

ANNUAL REPORT AND ACCOUNTS 2021



DATA AGRO LIMITED

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COMPANY INFORMATION

Chairman:	Mr. Hamid Jamshed
Chief Executive:	Mr. Faaiz Rahim Khan
Directors:	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
Chief Financial Officer:	Mr. Muhammad Azam
Company Secretary:	Mr. Suhail Mehmood
Audit Committee:	Mr. Tariq Mahmood Hassan Butt (Chairman) Mr. Asad Rahim Khan (Member) Mr. Saad Rahim Khan (Member)
HR Committee:	Mr. Asad Rahim Khan (Chairman) Mr. Tariq Mahmood Hassan Butt (Member) Mrs. Faiza Faaiz Khan (Member)
Risk Management Committee:	Mr. Saad Rahim Khan (Chairman) Mr. Tariq Mahmood Hassan Butt (Member) Mrs. Asad Rahim Khan (Member)
Auditors:	M/s. Rifaqat Mansha Mohsin Dossani Masoom & Co. Chartered Accountants 3rd Floor, Sharjah Center, 62-Shadman Market, Lahore
Bankers:	Habib Bank Limited Allied Bank Limited The Bank of Punjab MCB Bank Limited
Legal Advisor:	Ashtar Ali & Co. Advocates and Corporate Consultants
Share Registrar:	Hameed Majeed Associates (Pvt.) Ltd. H.M. House, 7-Bank Square, Lahore
Registered Office:	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 29th Annual General Meeting of Shareholders of Data Agro Limited will be held on Wednesday October 27, 2021 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 28th Annual General Meeting held on October 28, 2020.
2. To receive and adopt the Audited Accounts of the Company along with Directors and Auditors reports thereon, for the year ended June 30, 2021.
3. To appoint Auditors of the company for the year ended June 30, 2022 and to fix their remuneration. The retiring Auditors M/s Razaqat Mansha Mohsin Dossani Masoom & Co. Chartered Accountants, being eligible has offered themselves for reappointment.
4. To elect in accordance with the provision of Section 159 of the Companies Act, 2017. The Directors have fixed the number of elected Directors at SEVEN. The names of the retiring Directors are as under and eligible for next term of election.
 - i) Mr. Faaiz Rahim Khan
 - ii) Mr. Hamid Jamshed
 - iii) Mr. Anwar UlHaq
 - iv) Mr. Asad Rahim Khan
 - v) Mr. Tariq Mahmood Hassan Butt
 - vi) Mr. Saad Rahim Khan
 - vii) Mrs. Faiza Faaiz Khan
5. Any other business with the permission of the chair

Lahore
October 06, 2021.



BY ORDER OF THE BOARD
(Suhail Mehmood)
Company Secretary

The share transfer books of the company will remain closed from October 20, 2021 to October 27, 2021 (both days inclusive).

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.

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.

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 wish 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.

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.

Attested copies of CNIC of the passport of the beneficial owner and the proxy shall be furnished with the proxy form.

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.

The proxy shall produce his original CNIC or original passport at the time of the meeting.

For Attending the Meeting:

- i. In case of individuals, the account holder or sub-account holder and /or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his identity by showing his original national identity card or original passport at the time of attending the meeting.
- ii. In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has provided earlier) at the time of the meeting.

For Appointing Proxies:

- i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per above requirement.
- ii. Two persons whose names, addresses and NIC number shall be mentioned on the proxy form to witness the same.
- iii. Attested copies of NIC or the passport of the beneficial owner and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his original NIC or original passport at the time of the meeting.

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 29th 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. 2020-21 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, 2021



HAMID JAMSHED
Chairman

DIRECTOR'S REPORT

The Directors of your Company are please to present the 29th Annual Report along with the audited accounts for the year ended June 30, 2021.

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 positive outlook of the farmers on the cotton crop. Our results show a slight decrease in third party cotton seed processing / delinting. Total production and processing/delinting was 3479 Metric Tons (2020: 3612 Metric Tons)

	2021 (M.Ton)	2020 (M.Ton)
Production	3479	3612

Financial Results

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

	2021 (Rupees)	2020 (Rupees)
Sales	191,625,140	146,878,482
Cost of sales	152,557,821	113,685,088
Gross profit	39,067,319	33,193,394
Operating expenses	25,933,232	24,768,366
Finance & other charges	1,150,734	918,329
Other income	290,985	941,214
Profit before taxation	12,274,338	8,447,913
Taxation	4,231,074	2,609,551
Profit/ (loss) after taxation	8,043,264	5,838,361

Review period has shown better performance despite international circumstances due to COVID19. Financials show a significant increase 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 the 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 Hybrid seeds 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 we are not taking any loans from any financial institution.

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. 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	6

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, no casual vacancy occurred in the Board:

Pattern of Shareholdings

The pattern of Shareholdings is on page No.53.

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.Rafaqat Mansha Mohsin Dossani Masoom & Co. Chartered Accountants, retired and being eligible,offer themselves for re-appointment for the year ending June 30, 2022.

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, 2021



Director



Chief Executive

ڈائریکٹری رپورٹ

آپ کی کمپنی کے ڈائریکٹرز براہ کرم 30 جون 2021 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 کی پروسیسنگ میں کمی آئی ہے اور کل پیداوار/ڈائنٹنگ 3479 میٹرک ٹن ہے۔ (2020 : 3612)

2020 میٹرک ٹن 3612	2021 میٹرک ٹن 3479	پیداوار مالی نتائج
		یہاں مالی نتائج کا خلاصہ پیش کیا جا رہا ہے۔
146,878,482	191,625,140	فروخت
113,685,088	152,557,821	قیمت فروخت
33,193,394	39,067,319	ابتدائی منافع
24,768,366	25,933,232	آپریٹنگ اخراجات
918,329	1,150,734	مالی اور دیگر اخراجات
941,214	290,985	متفرق آمدنی
8,447,913	12,274,338	آمدنی ٹیکس لگانے سے پہلے
2,609,551	4,231,074	ٹیکس
5,838,361	8,043,264	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 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
6	جناب حامد جمشید
5	جناب طارق محمود حسن بٹ
4	مسز فائزہ فائز خان
6	مسٹر انوار الحق
6	مسٹر اسد رحیم خان
6	مسٹر سعد رحیم خان

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

شیئر ہولڈنگز کا نمونہ

شیئر ہولڈنگز کا نمونہ صفحہ نمبر 46 پر ہے۔

مستقبل کا تعین

مستقبل میں ہم ہائبرڈ کارن بیج پر توجہ دیں گے لیکن اپنے بیجوں کی حد کو جامع بنانے کے لئے بھی کوششیں کریں گے۔ آنے والے سال میں ہم کپاس کے بیج اور گندم کی مختلف اقسام میں سرمایہ کاری کریں گے اور سبزیوں کے بیجوں 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 فاقہ منشاء محسن دوسانی معصوم اینڈ کو چارٹرڈ اکاؤنٹنٹس، ریٹائرڈ ہوئے ہیں اور اہل ہیں اور خود کو 30 جون 2022 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, 2021



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, 2021**

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 will be held on October 27, 2021 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 75% of the directors on their board must have acquired the prescribed certification under Director Training Program by June 30, 2021. Two 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. One Director completed the Director Training.
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:

Committees	Composition/Names
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 committees of the Board of Directors have been reconstituted to comply with the requirements of the code of corporate governance 2019.

