FINANCIAL STATEMENTS
OF
AGRO PROCESSORS AND ATMOSPHERIC
GASES LIMITED
FOR THE YEAR ENDED
JUNE 30, 2022

BDO

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The Board of Directors,
Agro Processors and Atmospheric
Gases Limited,
Karachi.

September 30, 2022
A-36/AA-1295/22

AUDIT OF FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Dear Sirs,

We are pleased to enclose herewith two copies of the draft financial statements of Agro Processors and Atmospheric Gases Limited for the year ended June 30, 2022 along with our draft report thereon duly initialed by us for identification purposes. We shall be pleased to sign our report in its present or amended form after the financial statements are approved by the Board of Directors (the Board) and signed on their behalf by the Chief Executive and any one other Director and on upon receipt of the following:

1. Letter of representation addressed to us on behalf of the Board of Directors and signed by the Chief Executive and Chief Financial Officer as per draft provided by us.

2. The Board's resolutions in respect of following:

   - Additions to operating fixed assets amounting to Rs. 60.416 million;
   - Disposal of operating fixed assets amounting to Rs. 4.684 million;
   - Revaluation surplus on leasehold land and buildings on leasehold land amounting to Rs. 385 million and 24.418 million respectively;
   - Remuneration to Chief Executives and Directors amounting to Rs. 22.486 million;
   - Donation paid amounting to Rs. 0.205 million;
   - Provision for gratuity amounting to Rs. 84.825 million; and
   - Transaction with related parties as disclosed in the relevant notes to the financial statements.

3. Directors' report as required under section 223(6) of the Companies Act, 2017.

Below on the matters which we would like to bring into attention of the Board:

1. RESPONSIBILITIES OF THE MANAGEMENT AND AUDITORS IN RELATION TO THE FINANCIAL STATEMENTS

The responsibilities of the independent auditors in a usual examination of financial statements are stipulated in section 249 of the Companies Act, 2017 and International Standards on Auditing. While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for preparation of such statements is primarily that of the Company's management.

The management's responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularities. The audit of financial statements does not relieve the management of its responsibilities.

2. DISPOSAL OF SUBSIDIARY

The company has disposed off 57,499,996 (99.99% holdings) number of shares of APAG Oil (Private) Limited to Cargill Pakistan Holdings (Private) Limited (CPHPL). The shares have been transferred through CDC transfer to purchaser. The said transaction was done on June 27, 2022 against a Share Purchase Agreement entered between the two as agreed via mutual consent on March 24, 2022. During the year, till completion of the transfer, the company has executed all transactions with its related party at arm's length price and it has been disclosed in the financial statements.

The Company had recognized this long-term investment in subsidiary on a cost basis with a carrying amount of Rs. 575 million and received a cash consideration of Rs. 490 million upon its disposal to CPHPL. As a result of this transaction, the Company has recognized a loss of Rs. 85 million in these financial statements. We seek Board concurrence in this regard.

3. OPERATING FIXED ASSETS

3.1 We have observed that the fixed asset register is not maintained by the Company as required under the Companies Act 2017, and as prescribed under Technical Release issued by the Institute of Chartered Accountants of Pakistan (ICAP). This is an important record as it enables the management to ensure itemized control over the fixed assets.

We recommend that fixed asset register should be maintained as required under the Companies Act 2017, in the manner prescribed by ICAP to provide required details for exercising itemized control over fixed assets of the Company.

3.2 We have not physically verified the fixed assets as at June 30, 2022. Kindly confirm the existence of operating fixed assets.

3.3 We have observed that the Company does not have a proper capitalization policy duly approved by the Board of Directors of the Company. In the absence of a proper capitalization policy there is a risk that certain material items of the assets may not be capitalized which may result in the distortion of the operating results of the Company.

4. STORES AND SPARES

4.1 We have observed that ageing report of stores and spares is not prepared by the Company. Moreover, appropriate provision for slow moving items has not been made in the financial statements. In the absence of ageing report, there is potential risk that stores and spares may be overstated.

4.2 We have observed that consumption report of stores and spares is not prepared by the Company. In the absence of consumption report, control over stores and spares cannot be exercised by the Company. Further, there is a risk that certain stores and spares may be released by the Company in excess of requirement which may ultimately result in financial loss to the Company. We recommend that proper stores and spares consumption report should be maintained and implemented in order to preserve effective control over the stores and spares.

5. STOCK-IN-TRADE

We have observed that the Company has no proper mechanism of valuation of finished goods and cost of finished goods cannot be determined with reasonable accuracy due to inherent limitation in the Company's Management Information System (MIS), therefore the Company is recording its finished goods at standard cost. We recommend that proper MIS should be developed and implemented in order to reflect accurate figure of finished goods in the financial statements based on actual costing.

6. DORMANT BANK ACCOUNT

We have noted that following bank accounts are inactive or dormant and are no longer being used by the Company. Such bank accounts may be misused and unauthorized transactions can be made therefrom. We recommend that dormant bank accounts of the Company should be closed by the Company with the approval of relevant authority.

Bank	Account code	Title of account	Balances as at June 30, 2022 (Rupees)
Soneri Bank Ltd- Al Rahim Tower I.I Chundrigarh Road Karachi	1021255093	Saving account	26,517
Soneri Bank Limited - Rawalpindi Branch	2040006287	Current Account	4,965
Soneri Bank Limited - Sukkar Branch	02-01-0837003	Current Account	117
Soneri Bank Limited - Lahore Branch	0294-020111525514	Current Account	4,320
Soneri Bank Limited - Karachi Clifton Branch	20003989098	Current Account	33,468
Soneri Bank Limited - Hyderabad Branch	02-04-0005335	Current Account	5,683
Soneri Bank Limited - Multan Branch	02-01-1144508	Current Account	(91,197)
Soneri Bank Limited - Quetta Branch	02-01-0933377	Current Account	3,775
Soneri Bank Limited - Peshawar Branch	02-01-1258756	Current Account	10,000
Habib Bank Limited - Karachi	0947-00692842-03	Current Account	232
Bank Al-Falah - Karachi	1003278942	Current Account	1,534,781

7. PAYMENT OF WORKERS' WELFARE FUND (WWF)

The Sindh Assembly, on June 04, 2015, passed The Sindh Workers Welfare Fund Act, 2014 (the SWWF Act). As per Section 5(1) of the SWWF Act, contributions are payable with effect from the date of closing of account on or after December 31, 2013, that corresponds to Company's account for the year ended June 30, 2014. We have noted that the Company is making provision for SWWF however was not paying the same amount to the tax authorities. The provision for SWWF held as of the reporting date amounting to Rs. 45.891 million (2021: 39.97 million).

On our recommendation management has started to take appropriate steps to ensure compliance with the above referred requirements of the said Act in order to avoid penal actions from the relevant authorities. During the year, the Company has paid the amount of Rs. 3.51 million to Sindh Revenue Board (SRB). We seek Board's concurrence in this regard.

8. STAFF ADVANCES

We have observed that the Company does not have a proper written policy in respect of staff advances. In the absence of a policy, control over advances cannot be exercised by the Company. Further, there is a risk that certain advances may be released by the Company to potential defaulting employees which may ultimately result in financial loss to the Company. We recommend that proper staff advance policy duly approved by the Board of Directors should be established and implemented in order to preserve the financial assets of the Company.

9. REGISTER OF MORTGAGE AND CHARGE

As per Section 112 of the Companies Act, 2017, every company shall maintain a register of mortgages and charges requiring registration, in such form and in such manner as may be specified and any violation under this section shall be an offence punishable under this Act. In this regard, we reiterate our observation that such records have not been maintained by the Company. We recommend that the Company should take immediate steps to comply with the requirements of the aforesaid section of the Companies Act.

10. RELATED PARTY TRANSACTIONS AND MAINTENANCE OF RELATED RECORDS REGULATIONS, 2018

On October 2, 2018, the Securities and Exchange Commission of Pakistan (SECP) has issued SRO 1194(I)/2018 regarding Related Party Transactions and Maintenance of Related Records Regulations, 2018. The SECP has made it mandatory for the companies to maintain complete records under its registers at head offices pertaining to the transactions undertaken with related parties and contracts or arrangements in which directors are interested. We therefore recommend that the Company should maintain the related party record of transactions and balances at head office in the required format as prescribed by SECP in aforementioned regulations.

11. TAX REFUNDS DUE FROM GOVERNMENT

The tax refund due from Government includes sales tax refund amounting to Rs. 1.144 million (2021: 1.144 million) as at the reporting date. The law provides for refund of the amount subject to confirmation that the Company's input is in excess of 90% of the value of the output. The Company had filed an application for refund of excess input tax under SRO 307 (1) 2008 dated March 24, 2008. We have been informed by the management that all requirements for refund of sales tax have been completed and the amount will be received in future.

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12. GAS INFRASTRUCTURE DEVELOPMENT CESS ORDINANCE (GIDC)

The Government promulgated Gas Infrastructure Development Cess (GIDC) Ordinance, 2014 in September 2014 for levying and collecting Gas Infrastructure Development Cess (GIDC). The Company filed a writ petition against the imposition of the GIDC before the High Court of Sindh. The Sind High Court, through its interim orders, forthwith stopped Federal Government and Sui Northern Gas Pipelines Limited from collecting GIDC. Thereafter, the Government has promulgated the Gas Infrastructure Development Cess Act, 2015 (the Act) in May 2015 for henceforth levying / collecting of GIDC and also validating GIDC payable under the Ordinance (repealed). The Company has filed a petition against the Act and the Sindh High Court has granted stay order against collecting GIDC under the Act pending the final decision on the writ petition. Accordingly, as per management, the Company has neither paid GIDC nor passed the burden to customers for the period from August 01, 2014 to August 30, 2020 amounting to Rs. 109.341 million (2021: Rs. 109.341 million).

