

ANNUAL REPORT AND ACCOUNTS 2019



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. Asif 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. Hamid Jamshed (Member) |
| HR Committee: | Mr. Hamid Jamshed (Chairman) Mr. Tariq Mahmood Hassan Butt (Member) Mrs. Faiza Faaiz Khan (Member) Mr. Asad Rahim Khan (Member) |
| Auditors: | M/s. Sarwars Chartered Accountants Office # 12-14, 2nd Floor, Lahore Centre 77-D, Main Boulevard, Gulberg III, 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: | 135-Scotch Corner, Upper Mall, Lahore. |

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 27th Annual General Meeting of Shareholders of Data Agro Limited will be held on Monday October 28, 2019 at 11:30 A.M. at the Registered Office of the Company, 135-Scotch Corner, Upeer Mall, Lahore to transact the following business.

1. To confirm the minutes of 26th Annual General Meeting held on October 31, 2018.
2. To receive and adopt the Audited Accounts of the Company along with Directors and Auditors reports thereon, for the year ended June 30, 2019.
3. To appoint Auditors of the company for the year ended June 30, 2020 and to fix their remuneration. The retiring Auditors M/s Sarwars Chartered Accountants, being eligible has offered themselves for reappointment.
4. Any other business with the permission of the chair.

The Share Transfer Books of the Company will remain close from October 21, 2019 to October 28, 2019 (both days inclusive).

BY ORDER OF THE BOARD
(Suhail Mehmood)
Company Secretary

Lahore
October 07, 2019.

NOTES:

- (a) The Share Transfer Books of the Company will remain close from October 21, 2019 to October 28, 2019 (both days inclusive).
- (b) A member entitled to attend and vote at the above meeting may appoint another as proxy to attend, speak, & vote on his/her behalf. 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.
- (c) Members whose shares are deposited within CDC of Pakistan Limited are requested to bring original computerized CNIC along with the participants ID number and their account number in CDC of Pakistan Limited to facilitate identification at the time of annual general meeting. In case of proxy, an attested copy of proxy's CNIC, account and participant CNIC be enclosed. In case of corporate entity,

- (d) Members are requested to notify the Company of the any change in their addresses, if any change inform the Company's Share Registrar M/s Hameed Majeed Associates (Pvt) Ltd at H.M House 7-Bank Square, Lahore
- (e) Nomination from the member for the office of Director must be received at least 14 clear days before the time of the meeting at the registered office of the Company during working hours.
- (f) SECP through its Notification SRO 787 (I)/2014 dated September 8, 2014 has allowed the circulation of Audited Financial Statements along with Notice of Annual General Meeting to the members of the Company through e-mail. Therefore, all members of the Company who which to receive soft copy of Annual Reports are requested to send their e-mail address. The consent form for electronic transmission could be downloaded from the Company's website: www.dataagrolimited.com.

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.

CHAIRMAN'S REVIEW

On behalf of the Board of Directors, shareholders of the Company are warmly welcomed to the 27th Annual General Meeting of the Company. I also welcome the Board of Directors and recently constituted various Board committees and hope that they will introduce Company's tactical, operational and financial strategies to new insights utilizing their broad visions, in depth knowledge and vast market experience. I would also like to place on record my appreciation of the contributions made by the outgoing Board and its Committees.

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. 2018-19 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. The Solvent Extraction Industry has faced several challenges and pressures during the recent years which still need be addressed to make the business more viable in light of slowing global economy and changing political and socioeconomic factors. Growth in emerging markets shall provide an opportunity to support and strengthen this industry to make it more lucrative and profitable. The economic factors within the Country deteriorated in the backdrop of political upheaval and 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. There is increase of 14% in sales. The management has done well to capture additional 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 05, 2018


HAMID JAMSHED
Chairman

DIRECTOR'S REPORT

The Directors of your Company are please to present the 27th annual report along with the audited accounts for the year ended June 30, 2019.

Performance Review

The company has processed seeds of Cotton and Wheat and produced Hybrid Corn. We continue to add new crops to our range of seeds that we provide to the farmer. We are actively involved in Hybrid Corn production. We benefited from the farmers positive outlook on the cotton crop. Our results show an increase in third party cotton seed processing/delinting totaling 3422 Metric Tons (2018: 2922 Metric Tons)

| | 2019 (M.Ton) | 2018 (M.Ton) |
|------------|------------------------|------------------------|
| Production | 3442 | 2922 |

Financial Results

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

| | 2019 (Rupees) | 2018 (Rupees) |
|--------------------------------------|-------------------------|-------------------------|
| Sales | 148,444,493 | 130,597,599 |
| Cost of sales | 117,717,725 | 103,292,839 |
| Gross profit | 30,726,786 | 27,304,760 |
| Operating expenses | 23,699,255 | 20,417,802 |
| Finance & other charges | 1,018,038 | 907,381 |
| Other income | 293,279 | 897,764 |
| Profit before taxation | 6,302,755 | 6,877,341 |
| Taxation | 493,162 | 3,766,636 |
| Profit/ (loss) after taxation | 5,809,593 | 3,110,705 |

Review period has shown better performance from the company. Financials show an 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 market and farmers are positive. We hope sales of these seeds will increase further.

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

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

Corporate Governance

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

The following are statements on corporate and financial reporting framework;

1. 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;
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 three non-executive directors and its chairman is an independent director.

HR Committee

The board has constituted a HR committee, consisting of 4 non-executive directors and its chairman is 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.

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

| Name of Directors | Meetings Attended |
|-------------------------------|--------------------------|
| Mr. Faaiz Rahim Khan | 5 |
| Mr. Asif Rahim Khan | 4 |
| Mr. HamidJamshed | 5 |
| Mr. Tariq Mahmood Hassan Butt | 3 |
| Mrs. Faiza Faaiz Khan | 3 |
| Mr. Anwar-ul-Haq | 5 |
| Mr. Asad Rahim Khan | 4 |

Leave of absense was granted to directors who could not attend any of the Board Meetings.

Pattern of Shareholdings

The pattern of Shareholdings is on page No.46.

Future Outlook

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

Auditors

The present Auditors M/S. Sarwars Chartered Accountants, retired and being eligible, offer themselves for re-appointment for the year ending June 30, 2020.

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.

On behalf of the Board

Asif Rahim Khan

ASIF RAHIM KHAN
Director

Faaiz Rahim Khan

FAAIZ RAHIM KHAN
Chief Executive

LAHORE
October 05, 2019

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, 2017
Year ending : June 30, 2019

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

1. The total number of directors areas per the following: 2. The total number of directors areas per the following:

| Gender | Number |
|--------|--------|
| Male | 6 |
| Female | 1 |

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

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

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. In terms of Regulation 20 of Code of Corporate Governance Regulations, 2017, the listed Companies are required to ensure that at least half of the directors on their board must have acquired the prescribed certification under Director Training Program by June 30, 2019. Two of the seven Directors are 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.
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:

| Committees | Composition/Names |
|-----------------------------|--|
| Audit Committee | Mr. Tariq Mahmood Hassan Butt - Chairman (Independent Director) Mr. Hamid Jamshed - Member Mr. Asad Rahim Khan - Member |
| HR & Remuneration Committee | Mr. Hamid Jamshed - Chairman Mr. Tariq Mahmood Hassan Butt - Member Mrs. Faiza Faaiz Khan - Member Mr. Asad Rahim Khan - Member |

The Company was in compliance with the Code of Corporate Governance, 2012 for the year ended June 30, 2018. Further, during the year, the committees of the Board of Directors have been reconstituted to comply with the requirements of the 2017 Code.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the committee was as per following:

| Committees | Composition/Names |
|-----------------------------|---|
| Audit Committee | Four quarterly meetings were held during the financial year ended June 30, 2019 |
| HR & Remuneration Committee | One meeting was held during the financial year ended June 30, 2019 |

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 05, 2019

Asif Rahim Khan
ASIF RAHIM KHAN
Director

Faiz Rahim Khan
FAAIZ RAHIM KHAN
Chief Executive

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/amendments where necessary.

KEY OPERATING AND FINANCIAL DATA FOR THE LAST SIX YEARS

BALANCE SHEET

| | 2019 Rupees | 2018 Rupees | 2017 Rupees | 2016 Rupees | 2015 Rupees | 2014 Rupees |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Capital & Liabilities | | | | | | |
| Share Capital & Reserves | | | | | | |
| Authorised Capital | | | | | | |
| 5,000,000 Ordinary Shares of Rs. 10 each | 50,000,000 | 50,000,000 | 50,000,000 | 50,000,000 | 50,000,000 | 50,000,000 |
| Issued, Subscribed and Paidup capital | | | | | | |
| 4,000,000 ordinary shares of Rs. 10 each fully paid in cash | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 |
| Surplus on Revaluation of Property, Plant and Equipment | 69,665,356 | 48,940,095 | 52,018,375 | 66,211,071 | 34,017,751 | 36,830,425 |
| Revenue reserves | 11,309,021 | 2,011,249 | (4,262,688) | (17,471,406) | (15,947,685) | (18,146,479) |
| | 120,974,377 | 90,951,344 | 87,755,687 | 88,739,665 | 58,070,066 | 58,683,946 |
| Loan from director | 27,878,943 | 24,378,943 | 24,378,943 | 26,378,943 | 27,878,943 | 32,378,943 |

NON-CURRENT LIABILITIES

| | | | | | | |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Deferred liabilities | 30,229,740 | 27,883,142 | 27,540,931 | 24,990,637 | 18,349,148 | 17,549,305 |
| | 30,229,740 | 27,883,142 | 27,540,931 | 24,990,637 | 18,349,148 | 17,549,305 |

CURRENT LIABILITIES

| | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Trade and other payables | 20,066,670 | 20,562,945 | 21,186,343 | 9,532,861 | 12,535,271 | 13,155,462 |
| Current maturity of long term liabilities | - | - | - | - | - | 244,724 |
| Provision for taxation | 4,139,303 | 4,155,430 | 3,797,585 | 2,860,351 | 1,381,027 | 1,327,624 |
| | 24,205,973 | 24,718,375 | 24,983,928 | 12,393,212 | 13,916,298 | 14,727,810 |
| | 203,289,033 | 167,931,805 | 164,659,489 | 152,502,457 | 118,214,456 | 123,340,004 |

NON CURRENT ASSETS

| | | | | | | |
|-----------------------------|------------|------------|------------|------------|------------|------------|
| Property, plant & equipment | 99,028,064 | 75,660,922 | 83,023,316 | 87,581,255 | 59,300,218 | 64,435,279 |
|-----------------------------|------------|------------|------------|------------|------------|------------|