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:

Committees	Composition/Names
Audit Committee	Four quarterly meetings were held during the financial year ended June 30, 2021
HR & Remuneration Committee	One meeting was held during the financial year ended June 30, 2021
Risk Management Committee	Two meeting was held during the financial year ended June 30, 2021

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, 2021



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

	2021 Rupees	2020 Rupees	2019 Rupees	2018 Rupees	2017 Rupees	2016 Rupees
	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000

Issued, subscribed and paid up capital

4,000,000 ordinary shares of Rs. 10 each
 Surplus on Revaluation of Property, Plant & equipment
 Revenue reserve

	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000
	57,659,418	61,756,000	66,307,758	46,569,160	49,099,597	53,782,434
	41,445,540	29,303,759	18,943,441	10,498,310	2,345,792	(4,888,780)
	139,104,958	131,059,759	125,251,199	97,067,470	91,445,388	88,893,654

NON-CURRENT LIABILITIES

Loan from directors
 Deferred liabilities

	24,378,943	24,378,943	27,878,943	24,378,943	24,378,943	26,378,943
	26,675,353	25,805,466	25,952,919	21,767,017	23,851,230	24,836,648
	51,054,296	50,184,409	53,831,862	46,145,960	48,230,173	51,215,591

CURRENT LIABILITIES

Loan from directors
 Trade and other payable
 Current maturity of long term liabilities
 provision for taxation

	15,000,000	-	-	-	-	-
	27,303,184	23,105,828	20,066,670	20,562,945	21,186,343	9,532,861
	-	-	-	-	-	-
	5,781,565	5,229,034	4,139,303	4,155,430	3,797,585	2,860,351
	48,084,749	28,334,862	24,205,973	24,718,375	24,983,928	12,393,212

	238,244,002	209,579,029	203,289,033	167,931,805	164,659,489	152,502,457
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NON-CURRENT ASSETS

Property plant & equipment

	89,129,742	93,072,455	99,028,064	75,660,922	83023316	87581255
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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

	8,046,464	5,173,230	4,792,724	3,893,053	4,122,022	2,921,558
	64,100,379	36,035,095	31,059,304	30,032,857	30,224,786	13,715,779
	57,407,402	51,555,886	51,183,004	40,243,065	34,120,028	30,819,081
	10,883,143	7,757,000	9,466,544	7,139,786	6,711,482	6,846,660
	3,146,341	3,344,374	2,541,547	2,302,774	1,840,030	2,594,738
	5,530,531	12,640,989	5,217,846	8,659,348	4,617,825	8,023,386
	149,114,260	116,506,574	104,260,969	92,270,883	81,636,173	64,921,202

	238,244,002	209,579,029	203,289,033	167,931,805	164,659,489	152,502,457
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PROFIT AND LOSS ACCOUNT

	2021	2020	2019	2018	2017	2016
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Turnover	191,625,140	146,878,482	148,444,493	130,597,599	122,375,954	83,232,427
Cost of sales	152,557,821	113,685,088	117,717,725	103,292,839	95,118,324	61,565,184
Gross profit	39,067,319	33,193,394	30,726,768	27,304,760	27,257,630	21,667,243
Operating Expenses						
Administrative expenses	18,925,997	18,245,577	16,742,984	13,287,148	12,527,194	9,414,221
Selling & distribution expenses	7,007,235	6,304,739	6,956,270	7,130,654	9,001,486	11,273,471
	25,933,232	24,550,316	23,699,255	20,417,802	21,528,680	20,687,692
Operating profit	13,134,087	8,643,078	7,027,514	6,886,958	5,728,950	979,551
Finance cost	1,150,734	1,136,379	1,018,038	907,381	740,809	852,870
Other income	290,985	941,214	293,279	897,764	77,770	3,937,610
Profit before taxation	12,274,338	8,447,913	6,302,755	6,877,341	5,065,911	4,064,291
Taxation	4,231,074	2,609,551	2,332,465	3,024,329	2,728,309	8,654,350
Profit/(loss) after tax	8,043,264	5,838,362	3,970,290	3,853,012	2,337,602	(4,590,059)
Unappropriated profit/loss b/f	29,303,759	18,943,441	10,498,309	2,345,792	(4,888,780)	(5,646,953)
	37,347,023	24,781,803	14,468,599	6,198,804	(2,551,178)	(10,237,012)
Total comprehensive income	1,932	(29,802)	389,957	84,952	214,132	2,137,157
Transfer from surplus	4,096,585	4,551,758	4,084,884	4,214,554	4,682,838	3,211,075
Accumulated profit/(loss) c/f to balance sheet	41,445,540	29,303,759	18,943,441	10,498,309	2,345,792	(4,888,780)

**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, 2021 in accordance with the requirements of regulation 40 of the Regulations.

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

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

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

Based on our review, except for non-compliance to below regulations, 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, 2021.

Reference of Regulation	Description	Explanation
6	There is only one Independent Director in the company	According to regulation every company must have at least 2 Independent Directors or 1/3rd of the total directors, whichever is higher
19	One Director doesn't complete director Training Program.	According to regulation at least 75% of Director must complete the Director training Program by June 30, 2021



Mansha Mohsin Dossani

**Date: October 06, 2021
Place: Lahore**

**Razaqat Mansha Mohsin Dossani Masoom & Co
Chartered Accountants**

Engagement Partner: Mohsin Nadeem (FCA)

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, 2021, and the statement of profit or loss, and statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and 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, 2021 and of the profit and other 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 International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Following are the Key audit matters:

Key audit matter	How the matter was addressed in our audit
<p>Revenue Recognition</p> <p>The Company's revenue comprises sale of seeds and de-linting services which has been disclosed in note 20 to the financial statements.</p> <p>Revenue from the sale of seeds and delinting services is recognized, when the Company satisfies the performance obligation under the contract by transferring the promised goods to the customers. Revenue recognition criteria has been explained in note 3.17 to the financial statements.</p> <p>We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognized based on the satisfaction of the performance obligation under the contract with the customer in line with the accounting policy adopted or may not have been recognized in the appropriate period.</p>	<p>Our audit procedures included the following:</p> <p>Our audit procedures to address this Key Audit Matter included the following:</p> <ul style="list-style-type: none"> - obtaining an understanding of and assessing the design and implementation and operating effectiveness of key internal controls over recognition of revenue; - assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; - checking on a sample basis the recorded sales transactions with underlying sales invoices; - testing timeliness of revenue recognition by comparing individual sales transactions before and after the year end to underlying documents; and - assessed the adequacy of related disclosures in the financial statements.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

OTHER MATTER PARAGRAPH

The annual financial statements of the Company for the year ended June 30, 2020 were audited by another firm of Chartered Accountants who vide their report dated October 06, 2020 expressed an unmodified opinion thereon.

The engagement partner on the audit resulting in this independent auditor's report is Mohsin Nadeem (FCA).



Date: October 06, 2021
Place: Lahore.