13. DELAY IN RECOGNITION OF IMPORT PURCHASES

We have noted that import purchases have been recorded on the date of receipt of import documents in the bank. Instead, the purchases against the letter of credit should be recorded on the date of bill of lading at the prevailing exchange rate and therefore on subsequent presentation of documents in the bank the exchange gain or loss should be recorded in statement of profit or loss at the exchange rates prevailing on that date. We recommend that purchases should be recorded at the date of bill Of lading instead the date of presentation of documents as risk and reward is transferred on the date of bill of lading.

14. REFINANCE SCHEME FOR PAYMENT OF WAGES AND SALARIES

During 2020, the Company obtained a term finance facility under the 'Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns' introduced by the State Bank of Pakistan for an amount of Rs. 120 million on the service charge basis at the rate of 3%. The facility was obtained to finance salaries and wages of all permanent employees for the months of September 2020 to October 2020. As at the reporting date, the Company has availed this facility up to Rs. 99.99 million (as disclosed in relevant notes to the financial statements).

ICAP issued the guidance for accounting of said financing through circular No. 11/2020 dated August 17, 2020 referring to the requirement of IAS-20, there is no portion of loan and grant is outstanding as at June 30, 2022 due to early repayment of Refinancing Scheme of the State Bank of Pakistan amounting to Rs 62.44 million during the reporting period.

15. COURT CASE AGAINST MINORITY SHAREHOLDER

One of the minority shareholders, Mr. Saleheen Siddiqui was creating a hindrance in the issuance of the right shares, so the company filed a legal suit to the Honorable Sindh High Court. The Court ordered him to restrain from creating any hindrance in the issuance of the right share hence all the formalities were completed and Form-3 was submitted to SECP on June 3, 2021. Mr. Saleheen Siddique filed an appeal against the cancellation of the new director's appointment and all right shares issued at a premium is mala fide and void ab-initio, against which the Company received an interim Court order on June 04, 2021, to maintain the status quo in this regard because of which certified true copy from SECP was not issue to the Company. Both the cases are still pending with the Honorable Sindh High Court for further hearing. We recommend that certified true copy from SECP should be obtain at earliest.

16. UNCHANGED BALANCES

Balances under the following GL heads have remained unchanged during the year:

Balance	Amount (Rupees)
Sales tax refundable	1,144,301
Income tax refundable	192,532,249
Loan to Employee	509,251
Withholding sales tax on advertisement	1,522,813
Withholding sales tax on media	1,901,021

We recommend to the Board that the above balances should be adjusted after proper scrutiny.

17. RELATED PARTY TRANSACTIONS

We have been informed by the management that there were no transactions with related parties other than those disclosed in the notes to the financial statements.

18. FRAUDS AND ERRORS

We have been informed by the management that no case of fraud and error has been brought to their knowledge during the year. Kindly confirm the representations made by management.

19. **CONTINGENCIES AND COMMITMENTS**

We have been informed by the management that there were no contingencies and commitments other than those disclosed in the financial statements. We recommend that balances be adjusted after appropriate scrutiny.

20. **SUBSEQUENT EVENTS**

We have been informed that there were no events subsequent to the reporting date which require adjustment or disclosure in the annexed financial statements.

We take this opportunity to thank all your staff for the courtesy and cooperation extended to us during the course of our audit.

Yours faithfully,

BDO EBRAHIM & CO.
Enclosed as above

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGRO PROCESSORS AND ATMOSPHERIC GASES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Agro Processors and Atmospheric Gases Limited.** (the Company), which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the profit and other comprehensive income, its cash flows and the changes in equity for the year then ended.

Basis for Opinion

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

Emphasis of matter

We draw attention to note 7 to the financial statements which provides details of disposal of long-term investment in subsidiary during the current year.

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

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

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

d) 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 Zulfikar Ali Causer.

KARACHI

DATED: 0 7 OCT 2022

UDIN: AR202210067LfWsvl6Bc

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

AGRO PROCESSORS AND ATMOSPHERIC GASES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	1,377,105,459	952,966,579
Long term investment	7	-	574,999,960
Long term loans	8	5,616,990	4,150,872
Long term deposits	9	12,928,166	47,970,465
Deferred taxation	18	202,165,401	161,676,155
		1,597,816,016	1,741,764,031
CURRENT ASSETS			
Stores and spares		7,649,949	4,801,951
Stock-in-trade	10	2,051,964,527	945,939,176
Trade debts	11	1,791,714,968	2,255,443,605
Loans and advances	12	32,903,964	40,383,230
Short term deposits and prepayments	13	44,030,357	42,855,788
Loan receivable	14	330,391,912	361,077,000
Other receivables	15	10,051,055	38,205,412
Taxation - net	16	36,082,547	-
Tax refunds due from Government	17	193,676,450	193,676,450
Short term investments	19	65,805,187	44,039,522
Cash and bank balances	20	184,878,613	48,852,830
		4,749,149,529	3,975,274,964
TOTAL ASSETS		6,346,965,545	5,717,038,995
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
10,000,000 (2021: 10,000,000) ordinary shares of Rs. 100/- each	21	1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital	22	657,894,800	657,894,800
Revenue reserve			
Unappropriated profit		540,222,242	184,150,829
Capital reserve			
Share premium		541,579,164	541,579,164
Surplus on revaluation of property, plant and equipment	23	659,742,264	259,807,403
		2,399,438,470	1,643,432,196
NON CURRENT LIABILITIES			
Long term loans	24	169,990,733	594,145,488
Lease liabilities	25	38,381,931	-
Deferred capital grant	26	-	481,903
Deferred liability	27	84,825,136	72,830,111
		293,197,800	667,457,502
CURRENT LIABILITIES			
Trade and other payables	28	1,215,490,742	725,752,489
Markup accrued	29	46,831,379	55,831,998
Short term borrowings	30	2,265,866,244	2,408,591,062
Taxation - net	16	-	10,574,927
Current portion of deferred capital grant	26	-	2,791,953
Current portion of non current liabilities	31	126,140,910	202,606,868
		3,654,329,275	3,406,149,297
TOTAL EQUITY AND LIABILITIES		6,346,965,545	5,717,038,995
CONTINGENCIES AND COMMITMENTS	32		

The annexed notes from 1 to 52 form an integral part of these financial statements.

DIRECTOR **DIRECTOR**

AGRO PROCESSORS AND ATMOSPHERIC GASES LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
Gross sales - net of discounts	33	15,949,773,598	12,400,723,947
Sales tax		(2,199,089,721)	(2,060,914,181)
Net sales		13,750,683,877	10,339,809,766
Cost of sales	34	(12,032,955,141)	(9,413,551,521)
Gross profit		1,717,728,736	926,258,245
Administrative expenses	35	(165,693,188)	(125,632,669)
Selling and distribution expenses	36	(738,063,087)	(452,965,912)
Other income	37	9,756,611	8,942,738
Other charges	38	(118,238,837)	(9,676,807)
		(1,012,238,501)	(579,332,650)
Operating profit		705,490,235	346,925,595
Financial charges	39	(269,094,847)	(242,823,517)
Profit before taxation		436,395,388	104,102,078
Taxation	40	(81,073,049)	81,146,744
Profit for the year		355,322,339	185,248,822

The annexed notes from 1 to 52 form an integral part of these financial statements.

DIRECTOR **DIRECTOR**

AGRO PROCESSORS AND ATMOSPHERIC GASES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022 Rupees	2021 Rupees
Profit for the year	355,322,339	185,248,822
Other comprehensive income		
Item that will not be reclassified to profit or loss		
Remeasurement of defined benefit liability	(2,524,697)	480,265
Impact of deferred tax	871,439	1,078,662
	(1,653,258)	1,558,927
Revaluation surplus on property, plant and equipment	409,418,582	-
Impact of deferred tax	(7,081,389)	-
	402,337,193	-
Total comprehensive income for the year	756,006,274	186,807,749

The annexed notes from 1 to 52 form an integral part of these financial statements.

DIRECTOR

DIRECTOR

AGRO PROCESSORS AND ATMOSPHERIC GASES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		436,395,388	104,102,078
Adjustments for:			
Gratuity		20,398,582	17,535,717
Depreciation		44,499,438	43,230,294
Written off capital work in progress		-	2,338,497
Gain on sale of fixed assets		(3,732,966)	(1,978,614)
Loss on investment in subsidiary disposed off		85,391,872	
Financial charges		269,094,847	242,823,517
		852,047,161	408,051,489
(Increase) / decrease in current assets			
Stores and spares		(2,847,997)	589,058
Stock in trade		(1,106,025,351)	(148,485,122)
Trade debts		463,728,637	(609,513,254)
Loan and advances		7,479,266	(22,791,427)
Tax refunds due from Government		-	44,191,222
Short term deposits and prepayments		(1,174,569)	176,359
Loan receivable		30,685,088	(262,427,000)
Other receivables		28,154,357	(35,960,659)
		(580,000,569)	(1,034,220,823)
Increase in current liability			
Trade and other payables		489,738,253	46,546,091
Cash generated from / (used in) operations		761,784,845	(579,623,243)
Financial charges paid		(278,095,466)	(239,732,624)
Gratuity paid		(10,056,815)	(4,090,264)
Taxes paid		(175,301,158)	(84,489,218)
Net cash flows from / (used in) operating activities		298,331,406	(907,935,349)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(13,142,770)	(24,736,637)
Proceeds from sale of vehicles		4,930,000	3,655,000
Investment in subsidiary disposed off		489,608,088	-
Long term loans and deposits		33,576,181	(29,971,911)
Short term investments		(21,765,665)	(6,765,790)
Net cash flows from / (used in) investing activities		493,205,834	(57,819,338)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of / proceeds from long term financing		(510,047,827)	36,770,962
Proceeds from right issue		-	681,537,512
Repayment of lease liabilities		(2,738,811)	(20,978,768)
Repayment of / proceeds from short term borrowings		(354,957,732)	754,954,326
Net cash (used in) / flows from financing activities		(867,744,370)	1,452,284,032
Net (decrease) / increase in cash and cash equivalents		(76,207,130)	486,529,345
Cash and cash equivalent at the beginning of the year	43	(1,204,784,074)	(1,691,313,419)
Cash and cash equivalent at the end of the year	43	(1,280,991,205)	(1,204,784,074)

The annexed notes from 1 to 52 form an integral part of these financial statements.

