and • finished goods in the shape of refined sugar. The press mud and bagasse is stored in the opened area in the form of stockpiles. As the weighing of these inventories of stock in trade is not practicable, management assesses the reasonableness of the quantities on hand by obtaining measurements of stockpiles and converting these measurements to unit of volumes by using angle of repose. Due to the significance of inventory balances of consumable stores and spares and stock in trade and related estimations involved, this is considered as a key audit matter.	Our audit focused on whether the valuation of year-end inventory was in line with IAS 2. This included challenging judgements taken regarding obsolescence and net realizable value provisions. We obtained assurance over the appropriateness of management's assumptions applied in calculating the value of inventory by: • checking the effectiveness of controls associated with the existence and condition of inventories by attending inventory counts at year end with sample / verification test; • critically assessing the Company's provisioning policy, with specific consideration given to aged / slow-moving inventory; • assessed the management's process of measurement of stockpiles and the determination of values using conversion of volumes to total weight as well as confirming it from perpetual record. • obtained and reviewed the inventory valuation report relating to press mud, bagasse and molasses of the external surveyor and assessed its accuracy and authenticity; and • tested the NRV of the inventories held by preforming a review of sales close to and subsequent to the year end.

S.No.	Key Audit Matter(s)	How the Matter was addressed in audit
3.	Revenue recognition:	
	As per ISA 240, there is a presumed risk of material misstatement due to inappropriate revenue recognition. This may either result from an overstatement of revenues through premature revenue recognition or recording fictitious revenues or understatement of revenues through improperly shifting revenues to a later period. These revenue may also be manipulated through the use of inappropriate rates for the overstatement / understatement of revenue to achieve desired financial results. The accounting policy related to recognition of revenue by the company is provided in note 4.26 to the annexed financial statements. In view of significant value of transactions and presumed risk of material misstatement involved, we have considered this as a key audit matter.	In this regard, our audit procedures amongst others included the following: • Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards including management's assessment of impact of "Revenue from contracts with customers" (IFRS 15). • Obtaining an understanding of the nature of the revenue contracts entered into by the Company, testing a sample of sales contracts to confirm our understanding and assessing whether or not management's application of IFRS 15 requirements was in accordance with the standard. • Performing cut-off procedures for a sample of revenue transactions at year end in order to conclude as to whether they were recognized at the moment the related goods actually sold. • Analyzing other adjustments and credit notes issued after the reporting date, if any. • Performing analytical procedures on entries in the daily ledger related to revenue made by the Company. These procedures were carried out by paying special attention to accounting entries recorded close to the yearend or subsequently, as well as those deemed unusual, among other reasons, due to their nature, amount and date of occurrence. • Reviewing disclosures included in the notes to the annexed financial statements.
4.	Borrowings:	
	The Company has significant amounts of borrowings from financial institutions amounting to Rs. 2,886.725 million, being 69.78% of total liabilities as disclosed in notes 19, 20 and 24 to the annexed financial statements, at the reporting date. Given the significant level of borrowings, finance costs, gearing ratio and the disclosure given by the management in financial statements and compliance with various loan covenants, this is considered to be a key audit matter.	In response to this matter, our audit procedures included: • Review of loan agreements / offer letters to ascertain the terms and conditions of repayment and rates of markup used by management in calculation of finance costs and those disclosed by management are correct. • Verification of repayments made by the Company during the year on sample basis to confirm that repayments are being made on time and no default has been made. • Verification of disbursement of loans and its utilization on sample basis. • Assessing procedures designed by management to comply with the debt covenants. • Obtaining external confirmations from financial institutions of the Company to confirm balances and terms and conditions stated in the loan agreements / offer letters and compliance thereof. Ensuring that the outstanding liabilities and terms thereto have been properly classified and adequately disclosed in the financial statements.

S.No.	Key Audit Matter(s)	How the Matter was addressed in audit
5.	Contingencies:	
	The Company is subject to a number of legal, regulatory, tax and competition matters, many of which are beyond its control. Consequently, the management make judgements about the incidence and quantum of such liabilities arising from litigation, tax and regulatory or competition claims which are subject to the future outcome of legal or regulatory processes. There are a number of legal and regulatory matters for which no provision has been established, as discussed in note – 26 to the annexed financial statements. There is an inherent risk that legal exposures are not identified and considered for financial reporting purposes on a timely basis, therefore, considered to be a key audit matter. Importantly, the decision to recognize a provision and the basis of measurement are judgmental, and thus considered as a key matter.	We assessed and tested the design and operating effectiveness of the controls over the identification, evaluation, provisioning and reporting of legal, tax, regulatory and competition matters. It is determined that we could rely on these controls for the purposes of our audit. In view of the significant judgements required, we evaluated the Company's assessment of the nature and status of litigation, claims and provisional assessments, if any, and discussed with management to understand the legal position and the basis of material risk positions. We received legal letters from the Company's external counsels setting out their views in major cases. Specifically, we discussed with management the timing of recognition for cases where there was potential exposure, as it was not that a provision determinable was required e.g. where obtaining reliable estimates were not considered possible. As set out in the annexed financial statements, the outcome of litigation and regulatory claims are dependent on the future outcome of continuing legal and regulatory processes and consequently the calculations of the provisions are subject to inherent uncertainty.

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 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 the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, the requirements of the 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. The Board of directors is responsible for overseeing the company's financial reporting process.

Auditors' 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 to 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 changes in equity and the statement of cash flows (together with the notes thereon have been drawn up in conformity with the Companies Act, 2017(XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Syed Aftab Hameed, FCA.

Kreston Hyder Bhimji

KRESTON HYDER BHIMJI& CO.
Chartered Accountants

Lahore: December 30, 2021

STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	4,992,954,372	4,499,427,985
Right-of-use assets	6	13,251,858	8,325,733
Intangible assets	7	-	-
Long term deposits	8	42,600,665	26,800,128
		5,048,806,895	4,534,553,846
CURRENT ASSETS			
Inventory	9	1,326,487,488	1,017,799,297
Trade and other receivables	10	269,784,966	955,664,958
Advances, deposits and prepayments	11	325,020,338	290,827,157
Financial assets	12	7,593,255	6,716,005
Tax refund due from Government - income tax		44,563,749	44,643,508
Cash and bank balances	13	112,766,270	41,756,584
Current portion of long term deposits	8	450,000	-
		2,086,666,066	2,357,407,509
TOTAL ASSETS		7,135,472,961	6,891,961,355
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up ordinary share capital			
38.520 million (30 September 2020: 38.520 million) ordinary shares of Rupees 10 each	14	385,200,000	385,200,000
Share subscription money against right share issuance	15	211,758,198	-
Capital reserves			
Reserve arising as a consequence of scheme of arrangement		70,694,859	70,694,859
Share premium account	16	115,893,550	115,893,550
Surplus on revaluation of property, plant and equipment	17	2,002,191,810	2,108,775,752
		2,188,780,219	2,295,364,161
Revenue reserves			
Accumulated loss		(50,191,687)	(137,887,770)
Directors' loans - related parties	18	261,953,676	424,428,823
		2,997,500,406	2,967,105,214
NON-CURRENT LIABILITIES			
Long term finance	19	674,872,670	702,028,227
Lease liability	20	8,264,442	3,713,686
Deferred tax liability - net	21	277,419,011	268,351,697
		960,556,123	974,093,610
CURRENT LIABILITIES			
Trade and other payables	22	677,222,165	893,103,388
Contract liabilities	23	211,456,950	444,619,183
Short term borrowings	24	1,871,706,125	1,407,998,902
Accrued mark-up on secured borrowings	25	83,922,051	80,052,541
Current portion of long term finance	19	329,911,643	119,355,938
Current portion of lease liability	20	1,970,106	4,392,625
Unpaid dividend		31,408	43,970
Unclaimed dividend		1,195,984	1,195,984
		3,177,416,432	2,950,762,531
CONTINGENCIES AND COMMITMENTS	26		
TOTAL EQUITY AND LIABILITIES		7,135,472,961	6,891,961,355

The annexed notes from 1 to 46 form an integral part of these financial statements.

LAHORE: CHIEF EXECUTIVE OFFICER CHIEF FINANCIAL OFFICER DIRECTOR

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Note	2021 Rupees	2020 Rupees
REVENUE FROM CONTRACT WITH CUSTOMERS - GROSS		7,102,627,479	3,398,300,126
Sales Tax And Other Government Levies		(954,104,665)	(443,670,213)
REVENUE FROM CONTRACT WITH CUSTOMERS - NET	27	6,148,522,814	2,954,629,913
COST OF REVENUE	28	(5,672,475,117)	(2,662,524,657)
GROSS PROFIT		476,047,697	292,105,256
OPERATING EXPENSES			
Administrative and general expenses	29	(212,873,840)	(185,574,545)
Selling and distribution cost	30	(21,321,299)	(15,111,787)
Other operating expenses	31	(8,888,396)	(43,753,741)
		(243,083,535)	(244,440,073)
PROFIT FROM OPERATIONS		232,964,162	47,665,183
OTHER INCOME	32	150,465,517	117,482,495
FINANCE COST	33	(314,909,517)	(374,089,310)
PROFIT / (LOSS) BEFORE TAXATION		68,520,162	(208,941,632)
TAXATION	34	(44,863,548)	(77,264,816)
PROFIT / (LOSS) AFTER TAXATION		23,656,614	(286,206,448)
EARNINGS / (LOSS) PER SHARE OF RUPEES 10 EACH - BASIC AND DILUTED	35	0.58	(6.98)

The annexed notes from 1 to 46 form an integral part of these financial statements.

LAHORE: CHIEF EXECUTIVE OFFICER CHIEF FINANCIAL OFFICER DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	2021 Rupees	2020 Rupees
PROFIT / (LOSS) AFTER TAXATION	23,656,614	(286,206,448)
OTHER COMPREHENSIVE INCOME		
Items that will never be reclassified to statement of profit or loss:		
Surplus on revaluation of property, plant and equipment	-	565,116,070
Deferred tax surplus on revaluation of property, plant and equipment	-	(106,421,116)
	-	458,694,954
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	23,656,614	172,488,506

The annexed notes from 1 to 46 form an integral part of these financial statements.

LAHORE: CHIEF EXECUTIVE OFFICER CHIEF FINANCIAL OFFICER DIRECTOR

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	SHARE CAPITAL	SHARE SUBSCRIPTION MONEY AGAINST RIGHT SHARE ISSUANCE	RESERVES					TOTAL RESERVES	DIRECTORS' LOANS	TOTAL EQUITY
			Capital				Revenue			
			Reserve arising as a consequence of scheme of arrangement	Share premium account	Surplus on revaluation of property, plant and equipment	Sub total	Accumulated (loss) / profit			
	Rupees									
Balance as at 30 September 2019	360,000,000	-	70,694,859	141,093,550	1,726,506,614	1,938,295,023	102,944,970	2,041,239,993	446,380,983	2,847,620,976
Total comprehensive income for the year ended 30 September 2020										
Profit after taxation	-	-	-	-	-	-	(286,206,448)	(286,206,448)	-	(286,206,448)
Other comprehensive income	-	-	-	-	458,694,954	458,694,954	-	458,694,954	-	458,694,954
	-		-	-	458,694,954	458,694,954	(286,206,448)	172,488,506	-	172,488,506
Transactions with owners:										
Bonus shares issued during the year @ 7% share capital	25,200,000	-	-	(25,200,000)	-	(25,200,000)	-	(25,200,000)	-	-
Adjustment due to repayment	-	-	-	-	-	-	-	-	(21,952,160)	(21,952,160)
Dividend paid during the period at the rate of Rs. 0.30 per share of Rs. 10 each for the year ended September 30, 2019	-	-	-	-	-	-	(10,800,000)	(10,800,000)	-	(10,800,000)
	25,200,000	-	-	(25,200,000)	-	(25,200,000)	(10,800,000)	(36,000,000)	(21,952,160)	(32,752,160)
Incremental depreciation associated with surplus on revaluation of property, plant and equipment (net of deferred tax)	-	-	-	-	(56,173,708)	(56,173,708)	56,173,708	-	-	-
Effect of change in tax rate on deferred tax related to revaluation surplus of property, plant and equipment	-	-	-	-	(20,252,108)	(20,252,108)	-	(20,252,108)	-	(20,252,108)
Balance as at 30 September 2020	385,200,000	-	70,694,859	115,893,550	2,108,775,752	2,295,364,161	(137,887,770)	2,157,476,391	424,428,823	2,967,105,214
Total comprehensive income for the year ended 30 September 2021										
Profit after taxation	-	-	-	-	-	-	23,656,614	23,656,614	-	23,656,614
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	23,656,614	23,656,614	-	23,656,614
Transactions with owners:										
Adjustment due to repayment - net	-	-	-	-	-	-	-	-	(10,044,616)	(10,044,616)
Share subscription money received during the year	-	59,327,667	-	-		-	-	-	-	59,327,667
Transfer to share subscription money against right issue	-	152,430,531	-	-	-	-	-	-	(152,430,531)	-
	-	211,758,198	-	-	-	-	-	-	(162,475,147)	49,283,051
Incremental depreciation associated with surplus on revaluation of property, plant and equipment (net of deferred tax)	-	-	-	-	(64,039,469)	(64,039,469)	64,039,469	-	-	-
Effect of change in tax rate on deferred tax related to revaluation surplus of property, plant and equipment	-	-	-	-	(42,544,473)	(42,544,473)	-	(42,544,473)	-	(42,544,473)
Balance as at 30 September 2021	385,200,000	211,758,198	70,694,859	115,893,550	2,002,191,810	2,188,780,219	(50,191,687)	2,138,588,532	261,953,676	2,997,500,406

The annexed notes from 1 to 46 form an integral part of these financial statements.

LAHORE: CHIEF EXECUTIVE OFFICER CHIEF FINANCIAL OFFICER DIRECTOR

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Note	2021 Rupees	2020 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		68,520,162	(208,941,632)
Adjustments for non-cash and other items:			
Depreciation		156,913,940	126,508,559
Depreciation of ROU assets		5,301,161	4,192,558
Finance cost		314,909,517	374,089,310
Profit on bank accounts		(298,105)	(309,053)
Fair value gain on financial assets		(493,757)	(298,167)
Sales tax no more payable written back		(51,875,283)	-
Advances against sale of sugar forfeited		-	(14,028,000)
Gain on disposal of operating fixed assets		(3,661,322)	(1,557,440)
Dividend income		(60,675)	(748,100)
Old credit balances no more payable written back		(6,899,079)	(3,290,174)
Gain on derecognition of lease liability		(1,005,673)	-
Impairment against leasehold improvements		8,768,762	-
Provision for doubtful trade and other receivables		87,790	43,739,265
Provision for advances to suppliers		1,206,477	-
Provision against consumable / slow moving stores and spares		2,503,835	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		493,917,750	319,357,126
Inventory		(311,192,026)	(681,895,523)
Trade and other receivables		692,747,100	(339,336,397)
Advances, deposits and prepayments		(34,199,658)	(151,238,440)
Contract liabilities		(233,162,233)	(31,312,160)
Trade and other payables		(207,760,400)	509,176,938
		(93,567,217)	(694,605,582)
CASH INFLOWS / (OUTFLOWS) FROM OPERATIONS		400,350,533	(375,248,456)
Net increase in long term deposits		(16,250,537)	(4,726,980)
Finance cost paid on:			
Lease liability		(1,288,399)	(1,385,454)
Others		(337,391,894)	(324,125,993)
Income tax paid		(78,260,948)	(38,216,141)
NET CASH OUTFLOWS FROM OPERATING ACTIVITIES		(32,841,245)	(743,703,024)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of operating fixed assets		(4,887,578)	(235,436,324)
Capital work in progress incurred		(299,963,040)	(455,895,758)
Purchase of stores held for capitalization		(346,912,354)	(42,667,590)
Prepayment against ROU assets		(3,318,800)	(1,200,000)
Proceeds from disposal of operating fixed assets		16,900,592	2,217,000
Change in financial assets (equity securities) during the year - net		(383,493)	16,188,992
Dividend received		60,675	748,100
Profit on bank deposits received		298,105	309,053
NET CASH OUTFLOWS FROM INVESTING ACTIVITIES		(638,205,893)	(715,736,527)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		(12,562)	(10,768,135)
Proceed from issuance of right shares during the year	43	59,327,667	-
Change in long term finance - net	43	183,400,148	468,810,892
Repayment of principal portion of lease liability		(4,974,576)	(3,211,980)
Repayment of director's loans - unsecured and interest free	43	(10,044,616)	(21,952,160)
Change in short term borrowings - net	43	463,707,223	996,616,724
NET CASH INFLOWS FROM FINANCING ACTIVITIES		691,403,284	1,429,495,341
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		20,356,146	(29,944,210)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		40,603,894	70,548,104
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		60,960,040	40,603,894
The reconciliation in cash and cash equivalents is as follows:			
Cash and cash equivalents			
Cash and bank balances	13	112,766,270	41,756,584
Temporary books' overdraft balances	22	(51,806,230)	(1,152,690)
Cash and cash equivalents at the end of the year		60,960,040	40,603,894

The annexed notes from 1 to 46 form an integral part of these financial statements.

LAHORE: CHIEF EXECUTIVE OFFICER CHIEF FINANCIAL OFFICER DIRECTOR

1. CORPORATE AND GENERAL INFORMATION

Legal status and operations

Husein Sugar Mills Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now the Companies Act, 2017). The shares of the Company are listed on Pakistan Stock Exchange Limited. The Company is principally engaged in the business of production and sale of sugar and its by-products. Its registered office is situated at 180 Abu Bakar Block, New Garden Town, Canal Road, Lahore, whereas its mill / plant is situated at Lahore Road, Jaranwala, district Faisalabad.

These financial statements are of the individual entity i.e. Husein Sugar Mills Limited.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards or IFAS, the provisions of and directives issued under the Companies Act, 2017, have been followed.

3. BASIS OF MEASUREMENT

a) Accounting convention

These financial statements have been prepared following accrual basis ofaccounting except for cash flow statement.

These financial statements have been prepared under the historical cost convention without any adjustments for the effect of inflation or current values, except for the following material items in the statement of financial position:

- Inventories which are valued at lower of weighted / moving average cost or Net Realizable Value (NRV) in accordance with IAS 2;
- Freehold land, buildings on freehold land and plant and machinery which stands at revalued amount in accordance with IAS 16; and
- Certain financial instruments which are carried at their fair value in accordance with IFRS 9.

b) Functional and presentation currency

The financial statements are presented in Pakistani Rupee (Rs.) which is the Company's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded to nearest rupee, unless otherwise indicated.

c) Critical accounting estimates, judgements and assumptions

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

Description	Note
· Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses)	4.1
· Useful lives and residual values of property, plant and equipment as well as fair values	4.2
· Useful lives, residual values and amortization method of intangible assets	4.3
· Fair value of property, plant and equipment	5.1.1
· Inventories (stock in trade and consumable stores and spares)	4.4
· Lease term	4.9
· Estimation of provisions	4.12
· Estimation of contingent liabilities	4.15
· Expected credit losses of certain financial assets under IFRS 9	4.16
· Impairment loss of non-financial assets other than inventories	4.16
· Classifications	

The revisions to accounting estimates (if any) are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

d) Standards, interpretations and amendments to publish approved accounting standards

New accounting standards interpretations and amendments to accounting standards that are effective and relevant

The new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after October 1, 2020 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

New accounting standards and amendments to standards not yet effective

The following Standards, interpretations and amendments of published approved accounting standards that are effective for accounting periods, beginning on or after the date mentioned against each of them are not relevant or not have an impact on the Company's financial statements.