RAFAQAT MANSHA MOHSIN DOSSANI MASOOM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Mohsin Nadeem (FCA)

STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES

	Note	2021 Rupees	2020 Rupees
SHARE CAPITAL AND RESERVES			
Authorized Capital		50,000,000	50,000,000
Share capital	4	40,000,000	40,000,000
Surplus On Revaluation of Property Plant and Equipment	5	57,659,418	61,756,000
Revenue reserves		41,445,540	29,303,759
		139,104,958	131,059,758
NON - CURRENT LIABILITIES			
Loan from director	7	24,378,943	24,378,943
Deferred liabilities	6	26,675,353	25,805,466
		51,054,296	50,184,409
CURRENT LIABILITIES			
Loan from director	8	15,000,000	-
Trade and other payables	9	27,303,184	23,105,828
Provision for taxation	10	5,781,565	5,229,034
		48,084,749	28,334,862
CONTINGENCIES AND COMMITMENTS	11	-	-
TOTAL EQUITY AND LIABILITIES		238,244,002	209,579,029

The annexed notes from 1 to 36 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

AS AT JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	12	89,129,742	93,072,455
CURRENT ASSETS			
Stores, spare parts and loose tools	13	8,046,464	5,173,230
Stock in trade	14	64,100,379	36,035,095
Trade debts - unsecured	15	57,407,402	51,555,886
Loans and advances - unsecured	16	9,229,926	6,729,811
Trade deposits and short term prepayments	17	3,146,341	3,344,374
Tax refunds due from the Government	18	1,653,217	1,027,189
Cash and bank balances	19	5,530,531	12,640,989
		149,114,260	116,506,574
TOTAL ASSETS		238,244,002	209,579,029

The annexed notes from 1 to 36 form an integral part of these financial statements.



Chief Executive



Director



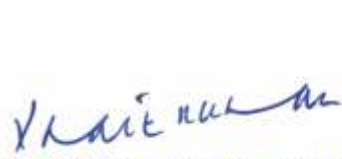
Chief Financial Officer

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

	Note	2021 Rupees	2020 Rupees
Turnover	20	191,625,140	146,878,482
Cost of sales	21	<u>152,557,821</u>	<u>113,685,088</u>
Gross profit		39,067,319	33,193,394
Administrative expenses	22	<u>18,925,997</u>	<u>18,245,577</u>
Distribution cost	23	<u>7,007,235</u>	<u>6,304,739</u>
		<u>25,933,232</u>	<u>24,550,316</u>
Operating profit		13,134,087	8,643,078
Finance cost	24	<u>1,150,734</u>	<u>1,136,379</u>
		<u>11,983,353</u>	<u>7,506,699</u>
Other income	25	<u>290,985</u>	<u>941,214</u>
Profit before taxation		12,274,338	8,447,913
Taxation	26	<u>4,231,074</u>	<u>2,609,551</u>
Profit after taxation		8,043,264	5,838,362
Earning per share-Basic and diluted		2.01	1.46

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

The annexed notes from 1 to 36 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, 2021**

	Note	2021 Rupees	2020 Rupees
PROFIT AFTER TAXATION		8,043,264	5,838,361
Other comprehensive income for the year			
Items that may be reclassified subsequently to profit or loss:		-	-
Items that will not be subsequently reclassified to profit or loss:		-	-
Remeasurement of retirement benefit		2,721	(41,975)
Related to Deferred Tax		(789)	12,173
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>8,045,196</u>	<u>5,808,559</u>

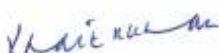
The annexed notes from 1 to 36 form an integral part of these financial statements.

 Chief Executive	 Director	 Chief Financial Officer
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**CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021**

		2021 Rupees	2020 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) before tax		12,274,338	8,447,913
Adjustments for:			
Depreciation		7,710,898	8,286,801
Financial charges		99,029	309,782
Provision for doubtful debts		518,248	1,376,235
Provision for workers profit participation fund		666,302	479,215
Provision for workers welfare fund		385,403	347,382
Provision for gratuity		2,236,253	2,442,227
Operating Profit/(loss) before working capital changes		23,890,471	21,689,555
Working capital changes			
(Increase) / decrease in current assets			
Stores, spares and loose tools		(2,873,234)	(380,506)
Stock in trade		(28,065,284)	(4,975,791)
Trade debts		(6,369,764)	(1,749,117)
Loan and advances		(2,500,115)	796,831
Trade deposits and short term prepayments		198,033	(802,827)
		(39,610,364)	(7,111,410)
Increase /(decrease) in current liabilities			
Trade and other payables		4,685,078	3,679,942
Cash generated from/(utilized in) operations		(11,034,815)	18,258,087
Financial Charges Paid		(99,029)	(309,782)
Workers profit participation fund paid		(1,192,043)	-
Workers welfare fund paid		(103,432)	(1,467,380)
Income Tax paid		(5,912,954)	(3,226,590)
		(7,307,458)	(5,003,752)
Net cash flow from/(utilized in) operating activities	A	(18,342,273)	13,254,335
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(3,768,185)	(2,331,192)
Net cash flow from/(utilized in) investing activities	B	(3,768,185)	(2,331,192)
CASH FLOW FROM FINANCING ACTIVITIES			
Loan from Director		15,000,000	(3,500,000)
Net cash flow from/(utilized in) financing activities	C	15,000,000	(3,500,000)
Net increase / (decrease) in cash and cash equivalents	A+B+C	(7,110,458)	7,423,144
Cash and cash equivalents at the beginning of the year		12,640,989	5,217,845
Cash and cash equivalents at the end of the year		5,530,531	12,640,989
Cash & cash equivalents are			
Cash in hand		739,591	907,301
Cash at bank		4,790,940	11,733,688
		5,530,531	12,640,989

The annexed notes from 1 to 36 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer

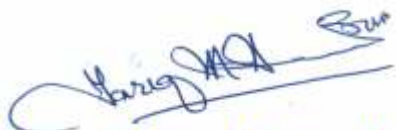
**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2021**

Description	Share Capital Rs.	Capital Reserve	Revenue Reserves Rs.	Total Rs.
		Surplus on revaluation of property, plant and equipment		
Balance as at July 1, 2019	40,000,000	66,307,758	18,943,441	125,251,199
Profit after tax for the year			5,838,361	5,838,361
Other Comprehensive Income for the year			(29,802)	(29,802)
Revaluation surplus transferred to unappropriated profit due to incremental depreciation		(4,551,758)	4,551,758	-
Balance as at June 30, 2020	40,000,000	61,756,000	29,303,758	131,059,758
Balance as at July 1, 2020	40,000,000	61,756,000	29,303,758	131,059,758
Profit after tax for the year			8,043,264	8,043,264
Other Comprehensive Income for the year			1,932	1,932
Revaluation surplus transferred to unappropriated profit due to incremental depreciation		(4,096,586)	4,096,586	-
Balance as at June 30, 2021	40,000,000	57,659,414	41,445,540	139,104,954

The annexed notes from 1 to 36 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, 2021

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 Pakistan Stock Exchanges. The principal activity of the company is production, processing and grading of agro seeds. The registered office of the company is Suite 5, The Polo Residence, Opposite Allama Iqbal International Airport, Adjacent Sector A, Phase 8, DHA, Lahore 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 affected by the following events and transactions during the reporting year:

a) Company purchased fixed asset during the year. As detailed in note #12.1

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

2.2.1 Standards, interpretations and amendments to published approved accounting standards

The accounting policies adopted are consistent with those of the previous financial year, except for the following new amendments effective for annual period beginning on 01 July 2020, as listed below. The Company has not early adopted any amendment that has been issued but is not yet effective.