DIRECTOR

DIRECTOR

AGRO PROCESSORS AND ATMOSPHERIC GASES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

	Issued, subscribed and paid-up capital	Capital Reserve		Revenue Reserve	Sub-Total	Grand total
		Share premium	Revaluation surplus	Unappropriated profit		
	Rupees					
Balance as at July 1, 2020	500,000,000	-	262,336,175	12,750,760	275,086,935	775,086,935
Total comprehensive income						
Profit for the year	-	-	-	185,248,822	185,248,822	185,248,822
Remeasurement of defined benefit liability-net	-	-	-	1,558,927	1,558,927	1,558,927
	-	-	-	186,807,749	186,807,749	186,807,749
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	(2,528,772)	2,528,772	-	-
Transactions with owners						
Issue share capital	157,894,800	-	-	-	-	157,894,800
Share premium-net	-	541,579,164	-	-	-	541,579,164
Share issue cost	-	-	-	(17,936,452)	(17,936,452)	(17,936,452)
	157,894,800	541,579,164	-	(17,936,452)	(17,936,452)	681,537,512
Balance as at June 30, 2021	657,894,800	541,579,164	259,807,403	184,150,829	443,958,232	1,643,432,196
Balance as at July 1, 2021	657,894,800	541,579,164	259,807,403	184,150,829	443,958,232	1,643,432,196
Total comprehensive income						
Profit for the year	-	-	-	355,322,339	355,322,339	355,322,339
Revaluation during the period - net of deffer tax	-	-	402,337,193	-	402,337,193	402,337,193
Remeasurement of defined benefit liability - net of deferred tax	-	-	-	(1,653,258)	(1,653,258)	(1,653,258)
	-		402,337,193	353,669,081	756,006,274	756,006,274
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	(2,402,332)	2,402,332	-	-
Balance as at June 30, 2022	657,894,800	541,579,164	659,742,264	540,222,242	1,199,964,506	2,399,438,470

The annexed notes from 1 to 52 form an integral part of these financial statements.

DIRECTOR **DIRECTOR**

AGRO PROCESSORS AND ATMOSPHERIC GASES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1 NATURE AND STATUS OF BUSINESS

1.1 The Company was incorporated in Pakistan on September 25, 1980 as a private limited company under Companies Act, 2017. On February 11, 2021 the Company changed its status from private company into a public company. The Company is mainly engaged in manufacturing and selling of vegetable ghee, cooking oil, allied items and substances. The registered office of the Company is situated at F/392, S.I.T.E., Karachi.

1.2 The company has disposed off 57,499,996 (99.99% holdings) number of shares of APAG Oil (Private) Limited to Cargill Pakistan Holdings (Private) Limited. The shares have been transferred through CDC transfer to purchaser. The said transaction has taken place on June 27, 2022 against a Share Purchase Agreement entered between the two as agreed via mutual consent on March 24, 2022. During the year, till completion of the transfer, the company has executed all transactions with its related party at arm's length price and it has been disclosed in the financial statements.

2 GEOGRAPHICAL LOCATION AND ADDRESS OF BUSINESS UNIT

The registered office of the Company is situated at F/392, S.I.T.E., Karachi.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- 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, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These financial statements represent the standalone financial statements of the Company.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost basis, except for revaluation of certain operating fixed assets and other financial instruments, if any, which are measured in accordance with the requirements of the relevant approved accounting and reporting standards.

These financial statements have been prepared following accrual basis of accounting except cash flow information.

3.3 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

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

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

The following standards, amendments and interpretations are effective for the year ended June 30, 2022. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have material impact on the financial statements other than certain additional disclosures.

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

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

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

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

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

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

IFRS 1 First Time Adoption of International Financial Reporting Standards; and
IFRS 17 Insurance Contracts

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied for the year presented, unless otherwise stated.

5.1 Property, plant and equipment

a) Operating fixed assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any, except lease hold land and building on lease hold land which is stated at revalued amount less accumulated depreciation and impairment losses, if any. Capital work in progress is stated at cost.

All expenditure incurred during installation and construction period are carried under capital work in progress. These will be transferred to operating fixed assets upon commencement of commercial operations.

Any revaluation increase arising on the revaluation of leasehold land and buildings on leasehold land is recognised 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 recognised in the statement of 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 leasehold land and buildings on leasehold land is charged to the statement of 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 revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revaluation buildings on leasehold land and leasehold land to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

Depreciation is charged to income applying the reducing balance method at the rates specified in relevant note. Full month's depreciation is charged in the month of addition, whereas, no depreciation is charged in the month of disposal.

The assets' residual values and useful lives are reviewed, and adjusted if significant, at each reporting date.

Maintenance and normal repairs are charged to the statement of profit or loss as and when incurred while major improvements, if any, are capitalized.

Gains and losses on disposal of assets are included in the statement of profit or loss.

b) **Accounting for leases**

The Company accounts for assets operated under finance leases by recording the assets and related liability.

The amounts are determined on the basis of discounted value of total minimum lease payments and residual value of the assets at the end of the lease period to be paid by the Company.

Financial charges are allocated to accounting periods in a manner so as to provide constant periodic rate of charge on the outstanding liability.

Depreciation is charged at rates specified in the relevant note to write off the asset over its estimated useful life in view of the certainty of the ownership of the assets at the end of the lease.

c) **Right-of-use asset**

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

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

d) **Capital work in progress**

Capital work in progress is stated at cost less impairment, if any and consists of expenditure incurred and advances made in respect of tangible and intangible assets during the course of their construction and installation. Transfers are made to relevant assets category as and when assets are available for intended use.

e) **Disposal**

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense in the statement of profit or loss.

f) Impairment

The Company assesses at each reporting date whether there is any indication that assets may be impaired. If such an indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss, if any. Where carrying amount exceed the estimated recoverable amount, assets are written down to the recoverable amounts and the resulting impairment loss is recognized as expense in the statement profit or loss, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of historical cost.

The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

5.2 Staff retirement benefits

The Company operates an unfunded gratuity scheme for its permanent employees whose period of service is six months. Contributions are made to the fund on the basis of actuarial recommendations. The most recent actuarial valuation was carried out at June 30, 2022 using the projected unit credit method [refer note 27.1(a)]. The Company recognizes expense in accordance with IAS 19 "Employee Benefits".

5.3 Taxation

a) Current

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

b) Deferred

Deferred tax is computed using the liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled based on tax rates that have been enacted or substantively enacted at the statement of financial position date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available and the credits can be utilized.

5.4 Financial instruments

5.4.1 Financial assets

Financial assets are recognized at the time when the Company becomes the party to the contractual provisions of the instruments and are derecognized when the Company losses control of the contractual rights that comprises the financial assets. Any gain or loss on derecognition of financial assets are recognized in the statement of profit or loss.

The Company classifies its financial assets in the following categories: at fair value through profit or loss and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Company as at the reporting date are carried at amortized cost.

Amortized cost

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through profit or loss:

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

Impairment

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost. The Company measures loss allowance at an amount equal to lifetime ECLs.

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

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 recovering a financial asset in its entirety or a portion thereof.

5.4.2 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

5.4.3 Recognition and measurement

All financial liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial liabilities are subsequently measured at fair value, amortized cost. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

5.4.4 Derecognition

The financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial assets. The financial liabilities are de-recognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

5.5 Offsetting of financial assets and financial liabilities

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

5.6 Stores and spares

Stores and spares are stated at cost less provision for slow moving and obsolete items. Cost is determined by using the first in first out method. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

5.7 Stock in trade

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

Raw materials	- At cost determined on monthly weighted average basis
Stock in process and finished goods	- Raw and packing material at cost as determined above plus proportionate overheads
Stock of gift items and packing material	- At cost determined on monthly weighted average basis
Raw material in transit	- Invoice value plus other expenses incurred thereon

Net realizable value represents estimated selling prices in the ordinary course of business less expenses incidental to making the sale.

5.8 Impairment of trade debts

The Company uses a provision matrix to calculate ECLs for trade debts and other receivables. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

5.9 Cash and bank balances

Cash and bank balances are carried at nominal amount.

5.10 Cash and cash equivalent

For the purpose of cash flow statement, cash and cash equivalent comprises cash in hand, cash with banks on current, savings and deposit accounts, short term investments and the short term running finance.

