

# ANNUAL REPORT AND ACCOUNTS 2020



## DATA AGRO LIMITED



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## COMPANY INFORMATION

<b>Chairman:</b>	Mr. Hamid Jamshed
<b>Chief Executive:</b>	Mr. Faaiz Rahim Khan
<b>Directors:</b>	Mr. Faaiz Rahim Khan Mr. Asad Rahim Khan Mr. Hamid Jamshed Mr. Tariq Mahmood Hassan Butt Mr. Saad Rahim Khan Mr. Anwar-ul-Haq Mrs. Faiza Faaiz Khan
<b>Chief Financial Officer:</b>	Mr. Muhammad Azam
<b>Company Secretary:</b>	Mr. Suhail Mehmood
<b>Audit Committee:</b>	Mr. Tariq Mahmood Hassan Butt (Chairman) Mr. Asad Rahim Khan (Member) Mr. Saad Rahim Khan (Member)
<b>HR Committee:</b>	Mr. Asad Rahim Khan (Chairman) Mr. Tariq Mahmood Hassan Butt (Member) Mrs. Faiza Faaiz Khan (Member)
<b>Risk Management Committee:</b>	Mr. Saad Rahim Khan (Chairman) Mr. Tariq Mahmood Hassan Butt (Member) Mrs. Asad Rahim Khan (Member)
<b>Auditors:</b>	M/s. Sarwars Chartered Accountants Office # 12-14, 2nd Floor, Lahore Centre 77-D, Main Boulevard, Gulberg III, Lahore.
<b>Bankers:</b>	Habib Bank Limited Allied Bank Limited The Bank of Punjab MCB Bank Limited
<b>Legal Advisor:</b>	Ashtar Ali & Co. Advocates and Corporate Consultants
<b>Share Registrar:</b>	Hameed Majeed Associates (Pvt.) Ltd. H.M. House, 7-Bank Square, Lahore
<b>Registered Office:</b>	Suite 5, The Polo Residence, Opposite Allama Iqbal International Airport, Adjacent Sector A, Phase 8, DHA, Lahore.

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 28th Annual General Meeting of Shareholders of Data Agro Limited will be held on Wednesday October 28, 2020 at 11:30 A.M. at the Registered Office of the Company, Suite 5, The Polo Residence, Opposite Allama Iqbal International Airport, Adjacent Sector-A, Phase-8, DHA, Lahore. to transact the following business.

1. To confirm the minutes of 27th Annual General Meeting held on October 28, 2019.
2. To receive and adopt the Audited Accounts of the Company along with Directors and Auditors reports thereon, for the year ended June 30, 2020.
3. To appoint Auditors of the company for the year ended June 30, 2021 and to fix their remuneration. The retiring Auditors M/s Sarwars Chartered Accountants, being eligible has offered themselves for reappointment.
4. Any other business with the permission of the chair.

**BY ORDER OF THE BOARD**  
**(Suhail Mehmood)**  
Company Secretary

Lahore  
October 06, 2020.

### **CORONAVIRUS; CONTINGENCY PLANNING FOR ANNUAL GENERAL MEETING:**

In light of the threat posed by the COVID-19 situation, the Securities and Exchange Commission of Pakistan (SECP) has advised companies to modify their usual planning for general meetings in order to ensure safety and well-being of shareholders and the public at large through Circular No. 5 of 2020 dated: March 17, 2020 and Circular No. 25 of 2020 dated: August 31, 2020.

Accordingly, the Company will be providing the facility to all shareholders to participate in the AGM through video link while ensuring compliance with the quorum requirements.

The shareholders intending to participate in the meeting via video link are hereby requested to share following information with the office of Company Secretary (address mentioned below) earliest but not later than 48 hours before the time of the AGM i.e. before 11:30 a.m. on October 28, 2020.

Required information:

Shareholder Name, CNIC Number, Folio/CDC Account No., Mobile Phone Number\* and Email address\*

\*Shareholders are requested to provide active mobile number and email address to ensure timely communication.

Modes of Communication

The above mentioned information can be provided through following modes:

a) Mobile/WhatsApp: 0321-4458932

b) Email: sohailamt@yahoo.com

Video link details and login credentials (ZOOM Application) will be shared with those shareholders who provide their intent to attend the meeting containing all the particulars as mentioned above on or before October 28, 2020 by 10:30 a.m.

Shareholders are also encouraged to provide their comments and queries on the agenda items of the AGM through above contact number/email address which will be appropriately addressed in the meeting.

**Notes:**


1. The share transfer books of the company will remain closed from October 21, 2020 to October 28, 2020(both days inclusive).
2. A member entitled to attend and vote at the above meeting may appoint another as proxy. Proxies in order to be effective must be received at the Registered Office of the Company not later than forty eight hours before the time of meeting and must be duly stamped, signed and witnessed.
3. Members are requested to notify the Company of the any change in their addressed, if any to the Company's Share Registrar M/s Hameed Majeed Associates (Pvt.) Ltd at H.M House 7-Bank Square, Lahore.
4. SECP through its Notification SRO 787 (I)/2014 dated September 8, 2014 has allowed the circulation of Audited Financial Statements along with Notice of Annual General Meeting to the members of the Company through e-mail. Therefore, all members of the Company who which to receive soft copy of Annual Reports are requested to send their e-mail address. The consent form for electronic transmission could be downloaded from the Company's website: [www.dataagrolimited.com](http://www.dataagrolimited.com).
5. The Company shall, however, provide hard copy of the Audited Financial Statement to its shareholders, on request, free of cost, within seven days of receipt of such request.
6. Attested copies of CNIC of the passport of the beneficial owner and the proxy shall be furnished with the proxy form.
7. In case of corporate entity, the board of Directors resolution /power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the company.

## **CHAIRMAN'S REVIEW**

I, on my own behalf and on behalf of the Board of Directors warmly welcome the shareholders of the company to the 28th Annual General Meeting. I also welcome the members of Board of Directors hoping that recently constituted various Board committees will introduce Company's tactical, operational and financial strategies to new insights utilizing their broad visions, in depth knowledge and vast market experience.

Upholding the vision and core values of the business, the Board followed a proactive approach to maximize shareholders' value by equipping the Company with all necessary resources enabling the Company's management to exploit all possible opportunities and at the same time achieving an appropriate tradeoff between risk and returns. Good corporate governance has been ensured by maintaining high levels of professional and business conduct, implementing effective internal controls and audit functions including risk management framework. The Board not only focused on implementing the strategy set in the previous years to continue with the momentum of growth and progression but also took benefit of the new business opportunities. The year was started, under the visionary stewardship of the Board, with a clear roadmap on how to create and capture value for all stakeholders. 2019-20 was another volatile year for the international seed and oil market with prices finally appearing to be on track to a sustainable recovery by the end of the year although COVID had an adverse effect in all walks of life especially business. The economic factors within the Country deteriorated in the backdrop of political situation/taking over of government by a new party. The Government focused on controlling challenges regarding energy crisis, unemployment, infrastructure development and other sectors. Lack of Foreign Direct Investment also contributed to slow down of economy. Due to all these adverse factors, there is a slight decrease in sales. The management has done well to maintain its share of market to cater the increase in sale. Given the leadership of the Board, the decision-making of the management and the effort of every member of the Company, it is certain that the Company will remain on the path of delivering excellent performance consistently.

**LAHORE**  
October 06, 2020



**HAMID JAMSHED**  
Chairman

## DIRECTOR'S REPORT

The Directors of your Company are please to present the 28th annual report along with the audited accounts for the year ended June 30, 2020.

### Performance Review

The company has processed seeds of Cotton and Wheat and produced Hybrid Corn. We continue to add new crops to our range of seeds that we provide to the farmer. We are actively involved in Hybrid Corn production. We benefited from the farmers positive outlook on the corn and cotton crops. Our results show an increase in third party cotton seed processing/delinting totaling 3612 Metric Tons (2019: 3442 Metric Tons)

	<b>2020</b> (M.Ton)	<b>2019</b> (M.Ton)
Production	<u>3612</u>	<u>3442</u>

### Financial Results

The summary of financial results is being furnished hereunder for a quick glance.

	<b>2020</b> (Rupees)	<b>2019</b> (Rupees)
Sales	146,878,482	148,444,493
Cost of sales	113,685,088	117,717,725
Gross profit	<b>33,193,394</b>	<b>30,726,786</b>
Operating expenses	24,550,316	23,699,255
Finance & other charges	1,136,379	1,018,038
Other income	941,214	293,279
<b>Profit before taxation</b>	<b>8,447,913</b>	<b>6,302,755</b>
Taxation	2,609,551	2,332,465
<b>Profit/ (loss) after taxation</b>	<b>5,838,362</b>	<b>3,970,290</b>

Review period has shown better performance from the company in the light of international circumstances of the country and world due to COVID19. Financials show an slightly decrease in sales while keeping costs in check. The main reason for this positive change has been the efforts of our professional staff. Third party cultivation reduced our costs and we hope to continue to use this as a major form of production for our various seed programmes. Our new Hybrids produced good results and reports from market and farmers are positive. We hope sales of these seeds will increase further.

We continue to invest heavily in R&D of Hybrid Corn and other seeds. This has lowered profit margins but we consider it a worthwhile investment. We are hopeful the coming quarter will produce favorable results from Hybrid Corn sales. We are optimistic about Yield results. Our sale of cotton seed in both fuzzy and delinted form has maintained high standards of quality.

Management has done extremely well in controlling administrative costs. Distribution has been made more effective while maintaining strict financial checks. The company meets all Prudential Regulations/Ratios of State Bank of Pakistan. We have the option of raising funds from banks but as a policy are not taking any loans.

### **Corporate Governance**

Please note that your company is fully compliant to the provisions of the Code of Corporate Governance as incorporated in Listing Rules of the stock Exchange;

The following are statements on corporate and financial reporting frame work;

1. The financial statement, prepared by the management of the company, present fairly its state of Affairs, the result of its operations, cash flows and changes in equity.
2. Proper books of accounts have been maintained by the company.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International accounting Standards, as applicable in Pakistan have been followed in preparation of financial statements.
5. The system of internal control is sound and is continuously reviewed by internal audit and other such procedures. The process of review will continue with the objective to improve further.
6. The company has followed the best practices of Corporate Governance, as detailed in the listing regulations wherever possible.
7. There are no doubts upon the company's ability to continue as a going concern.
8. The company has not declared any dividend. The company has planned to invest and utilize available funds to get better results and profit.

### **Audit Committee**

The board has constituted an audit committee, consisting of two non-executive directors and its chairman is an independent director.

### **HR Committee**

The board has constituted a HR committee, consisting of two non-executive directors and an independent director.

### **Risk Management Committee**

The board has constituted a Risk Management Committee, consisting of two non-executive directors and an independent director.

### **Key Operating and Financial Data**

A statement summarizing key operating and financial data for six years including current year is annexed.

### **Vision/Mission**

The statement reflecting the Vision/Mission of the company is annexed.

### **Ethics and Business Practices**

The statement outlining the Ethics and Business Practices of the company is annexed.



### Board Meeting

During the financial year under consideration six meetings were held and the attendance by respective directors was as follows:

Name of Directors	Number of Board Meetings Attended
Mr. Faaiz Rahim Khan	6
Mr. Asif Rahim Khan	3
Mr. Hamid Jamshed	6
Mr. Tariq Mahmood Hassan Butt	5
Mrs. Faiza Faaiz Khan	4
Mr. Anwar-ul-Haq	6
Mr. Asad Rahim Khan	6
Mr. Saad Rahim Khan	2

Leave of absence was granted to Directors who could not attend any of the Board meetings.

### Changes in Board during the year

Casual Vacancies:

During the year, following one casual vacancy occurred in the Board:

Outgoing Directors	New Directors	Appointment Date of New Directors
Asif Rahim Khan	Saad Rahim Khan	December 26, 2019

### Pattern of Shareholdings

The pattern of Shareholdings is on page No.46.

### Future Outlook

In future we shall concentrate on Hybrid Corn seed but will also make efforts to make our range of seeds comprehensive. In the coming year we shall invest in varieties of cotton seed and wheat and plan to enter in the vegetable seeds market. This will increase our capacity utilization further while maintaining our high standards of quality.

### Auditors

The present Auditors M/S. Sarwars Chartered Accountants, retired and being eligible, offer themselves for re-appointment for the year ending June 30, 2021.

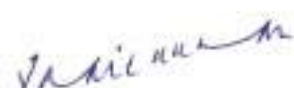
### Acknowledgment

I want to thank our employees, customers, and suppliers for their continued support and faith in the company. All our shareholders must closely examine the results and see that we are making progress in the right direction. I would like to express our gratitude to our shareholders for support and encouragement.

LAHORE  
October 06, 2020



Director



Chief Executive

## ڈائریکٹر کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز براہ کرم 30 جون 2020 کو ختم ہونے والے سال کے آڈٹ شدہ اکاؤنٹس کے ساتھ 28 ویں سالانہ رپورٹ پیش کر رہے ہیں۔ کارکردگی کا جائزہ

کمپنی نے کمپاس اور گندم کے بیجوں پر کام کیا ہے اور ہائبرڈ کارن کے بیج تیار کئے ہیں۔ ہم اپنے بیجوں کی حد میں نئی فصلیں شامل کرتے رہتے ہیں جو ہم کسان کو فراہم کرتے ہیں۔ ہم ہائبرڈ کارن کے بیجوں کی تیاری پر پوری طرح کام کر رہے ہیں۔ کمپاس کی فصل کے بارے میں کاشتکاروں کے مثبت انداز سے ہمیں فائدہ ہوا۔ ہمارے نتائج میں تھرڈ پارٹی کاٹن بیج پروسیسنگ/کل 3612 میٹرک ٹن ڈلنگنگ (2019: 3442 میٹرک ٹن) میں اضافہ دکھایا گیا ہے۔

2019 میٹرک ٹن	2020 میٹرک ٹن	پیداوار
<b>3442</b>	<b>3612</b>	مالی نتائج
		یہاں مالی نتائج کا خلاصہ پیش کیا جا رہا ہے۔
148,444,493	146,878,482	فروخت
117,717,725	113,685,088	قیمت فروخت
<b>30,726,786</b>	<b>33,193,394</b>	ابتدائی منافع
23,699,255	24,550,316	آپریٹنگ اخراجات
1,018,038	1,136,379	مالی اور دیگر اخراجات
293,279	941,214	متفرق آمدنی
<b>6,302,755</b>	<b>8,447,913</b>	آمدنی ٹیکس لگانے سے پہلے
2,332,465	2,609,551	ٹیکس
<b>3,970,290</b>	<b>5,838,362</b>	ٹیکس لگانے کے بعد (نقصان)/منافع

کمپنی کے حسابات کے مدت جائزہ کے دوران میں COVID19 کی وجہ سے ملک اور بین الاقوامی مشکل حالات میں کمپنی نے بہتر کارکردگی دکھائی گئی ہے۔ حسابات فروخت میں تھوڑی کمی دکھاتے ہیں۔ ان مشکل حالات میں اس مثبت تبدیلی کی اصل وجہ ہمارے پیشہ ور عملے کی کوششیں ہیں۔ تیسری پارٹی کی کاشت نے ہمارے اخراجات کو کم کر دیا اور ہم امید کرتے ہیں کہ بیج کے ہمارے مختلف پروگراموں میں اس کو پیداوار کی ایک بڑی شکل کے طور پر استعمال کرتے رہیں گے۔ ہمارے نئے ہائبرڈس نے اچھے نتائج برآمد کیے اور مارکیٹ اور کسانوں کی طرف سے آنے والی اطلاعات مثبت ہیں۔ ہمیں امید ہے کہ ان بیجوں کی فروخت میں مزید اضافہ ہوگا۔