New amendments

The Company has adopted the following revised standards and amendments to IFRSs which became effective for the current year

IAS 1	Presentation of Financial Statements: Definition of Material — (Amendments)
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material — (Amendments)
IFRS 3	Business Combinations: Definition of Business — (Amendments)
IFRS 9	Financial Instruments: Interest Rate Benchmark Reform — (Amendments)
IFRS 7	Financial Instruments Disclosures: Interest Rate Benchmark Reform— (Amendments)
IAS 39	Financial Instruments: Recognition and Measurement: Interest Rate Benchmark Reform — (Amendments)
IFRS 16	Covid-19-Related Rent Concessions (Amendments)
IFRS 16	IFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16

The adoption of above standards and amendments, will not have any material impact on the Company's financial statements.

Standards, interpretation and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Effective date (annual periods beginning on or after)
Standard or Interpretation

IFRS 3 Reference to conceptual framework — (Amendments)	01 January 2022
IAS 16 Property, plant and equipment: Proceeds before intended use — (Amendments)	01 January 2022
IAS 37 Onerous contracts - costs of fulfilling a contract — (Amendments)	01 January 2022
AIP IAS 41 Taxation in fair value measurements	01 January 2022
AIP IFRS 9 Fees in the '10 per cent' test for derecognition of financial liabilities	01 January 2022
IAS 1 Classification of liabilities as current or non-current — (Amendments)	01 January 2023
IAS 8 Definition of accounting estimates — (Amendments)	01 January 2023
IFRS 10 & Sale or Contribution of Assets between an Investor and its Associate or Joint	
IAS 28 Venture – (Amendment)	Not yet finalized
IAS 12 Deferred tax related to Assets and Liabilities arising from a Single Transaction — (Amendments)	01 January 2023

IAS 1 and IFRS Disclosure of accounting policies — (Amendments) 01 January 2023

Practice

Statement 2

The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards and conceptual framework have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2022.

The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

**Effective date (annual periods beginning on or after)
Standard or Interpretation**

IFRS 17 Insurance Contracts 01 January 2023

IFRS 1 First-time Adoption of IFRS 01 July 2004

The Company expects that application of above standards will not have any material impact on the Company's financial statements.

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 have been measured and recorded at fair value.

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 recognition 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 leased 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 owned 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 estimated 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:

	2021	2020
Discount rate	8.50%	8.5%
Expected rate of increase in salaries	7.50%	7.5%
Expected mortality rate	SLIC (2001-2005) mortality table	SLIC (2001-2005) mortality table
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 7, 2021 by Nauman Associates based on the "projected unit credit method"

All these calculations are subjective and judgements involved are 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, based 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.

3.10 EXPENSE RECOGNITION

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

3.11 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.

3.12 BORROWING COST

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

3.13 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.

3.14 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.

3.15 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.

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.

3.16 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.

3.17 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.

3.18 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.

3.19 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.

3.20 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.

3.21 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.

3.22 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.

3.23 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.

3.24 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 separate 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.

3.25 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.

3.26 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	2021 Rupees	2020 Rupees
	Authorized 5,000,000 (2020: 5,000,000) ordinary shares of Rs. 10 each	<u>50,000,000</u>	<u>50,000,000</u>
	Issued, subscribed and paid-up 4,000,000 (2020: 4,000,000) ordinary shares of Rs. 10 each fully paid for cash consideration	<u>40,000,000</u>	<u>40,000,000</u>
	Shares held by Associates	Number of Shares	Number of Shares
	Data Enterprises (Pvt.) Ltd Percentage of equity held 9.87% (2020: 9.87%)	<u>394,900</u>	<u>394,900</u>
4.1-	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.		
4.2-	There is no movement in share capital during the year		
5-	SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	Rupees	Rupees
	Gross surplus	<u>61,756,000</u>	<u>66,307,758</u>
	Opening excluding Land	40,965,824	45,517,582
	Land Surplus	20,790,176	20,790,176
	Incremental depreciation on opening surplus	(4,096,582)	(4,551,758)
	Incremental depreciation on opening surplus	-	-
		<u>(4,096,582)</u>	<u>(4,551,758)</u>
		<u>57,659,418</u>	<u>61,756,000</u>
5.1-	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.		
5.2-	DISCLOSURE RELATED TO DEFERRED TAX LIABILITY		
	Opening Deferred Tax Liability	17,683,304	19,648,115
	For the year derecognized	(1,768,330)	(1,964,811)
	Addition during the year on revaluation surplus	-	-
	Closing Deferred Tax Liability	<u>15,914,974</u>	<u>17,683,304</u>
6-	LOAN FROM DIRECTOR		
	Unsecured- from related party		
	Opening balance	24,378,943	27,878,943
	Received during the year	-	-
	Payment made during the year	-	(3,500,000)
		<u>24,378,943</u>	<u>24,378,943</u>
7-	DEFERRED LIABILITIES		
	Deferred tax - net	7.1 12,879,199	14,139,411
	Employees retirement benefits - gratuity	7.2 13,796,154	11,666,055
		<u>26,675,353</u>	<u>25,805,466</u>

	Note	2021 Rupees	2020 Rupees
7.1- DEFERRED TAX - NET			
Deferred tax liabilities/(assets) arising due to;			
Accelerated tax depreciation		1,464,038	338,193
Provision for gratuity		(4,000,885)	(3,383,156)
Provision for doubtful debts		(498,928)	(498,928)
		<u>(3,035,775)</u>	<u>(3,543,893)</u>
Surplus on revaluation of property plant and equipment		15,914,974	17,683,303
		<u>12,879,199</u>	<u>14,139,411</u>
7.2- Employees Retirement benefits (gratuity unfunded)			
Present value of defined benefits obligations	7.2.1	13,566,519	11,436,420
Benefits payable		229,635	229,635
		<u>13,796,154</u>	<u>11,666,055</u>
7.2.1- Movement in present value of defined benefits obligations			
Present value of defined benefits obligation at the beginning of the year		11,436,420	8,952,218
Current service cost for the year		1,268,552	1,166,536
Interest cost for the year		967,700	1,275,691
Benefits due but not paid (payables)		-	-
Benefits paid during the year		(103,432)	-
Gains and losses arising on planned settlements remeasurements		-	-
Acturial (gains)/losses from changes in demographic assumptions		-	-
Acturial (gains)/losses from changes in financial assumptions		28,499	(90,390)
Experience adjustments		(31,220)	132,365
Present value of defined benefits obligation at the closing of the year		<u>13,566,519</u>	<u>11,436,420</u>
7.2.2-Expenses recognized in statement of profit and loss account			
Current service cost		1,268,552	1,166,536
interest cost on defined benefit obligation		967,700	1,275,691
		<u>2,236,252</u>	<u>2,442,227</u>
7.2.3-Total remeasurements chargeable in other comprehensive income			
Remeasurementsof plan obligations:			
Acturial (gains)/losses from changes in demographic assumptions		-	-
Acturial (gains)/losses from changes in financial assumptions		28,499	(90,390)
Experience adjustments		(31,220)	132,365
		<u>(2,721)</u>	<u>41,975</u>
7.2.4-Changes in Net Liability			
Balance Sheet liability/(asset)		11,666,055	9,181,853
Expense chargeable to P&L		2,236,252	2,442,227
Remeasurement chargeable in other comprehensive income		(2,721)	41,975
Benefits paid		(103,432)	-
Benefits payable transferred to short term liability		-	-
		<u>13,796,154</u>	<u>11,666,055</u>
7.3-Apportionment of sta ffiretirement benefits			
The expenses recognized in the income statement under following heads:			
Cost of good sold		1,114,092	993,112
Administrative expenses		813,296	1,041,877
Distribution cost		308,865	407,239
		<u>2,236,253</u>	<u>2,442,227</u>