5.11 Deferred Capital Grant

The Company recognises benefit of a government loan at a below-market rate of interest as a government grant provided there is a reasonable assurance that the grant will be received and Company will comply with all attached conditions. The benefit of loan at below market rate of interest is measured as the difference between the initial carrying value of the loan in accordance with IFRS 9 and the proceeds received. The benefit is generally accounted for and presented as deferred grant as a separate line item in the statement of financial position. Subsequently, the grant is recognized in the statement of profit or loss as other income, on a systematic basis over the periods in which the related finance cost for which the grant is intended to compensate is incurred.

5.12 Trade and other payables

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

5.13 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

5.14 Revenue recognition

Revenue comprises of the fair value of the consideration received or receivable from the sale of goods in the ordinary course of the Company's activities. Revenue from sale of goods is shown net of sales tax and sales discounts, if any.

Revenue is recognized when the Company has transferred control of the products to the customers and there is no unfulfilled obligation that could affect the customer's acceptance of the products and the amount of revenue can be measured reliably. The revenue arising from different activities of the Company is recognized on the following basis:

- Sale of goods are recorded when the control is transferred, that is, on dispatch of goods to customers.
- Scrap sales are recognized on delivery to customers at realized amounts.
- Profit on bank deposits and short term investments are accrued on time proportion basis by reference to the principle outstanding and the applicable rate of return.

5.15 Borrowings

Loans and borrowings are recorded at the proceeds received. Financial charges are accounted for on accrual basis. Borrowing costs are charged to the statement of profit or loss in the year in which these are incurred, except when borrowing cost is incurred to obtain qualifying assets, which is capitalised as part of the cost of that asset.

5.16 Foreign currency translation

Transactions in foreign currencies are translated into rupees at the rates of exchange approximating those prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into rupees at exchange rate prevailing on the reporting date except those covered by forward exchange contracts. Exchange differences on translations during the year are taken to the statement of profit or loss.

5.17 Significant accounting judgments and critical accounting estimates / assumptions

The preparation of financial statements in conformity with approved accounting and reporting standards requires the management to:

- exercise its judgment in process of applying the Company's accounting policies, and
- use of certain critical accounting estimates and assumptions concerning the future.

The areas involving critical accounting estimates and significant assumptions concerning the future are discussed below:

a) Property, plant and equipment

Management has made estimates of residual values, useful lives and recoverable amounts of certain items of property, plant and equipment. Any change in these estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with corresponding effect on the depreciation charge and impairment loss.

b) Impairment

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

c) **Stores and spares**

Management has made estimates for realizable amount of slow moving and obsolete stores and spares items to determine provision for slow moving and obsolete items. Any future change in the estimated realizable amounts might affect carrying amount of stores and spares with corresponding effect on amounts recognized in the statement of profit or loss as provision / reversal.

d) **Income taxes**

The Company takes into account relevant provisions of the prevailing income tax laws while providing for current and deferred taxes as explained in [5.3(a)] and [5.3(b)] respectively, notes of these financial statements.

6 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets:

Particulars	Cost: Opening	Cost: Additions / transfer	Cost: Revaluation Surplus	Cost: Deletions	Cost: Closing	Rate %	Depreciation: Opening	Depreciation: For the year	Depreciation: Adjustments	Depreciation: Closing	Written down value as at 30-06-2022
Owned											
Leasehold land	235,000,000	-	385,000,000	-	620,000,000	-	-	-	-	-	620,000,000
Buildings on leasehold land	140,946,700	-	24,418,582	-	165,365,282	5%	56,124,155	4,241,127	-	60,365,282	105,000,000
Godowns	263,000	-	-	-	263,000	5%	198,808	3,210	-	202,018	60,982
Lahore office	1,138,281	-	-	-	1,138,281	5%	790,419	17,393	-	807,812	330,469
Plant and machinery	888,082,809	4,391,725	-	-	892,474,534	5%	320,108,136	28,471,808	-	348,579,944	543,894,590
Electric and gas installation	4,290,987	35,000	-	-	4,325,987	10%	3,397,076	90,266	-	3,487,342	838,645
Furniture and fittings	10,369,133	129,000	-	-	10,498,133	10%	6,133,270	427,924	-	6,561,194	3,936,939
Office equipment	28,432,349	3,385,231	-	-	31,817,580	10%	12,256,756	1,771,601	-	14,028,357	17,789,223
Tools and equipment	31,767,046	2,756,596	-	-	34,523,642	10%	8,463,186	2,464,148	-	10,927,334	23,596,308
Vehicles	72,188,511	2,412,118	-	4,683,500	69,917,129	20%	54,015,400	3,832,546	3,486,466	54,361,480	15,555,649
Lab equipment	3,480,830	33,100	-	-	3,513,930	10%	1,550,171	194,534	-	1,744,705	1,769,225
Gas cylinder	153,920	-	-	-	153,920	10%	109,610	4,431	-	114,041	39,879
	1,416,113,566	13,142,770	409,418,582	4,683,500	1,833,991,418		463,146,987	41,518,988	3,486,466	501,179,509	1,332,811,909
Right of use assets											
Vehicles	-	47,274,000	-	-	47,274,000	20%	-	2,980,450	-	2,980,450	44,293,550
Total Rupees - 2022	1,416,113,566	60,416,770	409,418,582	4,683,500	1,881,265,418		463,146,987	44,499,438	3,486,466	504,159,959	1,377,105,459
Total Rupees - 2021	1,393,213,220	24,736,637	-	1,836,291	1,416,113,566		420,076,598	43,230,294	159,905	463,146,987	952,966,579

6.1 This leasehold land of 2.481 acre is situated at F/392, S.I.T.E Karachi.

6.2 The Company has professionally revalued their building on leasehold land on June 30, 2022 as per report submitted by independent valuer KG Traders (Private) Limited on the basis of market value. The balance of revaluation surplus amounting to Rs. 24.42 million is included in the carrying value of building on leasehold land with a corresponding amount appearing as "Surplus on revaluation of fixed assets".

6.3 The Company has professionally revalued their leasehold land on June 30, 2022 as per report submitted by independent valuer KG Traders (Private) limited on the basis of market value. The balance of revaluation surplus amounting to Rs. 385 million is appearing as "Surplus on revaluation of fixed assets". Previously the land had been revalued by independent valuer KG Traders (Private) limited on June 28, 2019.

6.4 Depreciation charged has been allocated as under:

	Note	2022 Rupees	2021 Rupees
Cost of sales	34	35,486,917	36,658,812
Administrative expenses	35	9,012,521	6,571,482
		44,499,438	43,230,294

6.5 Had there been no revaluation, the net book value of the land and building would have been as follows:

	2022	2021
Leasehold land	778,881	778,881
Buildings on leasehold land	16,293,653	17,151,214
	17,072,534	17,930,095

6.6 Forced sale value as per the last revaluation report as of June 30, 2022;

Land	496,000,000
Building	84,000,000
	580,000,000

6.7 Fair value of property, plant and equipment are based on the valuations carried out by an independent valuer KG Traders (Private) Limited on the basis of market value.

6.8 Fair value of leasehold land and building on leasehold land are based on assumptions considered to be level 2 in the fair value hierarchy due to significant observable inputs used in the valuation.

6.9 **Valuation techniques used to derive level 2 fair values - Land and Building**

Fair value of land and building has been derived using a sales comparison approach. Sale prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as location and size of the property. Moreover value of building also depends upon the type of construction, age and quality. The most significant input in this valuation approach is price / rate per square foot in particular locality. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the valuation.

	Note	2022 Rupees	2021 Rupees

7 LONG TERM INVESTMENT

Investment in subsidiary-at cost		-	574,999,960

On June 27, 2022, the Company fully disposed off the long term investment in APAG Oil (Private) Limited (Subsidiary) to Cargill Pakistan Holdings (Private) Limited (CPHPL) by selling 57,499,996 (99.99% holdings) number of shares.

The transaction has resulted into transfer of management rights to CPHPL via CDC transfer to acquirers' CDC account.

8 LONG TERM LOANS

	Note	2022 Rupees	2021 Rupees
(Secured - considered good)			
Loan to staff	8.1	8,285,646	10,300,725
Less: Current portion shown under current assets	12	(2,668,656)	(6,149,853)
		5,616,990	4,150,872

8.1 The loans are provided to employees of the Company in accordance with the term of employment and are interest free. All loans are secured against salary and gratuity fund of the Company.