		Effective for the period beginning on or after
IAS-1	Presentation of Financial Statements & Accounting Policies -Amendments regarding the classification of liabilities	January 01, 2023
IAS-8	Accounting Policies, changes in Accounting Estimates and Errors (Amendment regarding the definition of accounting estimates)	January 01, 2023
IAS-12	Income Taxes (The amendments to narrow the scope of the initial recognition exemption)	January 01, 2023
IAS-16	Property, Plant and Equipment- Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use	January 01, 2022
IAS-37	Provisions, Contingent Liabilities and Contingent Assets- Amendments regarding the costs to include when assessing whether a contract is onerous	January 01, 2022
IAS-41	Amendment resulting from Annual Improvements to IFRS Standards 2018-2021 (the amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique)	January 01, 2022

		Effective for the period beginning on or after
IFRS-1	First-time Adoption of International Financial Reporting Standards- Amendments resulting from Annual Improvements to IFRS Standards 2018–2021 (subsidiary as a first-time adopter)	January 01, 2022
IFRS-3	Business Combinations - Amendments updating a reference to the Conceptual Framework	January 01, 2022
IFRS-4	Insurance Contracts - Amendments regarding the expiry date of the deferral approach	January 01, 2023
IFRS-9	Financial Instruments -Amendments resulting from Annual Improvements to IFRS Standards 2018–2021 (fees in the '10 per cent' test for derecognition of financial liabilities)	January 01, 2022
IFRS-16	Leases (Extension in respect of the practical expedient for COVID-19 related rent concession by one year)	July 01, 2021
IFRS-16	Amendment resulting Annual Improvements to IFRS Standards 2018-2021 (to resolve any potential confusion that might arise in lease incentives)	January 01, 2022
IFRS-10	Consolidated Financial Statements and IAS 28 - Investment in Associates and Joint Ventures (Amendment regarding sale or contribution of assets between an investor and its associate or Joint Venture).	The effective date for these changes has been deferred idenfinitely until the completion of a broader review.
Interest Rate Benchmark Reform - Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IOBR reform. The amendments also allow a series of exemptions from regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms.		January 01, 2022

New Standards issued by IASB but not yet been notified / adopted by SECP

Following new standards issued by IASB but not yet effective:

		Effective for the period beginning on or after
IFRS – 1	First Time Adoption of IFRS	January 01, 2009
IFRS – 17	Insurance Contracts	January 01, 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted 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.

4.1 Taxation

Income tax comprises of current tax and deferred tax. Income tax expense is recognized in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity (if any), and in which case the tax amounts are recognized directly in other comprehensive income or equity.

Current

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit / loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses and credits only if it is probable that future taxable amounts will be available to utilise those temporary differences and unused tax losses and credits.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Impact of future income subject to final taxation is also considered in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan, if considered material. The Company recognizes deferred tax liability on surplus on revaluation of property, plant and equipment which is adjusted against the related surplus.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of property, plant and equipment) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Sales tax

Revenues, expenses and assets are recognized net off amount of sales tax except:

- Where sales tax incurred on a purchase of asset or service is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables or payables that are stated with the amount of sales tax included.

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

Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain as these matters are being contested at various legal forums. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Off-setting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.2 Property, plant and equipment

Operating fixed assets - tangible

Owned

Property, plant and equipment except freehold land, buildings on freehold land and plant and machinery are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Freehold land is stated at revalued amount less accumulated impairment losses (if any). Buildings on freehold land and plant and machinery are stated at revalued amount less accumulated depreciation and accumulated impairment losses (if any). The accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of these assets; and thereafter the carrying amount of these assets are adjusted to the revalued amount. Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition.

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 benefit associated with item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred.

De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de recognition of the asset is included in the statement of profit or loss in the year the asset is de-recognized.

Depreciation

Depreciation on all operating fixed assets is charged to statement of profit or loss by applying the reducing balance method so as to write off the depreciable amount of the assets over their estimated useful lives at the rates given in Note 5.1. The residual values and useful lives are reviewed by the management at each financial year end and adjusted if impact on depreciation is significant. Depreciation on additions is charged from the date on which the assets are available for use and on deletions upto the date on which the assets are deleted.

Capital work in progress

Capital work-in-progress is stated at cost less any identified impairment loss and represents expenditure incurred on property, plant and equipment during construction and installation. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. Cost also includes applicable borrowing costs. Transfers are made to relevant operating fixed assets category as and when the assets are available for use.

Revaluation

Any revaluation increase arising on the revaluation of free hold land and building on free hold land and plant & machinery is recognized in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of freehold land and building on freehold land and plant & machinery is charged to profit or loss to the extent that it exceeds the balance, if any, held in the Revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The surplus on revaluation of building on free hold land and plant & machinery to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three or five years.

Judgment and estimates

The Company reviews the useful lives and residual values of property, plant and equipment annually by considering expected pattern of economic benefit that the Company expects to derive from the item and the maximum period up to which such benefits are expected to be available. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

4.3 Intangibles

Measurement

Intangible assets, other than goodwill, are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is charged so as to allocate the cost of assets over their estimated useful lives, using the straight-line method.

Research and development expenditure is charged to 'administrative and general expenses' in the statement of profit or loss, as and when incurred.

Judgment and estimates

The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis. All intangible assets are estimated to have definite useful lives.

4.4 Inventories

Measurement

Inventories comprises of refined sugar, press mud, bagasse, molasses, sugar and molasses in process and consumables stores and spares. Inventories are stated at the lower of cost and net realizable value. Cost is calculated on the following basis:

- Finished goods, work-in-process of sugar and molasses

These are valued at the average annual production cost, which comprise cost of direct material, labour and appropriate manufacturing overheads.

- Molasses, bagasse and press mud

These are valued at their net realizable value.

- Consumable stores and spares

Consumables stores and spares are valued principally at weighted average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

Net realizable value represents the estimated selling price in the ordinary course of the business less all estimated costs of completion and estimated costs necessary to be incurred in order to make the sale.

Impairment

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the cost of sales in the statement of profit or loss.

Judgments and estimates

- The Company reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock-in-trade is adjusted where the net realizable value is below the cost.

- The Company reviews the consumable stores and spares for possible impairment on an annual basis. Any change in estimates in future years might affect the carrying amounts of the respective items of consumable stores and spares with a corresponding effect on the provision.

4.5 Trade debts, deposits and other receivables

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

4.6 Investments

Investments intended to be held for less than twelve months from the reporting date or to be sold to raise operating capital are included in current assets, all other investments are classified as non-current. Management determines the classification of its investments at the time of purchase depending on the purpose for which the investments are required and re-evaluates this classification on regular basis.

4.7 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash net of temporary bank or books overdrafts / overdrawn.

4.8 Borrowings / loans and borrowing costs

Interest bearing borrowings / Loans

Interest bearing borrowings / loans are recorded at the proceeds received. Borrowings are subsequently stated at amortized cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest rate method. Finance costs are accounted for on accrual basis and are reported under accrued mark up to the extent of the amount remaining unpaid.

Interest free loans payable on discretion of the company

Interest free loans given by directors and sponsors of the company and repayable at the discretion of the Company are initially measured and subsequently recognized in line with Technical Release - 32 (TR 32 - Accounting Directors' Loan) issued by the Institute of Chartered Accountants of Pakistan (ICAP), these loans are shown as part of equity.

Overdrafts

Overdrafts, if any, are repayable in full on demand and are measured at amortized cost.

Interest / borrowing costs

Interest expense / borrowing costs are accounted for on the basis of the effective interest method and are included in finance costs which are charged to income in the period in which these are incurred , except borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Borrowings are reported under accrued finance costs to the extent of the amount remaining unpaid and are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

4.9 Leases

The Company is the lessee.

"At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions."

At initial recognition, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, 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. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss account if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of use assets are depreciated on a straight-line method over the shorter of lease term or estimated useful live of the assets. If ownership of the asset transfers to the Company at the end of lease term or the cost reflects the exercise of purchase option, depreciation is calculated over the estimated useful life of the asset. These methods most closely reflect the expected pattern of consumption of future economic benefits.

The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

Judgments and estimates

The Company applies judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

Ijarah contracts

The Company has entered into Ijarah contracts under which it obtains usufruct of an asset for an agreed period for an agreed consideration. The Ijarah contracts are undertaken in compliance with the Shariah essentials for such contracts prescribed by the State Bank of Pakistan. The Company accounts for its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. Accordingly, Company as a Mustaj'ir (lessee) in the Ijarah contract recognises the Ujrah (lease) payments as an expense in the profit and loss on straight line basis over the Ijarah term.

4.10 Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

4.11 Employees benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement of profit or loss when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

The Company operates a defined contribution plan in the form of recognized provident fund scheme for the permanent employees. Contributions to fund are made monthly by the Company and employee at 10% of the basic salary. The Company's contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

Leave encashment

The Company provides for annual leave encashment to its employees on the basis of un-availed annual leaves, which is worked out on an average daily rate, based upon last drawn basic salary. It is accumulated to a maximum of twenty eight and sixty three days for workers and officers respectively. The un-availed annual leaves can be en-cashed by an employee at the time of retirement. No actuarial valuation has been carried out, since no materiality is involved in this case.

4.12 Provisions

Recognition and measurement

Provisions for legal claims and make good obligations are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Judgement and estimates

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

4.13 Contract liabilities

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract. It also includes refund liabilities arising out of customers'right to claim amounts from the Company on account of contractual delays in delivery of performance obligations and incentive on target achievements.

4.14 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in noncurrent liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

4.15 Contingencies and commitments

A contingent liability is disclosed when the company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the company; or 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.

Judgement and estimates

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the reporting date.

Capital commitments, unless those are actual liabilities, are not incorporated in the books of accounts.

4.16 Impairment

Financial assets

The Company recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12 month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12 month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovery of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Judgement and estimates

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the assets original effective interest rate.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impairment on financial assets other than trade debts has been measured on 12 - months expected loss basis and reflects the short maturities of the exposure.

Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit or loss. Impairment losses recognized in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

Judgement and estimates

The management of the Company reviews carrying amounts of its non-financial assets and cash generating units for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

4.17 Financial Instruments

Recognition and initial measurement

All financial assets or financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (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.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Amortized cost

A financial asset is measured at amortized 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.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Any gain or loss on derecognition is recognized in statement of profit or loss.

Financial assets measured at amortized cost comprise of cash and bank balances, deposits, long term loans, trade debts, term deposits and other receivable.

Debt Instrument – FVOCI

A debt investment is measured at FVOCI 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 achieved by both collecting contractual cash flows and selling financial assets; 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.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss. However, the Company has no such instrument at the reporting date.

Equity Instrument – FVOCI

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in 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 recognized in OCI and are never reclassified to statement of profit or loss.

Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in statement of profit or loss. Dividend income is presented separately from net gain and losses.

Financial assets at fair value through profit or loss comprise of short-term investments in listed equity securities.

All "regular way" purchases and sales of financial assets are recognized on the settlement date, i.e. the date on which the asset is delivered to or by the company. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the time frame generally established by the regulation or convention in the market.

Financial assets – Business model assessment

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains

a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on derecognition is also recognized in statement of profit or loss.

Financial liabilities comprise contractual trade and other payables, short term borrowings, long term financing, deposits, accrued mark-up, unclaimed / unpaid dividend, etc.

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in statement of profit or loss.

The Company classifies its financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Off - setting of financial instruments

Financial assets and liabilities are off-set and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention and ability to settle on a net basis, or realize the asset and settle the liability simultaneously.

4.18 Foreign currencies

Foreign currency transactions are translated into Pakistan Rupees which is the Company's functional and presentation currency using the exchange rates approximating those prevailing at the date of the transaction.

All monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees using the exchange rate at the reporting date. Exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in statement of profit or loss. All non-monetary assets and liabilities are translated in Pakistan Rupees using the exchange rates prevailing on the date of transaction or at the date when the fair value was determined.

4.19 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

The preference shares are non-redeemable. Preference shareholders participate only to the extent of the face value of the shares in the residual value of the company. Holders of these shares receive a non-cumulative dividend at the Company's discretion, or whenever dividends to ordinary shareholders are declared. They do not have the right to participate in any additional dividends declared for ordinary shareholders. These shares do not have voting rights.

4.20 Dividend and other distribution

Dividend and other distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved by the company's shareholders.

4.21 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

4.22 Related party transactions

All transactions arising in the normal course of business and are conducted at arm's length at normal commercial rate on the same terms and conditions as third party transactions using valuation modes as admissible, except in rarely extreme circumstances where, subject to approval of the Board of Directors, it is in the interest of the Company to do so. Parties are said to be related if they are able to influence the operating and financial decisions of the Company and vice versa.

4.23 Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relates to transactions with any of the Company's other components. Operating segments are reported in a manner consistent with the internal reporting structure based on the operating (business) segments of the Company. An operating segment's operating results are regularly reviewed by the management and the chief executive officer 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, intangibles, consumable stores and spares, stock in trade and other debts. Segment liabilities comprise of operating liabilities and exclude items that are common to all operating segments. However, sugar segment being the only one segment, all assets and liabilities are allocated to it.

Accounting policies of the reportable segments are the same as the Company's accounting policies described in this note. Inter-segment transactions are recorded at fair value. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets. The Company has only one reportable segment (manufacturing and sale of refined sugar) on the basis of product characteristics and the criteria defined by the IFRS 8, "Segment Reporting".

4.24 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income. Other comprehensive income comprises items of income and expense, including reclassification adjustments that are not recognized in profit or loss as required or permitted by approved accounting standards.

4.25 Statement of cashflows

The Company classify:

- cash payments for the principal portion of lease payments as financing activities;
- cash payments for the interest portion as operating activities;

- short-term lease payments and payments for leases of low-value assets as operating activities;

- cash flows from interest paid as operating activities, cash flows from interest received and dividends received as investing activities, and cash flows from dividends paid as financing activities. Interest paid includes the interest portion of the lease liabilities; and

- capitalised interest consistently with interest cash flows that are not capitalised.

4.26 Revenue recognition

Sale of goods

The Company generates revenue primarily from the sale of sugar and related by-products as well as bio – fertilizers to its customers. 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 from warehouse to the customers. Invoices are generated and revenue is recognised at that point in time. All the sales are on advance basis, except few invoices that are usually payable within 30 days. 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 taxes, returns, rebates, discounts and other allowances.

Government incentive

Government incentive relating to export sales are recognized when the right to receive such incentives has been established and the underlying conditions are met.

Return on bank deposits

Return on bank deposits is accounted for on a time proportionate basis using the applicable rate of return / interest.

Net unrealized gain / (losses)

Net unrealized gain / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in statement of profit or loss in the period in which they arise.

Dividend income

Dividend income is recognised in profit or loss as other income when:

- the Company's right to receive payment have been established;
- is probable that the economic benefits associated with the dividend will flow to the company; and
- the amount of the dividend can be measured reliably.

Foreign currency exchange differences

Foreign currency gains and losses are reported on a net basis.

Other income

Other income, if any, is recognized on accrual basis.

	Note	2021 Rupees	2020 Rupees
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	3,627,619,480	3,648,180,908
Capital work-in-progress	5.2	958,331,519	808,579,487
Stores held for capitalization	5.3	407,003,373	42,667,590
		4,992,954,372	4,499,427,985

5.1 Operating fixed assets - tangible

	COST / REVALUED AMOUNT							ACCUMULATED DEPRECIATION						NET BOOK VALUE AS AT 30-Sep-21
	Balance as at 1-Oct-20	Additions	Transfer	Deletion	Revaluation Surplus	Depreciation Adjustment	Balance as at 30-Sep-21	Rate %	Balance as at 1-Oct-20	For the year	Deletion	Depreciation Adjustment	Balance as at 30-Sep-21	
Owned														
Owned														
Freehold land	1,083,665,625	-	-	-	-	-	1,083,665,625	-	-	-	-	-	-	1,083,665,625
Buildings on freehold land	465,658,636	-	3,121,740	-	-	-	468,780,376	10	12,850,143	45,392,791	-	-	58,242,934	410,537,442
Plant and machinery	2,067,753,149	1,908,850	157,306,125	(11,160,000)	-	-	2,215,808,124	5	25,805,276	103,298,598	(1,125,464)	-	127,978,410	2,087,829,714
Standby equipment	2,625,683	-	-	-	-	-	2,625,683	10	1,498,493	112,719	-	-	1,611,212	1,014,471
Factory equipment	9,446,513	-	-	-	-	-	9,446,513	10	7,029,103	241,741	-	-	7,270,844	2,175,669
Gas and electric installation	53,915,648	1,708,450	-	(8,800,000)	-	-	46,824,098	10	20,076,209	2,696,792	(1,539,638)	-	21,233,362	25,590,736
Railway sidings	492,072	-	-	(492,072)	-	-	-	5	492,072	-	(492,072)	-	-	-
Furniture and fixtures	7,626,111	77,240	-	-	-	-	7,703,351	10	3,965,914	367,540	-	-	4,333,454	3,369,897
Office equipment	7,841,249	80,600	-	-	-	-	7,921,849	20	6,943,519	180,915	-	-	7,124,434	797,415
Computer equipment	6,485,847	24,000	-	-	-	-	6,509,847	30	5,836,933	198,915	-	-	6,035,848	473,999
Vehicles	75,574,631	1,088,438	-	(21,097,889)	-	-	55,565,180	20	59,256,079	2,343,206	(18,198,618)	-	43,400,668	12,164,512
Leasehold improvement	10,855,417	-	-	(10,855,417)	-	-	-	20	5,932	2,080,723	(2,086,655)	-	-	-
Rupees - 2021	3,791,940,581	4,887,578	160,427,865	(52,405,378)	-	-	3,904,850,646		143,759,673	156,913,940	(23,442,447)	-	277,231,166	3,627,619,480

	COST / REVALUED AMOUNT							ACCUMULATED DEPRECIATION						NET BOOK VALUE AS AT 30-Sep-20
	Balance as at 1-Oct-19	Additions	Transfer	Deletion	Revaluation Surplus	Depreciation Adjustment	Balance as at 30-Sep-20	Rate %	Balance as at 1-Oct-19	For the year	Deletion	Depreciation Adjustment	Balance as at 30-Sep-20	
Owned														
Freehold land	928,856,250	-	-	-	154,809,375	-	1,083,665,625	-	-	-	-	-	-	1,083,665,625
Buildings on freehold land	443,886,749	-	-	-	141,001,075	(119,229,188)	465,658,636	10	93,887,729	38,191,602	-	(119,229,188)	12,850,143	452,808,493
Plant and machinery	1,586,613,783	228,768,758	197,484,499	-	269,305,620	(214,419,511)	2,067,753,149	5	160,907,628	79,317,159	-	(214,419,511)	25,805,276	2,041,947,872
Stand by equipment	2,625,683	-	-	-	-	-	2,625,683	10	1,373,250	125,243	-	-	1,498,493	1,127,190
Factory equipment	9,021,145	425,368	-	-	-	-	9,446,513	10	6,780,001	249,102	-	-	7,029,103	2,417,410
Gas and electric installation	52,013,873	1,755,775	226,000	(80,000)	-	-	53,915,648	10	16,442,211	3,699,263	(65,265)	-	20,076,209	33,839,439
Railway sidings	492,072	-	-	-	-	-	492,072	5	492,072	-	-	-	492,072	-
Furniture and fixtures	4,377,667	3,248,444	-	-	-	-	7,626,111	10	3,705,318	260,596	-	-	3,965,914	3,660,197
Office equipment	7,785,049	56,200	-	-	-	-	7,841,249	20	6,719,830	223,689	-	-	6,943,519	897,730
Computer equipment	6,190,947	294,900	-	-	-	-	6,485,847	30	5,580,337	256,596	-	-	5,836,933	648,914
Vehicles	77,354,033	886,878	-	(2,666,280)	-	-	75,574,631	20	57,098,157	4,179,377	(2,021,455)	-	59,256,079	16,318,552
Leasehold improvement	-	-	10,855,417	-	-	-	10,855,417	20	-	5,932	-	-	5,932	10,849,485
Rupees - 2020	3,119,217,251	235,436,323	208,565,916	(2,746,280)	565,116,070	(333,648,699)	3,791,940,581		352,986,533	126,508,559	(2,086,720)	(333,648,699)	143,759,673	3,648,180,908

5.1.1 Measurement of fair values

Freehold land, building on free hold land and plant and machinery have been carried at fair values / revalued amounts determined by professional valuers. The valuations are conducted by an independent valuer, namely; Messrs. Harvester Services (Private) Limited, who are approved by Pakistan Banks' Association (PBA) in any amount category. Fresh valuation exercises were carried out on June 21, 2020 (Previously was carried on June 22, 2017).

Valuation technique

The basis used for revaluation were as follows:

Free hold land

Fair market value of freehold land was assessed through survey of land, taking into consideration, the land specifications, independent market inquiries from property dealers / estate agents, recent matured transactions in the vicinity and market trends.

Buildings on free hold land

The fair value of the buildings was determined using the cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence. The significant inputs include the estimated construction costs and other ancillary expenditure and a residual factor applied to the estimated construction cost. A slight increase in the residual factor would result in a significant decrease in the fair values of buildings, and a slight increase in the estimated construction costs would result in a significant increase in the fair value of the buildings and vice versa.

Plant and machinery

The fair value of the plant and machinery was determined using the cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence. The significant inputs include the estimated construction costs and other ancillary expenditure and a residual factor applied to the estimated construction cost. A slight increase in the residual factor would result in a significant decrease in the fair values of plant and machinery, and a slight increase in the estimated construction costs would result in a significant increase in the fair value of the plant and machinery and vice versa.