	2021 Rupees	2020 Rupees
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.		
Discount rate	8.50%	8.50%
Expected rate of increase in salary	9.00%	7.50%
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	1,172,674	991,615
Expected rate of change in future salaries	1,241,655	874,954
7.7- Expected gratuity expense for the year ending June 30, 2021 works out to Rs. 2,391,759/-.		
7.8- The weighted average duration of defined benefit obligation is three years.		
8- LOAN FROM DIRECTORS		
Unsecured- from related party		
Opening balance	-	-
Add: Received during the year	15,000,000	-
Less: Payments made during the year	-	-
Closing balance	<u>15,000,000</u>	<u>-</u>
*This represents the interest free loan given by related parties . This is not measured at amortized cost as per IFRS 9.		
9- TRADE AND OTHER PAYABLES		
Creditors	8,686,288	8,139,484
Accrued liabilities	5,681,403	4,745,148
Advances from customers	10,875,511	7,687,111
Workers' Welfare Fund 9.1	1,292,608	1,254,587
Worker's Profit Participation Fund 9.2	666,302	1,192,043
Tax deducted at source	101,071	87,455
	<u>27,303,183</u>	<u>23,105,828</u>
9.1- Workers Welfare Fund		
Balance as at beginning	1,254,587	907,205
Contribution for the year	385,403	347,382
	<u>1,639,990</u>	<u>1,254,587</u>
Payment made during the year	(347,382)	-
	<u>1,292,608</u>	<u>1,254,587</u>
9.2- Workers Profit Participation Fund		
Balance as at beginning	1,192,043	2,180,208
Charge for the year	666,302	479,215
	<u>1,858,345</u>	<u>2,659,423</u>
Payment made during the year	(1,192,043)	(1,467,380)
	<u>666,302</u>	<u>1,192,043</u>

10. PROVISION FOR TAXATION	Note	2021 Rupees	2020 Rupees
Opening balance		5,229,034	4,139,303
Provision for the year		5,781,565	5,229,034
		<u>11,010,599</u>	<u>9,368,337</u>
Prior year adjustment		(289,490)	-
Paid/adjusted		(4,939,544)	(4,139,303)
		<u>5,781,565</u>	<u>5,229,034</u>

10.1- 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.

11- CONTINGENCIES AND COMMITMENTS

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

11.1. The Deputy Commissioner Inland Revenue passed an order under sections 161/205 of the Income Tax Ordinance, 2001 creating a demand of Rupees 3.6 million for the tax year 2014. The Company preferred an appeal against this order before CIR(A). The proceedings are pending for adjudication. No provision against this demand has been made in these financial statements as the Company is confident of favorable outcome of its appeals.

11.2. COMMITMENT

There were no commitments at the year end (Nil : 2020)

12- PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets-Owned	12.1	89,129,742	93,072,455
		<u>89,129,742</u>	<u>93,072,455</u>

12.1 OPERATING FIXED ASSETS

	Rupees									Total
	Freehold land	Building on freehold land	Plant and machinery	Electrical Equipment	Furniture and fittings	Agricultural equipment	Office equipment	Harvesting equipment	Vehicles	
Depreciation Rate	0%	10%	10%	10%	10%	20%	20%	20%	20%	
Year ended July 01, 2019										
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
Additions	-	2,117,691	-	-	-	-	-	-	213,500	2,331,191
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
Closing net book value	<u>21,700,000</u>	<u>21,297,953</u>	<u>46,992,383</u>	<u>157,259</u>	<u>165,153</u>	<u>39,051</u>	<u>192,703</u>	<u>56,587</u>	<u>2,471,364</u>	<u>93,072,455</u>
At June 30, 2020										
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
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
Net book value	<u>21,700,000</u>	<u>21,297,953</u>	<u>46,992,383</u>	<u>157,259</u>	<u>165,153</u>	<u>39,051</u>	<u>192,703</u>	<u>56,587</u>	<u>2,471,364</u>	<u>93,072,455</u>
Year ended July 01, 2020										
Opening net book value	21,700,000	21,297,953	46,992,383	157,259	165,153	39,051	192,703	56,587	2,471,364	93,072,455
Additions	-	-	-	2,517,685	-	-	377,000	-	873,500	3,768,185
Depreciation charged for the year	-	2,129,795	4,699,238	131,120	16,515	7,810	46,895	11,317	668,206	7,710,898
Closing net book value	<u>21,700,000</u>	<u>19,168,158</u>	<u>42,293,145</u>	<u>2,543,824</u>	<u>148,638</u>	<u>31,241</u>	<u>522,807</u>	<u>45,270</u>	<u>2,676,658</u>	<u>89,129,742</u>
At June 30, 2021										
Cost	21,700,000	59,785,020	172,769,935	2,806,724	768,048	183,750	1,490,223	7,669,000	8,675,788	275,848,488
Accumulated depreciation	-	40,616,862	130,476,791	262,900	619,410	152,509	967,416	7,623,730	5,999,130	186,718,747
Net book value	<u>21,700,000</u>	<u>19,168,158</u>	<u>42,293,145</u>	<u>2,543,824</u>	<u>148,638</u>	<u>31,241</u>	<u>522,807</u>	<u>45,270</u>	<u>2,676,658</u>	<u>89,129,742</u>

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:

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 30-06-2021			Carrying Value as at 30-06-2020		
	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	61,461,303	36,869,242	24,592,061	68,290,337	40,965,824	27,324,513
	83,161,303	57,659,418	25,501,885	89,990,337	61,756,000	28,234,337

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

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

	2021 Rupees	2020 Rupees
12.3- The depreciation for the year has been allocated as follows:		
Cost of goods sold	6,829,034	7,587,815
Administrative expenses	881,864	698,986
	7,710,898	8,286,801
13. STORES, SPARES PARTS AND LOOSE TOOLS		
Stores and spares parts	7,815,617	4,942,383
Loose tools	230,847	230,847
	8,046,464	5,173,230
14. STOCK IN TRADE		
Raw material	44,133,816	28,704,522
Finished goods	19,966,563	6,878,239
	64,100,379	35,582,761
14.1 Fair Value Gain on Corn Seed		
Raw material	-	201,725
Finished goods	-	250,609
	-	452,334

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

There is no standing crops at the year end.