CURRENT ASSETS

| | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Stores, spares & loose tools | 4,792,724 | 3,893,053 | 4,122,022 | 2,921,558 | 3,167,979 | 2,759,544 |
| Stocks in trade | 31,059,304 | 30,032,857 | 30,224,786 | 13,715,779 | 17,256,540 | 19,485,429 |
| Trade debts | 51,183,004 | 40,243,065 | 34,120,028 | 30,819,081 | 27,145,995 | 18,387,392 |
| Loans, advances, deposits and prepayments, tax refund | 9,466,544 | 6,674,227 | 6,245,923 | 6,381,101 | 5,074,966 | 6,368,593 |
| Trade deposits and short term prepayments | 2,541,547 | 2,302,774 | 1,840,030 | 2,594,738 | 2,704,031 | 4,296,586 |
| Tax refunds due from the Government | - | 465,559 | 465,559 | 465,559 | - | - |
| Cash & bank balances | 5,217,846 | 8,659,348 | 4,617,825 | 8,023,386 | 3,564,737 | 7,141,622 |
| | 104,260,969 | 92,270,883 | 81,636,173 | 64,921,202 | 58,914,238 | 58,904,725 |
| | 203,289,033 | 167,931,805 | 164,659,489 | 152,502,457 | 118,214,456 | 123,340,004 |

PROFIT AND LOSS ACCOUNT

| | 2019 Rupees | 2018 Rupees | 2017 Rupees | 2016 Rupees | 2015 Rupees | 2014 Rupees |
|---|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| Turnover | 148,444,493 | 130,597,599 | 122,375,954 | 83,232,427 | 71,368,446 | 66,028,119 |
| Cost of sales | 117,717,725 | 103,292,839 | 95,118,324 | 61,565,184 | 60,186,814 | 54,850,083 |
| Gross profit | 30,726,768 | 27,304,760 | 27,257,630 | 21,667,243 | 11,181,632 | 11,178,037 |
| Operating Expenses | | | | | | |
| Administrative & general expenses | 16,742,984 | 13,287,148 | 12,527,195 | 9,414,221 | 6,078,428 | 6,200,118 |
| Selling & distribution expenses | 6,956,270 | 7,130,654 | 9,001,486 | 11,273,471 | 3,304,277 | 3,628,250 |
| | 23,699,255 | 20,417,802 | 21,528,681 | 20,687,692 | 9,382,705 | 9,828,368 |
| Operating profit/ (loss) | 7,027,514 | 6,886,958 | 5,728,949 | 979,551 | 1,798,927 | 1,349,668 |
| Finance cost | 1,018,038 | 907,381 | 740,809 | 852,870 | 722,622 | 597,684 |
| | 6,009,476 | 5,979,577 | 4,988,140 | 126,681 | - | - |
| Other income | 293,279 | 897,764 | 77,770 | 3,937,610 | 81,050 | 276,481 |
| Profit / (loss) before taxation | 6,302,755 | 6,877,341 | 5,065,910 | 4,064,291 | 1,157,356 | 1,028,465 |
| Taxation | 493,162 | 3,766,636 | 2,728,309 | 8,654,350 | 1,879,412 | (2,479,644) |
| Profit/(loss) for the year after taxation | 5,809,593 | 3,110,705 | 2,337,601 | (4,590,059) | (722,057) | 3,508,109 |
| Unappropriated profit/(loss) brought forward | 2,011,249 | (4,262,688) | (17,471,406) | (15,947,685) | (18,146,479) | (24,866,686) |
| | 7,820,842 | (1,151,983) | (15,133,805) | (20,537,744) | (18,868,536) | (21,358,577) |
| Total comprehensive income/(loss) for the year | 389,957 | 84,952 | 214,132 | 2,137,157 | 108,177 | (80,896) |
| Transfer from surplus on revaluation of fixed assets | 3,098,222 | 3,078,280 | 4,013,601 | 929,181 | 2,812,674 | 3,292,994 |
| Accumulated losses transferred to balance sheet | 11,309,021 | 2,011,249 | (10,906,072) | (17,471,406) | (15,947,685) | (18,146,479) |

**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, 2017**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Data Agro Limited for the year ended June 30, 2019 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, 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, 2019.



Date: 05 October, 2019
Place: Lahore

Sarwars
Chartered Accountants
Engagement Partner: Shan Ibrahim

**INDEPENDENT AUDITOR'S REPORT
To the members of Data Agro Limited
Report on the Audit of the Financial Statements**

Opinion

We have audited the annexed financial statements of DATAAGRO LIMITED (the Company), which comprise the statement of financial position as at June 30, 2019, 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, 2019 and of the income and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the Key audit matters:

| Key audit matter | How the matter was addressed in our audit |
|--|---|
| <p>Restatement of Error</p> <p>As referred to the note 2.3.1 to the accompanying financial statements, deferred liability needs restatement in prior years in accordance to the requirements of IAS 8 - Accounting Policies and Changes in Accounting Estimates and Errors.</p> <p>We have considered the above as a Key Audit Matter due to the significant calculation involved from financial year 2016 to financial year 2019, further the complexity involved in the calculations for retrospective application and compliance with the disclosure requirements of IAS 8 – Accounting Policies and Changes in Accounting Estimates and Errors.</p> | <p>Our audit procedures included the following:</p> <p>Obtained workings for retrospective accounting of surplus on revaluation of fixed assets and its impact on deferred liability;</p> <p>Re-performed the calculations based on the working and valuation reports of the respective years.</p> <p>Reviewed that, values of fixed assets, surplus on revaluation of fixed assets and deferred liability, have been properly restated in the financial statements; and</p> <p>Assessed if the restatement of error has been properly disclosed by the management in the financial statements of the Company in accordance with IAS-8.</p> |
| <p>Non-observation of Inventory count</p> <p>Our appointment was made after June 30, 2019 and we remained unable to observe inventory count audit procedures as at year end. We need to perform alternative audit procedures in order to obtain sufficient appropriate audit evidence.</p> <p>We have considered the above as a Key Audit Matter due to the material balance of inventory. Further, alternative audit procedures give reliable results when internal controls on inventory are assessed to be reliable.</p> | <p>Our audit procedures included the following:</p> <p>Assessed the internal controls of the management relating to inventory movement</p> <p>Reviewed the results of the year end stock take conducted by the management;</p> <p>Reviewed of post year-end sales of stock which gave evidence of its existence at year end;</p> <p>Conducted a sample stock take at current date with tracing the movements back to the year-end numbers; and</p> <p>Performed NRV, cut-off and analytical procedures to ensure valuation and accuracy of the inventory balance</p> |

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

Management is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements 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:

- Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- 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;
- Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- 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 auditors of the Financial Statements for the year ended June 30, 2018 were Mansha Mohsin Dossani Masoom & Co. Chartered Accountants.

The engagement partner on the audit resulting in this independent auditor's report is Shan Ibrahim (ACA).



SARWARS

CHARTERED ACCOUNTANTS

Engagement Partner: Shan Ibrahim (ACA)



Date: October 05, 2019

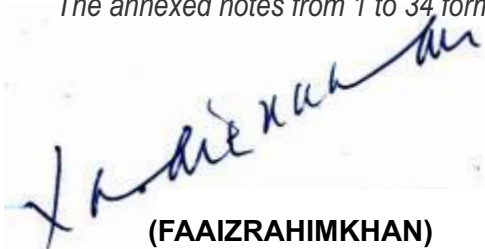
Place: Lahore.

STATEMENT OF FINANCIAL POSITION

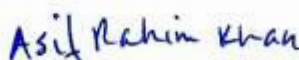
EQUITY AND LIABILITIES

| | Note | 2019 Rupees | 2018 Rupees (Restated) | 2017 Rupees (Restated) |
|--|------|--------------------|------------------------------|------------------------------|
| SHARE CAPITAL AND RESERVES | | | | |
| Share capital | 4 | 40,000,000 | 40,000,000 | 40,000,000 |
| Surplus On Revaluation of Property Plant and Equipment | 5 | 69,665,356 | 48,940,095 | 52,018,375 |
| Revenue reserves | | <u>11,309,021</u> | <u>2,011,249</u> | <u>(4,262,688)</u> |
| | | 120,974,377 | 90,951,344 | 87,755,687 |
| Loan from director | 6 | 27,878,943 | 24,378,943 | 24,378,943 |
| NON - CURRENT LIABILITIES | | | | |
| Deferred liabilities | 7 | <u>30,229,740</u> | <u>27,883,142</u> | <u>27,540,931</u> |
| | | 30,229,740 | 27,883,142 | 27,540,931 |
| CURRENT LIABILITIES | | | | |
| Trade and other payables | 8 | <u>20,066,670</u> | <u>20,562,945</u> | <u>21,186,343</u> |
| Provision for taxation | 9 | <u>4,139,303</u> | <u>4,155,430</u> | <u>3,797,585</u> |
| | | 24,205,973 | 24,718,375 | 24,983,928 |
| CONTINGENCIES AND COMMITMENTS | 10 | - | - | - |
| TOTAL EQUITY AND LIABILITIES | | <u>203,289,033</u> | <u>167,931,805</u> | <u>164,659,489</u> |

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



(FAAIZRAHIMKHAN)
Chief Executive



(ASIF RAHIM KHAN)
Director



(MUHAMMAD AZAM)
Chief Financial Officer

AS AT JUNE 30, 2019

| | Note | 2019 Rupees | 2018 Rupees (Restated) | 2017 Rupees (Restated) |
|---|------|--------------------|------------------------------|------------------------------|
| ASSETS | | | | |
| NON - CURRENT ASSETS | | | | |
| Property, plant and equipment | 11 | 99,028,064 | 75,660,922 | 83,023,316 |
| CURRENT ASSETS | | | | |
| Stores, spare parts and loose tools | 12 | 4,792,724 | 3,893,053 | 4,122,022 |
| Stock in trade | 13 | 31,059,304 | 30,032,857 | 30,224,786 |
| Trade debts - unsecured | 14 | 51,183,004 | 40,243,065 | 34,120,028 |
| Loans and advances - unsecured | 15 | 9,466,544 | 6,674,227 | 6,245,923 |
| Trade deposits and short term prepayments | 16 | 2,541,547 | 2,302,774 | 1,840,030 |
| Tax refunds due from the Government | | - | 465,559 | 465,559 |
| Cash and bank balances | 17 | 5,217,846 | 8,659,348 | 4,617,825 |
| | | 104,260,969 | 92,270,883 | 81,636,173 |
| TOTAL ASSETS | | 203,289,033 | 167,931,805 | 164,659,489 |

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



(FAAIZRAHIMKHAN)
Chief Executive



(ASIF RAHIM KHAN)
Director



(MUHAMMAD AZAM)
Chief Financial Officer

**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2019**


| | Note | 2019 Rupees | 2018 Rupees (Restated) |
|--|------|-------------------|------------------------------|
| Turnover | 18 | 148,444,493 | 130,597,599 |
| Cost of sales | 19 | 117,717,725 | 103,292,839 |
| Gross profit | | 30,726,768 | 27,304,760 |
| Administrative expenses | 20 | 16,742,984 | 13,287,148 |
| Distribution cost | 21 | 6,956,270 | 7,130,654 |
| | | 23,699,255 | 20,417,802 |
| Operating profit | | 7,027,514 | 6,886,958 |
| Finance cost | 22 | 1,018,038 | 907,381 |
| | | 6,009,476 | 5,979,577 |
| Other income | 23 | 293,279 | 897,764 |
| Profit before taxation | | 6,302,755 | 6,877,341 |
| Taxation | 24 | 493,162 | 3,766,636 |
| Profit / (loss) after taxation | | 5,809,593 | 3,110,705 |
| Earning per share-Basic and diluted | | 1.45 | 0.78 |