ہم ہائبرڈ کارن اور دیگر بیجوں کے R&D میں بھاری سرمایہ کاری جاری رکھے ہوئے ہیں۔ اس سے منافع کا مارجن کم ہوا ہے لیکن ہم اسے قابل قدر سرمایہ کاری سمجھتے ہیں۔ ہمیں امید ہے کہ آنے والی سہ ماہی ہائبرڈ کارن کی فروخت سے سازگار نتائج برآمد کرے گی۔ ہم پیداوار کے نتائج کے بارے میں پر امید ہیں۔ ہماری کمپاس کے بیج کی فروخت نے پیداوار کے اعلیٰ معیار کو برقرار رکھا ہے۔

انتظامی اخراجات کو کنٹرول کرنے میں انتظامیہ نے بہت عمدہ کارکردگی کا مظاہرہ کیا ہے۔ سخت مالی جانچ پڑتال کرتے ہوئے تقسیم کو زیادہ موثر بنایا گیا ہے۔ کمپنی اسٹیٹ بینک آف پاکستان کے تمام پروڈیوسٹیل ریگولیشنز/تاسبات کو پورا کرتی ہے۔ ہمارے پاس بینکوں سے رقم قرض لینے کا آپشن موجود ہے لیکن بطور پالیسی کوئی قرض نہیں لے رہے۔

## کارپوریٹ گورننس

- براہ کرم نوٹ کریں کہ آپ کی کمپنی کوڈ آف کارپوریٹ گورننس کی دفعات کی پوری طرح تعمیل کر رہی ہے جیسا کہ اسٹاک ایکسچینج نے ہدایات دی ہوئی ہیں۔
- کارپوریٹ اور مالی رپورٹنگ فریم ورک کے بارے میں مندرجہ ذیل بیانات ہیں۔
1. کمپنی انتظامیہ کے ذریعے تیار کردہ مالیاتی رپورٹ، اس کے معاملات / کیش فلو اور ایکویٹی کی صحیح تصویر پیش کرتی ہے۔
  2. کمپنی کے زیر نگرانی اکاؤنٹس کی کتابیں بنائی گئی ہیں۔
  3. مالی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو ہوتی ہیں اور محاسبہ کا تخمینہ معقول اور محتاط فیصلے پر مبنی ہوتا ہے۔
  4. بین الاقوامی اکاؤنٹنگ کا معیار جو کہ پاکستان میں لاگو ہوتا ہے، مالی رپورٹس کی تیاری کیلئے استعمال کیا گیا ہے۔
  5. اندرونی کنٹرول کا نظام مستحکم ہے اور اندرونی آڈٹ اور اس طرح کے دیگر طریقہ کار کے ذریعے اس کا مستقل جائزہ لیا جاتا ہے۔ نظر ثانی کا عمل مزید بہتر بنانے کے مقصد کے ساتھ جاری رہے گا۔
  6. کمپنی نے کارپوریٹ گورننس کے بہترین طریقوں پر عمل کیا ہے، جیسا کہ جہاں بھی ممکن ہو اسٹیک کے ضوابط پر عمل کیا گیا ہے۔
  7. کمپنی کے کام کرنے کی صلاحیت پر کوئی شک نہیں۔
  8. کمپنی نے کسی بھی منافع کا اعلان نہیں کیا ہے۔ کمپنی نے بہتر نتائج اور منافع حاصل کرنے کے لئے دستیاب فنڈز میں سرمایہ کاری اور ان کا استعمال کرنے کا منصوبہ بنایا ہے۔

## آڈٹ کمیٹی

بورڈ نے ایک آڈٹ کمیٹی تشکیل دی ہے، جس میں دونوں ایگزیکٹو ڈائریکٹرز شامل ہیں اور اس کا چیئر مین خود مختار ڈائریکٹر ہے۔

## ایچ آر کمیٹی

بورڈ نے ایک ایچ آر کمیٹی تشکیل دی ہے، جس میں دونوں ایگزیکٹو ڈائریکٹرز اور ایک خود مختار ڈائریکٹر شامل ہیں۔

## رسک مینجمنٹ کمیٹی

بورڈ نے ایک رسک مینجمنٹ کمیٹی تشکیل دی ہے، جس میں دونوں ایگزیکٹو ڈائریکٹرز اور ایک خود مختار ڈائریکٹر شامل ہیں۔

## کلیدی آپریٹنگ اور مالیاتی ڈیٹا

نظر ثانی رپورٹ میں چھ سالوں کے کلیدی آپریٹنگ اور مالی اعداد و شمار کا خلاصہ پیش کیا گیا ہے۔

## وژن/میشن

کمپنی کے وژن/میشن کی عکاسی کرنے والا بیان ضمیمہ ہے۔

## اخلاقیات اور کاروباری عمل

کمپنی کے اخلاقیات اور کاروباری طریقوں کا خاکہ پیش کیا گیا ہے۔

## بورڈ کے اجلاس

مالی سال کے دوران زیر نگرانی چھ اجلاس ہوئے اور متعلقہ ڈائریکٹرز کی حاضری کچھ اس طرح تھی۔

بورڈ میننگ میں شرکت کی تعداد	ڈائریکٹرز کے نام
6	مسٹر فائز رحیم خان
3	مسٹر آصف رحیم خان
6	جناب حامد جمشید
5	جناب طارق محمود حسن بٹ
4	مسز فائزہ فائز خان
6	مسٹر انوار الحق
6	مسٹر اسد رحیم خان
2	مسٹر سعد رحیم خان

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

سال کے دوران بورڈ میں تبدیلیاں

ڈائریکٹرز کی وقتی اسامی

سال کے دوران، بورڈ میں حسب ذیل ایک خالی آسامی پیدا ہوئی۔

نئے ڈائریکٹرز کی تقرری کی تاریخ  
دسمبر 26، 2019

سبکدوش ہونے والے ڈائریکٹرز  
سعد رحیم خان

شیئر ہولڈنگز کا نمونہ

شیئر ہولڈنگز کا نمونہ صفحہ نمبر 46 پر ہے۔

مستقبل کا تعین

مستقبل میں ہم ہائپر ڈکارن بیچ پر توجہ دیں گے لیکن اپنے بیچوں کی حد کو جامع بنانے کے لئے بھی کوششیں کریں گے۔ آنے والے سال میں ہم کپاس کے بیچ اور گندم کی مختلف اقسام میں سرمایہ کاری کریں گے اور سبزیوں کے بیچوں کی منڈی میں داخل ہونے کا ارادہ کریں گے۔ یہ ہمارے اعلیٰ معیار کے معیار کو برقرار رکھتے ہوئے ہماری صلاحیت کے استعمال میں مزید اضافہ کرے گا۔

آڈیٹرز

موجودہ آڈیٹرز ایم/ایس۔ سرور چارٹرڈ اکاؤنٹنٹس، ریٹائرڈ اور اہل ہونے کے بعد، 30 جون 2021 کو ختم ہونے والے سال کے لئے دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔

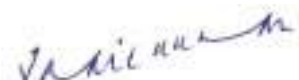
اعتراف

میں اپنے ملازمین، صارفین اور سپلائرز کا ان کی مسلسل حمایت اور کمپنی میں اعتماد کے لئے ان کا شکریہ ادا کرنا چاہتا ہوں۔ ہمارے تمام حصص یافتگان کو نتائج کا قریب سے جائزہ لینا چاہئے اور یہ دیکھنا چاہئے کہ ہم صحیح سمت میں ترقی کر رہے ہیں۔ میں حمایت اور حوصلہ افزائی کے لئے اپنے حصص داروں سے اظہار تشکر کرنا چاہتا ہوں۔

LAHORE  
October 06, 2020



Director



Chief Executive

## **VISION/MISSION STATEMENT**

### **a. Vision Statement**

Our Vision is;

- \* A leading producer of agro products (seeds, chemicals) by providing the highest quality of products and services to its customers/growers by making an efficient use of the sciences of modern genetics, biotechnology and plant nutrition.
- \* To strive for excellence through commitment , integrity, honesty and team work.
- \* Highly ethical company and be respected corporate citizen to continue playing due role in the social and environmental sectors of the country.
- \* To develop an extremely motivated and professional trained work force, which would drive growth through innovation and renovation.
- \* Sustained growth in earning in real terms.

### **b. Mission Statement**

- \* Our mission is to be dynamic, profitable and growth oriented company by providing good return on investment to its shareholders and investors, quality products to its customers/growers and a secure and friendly environment place of work to its employees and to project Paksitan's image in the National and International agro Market.

**STATEMENT OF COMPLIANCE  
With Listed Companies (Code of Corporate Governance) Regulations, 2019  
Year ending: June 30, 2020**

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

1. The total number of director's are as per the following:

Gender	Number
Male	6
Female	1

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

Category	Names
Independent Director	Mr. Tariq Mahmood Hassan Butt
Other Non Executive Directors	Mr. Saad Rahim Khan Mr. Hamid Jamshed Mr. Asad Rahim Khan Mrs. Faiza Faaiz Khan
Executive Directors	Mr. Faaiz Rahim Khan Mr. Anwar Ul Haq

Further, as per the provision to Regulation 6 of the 2019 Code, grace period has been prescribed in respect of transition phase for composition of the Board with respect to minimum number of independent directors as specified in the 2017 Code. Subsequent to the year end, fresh election for the Company's Board of Directors were held on October 27, 2018 and the related requirement of the 2017 Code has also been complied with.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. In terms of Regulation 20 of Code of Corporate Governance Regulations, 2017, the listed Companies are required to ensure that at least half of the directors on their board must have acquired the prescribed certification under Director Training Program by June 30, 2019. One of the seven Directors is exempt from this training program on the basis of having a minimum of 14 years of education and 15 years of experience on the board of a listed company. However the company is pursuing to comply with these regulations in the next financial year. All Directors are Exempt from Director Training, as all of them qualify to be Director on basis of Education and Experience.
10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:

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

<b>Committees</b>	<b>Composition/Names</b>
Audit Committee	Mr. Tariq Mahmood Hassan Butt - Chairman (Independent Director) Mr. Saad Rahim Khan - Member Mr. Asad Rahim Khan - Member
HR & Remuneration Committee	Mr. Asad Rahim Khan – Chairman Mr. Tariq Mahmood Hassan Butt– Member (Independent Director) Mrs. Faiza Faaiz Khan - Member
Risk Management Committee	Mr. Saad Rahim Khan - Chairman Mr. Tariq Mahmood Hassan Butt– Member (Independent Director) Mrs. Faiza Faaiz Khan - Member

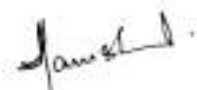
The Company was in compliance with the Code of Corporate Governance, 2012 for the year ended June 30, 2019. Further, during the year, the committees of the Board of Directors have been reconstituted to comply with the requirements of the 2019 Code.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committee was as per following:

<b>Committees</b>	<b>Composition/Names</b>
Audit Committee	Four quarterly meetings were held during the financial year ended June 30, 2020
HR & Remuneration Committee	One meeting was held during the financial year ended June 30, 2020
Risk Management Committee	Two meeting was held during the financial year ended June 30, 2020

15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations have been complied with.

Place: Lahore.  
Date: October 06, 2020

  
**HAMID JAMSHED**  
Chairman

## **STATEMENT OF ETHICS AND BUSINESS PRACTICES**

Data Agro Limited was established with an aim of producing quality delinted cotton seed for its customers. The following core values have been incorporated in our system to promote ethical business practices while producing quality products.

### **THE QUALITY OF PRODUCT**

We strive to produce the best quality delinted cotton seed for our customers. We continuously update ourselves with technological advancements in cotton seed delinting technology and strive to implement these changes in our company. We maintain all relevant technical and professional standards to be compatible with the requirements of the trade.

### **EMPLOYEES**

Recruitment of personnel on merit offering training and career development, equal opportunities of growth, no discrimination or harassment and reward for achievements. Improved working conditions, ensuring safety and health. Terminal benefits as per policy on retirement or redundancy.

Employees shall not use company information and assets for their personal advantage. Conflict of interest shall be avoided and disclosed where it exists and guidance sought.

### **CUSTOMER RELATION**

Ensure customer satisfaction by providing quality products at competitive prices and ensuring after sale service and advice. Prompt, efficient attention to complaints is integral to our client care commitment.

### **SHARE HOLDERS, FINANCIAL INSTITUTIONS & CREDITORS**

Protection of investment made in the company. We focus on maximizing long term share holder's value through strong financial performance and returns, disciplined and profitable expansion. A commitment to accurate and timely communication on achievements and prospects.

### **SUPPLIERS**

Prompt settling of bills, co-operation to achieve quality and efficiency, no bribery or excess hospitality accepted or given.

### **SOCIETY/COMMUNITY**

Compliance with the spirit of laws. Timely payment of all Government taxes and dues. Eliminate the release of substance that may cause environmental damage. Financial assistance for promoting education and social activities including games and donations charity to deserving.

### **GENERAL**

The company shall neither support any political party nor contribute funds to groups or associations whose activities promote political interest through trade association.

### **IMPLEMENTATION**

Company board to ensure implementation of these codes, regular monitoring, review for modification/amendment where necessary.



## KEY OPERATING AND FINANCIAL DATA FOR THE LAST SIX YEARS

### BALANCE SHEET

#### CAPITAL & LIABILITIES

##### Share Capital & Reserve

##### Authorise Capital

5,000,000 ordinary shares of Rs. 10 each

	2020 Rupees	2019 Rupees	2018 Rupees	2017 Rupees	2016 Rupees	2015 Rupees
	<b>50,000,000</b>	<b>50,000,000</b>	<b>50,000,000</b>	<b>50,000,000</b>	<b>50,000,000</b>	<b>50,000,000</b>
<b>Issued, subscribed and paid up capital</b>	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000
4,000,000 ordinary shares of Rs. 10 each	61,756,000	66,307,758	46,569,160	49,099,597	53,782,434	34,017,751
Surplus on Revaluation of Property, Plant & equipment	29,303,759	18,943,441	10,498,310	2,345,792	(4,888,780)	(5,646,953)
Revenue reserve	131,059,759	125,251,199	97,067,470	91,445,388	88,893,654	68,370,798
Loan from directors	24,378,943	27,878,943	24,378,943	24,378,943	26,378,943	27,878,943
<b>NON-CURRENT LIABILITIES</b>	<b>25,805,466</b>	<b>25,952,919</b>	<b>21,767,017</b>	<b>23,851,230</b>	<b>24,836,648</b>	<b>8,048,416</b>
Deferred liabilities	25,805,466	25,952,919	21,767,017	23,851,230	24,836,648	8,048,416
<b>CURRENT LIABILITIES</b>	<b>23,105,828</b>	<b>20,066,670</b>	<b>20,562,945</b>	<b>21,186,343</b>	<b>9,532,861</b>	<b>12,535,271</b>
Trade and other payable	-	-	-	-	-	-
Current maturity of long term liabilities	5,229,034	4,139,303	4,155,430	3,797,585	2,860,351	1,381,027
provision for taxation	28,334,862	24,205,973	24,718,375	24,983,928	12,393,212	13,916,298
	<b>209,579,029</b>	<b>203,289,033</b>	<b>167,931,805</b>	<b>164,659,489</b>	<b>152,502,457</b>	<b>118,214,456</b>

#### NON-CURRENT ASSETS

Property plant & equipment

	93,072,455	99,028,064	75,660,922	83023316	87581255	59,300,218
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#### CURRENT ASSETS