There has been no change to the valuation technique during the year.

Fair value hierarchy

Details of the Company's free land, buildings on freehold land and plant and machinery and information about the fair value hierarchy as at the end of the reporting period are as follows:

		As on September 30, 2021			
Non financial assets		Carrying amount	Recurring fair value		
			Level 1	Level 2	Level 3
	Note	---------- Rupees ----------			
Freehold land		1,083,665,625	-	1,083,665,625	-
Buildings on freehold land		410,537,442	-	410,537,442	-
Plant and machinery		2,087,829,714	-	2,087,829,714	-
	5	3,582,032,781	-	3,582,032,781	-

		As on September 30, 2020			
Non financial assets		Carrying amount	Recurring fair value		
			Level 1	Level 2	Level 3
	Note	---------- Rupees ----------			
Freehold land		1,083,665,625	-	1,083,665,625	-
Buildings on freehold land		452,808,493	-	452,808,493	-
Plant and machinery		2,041,947,872	-	2,041,947,872	-
	5	3,578,421,990	-	3,578,421,990	-

5.1.2 Had the revaluations of these assets not been made, the carrying value of these assets as at reporting date would have been as under:

	2021					2020				
	Opening carrying amount	Addition during the year	Deletions during the year	Depreciation for the year	Closing carrying amount	Opening carrying amount	Addition during the year	Deletions during the year	Depreciation for the year	Closing carrying amount
	Rupees					Rupees				
Freehold land	3,600,212	-	-	-	3,600,212	3,600,212	-	-	-	3,600,212
Buildings on freehold land	37,107,936	3,121,740	-	(3,822,736)	36,406,940	41,231,040	-	-	(4,123,104)	37,107,936
Plant and machinery	1,067,138,476	159,214,975	(10,034,536)	(55,038,045)	1,161,280,870	679,969,012	426,253,257	-	(39,083,793)	1,067,138,476
	1,107,846,624	162,336,715	(10,034,536)	(58,860,781)	1,201,288,022	724,800,264	426,253,257	-	(43,206,897)	1,107,846,624

5.1.3 Depreciation charge for the year has been allocated as follows:

	Note	2021 Rupees	2020 Rupees
Cost of revenue	28	143,892,141	114,439,630
Administrative and general expenses	29	5,048,385	4,926,191
Selling and distribution cost	30	7,973,414	7,142,738
		156,913,940	126,508,559

5.1.4 Detail of operating fixed assets disposed off during the year is as follows:

Description	Cost	Accumulated Depreciation	Net Book Value	Sale Proceeds	Gain/ (Loss)	Mode of Disposal	Particulars of purchasers
Plant and machinery	11,160,000	(1,125,464)	10,034,536	10,034,536	-	Insurance Claim	Security General Insurance Limited
Gas and eclectic installation	8,800,000	(1,539,638)	7,260,362	7,260,362	-	Insurance Claim	Security General Insurance Limited
Railway sidings	492,072	(492,072)	-	-	-	Not in use	Derecognition of fully depreciated asset
Vehicle - Toyota LED-9917	1,266,801	(1,266,801)	-	190,000	190,000	Negotiation	Mr. Rasheed Randhawa
Vehicle - Mehran LED-4565	676,665	(555,107)	121,558	255,000	133,442	Negotiation	M. Abid Ali
Vehicle - BMW LEB-08	18,067,723	(15,531,290)	2,536,433	5,700,000	3,163,567	Negotiation	Mr. Khalid Nawaz
Vehicle - Cultus LEC-3127	1,086,700	(845,421)	241,279	415,592	174,313	Negotiation	Mr. Ghanzafar Ali
Leasehold improvement	10,855,417	(2,086,655)	8,768,762	-	(8,768,762)	Impairment	Impairment / written off against leasehold improvements
2021	52,405,378	(23,442,447)	28,962,930	23,855,490	(5,107,440)		
2020	2,746,280	(2,086,720)	659,560	2,217,000	1,557,440		

5.1.5 Forced sale value and assessed value of these fixed assets as at the date of revaluation (i.e. June 21, 2020) was as under:

	Assessed sale vale Rupees	Forced sale value Rupees
Freehold land	1,083,665,625	921,115,781
Buildings on freehold land	465,658,636	349,243,977
Plant and machinery	1,868,268,650	1,401,201,488
	3,417,592,911	2,671,561,246

5.1.6 Particulars of immovable property (i.e. land) in the name of the Company are as follows:

Location	Usage of immovable property	Area
Lahore Road Jarranwala, District Faisalabad	Manufacturing factory	825 Kanals and 13 Marlas

5.2 Capital work-in-progress

	Note	Opening Balance	Additions	Transfer to operating fixed assets / adjustments	Closing Balance
		.....Rupees.....			
Civil work and buildings		51,048,160	67,322,375	(4,286,023)	114,084,512
Plant and machinery	5.2.1	331,905,117	58,631,674	(157,306,125)	233,230,666
Advances for capital expenditure		425,626,210	355,819,651	(170,429,520)	611,016,341
September 30, 2021		808,579,487	481,773,700	(332,021,668)	958,331,519
September 30, 2020		558,330,467	632,509,007	(382,259,987)	808,579,487

5.2.1 Borrowing cost amounting to Rs. 10.217 million (2020: Rs. 15.023 million) capitalized during the year at a rate disclosed in note 19.4.

	2021 Rupees	2020 Rupees
5.3 Stores held for capitalization	407,003,373	42,667,590

5.3.1 Borrowing cost amounting to Rs. 17.423 million (2020: nil) capitalized during the year at a rate disclosed in note 19.2.

6. RIGHT-OF-USE ASSETS

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

	Note	Head office rental premises	Vehicles	Total
		---------- Rupees ----------		
Balance as at October 01, 2019		12,518,291	-	12,518,291
Addition during the year		-	-	-
Depreciation charge for the year		(4,192,558)	-	(4,192,558)
Balance as at September 30, 2020		8,325,733	-	8,325,733
Addition during the year	6.1	-	14,134,799	14,134,799
Depreciation charge for the year		(4,418,220)	(882,941)	(5,301,161)
Derecognized during the year	6.2	(3,907,513)	-	(3,907,513)
Balance as at September 30, 2021		-	13,251,858	13,251,858

6.1 During the year, the Company has purchased vehicles on finance leases basis having a lease term of five years. Company intend to purchase vehicles at the end of lease term under the bargain purchase option.

6.2 The office building that was obtained on rental basis having a lease term of three years with renewal option was early terminated during the year. Therefore, ROU and corresponding lease liability was derecognized.

	2021 Rupees	2020 Rupees
6.3 The depreciation charge for the year has been allocated to:		
Cost of revenue	420,645	-
Administrative and general expenses	4,699,678	4,192,558
Selling and distribution cost	180,838	-
	5,301,161	4,192,558

7. INTANGIBLE ASSETS

7.1 The Company has fully amortized intangible assets i.e. computer software having a cost of Rs. 1 million (2020: Rs. 1 million) which are still in use of the Company.

	Note	2021 Rupees	2020 Rupees
8. LONG TERM DEPOSITS			
Security deposits			
- against ijarah and diminishing musharikah facilities		22,146,608	15,786,058
- against long term loans		20,018,117	10,178,130
- utilities		885,940	835,940
		43,050,665	26,800,128
Less: current portion shown under current assets		(450,000)	-
	8.1	42,600,665	26,800,128

8.1 This consists of unsecured, non-interest bearing long term deposits paid to banks and utility companies. These balances have not been discounted as the impact of time value of money is considered to be immaterial.

	Note	2021 Rupees	2020 Rupees
9. INVENTORY			
Consumable stores and spares	9.1	378,822,306	364,987,905
Stock in trade	9.2	947,665,182	652,811,392
		1,326,487,488	1,017,799,297
9.1 Consumable stores and spares			
Stores		376,191,468	344,056,245
Spare parts		5,134,673	20,931,660
		381,326,141	364,987,905
Less: Provision against slow moving stores	31	(2,503,835)	-
		378,822,306	364,987,905
9.2. Stock in trade			
Work-in-process		15,185,158	15,437,264
Finished goods	9.3	932,480,024	637,374,128
		947,665,182	652,811,392

9.3 Stock-in-trade includes stock of press mud, molasses and bagasse amounting to Rs. 141.716 million (2020: Rs. 167.107 million), Rs. 19.721 million (2020: Rs. 11.799 million) and Rs. 20.360 million (2020: Rs. 16.213 million) respectively, carried at net realizable value.

9.4 Certain short term borrowings of the company are secured by way of collateral charge on stock-in-trade of sugar.

9.5 The cost of inventories recognized as an expense is disclosed in note 28.

	Note	2021 Rupees	2020 Rupees
10. TRADE AND OTHER RECEIVABLES			
Unsecured and Considered good			
Trade receivables from contracts with customers - local	10.1	155,632,252	847,883,034
Other receivables - unsecured			
Freight subsidy receivable from Government	10.2	-	-
Other receivables			
From related parties	10.3		
Tariq Capital (Private) Limited		324,225	104,392
HSM Healthcare Trust		920,493	1,328,185
Others	10.4	112,907,996	106,349,347
		114,152,714	107,781,924
		267,336,730	955,664,958

10.1 Trade receivables - local

Gross receivable		160,344,616	854,112,549
Less: Allowance for expected credit losses	10.1.1	(4,712,364)	(6,229,515)
		155,632,252	847,883,034

10.1.1 Allowance for expected credit losses

Opening balance	6,229,515	6,229,515
Allowance for the year	4,677,364	-
Reversal during the year	(6,194,515)	-
Closing balance	4,712,364	6,229,515

10.2 Freight subsidy receivable from Government

Considered doubtful	36,509,750	36,509,750
Less: Allowance against impairment	(36,509,750)	(36,509,750)
	-	-

10.3 Age analysis of other receivables from related parties

Name of related parties	Current	Past due 0-30 days	Past due 31-60 days	Past due 61-90 days	Past due 91-365 days	Past due 365 days	Total gross amount
	...Rupees...						
Tariq Capital (Private) Limited	87,860	56,905	117,855	18,000	43,605	-	324,225
HSM Healthcare Trust - 2021	107,486	113,924	39,466	-	222,754	436,863	920,493
2021	195,346	170,829	157,321	18,000	266,359	436,863	1,244,718
Tariq Capital (Private) Limited	-	-	-	-	104,393	-	104,393
HSM Healthcare Trust	37,172	25,240	-	377,766	400,000	488,007	1,328,185
2020	37,172	25,240	-	377,766	504,393	488,007	1,432,578

10.3.1 This represents receivable in respect of various expenses incurred for these related parties, which are repayable on demand. There is no security for these receivables.

10.3.2 Highest aggregate balances during the end of any month are as follows:

	Note	2021 Rupees	2020 Rupees
Tariq Capital (Private) Limited		324,225	104,393
HSM Healthcare Trust		1,530,667	1,328,185
		1,854,892	1,432,578

10.4 Others

Considered good		116,378,403	108,214,813
Less: Allowance for expected credit losses	10.4.1	(3,470,407)	(1,865,466)
		112,907,996	106,349,347

10.4.1 Allowance for expected credit losses

Opening balance	1,865,466	1,865,466
Allowance for the year	3,470,407	-
Reversal during the year	(1,865,466)	-
Closing balance	3,470,407	1,865,466

11. ADVANCES, DEPOSITS AND PREPAYMENTS

Considered good

Advances to:

Employees against salaries - secured and interest free		1,295,943	5,629,713
Employees against expenses - unsecured		2,392,035	1,340,801
Suppliers - unsecured	11.1	269,363,287	247,092,970
Sugarcane growers - unsecured	11.2	27,369,658	5,082,198
Contractors - unsecured	11.3	1,400,000	10,297,126
Advances against letters of credit		12,725,721	20,381,988
Prepayments		10,473,694	1,002,361
		325,020,338	290,827,157

11.1 Advances to suppliers - unsecured

Considered good		279,689,024	52,019,878
Less: Allowance for impairment	11.1.1	(10,325,737)	(9,341,085)
		269,363,287	42,678,793

11.1.1 Allowance for impairment

Opening balance	9,341,085	9,341,085
Add: Allowance for the year	984,652	-
Closing balance	10,325,737	9,341,085

11.2 Advances to sugarcane growers - unsecured

Considered good		29,628,489	7,119,204
Less: Allowance for impairment	11.2.1	(2,258,831)	(2,037,006)
		27,369,658	5,082,198

11.2.1 Allowance for impairment

Opening allowance for expected credit losses	2,037,006	2,037,006
Allowance for the year	221,825	-
Closing balance	2,258,831	2,037,006

	2021 Rupees	2020 Rupees
11.3 Advances to contractors - unsecured		
Considered good	1,400,000	10,297,126
Considered doubtful	1,000,000	1,000,000
Less: Allowance for impairment	(1,000,000)	(1,000,000)
	-	-
	1,400,000	10,297,126

11.4 Advances to employees against salaries includes advances amounting to Rs. nil (2020: Rs. 3 million) to a key management personnel - related party as per Company's human resource policy.

12. FINANCIAL ASSETS

At fair value through profit or loss

As on September 30, 2021 Investees	Shares Number	Rate Rupees	Fair value Rupees
AL Shaheer Corporation Limited	7,500	14	106,500
Bank Islami Pakistan Limited	25,000	13	315,000
Fauji Fertilizer Bin Qasim Limited	5,000	23	112,500
Fauji Foods Limited	106,500	16	1,653,945
Habib Sugar Mills Limited	1,000	30	29,600
Mehran Sugar Mills Limited	1,050	46	48,300
Nishat Chunian Power Limited	5,000	12	62,300
Noon Sugar Mills Limited	1,000	65	65,000
At-Tahur Limited	6,500	27	177,840
Shahmurad Sugar Mills Limited	500	78	39,000
Treet Corporation Limited	17,000	43	724,030
Worldcall Telecome Limited	18,000	3	48,960
The Organic Meat Company Limited	9,000	36	323,370
Treet Corporation Limited	1,000	43	42,590
D.G. Khan Cement Company Limited	10,000	88	884,200
Fauji Cement Company Limited	101,000	18	1,812,950
Nishat Mills Limited	5,500	91	499,730
Pak Electron Limited	14,500	28	399,475
Service Global Footwear Limited	2,500	45	112,225
Siddiqsons Tin Plate Limited	11,000	12	135,740
	348,550		7,593,255

As on September 30, 2020			
D.G. Khan Cement Company Limited	13,500	103	1,391,985
Fauji Cement Company	87,000	20	1,729,560
Nishat Mills Limited	7,500	101	758,025
Pak Electron Limited	14,500	33	479,370
Synthetic Products Enterprises Limited	10,000	45	445,600
Treet Corporation Limited	30,000	24	710,400
Al Shaheer Corporation Limited	5,000	19	95,800
Bank Islami Pakistan Limited	25,000	10	257,750
Fauji Fertilizer Bin Qasim Limited	5,000	20	100,750
Fauji Foods Limited	5,000	16	80,100
Habib Sugar Limited	1,000	36	35,530
Mehran Sugar Mills Limited	1,000	74	74,150
Nishat Chunian Power Limited	5,000	14	71,850
Noon Sugar Mills Limited	1,000	72	71,870
At-Tahur Limited	5,000	21	105,750
Shahmurad Sugar Limited	500	100	50,015
Treet Corporation Limited	10,000	24	236,800
World Call Telecom Limited	18,000	1	20,700
	244,000		6,716,005

	Note	2021 Rupees	2020 Rupees
13. CASH AND BANK BALANCES			
Cash in hand		668,189	966,897
Cash at bank in local currency:			
Current accounts		111,032,564	38,491,677
Saving accounts	13.1	1,065,517	2,298,010
		112,098,081	40,789,687
		112,766,270	41,756,584

13.1 The savings accounts earns profit at floating rates based on daily bank deposit rates ranging from 4.01% to 6.67% (2020: 7.50% to 10.50%) per annum.

14. SHARE CAPITAL

14.1 Authorized capital

	2021 Rupees	2020 Rupees
Ordinary share capital		
53 million (30 September 2020: 53 million) ordinary shares of Rupees 10 each	530,000,000	530,000,000
Preference share capital		
15 million (30 September 2020: 15 million) preference shares of Rupees 10 each	150,000,000	150,000,000
	680,000,000	680,000,000

14.2 Issued, subscribed and paid-up ordinary share capital

2021 (Number of shares)	2020 (Number of shares)		Note	2021 Rupees	2020 Rupees
26,189,150	26,189,150	Ordinary shares of Rs. 10 each, fully paid in cash		261,891,500	261,891,500
1,129,000	1,129,000	Ordinary shares of Rs. 10 each, fully paid for consideration other than cash		11,290,000	11,290,000
11,201,850	11,201,850	Ordinary shares of Rs. 10 each, issued as bonus shares	14.3	112,018,500	112,018,500
38,520,000	38,520,000			385,200,000	38,520,000

14.3 The movement in ordinary share capital issued as bonus shares is as under:

2021 (Number of shares)	2020 (Number of shares)		2021 Rupees	2020 Rupees
11,201,850	8,681,850	Opening balance	112,018,500	86,818,500
-	2,520,000	Bonus shares issued	-	25,200,000
11,201,850	11,201,850	Closing balance	112,018,500	112,018,500

14.4 All ordinary shares rank equally with regard to the company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

	Note	2021 Rupees	2020 Rupees
15. SHARE SUBSCRIPTION MONEY AGAINST RIGHT SHARE ISSUANCE			
Amount transferred from directors' loans - related parties	15.1	152,430,531	-
Share subscription money received during the year	15.2	59,327,667	-
		211,758,198	-
15.1 Amount transferred from directors' loans - related parties			
Mr. Mustafa Ali Tariq		73,567,113	-
Mr. Ahmed Ali Tariq		78,863,418	-
		152,430,531	-
15.2 Share subscription money received during the year			
General public		56,385,899	-
Related parties:			
Mrs. Maryam Habib		2,851,293	-
Mrs. Nusrat Shamim		45,920	-
Mr. Taufiq Ahmed Khan		36,155	-
Mr. Muhammad Imran Khan		4,900	-
Mr. Saif Hasan		3,500	-
		2,941,768	-
		59,327,667	-

15.3 Subsequent to reporting date, 14,445,000 (2020: nil) right shares has been issued against the share subscription money received during the year.

	Note	2021 Rupees	2020 Rupees
16. SHARE PREMIUM ACCOUNT			
Opening balance		115,893,550	141,093,550
Share premium utilized to issue bonus shares during the year		-	(25,200,000)
	16.1	115,893,550	115,893,550

16.1 Share premium can be utilized by the Company only for the purposes specified in Section 81 of the Companies Act, 2017.

	Note	2021 Rupees	2020 Rupees
17. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT- NET OF DEFERRED TAX			
Balance as at October 01,		2,469,031,419	1,979,761,161
Fresh surplus aroused during the year		-	565,116,070
Less: Incremental depreciation for the year		90,196,436	75,845,812
Balance as at September 30,		2,378,834,983	2,469,031,419
Less: Deferred tax attributed to revaluation surplus	17.1	376,643,173	360,255,667
		2,002,191,810	2,108,775,752

	2021 Rupees	2020 Rupees
17.1 Reconciliation of deferred tax attributed to revaluation surplus		
Balance as at October 01,	360,255,667	253,254,547
Incremental depreciation for the year	(26,156,967)	(19,672,104)
Surplus aroused during the year	-	106,421,116
Tax rate adjustment	42,544,473	20,252,108
Balance as at September 30,	376,643,173	360,255,667

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

	Note	2021 Rupees	2020 Rupees
18. DIRECTORS' LOANS - RELATED PARTIES	18.1	261,953,676	424,428,823
Unsecured and interest free			
Mr. Mustafa Ali Tariq		280,271,273	293,523,433
Mr. Ahmed Ali Tariq		144,157,550	152,857,550
		424,428,823	446,380,983
Less: Transferred to share subscription money against right share issuance	15.1	(152,430,531)	-
Less: Adjustment due to repayment - net		(10,044,616)	(21,952,160)
		261,953,676	424,428,823
Mr. Mustafa Ali Tariq		200,834,544	280,271,273
Mr. Ahmed Ali Tariq		61,119,132	144,157,550
		261,953,676	424,428,823

18.1 This represents unsecured, interest free loan given by directors to meet the liquidity requirements of the Company. These loans are repayable at the discretion of the Company. In line with Technical Release - 32 (TR 32 - Accounting Directors' Loan) issued by the Institute of Chartered Accountants of Pakistan (ICAP), these loans are shown as part of equity.