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

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


(FAAIZRAHIMKHAN)
Chief Executive


(ASIF RAHIM KHAN)
Director


(MUHAMMAD AZAM)
Chief Financial Officer


**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019**

| | Note | 2019 Rupees | 2018 Rupees (Restated) |
|---|------|-------------------------|------------------------------|
| PROFIT AFTER TAXATION | | 5,809,593 | 3,110,705 |
| 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 | | 389,957 | 84,952 |
| Deferred tax relating to surplus | | (4,767,226) | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u>1,432,324</u> | <u>3,195,657</u> |

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


(FAAIZRAHIMKHAN)
Chief Executive


(ASIF RAHIM KHAN)
Director


(MUHAMMAD AZAM)
Chief Financial Officer


**CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019**

| | 2019 Rupees | 2018 Rupees (Restated) |
|---|------------------------|---------------------------------------|
| CASHFLOWFROMOPERATINGACTIVITIES | | |
| Profit/(Loss) before tax | 6,302,755 | 6,877,341 |
| Adjustmentsfor: | | |
| Depreciation | 7,164,567 | 7,594,664 |
| Financial charges | 368,292 | 253,806 |
| Gain on disposal | - | (372,970) |
| Provision for workers profit participation fund | 356,654 | 376,546 |
| Provision for workers welfare fund | 293,092 | 277,029 |
| Provision for gratuity | 1,672,846 | 1,438,132 |
| Operating Profit/(loss) before working capital changes | 16,158,206 | 16,444,548 |
| Working capital changes | | |
| (Increase) / decrease in current assets | | |
| Stores, spares and loose tools | (899,671) | 228,969 |
| Stock in trade | (1,026,447) | 191,929 |
| Trade debts | (10,939,939) | (6,123,036) |
| Loan and advances | (2,652,222) | (292,871) |
| Tax due from government | 465,559 | - |
| Trade deposits and short term prepayments | (238,773) | (462,744) |
| Increase /(decrease) in current liabilities | (15,291,493) | (6,457,753) |
| Trade and other payables | (94,956) | (1,276,972) |
| Cash generated from/(utilized in) operations | 771,757 | 8,709,823 |
| Financial Charges Paid | (368,292) | (253,806) |
| Workers welfare fund paid | - | - |
| Workers profit participation fund paid | (1,051,066) | - |
| Gratuity paid | (57,375) | - |
| Income Tax paid | (4,295,525) | (4,555,195) |
| | (5,772,258) | (4,809,001) |
| Net cash flow from/(utilized in) operating activities | (5,000,502) | 3,900,822 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Fixed Capital expenditure | (1,941,000) | (259,300) |
| Proceed from sale of fixed asset | - | 400,000 |
| Net cash flow from/(utilized in) investing activities | (1,941,000) | 140,700 |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Loan from Director | 3,500,000 | - |
| Net cash flow from/(utilized in) financing activities | 3,500,000 | - |
| Net increase / (decrease) in cash and cash equivalents | (3,441,502) | 4,041,523 |
| Cash and cash equivalents at the beginning of the year | 8,659,348 | 4,617,825 |
| Cash and cash equivalents at the end of the year | 5,217,846 | 8,659,348 |
| Cash & cash equivalents are | | |
| Cash in hand | 587,532 | 516,359 |
| Cash at bank | 4,630,314 | 8,142,989 |
| | 5,217,846 | 8,659,348 |

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


(**AAIZRAHIMKHAN**)
ChiefExecutive


(**ASIF RAHIM KHAN**)
Director


(**MUHAMMAD AZAM**)
Chief Financial Officer

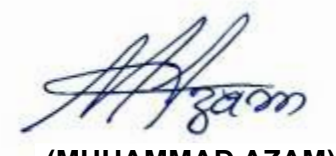
**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2019**

| Description | Share Capital Rs. | Capital Reserve | Revenue Reserves Rs. | Total Rs. |
|---|-------------------------|--|----------------------------|--------------------|
| | | Surplus on revaluation of property, plant and equipment | | |
| Balance as at July 1, 2017 previously reported | 40,000,000 | 62,197,470 | (10,906,072) | 91,291,398 |
| Effect of rectification of error | - | (10,179,095) | 6,643,384 | (3,535,711) |
| Balance as at July 1, 2017 - Restated | 40,000,000 | 52,018,375 | (4,262,688) | 87,755,687 |
| Total Comprehensive Income for the year | - | | 3,195,657 | 3,195,657 |
| Effect of restatement in deferred tax liability | | | | - |
| Transferred from surplus on revaluation to unappropriated profit/(loss) due to incremental depreciation | - | (3,078,280) | 3,078,280 | - |
| Balance as at June 30, 2018 | 40,000,000 | 48,940,095 | 2,011,249 | 90,951,344 |
| Balance as at July 1, 2018 - Restated | 40,000,000 | 48,940,095 | 2,011,249 | 90,951,344 |
| Comprehensive income for the year | - | | 6,199,550 | 6,199,550 |
| Surplus on revaluation during the year | | 28,590,709 | - | 28,590,709 |
| Deferred tax relating to surplus | | (4,767,226) | | (4,767,226) |
| Transferred from surplus on revaluation to unappropriated profit/(loss) due to incremental depreciation | - | (3,098,222) | 3,098,222 | - |
| Balance as at June 30, 2019 | 40,000,000 | 69,665,356 | 11,309,021 | 120,974,377 |

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


(FAAIZRAHIMKHAN)
Chief Executive


(ASIF RAHIM KHAN)
Director


(MUHAMMAD AZAM)
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 30, 2019

1. STATUS AND NATURE OF BUSINESS

The company was initially incorporated as a private limited company in Pakistan under the repealed Companies Ordinance, 1984 (Repealed with the enactment of Companies Act, 2017 on May 30, 2017) on November 10, 1992 and was converted into a public limited company on March 06, 1994. The company is listed on Lahore and Karachi Stock Exchanges. The principal activity of the company is production, processing and grading of agro seeds. The registered office of the company is situated at 135-Scotch Corner, Upper Mall, Lahore, Punjab, Pakistan and principal place of business is at 8-Km Khanewal road, Kabirwala.

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

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

2.2 Standards, interpretation and amendment adopted during the year

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

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

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

| | |
|---|---|
| Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative | Effective from accounting period beginning on or after January 01, 2017 |
| Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses | Effective from accounting period beginning on or after January 01, 2017 |

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

| | |
|--|--|
| Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions | Effective from accounting period beginning on or after January 01, 2018 |
| IFRS 9 'Financial Instruments' - This standard will supersede IAS 39 Financial Instruments: Recognition and Measurement upon its effective date. | Effective from accounting period beginning on or after July 01, 2021 |
| Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities. | Effective from accounting period beginning on or after January 01, 2019 |
| IFRS 15 'Revenue' - This standard will supersede IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date. | Effective from accounting period beginning on or after July 01, 2018 |
| Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements. | Effective from accounting period beginning on or after January 01, 2019. |
| Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. | Effective from accounting period beginning on or after January 01, 2019 |
| Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property | January 01, 2018. Earlier application is permitted. |
| IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset /deferred income is denominated in foreign currency. | January 01, 2018. Earlier application is permitted. |
| IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'. | January 01, 2019. Earlier application is permitted. |
| Certain annual improvements have also been made to a number of IFRSs. | |

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

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

2.3 Basis of preparation

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

2.3.1. RESTATEMENT OF ERROR

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

Effect on statement of financial position

| | As reported previously- June 30, 2017 | Impact of error | Restated as at July 01, 2017 | As reported previously- June 30, 2018 | Impact of error | Restated as at July 01, 2018 |
|----------------------------------|---|--------------------|------------------------------------|---|--------------------|------------------------------------|
| |Rupees..... | | |Rupees..... | | |
| (Increase) in deferred liability | 24,005,221 | (3,535,710) | 27,540,931 | 23,605,125 | 4,278,017 | 27,883,142 |
| | 24,005,221 | (3,535,710) | 27,540,931 | 23,605,125 | 4,278,017 | 27,883,142 |

Effect on statement of changes in Equity

| | | | | | | |
|---|------------|--------------|------------|------------|-------------|------------|
| Balance as on July 1, 2016 | 22,528,594 | 62,823,181 | 85,351,775 | 95,229,362 | (4,278,018) | 90,951,344 |
| Total comprehensive income | 2,551,733 | - | 2,551,733 | - | - | - |
| Effect of change in accounting policy | 66,211,071 | (66,211,071) | - | - | - | - |
| Effect of restatement in deferred liability | - | (147,821) | (147,821) | - | - | - |
| | 91,291,398 | (3,535,711) | 87,755,687 | 95,229,362 | (4,278,018) | 90,951,344 |

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 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

3 THE PRINCIPAL ACCOUNTING POLICIES ADOPTED ARE SET OUT AS BELOW

3.1 Property, plant and equipment

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

Revaluation

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

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

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized in Statement of Profit or Loss.

LEASED ASSETS

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

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

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

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

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

CAPITAL WORK IN PROGRESS

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

3.3 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.

3.4 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.

3.5 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 moving average cost |
| - Raw material | At annual average cost |
| - Finished goods | Comprised of direct material, labour, and appropriate manufacturing overheads. |
| - Waste | At net realizable value. |
| - Material in transit | Are stated at invoice value plus other charges incurred thereon. |

Net realizable value signifies the estimates selling price in the ordinary course of business less costs necessary to be incurred in order to make a sale.

3.6 LOANS AND ADVANCES

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

3.7 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.

3.8 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:

| | 2019 | 2018 |
|--|-----------------------|-----------------------|
| Discount rate | 14.25% | 9.00% |
| Expected rate of increase in salaries | 13.25% | 8.00% |
| Expected mortality rate | SLIC (2001-2005) | SLIC (2001-2005) |
| Actuarial valuation method | Projected Unit Credit | Projected Unit Credit |
| Average expected remaining life of the employees | 6 Years | 6 Years |

Actuarial valuations are conducted annually and the last valuations were conducted as on August 16, 2019 by Nauman Associates based on the "projected unit credit method"

3.9 TRADE DEBTS AND OTHER RECEIVABLES

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

3.10 REVENUE RECOGNITION

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

3.11 EXPENSE RECOGNITION

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

3.12 BORROWINGS

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

3.13 BORROWING COST

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

3.14 TRADE AND OTHER PAYABLES

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

3.15 RELATED PARTY TRANSACTIONS

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

3.16 FINANCIAL INSTRUMENTS

All the financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and receivable respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred. The company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when they are extinguished i.e. when the obligations are discharged, cancelled or expired.

A financial asset and a financial liability is set off and the net amount is reported in the financial statements if the company has a legally enforceable right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Any gain or loss on the recognition and derecognition of the financial assets and liabilities is included in the income for the year in which it arises.

3.17 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.

3.18 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.

3.19 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.

3.20 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.

3.21 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.

