



SHAHTAJ
SUGAR MILLS LIMITED

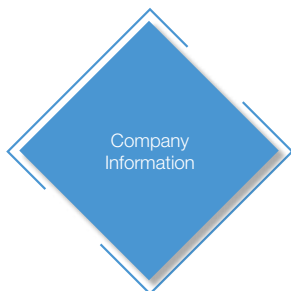
CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)

FOR THE THREE MONTH
PERIOD ENDED
31 DECEMBER

2019

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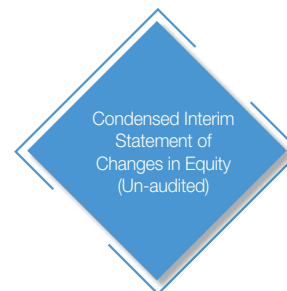
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Company Information

Board of Directors

Mr. Mahmood Nawaz	Chairman
Mr. Muneer Nawaz	Chief Executive
Mr. Cyrus R. Cowasjee	
Mr. M. Naeem	
Mr. Ijaz Ahmad	
Mrs. Samia Shahnawaz Idris	
Mr. Rashed Amjad Khalid	
Mr. Toqueer Nawaz	
Mr. Aamir Amin	NIT
Mr. Mushtaq Ahmad	SLICP

Company Secretary

Mr. Jamil Ahmad Butt, FCMA

Chief Financial Officer

Mr. Waqar Ahmad, FCA

Audit Committee

Mr. Mushtaq Ahmad	Chairman
Mr. M. Naeem	
Mr. Rashed Amjad Khalid	
Mr. Toqueer Nawaz	

Human Resource & Remuneration Committee

Mr. Aamir Amin	Chairman
Mr. Muneer Nawaz	
Mr. M. Naeem	
Mr. Rashed Amjad Khalid	

Head Office

72/C-1, M. M. Alam Road,
Gulberg III, Lahore - 54660.
Phone : (042) 3571 0482 - 84
Fax : (042) 3571 1904
Website : www.shahtajsugar.com
E-mail : mail@shahtajsugar.com

Registered Office

19, Dockyard Road,
West Wharf, Karachi - 74000.
Phone : (021) 3231 3934 - 38
Fax : (021) 3231 0623
E-mail : jamilbutt@shahtaj.com

Production Facility

Mandi Bahauddin - 50400.
Phone : (0546) 501 147 - 49
(0546) 508 047 - 48
Fax : (0546) 501 768
E-mail : mills@shahtajsugar.com

Auditors

EY Ford Rhodes,
Chartered Accountants,
96-B-1, 4th Floor, PACE Mall Building,
M. M. Alam Road, Gulberg-II,
Lahore - 54660.

Legal Advisor

Mr. Ras Tariq Chowdhary,
52 - Ravi Block, Fort Green,
Canal Road, Lahore.

Share Registrar

JWAFFS Registrar Services (Private) Limited,
Suite No. 407 - 408,
4th Floor, Al-Ameera Centre,
Shahrah-e-Iraq, Saddar, Karachi.

Bankers

United Bank Limited
Habib Bank Limited
MCB Bank Limited
Bank Alfalah Limited
Bank AL-Habib Limited
JS Bank Limited
Allied Bank Limited
National Bank of Pakistan
Soneri Bank Limited

Directors' Report to the Members

Your Directors have pleasure in presenting the un-audited condensed interim financial information for the three month period ended 31 December 2019.

Operational performance of the present crushing season as compared with that of last year is produced below:

		31 December	
Production Data		2019	2018
Start of Season		30.11.2019	12.12.2018
Sugarcane Crushed	(M. Ton)	191,841	168,714
Production:			
Sugar	(M. Ton)	16,615	15,025
Molasses	(M. Ton)	7,000	6,600
Recovery:			
Sugar	%	9.35	9.41
Molasses	%	3.95	4.28

The crushing season 2019-20 started on 30 November 2019 and until the morning of 29 January 2020, we crushed 347,566 M. tons of sugarcane, and produced 31,515 M. tons of sugar at an average recovery of 9.31%.

As per data produced above there is an increase in production with high crushing of sugarcane due to early start of crushing season as compared to last year. Further, recovery percentages of sugar and molasses are lower than last year due to weather conditions. The Government of Punjab has fixed support price of sugarcane for this season @ Rs. 190/- per 40 Kg. whereas last year it was Rs. 180/- per 40 Kg.

Initial estimates of availability of sugarcane are less than of last year due to lesser cultivation of crop and poor rainfall during the year 2019 but the recent increase in support price will motivate growers towards this cash crop. Our field staff contributed a lot of efforts in harvesting of better quality and quantity of crop.

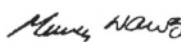
Sugar prices during the three month period were better than the corresponding period of last year due to lesser production overall in the country. Further molasses prices during the period under review were also better as compared to corresponding period due to low production and non-availability of molasses stocks in the market.