9 LONG TERM DEPOSITS

	Note	2022 Rupees	2021 Rupees
Security deposits			
Ijarah deposits		8,208,000	2,493,900
Others		4,720,166	45,476,565
	9.1	12,928,166	47,970,465

9.1 These are non-interest bearing and generally on a term of more than one year.

10 STOCK-IN-TRADE

	Note	2022 Rupees	2021 Rupees
Raw material			
Oil	34.1	1,541,839,535	654,279,406
Chemicals	34.3	31,802,730	25,144,796
Packing material	34.4	44,633,226	47,269,698
Finished goods	34	433,689,036	219,245,276
		2,051,964,527	945,939,176

		Note	2022 Rupees	2021 Rupees
11	**TRADE DEBTS**			
	Unsecured			
	Considered good		1,791,714,968	2,255,443,605
	Considered doubtful		162,738,347	162,738,347
		11.2	1,954,453,315	2,418,181,952
	Expected credit loss allowance	11.1	(162,738,347)	(162,738,347)
			1,791,714,968	2,255,443,605
11.1	**Movement in provision for expected credit loss**			
	Opening balance		162,738,347	162,738,347
	Provision made during the year		-	-
	Addition / reversal during the year		-	-
	Closing balance		162,738,347	162,738,347
11.2	The ageing of trade receivables at the reporting date is:			
	Not yet due		1,414,813,630	1,644,100,993
	Past due 1-30 days		166,898,766	405,593,976
	Past due 31-60 days		31,184,755	216,878,099
	Past due 61-90 days		20,814,290	28,584,524
	Past due over 90 days		320,741,874	123,024,360
			1,954,453,315	2,418,181,952
12	**LOANS AND ADVANCES**			
	(Secured - considered good)			
	Loan to staff	8	2,668,656	6,149,853
	(Unsecured - considered good)			
	Advance			
	To staff for expenses		1,199,162	1,412,655
	Against supply of goods and services		29,036,146	32,820,722
		12.1	30,235,308	34,233,377
			32,903,964	40,383,230

12.1 These are non-interest bearing and are generally on average term of 1 to 6 months.

	Note	2022 Rupees	2021 Rupees

13 SHORT TERM DEPOSITS AND PREPAYMENTS

	Note	2022 Rupees	2021 Rupees
Prepayment		3,137,022	962,453
Short term deposits	13.1	40,893,335	41,893,335
		44,030,357	42,855,788

13.1 This includes deposit amounting to Rs. 39.893 million (2021: Rs 39.893 million) paid to Nazir of Sindh High Court against the price difference of Sui Southern Gas Company as a security for levying and collecting Gas additional rate increase from Rs. 488.23 to Rs. 600 per MMBTU.

14 LOAN RECEIVABLE

	Note	2022 Rupees	2021 Rupees
Due from APAG Oil (Private) Limited	14.1	330,391,912	361,077,000

14.1 Loan to APAG Oil (Private) Limited is granted to provide financial support. This loan does not carry any interest or markup.

15 OTHER RECEIVABLES

	Note	2022 Rupees	2021 Rupees
(Considered good)			
Due from associated company	15.1	-	1,236,960
Sales tax and special excise duty		9,243,695	36,531,846
Miscellaneous		807,360	436,606
		10,051,055	38,205,412

15.1 The aging of related party balances at the reporting date is as follows:

	2022 Rupees	2021 Rupees
Up to 1 month	-	-
1 to 3 months	-	-
3 to 6 months	-	-
More than 6 months	-	1,236,960
	-	1,236,960

15.2 The maximum amount due from related parties at the end of any month during the year was Rs. 1.24 million (2021: 1.24 million)

16 TAXATION - NET

	Note	2022 Rupees	2021 Rupees
Advance tax		163,854,792	127,762,186
Less: Provision for taxation	40	(127,772,245)	(138,337,113)
		36,082,547	(10,574,927)

		Note	2022 Rupees	2021 Rupees
17	**TAX REFUND DUE FROM GOVERNMENT**			
	Sales tax refundable		1,144,301	1,144,301
	Income tax refundable		192,532,149	192,532,149
			193,676,450	193,676,450
18	**DEFERRED TAXATION**			
	Deferred taxation asset	18.1	(202,165,401)	(161,676,155)

18.1 The net balance for deferred taxation is in respect of following temporary differences:

Deferred tax liabilities:		
Accelerated tax depreciation allowance	116,728,514	121,487,870
Incremental depreciation leasehold building	9,555,844	10,537,078
Revaluation of property, plant and equipment	7,081,389	-
	133,365,747	132,024,948
Deferred tax assets:		
Provision for doubtful debts	47,194,121	47,194,121
Turnover tax	263,667,663	225,386,250
Lease liabilities	70,075	-
Provision for gratuity	24,599,289	21,120,732
	335,531,148	293,701,103
	(202,165,401)	(161,676,155)

		Note	2022 Rupees	2021 Rupees
19	**SHORT TERM INVESTMENTS**			
	At amortized cost			
	Term deposit receipts	19.1	65,805,187	44,039,522

19.1 The investments were of lien with a bank in respect of credit facilities obtained. These carried mark up at the fixed rate of 5.4% (2021: 7.25%) per annum. The maturity date for these TDRs is October 05, 2022.

		Note	2022 Rupees	2021 Rupees
20	**CASH AND BANK BALANCES**			
	Cash in hand		4,563,871	10,467,167
	Cash at banks			
	In current accounts		180,288,225	38,359,146
	In saving account		26,517	26,517
			180,314,742	38,385,663
		43	184,878,613	48,852,830

	Note	2022 Rupees	2021 Rupees

21 AUTHORIZED SHARE CAPITAL

Numbers of ordinary shares of Rs. 100 each 2022	2021		2022 Rupees	2021 Rupees
10,000,000	10,000,000	Ordinary shares of Rs. 100/- each	1,000,000,000	1,000,000,000

22 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

	Note	2022 Rupees	2021 Rupees
Issued, subscribed and paid up capital comprises of:			
Ordinary share capital	22.1	1,199,473,964	1,199,473,964

22.1 The breakup of ordinary share capital is as follows:

Numbers of ordinary shares of Rs. 100 each 2022	2021		2022 Rupees	2021 Rupees
6,578,948	5,000,000	Ordinary shares of Rs. 100/- each	1,199,473,964	500,000,000
-	1,578,948	Ordinary shares of Rs. 100 each issued at premium of Rs. 343 per share, paid in cash	-	699,473,964
6,578,948	6,578,948		1,199,473,964	1,199,473,964

22.2 Reconciliation of number of shares outstanding

Ordinary shares	2022	2021
Number of shares outstanding at the beginning of the year	6,578,948	5,000,000
Issued of cash	-	1,578,948
Number of shares outstanding at the end of the year	6,578,948	6,578,948

22.3 One of the minority shareholders, Mr. Saleheen Siddiqui was creating a hindrance in the issuance of the right shares, so the Company filed a legal suit to the Honorable Sindh High Court. The Court ordered him to restrain from creating any hindrance in the issuance of the right share hence all the formalities were completed and Form-3 was submitted to SECP on June 3, 2021. Mr. Saleheen Siddique filed an appeal against the cancellation of the new director's appointment and all right shares issued at a premium is mala fide and void ab-initio, against which the Company received an interim Court order on June 04, 2021, to maintain the status quo in this regard because of which certified true copy from SECP was not issued to the Company. Both the cases are still pending with the Honorable Sindh High Court for further hearing.

	2022 Rupees	2021 Rupees
23 REVALUATION SURPLUS		
Surplus on leasehold land	619,221,119	234,221,119
Surplus on building on lease hold land	40,521,145	25,586,284
	659,742,264	259,807,403
Balance as at July 01	270,258,139	273,819,789
Add: Revaluation during the year	409,418,582	-
Less: Transfer to unappropriated profit in respect of:		
Incremental depreciation charged during the year	2,402,332	2,528,772
Related deferred tax liability on incremental depreciation	981,234	1,032,878
	3,383,566	3,561,650
	676,293,155	270,258,139
Related deferred tax effect:		
Balance as at July 01	10,450,736	11,483,614
Less: Deferred tax on incremental charged during the year transferred to the statement of profit or loss	(981,234)	(1,032,878)
Revaluation exercise for the year	7,081,389	-
	16,550,891	10,450,736
	659,742,264	259,807,403

		2022 Rupees	2021 Rupees
24 LONG TERM LOANS			
Secured - Banking Companies			
Faysal Bank Limited	24.1 & 24.4	-	155,151,150
Meezan Bank Limited	24.2 & 24.4 & 24.5	139,978,385	451,601,206
Bank Al Falah Limited	24.3 & 24.4	150,000,000	190,000,000
		289,978,385	796,752,356
Less: Current portion	31	(119,987,652)	(202,606,868)
		169,990,733	594,145,488

24.1 This represents Musharika financing facility obtained by the Company amounting to Rs. 163.317 million from Faysal Bank. The repayment of this loan started after grace period of 2 years from the date of first disbursement i.e. January 23, 2018 in equal quarterly installments of Rs. 8.166 million. It carries mark-up at the rate of 6 months KIBOR plus 1 percent per annum and is secured against first pari passu hypothecation and mortgage charge over fixed assets (i.e. plant, machinery, land and building) of the Company amounting to Rs. 217.756 million inclusive of 25 percent margin.

24.2 This represents Musharika financing facility obtained by the Company amounting to Rs. 399.94 million from Meezan Bank. The repayment of this loan started after grace period of 2 years from the date of first disbursement i.e. March 06, 2018 and June 01, 2018 respectively, in equal quarterly installments of Rs. 20 million. It carries mark-up at the rate of 6 months KIBOR plus 1 percent per annum and is secured against first pari passu hypothecation and mortgage charge over fixed assets (i.e. Plant, machinery, land and building) of the Company amounting to Rs. 534 million inclusive of 25 percent margin.

24.3 This represents conventional financing facility obtained by the Company in 2018 amounting to Rs. 200 million from Al Falah Bank. The repayment of this loan started after grace period of 2 years from the date of first disbursement i.e. February 23, 2018 and March 05, 2018 respectively , in equal quarterly installments of Rs. 10 million. It carries mark-up at the rate of 6 months KIBOR plus 1 percent per annum and is secured against first pari passu hypothecation and mortgage charge over fixed assets (i.e. Plant, machinery, land and building) of the Company amounting to Rs. 267 million inclusive of 25 percent margin.

24.4 The Company has approved term finance facility from Meezan Bank Limited under Refinancing Scheme of the State Bank of Pakistan amounting to Rs. 120 million specifically for paying salaries and wages to Company's employees. The Company has utilized Rs. 99.99 million out of sanctioned limit of the facility.