	Note	2021 Rupees	2020 Rupees
19. LONG TERM FINANCE			
From banking companies - secured			
National Bank of Pakistan			
Demand finance	19.1	144,250,940	166,473,162
Demand finance	19.2	261,225,000	18,616,248
Demand finance	19.3	200,000,000	200,000,000
First Credit & Investment Bank Limited	19.4	81,845,952	94,117,647
Bank Islami Pakistan Limited	19.5	203,125,000	250,000,000
ORIX Modaraba	19.6	33,077,839	55,911,196
ORIX Modaraba	19.7	21,494,812	13,390,650
ORIX Modaraba	19.8	59,764,770	-
Meezan Bank Limited	19.9	-	22,875,262
		1,004,784,313	821,384,165
Less: current portion shown under current liabilities		(329,911,643)	(119,355,938)
		674,872,670	702,028,227

19.1 This demand finance facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 200 million (2020: Rs.200 million), to finance CAPEX / BMR requirement of the company (installation of equipment and plant & machinery i.e. falling film evaporators) to improve efficiency of mill. It carries mark-up at the rate of 3 month KIBOR + 2.50% (2020: 3 months Kibor + 2.50%) per annum, payable quarterly. It is secured by way of first pari passu mortgage charge of Rs. 267 million over fixed assets (including land, building and machinery) of the company with 25% margin registered with SECP as well as personal guarantees of two directors of the company along with personal Net-worth Statement (PNWS).

19.2 This demand finance facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 278.640 million (2020: 278.640 million), for import of equipment and plant & machinery i.e. planetary gears. It carries commission at 0.10% per quarter. It is secured by way of lien over import documents of the title of goods, first pari passu / JPP charge of Rs. 372 million (2020: 372 million) over fixed assets (land, building and plant & machinery) of the company, a ranking charge for Rs. 372 million over fixed assets (land, building and plant & machinery) of the company registered with SECP which shall be converted into first pari pasu / JPP within 90 days of first LC establishment), total value of fixed assets assessed at Rs. 2,109.061 million (FSV Rs. 1,581.796 million) vide evaluation report dated 22.06.2017 conducted by Harvester Services (Pvt.) Limited & measuring 616 Kanal 14 marla / 77 Acres 14 marala land located at Chak No. 128 G.B., Lahore Road, Tehsil Jaranwala, District Faisalabad as well as personal guarantees along with Personal Net Worth Statement (PNWS) / wealth tax returns of the two directors of the company.

19.3 This demand finance facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 200 million (2020: 200 million), to finance CAPEX / BMR requirement of the company (installation of equipment and plant & machinery i.e. falling film evaporators) to improve efficiency of mill. It carries mark-up at the rate of 3 month KIBOR + 3.00% (2020: nil) per annum, payable quarterly. It is secured by way of first pari passu / JPP charge of Rs. 267 million (2020: nil) over fixed assets (land, building and plant & machinery) of the company, ranking charge for Rs. 267 million over fixed assets (land, building and plant & machinery) of the company registered with SECP which shall be converted into first pari pasu / JPP within 90 days of first disbursement of Demand finance-III, total value of fixed assets assessed at Rs. 2,109.061 million (FSV Rs. 1,581.796 million) vide evaluation report dated 22.06.2017 conducted by Harvester Services (Pvt.) Limited and measuring 616 Kanal 14 marla / 77 Acres 14 marala land located at Chak No. 128 G.B., Lahore Road, Tehsil Jaranwala, District Faisalabad as well as personal guarantees along with Personal Net Worth Statement (PNWS) / wealth tax returns of the two directors of the company.

19.4 This long term finance facility has been obtained from First Credit & Investment Bank Limited (FCIBL), out of the total sanctioned limit of Rs. 100 million (2020: 100), for Balancing, Modernization and Replacement (BMR) and Efficiency Improvement Project (EIP). It carries mark-up at the rate of 3 months KIBOR + 4% (2020: 3 months KIBOR + 4%) per annum, payable quarterly in arrears. It is secured by way of first pari passu charge over all present and future fixed assets / non-current assets (including land, building and plant & machinery) of the company with 25% margin to be registered with SECP, NOCs obtained from all charge holders and provided to FCIBL and personal guarantee of Chief Executive and Chairman of the Company along with his latest Personal Net Worth Statement (PNWS) as well as subordination of directors' loan. The tenor of the facility is five years from the date of disbursement.

19.5 This diminishing musharakah facility has been obtained from Bank Islami Pakistan Limited, out of the total sanctioned limit of Rs. 218.75 million (2020: 250 million), to meet company's requirements of BMR. It carries mark-up at the rate of 6 months KIBOR + 3.0% floor =13% and cap = 25% (rates to be revised on semi-annually basis) (2020, 6 month Kibor +3%) per annum, payable quarterly. It is secured by way of ranking charge over present and future fixed assets (land, building and plant & machinery) of the company amounting to Rs. 334 million to be upgraded to first pari pasu charge within 120 days from the date of disbursement and personal guarantees of two directors of the company.

19.6 This Ijarah facility has been obtained from ORIX Modaraba, out of the total sanctioned limit of Rs. 75 million (2020: Rs. 75 million), to import one unit brand new Steam Turbine. It carries mark-up at the rate of 3 months KIBOR + 3.75% (2020: 3 Months Kibor + 3.75%) per annum, payable quarterly. It is secured by way of 10% security deposit of the finance amount, title of the leased asset, exclusively in the name of ORIX Modaraba for the entire lease period and subordination of directors' loan in favor of ORIX Modaraba. The tenor of the facility is three years.

19.7 This Ijarah facility has been obtained from ORIX Modaraba, out of the total sanctioned limit of Rs. 26.781 million (2020: Rs. 26.781 million), to import one unit brand new over head crane. It carries mark-up at the rate of 3 months KIBOR + 3.75% (2020: 3 Months Kibor + 3.75%) per annum, payable monthly. It is secured by way of title of the leased asset, exclusively in the name of ORIX Modaraba for the entire lease period and personal guarantee of all directors.

19.8 This Ijarah facility has been obtained from ORIX Modaraba, out of the total sanctioned limit of Rs. 59.765 million (2020: nil), to import one unit brand new Assets Reduction gear , electric motor, Vacume pump, Centrifugal pump, Magma Pump, Mascuitte Pump, a Conveyer complete, high frequency inverter and KSB multistage boiler. It carries mark-up at the rate of 6 months KIBOR + 3.75% (2020: nil) per annum, payable 6 monthly. where 10 % is paid as security in advance, It is secured by way of title of the leased asset, exclusively in the name of ORIX Modaraba for the entire lease period and personal guarantee of 2 directors.

19.9 This Diminishing Musharakah (Sale and Lease Back) facility was obtained from Meezan Bank Limited, out of total sanctioned limit of Rs. nil (2020: Rs. 57 million) for the payment of salaries & wages for the month of April, May and June 2020 under SBP Islamic Refinance Scheme. It carried services charges of 3.00% per annum. It was secured by way of ranking charge over fixed assets of Rs. 81.4 million which was upgraded to pari passu within 120 days of disbursement and personal guarantees of Mr. Ahmad Ali Tariq and Mr. Mustafa Ali Tariq being the main sponsor directors of the company.

	Note	2021 Rupees	2020 Rupees
20. LEASE LIABILITY			
The movement in this head of account is as follows:			
As on October 01,		8,106,311	11,318,291
Add: Additions during the year - vehicles		10,815,999	-
Add: Accretion of finance cost		1,288,334	1,385,454
Less: Cash outflow during the year		(6,262,910)	(4,597,434)
Less: Derecognition during the year	6.2	(3,713,186)	-
As on September 30,	20.1	10,234,548	8,106,311
Less: current portion shown under current liabilities		(1,970,106)	(4,392,625)
		8,264,442	3,713,686

20.1 The following table sets out a maturity analysis of lease liabilities, showing the undiscounted lease payments to be paid after the reporting date:

	2021 Rupees	2020 Rupees
Within one year	2,763,617	5,341,032
Later than one year but not later than five years	12,759,047	3,936,645
	15,522,664	9,277,677
Less: finance cost	(5,288,117)	(1,171,366)
	10,234,547	8,106,311

20.2 The lease liability has been discounted at the following incremental borrowing rate of per annum:

Leased vehicles	10.48%	-
Rented head office premises	-	16.49%

20.3 This lease facility has been obtained from Bank Al Falah Limited to finance the six vehicles. It carries mark-up at the rate of 3 months KIBOR + 3.0% (2020: nil) per annum. It is secured by way of title of the leased asset, exclusively in the name of Bank Al Falah Limited for the entire lease period, post dated cheques in the favor of Bank Al Falah Limited and personal guarantee of two directors.

21. DEFERRED TAX LIABILITY - net

The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:
The (liability) / asset for deferred taxation comprises temporary differences arising due to:

	2021 Rupees	2020 Rupees
Taxable temporary differences		
Accelerated tax depreciation	(185,356,847)	(163,916,297)
Surplus on revaluation of fixed assets	(376,643,175)	(360,255,669)
Right-of-used assets	(3,843,039)	(2,159,443)
Financial assets	-	(50,185)
	(565,843,061)	(526,381,594)
Deductible temporary differences		
Impairment against trade receivables / advances	16,900,356	14,779,616
Lease liability	2,968,019	2,102,531
Trading liabilities	-	4,959,371
Provisions	1,988,015	412,125
Financial assets	118,123	-
Available tax losses	73,180,558	93,135,311
Tax credits available for carry forward	193,268,979	142,640,943
	288,424,050	258,029,897
Net deferred tax liability	(277,419,011)	(268,351,697)

	Note	2021 Rupees	2020 Rupees
21.1 Reconciliation of deferred tax credit for the year			
Opening deferred tax liability		(268,351,697)	(120,333,835)
Closing deferred tax liability		277,419,011	268,351,697
Deferred tax attributed to fresh revaluation surplus		-	(106,421,116)
Deferred tax attributed to revaluation surplus due to change in tax rate		(42,544,473)	(20,252,108)
Deferred tax attributed to statement of profit or loss due to change in tax rate	34	(16,988,503)	(8,662,552)
Net deferred tax credit recognized in statement of profit or loss		(50,465,662)	12,682,086

22. TRADE AND OTHER PAYABLES

Trade creditors		420,477,362	556,107,209
Security deposits - interest free	22.1	20,044,965	61,736,549
Accrued liabilities		39,435,694	30,401,178
Income tax deducted at source payable		1,780,187	353,608
Taxes and duties payable		93,144,930	183,809,141
Payable to HSML Employees' Provident Fund Trust - related party	22.2	3,888,990	20,403,914
Worker's Profit Participation Fund payable	22.3	33,274,179	26,886,759
Worker's Welfare Fund payable		1,398,371	6,391,526
Temporary book overdraft - unpresented cheques		51,806,230	1,152,690
Ijarah rentals payable		177,597	290,829
Diminishing Musharakah rental payable		640,715	319,453
Retention money payable		6,369,940	2,706,645
Other payables			
HSM Education Trust - related party		987,510	471,105
Others		3,795,495	2,072,782
		677,222,165	893,103,388

22.1 Security deposits - interest free		
It includes:		
Dealers security deposits	-	48,083,400
Employee vehicle deposits	19,450,665	13,302,149
Others	594,300	351,000
	20,044,965	61,736,549

22.1.1 These security deposits have not been kept in a separate bank account as required by section 217 of the Companies Act, 2017. These security deposits are utilizable for company's business.

22.2 It includes mark-up payable to HSML Employees' Provident Fund Trust - related party amounting to Rs. 1,601,519 (2020: Rs. 4,556,548) accrued at the rate of 10.16% to 10.50% per annum (2020: 12.38% per annum).

	2021 Rupees	2020 Rupees
22.3 Due to workers' profit participation fund (WPPF)		
Opening balance	26,886,759	23,106,531
Interest on funds utilized by the Company	2,707,497	3,780,228
Allocation for the year	3,679,923	-
Closing balance	33,274,179	26,886,759

22.3.1 This carries interest at the rate prescribed under Companies Profit (Workers Participation) Act, 1968 and effective rate of interest applied during the year was 10.07% (2020: 16.36%)

22.4 Investments out of provident fund has not been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

22.5 Accrued liabilities includes remuneration payable to director / CEO and a director (both related parties) amounting to Rs. 0.605 million (2020: Rs. 0.649 million) and Rs. 0.215 million (2020: Rs. 0.174 million) respectively.

23. CONTRACT LIABILITIES

The contract liabilities primarily relate to the advance consideration received from customers for sale of goods, for which revenue is recognized at point in time when goods are transferred. The amount of Rs. 427.330 million (2020: Rs. 489.959) million recognized in contract liabilities at the beginning of the period has been recognized as revenue for the period ended September 30, 2021 (2020).

	Note	2021 Rupees	2020 Rupees
24. SHORT TERM BORROWINGS			
From financial institutions	24.1	1,866,617,578	1,394,396,907
From related parties	24.2	5,088,547	13,601,995
		1,871,706,125	1,407,998,902
24.1 From financial institutions - secured and interest bearing			
National Bank of Pakistan			
Cash finance (hypothecation)	24.1.1	99,996,206	99,995,182
Cash finance (pledge)	24.1.2	421,700,000	-
Bank Islami Pakistan Limited			
Karobar finance	24.1.3	514,751,372	514,660,005
Meezan Bank Limited			
Istisna / tijarah	24.1.4	-	379,741,720
Askari Bank Limited - Islamic banking			
Salam OTT (Pledge)	24.1.5	499,500,000	400,000,000
Dubai Islamic Bank Limited - Islamic banking			
Salam Facility	24.1.6	330,670,000	-
		1,866,617,578	1,394,396,907

24.1.1 This cash finance (hypothecation) facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 100 million (2020: Rs.100 million), to finance working capital needs i.e. raw material procurement & other direct / indirect cost / expense / overheads as well as financing of white refined sugar. It carries mark-up at the rate of 3 months KIBOR + 3.00% (2020: 3 months KIBOR + 3.00%) per annum, payable quarterly. It is secured by way of first pari passu charge over current assets of the company (already registered with SECP) to the extent of Rs. 134 million (2020: Rs. 134 million), first pari passu charge over fixed assets. Total value of fixed assets assessed at Rs. 2,109.061 Million (FSV Rs. 1,581.796 Million) vide Evaluation report dated 22.06.2017 conducted by Harvester Services (Pvt.) Limited measuring 616 Kanal 14 Marla / 77 Acre 14 Marala land located at Chak No. 128 G.B., Lahore Road, Tehsil Jaranwala, District Faisalabad and personal guarantees along with Personal Net Worth Statement (PNWS) / Wealth tax returns of the two directors of the company.

24.1.2 This cash finance (Pledge) facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 500 million (2020: Rs. 500 million) to finance working capital needs (purchase of raw material i.e. sugarcane for manufacturing of refined sugar / stock-in-trade financing / for keeping stock of white refined sugar). It carries markup at the rate of 1 month KIBOR + 2.50% (2020: 1 month KIBOR + 2.50%) per annum, payable quarterly. It is secured by way of pledge of white refined sugar bags (Season 2020-2021) in standard size bags of 50 KGs and in shared godowns properly demarcated under common housing arrangement with the Company's banks' stock inclusive of 25% margin, charge of Rs. 667.000 million (inclusive of 25% margin) over pledged assets of the company, ranking charge of Rs. 400 million (2020: Rs. 400 million) over fixed assets of the company (registered with SECP) and personal guarantees along with Personal Net Worth Statement (PNWS) / wealth tax returns of two directors of the Company.

24.1.3 This istisna finance facility has been obtained from Bank Islami Pakistan Limited, out of total sanctioned limit of Rs. 515 million (2020: Rs. 580.14 million) for production of sugar. It carries profit at the rate of respective KIBOR + 3% (2020: respective KIBOR + 3%) per annum, payable quarterly. It is secured by way of first pari passu charge over fixed assets (land, building and plant & machinery) of the Company to the extent of Rs. 334 million (2020: Rs. 334 million), first pari passu charge over present and future current assets of the company to the extent of Rs. 1059 million (2020: Rs. 234 million), ranking charge over present and future current assets of the company amounting to Rs. 334 million upgraded to first pari pasu / JPP charge within 120 days from the date of sanction advice and personal guarantees of two directors of the Company.

24.1.4 This istisna pledge/ tijarah finance facility was obtained from Meezan Bank Limited, out of total sanctioned limit of Rs. 500 million (2020: Rs. 500 million) for purchase of raw materials, stores & spares and to meet the working capital requirements of the company. It carries profit at the rate of respective KIBOR + 2.75% per annum till 31st December, 2020. It is secured by way of pledge of charge on pledge assets registered with SECP of the company (white refined crystalline sugar) amounting to Rs. 715 million.

24.1.5 This salam (Pledge) facility was obtained from Askari Bank Limited, out of total sanctioned limit of Rs. 500 million (2020: 400) for production of white refined sugar from sugarcane. It carries profit at the rate of matching KIBOR + 3% per annum, payable quarterly. It is secured by way of ranking charge over all present and future fixed assets of the company to the extent of Rs. 400 million through constructive MOTD and plant & machinery (through letter of hypothecation) duly registered with SECP, ranking charge over all present and future current assets of the company to the extent of Rs. 534 million out of which Rs. 400 million has been registered with SECP and remaining charge of Rs. 134 million for enhancement , pledge of white refined sugar of 2020-2021 season with 25% margin (inclusive of applicable sales tax) stored at the company's godown (shared with other banks), duly stacked and segregated in countable position and insured under the supervision of the banks approved muccadum, placement of 33.33% (166.650 million approx.) of total pledge of sugar bags in open area located within the Mill's premises keeping in view of lesser capacity of godowns during the peak season (FY 2020-2021) and personal guarantees of two directors of the company along with PNWSs.

24.1.6 This salam - cum wakala facility was obtained from Dubai Islamic Bank Limited, out of total sanctioned limit of 400 million (2020: Rs. nil) for meeting working capital requirement. It carries profit at the rate of matching KIBOR + 3% per annum, payable quarterly. It is secured by way of ranking charge of Rs. 334 million and 1st pari passu charge of Rs. 252 million over all present and future fixed assets of the company, ranking charge over all present and future current assets of the company to the extent of Rs. 600 million, pledged of white refined sugar of 2020-2021 season with 25% margin (inclusive of applicable sales tax) stored at the company's premises at shared godown duly stacked and segregated in countable position and insured under the supervision of the banks approved muccadum, subordination of the director's loan in favour of Dubai Islamic Bank Limited and personal guarantees of two directors of the company.

24.1.7 Out of the total sanctioned limit of credit facilities from banks as mentioned in notes 24.1.1 to 24.1.6 above, credit facilities amounting to Rs. 1,323.380 million (2020: Rs. 1,835.743 million) that remained unutilized at the terminal date. The overall charge on the current and fixed assets of the Company is in the sum of Rs. 14.681 billion (2020: Rs. 11.206 billion) at the terminal date.

	Note	2021 Rupees	2020 Rupees
24.2 From related parties			
Unsecured and interest free			
Mr. Mustafa Ali Tariq		5,088,547	-
Ms. Nusrat Shamim		-	13,601,995
	24.2.1	5,088,547	13,601,995

24.2.1 This represents loan obtained from the sponsoring director - Mr. Mustafa Ali Tariq (2020: Ms. Nusrat Shamim), of the Company to bridge / assist its working capital requirements. It is payable on demand.