3.22 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.

| 4- | SHARE CAPITAL | 2019 Rupees | 2018 Rupees (Restated) |
|------|---|-----------------------------|------------------------------|
| | Authorized 5,000,000 (2018: 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 (2018: 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% (2018: 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 - Net of tax | Rupees | Rupees |
| | Gross surplus | 48,940,095 | 52,018,375 |
| | Opening balance | - | - |
| | Derecognition of surplus on disposal of Fixed Assets (portion of land & Building) | | |
| | Add: Surplus arising due to revaluation of Property, plant and equipment | | |
| | Land | 12,152,000 | - |
| | Building | 4,267,795 | - |
| | Machinery | 12,170,915 | - |
| | | <u>28,590,709</u> | <u>-</u> |
| | Allocated to deferred tax liability @ 29% | (4,767,226) | |
| | Transfer to unappropriated profit in respect of incremental depreciation charged during the current year | 4,363,694 | 4,397,543 |
| | Deferred tax related to incremental depreciation | (1,265,471) | (1,319,263) |
| | | <u>3,098,223</u> | <u>3,078,280</u> |
| | | <u>69,665,356</u> | <u>48,940,095</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. | | |
| 6- | LOAN FROM DIRECTORS | 2019 Rupees | 2018 Rupees (Restated) |
| | Unsecured- from related party | | |
| | Opening balance | 24,378,943 | 24,378,943 |
| | Add: Received during the year | 3,500,000 | - |
| | Less: Payments made during the year | - | - |
| | Closing balance | <u>27,878,943</u> | <u>24,378,943</u> |

This represents the interest free loan given by ex-director .Loan is payable on demand of the director. This is not measured at amortized cost as per IAS 39. Rather , It is recognised at the full amount payable – its face value is in accordance with the guidelines provided through TR 32- (Accounting for Directors loan) issued by the Institute of Chartered Accountants of Pakistan.

| | Note | 2019 Rupees | 2018 Rupees (Restated) |
|--|-------|--------------------|------------------------------|
| 7- DEFERRED LIABILITIES | | | |
| Deferred tax - net | 7.1 | 21,047,888 | 19,926,803 |
| Employees retirement benefits - gratuity | 7.2 | 9,181,853 | 7,956,339 |
| | | 30,229,741 | 27,883,142 |
| .1- D EFERRED TAX - NET | | | |
| Deferred tax liabilities/(assets) arising due to; | | | |
| Accelerated tax depreciation | | (1,711,622) | 547,923 |
| Provision for profit participation fund | | (632,260) | (862,386) |
| Provision for workers fund | | (263,090) | (184,234) |
| Provision for gratuity | | (2,662,737) | (2,386,901) |
| Provision for doubtful debts | | (99,820) | (103,262) |
| | | (5,369,530) | (2,988,860) |
| Surplus on revaluation of property plant and equipment | | 26,417,418 | 22,915,663 |
| Effect of reduction in tax rates | | - | - |
| | | 21,047,888 | 19,926,803 |
| 7.2- Employees Retirement benefits (gratuity unfunded) | | | |
| Present value of defined benefits obligations | 7.2.1 | 8,952,218 | 7,806,004 |
| Benefits payable | | 229,635 | 150,335 |
| | | 9,181,853 | 7,956,339 |
| 7.2.1- Movement in present value of defined benefits obligations | | | |
| Present value of defined benefits obligation at the beginning of the year | | 7,806,004 | 6,452,824 |
| Current service cost for the year | | 976,456 | 938,038 |
| Interest cost for the year | | 696,390 | 500,094 |
| Benefits due but not paid (payables) | | (79,300) | - |
| Benefits paid during the year | | (57,375) | - |
| Gains and losses arising on planned settlements remeasurements | | - | - |
| Acturial (gains)/losses from changes in demographic assumptions | | - | - |
| Acturial (gains)/losses from changes in financial assumptions | | 69,753 | 15,195 |
| Experience adjustments | | (459,710) | (100,147) |
| Present value of defined benefits obligation at the closing of the year | | 8,952,218 | 7,806,004 |
| 7.2.2-Expenses recognized in statement of profit and loss account | | | |
| Current service cost | | 976,456 | 938,038 |
| interest cost on defined benefit obligation | | 696,390 | 500,094 |
| | | 1,672,846 | 1,438,132 |
| 7.2.3-Total remeasurements chargeable in other comprehensive income | | | |
| Remeasurements of plan obligations: | | | |
| Acturial (gains)/losses from changes in demographic assumptions | | - | - |
| Acturial (gains)/losses from changes in financial assumptions | | 69,753 | 15,195 |
| Experience adjustments | | (459,710) | (100,147) |
| | | (389,957) | (84,952) |
| 7.2.4-Changes in Net Liability | | | |
| Balance Sheet liability/(asset) | | 7,956,339 | 6,603,159 |
| Expense chargeable to P&L | | 1,672,846 | 1,438,132 |
| Remeasurement chargeable in other comprehensive income | | (389,957) | (84,952) |
| Benefits paid | | (57,375) | - |
| Benefits payable transferred to short term liability | | - | - |
| | | 9,181,853 | 7,956,339 |

7.3-Apportionment of staff retirement benefits

The expenses recognized in the income statement under following heads:

| | 2019 Rupees | 2018 Rupees (Restated) |
|-------------------------|------------------|------------------------------|
| Cost of good sold | 680,249 | 584,805 |
| Administrative expenses | 713,652 | 613,520 |
| Distribution cost | 278,945 | 239,807 |
| | 1,672,846 | 1,438,132 |

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, carried on using Projected Unit Credit Method, however no independent actuary was appointed by the company.

7.5- Principal actuarial assumptions

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

| | 2019 | 2018 |
|-------------------------------------|--------|------|
| Discount rate | 14.25% | 9% |
| Expected rate of increase in salary | 13.25% | 8% |

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.

| | Increase in Assumption | Decrease in Assumption |
|--|---------------------------|---------------------------|
| Discount rate | 1,105,686 | (1,220,372) |
| Expected rate of change in future salaries | 1,191,094 | (1,104,535) |

7.7- Expected gratuity expense for the year ending June 30, 2020 works out to Rs. 2,077,490/-

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

8- TRADE AND OTHER PAYABLES

| | | 2019 Rupees | 2018 Rupees (Restated) |
|------------------------------------|-----|-------------------|------------------------------|
| Creditors | | 5,969,923 | 7,531,032 |
| Accrued liabilities | | 4,043,750 | 4,071,283 |
| Advances from customers | | 6,882,041 | 4,882,049 |
| Workers' Welfare Fund | 8.1 | 907,205 | 614,113 |
| Worker's Profit Participation Fund | 8.2 | 2,180,208 | 2,874,620 |
| Tax deducted at source | | 83,542 | 46,008 |
| Others | | - | 543,840 |
| | | 20,066,670 | 20,562,945 |

8.1- Workers Welfare Fund

| | | |
|------------------------------|----------------|----------------|
| Balance as at beginning | 614,113 | 337,084 |
| Contribution for the year | 293,092 | 277,029 |
| | 907,205 | 614,113 |
| Payment made during the year | - | - |
| | 907,205 | 614,113 |

8.2- Workers Profit Participation Fund

| | | |
|---|------------------|------------------|
| Balance as at beginning | 2,874,620 | 2,498,074 |
| Return on funds utilized by the company | - | - |
| Contribution for the year | 356,654 | 376,546 |
| | 3,231,274 | 2,874,620 |
| Payment made during the year | (1,051,066) | - |
| | 2,180,208 | 2,874,620 |

Return on fund utilized by the company is computed at the rate of 2.5% above the bank rate.

9. PROVISION FOR TAXATION

Note

Opening balance
Prior year adjustment
Add: Provision for the year

| 2019 Rupees | 2018 Rupees (Restated) |
|------------------|------------------------------|
| 4,155,430 | 3,797,585 |
| - | 622,176 |
| 4,139,303 | 4,155,430 |
| 8,294,733 | 8,575,191 |
| (4,155,430) | (4,419,761) |
| 4,139,303 | 4,155,430 |

Less: Paid/adjusted against completed assessments

- 9.1- This represents tax chargeable under Normal tax regime. Tax expenses represents higher of corporate tax @ 29%, alternate corporate tax @ 17% of accounting profit and minimum tax @ 1.25% . The company is recognising provision for taxation @ 29% of its taxable profit as alternative corporate tax is lower than corporate tax.

10- CONTINGENCIES AND COMMITMENTS

contingencies and commitments as at year end are Nil (2018:Nil)

11- PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets-Owned

11.1

| | |
|-------------------|-------------------|
| 99,028,064 | 75,660,922 |
| 99,028,064 | 75,660,922 |

11.1-

Year ended July 01, 2017

| | Freehold land | Building on freehold land | Plant and machinery | Electrical Equipment | Furniture and fittings | Agricultural equipment | Office equipment | Harvesting equipment | Vehicles | Total | Leased asset Vehicles | Total |
|--|------------------|---------------------------|---------------------|----------------------|------------------------|------------------------|------------------|----------------------|------------------|-------------------|--------------------------|-------------------|
| Opening net book value | 9,548,000 | 21,386,794 | 49,319,079 | 215,719 | 121,501 | 76,272 | 264,338 | 110,522 | 1,981,091 | 83,023,316 | - | 83,023,316 |
| Additions | - | - | - | - | 99,300 | - | - | - | 160,000 | 259,300 | - | 259,300 |
| Deletions | - | - | - | - | - | - | - | - | 27,030 | 27,030 | - | 27,030 |
| Surplus on revaluation of fixed assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation charged for the year | - | 2,138,679 | 4,931,908 | 21,572 | 16,908 | 15,254 | 26,434 | 22,104 | 421,804 | 7,594,664 | - | 7,594,664 |
| Closing net book value | 9,548,000 | 19,248,115 | 44,387,171 | 194,147 | 203,893 | 61,017 | 237,905 | 88,418 | 1,692,257 | 75,660,922 | - | 75,660,922 |

At Jun. 30, 2018

| | | | | | | | | | | | | |
|--------------------------|------------------|-------------------|-------------------|----------------|----------------|---------------|----------------|---------------|------------------|-------------------|---|-------------------|
| Cost | 9,548,000 | 53,399,534 | 160,349,021 | 289,039 | 768,048 | 183,750 | 1,113,223 | 7,669,000 | 5,897,788 | 239,217,403 | - | 239,217,403 |
| Accumulated depreciation | - | 34,151,420 | 115,961,850 | 94,892 | 564,155 | 122,733 | 875,318 | 7,580,582 | 4,205,531 | 163,556,481 | - | 163,556,481 |
| Net book value | 9,548,000 | 19,248,115 | 44,387,171 | 194,147 | 203,893 | 61,017 | 237,905 | 88,418 | 1,692,257 | 75,660,922 | - | 75,660,922 |