There is no current portion as at June 30, 2022 due to early repayment of Refinancing Scheme of the State Bank of Pakistan amounting to Rs 62.44 million during the year.

	Note	2022 Rupees	2021 Rupees

25 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

		2022 Rupees	2021 Rupees
Secured			
Balance as July 01		-	20,978,768
Additions		47,274,000	
Payments during the year		(2,738,811)	(20,978,768)
		44,535,189	-
Less: Payable within one year shown under current liabilities		(6,153,258)	-
		38,381,931	-

The above liabilities represent the unpaid balance of the total of minimum lease payments and the residual value payable at end of lease discounted at a rate of 8.63% to 16.41% (2021: 8.74% to 8.8%) per annum. These facilities are secured by security deposits and vehicles titles in the name of leasing companies.

26 DEFERRED CAPITAL GRANT

	Note	2022 Rupees	2021 Rupees
Capital Grant	26.1	-	3,273,856
Less: Current portion shown under current liabilities	0.0	-	(2,791,953)
		-	481,903

26.1 The Company received long term finance facility from Meezan Bank Limited under Refinancing Scheme of the State Bank of Pakistan amounting to Rs 99.99 million specifically for paying salaries and wages to Company's employees. The tenor of the financing is two and half years including six months grace period and are repayable in 8 equal quarterly installments commenced from March 2021. Institute of Chartered Accountants of Pakistan (ICAP) issued the guidance for accounting of said financing through circular No. 11/2020, and based on this, the Company recognized the Deferred Government Grant in accordance with the requirements of 'IAS 20-Accounting for Government Grants and Disclosure of Government Assistance'.

27 DEFERRED LIABILITY

	Note	2022 Rupees	2021 Rupees
Provision for gratuity	27.1	84,825,136	72,830,111

27.1 Defined benefit plan

a. General description

The scheme provides for terminal benefits for all its permanent employees who attain the minimum qualifying period at varying percentages of last drawn basic salary. The percentage depends on the number of service years with the Company. Annual charge is based on actuarial valuation carried out as at June 30, 2022 using the Projected Unit Credit Method.

The Company faces the following risks on account of gratuity:

Final salary risk - The risk that the final salary at the time of cessation of service is greater than what the Group has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Asset volatility - Most assets are invested in risk free investments i.e. Government Bonds / Treasury bills. However, investments in equity instruments is subject to adverse fluctuations as a result of change in the market price.

Discount rate fluctuation - The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

Investment risks - The risk of the investment underperforming and not being sufficient to meet the liabilities. This risk is mitigated by closely monitoring the performance of investment.

Risk of insufficiency of assets - This is managed by making regular contribution to the Fund as advised by the actuary.

b. Principal actuarial assumptions

Following are a few important actuarial assumptions used in the valuation:

	2022	2021
Discount rate (%)	13.25	10.00
Expected rate of increase in salary (%)	12.25	9.00
Present value of defined benefit obligation (Rupees)	84,825,136	72,830,111

		2022 Rupees	2021 Rupees
c.	**Movement of liability recognized in the statement of financial position**		
	Opening present value of defined benefit obligations	72,830,111	60,943,585
	Current service cost for the year	13,661,984	12,575,192
	Interest cost for the year	6,736,598	4,960,525
	Benefits due but not paid (payables)	(2,687,557)	(626,908)
	Benefits paid during the year	(8,240,697)	(4,542,018)
	Experience adjustments	1,863,264	(762,571)
	Remeasurement losses from changes in demographic assumptions	661,433	282,306
	Closing present value of defined benefit obligations	84,825,136	72,830,111
d.	**Charge for the year**		
	Current service cost	13,661,984	12,575,192
	Interest cost	6,736,598	4,960,525
	Charge for the year	20,398,582	17,535,717

27.2 Sensitivity analysis

	2022 Rupees	2021 Rupees
Discount rate + 100 bps	79,272,004	67,966,720
Discount rate - 100 bps	91,131,621	78,372,240
Salary increase + 100 bps	91,286,843	78,518,145
Salary increase - 100 bps	79,036,014	67,748,503

The average duration of defined benefit obligation is 7 years.

28 TRADE AND OTHER PAYABLES

	Note	2022 Rupees	2021 Rupees
Trade creditors		772,975,770	335,150,993
Accrued expenses	28.1	305,717,183	289,241,048
Advance from customers		46,905,916	37,063,108
Deposits		437,475	483,289
Workers' profit participation fund	28.2	23,295,419	5,694,256
Workers' welfare fund	28.3	45,844,814	39,969,925
Employee gratuity fund		-	626,908
Loan to employees		509,251	509,251
Withholding tax Payable		10,507,468	11,564,973
Others		9,297,446	5,448,738
		1,215,490,742	725,752,489

28.1 This includes GIDC provision amounting to Rs. 109.341 million (2021: 109.341 million). The Government promulgated Gas Infrastructure Development Cess (GIDC) Ordinance, 2014 in September 2014 for levying and collecting (GIDC). The Company filed a writ petition against the imposition of the GIDC before the Sindh High Court (SHC). The (SHC)t, through its interim orders, forthwith stopped Federal Government and Sui Northern Gas Pipelines Limited from collecting GIDC. Recently, the Government has promulgated the Gas Infrastructure Development Cess Act, 2015 (the Act) in May 2015 for henceforth levying / collecting of GIDC and also validating GIDC payable under the Ordinance (repealed).

The Company has filed a petition against the Act and the Sindh High Court has granted stay order against collecting GIDC under the Act pending the final decision on the writ petition. Accordingly, the Company has neither paid GIDC nor pass the burden to customers for the period from August 01, 2014 to August 30, 2020 amounting to Rs. 109.341 million.

	Note	2022 Rupees	2021 Rupees
28.2 Workers' Profit Participation Fund			
Balance as at July 01		5,694,256	7,620,375
Add: Interest credited at prescribed rates		284,713	381,019
		5,978,969	8,001,394
Less: Amount paid to Fund		(6,145,668)	(7,906,139)
		(166,699)	95,255
Add: Current year's allocation at 5%		23,462,118	5,599,001
	23.2.1	23,295,419	5,694,256

23.2.1 The Company retains the allocation to this Fund for its business operations till the amounts are paid to the Fund together with interest at prescribed rate under the Companies Profit (Workers' Participation) Act, 1968.

28.3 Workers' Welfare Fund

	2022 Rupees	2021 Rupees
Balance as at July 01	39,969,924	37,730,323
Less: Amount paid to Govt.	(3,509,957)	-
	36,459,967	37,730,323
Add: Current year's allocation at 2%	9,384,847	2,239,601
	45,844,814	39,969,924

29 MARKUP ACCRUED

	2022 Rupees	2021 Rupees
Running finance	41,671,975	47,141,898
Long term loan	5,159,404	8,690,100
	46,831,379	55,831,998

	Note	2022 Rupees	2021 Rupees

30 SHORT TERM BORROWINGS

	Note	2022 Rupees	2021 Rupees
Istasna financing	30.1	799,996,426	1,154,954,158
Running finance	30.2 & 43	1,465,869,818	1,253,636,904
		2,265,866,244	2,408,591,062

30.1 The facility for short-term istasna financing is obtained from a bank amounting to Rs.800 million (2021: Rs. 1,155 million) having sanctioned limit of Rs. 1,100 million (2021: Rs. 1,255 million). It carries markup at the rate of 6 month KIBOR plus 1% to 1.25% (2021: 6 months KIBOR plus 1.25%) per annum. These are secured by way of first pari passu charge over current assets (stock and receivables) of the Company amounting to Rs. 1,733.667 million.

30.2 The facilities for short-term running finance are obtained from various commercial banks aggregating to Rs. 1,465 million (2021: Rs. 1,253.636 million), having sanctioned limit of Rs. 1,450 million. These carry markup ranging between 1 to 3 months KIBOR plus 0.5% to 1.75% (2021: 1 to 3 months KIBOR plus 0.5% to 2%) per annum. These are secured by way of registered hypothecation over stocks and book debts aggregating to Rs. 1,942 million.

31 CURRENT PORTION OF NON-CURRENT LIABILITIES

	Note	2022 Rupees	2021 Rupees
Liabilities against assets subject to finance lease	25	6,153,258	-
Current portion of long term loan	24	119,987,652	202,606,868
		126,140,910	202,606,868

32 CONTINGENCIES AND COMMITMENTS

32.1 Contingencies

a) Guarantee

There is a contingent liability in respect of guarantees issued by bank amounting to Rs. 65.80 million (2021: Rs. 44.04 million) in the ordinary course of business.

b) Sindh development and maintenance infrastructure fee

There is a contingent liability in respect of demand raised by the Director of Excise and Taxation, (Taxes-II) Karachi against Sindh Development and Maintenance Infrastructure fee amounting to Rs. 22.127 million. (2021: Rs. 22.127 million.)

The Company had filed an appeal in the High Court of Sindh against this demand. High Court of Sindh decided the case on the basis of which the net liability computed by management amounts to Rs. 11.298 million. The Company and department have both filed appeals in the Supreme Court against the order. In the event of adverse decision, the Company will be faced with a maximum liability of Rs. 22.127 million resulting in a charge against profits of the same amount. The case is still pending in the Supreme Court of Pakistan.

32.2 Commitments

Commitments of the Company in respect of letters of credit as at the reporting date amounted to Rs. 298.820 million (2021: Rs. 42.182 million).