25. ACCRUED MARK-UP ON SECURED BORROWINGS

From banking companies	83,922,051	80,052,541

26. CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

Sr. No.	Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
26.1.1	Honorable Lahore High Court, Lahore and Appellate Tribunal Inland Revenue (ATIR)	The tax department raised demand of Rs. 44.039 million in show cause notice issued to the Company on 10 November, 2014, alleging that the Company charged federal excise duty (FED) at the rate of 0.5% instead of 8% on local supplies made during the period from January 2014 to June 2014 against quantity of white crystalline sugar exported to Afghanistan which was not in accordance with clause (d) of SRO 77(1)/2013 dated 07 February, 2013. Consequently, the Company filed a writ petition against this notice in the Honorable Lahore High Court, Lahore on the basis that the FED at the rate of 0.5% has been charged as allowed by the order dated 08 November, 2013 passed in W.P No. 4927/2013, which declared that clause (d) of SRO No. 77/2013 was unlawful. The writ petition filed by the Company is in the process of hearing. The Company also filed appeal dated February 19, 2015 against this order before the CIR (Appeals) Lahore, which was decided on November 30, 2020 describing that the FED demand raised is justified legally and factually, hence confirmed. However, as the matter is sub-judice before the Honorable Lahore High Court, Lahore vide writ petition No. 31078 of 2014, therefore, the appellant would not be pressed for deposit/recovery of the amount till final decision of the Honorable High Court in the said writ petition. The Company has also filed second appeal before ATIR against the decision of CIR (Appeals).	Company and Federal Board of Revenue	November 24, 2014
26.1.2	Commissioner Inland Revenue, Appeals-I	As a result of withholding tax audit for the tax year 2010, the Deputy Commissioner Inland Revenue raised a demand of Rs. 7.264 million under sections 161 / 205 of the Income Tax Ordinance, 2001. The CIR (Appeals) Lahore has rejected Company's appeal. The Company has filed an appeal before Appellate Tribunal Inland Revenue against this order, pending adjudication at the terminal date.	Company and Federal Board of Revenue	August 07, 2014
26.1.3	Appellate Tribunal Inland Revenue (ATIR)	For the tax year 2011, the Income Tax Department has created tax demand of Rs. 15.914 million under section 161 / 205.The Company filled appeal before the learned CIR (Appeals) Lahore, who has deleted tax demand to the extent of Rs. 7.991 million. The tax department has filed an appeal before the Appellate Tribunal Inland Revenue, Lahore against the decision of CIR appeal-I regarding the deleted demand to the extent of Rs. 7.991 million, pending adjudication at the terminal date.	Company and Federal Board of Revenue	December 19, 2017
26.1.4	Honorable Lahore High Court Lahore	The tax department has filled references before the Honorable Lahore High Court Lahore, against the orders of the Appellate Tribunal Inland Revenue, Lahore, deleting the income tax demand of Rs. 17.3 million of the company for the assessment years 2001 to 2003. These references were last heard on 10 October, 2018.	Company and Federal Board of Revenue	October 07, 2015
26.1.5	Commissioner Inland Revenue, Appeals-I	The Company has filed appeal before the Commissioner of Inland Revenue (Appeals) Lahore against the Order in-original no. 14/2015 passed by DCIR Enforcement - 18 zone- III, LTU, Lahore for the tax period January 2015 for illegal adjustment of input sale tax in the sum of Rs. 22,031,342 on the bills of Lahore Electric Supply Company against its liability of federal excise duty in monthly sale tax return in sale tax mode along with additional tax and penalty. In this view of matter, the DCIR is directed to adjust the FED liability of the appellant against the available income tax refunds of appellant but no default surcharge should be levied in the case of the appellant. The CIR LTU has filed appeal in Appellate Tribunal Inland Revenue, Lahore against the deletion of default surcharge earlier deleted by the CIR appeal-I, pending adjudication at the terminal date.	Company and Federal Board of Revenue	March 27, 2018
26.1.6	Appellate Tribunal Inland Revenue (ATIR)	For the tax year 2014, the Additional Commissioner, Zone-III, LTU, Lahore, had passed order u/s 122(5A) of the Income Tax Ordinance, 2001 on different issues (certain additions were made to declared taxable loss). However, no tax demand is involved in the instant case as the order only reduced tax losses. The company filed appeal against this order before the Commissioner Inland Revenue, Appeals-V, Lahore, who decided the appeal fully in favor of the Company. However, the department filed second appeal before Appellate Tribunal Inland Revenue (ATIR) against the order of Commissioner Inland Revenue, Appeals-V, pending adjudication at the terminal date.	Company and Federal Board of Revenue	June 29, 2021
26.1.7	Commissioner Inland Revenue, Appeals-V	For the tax year 2015, the learned deputy Commissioner, Audit - II, Unit - 10, Zone-III, LTO, Lahore, had passed order u/s 122(4) of the Income Tax Ordinance, 2001 on different issues (addition made to declared taxable income by treating credit entries in banks as income) and created demand of Rs. 62.495 million. The company filed appeal against this order before the Commissioner Inland Revenue, Appeals-V, Lahore, pending adjudication at the terminal date.	Company and Federal Board of Revenue	July 10, 2021
26.1.8	Appellate Tribunal Inland Revenue (ATIR)	For the tax year 2017, the Additional Commissioner, Zone-III, LTU, Lahore, had passed order u/s 122(5A) of the Income Tax Ordinance, 2001 on different issues (certain additions were made to declared taxable income). However, no tax demand is involved in the instant case as these additions reduced the carry forward losses available to the Company. The company filed appeal against this order before the Commissioner Inland Revenue, Appeals-V, Lahore, who provided relief partially to the company. However, the department filed second appeal before Appellate Tribunal Inland Revenue (ATIR) against the order of Commissioner Inland Revenue, Appeals-V and the Company also filed appeal for the remaining amounts, pending adjudication at the terminal date.	Company and Federal Board of Revenue	May 27, 2021

26.1.9	Appellate Tribunal Inland Revenue (ATIR)	The Deputy Commissioner Inland Revenue, Unit 13, Enforcement Zone, LTO, Lahore imposed a penalty of Rs. 1 million on violation of sub section (9A) of section 3 and section 40C for not implementing the installation of Video Analytics System (VAS) on the mill premises as required under SRO 889(I)/2020 dated September 21, 2020. The company filed appeal against this order before the Commissioner Inland Revenue, Appeals-V, Lahore, who vacated the penalty in favor of the Company. However, the tax department filed second appeal before ATIR, pending adjudication at the terminal date.	Company and Federal Board of Revenue	July 16, 2021
26.1.10	Honorable Lahore High Court, Lahore	Through Finance Act, 2011, the Federal Government amended the first schedule of the Federal Excise Act, 2005 and imposed Federal Excise Duty (FED) at the rate of 8% with effect from November 04, 2011 on sugar produced or manufactured in Pakistan from this date. Due to misconception of law, the Company wrongly made the payments of FED on the existing stock on June 03, 2011 amounting to Rs. 48,876,960 during taxable periods starting from June 04, 2011 November 2011. Subsequently, the Company filed refund application which was rejected mainly for the reasons that the refund claim was inadmissible because FED was to be collected and paid in sales tax mode on the goods specified in second schedule as warranted under section 7 and 11 of Federal Excise Duty Act, 2005 and that the claim of refund was hit by the limitation prescribed under section 44 of the Federal Excise Duty Act, 2005 and being aggrieved the Company filed appeal before Commissioner Inland Revenue, Appeals. The Commissioner Inland Revenue, Appeals vide appellate order upheld the order of assessing officer. Felt aggrieved, the Company filed second appeal before the Appellate Tribunal Inland Revenue (ATIR), who decided the case in favor of the Company on February 15, 2021. Later on the tax department filed writ petition before Honorable Lahore High Court, Lahore, pending adjudication at the terminal date.	Company and Federal Board of Revenue	October 26, 2021
26.1.11	Honorable Lahore High Court, Lahore	A writ petition has been filed by the Company against the assumptions of jurisdiction by the Competition Commission of Pakistan whereby a show cause notice dated December 31, 2009 had been issued to the Company under section 30 of the Competition Ordinance, 2009. The Company has sought declaration that such show cause is without lawful authority and of no legal effect as the Competition Ordinance, 2009 itself is ultra vires the Constitution of the Islamic Republic of Pakistan, 1973 as well as the law laid down by the Supreme Court of Pakistan.	Company and Competition Commission of Pakistan	
	Honorable Lahore High Court, Lahore	Competition Commission of Pakistan (CCP) has passed a consolidated order on August 13, 2021 whereby penalties have been levied on 84 sugar mills. Under the above-referred order dated August 13, 2021, penalty of Rs. 285.779 million and Rs. 400.090 million has been levied on the Company equivalent to 5% and 7% respectively of the total turnover during the period from the year 2012 to 2020. The penalty has been levied on account of alleged 'commercially sensitive information sharing and collective decision of export quantities' by fixing / controlling the supply of sugar and maintaining the desired price levels in the market during the period from the years 2012 to 2020. The Company along with 9 other sugar mills has filed a suit against the above order. The LHC has suspended the operation of CCP's order. The legal counsel of the Company is of the view that penalty being imposed on the Company was irrational and unlawful and is expected to be annulled.	Honorable Lahore High Court, Lahore	
26.1.12	Sind High Court	The Company has filed a writ petition before Sind High Court against the assumption of jurisdiction by Pakistan Standard and Quality Control Authority (PSQCA) for issuing notification demanding marking fee at the rate of 0.1% of ex-factory price of all sales as the fee payable for placing the PSQCA standard mark on the notified item. The learned High Court struck down the notification and declared to be void. The Appellant being aggrieved assailed the judgment before the Supreme Court of Pakistan which is still pending adjudication.	Company and Federal Board of Revenue	
26.1.13	Vice Commissioner / Commissioner PESSI, Lahore	A demand of social security arrears of Rs. 251,678 raised by the Punjab Employees Social Security Institution Lahore against the company. Against this arrears the company filed a complaint before the Punjab Labor Court -II, Lahore. The Honorable court remanded the case back to Vice Commissioner/ Commissioner PESSI, Lahore to decide company's claim afresh after following proper procedures laid down in law and after proper perusal of record through speaking order, dealing with all concerns of the company. Management is hopeful for a favorable outcome.	Company and Punjab Employees Social Security Institution	

26.1.14 The Finance Act, 2017, introduced a tax levy under section 5A of the Income Tax Ordinance, 2001 @ 7.5% on every Listed Company other than a scheduled bank or Modarba, that derives profits after tax for the year but does not distribute at least 40% of the after tax profit within six months of the end of said tax year through cash. Through the Finance 2018 condition of distribution of after tax profit was changed from 40% to 20% and rate of levy from 7.5% to 5%. The management of the Company considered this levy against the Constitution of Pakistan and tantamount to double taxation, therefore, had filed a writ petition before the Honorable Lahore High Court Lahore, that was withdrawn later on based on the decision of Honourable Sindh High Court in the favour of taxpayers. Although, the Company has declared profit after tax in the accounting years ended September 30, 2016, September 30, 2017 and September 30, 2018 (relevant to tax years 2017, 2018 and 2019) in the sum of Rs. 115.665 million, Rs. 201.590 million and Rs. 32.773 million respectively, but had not distributed profit among the shareholders through cash dividend or bonus shares. Accordingly, no provision for an aggregate amount of tax in the sum of Rs. 26.015 million for the financial years ended September 30, 2018 (2017: Rs. 24.533 million) on non-distribution dividend in cash or kind has been made in these financial statements, based on the above said decision of Honourable Sindh High Court.

The management of the Company and its legal / tax advisors expects a favorable outcome of the above mentioned cases / suits, hence no provision / adjustment has been made against contingencies disclosed in the Notes 26.1.1 to 26.1.14 to these financial statements.

26.1.15 Provision for Workers' Profit Participation Fund amounting to Rs. 15.979 million for the year ended September 30, 2019 has not been made in these financial statements on the capital gain on disposal of operating fixed assets of the merging entity, as the management believe that it does not represents ordinary activity of the Company.

26.1.16 The Company was contingently liable for the outstanding principal and markup on the Agri Murabaha facility obtained by the Company's Sugarcane Growers from Bank Islami Pakistan Limited. The Company has given corporate guarantee amounting to Rs. 820 million (2020: Rs. 820 million) and ranking charge over current assets of the Company with 25% margin registered with SECP as security against Agri Murabaha facility to the sugarcane growers obtained from Bank Islami Pakistan Limited. This facility has been fully paid (principle plus profit), except a disputed amount of charity amounting to Rs. 126.176 million against the said facility for which the company is contingently liable in case of failure of growers to repay.

26.2 Commitments

The Company is committed to pay the following rentals:

	Note	2021 Rupees	2020 Rupees
Ijarah rentals			
Due within one year		10,668,613	8,227,394
Due after one year but not later than five years		24,940,502	15,810,735
Diminishing Musharikah rentals			
Due within one year		3,854,064	3,834,596
Due after one year but not later than five years		963,516	2,346,277
		40,426,695	30,219,002

27. REVENUE FROM CONTRACT WITH CUSTOMERS - NET

Local		6,148,522,814	2,951,400,633
Export - sugar	27.1	-	3,229,280
		6,148,522,814	2,954,629,913

27.1 Local

Sugar	6,221,147,155	2,989,202,207
By products:		
Molasses	687,833,528	361,786,547
Bagasse	78,423,520	6,405,820
Press mud	115,223,276	37,676,272
	881,480,324	405,868,639
	7,102,627,479	3,395,070,846
Less:		
Sales tax on local sale of sugar	902,741,785	434,029,589
Withholding income tax on local sale of sugar	8,233,300	3,168,180
Sales tax on molasses, bagasse and press mud	43,129,580	6,472,444
	954,104,665	443,670,213
	6,148,522,814	2,951,400,633

28. COST OF REVENUE

Raw material consumed:			
Sugarcane purchased		5,393,393,358	2,697,795,298
Sugarcane development cess		30,847,914	17,873,914
Market committee fee		8,253,806	4,773,897
		5,432,495,078	2,720,443,109
Salaries, wages and other benefits		143,752,239	134,372,325
Workers' welfare expense		10,511,955	9,330,726
Consumable stores and spares		12,566,588	11,175,164
Chemicals consumed		40,640,251	24,541,177
Packing material consumed		42,544,244	28,168,951
Fuel and power		26,085,823	27,171,538
Repair and maintenance		82,304,798	39,135,275
Vehicle running expenses		12,873,897	11,511,222
Insurance		5,811,271	9,271,230
Other factory overheads		13,429,975	5,569,412
Depreciation	5.1.3 & 6	144,312,786	114,439,630
		5,967,328,907	3,135,129,759
Opening stock		15,437,264	7,157,809
Closing stock		(15,185,158)	(15,437,264)
		252,106	(8,279,455)
Cost of goods manufactured		5,967,581,013	3,126,850,304
Finished goods			
Opening stock		637,374,128	173,048,481
Closing stock		(932,480,024)	(637,374,128)
		(295,105,896)	(464,325,647)
		5,672,475,117	2,662,524,657

28.1 Salaries, wages and other benefits include Rs. 2,936,320 (2020: Rs. 2,761,774) in respect of contribution to HSML Employees' Provident Fund Trust - related party by the Company.

	Note	2021 Rupees	2020 Rupees
29. ADMINISTRATIVE AND GENERAL EXPENSES			
Directors' remuneration	29.1	18,623,496	15,768,608
Salaries and other benefits	29.2	114,438,186	102,298,189
Travelling and conveyance		1,754,390	3,689,260
Communication		2,796,240	2,856,413
Utilities		102,490	6,200
Rent, rates and taxes		4,346,314	11,072,004
Printing and stationery		2,538,113	2,193,163
Repair and maintenance		2,473,615	4,044,668
Vehicle running and maintenance		7,488,481	6,076,845
Fee and subscription		6,505,902	4,288,960
Legal and professional		8,564,955	3,511,395
Auditors' remuneration	29.3	3,130,250	2,131,000
Entertainment		5,329,124	4,093,352
Insurance		1,019,280	828,129
Computerization expenses		613,921	369,548
Ijarah rentals		8,981,845	7,579,895
Diminishing musharakah rental		3,845,618	4,021,365
News papers and periodicals		46,208	49,759
Fines and penalties		26,015	170,404
Impairment / written off against leasehold improvements		8,768,762	-
Depreciation	5.1.3 & 6	9,748,063	9,118,749
Miscellaneous		1,732,572	1,406,639
		212,873,840	185,574,545

29.1 Directors' remuneration include Rs. 991,654 (2020: Rs. 867,780) in respect of contribution to HSML Employees' Provident Fund Trust - related party by the Company.

29.2 Salaries and other benefits include Rs. 3,080,030 (2020: Rs. 3,094,768) in respect of contribution to HSML Employees' Provident Fund Trust - related party by the Company.

29.3 Auditors' remuneration

Audit services		
Annual audit fee	750,000	750,000
Half yearly review fee	192,500	200,000
Out of pocket expenses	70,000	118,000
	1,012,500	1,068,000
Non audit services		
Tax advisory fee	1,772,000	1,000,000
Certifications for regulatory purposes	345,750	63,000
	2,117,750	1,063,000
	3,130,250	2,131,000

30. SELLING AND DISTRIBUTION COST			
Salaries and other benefits		5,881,751	4,685,803
Handling and distribution		4,593,770	2,323,882
Repair and maintenance		745,390	461,746
Printing and stationery		955,889	262,074
Advertisement		990,247	235,544
Depreciation	5.1.3 & 6	8,154,252	7,142,738
		21,321,299	15,111,787

30.1 Salaries, wages and other benefits include Rs. 203,490 (2020: Rs. 165,598) in respect of contribution to HSML Employees' Provident Fund Trust - related party by the Company.

	Note	2021 Rupees	2020 Rupees
31. OTHER OPERATING EXPENSES			
Provision against freight subsidy receivable		-	36,509,750
Provision against trade and other receivables - net		87,790	6,229,515
Provision against advances		1,206,477	1,000,000
Provision against slow moving store and spares		2,503,835	-
Zakat		12,000	14,476
Workers' Profit Participation Fund	22.3	3,679,923	-
Workers' Welfare Fund		1,398,371	-
		8,888,396	43,753,741

31.1 There is no interest in the donees fund, of any director or their spouses.

32. OTHER INCOME

Income from financial assets			
Profit on saving bank accounts		298,105	309,053
Dividend income from equity instruments at fair value through profit or loss (FVTPL)		60,675	748,100
Net change in fair value on equity instruments at fair value through profit or loss (FVTPL)			
realized		1,281,243	104,680
unrealized		(787,486)	193,487
		852,537	1,355,320
Income from non-financial assets			
Gain on disposal of operating fixed assets	32.1	3,661,322	1,557,440
Gain on sale of bio fertilizer		78,741,930	92,911,022
Advances against sale of sugar forfeited		-	14,028,000
Rental income		187,502	195,878
Old credit balances no more payable written back		6,899,079	3,290,174
Gain on derecognition of lease liability		1,005,673	-
Sales tax no more payable written back		51,875,283	-
Miscellaneous		7,242,191	4,144,661
		149,612,980	116,127,175
		150,465,517	117,482,495

32.1 During the year, the Company has received an aggregate insurance claim of Rs. 10.34 million (2020: nil) and Rs. 6.955 million (2020: nil) is receivable from insurance companies on account of theft of certain items of property, plant and equipment.

33. FINANCE COST

Mark up on secured borrowings	304,225,194	356,463,508
Interest on balance payable to provident fund trust - related party	1,601,519	1,551,718
Interest on lease liability	1,288,399	1,385,454
Interest on Workers' Profit Participation Fund	2,707,497	3,780,228
Bank charges and commission	5,086,908	10,908,402
	314,909,517	374,089,310

34. TAXATION

Current income tax:			
Normal / presumptive tax		78,297,536	46,206,944
Prior year		43,171	9,713,237
		78,340,707	55,920,181
Deferred income tax:			
Tax rate adjustment	21.1	16,988,503	8,662,552
For the year	21.1	(50,465,662)	12,682,083
		(33,477,159)	21,344,635
	34.1	44,863,548	77,264,816

34.1 Provision for taxation has been made in accordance with section 113 and 148 of Income Tax Ordinance, 2001. There is no relationship between aggregate tax expense and accounting profit. Accordingly, no numerical reconciliation is presented.

34.2 The Company computes tax based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available. During the year, Finance Act, 2021 (2020: Finance Act, 2020) enacted turnover tax rate of 1.25% (2020: 1.50%) and normal tax rate of 29% (2020: 29%), therefore, provision for current tax is made @ 1.25% (2020: 1.50%) of the local turnover. The deferred tax is computed at the rate of 29% (2020: 25.94%).

34.3 The Company has unused tax losses amounting to Rs. 252.558 million (2020: Rs. 321.156 million) as on the reporting date.

35. EARNINGS / (LOSS) PER SHARE

		Note	2021	Restated 2020
Basic earnings per share				
Profit / (loss) attributable to ordinary shareholders	*Rupees*		23,656,614	(286,206,448)
Weighted average number of ordinary shares outstanding during the year	*Numbers*	35.1	41,009,942	41,009,942
Earnings / (loss) per share - basic	*Rupees*		0.58	(6.98)

35.1 Weighted-average number of ordinary shares (basic)

Issued ordinary shares at October 01	38,520,000	36,000,000
Effect of bonus factor due to bonus shares issued	-	2,520,000
Effect of right factor on opening shares due to right shares issued	2,489,942	2,489,942
Weighted-average number of ordinary shares as on September 30	41,009,942	41,009,942

35.2 The effect of right shares issued subsequent to the reporting date but before authorization of financial statements has been taken retrospectively to compute weighted average number of ordinary shares.