Year ended July 01, 2018

| | | | | | | | | | | | | |
|--|-------------------|-------------------|-------------------|----------------|----------------|---------------|----------------|---------------|------------------|-------------------|---|-------------------|
| Opening net book value | 9,548,000 | 19,248,115 | 44,387,171 | 194,147 | 203,893 | 61,017 | 237,905 | 88,418 | 1,692,257 | 75,660,922 | - | 75,660,922 |
| Additions | - | - | 250,000 | - | - | - | - | - | 1,691,000 | 1,941,000 | - | 1,941,000 |
| Deletions | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus on revaluation of fixed assets | 12,152,000 | 4,267,795 | 12,170,915 | - | - | - | - | - | - | 28,590,709 | - | 28,590,709 |
| Depreciation charged for the year | - | 1,969,208 | 4,594,327 | 19,415 | 20,389 | 12,203 | 23,790 | 17,684 | 507,551 | 7,164,567 | - | 7,164,567 |
| Closing net book value | 21,700,000 | 21,546,702 | 52,213,759 | 174,732 | 183,504 | 48,814 | 214,114 | 70,734 | 2,875,705 | 99,028,064 | - | 99,028,064 |

At June. 30, 2019

| | | | | | | | | | | | | |
|--|-------------------|-------------------|-------------------|----------------|----------------|---------------|----------------|---------------|------------------|-------------------|---|-------------------|
| Cost | 9,548,000 | 53,399,534 | 160,599,021 | 289,039 | 768,048 | 183,750 | 1,113,223 | 7,669,000 | 7,588,788 | 241,158,403 | - | 241,158,403 |
| Surplus on revaluation of fixed assets | 12,152,000 | 4,267,795 | 12,170,915 | - | - | - | - | - | - | 28,590,709 | - | 28,590,709 |
| Accumulated depreciation | - | 365,198 | 884,979 | 114,307 | 584,544 | 134,936 | 899,109 | 7,598,266 | 4,713,083 | 15,294,422 | - | 15,294,422 |
| Depreciation written off | - | 35,755,429 | 119,671,197 | - | - | - | - | - | - | 155,426,626 | - | 155,426,626 |
| Net book value | 21,700,000 | 21,546,702 | 52,213,759 | 174,732 | 183,504 | 48,814 | 214,114 | 70,734 | 2,875,705 | 99,028,064 | - | 99,028,064 |

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

Annual rate of depreciation (%)

Building on free hold area
Plant and machinery
Electrical Equipment
Furniture and fittings

10
10
10
10

Vehicles
Office equipment
Harvesting equipment
Agricultural equipment

Annual rate of depreciation (%)

20
10
20
20

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

| Description | Carrying Value as at 30-06-2019 | | | Carrying Value as at 30-06-2018 | | |
|---------------------------|------------------------------------|-------------------|-------------------------|------------------------------------|-------------------|-------------------------|
| | Inclusive of surplus | Surplus | Exclusive of surplus | Inclusive of surplus | Surplus | Exclusive of surplus |
| Land freehold | 21,700,000 | 8,042,943 | 1,505,057 | 9,548,000 | 8,042,943 | 1,505,057 |
| Building on freehold land | 21,546,702 | 19,353,216 | 2,193,486 | 19,248,115 | 17,456,907 | 1,791,208 |
| Plant and machinery | 52,213,759 | 30,117,197 | 22,096,562 | 44,387,171 | 32,906,803 | 11,480,368 |
| | 95,460,461 | 69,665,356 | 25,795,105 | 73,183,286 | 58,406,653 | 14,776,633 |

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.29,123,087/- .

BASIS OF REVALUATION

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

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

11.3- The depreciation for the year has been allocated as follows:

| | 2019 Rupees | 2018 Rupees (Restated) |
|---------------------------|------------------|------------------------------|
| Cost of goods sold | 6,563,534 | 7,070,587 |
| Administrative expenses | 601,033 | 524,077 |
| | 7,164,567 | 7,594,664 |
| Total Depreciation | | |
| -Normal Depreciation | | |
| -Owned assets | 1,454,393 | 1,458,366 |
| -Leased assets | - | - |
| -Incremental Depreciation | 5,710,174 | 6,136,298 |
| | 7,164,567 | 7,594,664 |

12. STORES, SPARES PARTS AND LOOSE TOOLS

| | | | |
|-------------------------|------|------------------|------------------|
| Stores and spares parts | 12.1 | 4,574,988 | 3,675,317 |
| Loose tools | | 217,736 | 217,736 |
| | | 4,792,724 | 3,893,053 |

12.1.- Store and spare parts are interchangeable and it is not practicable to distinguish from each other

13. STOCK IN TRADE

| | | |
|----------------|-------------------|-------------------|
| Raw material | 23,679,591 | 17,546,467 |
| Finished goods | 7,379,713 | 12,486,390 |
| | 31,059,304 | 30,032,857 |

14. TRADE DEBTS -UNSECURED

| | | |
|---|-------------------|-------------------|
| Considered good | 51,527,212 | 40,243,065 |
| Considered doubtful | - | 344,208 |
| | 51,527,212 | 40,587,273 |
| Less: Provision for doubtful debts | 344,208 | 344,208 |
| | 51,183,004 | 40,243,065 |

14.1 Opening Provision

| | | |
|-------------------------------------|----------------|----------------|
| Add: provision made during the year | 344,208 | 1,649,000 |
| Less: Bad Debts Written off | - | 344,208 |
| | - | (1,649,000) |
| Balance at the year end | 344,208 | 344,208 |

15. LOAN AND ADVANCES-Unsecured

| | | | |
|---|------|------------------|------------------|
| Advances to executive staff: | | | |
| - Considered good | 15.1 | 2,393,606 | 1,878,776 |
| Advances to other employees: unsecured | | | |
| Advance against Salary | | 650,350 | 650,350 |
| Advance against expenses | 15.2 | 2,264,848 | 1,281,088 |
| - Considered good | | - | - |
| Advances to suppliers: | | | |
| Considered good | | 2,217,838 | 1,064,206 |
| Other advances | | | |
| Advance income tax | 15.3 | 1,939,902 | 1,799,807 |
| | | 9,466,544 | 6,674,227 |

| | Note | 2019 Rupees | 2018 Rupees (Restated) |
|---|--------|---------------------------|------------------------------|
| 15.1 MOVEMENT OF ADVANCES TO EXECUTIVE STAFF | | | |
| Opening balance | | 1,878,776 | 2,023,531 |
| Advance during the year | | 761,630 | 456,420 |
| | | <u>2,640,406</u> | <u>2,479,951</u> |
| Received/transferred during the year | | (246,800) | (601,175) |
| Closing balance | | <u>2,393,606</u> | <u>1,878,776</u> |
| These represents advance to executive staff for day to day operation of business basis. The maximum aggregate amount due from executive staff at the end of any month during the year Rs.2,411,776/- (2018: Rs. 2,373,531/-). | | | |
| 15.2 | | | |
| Advances to employees against expensive are provided to meet business expenses are settled as and when the expenses are incurred. | | | |
| 15.3 ADVANCE INCOME TAX | | | |
| Opening balance | | 1,799,807 | 1,664,373 |
| Tax deducted/paid during the year | | 4,295,525 | 4,555,195 |
| | | <u>6,095,332</u> | <u>6,219,568</u> |
| Adjustment during the year | | (4,155,430) | (4,419,761) |
| | | <u>1,939,902</u> | <u>1,799,807</u> |
| 16. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS | | | |
| Security deposits with statutory authorities | | 272,850 | 272,850 |
| Prepayments | 16.1 | 2,268,697 | 2,029,924 |
| | | <u>2,541,547</u> | <u>2,302,774</u> |
| 16.1- PREPAYMENTS | | | |
| Prepaid insurance - Vehicles | | 134,678 | 102,525 |
| Prepaid consultancy charges generator | | 45,000 | - |
| Prepaid lease charges - Farms / farm expenses | | 2,089,019 | 1,927,399 |
| | | <u>2,268,697</u> | <u>2,029,924</u> |
| 17. CASH AND BANK BALANCES | | | |
| Cash in hand | | | |
| -Head office | | 166,918 | 189,266 |
| -Factory | | 420,614 | 327,093 |
| | | <u>587,532</u> | <u>516,359</u> |
| Cash at bank: | | | |
| -Current accounts | | 4,630,314 | 8,142,989 |
| | | <u>5,217,846</u> | <u>8,659,348</u> |
| 18. TURNOVER | | | |
| Gross Turnover | 18.1 | 167,270,957 | 151,255,102 |
| Less: | | | |
| Trade discounts | | (8,264,803) | (10,762,429) |
| Sale return | | (10,561,661) | (9,895,074) |
| | | <u>148,444,493</u> | <u>130,597,599</u> |
| 18.1 Gross Tunover | | | |
| Sale of goods | 18.1.1 | 145,437,829 | 136,945,699 |
| Sale of services (Delinting) | 18.1.2 | 21,833,128 | 14,309,403 |
| | | <u>167,270,957</u> | <u>151,255,102</u> |

| | Note | 2019 Rupees | 2018 Rupees (Restated) |
|--|------|--------------------|------------------------------|
| 18.1.1 Sale of Goods | | | |
| Hybrid corn seed | | 60,168,366 | 56,178,187 |
| Fuzzy & Cotton seed | | 18,517,588 | 19,022,242 |
| Vegetable seed | | 1,663,000 | 2,980,290 |
| Okra seed | | 1,713,900 | 1,444,318 |
| Wheat seed | | 21,994,238 | 30,071,894 |
| S.S.G | | 2,272,040 | 2,164,740 |
| Soyabean | | 10,000 | 13,787 |
| Sale of Paddy | | 17,886,343 | 10,207,202 |
| Micronutrient | | 14,984,560 | 11,738,935 |
| Sale of lint | | 2,852,284 | 1,270,854 |
| Sale of Vanda | | 3,375,510 | 1,853,250 |
| | | 145,437,829 | 136,945,699 |
| 18.1.2 Delinting | | | |
| Seed processing | | 21,436,230 | 14,048,753 |
| Cleaning and drying | | 396,898 | 260,650 |
| | | 21,833,128 | 14,309,403 |
| 19. COST OF SALES | | | |
| Raw material consumed | 19.1 | 62,956,952 | 68,630,620 |
| Chemicals, stores and others | | 5,195,852 | 4,295,387 |
| Salaries, wages & benefits | 19.2 | 8,057,131 | 7,019,409 |
| Fuel and powers | | 6,715,726 | 4,996,234 |
| Repair and maintenance (Plant & machinery) | | 1,467,665 | 1,184,601 |
| Repair and maintenance (Building) | | 7,200 | 188,865 |
| Repair and maintenance (Electrical) | | 94,603 | 167,882 |
| Repair and maintenance (Furniture & fixture) | | - | - |
| Processing expenses | | 3,239,633 | 2,850,525 |
| Research and development expenses | | 7,807,969 | 6,966,310 |
| Micronutrient expenses | | 8,650,840 | 5,289,079 |
| Vehicle repair and maintenance | | 263,531 | 84,600 |
| Laboratory expenses | | 55,525 | 65,470 |
| Consultancy charges - Generator | | 45,000 | - |
| Entertainment | | 273,187 | 214,737 |
| Telephone charges | | 156,979 | 159,826 |
| Germination claims | | 568,758 | 378,610 |
| Kappa's Ginning charges | | 128,673 | 33,752 |
| Traveling and conveyance | | 2,535 | 3,750 |
| Usher | | 10,000 | - |
| Depreciation | 11.3 | 6,563,534 | 7,070,587 |
| Miscellaneous charges | | 349,754 | 424,964 |
| | | 112,611,048 | 110,025,208 |
| Adjustments of finished goods | | | |
| - Opening | | 12,486,390 | 5,754,021 |
| - Pre-paid expenses | | - | - |
| - Closing | | (7,379,713) | (12,486,390) |
| | | 5,106,677 | (6,732,369) |
| | | 117,717,725 | 103,292,839 |