Store, spares & loose tools

Stock in trade

Trade debts

Loans, advances, deposit and prepayments, tax refund

Trade deposit and short term payments

Cash & bank balances

	5,173,230	4,792,724	3,893,053	4,122,022	2,921,558	3,167,979
	36,035,095	31,059,304	30,032,857	30,224,786	13,715,779	17,256,540
	51,555,886	51,183,004	40,243,065	34,120,028	30,819,081	27,145,995
	7,757,000	9,466,544	7,139,786	6,711,482	6,846,660	5,074,956
	3,344,374	2,541,547	2,302,774	1,840,030	2,594,738	2,704,031
	12,640,989	5,217,846	8,659,348	4,617,825	8,023,386	3,564,737
	116,506,574	104,260,969	92,270,883	81,636,173	64,921,202	58,914,238
	<b>209,579,029</b>	<b>203,289,033</b>	<b>167,931,805</b>	<b>164,659,489</b>	<b>152,502,457</b>	<b>118,214,456</b>

**PROFIT AND LOSS ACCOUNT**

	2020	2019	2018	2017	2016	2015
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Turnover	146,878,482	148,444,493	130,597,599	122,375,954	83,232,427	71,368,446
Cost of sales	113,685,088	117,717,725	103,292,839	95,118,324	61,565,184	60,186,814
<b>Gross profit</b>	<b>33,193,394</b>	<b>30,726,768</b>	<b>27,304,760</b>	<b>27,257,630</b>	<b>21,667,243</b>	<b>11,181,632</b>
<b>Operating Expenses</b>						
Administrative expenses	18,245,577	16,742,984	13,287,148	12,527,194	9,414,221	6,078,428
Selling & distribution expenses	6,304,739	6,956,270	7,130,654	9,001,486	11,273,471	3,304,277
	24,550,316	23,699,255	20,417,802	21,528,680	20,687,692	9,382,705
<b>Operating profit</b>	<b>8,643,078</b>	<b>7,027,514</b>	<b>6,886,958</b>	<b>5,728,950</b>	<b>979,551</b>	<b>1,798,927</b>
Finance cost	1,136,379	1,018,038	907,381	740,809	852,870	722,622
Other income	941,214	293,279	897,764	77,770	3,937,610	81,050
<b>Profit before taxation</b>	<b>8,447,913</b>	<b>6,302,755</b>	<b>6,877,341</b>	<b>5,065,911</b>	<b>4,064,291</b>	<b>1,157,355</b>
Taxation	2,609,551	2,332,465	3,024,329	2,728,309	8,654,350	1,879,412
<b>Profit/(loss) after tax</b>	<b>5,838,362</b>	<b>3,970,290</b>	<b>3,853,012</b>	<b>2,337,602</b>	<b>(4,590,059)</b>	<b>(722,057)</b>
Unappropriated profit/loss b/f	18,943,441	10,498,309	2,345,792	(4,888,780)	(5,646,953)	(7,845,747)
	24,781,803	14,468,599	6,198,804	(2,551,178)	(10,237,012)	(8,567,804)
<b>Total comprehensive income</b>	<b>(29,802)</b>	<b>389,957</b>	<b>84,952</b>	<b>214,132</b>	<b>2,137,157</b>	<b>108,177</b>
Transfer from surplus	4,551,758	4,084,884	4,214,554	4,682,838	3,211,075	2,812,674
<b>Accumulated profit/(loss) c/f to balance sheet</b>	<b>29,303,759</b>	<b>18,943,441</b>	<b>10,498,309</b>	<b>2,345,792</b>	<b>(4,888,780)</b>	<b>(5,646,953)</b>

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF DATA AGRO LIMITED  
REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES  
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Data Agro Limited for the year ended June 30, 2020, in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on Our Review, except for non-compliance to Regulation no. 6, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2020.

Reference of Regulation	Description	Explanation
6	There is Only One Independent Director in Company.	According to Regulation Every Company Must have at least 2 Independent Directors or 1/3 of the total directors, Whichever is the higher.

**Date: October 06, 2020**  
**Place: Lahore**

  
  
**Sarwars**  
**Chartered Accountants**  
**Engagement Partner: Shan Ibrahim**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DATA AGRO LIMITED**

### **Report on the Audit of Financial Statements**

#### **Opinion**

We have audited the annexed financial statements of DATA AGRO LIMITED (the Company), which comprise the statement of financial position as at June 30, 2020, and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes 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, 2020 and of the profit and total comprehensive profit, the changes in equity and its cash flows for the year then ended.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

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

Following are the Key audit matters:

Key audit matter	
<p><b>Restatement of Error</b></p> <p>As referred to the note 2.3.1 to the accompanying financial statements, the management made inadvertent error in prior years relating to calculation of deferred tax as per IAS 12. The error has been rectified in accordance to the requirements of IAS 8 - Accounting Policies and Changes in Accounting Estimates and Errors.</p> <p>We have considered the above as a Key Audit Matter due to the complexity involved in calculation from financial year 2015 to financial year 2019, further the inherent limitations involved in the calculations for retrospective application before 2016 and compliance with the disclosure requirements of IAS 8 – Accounting Policies and Changes in Accounting Estimates and Errors.</p>	<p><b>Our audit procedures included the following:</b></p> <p>Reviewed working to ensure that all required data has been accounted for adjustment.</p> <p>Re-performed the calculations based on the working and valuation reports of the respective years.</p> <p>Reviewed that, effects due to changed accounting W.D.V, Tax W.D.V, surplus on revaluation of fixed assets and deferred liability, have been properly adjusted/ restated in the financial statements; and</p> <p>Assessed the appropriateness of the related disclosures by the management in the financial statements of the Company in accordance with IAS - 1 and IAS-8.</p>
<p><b>Change in accounting policy</b></p> <p>As referred in note no. 3.25 to the financial statements , the management has changed its accounting policy of seeds grown at own farms from IAS 2 to IAS 41 and has applied the policy prospectively as it is impracticable and involves a lot complex working to cater its effects on the financial statements in earlier years.</p> <p>However, the management is of the opinion that had the effects been incorporated it would have no effects on opening retained earnings.</p>	<p><b>Our audit procedures included the following:</b></p> <p>Performed recalculation</p> <p>Assessed the fair values at the reporting date by inquiring in open market</p> <p>Assessed the appropriateness of disclosure as per the requirements of IAS 41</p>

## **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 of the company 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 the going concern, disclosing, as applicable, matters relating 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 Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

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

- (a) proper books of accounts 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 and the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of accounts and returns;
- (c) investment 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 audit resulting in this independent auditor's report is Shan Ibrahim (ACA).

Date: October 06, 2020  
Place: Lahore.



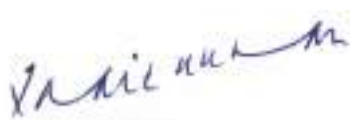
**SARWARS**  
**CHARTERED ACCOUNTANTS**  
Engagement Partner: Shan Ibrahim (ACA)

**STATEMENT OF FINANCIAL POSITION**

**EQUITY AND LIABILITIES**

	Note	2020 Rupees	2019 Rupees (Restated)	2018 Rupees (Restated)
<b>SHARE CAPITAL AND RESERVES</b>				
Share capital	4	40,000,000	40,000,000	40,000,000
Surplus On Revaluation of Property Plant and Equipment	5	61,756,000	66,307,758	46,569,160
Revenue reserves		<u>29,303,759</u>	<u>18,943,441</u>	<u>10,498,310</u>
		131,059,759	125,251,199	97,067,470
Loan from director	6	24,378,943	27,878,943	24,378,943
<b>NON - CURRENT LIABILITIES</b>				
Deferred liabilities	7	<u>25,805,466</u>	<u>25,952,919</u>	<u>21,767,017</u>
		25,805,466	25,952,919	21,767,017
<b>CURRENT LIABILITIES</b>				
Trade and other payables	8	<u>23,105,828</u>	<u>20,066,670</u>	<u>20,562,945</u>
Provision for taxation	9	<u>5,229,034</u>	<u>4,139,303</u>	<u>4,155,430</u>
		28,334,862	24,205,973	24,718,375
<b>CONTINGENCIES AND COMMITMENTS</b>	10	-	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>209,579,029</b></u>	<u><b>203,289,033</b></u>	<u><b>167,931,805</b></u>

The annexed notes from 1 to 34 form an integral part of these financial statements.



Chief Executive



Director



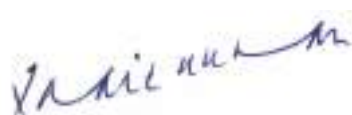
Chief Financial Officer



**AS AT JUNE 30, 2020**

	Note	2020 Rupees	2019 Rupees (Restated)	2018 Rupees (Restated)
<b>ASSETS</b>				
<b>NON - CURRENT ASSETS</b>				
Property, plant and equipment	11	93,072,455	99,028,064	75,660,922
<b>CURRENT ASSETS</b>				
Stores, spare parts and loose tools	12	5,173,230	4,792,724	3,893,053
Stock in trade	13	36,035,095	31,059,304	30,032,857
Trade debts - unsecured	14	51,555,886	51,183,004	40,243,065
Loans and advances - unsecured	15	7,757,000	9,466,544	6,674,227
Trade deposits and short term prepayments	16	3,344,374	2,541,547	2,302,774
Tax refunds due from the Government		-	-	465,559
Cash and bank balances	17	12,640,989	5,217,846	8,659,348
		116,506,574	104,260,969	92,270,883
<b>TOTAL ASSETS</b>		<b>209,579,029</b>	<b>203,289,033</b>	<b>167,931,805</b>

The annexed notes from 1 to 34 form an integral part of these financial statements.



Chief Executive



Director



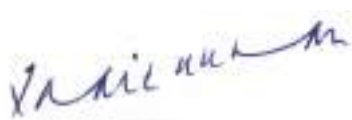
Chief Financial Officer

**STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED JUNE 30, 2020**

	Note	2020 Rupees	2019 Rupees
Turnover	18	146,878,482	148,444,493
Cost of sales	19	<u>113,685,088</u>	<u>117,717,725</u>
<b>Gross profit</b>		<b>33,193,394</b>	<b>30,726,768</b>
Administrative expenses	20	<u>18,245,577</u>	<u>16,742,984</u>
Distribution cost	21	<u>6,304,739</u>	<u>6,956,270</u>
		<u>24,550,316</u>	<u>23,699,254</u>
<b>Operating profit</b>		<b>8,643,078</b>	<b>7,027,514</b>
Finance cost	22	<u>1,136,379</u>	<u>1,018,038</u>
		<u>7,506,699</u>	<u>6,009,476</u>
Other income	23	<u>941,214</u>	<u>293,279</u>
<b>Profit before taxation</b>		<b>8,447,913</b>	<b>6,302,755</b>
Taxation	24	<u>2,609,551</u>	<u>2,332,465</u>
<b>Profit after taxation</b>		<b><u>5,838,362</u></b>	<b><u>3,970,290</u></b>
<b>Earning per share-Basic and diluted</b>		<b><u>1.46</u></b>	<b><u>0.99</u></b>

The appropriations from profits are set out in the statement of changes in equity.

*The annexed notes from 1 to 34 form an integral part of these financial statements.*



Chief Executive



Director

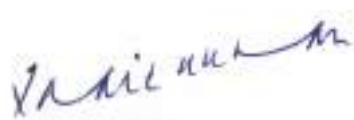


Chief Financial Officer

**STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2020**

	Note	2020 Rupees	2019 Rupees
<b>PROFIT AFTER TAXATION</b>		5,838,362	3,970,290
<b>Other comprehensive income for the year</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>		-	-
<b>Items that will not be subsequently reclassified to profit or loss:</b>		-	-
Remeasurement of retirement benefit		(41,975)	389,957
Related to Deferred Tax		12,173	-
Revaluation surplus during the Year		-	28,590,709
Related to Deferred Tax		-	(4,767,226)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b><u>5,808,560</u></b>	<b><u>28,183,730</u></b>

*The annexed notes from 1 to 34 form an integral part of these financial statements.*



Chief Executive



Director

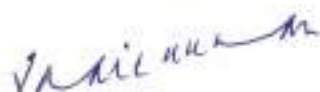


Chief Financial Officer

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2020**

		<b>2020 Rupees</b>	<b>2019 Rupees (Restated)</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit/(Loss) before tax		8,447,913	6,302,755
Adjustments for:			
Depreciation		8,286,801	7,164,567
Financial charges		309,782	368,292
Provision for doubtful debts		1,376,235	-
Provision for workers profit participation fund		479,215	356,654
Provision for workers welfare fund		347,382	293,092
Provision for gratuity		2,442,227	1,672,846
<b>Operating Profit/(loss) before working capital changes</b>		<b>21,689,555</b>	<b>16,158,206</b>
<b>Working capital changes</b>			
<b>(Increase ) / decrease in current assets</b>			
Stores, spares and loose tools		(380,506)	(899,671)
Stock in trade		(4,975,791)	(1,026,447)
Trade debts		(1,749,117)	(10,939,939)
Loan and advances		796,831	(2,652,222)
Tax due from government		-	465,559
Trade deposits and short term prepayments		(802,827)	(238,773)
<b>Increase /(decrease) in current liabilities</b>		<b>(7,111,410)</b>	<b>(15,291,493)</b>
Trade and other payables		3,679,942	(94,956)
<b>Cash generated from/(utilized in) operations</b>		<b>18,258,087</b>	<b>771,757</b>
Financial Charges Paid		(309,782)	(368,292)
Workers profit participation fund paid		-	-
Workers welfare fund paid		(1,467,380)	(1,051,066)
Gratuity paid		-	(57,375)
Income Tax paid		(3,226,590)	(4,295,525)
		(5,003,752)	(5,772,258)
<b>Net cash flow from/(utilized in) operating activities</b>	<b>A</b>	<b>13,254,335</b>	<b>(5,000,502)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(2,331,191)	(1,941,000)
<b>Net cash flow from/(utilized in) investing activities</b>	<b>B</b>	<b>(2,331,191)</b>	<b>(1,941,000)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Loan from Director		(3,500,000)	3,500,000
<b>Net cash flow from/(utilized in) financing activities</b>	<b>C</b>	<b>(3,500,000)</b>	<b>3,500,000</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>A+B+C</b>	7,423,144	(3,441,502)
<b>Cash and cash equivalents at the beginning of the year</b>		5,217,845	8,659,347
<b>Cash and cash equivalents at the end of the year</b>		<b>12,640,989</b>	<b>5,217,845</b>
<b>Cash &amp; cash equivalents are</b>			
Cash in hand		907,301	587,532
Cash at bank		11,733,688	4,630,314
		<b>12,640,989</b>	<b>5,217,846</b>

The annexed notes from 1 to 34 form an integral part of these financial statements.