Diluted earnings / (loss) per share

Diluted earnings / (loss) per share is same as basic earnings / (loss) per share because the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

36. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Aggregate amount charged in these financial statements for remuneration including all benefits to the chief executive, directors and executives of the Company is as follows:

	2021		
	Chief Executive	Executive Director	Executives
	---------- Rupees ----------		
Short-term employee benefits			
Managerial remuneration	7,903,644	2,012,904	11,471,985
House rent	3,556,644	905,808	3,823,404
Utilities / medical allowance	-	2,261,186	1,147,184
Special allowance	790,368	201,288	1,147,184
Post-employment benefits			
Company's contribution to provident fund	790,364	201,290	1,147,199
	13,041,020	5,582,476	18,736,956
Number of persons	1	1	7

	2020		
	Chief Executive	Executive director	Executives
	---------- Rupees ----------		
Managerial remuneration	7,129,452	1,548,384	8,061,084
House rent	3,208,248	696,771	2,691,252
Utilities / medical allowance	-	1,450,193	806,100
Special allowance	712,944	154,836	806,100
Post-employment benefits			
Company's contribution to provident fund	712,944	154,836	686,000
	11,763,588	4,005,020	13,050,536
Number of persons	1	1	5

36.1 In addition to above, the chief executive, directors and one executive is provided with the free use of the Company's maintained cars. The approximate value of this benefit is Rs. 8.234 million (2020: Rs. 7.248 million).

36.2 No meeting fee was paid to directors during the year (2020: nil).

36.3 No remuneration was paid to non-executive directors of the Company (2020: nil).

37. TRANSACTIONS WITH RELATED PARTIES

37.1 Related parties comprise associated companies / undertakings, companies where directors also hold directorship, retirement benefits fund and key management personnel. Related parties of the company are as follow:

Names of related parties	Relationship	Basis of relationship (Common directorship / percentage shareholding)
Mr. Ahmed Ali Tariq	- Chairman of the Board / Non - Executive Director	31.20%
Mr. Mustafa Ali Tariq	- Director / Chief Executive Officer	29.10%
Mrs. Nusrat Shamim	Non - Executive Director	0.02%
Mr. Taufiq Ahmed Khan	Independent Director	0.01%
Mrs. Maryam Habib	Executive Director	1.13%
Mr. Saif Hasan	Independent Director	0.0014%
Mr. Muhammad Imran Khan	Independent Director	0.0019%
Mrs. Sadia Ali Tariq	Close relative of Chief Executive Officer / Chairman	
Husein Power Company (Pvt.) Limited	Associated company by virtue of common directorship	
Tariq Capital (Pvt.) Limited	Associated company by virtue of common directorship	
Mr. Wasim Saleem	Chief Financial / Operating Officer - key management personnel	
HSM Healthcare Trust	Associated company by virtue of common directorship	
HSM Education Trust	Associated company by virtue of common directorship	
HSML Employees' Provident Fund Trust	Post-employment benefit plan	

37.2 Balances with related parties are disclosed in respective notes to these financial statements, whereas significant transactions with these related parties during the year are as under:

		2021 Rupees	2020 Rupees
Transactions with key management personnel			
Chief Financial / Operating Officer - key management personnel	Short-term employee benefits	4,739,988	4,739,988
	Post-employment benefits	150,021	287,268
Transactions with post -employment benefit plan			
HSML Employees' Provident Fund Trust	Contribution for the year	7,211,494	6,889,920
	Markup	1,601,519	1,551,718
Transactions with associated companies			
Tariq Capital (Pvt.) Limited	Current account - net	219,833	104,393
HSM Healthcare Trust	Current account - net	407,692	2,657,240
HSM Education Trust	Current account - net	516,405	671,822
Transactions with other related parties			
Mr. Ahmed Ali Tariq	Adjustment of directors' loan against share subscription money for right share issuance	78,863,418	-
	Repayment of loan	6,853,640	14,500,000
	Loan received	2,678,640	5,800,000
Mr. Mustafa Ali Tariq	Adjustment of directors' loan against share subscription money for right share issuance	73,567,113	-
	Repayment of loan	5,869,616	13,252,160
Mrs. Maryam Habib	Share subscription money received	2,851,293	-
Mrs. Nusrat Shamim	Share subscription money received	45,920	-
Mr. Taufiq Ahmed Khan	Share subscription money received	36,155	-
Mr. Muhammad Imran Khan	Share subscription money received	4,900	-
Mr. Saif Hasan	Share subscription money received	3,500	-

Short-term employee benefits include salaries, house rent allowance and medical allowance as well as non monetary benefits such as medical, car, etc. In addition to above, chief executive and a director of the Company has given personal gurantees to financial institutions on behalf of the Company as disclosed in note 19, 20 and 24. Chief executive and directors' salaries and benefits are disclosed in note 36.

38. RELATIONSHIP WITH THE ISLAMIC AND CONVENTIONAL FINANCIAL INSTITUTIONS

The Company in the normal course of business deals with sole Islamic financial institutions as well as the financial institutions who operate both the conventional side and Islamic window. During the year, the Company carried out transactions with both the conventional side as well as islamic window of financial institutions. The details of segregation between Shariah complaints and conventional assets/liabilities and income/expenditure are given below:

	2021			2020		
	Islamic Banks	Conventional Banks	Total	Islamic Banks	Conventional Banks	Total
	……Rupees……			……Rupees……		
Account balances:						
Accrued mark-up on secured borrowings	51,048,046	32,874,005	83,922,051	65,611,156	14,441,385	80,052,541
Long term finance	317,462,421	687,321,892	1,004,784,313	69,301,846	752,082,319	821,384,165
Short term borrowings	1,344,921,372	521,696,206	1,866,617,578	1,294,401,725	99,995,182	1,394,396,907
Bank balances	19,297,393	92,800,688	112,098,081	14,276,215	26,513,472	40,789,687
Ijarah rentals	177,597	-	177,597	290,829	-	290,829
Diminishing Musharikah rentals	640,715	-	640,715	319,453	-	319,453
Class of transactions:						
Ijarah and diminishing musharikah rentals	12,827,463	-	12,827,463	11,601,260	-	11,601,260
Finance cost	219,019,213	85,205,981	304,225,194	224,957,002	131,506,506	356,463,508
Income from PLS bank accounts	-	298,105	298,105	-	309,053	309,053
Disclosures:						
Commitments						
Ijarah rentals	35,609,115	-	35,609,115	24,038,129	-	24,038,129
Diminishing musharikah rentals	4,817,580	-	4,817,580	6,180,873	-	6,180,873

39. PLANT CAPACITY AND ACTUAL PRODUCTION

		2021	2020
Installed crushing capacity 6,500 to 8,000 matric ton (2020: 6,500 to 8,000 matric ton) per day for 123 (2020: 117) working days	Metric tons	799,500 to 984,000	760,500 to 936,000
Actual crushing	Metric tons	822,621	476,430
Actual production	Metric tons	74,564	43,307
Sugar recovery	Percentage	9.06	9.12

39.1 Shortfall in actual production from installed capacity was due to the scarcity / shortage of raw material (sugarcane) supply.

40. NUMBER OF EMPLOYEES

The number of employees as at September 30 and average during the year is as follows:

	2021	2020
Number of employees as at September 30	572	527
Average number of employees during the year	848	783

	Note	2021 Rupees	2020 Rupees
41. FINANCIAL INSTRUMENTS BY CATEGORY			
FINANCIAL ASSETS			
At fair value through profit or loss			
Equity securities	12	7,593,255	6,716,005
FINANCIAL ASSETS			
At amortised cost			
Long term security deposits	8	20,904,057	11,014,070
Trade and other receivables	10	269,784,966	955,664,958
Advances, deposits and prepayments	11	1,295,943	5,629,713
Cash and bank balances	13	112,766,270	41,756,584
		404,751,236	1,014,065,325
FINANCIAL LIABILITES			
At amortised cost			
Long term finance (including current portion)	19	1,004,784,313	821,384,165
Trade and other payables	22	547,624,498	675,662,354
Short term borrowings	24	1,871,706,125	1,407,998,902
Accrued mark-up on secured borrowings	25	83,922,051	80,052,541
Unpaid dividend		31,408	43,970
Unclaimed dividend		1,195,984	1,195,984
		3,509,264,379	2,986,337,916

42. FINANCIAL RISK MANAGEMENT

42.1 Financial risk factors

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The accounts department of the Company assist the Board in developing and monitoring the Company's risk management policies. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The risk management policies of the Company are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits, and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets.

All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Company does not engaged in the trading of financial assets for speculative purposes nor does it write options.

The Company's Board Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board Audit Committee.

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk and liquidity risk.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

(i) Currency risk

At the reporting date, the Company is not exposed to foreign exchange risk.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Other price risk arises from the company's investment in ordinary shares of listed companies. To manage its price risk arising from aforesaid investments, the Company diversifies its portfolio and continuously monitors developments in equity markets. In addition the Company actively monitors the key factors that affect stock price movement.

Sensitivity analysis - equity price risk

Impact of a 2% increase or decrease in the prices at the reporting date on profit or loss would have been as follow:

	Note	2021 Rupees	2020 Rupees
Increase		151,865	134,320
Decrease		(151,865)	(134,320)

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to these financial statements.

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

Financial assets			
Fixed rate instruments			
Bank balances - saving bank accounts	13	1,065,517	2,298,010
Financial liabilities			
Fixed rate instruments			
Long term finance - SBP Refinance scheme	19.9	-	22,875,262
Floating rate instruments			
Long term finance	19	1,004,784,313	798,508,903
Short term borrowings	24	1,871,706,125	1,394,396,907
		2,876,490,438	2,192,905,810
		2,876,490,438	2,215,781,072

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, pre - tax profit / loss for the year would have been (decreased) / increased by Rs. 28.765 million (2020: Rs. 21.929 million), mainly as a result of higher / lower interest expense on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments i.e. borrowings net of saving bank accounts outstanding at reporting dates were outstanding for the whole year.

Fair value sensitivity analysis for fixed rate instruments

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

The long and short term financing / borrowing has variable rate pricing that is mostly dependent on Karachi Inter Bank Offered Rate ("KIBOR") as indicated in respective notes.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, deposits with banks, financial institutions and utility companies, as well as credit exposures to customers, including outstanding trade receivables.

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. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the end of the reporting period is as follows:

	Note	2021 Rupees	2020 Rupees
Utilities companies	8	885,940	835,940
Customers	10.1	155,632,252	847,883,034
Employees	11	1,295,943	5,629,713
Equity securities	12	7,593,255	6,716,005
Financial institutions / banks	13	132,116,198	50,967,817
Related parties	10.3	1,244,718	1,432,577
Others	10.4	112,907,996	106,349,347
		411,676,302	1,019,814,433

Trade receivables

Customer is counterparty to local trade receivables against sale of refined sugar. To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Sales to customers are required to be settled in cash or cash in advance and exports sales are also secured partially by way of advance payments, thus mitigating credit risk. Majority of the local sales are made through dealers. Outstanding customer receivables, if any, are regularly monitored.

	2021 Rupees	2020 Rupees
The maximum exposure to credit risk for trade receivables at the reporting date by the type of customers is receivables from sugar dealers only :	155,632,252	847,883,034

As at September 30, 2021 (2020), trade receivables amounting to Rs. 62.315 million (2020: Rs. 17.018 million) were past due but not impaired. These related to a number of independent customers having no recent history of default. The ageing analysis of gross trade receivables is as follows:

	2021 Rupees	2020 Rupees
Not over due (current)	93,317,178	830,865,479
Overdue		
0 to 30 days	16,434,329	-
31 to 60 days	4,496,121	-
61 to 90 days	-	1,732,533
91 to 180 days	50,918	-
181 to 365 days	486,334	1,604,022
Over 365 days	45,559,736	19,910,515
	67,027,438	23,247,070
	160,344,616	854,112,549
Expected credit loss allowance for trade receivables	(4,712,364)	(6,229,515)
	155,632,252	847,883,034

The Company uses a recovery based provision matrix to measure ECLs of trade receivables. Loss rates are calculated on the outstanding exposure after adjusting any future recoveries. Weighted average loss rate of 99.44%% (2020: 100%) is used to work out loss allowance against receivables overdue 365 days net of subsequent receipts.

Based on past experience the management believes that no impairment allowance is necessary in respect of unimpaired trade receivables that are past due as most of receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time.

Bank balances

The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

	Rating			2021	2020
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
Allied Bank Limited	A1+	AAA	PACRA	124,150	2,713,524
Bank Islami Pakistan Limited	A1	A+	PACRA	2,328,108	2,763,024
Faysal Bank Limited	A1+	AA	PACRA	354,595	371,337
The Bank of Punjab	A1+	AA	PACRA	3,196,582	831,683
Habib Bank Limited	A-1+	AAA	JCR-VIS	8,934,703	2,053,961
Bank Al Habib	A-1+	AA+	PACRA	39,550	1,132,727
Meezan Bank Limited	A-1+	AA	JCR-VIS	11,612,099	2,202,154
National Bank of Pakistan	A1+	AAA	PACRA	63,173,581	5,965,375
United Bank Limited	A1	A	PACRA	1,087,933	6,921
Al-Baraka Bank (Pakistan) Limited	A-1+	AAA	JCR-VIS	-	131,973
Summit Bank Limited	A1	A+	JCR-VIS	43,911	41
Apna Microfinance Bank Limited	A-1	A-	JCR-VIS	6,921	43,911
Dubai Islamic Bank Limited	A3	BBB+	PACRA	-	39,678
Askari Bank Limited	A1+	AA	JCR-VIS	432,564	2,142,304
JS Bank Limited	A1+	AA+	PACRA	1,187,616	6,468,541
Finca Microfinance Bank Limited	A1	A	PACRA	222	222
Soneri Bank Limited	A1+	AA-	PACRA	2,634,420	3,700
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	1,314,534	3,563,494
MCB Bank Limited	A1+	AAA	PACRA	6,409,360	7,251,434
Bank Alfalah Limited	A1+	AA+	PACRA	8,873,518	2,139,016
Samba Bank Limited	A-1	AA+	JCR-VIS	343,714	964,667
				112,098,081	40,789,687

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

Deposits

Deposits comprise of deposits with utility companies, financial institutions, vendors, etc. The Company has assessed, based on historical experience that the expected credit loss associated with these financial assets is trivial and therefore no impairment charge has been accounted for.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Board of Directors has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. At reporting date, the Company had Rs. 3,190 million (2020: Rs. 1,835.743 million) available credit limits from financial institutions and Rs. 112.766 million (2020: Rs. 41.757) cash and bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows.

Contractual maturities of non derivative financial liabilities as at 30 September 2021

Description	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	- Rupees -						
Long term finance	1,004,784,313	1,004,784,313	167,009,835	162,901,808	297,079,569	377,793,101	-
Trade and other payables	547,624,498	547,624,498	547,624,498	-	-	-	-
Short term borrowings	1,871,706,125	1,871,706,125	1,871,706,125	-	-	-	-
Accrued mark-up on secured borrowings	83,922,051	83,922,051	83,922,051	-	-	-	-
Unpaid dividend	31,408	31,408	-	31,408	-	-	-
Unclaimed dividend	1,195,984	1,195,984	1,195,984	-	-	-	-
	3,509,264,379	3,509,264,379	2,671,458,493	162,933,216	297,079,569	377,793,101	-

Contractual maturities of non derivative financial liabilities as at 30 September 2020

Description	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	2-5 years	More than 5 years
	- Rupees -						
Long term finance	821,384,165	821,384,165	35,489,053	83,866,885	204,108,588	442,364,083	55,555,557
Trade and other payables	675,662,354	675,662,354	675,662,354	-	-	-	-
Short term borrowings	1,407,998,902	1,407,998,902	1,407,998,902	-	-	-	-
Accrued mark-up on secured borrowings	80,052,541	80,052,541	80,052,541	-	-	-	-
Unpaid dividend	43,970	43,970	43,970	-	-	-	-
Unclaimed dividend	1,195,984	1,195,984	-	1,195,984	-	-	-
	2,986,337,916	2,986,337,916	2,199,246,820	85,062,869	204,108,588	442,364,083	55,555,557

42.2 Capital risk management

The Company's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of our business. The Board of Directors monitor the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitor the level of profit attributed to ordinary shareholders.

The Company's objectives when managing capital are:

a) to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
b) to provide an adequate return to shareholders

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends attributed to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital using 'net debt to capital ratio'. Net debt is calculated as long / short term interest bearing bank borrowings and lease liability less cash and cash equivalents.

	2021 Rupees	2020 Rupees
Interest bearing bank borrowings	2,886,724,986	2,237,489,378
Less: cash and cash equivalents	(112,766,270)	(41,756,584)
Net debt	2,773,958,716	2,195,732,794
Total equity	2,997,500,406	2,967,105,214
Total capital (net debt and equity)	5,771,459,122	5,162,838,008
Net debt to total capital ratio	48%	43%

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements. The net debt to equity ratio mainly increased during the year due to increase in fresh bank borrowings.

42.3 Operational risk management

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within the Company. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation including insurance where this is effective

42.4 Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

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

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs.

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

During the year, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurement.

The Company has not disclosed the fair values of the financial assets and financial liabilities as disclosed in note 41 because their carrying amounts are reasonable approximation of fair values, except fair value of equity instruments.

Valuation techniques used to determine fair values

The table analyses financial assets measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

Financial assets		As on September 30, 2021			
		Carrying amount	Recurring fair value		
	Note		Level 1	Level 2	Level 3
		---------- Rupees ----------			
Financial assets at fair value through profit or loss (equity securities)	12	7,593,255	7,593,255	-	-

Financial assets		As on September 30, 2020			
		Carrying amount	Recurring fair value		
	Note		Level 1	Level 2	Level 3
		---------- Rupees ----------			
Financial assets at fair value through profit or loss (equity securities)	12	6,716,005	6,716,005	-	-

Valuation techniques and significant unobservable inputs

The following table shows the valuation technique used in measuring Level 1 fair values for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Valuation technique		
Equity Instruments - shares Market approach (quoted market prices)	Per share price	The estimated fair value would increase (decrease) if the price go higher (lower).

43. RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

Description	Share capital	Share subscription money against right share issuance	Directors' loans	Long term finance	Lease liability	Short term borrowings
	Rupees					
Balance at October 01, 2020	385,200,000	-	424,428,823	821,384,165	8,106,311	1,407,998,902
Proceeds during the year	-	59,327,667	5,530,640	367,509,316	-	-
Adjustment of share deposit money	-	152,430,531	(152,430,531)	-	-	-
Addition during the year	-	-	-	-	10,815,999	-
Repayments during the year	-	-	(15,575,256)	(184,109,168)	(4,974,576)	-
Movement in short term borrowings - net	-	-	-	-		463,707,223
Lease liability derecognized during the year	-	-	-	-	(3,713,186)	-
Balance at September 30, 2021	385,200,000	211,758,198	261,953,676	1,004,784,313	10,234,548	1,871,706,125

Description	Share capital	Directors' loans	Long term finance	Lease liability	Short term borrowings
	Rupees				
Balance at October 01, 2019	360,000,000	446,380,983	352,573,273	11,318,291	411,382,178
Proceeds during the year	-	5,800,000	(36,071,268)	-	-
Repayments during the year	-	(27,752,160)	504,882,160	(3,211,980)	-
Movement in short term borrowings - net	-	-	-	-	996,616,724
Changes arising from bonus share issuance	25,200,000	-	-	-	-
Balance at September 30, 2020	385,200,000	424,428,823	821,384,165	8,106,311	1,407,998,902

44. SEGMENT INFORMATION

44.1 Sales of sugar represents 86.37% (2020: 86.48%) of the total sales of the Company.

44.2 The sales percentage by geographic region is as follows:

	2021	2020
Pakistan	100%	99.89%
Canada	-	0.11%
	100%	100%

44.3 Sales are attributed to countries on the basis of the customers' location.

44.4 All non-current assets of the Company as at 30 September 2021 and 2020 were located in Pakistan.

44.5 4.88% (2020: 11.34%) of the total sales of sugar of the Company are made to a single customer in Pakistan.

45. DATE OF AUTHORIZATION

These financial statements have been approved and authorized by the Board of Directors of the Company for issue on 30 December 2021.

46. CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary to achieve better presentation. During the year, following reclassifications have been made:

Description	Reclassification		Note	2021 Rupees	2020 Rupees
	From	To			
Advances for capital expenditure	Advances to suppliers - unsecured	Capital work-in-progress - Advances for capital expenditure	5.2	9,428,884	6,509,706
Advances, deposits and prepayments	Advances to contractors - unsecured	Advances to employees against expenses - unsecured	11	274,720	649,638
Trade and other receivables	Trade receivables	Other receivables	10.4	100,895,490	-
Long term deposit	Long term deposit - against ijarah and diminishing musharikah facilities	Long term deposit - against long term loan	8	10,178,130	7,500,000
Administrative and general expenses	Salaries and other benefits	Directors' remuneration	29	867,780	734,133
Cost of revenue	Selling and distribution cost - Handling and distribution	Cost of revenue - Other factory overheads	28	2,159,384	-

LAHORE: CHIEF EXECUTIVE OFFICER CHIEF FINANCIAL OFFICER DIRECTOR

چیف فنانشل آفیسر، کمپنی سیکرٹری اور داخلی آڈٹ کا سربراہ

چیف فنانشل آفیسر (سی ایف او) اور داخلی آڈٹ کے سربراہ کوڈ آف کارپوریٹ گورننس میں درج کردہ مطلوبہ اہلیت اور تجربہ رکھتے ہیں۔ کمپنی سیکرٹری کمپنیز ایکٹ، 2017 میں مروجہ مطلوبہ اہلیت اور تجربہ حاصل ہے۔ چیف فنانشل آفیسر، کمپنی سیکرٹری اور داخلی آڈٹ کے سربراہ کی تقرری، معاوضہ اور ملازمت کی شرائط وضوابط بورڈ آف ڈائریکٹرز نے طے کی ہیں۔ جب بھی ضروری خیال کیا جائے چیف فنانشل آفیسر اور کمپنی سیکرٹری کی برطرفی بورڈ آف ڈائریکٹرز کی منظوری سے کی جاتی ہے۔

ڈائریکٹر کا معاوضہ

کمپنی کے پاس ایگزیکٹو ڈائریکٹرز، نان ایگزیکٹیو اور آزاد ڈائریکٹرز کے معاوضے کے تعین کے لیے باقاعدہ پالیسی اور شفاف طریقہ کار ہے۔ کمپنی کو کامیابی سے چلانے کے لیے درکار ڈائریکٹرز کو پُرکشش اور برقرار رکھنے کے پیش نظر ایگزیکٹو ڈائریکٹرز کو معاوضہ دیا جاتا ہے۔ ڈائریکٹرز اور چیف ایگزیکٹیو آفیسر کے معاوضے کے بارے میں معلومات کے لیے، براہ کرم مالیاتی گوشواروں کے متعلقہ نوٹ ملاحظہ کریں۔

کافی داخلی مالیاتی کنٹرول

بورڈ آف ڈائریکٹرز نے داخلی مالیاتی کنٹرول کا ایک مؤثر نظام تیار کیا ہے۔ وہ تعمیل کے بیان میں منکشف، قابل اطلاق قوانین وضوابط کے علاوہ مندرج کمپنیوں کے کوڈ آف کارپوریٹ گورننس کے مطابق عملدرآمد کی توثیق کرتے ہیں اور مؤثر طریقہ سے لاگو اور نگرانی کی جارہی ہے۔ ہماری کمپنی کا داخلی آڈٹ فنکشن باقاعدگی سے مالیاتی کنٹرول کی تشخیص کرتا ہے اور آڈٹ کمیٹی سہ ماہی بنیاد پر داخلی کنٹرول اور مالیاتی حسابات کا جائزہ لیتی ہے۔

بورڈ کی تشخیص

کوڈ آف کارپوریٹ گورننس کی تعمیل میں، بورڈ نے بورڈ کے اسکوپ، مقاصد، عوامل، ذمہ داریوں، کمپنی کی کارکردگی اور نگرانی پر مرکوز توجہ پر بحث اور سوالات کے ذریعے بورڈ، اس کے ڈائریکٹرز اور کمیٹیوں کی تشخیص کے لئے خود تشخیصی میکانزم کی منظوری دی ہے۔ بورڈ نے بورڈ کے اجلاس میں کی گئی ڈائریکٹرز کی ان پُٹ پر مبنی تمام عناصر کی تشخیص کی ہے۔

بیرونی آڈیٹرز

موجودہ آڈیٹرز، میسرز کریسٹن حیدر بھیم جی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس آئندہ سالانہ عام اجلاس کے اختتام پر ریٹائر ہوجائیں گے اور اہل ہونے کی بناء پر، دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔ کوڈ آف کارپوریٹ گورننس کی شرائط میں آڈٹ کمیٹی کی تجویز کے مطابق، بورڈ آف ڈائریکٹرز نے 30 ستمبر 2022 کو ختم ہونے والے سال کے لئے آئندہ سالانہ اجلاس عام میں ارکان کی منظوری کے حوالہ سے اسی معاوضہ پر کمپنی کے بیرونی آڈیٹرز کے طور پر ان کی تقرری کی منظوری دی ہے۔

اظہار تشکر

طویل مدتی شیئر داری قدر کی جنریشن ہماری کمپنی کی بنیادی قوت ہے۔ ہمارے حصص داروں کا مسلسل اعتماد اور یقین ہمارے لئے انتہائی اہمیت کا حامل ہے۔ حسین میں- ہم نے ہمیشہ اپنے حصص یافتگان کی ایکوئٹی کو زیادہ سے زیادہ کرنے کی کوشش کی ہے اور ہم اپنے عزم پر قائم ہیں۔ یہ ہمارے تمام اسٹیک ہولڈرز کی مسلسل حمایت کے بغیر ممکن نہیں ہے۔ بورڈ حصص یافتگان، بینکروں، گنے کے کاشتکاروں اور دیگر تمام اسٹیک ہولڈرز کی جانب سے مسلسل حمایت اور تعاون کا شکریہ ادا کرتے ہیں۔ بورڈ کمپنی کے ملازمین کی لگن اور محنت کو سراہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

میاں احمد علی طارق
چیئرمین

میاں مصطفےٰ علی طارق
چیف ایگزیکٹو آفیسر

لاہور: 30 دسمبر 2021ء

بورڈ آف ڈائریکٹرز کے اجلاس

کمپنی کے بورڈ کے رواں سال کے دوران پاکستان میں چار اجلاس ہوئے اور ڈائریکٹرز کی حاضری حسبِ ذیل ہے:

نام ڈائریکٹرز	حیثیت	تعداد حاضری
میاں احمد علی طارق	چیئرمین	4
میاں مصطفیٰ علی طارق	چیف ایگزیکٹو آفیسر	4
محترمہ نصرت شمیم	نان ایگزیکٹو ڈائریکٹر	3
محترمہ مریم حبیب	ایگزیکٹو ڈائریکٹر	4
جناب توفیق احمد خان	آزاد ڈائریکٹر	4
جناب محمد عمران خان	آزاد ڈائریکٹر	3
جناب سیف حسن	آزاد ڈائریکٹر	4

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

چیئرمین اور چیف ایگزیکٹو آفیسر کا کردار

چیئرمین اور چیف ایگزیکٹو آفیسر کے الگ الگ اور اور مختلف کردار ہیں۔ چیئرمین کارپوریٹ گورننس کے تحت مندرج تمام اختیارات رکھتے ہیں اور بورڈ کے اجلاسوں کی صدارت کرتے ہیں۔ چیئرمین کا اصل کردار کمپنی کے بورڈ آف ڈائریکٹر کو قیادت فراہم اور انتظام کرنا ہے۔ چیئرمین بورڈ کو جواب دہ ہے اور چیف ایگزیکٹو آفیسر کے ذریعہ بورڈ اور انتظامیہ کے درمیان براہ راست رابطے کے طور پر کام کرتا ہے۔ چیئرمین انتظامیہ سے آزاد ہے اور کسی بھی دلچسپی اور کسی بھی کاروباری یا دیگر تعلق سے آزاد ہے جو چیئرمین کے آزاد فیصلے سے متصادم ہو سکتے ہیں۔ چیف ایگزیکٹو آفیسر قانون اور بورڈ کی طرف سے مقرر کردہ اختیارات کے تحت اپنے فرائض انجام دیتا ہے، اور کاروباری منصوبوں کی منظوری اور لاگو کرتا ہے، اور کمپنی کے مجموعی کنٹرول اور آپریشن کا ذمہ دار ہے۔

ڈائریکٹرز ٹریننگ پروگرام (DTP)

کمپنی کے ڈائریکٹرز اپنے فرائض کی ادائیگی کے لئے کافی تربیت یافتہ ہیں اور کمپنیز ایکٹ 2017 اور PSX رول بک کی ریگولیشنز کے تحت اپنے اختیارات اور ذمہ داریوں سے آگاہ ہیں۔

متعلقہ پارٹیوں سے لین دین

تمام متعلقہ پارٹیوں کے ساتھ لین دین قابل رسائی قیمتوں پر کیا گیا ہے اور کوڈ آف کارپوریٹ گورننس، 2017 اور کمپنیز ایکٹ، 2017 کی تعمیل میں کمپنی کے بورڈ آف ڈائریکٹرز اور بورڈ کی آڈٹ کمیٹی کی طرف سے جائزہ اور منظوری دی گئی۔ متعلقہ پارٹیوں کے ساتھ لین دین کی تفصیلات مالی حسابات کے متعلقہ نوٹس میں مہیا کی گئی ہیں۔

کارپوریٹ بریفنگ سیشن

کمپنی نے سال کے دوران کارپوریٹ بریفنگ سیشن کا انعقاد کیا ہے۔ اس بریفنگ کے ذریعے کمپنی کی مصروفیت کا مقصد سرمایہ کاروں کو کمپنی کے کاروباری معاملات کے بارے میں صحیح نقطہ نظر فراہم کرنا تھا۔ تمام شعبہ ہائے زندگی سے تعلق رکھنے والے سرمایہ کاروں نے تقریب میں شرکت کی اور کمپنی کے معاملات میں بھرپور دلچسپی کا مظاہرہ کیا۔ بورڈ سرمایہ کاروں کے مضبوط تعلقات کی اہمیت کو اہمیت دیتا ہے۔

مواصلات

کمپنی حصص داران کے ساتھ مواصلات کی اہمیت پر بہت توجہ دیتی ہے۔ سالانہ، ششماہی اور سہ ماہی رپورٹس کمپنیز ایکٹ، 2017 کے مطابق مقررہ وقت کے اندر انہیں ترسیل کی جاتی ہیں۔ کمپنی کی ویب سائٹ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی تمام ضروریات کو پورا کرتی ہے اور کمپنی سے متعلقہ تمام معلومات ویب سائٹ پر دستیاب ہیں۔ حصص داران اور عوام الناس کے ارکان اپنی مطلوبہ معلومات حاصل کرنے کے لئے کمپنی کی ویب سائٹ www.husein.pk ملاحظہ کر سکتے ہیں۔

بورڈ کی کمیٹیاں

آڈٹ کمیٹی

کارپوریٹ گورننس کے ضابطہء اخلاق کی تعمیل میں، بورڈ آف ڈائریکٹرز نے ایک آڈٹ کمیٹی تشکیل دی ہے۔ چیئرمین کی سربراہی میں آڈٹ کمیٹی تین ارکان پر مشتمل ہے۔ کمیٹی باقاعدگی سے چیف فنانشل آفیسر اور داخلی آڈٹ کے سربراہ کے ساتھ جائزہ اور یقینی بنانے کے لئے ملاقات کرتی ہے کہ اکاؤنٹنگ کے اعلیٰ معیار کو برقرار رکھا جارہا ہے۔ آڈٹ کمیٹی درج ذیل ارکان پر مشتمل ہے:

نام ڈائریکٹرز	حیثیت	کیٹگری
جناب توفیق احمد خان	آزاد ڈائریکٹر	چیئرمین
میاں احمد علی طارق	نان ایگزیکٹو ڈائریکٹر	رکن
جناب محمد عمران خان	آزاد ڈائریکٹر	رکن

آڈٹ کمیٹی سہ ماہی، ششماہی اور سالانہ حسابات معہ متعلقہ پارٹی ٹرانزیکشنز رجسٹر کا بورڈ کو جمع کرانے سے قبل جائزہ لیتی ہے۔ آڈٹ کمیٹی نے داخلی آڈیٹرز کی فائنڈنگ کا جائزہ لیا اور کارپوریٹ گورننس کے ضابطہ کے تحت درکار داخلی اور بیرونی آڈیٹرز کے ساتھ الگ الگ اجلاس بھی کئے۔

انسانی وسائل اور ریمنریشن (HR&R) کمیٹی

ہیومن ریسورس پلاننگ اور مینجمنٹ اعلیٰ ترین مینجمنٹ سطح پر بہت ہی اہم فوکس پوائنٹس میں سے ایک ہے۔ کمپنی کی ایک ہیومن ریسورس اینڈ ریمنریشن کمیٹی ہے جو اہم انتظامی افراد کے انتخاب، مشاہرہ اور جانشینی پلاننگ میں مشغول ہے۔ یہ کمپنی کی ہیومن ریسورس پالیسیوں اور پروسیجرز کی اصلاحات میں توثیق اور ان کے دورانیہ کی تشخیص میں بھی ملوث ہے۔ انسانی وسائل اور ریمنریشن (HR&R) کمیٹی درج ذیل ارکان پر مشتمل ہے۔

نام ڈائریکٹرز	حیثیت	کیٹگری
میاں احمد علی طارق	نان ایگزیکٹو ڈائریکٹر	چیئرمین
جناب توفیق احمد خان	آزاد ڈائریکٹر	رکن
میاں مصطفیٰ علی طارق	چیف ایگزیکٹو آفیسر	رکن

رسک مینجمنٹ کمیٹی

رسک مینجمنٹ کمیٹی تین سالوں کی مدت کے لئے خدمات سرانجام دیتی ہے۔ ریٹائر ہونے والے ڈائریکٹرز دوبارہ منتخب کئے جاسکتے ہیں۔ کمیٹی براہِ راست بورڈ آف ڈائریکٹرز کو رپورٹ کرتی ہے اور بورڈ آف ڈائریکٹرز کی طرف سے تفویض کردہ اپنے فرائض سرانجام دیتی ہے۔ رسک مینجمنٹ کمیٹی درج ذیل ارکان پر مشتمل ہے۔

نام ڈائریکٹرز	حیثیت	کیٹگری
میاں مصطفیٰ علی طارق	چیف ایگزیکٹو آفیسر	چیئرمین
محترمہ مریم حبیب	ایگزیکٹو ڈائریکٹر	رکن
جناب سیف حسن	آزاد ڈائریکٹر	رکن

10۔ بہترین کاروباری طریقوں کی پابندی کرتے ہوئے، کمپنی واجب الادا رقم کی بروقت ادائیگی کی اپنی ذمہ داری کو تسلیم کرتی ہے۔ زیر جائزہ سال کے دوران لون/ ڈیبٹ کی ادائیگی پر کوئی نادہندگی درج نہیں کی گئی۔

11۔ انتظامیہ پاکستان میں لاگو اکاؤنٹنگ اور رپورٹنگ معیارات اور کمپنیز ایکٹ، 2017 (2017 of XIX) کے تقاضوں کے مطابق مالیاتی گوشواروں کی تیاری اور منصفانہ پیشکش کی اپنی ذمہ داری سے آگاہ ہے اور اس طرح کے اندرونی کنٹرول جسے انتظامیہ تعین کرتی ہے جو مالیاتی گوشواروں کی تیاری کو فعال کرنے کے لیے ضروری ہیں جو مادی غلط بیانی، چاہے دھوکہ دہی یا غلطی کی وجہ سے ہو سے پاک ہوں۔

12۔ کمپنی کے مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت کو متاثر کرنے والی کوئی مادی تبدیلیاں یا وعدے نہیں کئے گئے ہیں۔

نمونہ حصص داری اور حصص کی تجارت

30 ستمبر 2021ء کے مطابق نمونہ حصص داری کا بیان، جو رپورٹنگ فریم ورک کے تحت منکشف کیا جانا ضروری ہے، اس رپورٹ سے منسلک ہے۔

ڈائریکٹرز، چیف ایگزیکٹو، کمپنی سیکریٹری، چیف فنانشل آفیسر، ان کے زوج اور چھوٹے بچوں کی طرف سے کمپنی کے حصص میں لین دین کی تفصیلات حسب ذیل ہیں:

حصص میں تجارت	
میاں مصطفیٰ علی طارق- چیف ایگزیکٹو آفیسر	11,000
محترمہ نصرت شمیم-نان ایگزیکٹو ڈائریکٹر	9,500
محترمہ مریم حبیب-ایگزیکٹو ڈائریکٹر	11,000

بورڈ کی تشکیل

سی سی جی کے تقاضوں کے مطابق، کمپنی آزاد اور نان ایگزیکٹو ڈائریکٹرز اور بورڈ پر صنفی تنوع کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ بورڈ کی موجودہ تشکیل حسبِ ذیل کے مطابق ہے:

ڈائریکٹرز کی کل تعداد سات (7) حسبِ ذیل کے مطابق ہے:

کیٹگری	ڈائریکٹرز کی تعداد
مرد ڈائریکٹرز	5
خاتون ڈائریکٹرز	2

بورڈ کی ترتیب حسبِ ذیل کے مطابق ہے:

کیٹگری	نام
آزاد ڈائریکٹر	1۔ جناب توفیق احمد خان 2۔ جناب محمد عمران خان 3۔ جناب سیف حسن
ایگزیکٹو ڈائریکٹر	میاں مصطفیٰ علی طارق
نان ایگزیکٹو ڈائریکٹر	میاں احمد علی طارق
خاتون ڈائریکٹر	محترمہ نصرت شمیم (نان ایگزیکٹو ڈائریکٹر) محترمہ مریم حبیب (ایگزیکٹو ڈائریکٹر)

تازہ گریجویٹ اور پوسٹ گریجویٹوں کے لئے اپرنٹس شپ کی پیشکش کے علاوہ، کمپنی خالصتاً میرٹ کی بنیاد پر روزگار کی پالیسی کو مکمل طور پر برقرار رکھتی ہے۔ بورڈ آف ڈائریکٹرز کی طرف سے مقرر کردہ نقطہ نظر کے ساتھ، کمپنی یقینی طور پر ملازمت کے مساوی مواقع کو یقینی بناتی ہے کہ تمام ممکنہ ملازمین کو فراہم کی جائے۔ اس کے علاوہ، کمپنی امتیازی سلوک کے سلسلے میں صفر رواداری کی پالیسی پر سختی سے عمل کرتی ہے۔ کمپنی جسمانی طور پر معذور اور خصوصی افراد کو بھی معاشرے کا مفید حصہ بنانے کے لئے روزگار فراہم کرتی ہے۔

ایک ذمہ دار کارپوریٹ ادارے کے طور پر، کمپنی مقامی معاشرہ کی ترقی کو زیادہ سے زیادہ کرنے کے لئے سرکاری اداروں اور دیگر مقامی نمائندوں کے ساتھ کام جاری رکھتی ہے۔ اس مقصد کے لئے، کمپنی نے بنیادی طور پر تعلیم اور صحت کے میدان میں، غریب اور ضرورت مندوں کی فلاح و بہبود کے لئے غیر منافع بخش ادارے قائم کیے ہیں۔ کمپنی کی تاریخ کے کورس میں، مذکورہ بالا اداروں نے علاقہ میں لاکھوں افراد کو مفت طبی سہولیات اور معیاری تعلیم فراہم کی ہے۔

جدت اور کارکردگی کی بہتری

حکمت عملی کی توسیع، تکنیکی ترقی، اور/ یا ماحول کی حفاظت کے لئے مسلسل سرمایہ کاری اور اختیارات کی تلاش آپ کی کمپنی کی پالیسی ہے۔ مجموعی صلاحیتوں کو بڑھانے اور پیداوار کی مجموعی لاگت میں کمی لانے کے لئے شوگر پلانٹ کے اہم شعبوں میں جدید ترین ٹیکنالوجیز کو اپنایا جا رہا ہے۔

فی شیئر آمدنی

کمپنی کا بعد از ٹیکس 23.657 ملین روپے کا منافع جو 0.58 روپے فی شیئر منافع بنتا ہے جبکہ گزشتہ سال میں یہ 6.98 روپے فی شیئر نقصان تھا۔

ڈیویڈینڈ

کمپنی نے رپورٹ ہذا کے آپریشنل نتائج کے سیکشن میں بیان کردہ وجوہات کے باعث کافی نقد منافع نہیں کمایا، جس وجہ سے ڈیویڈینڈ کا اعلان / ادا نہیں کیا جا سکا۔ تاہم، کمپنی کے مستقبل کے منافع کی بنیاد پر کمپنی ڈیویڈینڈ کی ادائیگی کی توقع کرتی ہے۔