| | | 2019 Rupees | 2018 Rupees (Restated) |
|--|-------------|-------------------|------------------------------|
| 19.1 RAW MATERIAL CONSUMED | Note | | |
| Raw material consumed - Fuzzy seed | 19.1.1 | 7,644,390 | 5,532,199 |
| Raw material consumed - Wheat | 19.1.2 | 17,509,834 | 24,135,171 |
| Raw material consumed - Hybrid Corn seed | 19.1.3 | 14,574,389 | 23,684,286 |
| Raw material consumed - Okra seed | 19.1.4 | 845,577 | 1,032,386 |
| Raw material consumed - Delinted Cotton seed | 19.1.5 | 4,630,296 | 2,978,184 |
| Raw material consumed - S.S.G seed | 19.1.6 | 1,045,929 | 1,244,936 |
| Raw material consumed - Soyabean | 19.1.7 | 166,965 | 12,351 |
| Raw material consumed - Rice / Paddy | 19.1.8 | 13,913,412 | 7,565,433 |
| Raw material consumed - Peas | 19.1.9 | 136,050 | 1,333,155 |
| Raw material consumed - Venda | 19.1.10 | 2,142,193 | 1,027,974 |
| Raw Material consumed - Sesame | 19.1.11 | 346,381 | 49,845 |
| Raw Material consumed - Mongbea | 19.1.12 | 1,536 | 34,700 |
| | | 62,956,952 | 68,630,620 |
| 19.1.1 RAW MATERIAL CONSUMED - FUZZY SEED | | | |
| Opening stocks - 01-07-2018 | | - | - |
| Add: Purchases | | 7,644,390 | 5,532,199 |
| Add: Expenses on production - own farms | | - | - |
| | | 7,644,390 | 5,532,199 |
| Closing stock 30-06-2019 | | - | - |
| Consumed for own farm production | | 7,644,390 | 5,532,199 |
| 19.1.2 RAW MATERIAL CONSUMED - WHEAT SEED | | | |
| Opening stocks - 01-07-2018 | | 11,162,255 | 16,433,250 |
| Add: Purchases | | 19,277,966 | 18,864,176 |
| Add: Expenses on production - own farms | | 407,039 | - |
| | | 30,847,260 | 35,297,426 |
| Closing stock 30-06-2019 | | (13,337,426) | (11,162,255) |
| Consumed for own farm production | | 17,509,834 | 24,135,171 |
| 19.1.3 RAW MATERIAL CONSUMED - HYBRID CORN | | | |
| Opening stocks - 01-07-2018 | | 4,193,424 | 5,840,560 |
| Add: Purchases | | 10,033,537 | 13,653,402 |
| Add: Expenses on production - own farms | | 9,206,729 | 8,383,748 |
| | | 23,433,690 | 27,877,710 |
| Closing stock 30-06-2019 | | (8,859,301) | (4,193,424) |
| Consumed for own farm production | | 14,574,389 | 23,684,286 |
| 19.1.4 RAW MATERIAL CONSUMED - OKRA SEED | | | |
| Opening stocks -01-07-2018 | | 601,500 | 751,600 |
| Add: Purchases | | 186,450 | 602,550 |
| Add: Expenses on production - own farms | | 57,627 | 279,736 |
| | | 845,577 | 1,633,886 |
| Closing stock 30-06-2019 | | - | (601,500) |
| Consumed for own farm production | | 845,577 | 1,032,386 |
| 19.1.5 RAW MATERIAL CONSUMED - DELINTED COTTON SEED | | | |
| Opening stocks - 01-07-2018 | | - | - |
| Add: Purchases | | 2,935,113 | 1,358,563 |
| Add: Expense on production - own farms | | 1,881,303 | 1,619,621 |
| | | 4,816,416 | 2,978,184 |
| Closing stock 30-06-2019 | | (186,120) | - |
| Consumed for own farm production | | 4,630,296 | 2,978,184 |

| | 2019 Rupees | 2018 Rupees (Restated) |
|---|-------------------|------------------------------|
| 19.1.6 RAW MATERIAL CONSUMED - S.S.G SEED | | |
| Opening stock - 01-07-2018 | 69,450 | 166,875 |
| Add: Purchases | 1,055,748 | 1,047,512 |
| Add: Expense on production - own farms | 24,706 | 99,999 |
| | 1,149,904 | 1,314,386 |
| Closing stock 30-06-2019 | (103,975) | (69,450) |
| Consumed for own farm production | 1,045,929 | 1,244,936 |
| 19.1.7 RAW MATERIAL CONSUMED - Soyabean | | |
| Opening stock - 01-07-2018 | - | - |
| Add: Purchases | - | - |
| Add: Expense on production - own farms | 166,965 | 12,351 |
| | 166,965 | 12,351 |
| Closing stock 30-06-2019 | - | - |
| Consumed for own farm production | 166,965 | 12,351 |
| 19.1.8 RAW MATERIAL CONSUMED - Rice/Paddy | | |
| Opening stock - 01-07-2018 | 584,063 | - |
| Add: Purchases | 12,979,616 | 8,057,567 |
| Add: Expense on production - own farms | 349,733 | 91,929 |
| | 13,913,412 | 8,149,496 |
| Closing stock 30-06-2019 | - | (584,063) |
| Consumed for own farm production | 13,913,412 | 7,565,433 |
| 19.1.9 RAW MATERIAL CONSUMED - Peas/Vegetables | | |
| Opening stock - 01-07-2018 | 935,775 | 1,278,480 |
| Add: Purchases | 231,062 | 990,450 |
| Add: Expense on production - own farms | - | - |
| | 1,166,837 | 2,268,930 |
| Closing stock 30-06-2019 | (1,030,787) | (935,775) |
| Consumed for own farm production | 136,050 | 1,333,155 |
| 19.1.10 RAW MATERIAL CONSUMED - Vanda | | |
| Opening stock - 01-07-2018 | - | - |
| Add: Purchases | - | - |
| Add: Expense on production - own farms | 2,304,175 | 1,027,974 |
| | 2,304,175 | 1,027,974 |
| Closing stock 30-06-2019 | (161,982) | - |
| Consumed for own farm production | 2,142,193 | 1,027,974 |
| 19.1.11 RAW MATERIAL CONSUMED - Sesame | | |
| Opening stock - 01-07-2018 | - | - |
| Add: Purchases | 344,981 | 44,775 |
| Add: Expense on production - own farms | 1,400 | 5,070 |
| | 346,381 | 49,845 |
| Closing stock 30-06-2019 | - | - |
| Consumed for own farm production | 346,381 | 49,845 |
| 19.1.12 RAW MATERIAL CONSUMED - Mong Bea | | |
| Opening stock - 01-07-2018 | - | - |
| Add: Purchases | - | - |
| Add: Expense on production - own farms | 1,536 | 34,700 |
| | 1,536 | 34,700 |
| Closing stock 30-06-2019 | - | - |
| Consumed for own farm production | 1,536 | 34,700 |

19.2 Salaries, wages and benefits include Rs.680,249/- (2018: Rs.584,805 /-) in respect of staff retirement benefits-gratuity (Note # 7.3)

| | Note | 2019 Rupees | 2018 Rupees (Restated) |
|------------------------------------|---|-------------------|------------------------------|
| 20. ADMINISTRATIVE EXPENSES | | | |
| Salaries, wages and benefits | 20.1 | 10,172,391 | 7,364,088 |
| Printing and stationery | | 245,430 | 225,591 |
| Traveling and conveyance | | 197,397 | 266,815 |
| Vehicle running and maintenance | | 103,440 | 258,210 |
| Rent, rates and taxes | | 1,074,577 | 764,482 |
| Postage and telegram | | 43,352 | 51,912 |
| Utilities expenses | | 1,414,883 | 1,319,602 |
| Telephone expenses | | 154,040 | 160,870 |
| Entertainment | | 119,502 | 166,871 |
| Newspaper and periodicals | | 11,775 | 8,289 |
| Fee and subscription | | 748,900 | 399,050 |
| Legal and professional charges | | 307,977 | 389,835 |
| Auditors' remuneration | 20.2 | 650,000 | 277,500 |
| Canteen expenses | | 99,820 | 237,250 |
| Repair & maintenance | | 72,980 | 586,530 |
| Charity & donation | | 42,054 | 22,950 |
| Insurance expenses | | 158,747 | 196,114 |
| Impairment loss (Refunds due) | | 465,559 | - |
| Depreciation | 11.3 | 601,033 | 524,077 |
| Miscellaneous expenses | | 59,128 | 67,112 |
| | | 16,742,984 | 13,287,148 |
| 20.1 | Salaries, wages and benefits include Rs.713,652 /- (2018: Rs.613,520 /-) in respect of staff retirement benefits - gratuity (Note # 7.3). | | |
| 20.2 Auditor's remuneration | | | |
| Statutory Audit fee | | 620,000 | 250,000 |
| out of pocket expenses | | 30,000 | 27,500 |
| | | 650,000 | 277,500 |
| 21. DISTRIBUTION COST | | | |
| Salaries, wages and benefits | 21.1 | 2,150,595 | 2,878,407 |
| Telephone expenses | | 35,950 | 63,540 |
| Traveling and conveyance | | 10,080 | 13,810 |
| Entertainment | | 24,046 | 13,532 |
| Advertisement | | 349,986 | 383,488 |
| Repair & maintenance - Vehicles | | 1,749,447 | 1,569,470 |
| Tag Expenses | | 67,525 | - |
| Freight & octroi | | 1,043,513 | 79,920 |
| Sale promotion expenses | | 1,479,513 | 964,602 |
| Comission on sale | | - | 758,877 |
| Doubtful debts | | - | 13,500 |
| Bad Debts Written off | | - | 344,208 |
| Miscellaneous expenses | | 45,615 | 47,300 |
| | | 6,956,270 | 7,130,654 |
| 21.1. | Salaries, wages and benefits include Rs.278,945/- (2018: Rs.239,807/-) in respect of staff retirement benefits - gratuity (Note # 7.3). | | |
| 22. FINANCE AND OTHER COST | | | |
| Lease finance charges | | - | - |
| Bank Charges | | 95,673 | 73,143 |
| Stock exchange fees | | 272,619 | 180,663 |
| Other cost | | | |
| Workers profit participation fund | | 356,654 | 376,546 |
| Workers welfare fund | | 293,092 | 277,029 |
| | | 1,018,038 | 907,381 |

| | 2019 Rupees | 2018 Rupees (Restated) |
|---|--------------------|------------------------------|
| 23. OTHER INCOME | | |
| Income from non financial assets | | |
| capital gain on disposal of fixed assets | - | 372,970 |
| Others | | |
| Cleaning & drying | 293,279 | 524,794 |
| | 293,279 | 897,764 |
| 24. TAXATION | | |
| Current year | 4,139,303 | 4,155,430 |
| Prior years | - | 622,176 |
| DEFERRED | 4,139,303 | 4,777,606 |
| Current year | (3,646,141) | (1,010,969) |
| Prior years | - | - |
| | (3,646,141) | (1,010,969) |
| | 493,162 | 3,766,636 |
| 24.1- NUMERICAL RECONCILIATION BETWEEN THE AVERAGE EFFECTIVE TAX RATE AND THE APPLICABLE TAX RATE. | %AGE | %AGE |
| Applicable tax rate | 29.00% | 30.00% |
| Tax effect of deductible/non deductible expenses | 37.00% | 40.00% |
| Tax effect relating to deferred tax on revaluation surplus | 0.00% | 0.00% |
| Tax charge relating to prior year | 0.00% | 0.00% |
| Tax effect relating to deferred tax current year | -58.00% | -15% |
| Average effective tax rate | | |
| Tax expense for the year divided by profit before tax | 8.00% | 55% |

24.2- The Company has filed Income Tax Return up to tax year 2018 which is deemed assessed as per Income Tax Ordinance, 2001.