  
Chief Executive

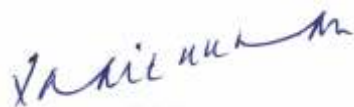
  
Director

  
Chief Financial Officer

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2020**

Description	Share Capital Rs.	Capital Reserve	Revenue Reserves Rs.	Directors/ Sponsors Loan	Total Rs.
		Surplus on revaluation of property, plant and equipment			
<b>Balance as at July 1, 2018</b>	<b>40,000,000</b>	<b>48,940,095</b>	<b>2,011,249</b>	<b>24,378,943</b>	<b>115,330,287</b>
Error of restatement		(2,370,935)	8,487,061	-	6,116,126
<b>Balance as at July 1, 2018- Restated</b>	<b>40,000,000</b>	<b>46,569,160</b>	<b>10,498,310</b>	<b>24,378,943</b>	<b>121,446,413</b>
Total Comprehensive Income for the year- <b>Restated</b>			4,360,247		4,360,247
Surplus on revaluation during the year		28,590,709			28,590,709
Deferred tax relating to surplus		(4,767,226)			(4,767,226)
Transferred from surplus on revaluation to unappropriated profit due to incremental depreciation - <b>Restated</b>		(4,084,885)	4,084,884		-
Addition in Directors/Sponsors Loan				3,500,000	3,500,000
Deletion in Directors/Sponsors Loan					
<b>Balance as at June 30, 2019</b>	<b>40,000,000</b>	<b>66,307,758</b>	<b>18,943,441</b>	<b>27,878,943</b>	<b>153,130,144</b>
<b>Balance as at July 1, 2019- Restated</b>	<b>40,000,000</b>	<b>66,307,758</b>	<b>18,943,441</b>	<b>27,878,943</b>	<b>153,130,144</b>
<b>Profit after tax for the year</b>			5,838,362	-	5,838,362
Comprehensive Income for the year			(29,802)		(29,802)
Surplus on revaluation during the year		-	-		-
Deferred tax relating to surplus transferred from surplus on revaluation to unappropriated profit due to incremental depreciation		(4,551,758)	4,551,758		-
Addition in Directors/Sponsors Loan					
Deletion in Directors/Sponsors Loan				(3,500,000)	(3,500,000)
<b>Balance as at June 30, 2020</b>	<b>40,000,000</b>	<b>61,756,000</b>	<b>29,303,759</b>	<b>24,378,943</b>	<b>155,438,703</b>

The annexed notes from 1 to 34 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 30, 2020

### 1. STATUS AND NATURE OF BUSINESS

The company was initially incorporated as a private limited company in Pakistan under the repealed Companies Ordinance, 1984 (Repealed with the enactment of Companies Act, 2017 on May 30, 2017) on November 10, 1992 and was converted into a public limited company on March 06, 1994. The company is listed on Lahore and Karachi Stock Exchanges. The principal activity of the company is production, processing and grading of agro seeds. The registered office of the company is situated at Suite 5, The Polo Residence, Opposite Allama Iqbal International Airport, Adjacent Sector A, Phase 8, DHA, Lahore, Punjab, Pakistan and principal place of business is at 8-Km Khanewal road, Kabirwala.

#### Location of Factory

The location of the principal place of business of the company is at 8-km Khanewal road, Kabirwala and the area of whole factory is 43 Kanals.

#### 1.1 Summary of significant events and transactions in the current reporting period

The Company's financial position and performance was particularly affected by the following events and transactions during the reporting period:

- a) Company obtain loan from director during the year. As detailed in note # 6
- b) Company purchased fixed asset during the year. As detailed in note #11.1

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### 2.2 Standards, interpretation and amendment adopted during the year

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

##### 2.2.1 New accounting standards / amendments and IFRS interpretations that are effective from,

The following standards, amendments and interpretations are effective for the year ended June 30, 2019. These standards, interpretations and the amendments relevant to the Company's operations but are not expected to have significant revised impact on the Company's financial statements other than certain additional disclosures.

The Company has adopted IFRS 16 'Leases' with effect from 01 July 2019. IFRS 16 "Leases" has replaced IAS 17 "Leases", the former lease accounting standard, and has become effective from annual accounting periods beginning on or after January 1, 2019. Under the new standard, almost all leases which meet the criteria described in the standard will be recognized on the statement of financial position with only exceptions of short term and low value leases. Under IFRS 16, an asset (the right to use the leased item) is recognized along with corresponding financial liability to pay rentals at the present value of future lease payments over the lease term, discounted with the specific incremental borrowing rate. There would be no effect on the financial statements on adoption of IFRS-16 during the current financial year.

#### Standard or Interpretation

IAS 1	Presentation of financial statements (Amendments)	January 1, 2020
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2020
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IAS 39	Financial Instruments: Recognition and Measurement (Amendments)	January 1, 2020
IFRIC 23	Accounting treatment when there is uncertainty over income tax treatment under IAS 12	January 1, 2019
IFRS 7	Financial instruments: disclosures (Amendments)	January 1, 2020
IFRS 9	Financial instruments (Amendments)	January 1, 2020
IFRS 16	Covid-19 - Rent Related Concessions (Amendments)	June 1, 2020
IAS 19	Amendments to "Employee benefits"	January 1, 2019

The management anticipates that adoption of above new standards and amendments of the standards will have no material impact on the Company's financial statements in the period of initial application.

#### Improvements to Accounting Standards Issued by the IASB

IFRS 2	Share based payments-Definitions of vesting conditions
IFRS 3	Business Combinations- Accounting for contingent consideration in a business combination
IFRS 3	Business Combination- Scope exception for joint ventures
IFRS 8	Operating Segments- Aggregation of operating segments
IFRS 8	Operating Segments- Reconciliation of total of the reportable segments' assets to the entity's assets
IFRS 13	Fair Value Measurements- Scope of paragraph 52 (portfolio exception)
IAS 16	Property, Plant and Equipment and IAS 38 Intangible Assets- Revaluation method- proportionate Restatements of accumulated depreciation/ amortization
IAS 24	Related Party Disclosure – Key management personnel and applicable accounting policies
IAS 40	Investment Property – Interrelationship between IFRS 3 and IAS 40 (ancillary services)

The adoption of the above amendments, improvements to accounting standards and interpretations will not have any effect on the financial statements in the period of initial application and relating to disclosure of financial statements without effecting consistent accounting policy subject to applicability.

The Act Amendment in Fourth Schedule

Notification Date: July 29, 2019

SECP brought certain alterations in Fourth Schedule of the Act with regard to preparation and presentation of financial statements. These alterations resulted in elimination of certain disclosures in these financial statements of the Company as at March 31, 2020.

## 2.2.2 New accounting standards, amendments to published standards and interpretations that are effective from,

Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions	Effective from accounting period beginning on or after January 01, 2018
IFRS 9 'Financial Instruments' - This standard will supersede IAS 39 Financial Instruments: Recognition and Measurement upon its effective date.	Effective from accounting period beginning on or after July 01, 2019
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities.	Effective from accounting period beginning on or after January 01, 2019
IFRS 15 'Revenue' - This standard will supersede IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date.	Effective from accounting period beginning on or after July 01, 2018
Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements.	Effective from accounting period beginning on or after January 01, 2019.
Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	Effective from accounting period beginning on or after January 01, 2019
Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property	January 01, 2018. Earlier application is permitted.
IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	January 01, 2018. Earlier application is permitted.
IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 01, 2019. Earlier application is permitted.

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

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 14 – Regulatory Deferral Accounts
- IFRS 17 – Insurance Contracts

## 2.3 Basis of preparation

These financial statements have been prepared under the historical cost convention without any adjustment for the effect of inflation or reference to current values, except to the extent that land, building and certain plant and machinery have been included at revalued amounts, staff retirement benefits recognized at present value and financial assets has been measured and recorded at fair value.

### 2.3.1. RESTATEMENT OF ERROR

The company committed inadvertent error in previous years relating to calculation of deferred tax on surplus on the revaluation of fixed Assets and accelerated depreciation as per IAS-12. The existing & revised impact on the financial statements is given below.

	2019			2018		
	Amount Previously Reported	Difference	Restated Amount	Amount Previously Reported	Difference	Restated Amount
	Rupees			Rupees		
<b>Effect on SOFP</b>						
Accelerated Tax Depreciation	19,678,912	(18,898,052)	780,860	547,923	176,934	724,856
Revaluation Surplus	69,665,356	(3,357,598)	66,307,758	48,940,095	(2,370,935)	46,569,160
Deferred Tax Revaluation Surplus	26,417,418	(6,769,303)	19,648,115	22,915,663	(6,293,060)	16,622,603
	-	(29,024,954)			(8,487,061)	
<b>Effect on SOCE</b>	<b>99,583,842</b>	<b>29,024,954</b>	<b>125,251,201</b>	<b>90,951,344</b>	<b>8,487,061</b>	<b>99,438,405</b>
<b>Effect on P&amp;L</b>	<b>17,744,394</b>	<b>19,551,232</b>	<b>(1,806,838)</b>			
Current Year Deferred Tax on Accelerated Tax Depreciation & Revaluation Surplus		25,667,356				
Effect of Previous Restatement		(6,116,126)				
		<b>19,551,229</b>				

## 2.4 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pakistan Rupees, which is the Company's functional and presented currency. All financial information presented in Pakistan Rupees has been rounded to the nearest rupees.

## 2.5 MEASUREMENT OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the measurement of fair value both for financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. Management has overall responsibility for overseeing all significant fair value measurements, including Level 3 Fair Values

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the approved accounting standards as applicable in Pakistan, including the level in the fair value hierarchy in which the valuations should be classified

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred

## 2.6 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made.

Significant management estimates in these financial statements relate to the useful life and residual value of property, plant and equipment, provision for doubtful receivables, slow moving inventory, defined benefits plans, accrued liabilities, taxation etc. However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in the financial statements.

## 3 THE PRINCIPAL ACCOUNTING POLICIES ADOPTED ARE SET OUT AS BELOW

### 3.1 Property, plant and equipment

Property, plant and equipment except freehold land, building on freehold land, plant and machinery, and capital work in progress are stated at cost less accumulated depreciation and impairment, if any.

#### Revaluation

Freehold land, building on freehold land and plant and machinery, are stated at revalued amount being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity so that the fair value and carrying value do not differ materially at the balance sheet date. Increases in the carrying amounts arising on revaluation of land, buildings and plant and machinery are recognised, net of tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognised in the statement of profit or loss, the increase is first recognised in the statement of profit or loss. Decrease that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property, plant and equipment to unappropriated profit. Depreciation is charged to income applying reducing balance method to write-off the cost over the estimated remaining useful life of assets. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment. Rates of depreciation are stated in note 12. In respect of additions and disposals during the year, depreciation is charged from the month of acquisition and up to the month preceding the disposal respectively.

Normal repair & maintenance costs are charged to the profit and loss account in the year in which these are incurred. Major renewals, improvements, cost or expenditure incurred on the property, plant equipment subsequent to their initial reorganization is capitalized when it increases the future economic lives of the relevant assets and it is probable that future economic benefits embodied within the item of addition will flow to the company and its cost can be measured reliably.

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 in Statement of Profit or Loss.

#### LEASED ASSETS

The leases, where all the risks and rewards incidental to ownership of the leased assets have been transferred to the company are classified as finance leases. Assets subject to finance lease are stated at the lower of present value of minimum lease payments under the lease agreements and the fair value of the leased assets less accumulated depreciation and accumulated impairment losses, if any.

The related rental obligations, net of finance charges, are included in liabilities against assets subject to finance leases. The liabilities are classified as current and long term depending upon the timing of the payment.

Each lease payment is allocated between the liability and finance charges so as to produce a constant periodic rate of interest on the balance outstanding. The interest element of the rental is charged to income over the lease term.

Assets acquired under a finance lease are depreciated over the useful life of assets on reducing balance method at the same rates that are applicable to the owned assets. Depreciation of lease assets is charged to profit and loss account.

Full depreciation on additions in leased assets is charged when an asset is acquired while no depreciation is charged in the year in which the asset is disposed off/ transferred to own assets.

#### CAPITAL WORK IN PROGRESS

Capital work in progress is stated at cost less any identifiable impairment loss and includes the expenditure on material, labour and appropriate overheads directly relating to the project. These costs are transferred to fixed assets as and when assets are available for intended use.



### 3.2 INTANGIBLE ASSETS

Intangible asset is an identifiable non-monetary item without physical substance. Intangible assets are recognized when it is probable the expected future economic benefit will flow to the entity and the cost of the asset can be measured reliably. Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged over the estimated useful life of the asset on a systematic basis applying the straight line method. Useful lives of intangible operating assets are reviewed, at each balance sheet date and adjusted if the impact of amortization is significant. 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 in Statement of profit or loss.

### 3.3 IMPAIRMENT

The carrying amount of the company's assets are reviewed at each balance sheet date to determine whether there are any indications of impairment. If any such indication exist, the asset's recoverable amount is estimated and impairment losses are recognized in the profit and loss account. The recoverable amount is the higher of an assets fair value less costs to sell and value in use. Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of initial cost of the asset. Reversal of impairment loss is recognized as income.

### 3.4 STOCKS, STORES AND SPARES

Inventories are valued at lower of cost and net realizable value as per requirements of IAS 2. Cost of major stock items is determined as follows;

- Stores, spares and loose tools	At weighted average cost
- Raw material	At weighted average cost
- Finished goods	Comprised of direct material, labour, and appropriate manufacturing overheads.
- Waste	At net realizable value.
- Material in transit	Are stated at invoice value plus other charges incurred thereon.

Net realizable value signifies the estimates selling price in the ordinary course of business less costs necessary to be incurred in order to make a sale.  
Stock produced at own farms                      Fair Value less estimated cost to sell

### 3.5 LOANS AND ADVANCES

Loans and advances are recognized initially at cost and subsequently measured at amortized cost.

### 3.6 CASH AND CASH EQUIVALENTS

For the purpose of cash flow statement ,Cash and cash equivalents comprise of cash in hand and Bank balance on current and deposit accounts.

### 3.7 STAFF RETIREMENT BENEFITS

#### Defined benefit plan

The Company operates an unfunded gratuity scheme for all of its permanent employees who have attained the minimum qualifying period for entitlement to the gratuity. Provisions are made periodically on the basis of actuarial valuations for the gratuity scheme. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the year in which they arise. Past service costs are recognized immediately in the profit and loss account.

#### THE PRINCIPAL ACTUARIAL ASSUMPTION USED IN THE VALUATION ARE AS FOLLOWS:

	2020	2019
Discount rate	8.50%	14.25%
Expected rate of increase in salaries	7.50%	13.25%
Expected mortality rate	SLIC (2001-2005)	SLIC (2001-2005)
Actuarial valuation method	Projected Unit Credit	Projected Unit Credit
Average expected remaining life of the employees	6 Years	6 Years

Actuarial valuations are conducted annually and the last valuations were conducted as on September 28, 2019 by Nauman Associates based on the "projected unit credit method"

All these calculations are subjective and judgements involved based on estimates and assumptions.

### 3.8 TRADE DEBTS AND OTHER RECEIVABLES

Trade debts and other receivables are carried at original invoice amount less an estimates made for doubtful debts, if any, base on the review of all outstanding amounts at the year end. Debts considered irrecoverable, are written off, as and when identified.

### 3.9 REVENUE RECOGNITION

Revenue from sale of goods is measured at the fair value of consideration received or receivable and recognized on delivery of goods to customers when significant risks and rewards are transferred to the buyers. Income from processing and harvesting services is recognized on accrual basis in accordance with the terms and conditions of the agreement with customers to the extent services are actually rendered and associated costs and outcomes of the transaction involving the rendering of such services can be measured reliably.

### 3.11 EXPENSE RECOGNITION

Expenses are recognized on accrual basis, or otherwise, as stated.

### 3.12 BORROWINGS

Loans and borrowings are recorded at the proceeds received. Financial charges are accounted for on accrual basis and are included in interest / mark-up payables on loans and other payables to the extent of amount remaining unpaid, if any.

### 3.13 BORROWING COST

Borrowing costs are recognized as an expense in the year in which these are incurred.

### 3.14 TRADE AND OTHER PAYABLES

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

### 3.15 RELATED PARTY TRANSACTIONS

The related parties comprise associated undertakings, directors of the Company and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Transactions and contracts with related parties (if any) are carried out at arm's length price determined in accordance with comparable uncontrolled price method.

### 3.16 FINANCIAL INSTRUMENTS

#### FINANCIAL ASSETS

**Classification:** The Company classifies its financial assets in the following measurement categories:

- Amortised cost where the effective interest rate method will apply;
- Fair value through profit or loss (FVTPL); and
- Fair value through other comprehensive income (FVTOCI)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income (OCI). For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

#### RECOGNITION AND DERECOGNITION

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Further, financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership

**Measurement:** At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

**Debt instruments:** Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company can classify its debt instruments

**Amortised cost:** Financial assets that are held for collection of contractual cash flows where the contractual terms of the financial assets give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss.