32.3 Ijarah Agreement

The Company has entered into Ijarah agreements with Meezan Bank Limited in respect of purchase of vehicles for a period of five years. Ijarah payments due under these agreements are Rs. 12.44 million payable in monthly installments latest by November 2025. Taxes and repairs are to be borne by the Company (lessee), however, major repairs and insurance costs are to be borne by the lessors. These payments are secured against promissory notes in favor of the lessors for the entire amount of the Ijarah rentals and security deposits of Rs. 2.49 million.

	2022 Rupees	2021 Rupees
Not later than one year	6,544,490	6,332,688
Later than one year but not later than five years	5,892,731	11,395,183
	12,437,221	17,727,871

33 SALES - NET

	Note	2022 Rupees	2021 Rupees
Local sales		16,202,386,072	12,727,474,050
Export sales	33.1	101,118,462	236,621,029
		16,303,504,534	12,964,095,079
Less:			
Sales tax		(2,199,089,721)	(2,060,914,181)
Trade discount		(353,730,936)	(563,371,132)
		(2,552,820,657)	(2,624,285,313)
		13,750,683,877	10,339,809,766

33.1 This include export sales of Taqat Banaspati and Margarine in consumer boxes and tins made to multiple customers in Afghanistan.

		Note	2022 Rupees	2021 Rupees
34	**COST OF SALES**			
	Material consumed			
	Oil consumed	34.1	10,822,744,917	8,270,387,350
	Seed Consumed	34.2	177,083,753	-
	Chemical consumed	34.3	104,925,391	109,363,422
	Packing material consumed	34.4	700,621,538	587,113,057
			11,805,375,599	8,966,863,829
	Salaries, wages and other benefits	34.5	164,222,715	162,448,827
	Water		15,673,784	11,934,790
	Gas		104,352,633	119,266,178
	Consumable stores		23,099,643	31,158,385
	Insurance		7,745,380	5,683,610
	Power and electricity		58,708,152	54,627,398
	Repairs and maintenance		5,809,862	7,786,362
	Cartage		20,475,865	16,082,594
	Depreciation	6.4	35,486,917	36,658,812
	Consultancy charges		462,228	71,112
	Fees and subscription		4,829,195	2,482,647
	Ijara rentals		1,217,877	1,204,025
	Legal and professional		2,055,400	2,159,945
	Miscellaneous		1,956,825	2,090,028
			12,251,472,075	9,420,518,542
	Less: Insurance claim received		(4,073,174)	(8,760,277)
	Cost of goods manufactured		12,247,398,901	9,411,758,265
	Finished goods			
	Opening stock		219,245,276	221,038,532
	Closing stock	10	(433,689,036)	(219,245,276)
			(214,443,760)	1,793,256
			12,032,955,141	9,413,551,521

		Note	2022 Rupees	2021 Rupees
34.1	**Oil consumed**			
	Opening stock		654,279,406	497,320,515
	Purchases		11,547,599,607	8,427,346,241
	Sales tax charged		162,705,439	-
			12,364,584,452	8,924,666,756
	Less: Closing stock	10	(1,541,839,535)	(654,279,406)
			10,822,744,917	8,270,387,350

	Note	2022 Rupees	2021 Rupees
34.2 Seeds consumed			
Opening stock		-	-
Purchases		169,382,856	-
Toll manufacturing		7,700,897	-
		177,083,753	-
Less: Closing stock		-	-
		177,083,753	-
34.3 Chemical consumed			
Opening stock		25,144,796	37,961,459
Purchases		111,583,325	96,546,759
		136,728,121	134,508,218
Less: Closing stock	10	(31,802,730)	(25,144,796)
		104,925,391	109,363,422
34.4 Packing material consumed			
Opening stock		47,269,698	41,133,548
Purchases		697,985,066	593,249,207
		745,254,764	634,382,755
Less: Closing stock	10	(44,633,226)	(47,269,698)
		700,621,538	587,113,057

34.5 Salaries, wages and other benefits include Rs. 7.949 million in respect of retirement benefits (2021: Rs. 7.206 million).

35 ADMINISTRATIVE EXPENSES

	Note	2022 Rupees	2021 Rupees
Directors' remuneration		22,485,990	29,275,073
Salaries, wages and other benefits	35.1	88,741,223	53,225,344
Insurance		7,517,885	6,437,655
Depreciation	6.4	9,012,521	6,571,482
Telephone and telex		3,491,910	3,327,810
Consultancy charges		-	100,870
Traveling and conveyance		538,841	724,887
Charity and donation		204,540	231,000
Legal and professional charges		8,766,447	6,340,078
Fees and subscription		416,990	2,106,095
Repair and maintenance		4,630,377	4,415,592
Rent, rates and taxes		1,151,917	627,668
Ijarah rentals		1,602,615	1,586,238

	Note	2022 Rupees	2021 Rupees
Audit fee	35.2	772,200	650,000
Software		1,410,953	3,176,653
Entertainment		545,386	1,247,433
Postage and telegram		270,652	224,058
Printing and stationery		99,040	95,960
Miscellaneous		14,033,701	5,268,773
		165,693,188	125,632,669

35.1 Salaries, wages and other benefits include Rs. 4.325 million in respect of retirement benefits (2021: Rs. 3.603 million).

35.2			
	Audit remuneration	650,000	547,138
	Out of pocket	65,000	54,714
	Sindh sales tax	57,200	48,148
		772,200	650,000

36 SELLING AND DISTRIBUTION EXPENSES

	Note	2022 Rupees	2021 Rupees
Salaries, wages and other benefits	36.1	143,742,606	118,262,284
Transport charges		122,223,150	139,328,482
Advertisement		428,210,207	156,939,276
Traveling		5,803,776	3,034,547
Rent, rates and taxes		22,622,076	20,170,178
Ijarah rentals		3,612,760	3,550,523
Electricity		3,065,221	2,373,956
Repair and maintenance		787,519	1,450,975
Telephone		1,489,481	1,377,352
Insurance		2,884,980	2,736,702
Postage and telegram		132,051	115,779
Printing and stationery		705,615	321,722
Gas		43,095	32,740
Legal & Professional Charges		9,540	1,862,950
Fees and subscription		498,641	42,580
Miscellaneous		2,232,369	1,365,866
		738,063,087	452,965,912

36.1 Salaries, wages and other benefits include Rs. 8.183 million in respect of retirement benefits (2021: Rs. 7.206 million).

	Note	2022 Rupees	2021 Rupees
37 OTHER INCOME			
Sale of scrap material		1,815,627	487,588
Gain on sale of fixed assets		3,732,966	1,978,614
Interest income on short term investment		2,946,166	3,092,908
Capital grant income		1,261,852	3,307,348
Miscellaneous income		-	76,280
		9,756,611	8,942,738
38 OTHER CHARGES			
Workers' Profit Participation Fund		23,462,118	5,599,001
Sindh Workers' Welfare Fund		9,384,847	2,239,601
Bad debt written off		-	1,798,860
Loss on disposal of subsidiary	38.1	85,391,872	-
Miscellaneous		-	39,345
		118,238,837	9,676,807

38.1 During the year, the long term investment in subsidiary with the carrying amount of Rs. 575 million has been disposed off against a cash consideration of Rs. 490 million.

	Note	2022 Rupees	2021 Rupees
39 FINANCIAL CHARGES			
Secured finances and letter of credit		194,918,210	163,894,431
Interest on long term loan		66,753,066	72,927,744
Interest on Workers' Profit Participation Fund		284,713	381,019
Finance leases		2,074,197	338,844
		264,030,186	237,542,038
Bank charges		5,064,661	5,281,479
		269,094,847	242,823,517
40 TAXATION			
Current	16	127,772,245	138,337,113
Deferred		(46,699,196)	(219,483,857)
		81,073,049	(81,146,744)

41 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

	2022			2021		
	Chief Executive	Directors	Total	Chief Executive	Directors	Total
	Rupees			Rupees		
Managerial remuneration	9,895,056	12,590,934	22,485,990	9,806,029	19,469,044	29,275,073
Total	9,895,056	12,590,934	22,485,990	9,806,029	19,469,044	29,275,073
Number of persons	1	6	7	1	6	7

41.1 3 Non-Executive directors have not drawn any remuneration from the Company.

42 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of related group companies, local associated companies, staff retirement funds, directors and key management personnel. Transactions with associated companies and undertakings and remuneration and benefits to key management personnel are as follows:

Nature of transaction	Name of related party	Nature of relationship	Basis of relationship	2022 Rupees	2021 Rupees
Transactions during the year					
Remuneration	Directors	Key management personnel	Directorship	22,485,990	29,275,073
Purchases	APAG Oil (Private) Limited	Subsidiary Company*	Common directorship	108,990,626	90,139,081
Year end balances:					
Due from associated company	Receivable from Goodhouse Chocolate Confectionaries (Private) Limited	Associated Company	Common directorship	-	1,236,960
Due from subsidiary company	Loan to APAG Oil (Private) Limited	Subsidiary Company*	Common directorship	330,391,912	361,077,000

*The subsidiary Company is fully disposed off during the year (refer note 7)

43 CASH AND CASH EQUIVALENTS

	Note	2022 Rupees	2021 Rupees
Running finance	30	(1,465,869,818)	(1,253,636,904)
Cash and bank balances	20	184,878,613	48,852,830
		(1,280,991,205)	(1,204,784,074)

44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to market risk, credit risk, and liquidity risk. No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2022. The policies for managing each of these risks are summarised below:

44.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, foreign currency risk and other price risk.