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

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

| | 2019 Rupees | 2018 Rupees (Restated) |
|--|----------------|------------------------------|
| 25. EARNING PER SHARE | | |
| Net Profit/(loss) for the year after taxation | (5,809,593) | 3,110,705 |
| Number of ordinary shares issued and subscribed at the end of the year | 4,000,000 | 4,000,000 |
| | 1.45 | 0.78 |
| 25.1. BASIC | | |
| Earning per share | 1.45 | 0.78 |

25.2. DILUTED
There is no dilution effect on the basic earning per share of the company as the company has no such commitments.

26 NUMBER OF EMPLOYEES

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

| | At year end | | Average | |
|---------------------------|-------------|-----------|-----------|-----------|
| | 2019 | 2018 | 2019 | 2018 |
| Head office | 16 | 17 | 16 | 17 |
| Plant | 32 | 26 | 33 | 29 |
| Total number of employees | 48 | 43 | 49 | 46 |

27. REMUNERATION OF CHIEF EXECUTIVES, DIRECTORS AND EXECUTIVES

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

| | 2019 | | |
|---|------------------|------------------|------------------|
| | Chief Executive | Directors | Executives |
| Managerial remuneration | 1,400,000 | 2,320,000 | 2,672,197 |
| Commission or bonus | - | - | - |
| Utilities | 70,000 | 116,000 | 133,610 |
| House rent | 630,000 | 1,044,000 | 1,202,489 |
| Medical | - | 139,200 | - |
| Pension, gratuity and contribution to other funds | - | - | - |
| Other perquisites and benefits | - | - | - |
| | 2,100,000 | 3,619,200 | 4,008,296 |
| Number of persons | 1 | 1 | 5 |

Director has been provided with free use of company's maintained car for official use only. No remuneration was paid to chief executive. No meeting fees are being paid to chief executive and any director during the year.

| | 2018 | | |
|---|-----------------|------------------|------------------|
| | Chief Executive | Directors | Executives |
| Managerial remuneration | - | 2,320,000 | 2,548,864 |
| Utilities | - | - | - |
| House rent | - | 116,000 | 127,443 |
| Medical | - | 1,044,000 | 1,146,989 |
| Pension, gratuity and contribution to other funds | - | 139,200 | - |
| | - | 3,619,200 | 3,823,296 |
| Number of persons | 1 | 1 | 5 |

Director has been provided with free use of company's maintained car for official use only. No remuneration was paid to chief executive. No meeting fees are being paid to chief executive and any director during the year.

28. TRANSACTIONS WITH RELATED PARTIES

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

29. CAPACITY AND PRODUCTION

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

Actual Production

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

| | 2019 | 2018 |
|--|---------------|---------------|
| | M.Tons | M.Tons |
| | 18,250 | 18,250 |
| | 91 | 78 |
| | 1,095 | 970 |
| | 2,257 | 1,874 |
| | 3,442 | 2,922 |

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

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

30. CORRESPONDING FIGURES

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

31. General

Figures have been rounded off to nearest rupees.

32. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

FINANCIAL RISK MANAGEMENT

The Company has exposure to the followings risks from its use of financial instruments:

Credit risk
Liquidity risk
Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The board is also responsible for developing and monitoring the Company's risk management policies.

COMPANY RISK MANGEMENT OBJECTIVES AND POLICIES

The Company risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

32.1- Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted and arise principally from trade receivables, loans and advances and trade deposits. Out of the total financial assets of Rs.68,333,941 /-, (2018: Rs. 57,879,414) financial assets which are subject to credit risk amount to Rs. 60,649,548/- (2018:Rs 46,917,292 /-).

To manage exposure to credit risk in respect of trade receivables. Management maintains procedures covering the application for credit approvals, granting and renewal of counter parties limit taking into account the customer's financial position, past track record, credit rating and other factors. As a part of these processes, exposures of credit risk are regularly monitored, assessed and customer are persuaded for prompt recovery. In addition to this the company has established an allowances for impairment that is estimate of expected losses in respect of trade debts. This allowance is based on the management assessment of specific loss component that relate to significant exposures. Sales to customers are also made against advance payment to further prudently manage the credit risk.

The Company limits its exposure to credit risk by following the policies and procedures of approval and continuous monitoring of loan and advances extended to staff and suppliers and maintain bank account only with counterparty that have high degree of credit rating. Advance tax is adjustable or recoverable from FBR which is a State authority and have high credit rating. Given these high credit ratings, management do not expect that any of these counterparty fail to meet its obligations.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date was:

| | 2019 Rupees | 2018 Rupees |
|-----------------------|-------------------|-------------------|
| Trade debtors | 51,183,004 | 40,243,065 |
| Loan's and advances | 9,466,544 | 6,674,227 |
| Trade deposits | 2,541,547 | 2,302,774 |
| Cash and Bank balance | 5,217,846 | 8,659,348 |
| | 68,408,941 | 57,879,414 |

The trade debts as at the balance sheet date are classified by Geographical area as follows:

| | 2019 Rupees | 2018 Rupees |
|----------|-------------------|-------------------|
| Foreign | - | - |
| Domestic | 51,183,004 | 40,243,065 |
| | 51,183,004 | 40,243,065 |

Impairment Losses

The aging of trade debts at the reporting date was:

| | 2019 | | 2018 | |
|---------------------|-------------------|----------|-------------------|------------------|
| | Gross debts | Impaired | Gross debts | Impaired |
| Not past due | 5,520,600 | - | 4,348,500 | - |
| Past due 0-30 days | 27,550,383 | - | 21,701,056 | - |
| Past due 30-60 days | 9,982,726 | - | 7,863,255 | - |
| Past due 60-90 days | 2,457,754 | - | 1,935,939 | - |
| Over 90 days | 5,671,542 | - | 4,738,523 | (344,208) |
| | 51,183,004 | - | 40,587,273 | (344,208) |

The movement in the allowance for impairment in respect of trade debts during the year was as follows:

| | 2019 Rupees | 2018 Rupees |
|--------------------------------------|----------------|----------------|
| Balance at the beginning of the year | 344,208 | 1,649,000 |
| Provision made during the year | - | 344,208 |
| Written off during the year | - | (1,649,000) |
| Balance at the end of the year | 344,208 | 344,208 |

Based on past experience and practice, consideration of financial position, past track records and recoveries, the Company believes that trade debtors past due to 60 days do not require any impairment allowance and no impairment loss is necessary in respect of remaining portion of past due over 90 days other than amount provided. Trade debts are essentially due from corporate entities and farmers and the Company is actively pursuing for prompt recovery of debts and does not expect these counter parties to fail to meet their obligations.

The allowance accounts in respect of trade receivables, loans and advances are used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible, at that point the amount considered irrecoverable is written off against the financial asset directly. an amount of Bad debts of Rs. Nil/- has been written off against the provision and the remaining Bad debts amount Rs. Nil/- has been written off directly in P & L against debtor.

32.2- Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The maturity profile of the Company's financial liabilities based on the contractual amounts is as follows:

| | 2019 | | 2018 | |
|--|-------------------|-----------------------|-------------------|-----------------------|
| | Carrying amount | Contractual Cashflows | Carrying amount | Contractual Cashflows |
| Loans and other borrowings - Unsecured | 27,878,943 | - | 24,378,943 | - |
| Trade and other payables - Unsecured | 20,066,670 | 20,066,670 | 20,562,945 | 20,562,945 |
| | 47,945,613 | 20,066,670 | 44,941,888 | 20,562,945 |

The Company is not materially exposed to liquidity risk as substantially all obligations, commitments of the company are of short term and routine in nature (Accrued expense) and are restricted to the extent of available liquidity except the long term unsecured interest free loan obtained from the directors redeemable on the option of the Company. As a part of liquidity risk management policy Company follows effective cash flow, planning, controlling and management procedures to ensure availability of funds through effective working capital management and to appropriate measures for new requirements.

32.3- Market risk

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

32.3.1 Foreign currency risk management

Foreign currency risk arises mainly where receivable and payables exist due to the transactions with foreign undertaking. Financial assets and financial liabilities of the company are not exposed to currency risk as a company has not entered into any transaction with any foreign undertakings.

32.3.2 Interest rate risk management:

The Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company has no significant long term interest bearing financial assets and liabilities whose fair value or cash flows will fluctuate because of changes in market interest rates. As there is no interest bearing financial asset and liability therefore disclosure requirement of effective rate of interest not attracted.

32.3.3 Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its businesses.

The company manage its capital structure by effective cash flow management to ensure availability of funds and by monitoring return on net assets and make adjustments thereto in the light of changes in economic conditions. Consistent with others in the industry, the company manage its capital risk by monitoring its debt levels and liquid assets and keeping in view future requirements and expectations of the shareholders. Debt is calculating as total borrowings. Total capital comprises shareholders equity as shown in the balance sheet under share capital and reserves. In order to maintain or adjust the capital structure, the company may also adjust the amount of dividends paid to shareholders or issue new shares.

32.3.4 Other price risk

Other price risk is 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). The company is not exposed to any price risk as there are no financial instruments at the reporting date that are sensitive to price fluctuations.

32.4- Fair Value of financial assets and financial liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction other than in a forced or liquidation sale.

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

32.5- Fair value estimation

IFRS 13 requires fair value measurement disclosures using following three level fair value hierarchy that reflects the significance of the inputs used in measuring fair value of financial instruments.

Information about fair value hierarchy and asset classified under the hierarchy as follows.