**Fair value through other comprehensive income (FVTOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the contractual terms of the financial asset give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue, and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other income. Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income and impairment expenses are presented as separate line item in the statement of profit or loss.

**Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income in the period in which it arises.

**Equity instruments:** The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established

#### FINANCIAL LIABILITIES

Financial liabilities are classified in the following categories:

- fair value through profit or loss; and
- other financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in case of other financial liabilities also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

**Fair value through profit or loss:** Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

**Other financial liabilities:** After initial recognition, other financial liabilities which are interest bearing subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in profit or loss for the year, when the liabilities are derecognized as well as through effective interest rate amortisation process.

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

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

## IMPAIRMENT

**Financial assets:** The Company assesses on a historical as well as on a forward looking basis the expected credit losses (ECL) as associated with its trade debts, deposits, advances, other receivables and cash and bank balances carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade debts, the Company applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance to be recognised from initial recognition of the receivables while general 3-stage approach for deposits, advances and other receivables and cash and bank balances i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognised when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognised without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk:

actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;

- actual or expected significant changes in the operating results of the debtor;
- significant increase in credit risk on other financial instruments of the same debtor; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or

information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company)

Irrespective of the above analysis, in case of trade debts, the Company considers that default has occurred when a debt is more than 365 days past due, unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

The Company recognises life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions

Trade debts with individually significant balance are separately assessed for ECL measurement. All other receivables are grouped and assessed collectively based on shared credit risk characteristics and the days past due. The expected credit losses on these financial assets are estimated using a provision matrix approach based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis :

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- external credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Company recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the

loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

#### **NON-FINANCIAL ASSET**

Assets that have an indefinite useful life are not subject to depreciation/amortization and are tested annually for impairment. Assets that are subject to depreciation/amortization are reviewed for impairment at each statement of financial position date, or wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each statement of financial position date. Reversals of the impairment loss are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no new impairment loss had been recognized. An impairment loss or reversal of impairment loss is recognized in income for the year.

#### **3.17 REVENUE RECOGNITION IFRS 15**

The company has adopted IFRS 15 that replaces previous standards/interpretations and it has prescribed five step model approach for revenue recognition.

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Company has applied IFRS 15 using modified retrospective approach with initial application date of July 01, 2018 as notified by the Securities and Exchange Commission of Pakistan (SECP). Based on management's assessment of the contractual arrangements with customers, the adoption of IFRS 15 does not have any impact on the unconsolidated financial statements of the Company. Hence, no cumulative adjustment amounts have been recognized to adjust the opening retained earnings as at July 01, 2018. Accordingly, the information presented for previous years has not been restated, as previously reported, under IAS 18 and related interpretations.

Revenue is recognized on the following basis.

- (i) Local sales are recorded when goods are delivered to customers and invoices raised.
- (ii) Export sales are booked on shipment basis on receipt of bill of lading.
- (iii) Processing charges are recorded when goods are delivered to customers and invoices raised.
- (iv) Gain on 'sale and lease-back' transactions that result in finance lease, is deferred and amortized over the lease term.
- (v) Dividend income is recognized when the right to receive payment is established.
- (vi) Profits on short term deposits is accounted for on time apportioned basis on the principal outstanding and at the rate applicable.
- (vii) Rental income from investment properties is credited to profit or loss on accrual basis.

#### **3.18 OFF SETTING OF FINANCIAL ASSETS AND LIABILITIES**

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off the recognized amounts and the company intends to either settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

#### **3.19 CONTINGENT LIABILITIES**

Contingent liabilities are disclosed when there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company; or there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

#### **3.20 TAXATION**

##### **CURRENT**

Provision for current taxation is based on taxable income at the current tax rates after taking into account tax credits, assumptions and rebates available, if any or on turnover at the specified rates or Alternate Corporate Tax Act as defined in section 113C of the Income Tax Ordinance, 2001, whichever is higher. The charge for current tax also includes adjustments, where necessary, relating to prior years which arise due to assessments framed / finalized during the year.

##### **DEFERRED**

Deferred tax is recognized using the liability method, on all temporary differences at the balance sheet date calculated at the prevailing rates, between the tax bases of assets and liabilities and their carrying costs for the purposes of financial reporting. Deferred tax liabilities are recognized for all taxable temporary differences to the extent that such differences will reverse in the due future and taxable income will be available for deducting temporary differences.

The carrying amount of deferred tax asset is reviewed on the balance sheet date and is reduced to the extent that it is no longer probable that the sufficient taxable profit will be available to allow in all or part of it for the deferred tax asset.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets is realized or the liability is settled based on the tax rates that have been enacted currently or subsequently at the balance sheet date.

Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it becomes probable future taxable profits will allow deferred tax asset to be recovered.

### 3.21 PROVISIONS

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

### 3.22 RESEARCH AND DEVELOPMENT COST

Research and development cost are recognized in the year in which these are incurred as per the requirements of IAS 38.

### 3.23 OFF SETTING:

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

### 3.24 EARNING PER SHARE:

The company presents basic and diluted earning per share (EPS) for its ordinary shares. Basis EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects for all dilutive potential ordinary shares as per IAS-33.

### 3.25 IAS 41- AGRICULTURE PROPERTY- CHANGE IN ACCOUNTING POLICY

The company has changed its accounting policy from IAS-2 to IAS-41 for Seeds grown at owned farms and applied the effects in the current year and to be followed prospectively due to its impracticability and complexity for retrospective application, had the effects been accounted for in earlier years there would have been nominal effects requiring disclosure, however these were included in retained earnings of earlier years.

#### Initial recognition

An entity recognises a biological asset or agriculture produce only when the entity controls the asset as a result of past events, it is probable that future economic benefits will flow to the entity, and the fair value or cost of the asset can be measured reliably.

#### Measurement

Biological assets within the scope of IAS 41 are measured on initial recognition and at subsequent reporting dates at fair value less estimated costs to sell, unless fair value cannot be reliably measured. Agricultural produce is measured at fair value less estimated costs to sell at the point of harvest. The gain on initial recognition of biological assets at fair value less costs to sell, and changes in fair value less costs to sell of biological assets during a period, are included in profit or loss. All costs related to biological assets that are measured at fair value are recognised as expenses when incurred, other than costs to purchase biological assets.

### 3.26 DISCOUNT POLICY

The company policy on discount is different for each type of seed and percentage varies from buyer to buyer. The discounts are allowed on bulk purchases. The discount amount is separately disclosed on sales invoices. The company policy of discounts is duly approved by the Board of Directors.

### 3.27 SALES RETURN POLICY

The company has sales return policy that is contingent upon , if any sold seeds ripen unexpectedly due to events like unfavorable humidity conditions and climate change not wholly in control of the company. Therefore, no provision can be created for any sales return in advance as per taking consideration to the requirements of IFRS 15 and IAS 37. The company advises its customers to adopt efficient storage facilities , favorable humidity control measures and congenial environment to minimize such sales return.

4- SHARE CAPITAL	2020 Rupees	2019 Rupees (Restated)
<b>Authorized</b> 5,000,000 (2019: 5,000,000) ordinary shares of Rs. 10 each	<u>50,000,000</u>	<u>50,000,000</u>
<b>Issued, subscribed and paid-up</b> 4,000,000 (2019: 4,000,000) ordinary shares of Rs. 10 each fully paid for cash consideration	<u>40,000,000</u>	<u>40,000,000</u>
<b>Shares held by Associates</b>	<b>Number of Shares</b>	<b>Number of Shares</b>
<b>Data Enterprises (Pvt.) Ltd</b> Percentage of equity held 9.87% ( 2019: 9.87% )	<u>394,900</u>	<u>394,900</u>
<b>4.1-</b> The shareholders' are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the company. All shares carry "one vote" per share without restriction.		
<b>4.2-</b> There is no movement in share capital during the year		
<b>5- SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>	<b>Rupees</b>	<b>Rupees (Restated)</b>
Gross surplus	<u>66,307,758</u>	<u>46,569,160</u>
Opening balance	45,517,582	37,930,984
Land Surplus	20,790,176	8,638,176
Derecognition of surplus on disposal of Fixed Assets (portion of land & Building)	-	-
<b>Add: Surplus arising due to revaluation of Property, plant and equipment</b>		
Land	-	12,152,000
Building	-	4,267,795
Machinery	-	12,170,915
	-	<b>28,590,709</b>
Allocated to deferred tax liability @ 29%	-	(4,767,226)
Transfer to unappropriated profit in respect of incremental depreciation charged during the current year	(4,551,758)	(3,793,098)
Deffered tax related to incremental depreciation	-	(291,787)
<b>5.1-</b>	<u>(4,551,758)</u>	<u>(4,084,885)</u>
	<u><b>61,756,000</b></u>	<u><b>66,307,758</b></u>
The revaluation surplus on property, plant and equipment is a capital reserve, and is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.		
<b>5.2- DISCLOSURE RELATED TO DEFERRED TAX LIABILITY</b>		
Opening Deferred Tax Liability	19,648,115	16,622,603
For the year derecognized	(1,964,811)	(1,741,714)
Addition during the year on revaluation surplus	-	4,767,226
Closing Deferred Tax Liability	<u>17,683,303</u>	<u>19,648,115</u>
<b>6- LOAN FROM DIRECTORS</b>		
<b>Unsecured- from related party</b>		
Opening balance	27,878,943	24,378,943
Add: Received during the year	-	3,500,000
Less: Payments made during the year	(3,500,000)	-
Closing balance	<u>24,378,943</u>	<u>27,878,943</u>

This represents the interest free loan given by related parties .Loan is payable on discretion of the company and company has the option to issue shares against this loan after complying with all legal and statutory requirements. This is not measured at amortized cost as per IFRS 9. Rather , It is recognised at the full amount payable – its face value is in accordance with the guidelines provided through TR 32- (Accounting for Directors loan) issued by the Institute of Chartered Accountants of Pakistan. The Loan is interest free and carries no markup.

	Note	2020 Rupees	2019 Rupees (Restated)
<b>7- DEFERRED LIABILITIES</b>			
Deferred tax - net	7.1	14,139,411	16,771,066
Employees retirement benefits - gratuity	7.2	11,666,055	9,181,853
		<b>25,805,466</b>	<b>25,952,919</b>
<b>7.1- DEFERRED TAX - NET</b>			
Deferred tax liabilities/(assets) arising due to:			
Accelerated tax depreciation		338,193	780,860
Provision for profit participation fund		-	(632,260)
Provision for workers fund		-	(263,090)
Provision for gratuity		(3,383,156)	(2,662,737)
Provision for doubtful debts		(498,928)	(99,820)
		<u>(3,543,893)</u>	<u>(2,877,049)</u>
Surplus on revaluation of property plant and equipment		17,683,303	19,648,115
Effect of reduction in tax rates		-	-
		<b>14,139,411</b>	<b>16,771,066</b>
<b>7.2- Employees Retirement benefits (gratuity unfunded)</b>			
Present value of defined benefits obligations	7.2.1	11,436,420	8,952,218
Benefits payable		229,635	229,635
		<b>11,666,055</b>	<b>9,181,853</b>
<b>7.2.1- Movement in present value of defined benefits obligations</b>			
Present value of defined benefits obligation at the beginning of the year		8,952,218	7,806,004
Current service cost for the year		1,166,536	976,456
Interest cost for the year		1,275,691	696,390
Benefits due but not paid (payables)		-	(79,300)
Benefits paid during the year		-	(57,375)
Gains and losses arising on planned settlements remeasurements		-	-
Actuarial (gains)/losses from changes in demographic assumptions		-	-
Actuarial (gains)/losses from changes in financial assumptions		(90,390)	69,753
Experience adjustments		132,365	(459,710)
Present value of defined benefits obligation at the closing of the year		<b>11,436,420</b>	<b>8,952,218</b>
<b>7.2.2-Expenses recognized in statement of profit and loss account</b>			
Current service cost		1,166,536	976,456
interest cost on defined benefit obligation		1,275,691	696,390
		<b>2,442,227</b>	<b>1,672,846</b>
<b>7.2.3-Total remeasurements chargeable in other comprehensive income</b>			
Remeasurements of plan obligations:			
Actuarial (gains)/losses from changes in demographic assumptions		-	-
Actuarial (gains)/losses from changes in financial assumptions		(90,390)	69,753
Experience adjustments		132,365	(459,710)
		<b>41,975</b>	<b>(389,957)</b>
<b>7.2.4-Changes in Net Liability</b>			
Balance Sheet liability/(asset)		9,181,853	7,956,339
Expense chargeable to P&L		2,442,227	1,672,846
Remeasurement chargeable in other comprehensive income		41,975	(389,957)
Benefits paid		-	(57,375)
Benefits payable transferred to short term liability		-	-
		<b>11,666,055</b>	<b>9,181,853</b>

### 7.3- Apportionment of staff retirement benefits

The expenses recognized in the income statement under following heads:

	2020 Rupees	2019 Rupees (Restated)
Cost of good sold	993,112	680,249
Administrative expenses	1,041,877	713,652
Distribution cost	407,239	278,945
	<b><u>2,442,227</u></b>	<b><u>1,672,846</u></b>

### 7.4- General description

The scheme provides for terminal benefits for all of its permanent employees who attain the minimum qualifying period. Annual charge is made by the management on the basis of actuarial valuation.

### 7.5- Principal actuarial assumptions

Following are a few important actuarial assumption used in the valuation.

	2020	2019
Discount rate	8.50%	14.25%
Expected rate of increase in salary	7.50%	13.25%

### 7.6- Sensitivity analysis of actuarial assumption

The calculation of defined benefit obligation is sensitive to assumption given above. The below information summarizes how the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result of change in respective assumption by 100 basis point.

	Decrease in Assumption	Increase in Assumption
Discount rate	991,615	1,105,686
Expected rate of change in future salaries	874,954	1,191,094

7.7- Expected gratuity expense for the year ending June 30, 2021 works out to Rs. 1,866,569/-.

7.8- The weighted average duration of defined benefit obligation is three years.

## 8- TRADE AND OTHER PAYABLES

Creditors		8,139,484	5,969,923
Accrued liabilities		4,745,148	4,043,750
Advances from customers		7,687,111	6,882,041
Workers' Welfare Fund	8.1	1,254,587	907,205
Worker's Profit Participation Fund	8.2	1,192,043	2,180,208
Tax deducted at source		87,455	83,542
		<b><u>23,105,828</u></b>	<b><u>20,066,670</u></b>

### 8.1- Workers Welfare Fund

Balance as at beginning		907,205	614,113
Contribution for the year		347,382	293,092
		<b><u>1,254,587</u></b>	<b><u>907,205</u></b>
Payment made during the year		-	-
		<b><u>1,254,587</u></b>	<b><u>907,205</u></b>

### 8.2- Workers Profit Participation Fund

Balance as at beginning		2,180,208	2,874,620
Return on funds utilized by the company		-	-
Contribution for the year		479,215	356,654
		<b><u>2,659,423</u></b>	<b><u>3,231,274</u></b>
Payment made during the year		(1,467,380)	(1,051,066)
		<b><u>1,192,043</u></b>	<b><u>2,180,208</u></b>

The company has not charged any mark up on outstanding balance of wppf this will be paid as and when outstanding is paid off. The amount of Rs 2.1 million includes unclaimed funds from employees who have either left the company or has gone outside Pakistan.



	Note	2020 Rupees	2019 Rupees (Restated)
<b>9. PROVISION FOR TAXATION</b>			
Opening balance		4,139,303	4,155,430
Prior year adjustment		-	-
Add: Provision for the year		5,229,034	4,139,303
		<u>9,368,337</u>	<u>8,294,733</u>
Less: Paid/adjusted against completed assessments		<u>(4,139,303)</u>	<u>(4,155,430)</u>
		<b>5,229,034</b>	<b>4,139,303</b>

9.1- This represents tax chargeable under Normal tax regime. Tax expenses represents higher of corporate tax @ 29%, alternate corporate tax @ 17% of accounting profit and minimum tax @ 1.5% . The company is recognising provision for taxation @ 29% of its taxable profit as alternative corporate tax and minimum tax is lower than corporate tax.