44.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short-term financing arrangements at floating interest rates to meet its business operations and working capital requirements.

Interest rate risk of the Company's financial assets and financial liabilities as at June 30, 2022 can be evaluated from following schedule:

	Interest / markup bearing			Non – interest / markup bearing			Total
	Within one year	More than one year and upto five years	Sub total	Within one year	More than one year and upto five years	Sub total	
	(Rupees)						
Financial assets							
Carried at amortized cost							
Long term loans	-	-	-	-	5,616,990	5,616,990	5,616,990
Long term deposits	-	-	-	-	12,928,166	12,928,166	12,928,166
Trade debts	-	-	-	1,791,714,968	-	1,791,714,968	1,791,714,968
Loans and advances	-	-	-	2,668,656	1,199,162	3,867,818	3,867,818
Short term deposits	-	-	-	40,893,335	-	40,893,335	40,893,335
Loan receivable	-	-	-	330,391,912	-	330,391,912	330,391,912
Other receivables	-	-	-	10,051,055	-	10,051,055	10,051,055
Short term investments	65,805,187	-	65,805,187	-	-	-	65,805,187
Cash and bank balances	26,517	-	26,517	180,288,225	-	180,288,225	180,314,742
	65,831,704	-	65,831,704	2,356,008,151	19,744,318	2,375,752,469	2,441,584,173
Financial liabilities							
Carried at amortized cost							
Long term loans	119,987,652	169,990,733	289,978,385	-	-	-	289,978,385
Lease Liability	6,153,258	38,381,930	44,535,188	-	-	-	-
Short term borrowings	2,265,866,244	-	2,265,866,244	-	-	-	2,265,866,244
Trade and other payables	-	-	-	1,135,843,042	-	1,135,843,042	1,135,843,042
Markup accrued	-	-	-	46,831,379	-	46,831,379	46,831,379
	2,392,007,154	208,372,663	2,600,379,817	1,182,674,421	-	1,182,674,421	3,738,519,050
Net financial (liabilities) / assets – 2022	(2,326,175,449)	(208,372,663)	(2,534,548,112)	1,173,333,730	19,744,318	1,193,078,048	(1,296,934,877)
Net financial (liabilities) / assets – 2021	(2,402,687,786)	(725,092,487)	(3,127,780,273)	2,016,773,018	53,533,992	2,070,307,010	(1,057,473,263)

Effective interest rates are mentioned in the respective notes to the financial statements.

a) Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Company's profit before tax (through impact on floating rate borrowings). There is no direct impact on Company's equity. This analysis excludes the impact of movement in market variables on the carrying amounts of provisions and on non-financial assets and liabilities of the Company. Further, interest rate sensitivity does not have an asymmetric impact on the Company's result.

	Increase / decrease in basis points	Effect on profit before tax
2022	+100	(25,345,481)
	-100	25,345,481
2021	+100	(31,277,803)
	-100	31,277,803

44.1.2 Currency risk

Foreign currency risk is the risk that the value of financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company's exposure to foreign currency risk is as follows:

	2022 Rupees	2021 Rupees
Commitments	298,820,907	42,182,326

The following significant exchange rates have been applied:

	Reporting date rate	
USD to PKR	206.60	158.30

At reporting date, if the PKR had strengthened by 10% against the US Dollar with all other variables held constant, post-tax loss / profit for the year would have been lower / higher by the amount shown below, mainly as a result of net foreign exchange gain on net foreign currency exposure at reporting date.

Effect on profit	29,882,091	4,218,233

The weakening of the PKR against US Dollar would have had an equal but opposite impact on the post tax profits.

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

44.1.3 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted and arises principally from trade and other receivables. The Company's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines and regulatory requirements.

Exposure to credit risk

The carrying amounts of the financial assets represent the maximum credit exposures before any credit enhancements. The carrying amounts of financial assets exposed to credit risk at reporting date are as under:

	2022 Rupees	2021 Rupees
Long term loans	5,616,990	4,150,872
Long term deposits	12,928,166	47,970,465
Loans and advances	32,903,964	40,383,230
Short term deposits	40,893,335	41,893,335
Trade debts	1,791,714,968	2,255,443,605
Short term investments	65,805,187	44,039,522
Loan receivable	330,391,912	361,077,000
Other receivables	10,051,055	38,205,412
Bank balances	180,314,742	38,385,663
	2,470,620,319	2,871,549,104

The ageing of trade receivables at the reporting date is:

Not yet due	1,414,813,630	1,644,100,993
Past due 1-30 days	166,898,766	405,593,976
Past due 31-60 days	31,184,755	216,878,099
Past due 61-90 days	20,814,290	28,584,524
Past due over 90 days	320,741,874	123,024,360
	1,954,453,315	2,418,181,952

The ageing has been prepared on first in first out basis by applying receipts to earliest invoices.

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. Where considered necessary, advance payments are obtained from certain parties. Sales made to export customers are secured through letters of credit. The exposure to banks is managed by dealing with variety of major banks and monitoring exposure limits on continuous basis.

Concentration of credit risk

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

Impaired assets

During the year no assets have been impaired.

44.1.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements, if any:

	Carrying Amount	Contractual Cash Flows	Six months or less	Six to Twelve months	One to two years	Two to five years
	(Rupees)					
2022						
Long term loan	289,978,385	289,978,385	59,993,826	59,993,826	99,990,733	70,000,000
Lease liabilities	44,535,189	44,535,189	3,076,629	3,076,629	7,296,946	31,084,984
Trade and other payables	1,135,843,042	1,135,843,042	1,135,843,042	-	-	-
Markup accrued	46,831,379	46,831,379	46,831,379	-	-	-
Short term borrowings	2,265,866,244	2,265,866,244	2,265,866,244	-	-	-
	3,783,054,239	3,783,054,239	3,511,611,120	63,070,455	107,287,679	101,084,984
2021						
Long term loan	796,752,356	796,752,356	-	38,162,763	152,651,052	572,441,435
Trade and other payables	668,523,335	668,523,335	668,523,335	-	-	-
Markup accrued	55,831,998	55,831,998	55,831,998	-	-	-
Short term borrowings	2,408,591,062	2,408,591,062	2,408,591,062	-	-	-
	3,929,698,751	3,929,698,751	3,132,946,395	38,162,763	152,651,052	572,441,435

45 FINANCIAL INSTRUMENTS BY CATEGORY

	2022 Rupees	2021 Rupees
Financial assets at amortized cost		
Long term loans	5,616,990	4,150,872
Long term deposits	12,928,166	47,970,465
Trade debts - unsecured	1,791,714,968	2,255,443,605
Short term deposits	40,893,335	41,893,335
Loans and advances	3,867,818	7,562,508
Loan receivable	330,391,912	361,077,000
Other receivables	10,051,055	38,205,412
Short term investments	65,805,187	44,039,522
Bank balances	180,314,742	38,385,663
	2,441,584,173	2,838,728,382

	2022 Rupees	2021 Rupees
Financial liabilities at amortized cost		
Lease liabilities	44,535,189	-
Long term loans	289,978,385	796,752,356
Trade and other payables	1,135,843,042	668,523,335
Markup accrued	46,831,379	55,831,998
Short term borrowings	2,265,866,244	2,408,591,062
	3,783,054,239	3,929,698,751

46 CAPACITY AND PRODUCTION

	2022		2021	
	Capacity	Production	Capacity	Production
	Tons			
Vegetable Ghee, Cooking Oil & Margarine	90,000	41,283	90,000	49,923
Sauces	18,000	435	18,000	461

The Company could not achieve installed capacity of its production due to market conditions.

47 CAPITAL MANAGEMENT

The Company finances its operations through equity, borrowings and management of working capital with a view of maintaining and appropriate mix between various sources of finance to minimize risks.

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain future development of the business and maximize shareholders value. No changes were made in the objectives, policies or processes during the year ended June 30, 2022.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. The Company monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital and revenue reserves. The gearing ratio as at June 30, 2022 and 2021 are as follows:

	2022 Rupees	2021 Rupees
Short term borrowings	2,265,866,244	2,408,591,062
Long term loans	169,990,733	594,145,488
Lease liabilities	38,381,931	-
Markup accrued	46,831,379	55,831,998
Deferred capital grant	-	481,903
Current portion of deferred	-	2,791,953
Current portion of non current liabilities	126,140,910	202,606,868
	2,647,211,197	3,264,449,272
Less: Cash and bank	(184,878,613)	(48,852,830)
Net debt	2,462,332,584	3,215,596,442
Share capital	1,199,473,964	1,199,473,964
Reserves	540,222,242	184,150,829
Total equity	1,739,696,206	1,383,624,793
Total capital and equity	4,202,028,790	4,599,221,235
Gearing ratio	59%	70%

48 FAIR VALUE MEASUREMENT 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 either directly 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 recognised at the end of the reporting period during which the changes have occurred. However, there were no transfers between levels of fair value hierarchy during the year.

The carrying amounts of all financial assets and liabilities reflected in the financial statements approximate their fair values.

At the reporting date, none of the financial instruments of the Company are carried at fair value.

49 NUMBER OF EMPLOYEES

	2022	2021
	No. of employees	
Number of employees at head office and factory as at June 30	207	199
Average number of employees at head office and factory	201	197

50 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 07 OCT 2022 by the Board of Directors of the Company.

51 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison.

52 GENERAL

Figures have been rounded off to the nearest Pakistani rupee unless otherwise stated.

DIRECTOR

DIRECTOR