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derive from prices). The Company has no items to report in this level.
- Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

32.5.1- Fair value of non-financial asset measured at fair value

Fair value of property, plant and equipment

The company's Land-Freehold, Building on Free-hold Land, Plant & Machinery, at revalued amount, being fair value at the date of revaluation, less any subsequent depreciation and subsequent impairment losses, if any. The fair value measurement of the company's Free-hold Land, Plant & Machinery, was performed as at May 31, 2019 were performed by M/s. Mughal Associates (valuer), independent valuer not related to the company. The valuer is listed on panel of Pakistan Banks Association and they have proper qualification and experience in the fair value measurement of property, plant and equipment.

| | Level 1 | Level 2 | Level 3 | Total |
|----------------------------|---------------|------------|---------|------------|
| As at june 30, 2019 | | | | |
| | Rupees | | | |
| Land-freehold | - | 21,700,000 | - | 21,700,000 |
| Building on freehold land | - | 21,546,702 | - | 21,546,702 |
| Plant & machinery | - | 52,213,759 | - | 52,213,759 |
| As at june 30, 2018 | | | | |
| | Rupees | | | |
| Land-freehold | - | 9,548,000 | - | 9,548,000 |
| Building on freehold land | - | 19,248,115 | - | 19,248,115 |
| Plant & machinery | - | 44,387,171 | - | 44,387,171 |

There were no transfer between levels of fair value hierarchy during the year.

32.6- Financial instruments by category

The Company finances its operation through equity, borrowings and management of working capital with a view to maintaining an approximate mix between various sources of finance to minimize risk. Taken as a whole, the Company's risk arising from financial instruments is limited as there is no significant exposure to price and cash flow risk in respect of such instruments.

The accounting policies for financial instruments have been applied for line items as below:

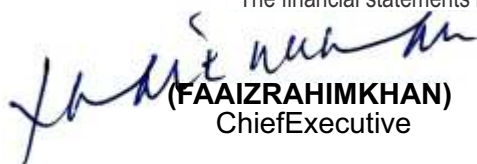
| | Loans and Receivables | Held to maturity | Total 30-Jun-19 |
|---|---|------------------|------------------------|
| As at june 30, 2019 | | | |
| Assets as per statement of financial position | Rupees | | |
| Trade debts | 51,183,004 | - | 51,183,004 |
| Loans and advances | 9,466,544 | - | 9,466,544 |
| Security deposit | 272,850 | - | 272,850 |
| Cash and Bank | 5,217,846 | - | 5,217,846 |
| | 66,140,244 | | 66,140,244 |
| | Financial Liabilities measured at amortized cost | | |
| | Rupees | | Total 30-Jun-19 |
| Liabilities as per statement of financial position | | | |
| Loan from director | 27,878,943 | | 27,878,943 |
| Trade & Other payables | 20,066,670 | | 20,066,670 |
| | 47,945,613 | | 47,945,613 |
| As at june 30, 2018 | | | |
| Assets as per statement of financial position | Rupees | | |
| Trade debts | 40,243,065 | - | 40,243,065 |
| Loans and advances | 6,674,227 | - | 6,674,227 |
| Security deposit | 272,850 | - | 272,850 |
| Cash and Bank | 8,659,348 | - | 8,659,348 |
| | 55,849,490 | | 55,849,490 |
| | Financial Liabilities measured at amortized cost | | |
| | Rupees | | Total 30-Jun-18 |
| Liabilities as per statement of financial position | | | |
| Loan from director | 24,378,943 | | 24,378,943 |
| Trade & Other payables | 20,562,945 | | 20,562,945 |
| | 44,941,888 | | 44,941,888 |


33- CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

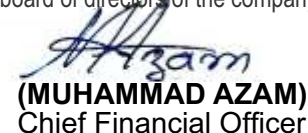
| | 2019 | Cash flow Rupees | 2018 |
|--------------------|------------|------------------|------------|
| Loan from director | 27,878,943 | 3,500,000 | 24,378,943 |

34- DATE OF AUTHORIZATION FOR ISSUE

The financial statements have been authorized for issue on October 05, 2019 by the board of directors of the company.


(FAAIZRAHIMKHAN)
Chief Executive


(ASIF RAHIM KHAN)
Director


(MUHAMMAD AZAM)
Chief Financial Officer

DATA AGRO LIMITED FORM 34
The Companies Act, 2017. Section 227 (2)(f)
PATTERN OF SHARE HOLDINGS
AS AT JUNE 30, 2019

| Number of ShareHolders | Shareholding | | Number of Share Held | % of Capital |
|------------------------|-------------------|--------|----------------------|--------------|
| | From | To | | |
| 88 | 1 | 100 | 2,606 | 0.07 |
| 2218 | 101 | 500 | 1,104,178 | 27.60 |
| 55 | 501 | 1000 | 54,600 | 1.37 |
| 59 | 1001 | 5000 | 163,915 | 4.10 |
| 14 | 5001 | 10000 | 129,501 | 3.24 |
| 4 | 10001 | 15000 | 49,500 | 1.24 |
| 3 | 15001 | 20000 | 54,100 | 1.35 |
| 1 | 20001 | 25000 | 21,000 | 0.53 |
| 2 | 25001 | 30000 | 59,500 | 1.49 |
| 1 | 30001 | 35000 | 34,000 | 0.85 |
| 1 | 35001 | 40000 | 36,500 | 0.91 |
| 1 | 45001 | 50000 | 50,000 | 1.25 |
| 1 | 55001 | 60000 | 56,000 | 1.40 |
| 1 | 80001 | 85000 | 84,000 | 2.10 |
| 1 | 100001 | 105000 | 101,300 | 2.53 |
| 1 | 130001 | 135000 | 131,300 | 3.28 |
| 1 | 145001 | 150000 | 150,000 | 3.75 |
| 1 | 215001 | 220000 | 219,200 | 5.48 |
| 1 | 225001 | 230000 | 230,000 | 5.75 |
| 1 | 230001 | 235000 | 233,500 | 5.84 |
| 1 | 275001 | 280000 | 275,800 | 6.90 |
| 1 | 360001 | 365000 | 364,600 | 9.12 |
| 1 | 390001 | 395000 | 394,900 | 9.87 |
| 2,458 | <-----TOTAL-----> | | 4,000,000 | 100.00 |

CATEGORIES OF SHARE HOLDING required under code of Corporate Governance (CCG)
AS ON JUNE 30-06-2019

| Sr # | Shareholder's Category | Number of Shareholders | Number of Shares Held | Percentage |
|------------------|--|------------------------|-----------------------|---------------|
| 1 | Directors/Chief Executive Officer and their Spouse and minor children. | 11 | 1,350,100 | 33.75 |
| 2 | Executives | 1 | 32,000 | 0.80 |
| 3 | Associated Companies, Undertakings and Public Sector Companies and Corporations | 1 | 394,900 | 9.87 |
| 4 | NIT and ICP N.B.P Trustee Department -----> 11,700 IDBP (ICP UNIT) -----> 34,000 | 2 | 45,700 | 1.14 |
| 5 | Public Sector Companies and Corporations | - | - | - |
| 6 | Banks, Development Financial Institutions, Non-Banking Financial Institutions, Insurance Companies, Modarabas and Mutual Funds | 2 | 65 | 0.00 |
| 7 | Shareholding 5% or More (including in above category) | 6 | 1,802,000 | 45.05 |
| 8 | Others | 2 | 12,001 | 0.30 |
| 9 | Individuals | 2,451 | 2,165,234 | 54.13 |
| TOTAL : - | | 2,470 | 4,000,000 | 100.00 |

| CATEGORIES OF SHAREHOLDERS | | TOTAL SHARES HELD | % |
|--|-------------------------------|-------------------|---------------|
| A) Directors/Chief Executive Officer and their spouse and minor Children | | | |
| 1 | MR. FAAIZ RAHIM KHAN | 10,000 | 0.25 |
| 2 | MR. ASAD RAHIM KHAN | 383,500 | 9.59 |
| 3 | MR. HAMID JAMSHED | 500 | 0.01 |
| 4 | MR. ANWAR UL HAQ | 1,000 | 0.03 |
| 5 | MR. ASIF RAHIM KHAN | 10,000 | 0.25 |
| 6 | MR. HAIDER SADIK | 219,200 | 5.48 |
| 7 | MRS. FAIZA FAAIZ KHAN | 359,800 | 9.00 |
| 8 | MR. SAAD RAHIM KHAN | 364,600 | 9.12 |
| 9 | MR. SHAMIM AHMED KHAN | 500 | 0.01 |
| 10 | MR. SOHAIL AHMED KHAN | 500 | 0.01 |
| 11 | MR. TARIQ MAHMOOD HASSAN BUTT | 500 | 0.01 |
| | | 0 | 0.00 |
| TOTAL: | | 1,350,100 | 33.75 |
| B) Executives | | | |
| 1 | MR. RIZWAN HASSAN | 32,000 | 0.80 |
| C) Associated Companies, Undertakings and related parties | | | |
| 1 | DATA ENTERPRISES (PVT) LTD | 394,900 | 9.87 |
| TOTAL: | | 394,900 | 9.87 |
| D) NIT and IDBP (ICP UNIT) | | | |
| 1 | N.B.P. TRUSTEE DEPARTMENT | 11,700 | 0.29 |
| 2 | IDBP (ICP UNIT) | 34,000 | 0.85 |
| TOTAL: | | 45,700 | 1.14 |
| E) Banks, Development Financial Institutions, Non-Banking Financial Institutions, Insurance companies, Modarabas and Mutual Funds | | | |
| 1 | NATIONAL BANK OF PAKISTAN | 10 | 0.00 |
| 2 | NATIONAL BANK OF PAKISTAN | 55 | 0.00 |
| TOTAL: | | 65 | 0.00 |
| F) *Shareholding 5% or more | | | |
| 1 | MR. TAHIR MAHMOOD | 230,000 | 5.75 |
| 2 | MRS FAAIZA FAAIZ KHAN | 359,800 | 9.00 |
| 3 | MR. SAAD RAHIM KHAN | 364,600 | 9.12 |
| 4 | MR. HAIDER SADIK | 219,200 | 5.48 |
| 5 | MR. ASAD RAHIM KHAN | 233,500 | 5.84 |
| 6 | DATA ENTERPRISES (PVT) LTD | 394,900 | 9.87 |
| TOTAL: | | 1,802,000 | 45.05 |
| G) Others | | | |
| 1 | MAPLE LEAF CAPITAL LIMITED | 1 | 0.00 |
| 2 | RS CAPITAL (PRIVATE) LIMITED | 12,000 | 0.30 |
| TOTAL: | | 12,001 | 0.30 |
| H) Individuals | | 2,165,234 | 54.13 |
| GRAND TOTAL: | | 4,000,000 | 100.00 |

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

Serial Number Name Sale Purchase

Signature of the Company Secretary

Name of Signatory

Designation

NIC Number

Date

| |
|-------------------|
| |
| Suhail Mehmood |
| Company Secretary |
| |
| 30.6.2019 |

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 28th
 October, 2019 at 11:30 a.m. at 135-Scotch Corner, Upper Mall, Lahore and at any
 adjournment thereof.

Signed this -----day of -----2019.

Witnesses:

1. Signature: _____
 Name: _____
 Address: _____
 NIC or
 Passport No. _____

Signature on
 Rupees Five
 Revenue Stamp

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.