## 10- CONTINGENCIES AND COMMITMENTS

Contingencies and commitments as at year end are Nil (2019: Nil)

## 11- PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets-Owned	11.1	93,072,455	99,028,064
		<b>93,072,455</b>	<b>99,028,064</b>

	Rupees									Total	Leased asset Vehicles	Total
	Freehold land	Building on freehold land	Plant and machinery	Electrical Equipment	Furniture and fittings	Agricultural equipment	Office equipment	Harvesting equipment	Vehicles			
<b>Year ended July 01, 2018</b>												
Opening net book value	9,548,000	19,248,115	44,387,171	194,147	203,893	61,017	237,905	88,418	1,692,257	75,660,922	-	75,660,922
Additions	-	-	250,000	-	-	-	-	-	1,691,000	1,941,000	-	1,941,000
Deletions	-	-	-	-	-	-	-	-	-	-	-	-
Surplus on revaluation of fixed assets	<b>12,152,000</b>	<b>4,267,795</b>	<b>12,170,915</b>	-	-	-	-	-	-	<b>28,590,709</b>	-	<b>28,590,709</b>
Depreciation charged for the year	-	1,969,208	4,594,327	19,415	20,389	12,203	23,790	17,684	507,551	7,164,567	-	7,164,567
Closing net book value	<b>21,700,000</b>	<b>21,546,702</b>	<b>52,213,759</b>	<b>174,732</b>	<b>183,504</b>	<b>48,814</b>	<b>214,114</b>	<b>70,734</b>	<b>2,875,705</b>	<b>99,028,064</b>	-	<b>99,028,064</b>
<b>At June 30, 2019</b>												
Cost	9,548,000	53,399,534	160,599,021	289,039	768,048	183,750	1,113,223	7,669,000	7,588,788	241,158,403	-	241,158,403
Surplus on revaluation of fixed assets	12,152,000	4,267,795	12,170,915	-	-	-	-	-	-	28,590,709	-	28,590,709
Accumulated depreciation	-	365,198	884,979	114,307	584,544	134,936	899,109	7,598,266	4,713,083	15,294,422	-	15,294,422
Depreciation written off	-	35,755,429	119,671,197	-	-	-	-	-	-	155,426,626	-	155,426,626
Net book value	<b>21,700,000</b>	<b>21,546,702</b>	<b>52,213,759</b>	<b>174,732</b>	<b>183,504</b>	<b>48,814</b>	<b>214,114</b>	<b>70,734</b>	<b>2,875,705</b>	<b>99,028,064</b>	-	<b>99,028,064</b>
<b>Year ended July 01, 2019</b>												
Opening net book value	21,700,000	21,546,702	52,213,759	174,732	183,504	48,814	214,114	70,734	2,875,705	99,028,064	-	99,028,064
Additions	-	2,117,691	-	-	-	-	-	-	213,500	2,331,191	-	2,331,191
Deletions	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charged for the year	-	2,366,439	5,221,376	17,473	18,350	9,763	21,411	14,147	617,841	8,286,801	-	8,286,801
Closing net book value	<b>21,700,000</b>	<b>21,297,953</b>	<b>46,992,383</b>	<b>157,259</b>	<b>165,153</b>	<b>39,051</b>	<b>192,703</b>	<b>56,587</b>	<b>2,471,364</b>	<b>93,072,455</b>	-	<b>93,072,455</b>
<b>At June 30, 2020</b>												
Cost	21,700,000	59,785,020	172,769,935	289,039	768,048	183,750	1,113,223	7,669,000	7,802,288	272,080,303	-	272,080,303
Accumulated depreciation	-	38,487,067	125,777,552	131,780	602,895	144,699	920,520	7,612,413	5,330,924	179,007,849	-	179,007,849
Depreciation written off	-	-	-	-	-	-	-	-	-	-	-	-
Net book value	<b>21,700,000</b>	<b>21,297,953</b>	<b>46,992,383</b>	<b>157,259</b>	<b>165,153</b>	<b>39,051</b>	<b>192,703</b>	<b>56,587</b>	<b>2,471,364</b>	<b>93,072,455</b>	-	<b>93,072,455</b>

Depreciation on operating fixed assets is charged at the following rates:

	Annual rate of depreciation (%)		Annual rate of depreciation (%)
Building on free hold area	10	Vehicles	20
Plant and machinery	10	Office equipment	10
Electrical Equipment	10	Harvesting equipment	20
Furniture and fittings	10	Agricultural equipment	20

Note: The carrying amount of the revalued assets that would have been included in the financial statements had these assets being carried at its cost less accumulated depreciation and accumulated impairment losses is shown as under:

Description	Carrying Value as at 30-06-2020			Carrying Value as at 30-06-2019		
	Inclusive of surplus	Surplus	Exclusive of surplus	Inclusive of surplus	Surplus	Exclusive of surplus
Land freehold	21,700,000	20,790,176	909,824	21,700,000	20,790,176	909,824
Building including Plant & Machinery	68,290,337	58,649,127	9,641,209	73,760,461	65,165,697	8,594,764
	<b>89,990,337</b>	<b>79,439,303</b>	<b>10,551,033</b>	<b>95,460,461</b>	<b>85,955,873</b>	<b>9,504,588</b>

First Revaluation was made on 30-06-1996 of land, building and plant and machinery and was carried out by independent valuer M/s.Haseeb Associates and certified by M/s. Anjum Asim Shahid & Co. Chartered Accountant, and revaluation surplus was amounting to Rs. 32.959 Million. Second revaluation was made on May 22, 2006 of aforesaid assets by the independent valuer M/s. Mughal Associates and certified by M/s. Khalid Majid Rehman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants and revaluation surplus was determined at Rs. 46,026,266/- on that date and third revaluation was made on June 25, 2012 of aforesaid assets by the independent valuer M/s. Mughal Associates and revaluation surplus was determined at Rs. 32,312,096/- Fourth revaluation was performed on April 08, 2016 of aforesaid assets by independent valuer M/s.Mughal associates and revalued surplus was determined at Rs.35,353,045/- .Fifth revaluation was performed on May 31, 2019 of aforesaid assets by independent valuer M/s.Mughal associates and revalued surplus was determined at Rs. 28,590,709/- .

## BASIS OF REVALUATION

Land freehold	Inspection and market inquiry was conducted to determine the value of land and fair value was determined mainly with reference to price of similar properties in the locality.
Building on freehold land	Survey of the building was conducted and fair value was determined keeping in view the type of construction, existing condition, life lived, aging effect of super structure, expected future life and residual factor.
Plant and Machinery	Fair value determined after conducting investigation, examining current condition, specification, technical data, year of manufacturing, working efficiency, useful life, capacity utilization, maintenance schedule, useful and expected future life, current market value and replacement of plant and machinery

11.2- The forced sale value of the revalued property, plant and machinery in 2019 had been assessed at Rs. 77.4 million.

		2020 Rupees	2019 Rupees
<b>11.3- The depreciation for the year has been allocated as follows:</b>			
Cost of goods sold		7,587,815	6,563,534
Administrative expenses		698,986	601,033
		<u><b>8,286,801</b></u>	<u><b>7,164,567</b></u>
<b>12. STORES, SPARES PARTS AND LOOSE TOOLS</b>			
Stores and spares parts		4,942,383	4,574,988
Loose tools		230,847	217,736
		<u><b>5,173,230</b></u>	<u><b>4,792,724</b></u>
<b>13. STOCK IN TRADE</b>			
Raw material		28,704,522	23,679,591
Finished goods		6,878,239	7,379,713
		<u><b>35,582,761</b></u>	<u><b>31,059,304</b></u>
Fair Value Gain on Corn Seed	19.1.3.1		
Raw material		201,725	-
Finished goods		250,609	-
		<u><b>452,334</b></u>	<u><b>-</b></u>
<b>14. TRADE DEBTS -UNSECURED</b>			
Considered good		51,900,094	51,527,212
Considered doubtful		1,376,235	-
		<u><b>53,276,329</b></u>	<u><b>51,527,212</b></u>
<b>Less: Provision for doubtful debts</b>	14.1	1,720,443	344,208
		<u><b>51,555,886</b></u>	<u><b>51,183,004</b></u>
<b>14.1 Opening Provision</b>		344,208	344,208
Add: provision made during the year		1,376,235	-
Less: Bad Debts Written off		-	-
<b>Balance at the year end</b>		<u><b>1,720,443</b></u>	<u><b>344,208</b></u>
<b>15. LOAN AND ADVANCES-Unsecured</b>			
<b>Advances to executive staff:</b>			
- Considered good	15.1	2,735,474	2,393,606
<b>Advances to other employees: unsecured</b>			
Advance against Salary		880,721	726,050
Advance against expenses	15.2	2,011,405	2,189,148
- Considered good		-	-

	Note	2020 Rupees	2019 Rupees (Restated)
<b>Advances to suppliers:</b>			
Considered good		1,102,211	2,217,838
<b>Other advances</b>			
Advance income tax	15.3	1,027,189	1,939,902
		<b>7,757,000</b>	<b>9,466,544</b>
<b>15.1 MOVEMENT OF ADVANCES TO EXECUTIVE STAFF</b>			
Opening balance		2,393,606	1,878,776
Advance during the year		406,170	761,630
		<u>2,799,776</u>	<u>2,640,406</u>
Received/transferred during the year		(64,302)	(246,800)
Closing balance		<b>2,735,474</b>	<b>2,393,606</b>
These represents advance to executive staff for day to day operation of business basis. The maximum aggregate amount due from executive staff at the end of any month during the year Rs.2,735,474/- (2019: Rs. 2,411,776/-).			
<b>15.2</b>			
Advances to employees against expensive are provided to meet business expenses are settled as and when the expenses are incurred.			
<b>15.3 ADVANCE INCOME TAX</b>			
Opening balance		1,939,902	1,799,807
Tax deducted/paid during the year		3,226,590	4,295,525
		<u>5,166,492</u>	<u>6,095,332</u>
Adjustment during the year		(4,139,303)	(4,155,430)
		<b>1,027,189</b>	<b>1,939,902</b>
<b>16. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
Security deposits with statutory authorities		272,850	272,850
Prepayments	16.1	3,071,524	2,268,697
		<b>3,344,374</b>	<b>2,541,547</b>
<b>16.1- PREPAYMENTS</b>			
Prepaid insurance - Vehicles		31,077	134,678
Prepaid consultancy charges generator		95,000	45,000
Prepaid lease charges - Farms / farm expenses		2,945,447	2,089,019
		<b>3,071,524</b>	<b>2,268,697</b>
<b>17. CASH AND BANK BALANCES</b>			
Cash in hand			
-Head office		266,975	166,918
-Factory		640,326	420,614
		<u>907,301</u>	<u>587,532</u>
Cash at bank:			
-Current accounts		11,733,688	4,630,314
		<b>12,640,989</b>	<b>5,217,846</b>
<b>18. TURNOVER</b>			
Gross Turnover	18.1	151,244,963	167,270,957
<b>Less:</b>			
Trade discounts		(2,974,731)	(8,264,803)
Sale return		(1,391,750)	(10,561,661)
		<b>146,878,482</b>	<b>148,444,493</b>
<b>18.1 Gross Tunover</b>			
Sale of goods	18.1.1	128,456,320	145,437,829
Sale of services (Delinting)	18.1.2	22,788,643	21,833,128
		<b>151,244,963</b>	<b>167,270,957</b>

	Note	2020 Rupees	2019 Rupees (Restated)
<b>18.1.1 Sale of Goods</b>			
Hybrid corn seed		60,642,233	60,168,366
Fuzzy & Cotton seed		13,417,442	18,517,588
Vegetable seed		2,079,400	1,663,000
Okra seed		248,000	1,713,900
Wheat seed		22,097,563	21,994,238
S.S.G		6,848,840	2,272,040
Soyabean		-	10,000
Sale of Paddy		16,735,696	17,886,343
Sale of Sesame		1,937,820	-
Micronutrient		148,700	14,984,560
Sale of lint		1,149,396	2,852,284
Sale of Vanda		3,151,230	3,375,510
		<b>128,456,320</b>	<b>145,437,829</b>
<b>18.1.2 Delinting</b>			
Seed processing		22,344,539	21,436,230
Cleaning and drying		444,104	396,898
		<b>22,788,643</b>	<b>21,833,128</b>
<b>19. COST OF SALES</b>			
Raw material consumed	19.1	66,111,188	62,956,952
Chemicals, stores and others		5,683,400	5,195,852
Salaries, wages & benefits	19.2	8,765,293	8,057,131
Fuel and powers		6,934,876	6,715,726
Repair and maintenance (Plant & machinery)		2,482,162	1,467,665
Repair and maintenance (Building)		238,212	7,200
Repair and maintenance (Electrical)		43,423	94,603
Processing expenses		3,342,947	3,239,633
Research and development expenses		10,629,475	7,807,969
Micronutrient expenses		167,033	8,650,840
Vehicle repair and maintenance		253,314	263,531
Laboratory expenses		75,426	55,525
Consultancy charges - Generator		-	45,000
Entertainment		303,491	273,187
Telephone charges		163,098	156,979
Germination claims		213,011	568,758
Kappa's Ginning charges		36,134	128,673
Traveling and conveyance		4,180	2,535
Usher		10,000	10,000
Depreciation	11.3	7,587,815	6,563,534
Miscellaneous charges		139,136	349,754
		113,183,614	112,611,048
Adjustments of finished goods			
- Opening		7,379,713	12,486,390
- Pre-paid expenses		-	-
- Closing		(6,878,239)	(7,379,713)
		501,474	5,106,677
		<b>113,685,088</b>	<b>117,717,725</b>

		2020 Rupees	2019 Rupees (Restated)	
<b>19.1 RAW MATERIAL CONSUMED</b>	<b>Note</b>			
Raw material consumed - Fuzzy seed	19.1.1	-	7,644,390	
Raw material consumed - Wheat	19.1.2	14,776,953	17,509,834	
Raw material consumed - Hybrid Corn seed	19.1.3	30,497,598	14,574,389	
Raw material consumed - Commercial Corn	19.1.4	775,910	-	
Raw material consumed - Okra seed	19.1.5	103,375	845,577	
Raw material consumed - Delinted Cotton seed	19.1.6	1,344,850	4,630,296	
Raw material consumed - S.S.G seed	19.1.7	3,676,254	1,045,929	
Raw material consumed - Soyabean	19.1.8	25,806	166,965	
Raw material consumed - Rice / Paddy	19.1.9	11,185,040	13,913,412	
Raw material consumed - Peas	19.1.10	1,030,787	136,050	
Raw material consumed - Venda	19.1.11	1,891,630	2,142,193	
Raw Material consumed - Sesame	19.1.12	755,485	346,381	
Raw Material consumed - Mongbea	19.1.13	47,500	1,536	
		<b>66,111,188</b>	<b>62,956,952</b>	
<b>19.1.1 RAW MATERIAL CONSUMED - FUZZY SEED</b>				
Opening stocks - 01-07-2019		-	-	
Add: Purchases		-	7,644,390	
Add: Expenses on production - own farms		-	-	
		-	7,644,390	
Closing stock 30-06-2020		-	-	
Consumed for own farm production		-	<b>7,644,390</b>	
<b>19.1.2 RAW MATERIAL CONSUMED - WHEAT SEED</b>				
Opening stocks - 01-07-2019		13,337,426	11,162,255	
Add: Purchases		15,041,353	19,277,966	
Add: Expenses on production - own farms		126,201	407,039	
		28,504,980	30,847,260	
Closing stock 30-06-2020		(13,728,027)	(13,337,426)	
Consumed for own farm production		<b>14,776,953</b>	<b>17,509,834</b>	
<b>19.1.3 RAW MATERIAL CONSUMED - HYBRID CORN SEED</b>				
Opening stocks - 01-07-2019		8,859,301	4,193,424	
Add: Purchases		16,689,415	10,033,537	
Add: Expenses on production - own farms		12,897,050	9,206,729	
		38,445,766	23,433,690	
Closing stock 30-06-2020		(7,948,168)	(8,859,301)	
Consumed for own farm production		<b>30,497,598</b>	<b>14,574,389</b>	
<b>19.1.3.1 Reconciliation as per IAS-41 Hybrid Corn Seed</b>				
		<b>R. Material</b>	<b>Finished</b>	<b>Total</b>
Opening Quantity		6,596	15,391	21,987
Sold quantity		(6,596)	(15,391)	(21,987)
Quantity Produced ( Finished goods categorized on putting in to process) -KG		13428.4	20,143	33,571
Sold		(2,660)	(6,207)	(8,867)
Available for sale-KG		10,768	13,936	24,704
Cost incurred	<b>A</b>	308	328	
Total value of closing stock		3,312,779	4,565,917	7,878,696
<b>Fair value less estimated cost to sell</b>	<b>B</b>	326	346	
<b>Difference in fair value to cost price (B- A)</b>		19	18	
Fair value gain		201,725.00	250,608.84	452,333.84

The management anticipates that the fair value of corn seed at the closing date is subject to certain risk factors not wholly in control of the company, therefore the fair market value has been adjusted to bring it to the actual anticipated value that could be fetched on sale in the open market.