کارپوریٹ گورننس

کارپوریٹ کے بہترین طریقے

کمپنی کے ڈائریکٹرز بہتر کارپوریٹ گورننس کے لئے پُرعزم ہیں اور لسٹڈ کمپنیز (کارپوریٹ گورننس کے ضابطہء اخلاق) ریگولیشنز 2019ء اور پاکستان اسٹاک ایکسچینج لمیٹڈ کی رول بُک کی ضروریات پر عمل کرتے ہیں۔ سی سی جی ریگولیشنز 2019ء کی تعمیل کا بیان منسلک ہے:

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کا بیان

1۔ کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی حسابات اس کے امور، آپریشنز کے نتائج، نقدی کا بہاؤ اور ایکوئٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔

2۔ کمپنی کے کھاتہ جات کمپنیز ایکٹ 2017 کے تحت درکار بالکل صحیح طور سے بنائے گئے ہیں۔

3۔ مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔

4۔ مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی ضروریات کی پیروی کی گئی ہے

5۔ اندرونی کنٹرول کا نظام جدید انتظامی اصولوں کے مطابق ڈیزائن ہے اور اس پر مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔

6۔ کمپنی کے گوئنگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک وشبہات نہیں ہیں۔

7۔ پاکستان اسٹاک ایکسچینج جہاں کمپنی لسٹڈ ہے کے فہرستی قواعد وضوابط میں تفصیلی کارپوریٹ گورننس کے بہترین عوامل سے کوئی مادی انحراف نہیں کیا گیا ہے۔

8۔ گزشتہ چھ سال کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا منسلک ہے۔

9۔ پراویڈنٹ فنڈ باقاعدہ ایک علیحدہ ٹرسٹ کے زیر انتظام ہے اور ٹرسٹ نے 30 ستمبر 2021 کو 138.084 ملین روپے (2020: 116.515 ملین روپے) کی سرمایہ کاری کی ہے۔

اس سال حسین شوگر نے گزشتہ سال 9.12% کی ریکوری پر 476,431 ٹن گنا کرش کرنے کے مقابلے میں 9.06% کی ریکوری پر 822,621 ٹن سے زیادہ گنا کرش کیا ہے۔ کرشنگ کا ایک طویل سیزن، انتظامی خرابی، اور پلانٹ میں بہتر تکنیکی صلاحیتوں نے گنے کی کرشنگ میں 73 فیصد اضافے میں اہم کردار ادا کیا ہے۔ چینی کی ریکوری میں معمولی کمی اور ہمیں یقین ہے کہ اگلے سیزن میں ہماری ریکوری 2019 سے پہلے کی سطح پر واپس آجائے گی۔

COVID-19 وبائی بیماری اور گنے کی قیمتوں اور سود کی نئی زیادہ شرح کے ساتھ، یہ ریکارڈ میں سب سے مشکل سال رہا ہے۔ حسین میں ہم چیلنجوں سے نہیں گھبرائے ہیں۔ بلکہ، ہم نے مشکلات کا مقابلہ کیا اور محفوظ رہے ہیں۔ 2015 سے، حسین شوگر کی کہانی بحالی، تجدید اور لچکدار رہی ہے۔ جیسا کہ پچھلے دو سالوں میں ہوا، 2022 میں، آپ نمو کی کہانی کی توقع کر سکتے ہیں۔

صحت، حفاظت اور ویکسین

حسین شوگر میں، ہم اپنے ملازمین کی صحت اور حفاظت پر کوئی سمجھوتہ نہیں کرتے ہیں۔ اس سال، ہم نے سب سے زیادہ حفاظت اور صحت کے معیار کو برقرار رکھنے کے لئے اپنے کارکنوں کے کام کرنے کے حالات کو بہتر بنانے اور بڑھانے کے لئے جدید ترین بین الاقوامی طریقوں کو لاگو کرنے کے اقدامات کیے ہیں۔ خاص طور پر، اس سال ہماری توجہ زیادہ حفاظت اور صحت کے معیارات کو برقرار رکھنے کے لئے ہمارے کارکنوں پر تھی۔ مقامی سرکاری اداروں کے تعاون سے، ہم بخوشی بیان کرتے ہیں کہ ہمارے 99% ملازمین ویکسین شدہ اور ہماری کمپنی میں Covid-19 کے صفر کیسز ہیں۔ ہم اپنے ملازمین، اسٹیک ہولڈرز اور زائرین کے لئے ایک حفظان صحت اور محفوظ ماحول فراہم کرنے کے لئے پُرعزم ہیں۔ ہماری سب سے بڑی ترجیح ہمیشہ ہمیشہ کی حفاظت ہے اور اس سال ہم نے گزشتہ برسوں کی طرح ترقی کی تعمیر جاری رکھی ہے۔ ہم مستقبل میں بھی حفاظت اور صحت کی یہی سطح یقینی بنانے کے لئے اقدامات اُٹھانا جاری رکھیں گے۔

ماحول اور ماحولیاتی تبدیلی

ہماری ایک اور ترجیح ماحول ہے۔ پنجاب میں ہوا کے ناقص معیار کی ریکارڈ سطح کے ساتھ، پچھلے سالوں میں ریکارڈ کیے گئے کم ترین درجہ حرارت سے ہر سال موسمیاتی تبدیلیوں کے اثرات تیزی سے واضح ہوتے جا رہے ہیں۔ کارپوریٹ شہری ہونے کی حیثیت سے، ہم ماحولیاتی نظام کے تحفظ میں ایک اجتماعی ذمہ داری لیتے ہیں جو ہمارے کام، ترقی اور نمو کی اجازت دیتی ہے۔ اس سلسلے میں، مقامی انتظامیہ کے تعاون کے ساتھ، ہم نے مختلف ماحول دوست منصوبوں کا آغاز کیا ہے۔ ہم نے درختوں کی شجرکاری مہم شروع کی ہے اور دیگر اقدامات میں ری سائیکلنگ میں تجدید سرمایہ کاری کے ذریعہ اپنے کوڑے کو کم سے کم کرنے میں اہم پیشرفت کی ہے۔ ہم مقامی شراکت داروں اور دیگر اسٹیک ہولڈرز کے ساتھ مل کر کام کرنے کے منتظر ہیں تاکہ اس بات کو یقینی بنایا جائے کہ حسین کی تمام مصنوعات ایک ذمہ دارانہ اور ماحول دوست انداز میں بنائی جائیں۔ ہم اپنے عمل کو جدید اور بہتر بنانے کے لئے نئی ٹیکنالوجیز کی بھی تلاش کر رہے ہیں۔

یہ سفارش کی جاتی ہے کہ حکومت کسانوں اور ملرز کے ساتھ ہم آہنگی سے ماحول کے استحکام کے سلسلے میں ایک طویل مدتی پالیسی بنائے۔ دیگر فصلوں کے مقابلے میں، گنا انفرادیت کا حامل ہے کہ اس کی تقریباً تمام مصنوعات ویلیو ایڈیشن کے لئے استعمال کی جاسکتی ہیں۔ نہ صرف گنے کو چینی تیار کرنے کے لئے استعمال کیا جاتا ہے بلکہ بجلی، ایتھانول اور کھاد پیدا کرنے میں بھی استعمال کیا جاسکتا ہے۔ ایک جامع نجی عوامی پالیسی کے ساتھ، اضافی قدر پیدا کرنے کے لئے گنے کی سپلائی چین میں نئی راہیں استعمال کی جاسکتی ہیں۔

مستقبل کا نقطہ نظر

حکومت پنجاب نے کرشنگ سیزن 22-2021 کے لئے گنے کی امدادی قیمت 225 روپے فی 40 کلوگرام کا اعلان کیا ہے۔ اگرچہ کم از کم قیمت 225 روپے فی 40 کلوگرام ہے، لیکن خاص طور پر، مارکیٹ میں یہ 35%-30 سے زیادہ ہے۔ بلاشبہ، گنے کی زیادہ قیمتوں کے ساتھ، چینی کی تیاری کی لاگت اور اس کے نتیجے چینی کی قیمت بڑھ جائے گی۔ زیرِ کاشت گنے کے رقبہ، گنے کی اوسط فی ایکڑ پیداوار، اور کاشتہ گنے کی اقسام کی بنیاد پر یہ توقع کی جاتی ہے کہ آنے والے سال کے لئے گنے کی پیداوار گزشتہ سال سے 10-5 فیصد زیادہ ہوگی۔ کمپنی نے اپنا کرشنگ سیزن گزشتہ سال 13 نومبر 2020 کے مقابلے اس سال 17 نومبر 2021 سے شروع کیا اور 31 دسمبر 2021 تک گزشتہ سال 319,530 ٹن کے مقابلے تقریباً 300,000 ٹن گنا کرش کیا۔ اس کا مطلب ہے کہ کمپنی نے گزشتہ سال کے مساوی کرشنگ کی اور آسانی سے گزشتہ سال جیسے ٹیکنیکل سیزن کی پیشن گوئی کی جاسکتی ہے۔

ہمارے آپریشنل ڈومین میں گنے کا کاشت رقبہ پچھلے سال کے مقابلے میں تقریباً 15-10 فیصد سے زیادہ ہے۔ تاہم، یہ دیکھا جا رہا ہے کہ اس سال محدود بارشوں کے باعث ریکوریز گزشتہ سال سے بڑھ جائیں گی۔ موجودہ کام کے ماحول سے یہ ظاہر ہوتا ہے کہ کمپنی گذشتہ سال کے مقابلے میں زیادہ چینی پیدا کرے گی جس سے کمپنی کی بالائی اور زیریں لائن دونوں کو فروغ ملے گا۔

مذکورہ بالا تمام عوامل پر غور کرتے ہوئے، ہم یہ کہہ سکتے ہیں کہ اگلے سیزن کے آپریشنل اور مالی نتائج اگلے سال انشاءاللہ بہتر ہوں گے۔

کارپوریٹ سماجی ذمہ داری

کمپنی رواداری، باہمی احترام، دوستانہ، اپنی مدد آپ اور باہمی اعتماد اور اعتماد کی ثقافت کو فروغ دینے کے علاوہ، اپنے تمام ملازمین کو ایک محفوظ، صحت مند، اور دوستانہ ماحول فراہم کرتی ہے۔

ڈائریکٹرز رپورٹ

آپ کے ڈائریکٹرز 30 ستمبر 2021ء کو ختم ہونے والے سال کے لیے حسین شوگر ملز لمیٹڈ کی 54 ویں سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

موجودہ اور گزشتہ سال کے لئے کمپنی کی کارکردگی حسب ذیل ہے:

آپریشنز	30 ستمبر 2021	30 ستمبر 2020
گنے کی کرشنگ (میٹرک ٹن)	822,621	476,431
چینی کی پیداوار (میٹرک ٹن)	74,564	43,307
تیار راب (میٹرک ٹن)	38,527	22,955
چینی کا حصول (فیصد)	9.06	9.12
مالیات	روپے ہزاروں میں	روپے ہزاروں میں
فروخت۔ خالص	6,148,523	2,954,630
مجموعی منافع	476,048	292,105
آپریٹنگ منافع	232,964	47,665
مالی لاگت	314,909	374,089
بعد از ٹیکس (نقصان)/منافع	23,657	(286,206)
فی شیئر آمدنی/(نقصان) (روپے)	0.58	(6.98)

چیئرمین کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز نے 30 ستمبر 2021ء کو ختم ہونے والے سال کے لئے کمپنی کی کارکردگی پر چیئرمین کے جائزہ کو مکمل طور پر منظور کیا ہے۔

بعد از COVID-19 معیشت

صدی میں پہلی وبائی بیماری سے صحت یاب ہونے کے بعد، دنیا بھر کے ممالک اس وبا کی تباہی کے نتیجے میں ہونے والے معاشی اثرات کو محسوس کر رہے ہیں۔ جیسے جیسے معیشت مستحکم ہونے کی کوشش کر رہی ہے، پوری صنعت کے شعبوں کو مواد کی قیمتوں میں اتار چڑھاؤ، افراط زر کی قیمتوں کا تعین، اور غیر یقینی کے عمومی احساس کا سامنا ہے۔ شپنگ لاگت سے لے کر خام مال تک، مینوفیکچرنگ کی لاگت گزشتہ سال میں مسلسل بڑھ رہی ہے۔ نئے معمول کو اپناتے ہوئے، پورے سیارہ کی کمپنیوں کی طرح، حسین شوگر نے بھی وبائی بیماری سے دوچار دنیا میں مسابقتی رہنے کے لئے نئی ٹیکنالوجیز اور سسٹمز کو اپنانا سیکھا ہے۔ پوری دنیا میں بدترین معاشی اور انسانیت سوز بحرانوں کے تناظر میں، معیشت کے دوسرے شعبوں کی طرح، پاکستان کی چینی کی صنعت کو بھی، ایک مشکل ترین سال کا سامنا کرنا پڑا ہے۔

مختلف صنعتوں میں، پیداوار شدید متاثر ہوئی، اور کاروبار کرنے کی لاگت میں کافی اضافہ ہوا ہے۔ پاکستان کی چینی کی صنعت اس معاشی تباہی سے بچ نہیں سکی۔ وبائی بیماری سے پہلے کی سطحوں تک واپسی کے پالیسی ریٹ کے مطابق، پالیسی کی شرح سرمائے تک رسائی حاصل کرنا تقریباً دوگنا مہنگا ہو گیا تھا۔ اگرچہ صارفین کی طلب اور صنعتی مینوفیکچرنگ بحال ہو رہی ہے، مارجن میں کمی آئی ہے کیونکہ ان پٹ لاگت تیزی سے بڑھ رہی ہے۔ کم از کم اجرت زیادہ سے لے کر تیل کی قیمتیں تین سال کی بلند ترین سطح تک، روپے کی قدر میں تاریخی کمی، اور وبائی بیماری سے پہلے کے سرمائے کے اخراجات، مینوفیکچرنگ کی لاگت میں ڈرامائی طور پر اضافہ ہوا ہے۔ شاید، کسی بھی صنعت نے شوگر کے شعبوں کی سطح جتنا لاگت میں اضافہ نہیں دیکھا۔ بلاشبہ، خام مال کی قیمتیں ملکی تاریخ میں غیر معمولی حد تک بڑھنے کے ساتھ، گزشتہ سال چینی کی تیاری کی لاگت اور اس کی قیمت پاکستان میں اب تک کی سب سے زیادہ ریکارڈ کی گئی ہے۔

آپریشنل نتائج

حسین شوگر مل کی انتظامیہ نے ہمیشہ مارکیٹ سے آگے رہنے پر زور دیا ہے۔ ہماری ہماری کارکردگی کی بہتری کے منصوبہ کے فیز 2 کی تکمیل پر، نے ٹیکنیکل کارکردگی کے لحاظ سے شاندار نتائج ریکارڈ کئے جس کے نتیجے ریکارڈ فروخت اور مجموعی منافع ہوا ہے۔ اس مالی سال کے لئے، آپ کی کمپنی نے گزشتہ سال 3.4 بلین روپے کے مقابلے 7.10 بلین روپے کی مجموعی فروخت ریکارڈ کی ہے۔ جس کے نتیجے ہماری آمدنی میں 108% اضافہ ہوا ہے۔ مزید برآں، مجموعی منافع 292 ملین روپے سے بڑھ کر 476 ملین روپے کا اضافہ ہوا جو 63 فیصد سالانہ کا اضافہ ظاہر کر رہا ہے۔

PROXY FORM

I/We _____ of _____

_____ being the member of HUSEIN SUGAR MILLS LIMITED

hereby appoint Mr./Mrs. _____ who is a member of the

company vide Registered Folio/CDC participant ID. No. _____ of failing whome

Mr./Mrs./miss._____

who is also a member of the company vide Registered Folio/CDC participant ID. No. _____

as my proxy to attend and vote for me and on my behalf at 180 - Abu Bakar Block, New Garden Town, Canal Road, Lahore on Friday, the 28th January, 2022 at 10:00 A.M. and adjournment there of.

Signed this _____ day of _____ 2022.

WITNESS

1. Signature _____

   Name _____

   Address _____

   CNIC or Passport No. _____

(Signature on Rupees Fifty Revenue Stamp)

Signature should agree with specimen signature with the company

2. Signature _____

   Name _____

   Address _____

   CNIC or Passport No. _____

Notes:

1. A member entitled to attend to attend and vote at the meeting may appoint any other member as his/her proxy to attend the meeting and vote.
2. If a member is unable to attend the meeting, they may complete and sign this from and send it to the company secretary, the Husein Sugar Mills Limited, Lahore so as to reach not less then 48 hours before the time appointed for holding the meeting.
3. For CDC Shareholders in addition to above the following requirements have to be met.
   - i) In case of individual, the account holder or sub account holder and /or the person whose securities are in group account and their registration details are uploaded as per the Regulations, hall submit the proxy form as per requirement notified by the Company.
   - ii) The proxy form shall be witnessed by two person whose names, addresses and CNIC numbers shall be mentioned on the form.
   - iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
   - iv) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
   - v) In case of corporate entity being a Member, the Board of Directors' resolution / power of attorney with specimen signature of the nominee / attorney shall have to be submitted (uniess it has been provided earlier) along with the proxy from to the Company.

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The Company Secretary
HUSEIN SUGAR MILLS LIMITED
28-C, Block E-1, Gulberg - III,
Lahore, Pakistran.

مختارنامہ

میں/ہم _____ ساکن _____

بحیثیت رکن حسین شوگر ملز لمیٹڈ بذریعہ ہذا محترم/محترمہ _____ جو شیئر رجسٹرڈ فولیو/سی ڈی سی پارٹیسپنٹ (شرکت) آئی ڈی نمبر _____ کی رو سے کمپنی کا رکن ہے یا ان کی غیر موجودگی میں محترم/محترمہ _____

جو شیئر رجسٹرڈ فولیو/سی ڈی سی پارٹیسپنٹ (شرکت) آئی ڈی نمبر _____ کی رو سے کمپنی کا رکن ہے کو اپنے/ہمارے ایماء پر بروز جمعہ 28 جنوری 2022 کو صبح 10:00 بجے 180 ابوبکر بلاک، نیو گارڈن ٹاؤن، لاہور میں منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت اپنا/ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں/کرتے ہیں۔

آج بروز.....بتاریخ.....2022ء کو دستخط کئے گئے۔

گواہان

1۔

دستخط: _____

نام: _____

پتہ: _____

_____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

پچاس روپے مالیت کے رسیدی ٹکٹ پر دستخط

دستخط کمپنی کے نمونہ دستخط سے مماثل ہونے چاہئیں

2۔

دستخط: _____

نام: _____

پتہ: _____

_____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

نوٹ:

1۔ ایک ممبر (رکن) جو اجلاس میں شرکت اور ووٹ دینے کا مجاز ہو، اپنی جگہ کسی کو بطور نائب شرکت کرنے اور ووٹ دینے کا حق تفویض کر سکتا ہے۔

2۔ ایک ممبر (رکن) جو اجلاس میں شرکت نہیں کر سکتا، وہ اس فارم کو مکمل کرے اور دستخط کرنے کے بعد اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل کمپنی سیکرٹری حسین شوگر ملز لمیٹڈ لاہور کے پتے پر ارسال کر دے۔

3۔ سی ڈی شیئر ہولڈر ہونے کی صورت میں درج بالا کے علاوہ ذیل میں درج ہدایات پر بھی عمل کرنا ہوگا:

i) فرد ہونے کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ اور/یا وہ جس کی سیکورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات قواعد وضوابط کے مطابق اپ لوڈ ہوں انہیں کمپنی کی جانب سے دی گئی ہدایات کی روشنی میں پراکسی فارم جمع کرانا ہوگا۔

ii) مختارنامے پر بطور گواہان دو افراد کے دستخط ہونے چاہئیں اور ان کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبرز فارم پر درج ہوں۔

iii) بینیفشل اونرز (مستفید ہونے والے فرد) کو کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول بھی منسلک کرنی ہوگی جسے نائب مختارنامے کے ہمراہ پیش کرے گا۔

iv) اجلاس کے وقت نائب کو اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔

v) کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت ممبر (رکن)، بورڈ آف ڈائریکٹرز کی قرارداد/مع نامزد کردہ شخص/اٹارنی کے نمونہ دستخط پاور آف اٹارنی (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم (مختارنامے) کے ہمراہ کمپنی میں جمع کرانا ہوگا۔

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The Company Secretary
HUSEIN SUGAR MILLS LIMITED
28-C, Block E-1, Gulberg - III,
Lahore, Pakistran.

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