	Note	2021 Rupees	2020 Rupees
15. TRADE DEBTS -UNSECURED			
- Unsecured - Considered good		48,814,888	51,900,094
- Unsecured - Considered doubtful		10,831,205	1,376,235
		59,646,093	53,276,329
Provision for doubtful debts	15.1	(2,238,691)	(1,720,443)
		57,407,402	51,555,886
15.1 Opening Provision		1,720,443	344,208
Provision for Loss Allowance		518,248	1,376,235
Balance at the year end		2,238,691	1,720,443
16. LOAN AND ADVANCES			
Loan to Director			
- Unsecured Considered good	16.1	3,401,628	2,735,474
Advances to Staff :unsecured			
- Unsecured Advance against Salary		878,768	880,721
- Unsecured Advance against expenses		2,451,564	2,011,405
- Unsecured Considered good	16.2	-	-
Advances to suppliers:			
- Unsecured Considered good		2,497,966	1,102,211
		9,229,926	6,729,811
16.1	These represents Loan to Director.The maximum aggregate amount due from Director at the end of any month during the year Rs.3,401,628/- (2020: Rs. 2,735,474/-).		
16.2	Advances to employees against expenses are provided to meet business expenses and are settled as and when the expenses are incurred.		
17. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Security deposits with statutory authorities		705,850	272,850
Prepayments	17.1	2,440,491	3,071,524
		3,146,341	3,344,374
17.1- PREPAYMENTS			
Prepaid insurance - Vehicles		32,163	31,077
Prepaid consultancy charges generator		50,000	95,000
Prepaid lease charges - Farms / farm expenses		2,358,328	2,945,447
		2,440,491	3,071,524
18. TAX REFUNDS DUE FROM THE GOVERNMENT			
Advance Income Tax			
Opening balance		1,027,189	1,939,902
Tax deducted / paid during the year		5,912,954	3,226,590
		6,940,143	5,166,492
Adjustment during the year		(5,286,926)	(4,139,303)
		1,653,217	1,027,189

	Note	2021 Rupees	2020 Rupees
19. CASH AND BANK BALANCES			
Cash in hand			
-Head office		166,884	266,975
-Factory		572,707	640,326
		<u>739,591</u>	<u>907,301</u>
Cash at bank:			
-Current accounts		4,790,940	11,733,688
		<u>5,530,531</u>	<u>12,640,989</u>
20. REVENUE			
Sale of Goods	20.1	169,118,481	124,089,839
Sale of Services	20.2	22,506,659	22,788,643
		<u>191,625,140</u>	<u>146,878,482</u>
20.1 SALE OF GOODS			
Gross Revenue		185,089,374	128,456,320
Less:			
-Trade discounts		(3,603,673)	(2,974,731)
-Sale Return		(12,367,220)	(1,391,750)
		<u>169,118,481</u>	<u>124,089,839</u>
20.2 SALE OF SERVICES			
Seed processing		22,198,043	22,344,539
Cleaning and drying		308,616	444,104
		<u>22,506,659</u>	<u>22,788,643</u>
21. COST OF SALES			
Raw material consumed	21.1	113,928,984	66,111,188
Chemicals, stores and others		7,226,763	5,683,400
Salaries, wages & benefits	21.2	9,154,912	8,765,293
Fuel and powers		11,038,618	6,934,876
Repair and maintenance (Plant & machinery)		805,511	2,482,162
Repair and maintenance (Building)		192,674	238,212
Repair and maintenance (Electrical)		62,777	43,423
Processing expenses		3,572,580	3,342,947
Research and development expenses		11,152,615	10,629,475
Micronutrient expenses		-	167,033
Vehicle repair and maintenance		237,645	253,314
Laboratory expenses		63,645	75,426
Entertainment		457,427	303,491
Telephone charges		134,393	163,098
Germination claims		186,204	213,011
Kappa's Ginning charges		75,077	36,134
Traveling and conveyance		800	4,180
Usher		20,000	10,000
Depreciation	12.3	6,829,034	7,587,815
Miscellaneous charges		255,877	139,136
		<u>165,395,536</u>	<u>113,183,614</u>
Adjustments of finished goods			
- Opening		7,128,848	7,379,713
- Closing		(19,966,563)	(6,878,239)
		<u>(12,837,715)</u>	<u>501,474</u>
		<u>152,557,821</u>	<u>113,685,088</u>

		2021 Rupees	2020 Rupees
21.1 RAW MATERIAL CONSUMED	Note		
Opening Stock		28,906,247	23,679,591
Add: Purchases		105,524,953	55,719,911
Add: Expenses on production		23,631,600	14,574,389
		158,062,800	94,815,710
Closing Stock		(44,133,816)	(28,704,522)
		113,928,984	66,111,188
21.2	Salaries, wages and benefits include Rs. 1,114,090/- (2020: Rs. 993,112/-) in respect of staff retirement benefits-gratuity (Note # 7.3)		
22. ADMINISTRATIVE EXPENSES	Note	2021 Rupees	2020 Rupees
Salaries, wages and benefits	22.1	11,639,717	10,713,795
Printing and stationery		290,594	224,705
Traveling and conveyance		343,324	324,209
Vehicle running and maintenance		27,900	41,200
Rent, rates and taxes		1,002,493	1,100,214
Postage and telegram		39,518	42,799
Utilities expenses		1,245,838	1,554,937
Telephone expenses		127,130	155,310
Entertainment		172,830	172,718
Newspaper and periodicals		13,760	11,940
Fee and subscription		307,200	466,950
Legal and professional charges		489,547	296,680
Auditors' remuneration	22.2	500,000	400,000
Canteen expenses		405,347	372,425
Repair & maintenance		775,080	65,050
Charity & donation		36,053	21,290
Insurance expenses		79,914	154,851
Depreciation	12.3	881,864	698,986
Miscellaneous expenses		29,640	269,334
Provision for Loss Allowance		518,248	1,376,235
		18,925,997	18,463,627
22.1	Salaries, wages and benefits include Rs. 813,296 /- (2020: Rs. 1,041,877/-) in respect of staff retirement benefits - gratuity (Note # 7.3).		

		2021 Rupees	2020 Rupees
22.2 Auditor's remuneration			
Statutory Audit fee		350,000	250,000
Tax consultancy		150,000	150,000
		<u>500,000</u>	<u>400,000</u>
23. DISTRIBUTION COST			
Salaries, wages and benefits	23.1	2,538,063	2,274,951
Telephone expenses		49,700	56,450
Traveling and conveyance		38,848	9,552
Entertainment		14,005	19,483
Advertisement		411,883	325,367
Repair & maintenance		2,165,094	1,840,327
Tag Expenses		227,924	73,233
Freight & octroi		1,198,861	1,101,296
Sale promotion expenses		282,235	538,316
Miscellaneous expenses		80,622	65,764
		<u>7,007,235</u>	<u>6,304,739</u>
23.1. Salaries, wages and benefits include Rs. 308,865/- (2020: Rs. 407,239/-) in respect of staff retirement benefits - gratuity (Note # 7.3).			
24. FINANCE AND OTHER COST			
Bank Charges		99,029	91,732
Other cost			
Workers profit participation fund		666,302	479,215
Workers welfare fund		385,403	347,382
		<u>1,150,734</u>	<u>918,329</u>
25. OTHER INCOME			
Others			
Fair Vaue Gain		-	452,334
Cleaning & drying		290,985	488,880
		<u>290,985</u>	<u>941,214</u>

	2021 Rupees	2020 Rupees
26. TAXATION		
Current year	5,781,568	5,229,034
Prior years	(289,490)	-
DEFERRED	5,492,078	5,229,034
Current year	(1,261,004)	(2,619,482)
Prior years	-	-
	<u>(1,261,005)</u>	<u>(2,619,482)</u>
	<u>4,231,074</u>	<u>2,609,551</u>

26.1- NUMERICAL RECONCILIATION BETWEEN THE AVERAGE EFFECTIVE TAX RATE AND THE APPLICABLE TAX RATE.