The risk factors taken in calculating the fair value involve judgments and estimates and has been accounted for on the basis of management past experiences and market practices.

The management is of the view that quantities held at the start of the year was approximate to its fair value, had the said differences been incorporated if any, there would be no effect on current profit or loss resultantly having nil effect on opening retained earnings.

There are no standing crops at the year end.

	2020 Rupees	2019 Rupees (Restated)
<b>19.1.4 RAW MATERIAL CONSUMED - COMMERCIAL CORN</b>		
Opening stocks - 01-07-2019	-	-
Add: Purchases	5,461,337	-
Add: Expenses on production - own farms	-	-
	5,461,337	-
Closing stock 30-06-2020	(4,685,427)	-
Consumed for own farm production	<u>775,910</u>	<u>-</u>
<b>19.1.5 RAW MATERIAL CONSUMED - OKRA SEED</b>		
Opening stocks -01-07-2019	-	601,500
Add: Purchases	2,194,325	186,450
Add: Expenses on production - own farms	251,950	57,627
	2,446,275	845,577
Closing stock 30-06-2020	(2,342,900)	-
Consumed for own farm production	<u>103,375</u>	<u>845,577</u>
<b>19.1.6 RAW MATERIAL CONSUMED - DELINTED COTTON SEED</b>		
Opening stocks - 01-07-2019	186,120	-
Add: Purchases	1,155,994	2,935,113
Add: Expense on production - own farms	2,736	1,881,303
	1,344,850	4,816,416
Closing stock 30-06-2020	-	(186,120)
Consumed for own farm production	<u>1,344,850</u>	<u>4,630,296</u>
<b>19.1.7 RAW MATERIAL CONSUMED - S.S.G SEED</b>		
Opening stock - 01-07-2019	103,975	69,450
Add: Purchases	3,521,227	1,055,748
Add: Expense on production - own farms	51,052	24,706
	3,676,254	1,149,904
Closing stock 30-06-2020	-	(103,975)
Consumed for own farm production	<u>3,676,254</u>	<u>1,045,929</u>
<b>19.1.8 RAW MATERIAL CONSUMED - Soyabean</b>		
Opening stock - 01-07-2019	-	-
Add: Purchases	-	-
Add: Expense on production - own farms	25,806	166,965
	25,806	166,965
Closing stock 30-06-2020	-	-
Consumed for own farm production	<u>25,806</u>	<u>166,965</u>
<b>19.1.9 RAW MATERIAL CONSUMED - Rice/Paddy</b>		
Opening stock - 01-07-2019	-	584,063
Add: Purchases	10,869,575	12,979,616
Add: Expense on production - own farms	315,465	349,733
	11,185,040	13,913,412
Closing stock 30-06-2020	-	-
Consumed for own farm production	<u>11,185,040</u>	<u>13,913,412</u>

**19.1.10 RAW MATERIAL CONSUMED - Peas/Vegetables**

Opening stock - 01-07-2019	1,030,787	935,775
Add: Purchases	-	231,062
Add: Expense on production - own farms	-	-
	<b>1,030,787</b>	<b>1,166,837</b>
Closing stock 30-06-2020	-	(1,030,787)
Consumed for own farm production	<b>1,030,787</b>	<b>136,050</b>

**19.1.11 RAW MATERIAL CONSUMED - Vanda**

Opening stock - 01-07-2019	161,982	-
Add: Purchases	-	-
Add: Expense on production - own farms	1,729,648	2,304,175
	1,891,630	2,304,175
Closing stock 30-06-2020	-	(161,982)
Consumed for own farm production	<b>1,891,630</b>	<b>2,142,193</b>

**19.1.12 RAW MATERIAL CONSUMED - Sesame**

Opening stock - 01-07-2019	-	-
Add: Purchases	749,185	344,981
Add: Expense on production - own farms	6,300	1,400
	755,485	346,381
Closing stock 30-06-2020	-	-
Consumed for own farm production	<b>755,485</b>	<b>346,381</b>

**19.1.13 RAW MATERIAL CONSUMED - Mong Bea**

Opening stock - 01-07-2019	-	-
Add: Purchases	37,500	-
Add: Expense on production - own farms	10,000	1,536
	47,500	1,536
Closing stock 30-06-2020	-	-
Consumed for own farm production	<b>47,500</b>	<b>1,536</b>

**19.2** Salaries, wages and benefits include Rs.993,112/- (2019: Rs.680,249 /-) in respect of staff retirement benefits-gratuity (Note # 7.3)

	Note	2019 Rupees	2018 Rupees (Restated)
<b>20. ADMINISTRATIVE EXPENSES</b>			
Salaries, wages and benefits	20.1	10,713,795	10,172,391
Printing and stationery		224,705	245,430
Traveling and conveyance		324,209	197,397
Vehicle running and maintenance		41,200	103,440
Rent, rates and taxes		1,100,214	1,074,577
Postage and telegram		42,799	43,352
Utilities expenses		1,554,937	1,858,483
Telephone expenses		155,310	154,040
Entertainment		172,718	119,502
Newspaper and periodicals		11,940	11,775
Fee and subscription		248,900	748,900
Legal and professional charges		296,680	207,977
Auditors' remuneration	20.2	400,000	400,000
Canteen expenses		372,425	299,820
Repair & maintenance		65,050	72,980
Charity & donation		21,290	42,054
Insurance expenses		154,851	158,747
Depreciation	11.3	698,986	601,033
Miscellaneous expenses		269,334	181,087
Provision for Loss Allowance		1,376,235	-
		<b>18,245,577</b>	<b>16,742,984</b>
<b>20.1</b>	Salaries, wages and benefits include Rs.1,041,877 /- (2019: Rs.713,652 /-) in respect of staff retirement benefits - gratuity (Note # 7.3).		
<b>20.2 Auditor's remuneration</b>			
Statutory Audit fee		250,000	250,000
out of pocket expenses		-	-
Tax consultancy		150,000	150,000
		<u>400,000</u>	<u>400,000</u>
<b>21. DISTRIBUTION COST</b>			
Salaries, wages and benefits	21.1	2,274,951	2,150,595
Telephone expenses		56,450	35,950
Traveling and conveyance		9,552	10,080
Entertainment		19,483	24,046
Advertisement		325,367	349,986
Repair & maintenance - Vehicles		1,840,327	1,749,447
Tag Expenses		73,233	67,525
Freight & octroi		1,101,296	1,043,513
Sale promotion expenses		538,316	1,479,513
Miscellaneous expenses		65,764	45,615
		<b>6,304,739</b>	<b>6,956,270</b>
<b>21.1.</b>	Salaries, wages and benefits include Rs.407,239/- (2019: Rs.278,945/-) in respect of staff retirement benefits - gratuity (Note # 7.3).		
<b>22. FINANCE AND OTHER COST</b>			
Lease finance charges		-	-
Bank Charges		91,732	95,673
Stock exchange fees		218,050	272,619
<b>Other cost</b>			
Workers profit participation fund		479,215	356,654
Workers welfare fund		347,382	293,092
		<b>1,136,379</b>	<b>1,018,038</b>



	2020 Rupees	2019 Rupees (Restated)
<b>23. OTHER INCOME</b>		
<b>Others</b>		
Fair Vaue Gain	452,334	-
Cleaning & drying	488,880	293,279
	<u>941,214</u>	<u>293,279</u>
<b>24. TAXATION</b>		
Current year	5,229,034	4,139,303
Prior years	-	-
	5,229,034	4,139,303
<b>DEFERRED</b>		
Current year	(2,619,482)	(1,806,838)
Prior years	-	-
	(2,619,482)	(1,806,838)
	<u>2,609,551</u>	<u>2,332,465</u>
<b>24.1- NUMERICAL RECONCILIATION BETWEEN THE AVERAGE EFFECTIVE TAX RATE AND THE APPLICABLE TAX RATE.</b>	<b>%AGE</b>	<b>%AGE</b>
Applicable tax rate	29.00%	29.00%
Tax effect of non deductible expenses	0.00%	0.00%
Tax effect relating to deferred tax on revaluation surplus	0.00%	0.00%
Tax charge relating to prior year	0.00%	0.00%
Tax effect relating to deferred tax current year	-12%	-13%
<b>Average effective tax rate</b>		
Tax expense for the year divided by profit before tax	<u>17.00%</u>	<u>16.30%</u>

**24.2-** The Company has filed Income Tax Return up to tax year 2019 which is deemed assessed as per Income Tax Ordinance, 2001.

**24.3-** Management is of view that the income tax provision for the year is sufficient to discharge the tax liability. Comparison of tax provision as per accounts viz a viz tax assessment for last three years is as follows:

Tax year	As per tax Assesment. Income / (Expense) .....Rupees.....	As per Accounts
2016	(3,446,161)	(2,193,007)
2017	(4,419,761)	(4,383,395)
2018	(4,155,430)	(4,155,430)
2019	(4,139,303)	(4,139,303)

**25. EARNING PER SHARE**

Profit for the year after taxation	5,838,362	3,970,290
Number of ordinary shares issued and subscribed at the end of the year	4,000,000	4,000,000
	<u>1.46</u>	<u>0.99</u>

**25.1. BASIC**

Earning per share	<u>1.46</u>	<u>0.99</u>
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**25.2. DILUTED**

There is no dilution effect on the basic earning per share of the company as the company has no such commitments or outstanding financial instruments.

**26 NUMBER OF EMPLOYEES**

The total average number of employees during the period and as at the period end are as follows:

	At year end		Average	
	2020	2019	2020	2019
Head office	16	16	16	16
Plant	36	32	34	33
<b>Total number of employees</b>	<u>52</u>	<u>48</u>	<u>50</u>	<u>49</u>

**27. REMUNERATION OF CHIEF EXECUTIVES, DIRECTORS AND EXECUTIVES**

The aggregate amounts charged in the accounts for the period for remuneration, including all benefits to the Chief executive, Directors, and executive of the Company are as follows:

	<b>2020</b>		
	Chief Executive	Directors	Executives
Managerial remuneration	2,400,000	2,912,000	3,080,232
Commission or bonus	-	-	-
Utilities	120,000	146,000	154,012
House rent	1,080,000	1,310,400	1,386,104
Medical	-	139,200	-
Pension, gratuity and contribution to other funds	-	-	-
Other perquisites and benefits	-	-	-
	<b>3,600,000</b>	<b>4,507,600</b>	<b>4,620,348</b>
Number of persons	<b>1</b>	<b>1</b>	<b>5</b>

Director has been provided with free use of company's maintained car for official use only.  
No meeting fee paid to any director.

	<b>2019</b>		
	Chief Executive	Directors	Executives
Managerial remuneration	1,400,000	2,320,000	2,672,197
Utilities	70,000	116,000	133,610
House rent	630,000	1,044,000	1,202,489
Medical	-	139,200	-
Pension, gratuity and contribution to other funds	-	-	-
	<b>2,100,000</b>	<b>3,619,200</b>	<b>3,823,296</b>
Number of persons	<b>1</b>	<b>1</b>	<b>5</b>

Director has been provided with free use of company's maintained car for official use only. No meeting fee paid to any director.

**28. TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise associated undertakings, directors of the Company and key management personnel. The Company in the normal course of business carries out transactions with various related parties on mutually agreed terms. There are no related party transactions except for the remuneration of directors, loan repayment to director and key management personnel as disclosed in note 27.

	<b>2020</b>	<b>2019</b>
Loan from Related Party	27,878,943	24,378,943
Receipts during the year	-	3,500,000
Payments during the year	(3,500,000)	-
	<b>24,378,943</b>	<b>27,878,943</b>

**29. CAPACITY AND PRODUCTION**

Annual rated capacity (at 100% capacity)  
(Based on 50 Tons per day of 24 hours and 365 days a year)

**Actual Production**

- Cotton seeds
- Other seeds
- Third party seed-processed

	<b>M.Tons</b>	<b>M.Tons</b>
	<b>18,250</b>	<b>18,250</b>
	12	91
	841	1,095
	2,759	2,257
	<b>3,612</b>	<b>3,442</b>

**29.1.** The exact rated capacity of the plant can not be determined as it varies according to nature of seeds to be processed and also affected by various other associated factors.

**29.2.** Due to perishable nature of the product, the actual production is limited to market demand.

**30. CORRESPONDING FIGURES**

Corresponding figures have been rearranged and reclassified wherever necessary to reflect more appropriate presentation of events & transactions for the purpose of comparison. No changes are made in the comparative figures affecting the financial results of the company.

## 31. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

There are no events subsequent to balance sheet date that may require adjustments / disclosures in the financial statements .

## 32. FINANCIAL RISK MANAGEMENT

### 32.1 FINANCIAL RISK FACTORS

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non derivative financial instruments and investment of excess liquidity.

#### (a) Market risk

##### (i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is not exposed to currency risk as it has no import and export at June 30, 2020 had Pakistani rupees weakened/strengthened by 5% against the USD with all other variables held constant, profit before taxation for the year would have been lower/higher by Rs. Nil (2019: Nil). This will mainly result due to foreign exchange gains/losses on translation of USD.

##### (ii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company has no interest bearing assets. The Company's interest rate risk is not arising from short term borrowings and bank balances in saving accounts. Financial instruments at variable rates expose the company to cash flow interest rate risks. Financial instruments at fixed rate expose the Company to fair value interest rate risk. There is no interest bearing financial instruments.

##### Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees nil (2019: nil) lower / higher, mainly as a result of higher / lower interest expense/income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at balance sheet dates were outstanding for the whole year.

##### (iii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The effect of changes in fair value of such investments made by the company, on the future profits are not considered to be material in the overall context of these financial statements. Furthermore, the Company is not exposed to commodity price risk.

##### Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Karachi Stock Exchange (KSE) Index on the Company's profit after taxation for the year and on equity (fair value reserve). The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

Index	Impact on profit after taxation		Statement of comprehensive income (fair value reserve)	
	Jun-20	Jun-19	Jun-20	Jun-19
	----- (Rupees) -----		-----	-----
			Jun-20	Jun-19
KSE 100 (5% increase)	-	-	-	-
KSE 100 (5% decrease)	-	-	-	-

Equity (fair value reserve) would increase / decrease as a result of gain / loss on equity investment classified as available for sale.

#### (b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, receivables from related parties, other receivables, bank balances and term deposits with banks.. The maximum exposure to credit risk at the reporting date was as follows:

		2020	2019
		Rupees	Rupees
Trade debtors	See note no. 14	51,555,886	51,183,004
Loan's and advances	See note no. 15	8,183,778	9,466,544
Trade deposits and short term prepayments	See note no. 16	3,344,374	2,541,547
Cash and Bank balance	See note no. 17	12,640,989	5,217,846
		<u>75,725,027</u>	<u>68,408,941</u>

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

	Rating			2020	2019
	Short Term	Long term	Agency	Rupees	Rupees
<b>Banks</b>					
Bank of Punjab	A-1+	AA	PACRA	442,387	242,387
MCB	A-1+	AAA	PACRA	1,171,757	1,543,754
HBL	A1+	AA+	PACRA	5,866,903	1,507,748
ABL	A1+	AA+	PACRA	4,241,101	1,250,385
UBL	A-1+	AAA	VIS	500	-
Al-Baraka	A-1	A	PACRA	-	1,743
Prime Commercial Bank			PACRA	-	893
Bank Alfalah	A1+	AA	AA	11,040	83,404
<b>Cash In Hand</b>				<u>907,301</u>	<u>587,532</u>
				<u>12,640,989</u>	<u>5,217,846</u>

The Company's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 14.

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

The Company has established a credit policy for its industrial and retail customers under which each new customer is analyzed individually for credit worthiness before the Company enters into a commercial transaction. The Company's review includes identity checks, minimum security deposits, bank guarantees and in some cases bank references. Credit limits are established for each customer in accordance with the security deposit or bank guarantee received, which represents the maximum open amount without requiring approval from the higher management; customer limits are reviewed on a regular basis and once the credit limits of individual customers are exhausted, further transactions are discontinued.

The Company recognises ECL for trade debts using the simplified approach described below,

	181-365 Days 2%	181-365 Days 5%	More than 365 Days	Total
Balance as at June 30, 2020	42,317,071	10,579,268	-	52,896,339
Loss allowance	(846,341)	(528,963)	-	(1,375,305)
Balance as at June 30, 2019	51,183,004	-	-	51,183,004
Loss allowance	-	-	-	-

ECL on other receivables is calculated using general approach.

As at the reporting date, Company envisages that default risk on account of non-realisation of other receivables and advances is minimal and thus based on historical trends adjusted to reflect current and forward looking information, loss allowance has been estimated by the Company using a range of probable recovery pattern of related other receivables and assigning a time value of money to same. As per the aforementioned approach, the loss allowance for other receivables was determined as follows:

	2020	2019
<b>Gross carrying amount</b>	11,528,152	12,008,091
Loss allowance	-	-

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

## (c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June, 2020 the company had Rupees 12,640,989 (2019: Rs. 5,217,846) Cash and Bank Balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements. Following are the contractual maturities of financial liabilities. The amounts disclosed in the table are undiscounted cash flows.

### Contractual maturities of financial liabilities as at 30 June 2020

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	(Rupees)					
<b>Non-derivative financial liabilities:</b>						
Trade and other payables	23,392,973	23,392,973		23,392,973	-	-
Loan from related party (Director)	24,378,943	24,378,943			24,378,943	
	<u>47,771,916</u>	<u>47,771,916</u>	<u>-</u>	<u>23,392,973</u>	<u>24,378,943</u>	<u>-</u>

### Contractual maturities of financial liabilities as at 30 June 2019

	Carrying Amount	Contractual Cash Flows	(Rupees)			
			6 month or less	6-12 month	1-2 Year	More than 2 Years
<b>Non-derivative financial liabilities:</b>						
Trade and other payables	20,066,670	20,066,670	-	20,066,670	-	-
Loan from related party (Director)	27,878,943	27,878,943	-	-	27,878,943	-
	<u>47,945,613</u>	<u>47,945,613</u>	<u>-</u>	<u>20,066,670</u>	<u>27,878,943</u>	<u>-</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of actual disbursement having no markup.

Reconciliation of movement of liabilities to cash flows arising from financing activities is as follows:

	Short-Term Borrowings Used For Cash Management Purpose	TOTAL
Balance as at July 01,2019	27,878,943	27,878,943
Changes from financing cash flows		
Repayment of loan	(3,500,000)	(3,500,000)
Proceeds from loan	-	-
Receipts of security deposit	-	-
Disbursement of security deposit	-	-
Total changes from financing activities	(3,500,000)	(3,500,000)
Other Changes , Interest Cost		
Interest expenses	-	-
Interest Paid	-	-
Exchange loss	-	-
Amortization of transaction cost	-	-
Finance cost capitalized	-	-
Changes in running finance	-	-
Total loan related	-	-
Other Changes		
Balance as at June 30,2020	<u>24,378,943</u>	<u>24,378,943</u>

### 32.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 : Quoted prices in active markets for identical assets and liabilities;
- Level 2 : Observable inputs; and
- Level 3 : Unobservable inputs.

	Level 1	Level 2	Level 3	Total
(Rupees)				
<b>As at 30 June 2020</b>				
<b>Assets</b>				
Available for sale financial assets	-	-	-	-
<b>As at 30 June 2019</b>				
<b>Assets</b>				
Available for sale financial assets	-	-	-	-

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial instruments held by the Company is the current bid price. These financial instruments are classified under level 1 in above referred table.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value a financial instrument are observable, those financial instruments are classified under level 2 in above referred table. The Company has no such type of financial instruments as at 30 June 2020.

If one or more of the significant inputs is not based on observable market data, the financial instrument is classified under level 3. The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments. The Company has no such type of financial instruments.

### 32.3 Financial instruments by categories

As at 30 June 2020

**Assets as per balance sheet**

Trade Debts	
Loans and Advances	
Trade deposits and short term prepayments	
Cash and Bank Balances	

At Fair Value	At Amortized Cost	Total
Rupees	Rupees	Rupees
	51,183,004	51,183,004
	9,466,544	9,466,544
	2,541,547	2,541,547
	5,217,846	5,217,846
-	68,408,941	68,408,941

**At Amortized Cost**

Rupees

**Liabilities as per balance sheet**

Trade and other payables	
Loan from related party (Director)	

23,392,973

24,378,943

**47,771,916**

As at 30 June 2019

**Assets as per balance sheet**

Trade Debts	
Loans and Advances	
Other Receivables	
Cash and Bank Balances	

At Fair Value	At Amortized Cost	Total
Rupees	Rupees	Rupees
	51,183,004	51,183,004
	9,466,544	9,466,544
	2,541,547	2,541,547
	5,217,846	5,217,846
-	68,408,941	68,408,941

**At Amortized Cost**

Rupees

**Liabilities as per balance sheet**

Trade and other payables	
Loan from related party (Director)	

20,066,670

27,878,943

**47,945,613**

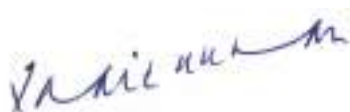
### 32.4 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term borrowings obtained by the company as referred to in Note 6. Total Capital employed includes 'total equity' as shown in balance sheet .

		Jun-20	Jun-19
Borrowings	Rupees in thousand	24,379	27,878.94
Total Equity	Rupees in thousand	131,170	99,584
Total Capital Employed	Rupees in thousand	155,549	127,463
Gearing ratio	Percentage	15.67%	21.87%

### 33 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved and authorized for issue on October 06, 2020 by the Board of Directors of the company.



Chief Executive



Director



Chief Financial Officer

## 34 GENERAL

34.1 Figures have been rounded off to nearest rupee.

### 34.2 **Impact of COVID - 19 on the financial statements**

In March , the World Health Organization declared Coronavirus disease (COVID-19) a pandemic, and its spread had gained momentum and general lockdowns had been imposed in most parts of the country. The Government lifted ban on most of the businesses by moving towards the smart lock down at the end of April, 2020 These measures lead to uncertainty of an overall economic slowdown and disruptions to various businesses, however the management is of the opinion that the mitigating plans and actions proposed by the Government of Pakistan and State Bank of Pakistan had been addressed adequately and are considered sufficient to restore the economy in the broader sense as it was before. As the result of such measures, the business activities gained momentum . On the basis of current and prospective financial situation by taking in account the management best estimates and assumptions relating to projections subject to consistent accounting policies being applied, an impairment review was carried out by the management and it has been ascertained that no impairment of financial assets was required as per IAS 36 , IAS 40 , IAS 41 and IFRS 09 .

### 34.3 **EXEMPTION FROM SALES TAX**

The Principle activity of the company is related to agriculture products that is exempt as per 6th schedule of Sales Tax Act , 1990 and 2nd schedule of Punjab sales Tax Act, 2012.The company is not registered with the Sales Tax Laws since inception, and neither had been served with any notice regarding registration under the Sales Tax Act, 1990 from any relevant authority.

**DATA AGRO LIMITED  
PATTERN OF SHAREHOLDING  
AS ON 30-06-2020**

Number of ShareHolders	Shareholding		Number of Share Held	% of Capital
	From	To		
92	1	100	2,651	0.07
2211	101	500	1,100,274	27.51
54	501	1000	53,101	1.33
63	1001	5000	167,774	4.19
14	5001	10000	134,500	3.36
7	10001	15000	86,000	2.15
3	15001	20000	54,100	1.35
1	20001	25000	21,000	0.53
2	25001	30000	59,500	1.49
1	30001	35000	34,000	0.85
2	45001	50000	99,000	2.48
1	80001	85000	84,000	2.10
1	100001	105000	101,300	2.53
1	130001	135000	131,300	3.28
1	145001	150000	150,000	3.75
1	215001	220000	219,200	5.48
2	230001	235000	467,000	11.68
1	275001	280000	275,800	6.90
1	360001	365000	364,600	9.12
1	390001	395000	394,900	9.87
<b>2,460</b>	<b>&lt;-----TOTAL-----&gt;</b>		<b>4,000,000</b>	<b>100.00</b>

**DATA AGRO LIMITED CATEGORIES OF SHAREHOLDERS AS ON 30-06-2020**

Sr #	Shareholder's Category	Number of Shareholders	Number of Shares Held	Percentage
1	Directors/Chief Executive Officer and their Spouse and minor children.	12	1,370,100	34.25
2	Executives	1	32,000	0.80
3	Associated Companies, Undertakings and Public Sector Companies and Corporations	1	394,900	9.87
4	NIT and ICP N.B.P Trustee Department -----> 11,700 IDBP ( ICP UNIT) -----> 34,000	2	45,700	1.14
5	Public Sector Companies and Corporations	-	-	-
6	Banks, Development Financial Institutions, Non-Banking Financial Institutions, Insurance Companies, Modarabas and Mutual Funds	2	65	0.00
7	Shareholding 5% or More (including in above category)	6	1,721,500	43.04
8	Others	3	15,501	0.39
9	Individuals	2,452	2,141,734	53.54
<b>TOTAL : -</b>		<b>2,472</b>	<b>4,000,000</b>	<b>100.00</b>



## DETAIL OF CATEGORIES OF SHAREHOLDERS AS ON JUNE 30, 2020

CATEGORIES OF SHAREHOLDERS		TOTAL SHARES HELD	%
<b>A) Directors/Chief Executive Officer and their spouse and minor Children</b>			
1	MR. FAAIZ RAHIM KHAN	10,000	0.25
2	MR. ASAD RAHIM KHAN	383,500	9.59
3	MR. HAMID JAMSHED	500	0.01
4	MR. ANWAR UL HAQ	1,000	0.03
5	MR. ASIF RAHIM KHAN	10,000	0.25
6	MR. HAIDER SADIK	219,200	5.48
7	MRS. FAIZA FAAIZ KHAN	359,800	9.00
8	MR. SAAD RAHIM KHAN	364,600	9.12
9	MR. OMAR RAHIM KHAN	20,000	0.50
10	MR. SHAMIM AHMED KHAN	500	0.01
11	MR. SOHAIL AHMED KHAN	500	0.01
12	MR. TARIQ MAHMOOD HASSAN BUTT	500	0.01
13			0.00
<b>TOTAL:</b>		<b>1,370,100</b>	<b>34.25</b>
<b>B) Executives</b>			
1	MR. RIZWAN HASSAN	32,000	0.80
<b>C) Associated Companies, Undertakings and related parties</b>			
1	DATA ENTERPRISES (PVT) LTD	394,900	9.87
<b>TOTAL:</b>		<b>394,900</b>	<b>9.87</b>
<b>D) NIT and IDBP (ICP UNIT)</b>			
1	N.B.P. TRUSTEE DEPARTMENT	11,700	0.29
2	IDBP (ICP UNIT)	34,000	0.85
<b>TOTAL:</b>		<b>45,700</b>	<b>1.14</b>
<b>E) Banks, Development Financial Institutions, Non-Banking Insurance companies, Modarabas and Mutual Funds</b>			
1	NATIONAL BANK OF PAKISTAN	10	0.00
2	NATIONAL BANK OF PAKISTAN	55	0.00
<b>TOTAL:</b>		<b>65</b>	<b>0.00</b>
<b>F) *Shareholding 5% or more</b>			
1	DATA ENTERPRISES (PVT) LTD	394,900	9.87
2	MR SAAD RAHIM KHAN	364,600	9.12
3	MRS FAAIZA FAAIZ KHAN	275,800	6.90
4	MR. ASAD RAHIM KHAN	233,500	5.84
5	TAHIR MAHMOOD	233,500	5.84
6	MR HAIDER SADIK	219,200	5.48
<b>TOTAL:</b>		<b>1,721,500</b>	<b>43.04</b>
<b>G) Others</b>			
1	MAPLE LEAF CAPITAL LIMITED	1	0.00
2	ABBASI & COMPANY (PRIVATE) LIMITED	3,500	0.09
3	RS CAPITAL (PRIVATE) LIMITED	12,000	0.30
<b>TOTAL:</b>		<b>15,501</b>	<b>0.39</b>
<b>H) Individuals</b>		<b>2,141,734</b>	<b>53.54</b>
<b>GRAND TOTAL:</b>		<b>3,968,000</b>	<b>100.00</b>

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed.

Serial Number	Name	Sale	Purchase
9.	Omar Rahim Khan		20000

Signature of the Company Secretary	<input type="text"/>
Name of Signatory	Suhail Mehmood
Designation	Company Secretary
NIC Number	<input type="text"/>
Date	30.6.2020

**FORM OF PROXY**

I/We-----  
of -----being a member of **DATA AGRO LIMITED** and holding-----  
- ordinary shares as per Share Register Folio No-----hereby appoint Mr.-----  
----- of -----or failing him Mr.-----of ----  
----- as my /our proxy in my/our absence to attend and vote for me/us and on  
my/our behalf at the Annual General Meeting of the Company to be held on 28<sup>th</sup>  
October, 2020 at 11:30 a.m. at Suite 5, The Polo Residency, Opposite Allama Iqbal  
International Airport, Adjacent Sector A, Phase 8, DHA, Lahore and at any adjournment  
thereof

Signed this -----day of -----2020.

Witnesses:

1. Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
NIC or  
Passport No. \_\_\_\_\_



The Signature should agree  
with the specimen registered  
with the Company.

2. Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
CNIC or  
Passport No. \_\_\_\_\_

Note:

Proxies in order to be effective must be received at the Company's registered office not less than 48 hours before the meeting. No person shall be appointed a proxy who is not member of the Company qualified to vote except that a corporation being a member may appoint as proxy a per son who is not a member.

CDC Shareholders and their Proxies are each requested to attach an attested photocopy to their National Identity Card or Passport with this proxy form before submission to the Company.