	%AGE	%AGE
Applicable tax rate	29.00%	29.00%
Tax effect of non deductible expenses	25.99%	0.00%
Tax effect relating to deferred tax on revaluation surplus	-7.890%	0.00%
Tax charge relating to prior year	-2.36%	0.00%
Tax effect relating to deferred tax current year	-10%	-12%
Average effective tax rate	<u><u>34.47%</u></u>	<u><u>17.00%</u></u>
Tax expense for the year divided by profit before tax		

26.2- The Company has filed Income Tax Return up to tax year 2020 which is deemed assessed as per Income Tax Ordinance, 2001.

26.3- 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
2018	(4,155,430)	(4,155,430)
2019	(4,139,303)	(4,139,303)
2020	(4,939,544)	(5,229,034)

27. EARNING PER SHARE

Profit for the year after taxation	8,043,264	5,838,362
Number of ordinary shares issued and subscribed at the end of the year	4,000,000	4,000,000
	<u><u>2.01</u></u>	<u><u>1.46</u></u>

27.1. BASIC

Earning per share	<u><u>2.01</u></u>	<u><u>1.46</u></u>
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27.2. 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.

28 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	
	2021	2020	2021	2020
Head office	17	16	17	16
Plant	37	36	37	34
Total number of employees	<u><u>54</u></u>	<u><u>52</u></u>	<u><u>54</u></u>	<u><u>50</u></u>

29. 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:

	2021		
	Chief Executive	Directors	Executives
Managerial remuneration	2,400,000	2,912,000	1,680,000
Utilities	120,000	145,600	84,000
House rent	1,080,000	1,310,400	756,000
Medical	-	139,200	-
	3,600,000	4,507,200	2,520,000
Number of persons	1	1	2

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

	2020		
	Chief Executive	Directors	Executives
Managerial remuneration	2,400,000	2,912,000	3,080,232
Utilities	120,000	146,000	154,012
House rent	1,080,000	1,310,000	1,386,104
Medical	-	139,200	-
	3,600,000	4,507,200	4,620,348
Number of persons	1	1	5

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

30. 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 and key management personnel as disclosed in note 28. The Company in the normal course of business carries out transactions with various related parties. Significant transactions with related parties are as follows:

Nature of Transaction	2021	2020
Director Loan Received	15,000,000	-
Loan paid to Director	690,990	406,710
Repayment of loan by Director	24,836	64,302

The Related parties with whom the Company had entered into transactions or have arrangement / agreement in place are following:

Name of the related party	'Relationship	Basis of relationship	'Aggregate % of shareholding
Faaiz Rahim Khan	Related Party	Director	0.25%
Saad Rahim Khan	Related Party	Director	9.12%
Asad Rahim Khan	Related Party	Director	9.59%
Dr. Anwar-ul-Haq	Related Party	Director	0.03%

31. 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

2021	2020
M.Tons	M.Tons
18,250	18,250
75	12
1,494	841
1,910	2,759
3,479	3,612

- 31.1. 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.
- 31.2. Due to perishable nature of the product, the actual production is limited to market demand.

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, 2021 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 (2020: 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 (2020: 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 Pakistan Stock Exchange (PSX) 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-21	Jun-20	Jun-21	Jun-20
	(Rupees)			
			Jun-21	
				Jun-20
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:

		2021 Rupees	2020 Rupees
Trade debtors	See note no. 15	57,407,402	51,555,886
Loan's and advances	See note no. 16	9,229,926	8,183,778
Trade deposits and short term prepayments	See note no. 17	3,146,341	3,344,374
Cash and Bank balance	See note no. 19	5,530,528	12,640,989
		<u>75,314,197</u>	<u>75,725,027</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			2021	2020
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
Bank of Punjab	A-1+	AA	PACRA	442,387	442,387
MCB	A-1+	AAA	PACRA	1,476,315	1,171,757
HBL	A1+	AA+	PACRA	1,560,831	5,866,903
ABL	A1+	AA+	PACRA	608,229	4,241,101
UBL	A-1+	AAA	VIS	500	500
Al-Baraka	A-1	A	PACRA	-	-
Bank Alfalah	A1+	AA	PACRA	11,040	11,040
Standard Chartered Bank (Pak) Ltd	A1+	AAA	PACRA	-	-
Askari Bank Limited	A1+	AA+	PACRA	222,095	-
National Bank of Pakistan	A1+	AAA	PACRA	156,493	-
Faysal Bank Limited	A1+	AA	PACRA	313,050	-
Cash In Hand				739,588	907,301
				<u>5,530,528</u>	<u>12,640,989</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,

	Not past due	91-180 Days	181-365 Days	More than 365 Days	Total
		2%	3%	5%-10%	
Balance as at June 30, 2021	43,817,296	3,484,653	1,512,939	10,831,205	59,646,093
Loss allowance	-	(69,693)	(45,388)	(2,238,691)	(2,353,772)
Balance as at June 30, 2020	-	42,317,071	10,579,268	-	52,896,339
Loss allowance	-	(846,341)	(528,963)	-	(1,375,305)

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:

	2021	2020
Gross carrying amount	14,029,484	11,528,152
Loss allowance	-	-

(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, 2021 the company had Rupees 5,530,528(2020: Rs. 12,640,989) 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 2021

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
(Rupees)						
Non-derivative financial liabilities:						
Trade and other payables	27,303,180	27,303,180	27,303,180	-	-	-
Loan from related party (Director)	15,000,000	-	-	-	15,000,000	-
	<u>42,303,180</u>	<u>27,303,180</u>	<u>27,303,180</u>	<u>-</u>	<u>15,000,000</u>	<u>-</u>

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)						
Non-derivative financial liabilities:						
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>

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 01,2020	-	-
Changes from financing cash flows		
Repayment of loan	-	-
Proceeds from loan	15,000,000	15,000,000
Receipts of security deposit	-	-
Disbursement of security deposit	-	-
Total changes from financing activities	15,000,000	15,000,000
Balance as at June 30,2021	<u>15,000,000</u>	<u>15,000,000</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)				
As at 30 June 2021				
Assets				
Available for sale financial assets	-	-	-	-
As at 30 June 2020				
Assets				
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 2021.

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

	At Fair Value Rupees	At Amortized Cost Rupees	Total Rupees
As at 30 June 2021			
Assets as per balance sheet			
Trade Debts		57,407,402	57,407,402
Loans and Advances		9,229,926	9,229,926
Trade deposits and short term prepayments		3,146,341	3,146,341
Cash and Bank Balances		5,530,528	5,530,528
	-	<u>75,314,197</u>	<u>75,314,197</u>
		At Amortized Cost	
			Rupees
Liabilities as per balance sheet			
Trade and other payables			27,303,180
Loan from related party (Director)			15,000,000
			<u>42,303,180</u>
As at 30 June 2020			
Assets as per balance sheet			
Trade Debts		51,555,886	51,555,886
Loans and Advances		8,183,778	8,183,778
Trade deposits and short term prepayments		3,344,374	3,344,374
Cash and Bank Balances		12,640,989	12,640,989
	-	<u>75,725,027</u>	<u>75,725,027</u>
		At Amortized Cost	
			Rupees
Liabilities as per balance sheet			
Trade and other payables			23,392,973
Loan from related party (Director)			24,378,943
			<u>47,771,916</u>

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 short term borrowings obtained by the company as referred to in Note 6. Total Capital employed includes 'total equity' as shown in balance sheet.

		Jun-21	Jun-20
Borrowings	Rupees in thousand	15,000.00	24,378.94
Total Equity	Rupees in thousand	139,105	131,170
Total Capital Employed	Rupees in thousand	154,105	155,549
Gearing ratio	Percentage	9.73%	15.67%

33 GENERAL

33.1 Figures have been rounded off to nearest rupee.

33.2 Impact of COVID - 19 on the financial statements

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on March 11, 2020, impacting countries globally. Measures taken to contain the spread of the virus, including lock-downs, travel bans, quarantines, social distancing, and closures of non-essential services and factories triggered significant disruptions to Manufacturing, transportation, distribution and selling of seeds, fertilizers and pesticides, being essential commodities, was permitted by the Government even during the lock down period. Consequently, the Company's plants have continued uninterrupted operations during this pandemic.

The management is of the view that COVID-19 pandemic has not materially affected the financial performance of the Company as the activities of the Company remained continued during the lock down period. Keeping in view the latest updates regarding the pandemic, future effects cannot be predicted. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

33.3 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.

34 CORRESPONDING FIGURES

Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. However, no significant reclassification has been made, except for the following:

Nature	Reclassified from	Reclassified to	Purpose	2020 Rupees
Statement of financial Position				
Loan and Advances	Advance to executive staff	Loan to Director	Better Classification	2,735,475
Loan and Advances	Advance income Tax	Tax due from Government	do	1,027,189
Statement of Profit or Loss				
Finance Cost	Finance and Other cost- Stock Exchange fee	Administrative Expenses - Fee and Subscription	do	218,050

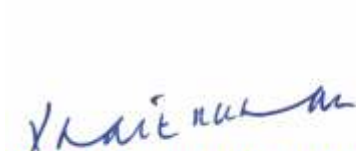
35 EVENTS SUBSEQUENT TO BALANCE SHEET DATE

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

36 DATE OF AUTHORIZATION

These financial statements have been approved and authorized for issue on October 06, 2021 by the Board of Directors of the company.

The annexed notes from 1 to 36 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

**DATA AGRO LIMITED
PATTERN OF SHAREHOLDING
AS ON 30-06-2021**

Number of ShareHolders	Shareholdings		Total Number of Share Held	Percentage of Total Capital
	From	To		
90	1 -100	100	2,758	0.07
2205	101 -500	500	1,097,831	27.45
53	501 -1000	1000	52,101	1.30
53	1001 -5000	5000	142,600	3.57
17	5001 -10000	10000	153,510	3.84
4	10001 -15000	15000	50,500	1.26
3	15001 -20000	20000	54,100	1.35
3	20001 -25000	25000	68,000	1.70
2	25001 -30000	30000	59,500	1.49
1	30001 -35000	35000	34,000	0.85
1	40001 -45000	45000	44,000	1.10
1	45001 -50000	50000	50,000	1.25
1	100001 -105000	105000	101,300	2.53
1	130001 -135000	135000	131,300	3.28
1	145001 -150000	150000	150,000	3.75
1	215001 -220000	220000	219,200	5.48
1	230001 -235000	235000	233,500	5.84
1	235001 -240000	240000	236,500	5.91
1	275001 -280000	280000	359,800	9.00
1	360001 -365000	365000	364,600	9.12
1	390001 -395000	395000	394,900	9.87
2,443	<-----TOTAL----->		4,000,000	100.00

DATA AGRO LIMITED CATEGORIES OF SHAREHOLDERS AS ON 30-06-2021

Sr #	Shareholder's Category	Number of Shareholders	Number of Shares Held	Percentage
1	Directors/Chief Executive Officer and their Spouse and minor children.	12	1,601,800	40.05
2	Executives	1	30,000	0.75
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	43,700	1.09
5	Public Sector Companies and Corporations	-	-	-
6	Banks, Development Financial Institutions, Non-Banking Financial Institutions, Insurance Companies, Modarabas and Mutual Funds	2	2,065	0.05
7	Shareholding 5% or More (including in above category)	7	2,211,200	55.28
8	Others	5	12,001	0.30
9	Individuals	2,420	1,915,534	47.89
	TOTAL :-	2,443	4,000,000	100.00

DETAIL OF CATEGORIES OF SHAREHOLDERS AS ON JUNE 30, 2021

CATEGORIES OF SHAREHOLDERS		TOTAL SHARES HELD	%
Directors, Chief Executive Officer, and their spouse and minor children			
1	MR. ASAD RAHIM KHAN	383,500	9.59
2	MR. TARIQ MAHMOOD HASSAN BUTT	1,000	0.03
3	MR. OMER RAHIM KHAN	251,200	6.28
4	MR SOHAIL KHAN	500	0.01
5	MR. HAMID JAMSHED	500	0.01
6	MR. ANWAR-UL-HAQ	1,000	0.03
7	MR SAAD RAHIM KHAN	364,600	9.12
8	MR HAIDER SADIK	219,200	5.48
9	MR SHAMIM AHMAD KHAN	500	0.01
10	MR FAAIZ RAHIM KHAN	10,000	0.25
11	MR ASIF RAHIM KHAN	10,000	0.25
12	MRS FAAIZA FAAIZ KHAN	359,800	9.00
Running Total:		1,601,800	40.05
Associated Companies, Undertakings and Related Parties			
1	DATA ENTERPRISES (PVT) LTD	394,900	9.87
Running Total:		394,900	9.87
EXECUTIVES:			
1	MR. RIZWAN HASSAN	30,000	0.75
Running Total:		30,000	0.75
NIT and ICP			
1	N.B.P. TRUSTEE DEPARTMENT	9,700	0.24
2	IDBP (ICP UNIT)	34,000	0.85
Running Total:		43,700	1.09
Banks, Development Financial Institutions, Non Banking Financial Institutions			
1	THE BANK OF KHYBER	2,000	0.05
2	NATIONAL BANK OF PAKISTAN	55	0.00
3	NATIONAL BANK OF PAKISTAN	10	0.00
Running Total:		2,065	0.05
General Public (Local)			
Running Total:		1,915,534	47.89
Others			
1	RS CAPITAL (PRIVATE) LIMITED	12,000	0.30
2	MAPLE LEAF CAPITAL LIMITED	1	0.00
Running Total:		12,001	0.30
Grand Total:		4,000,000	100.00

Shareholders holding 5% or more voting rights:

1	MR SAAD RAHIM KHAN	364,600	9.1150
2	MR HAIDER SADIK	219,200	5.4800
3	DATA ENTERPRISES (PVT) LTD	394,900	9.8725
4	MR. ASAD RAHIM KHAN	383,500	9.5875
5	MR. OMER RAHIM KHAN	251,200	6.2800
6	MRS FAAIZA FAAIZ KHAN	359,800	8.9950
7	TAHIR MAHMOOD	238,000	5.9500
Running Total:		2,211,200	55.2800

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		251,200

Signature of the Company Secretary



Name of Signatory

Suhail Mehmood

Designation

Company Secretary

NIC Number

Date

30.6.2021

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 27th
October, 2021 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 -----2021.

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.