For the first quarter, your company recorded a turnover of Rs. 667.943 million as against Rs. 479.318 million in the corresponding period of 2018. The cost of sales was Rs. 569.626 million as against Rs. 492.299 million of the previous period. Thus, the Company made a gross profit of Rs. 98.317 million for the first quarter ended 31 December 2019 as against a gross loss of Rs. 12.981 million of the corresponding period. The net profit has been recorded at Rs. 15.354 million against the loss of Rs. 79.040 million of the corresponding period. Main reason for the profit is due to increase in prices of sugar and molasses. However, we are expecting better results in next quarters. The finance cost for the period was Rs. 13.753 million as against Rs. 10.931 million of the corresponding period due to higher utilization of banking limits against pledge of sugar and upward adjustment in interest rates due to change of discount rates.

As informed earlier, we are in the process of setting up a Bagasse Based Power Project of installed gross capacity of 32 MW with 15 MW spillover to the National Grid. Two steam turbines of the generation capacity of 16MW each have been installed successfully. Work on the construction of Switch Yard of 132 KV is in progress. Further, your Company has been granted Generation License and Upfront Tariff for 30 years by National Electric Power Regulatory Authority (NEPRA). We had negotiated and finalized the Energy Purchase Agreement (EPA) with the Central Power Purchasing Agency (Guarantee) Limited (CPPA) which was subsequently approved by the Board of Directors of CPPA. The CPPA has not signed off the negotiated EPA till to date. Consequently, the Company along with five (5) other Bagasse Based Co-generation power projects have filed writ petitions in the Honorable Islamabad High Court against the Federation of Pakistan, CPPA, NEPRA and others against the impugned decision of Cabinet Committee on Energy (CCoE). We are hopeful about a favorable outcome of the writ petition which will have a positive impact on the Company.

Your Directors place on record their appreciations of the diligence and devotion of duty of the Officers, Members of Staff and Workers of all categories.

For and on behalf of the Board,



MUNEER NAWAZ
Chief Executive



TOQUEER NAWAZ
Director

ڈائریکٹرز رپورٹ برائے ممبران

جیسا کہ پہلے ہی آپ کے علم میں لایا جا چکا ہے کہ ادارے کا بگاس (گنے کی کھوٹی) سے چلنے والا بجلی کا پلانٹ جو کہ ۳۳ میگا واٹ کی صلاحیت پر مشتمل ہے جس میں سے ۱۵ میگا واٹ بجلی گز کو قابل ترسیل ہوگا تحصیل کے مرحلہ میں ہے۔ ۱۶ میگا واٹ صلاحیت کی دو عدد ڈبریا گین کی تحصیل کا کام مکمل ہو چکا ہے جبکہ ۱۳۲ کی دی اے صلاحیت کے گز اسٹیشن کی تحصیل کا کام جاری ہے مزید آپ کی اطلاع کے لیے عرض ہے کہ بجلی پاور اینڈ ریگولیشن اتھارٹی نے آپ کے ادارے کو بجلی کی پیداوار کا اجازت نامہ (جنریشن لائسنس) تیس سال کے لیے جاری کر دیا ہے اور اسی طرح بجلی خریداری کی قیمت (شرح) کا معاہدہ بھی ہو چکا ہے۔ ہم سینٹرل پاور پراجیکشن (CPPA) کے ساتھ بجلی خریداری کا معاہدہ ہا ہی ریمانڈی کے ساتھ طے کر چکے ہیں جسے CPPA کے بورڈ آف ڈائریکٹرز نے منظور کر کے دھملا کے لیے بھیجا دیا تھا۔ تاہم CPPA نے حال اس پر دھمکاؤ نہیں کیے۔ اس سلسلہ میں ہمارے سمیت دیگر ۵ بگاس سے چلنے والے پراجیکٹ والے اداروں نے معزز اسلام آباد ہائی کورٹ میں فیڈریشن آف پاکستان، CPPA اور پھر اے سی سی کے خلاف رجسٹریشن دائر کر دی ہے۔ ہمیں امید ہے کہ اس رٹ پٹیشن پر ہمارے حق میں فیصلہ آئے گا اور ادارے پر اس کے مثبت اثرات ہوں گے۔ انشاء اللہ

آپ کے ڈائریکٹرز اس موقع پر کھٹی کے آفیسرز، اسٹاف ممبران اور تمام کارکنان کی جاں نثانی اور کام سے لگاؤ کے معترف ہیں۔

برائے اور از طرف بورڈ آف ڈائریکٹرز

توفیق نواز
ڈائریکٹر

منیر نواز
چیف ایگزیکٹو آفیسر

کراچی ۲۹ جنوری ۲۰۲۰ء

ڈائریکٹرز رپورٹ برائے ممبران

ادارے کے ڈائریکٹرز کی طرف سے غیر محاسب شدہ مختصر عبوری مالیاتی معلومات برائے دورانیہ اختتام شدہ سرمایہ ۳۱ دسمبر ۲۰۱۹ پیش خدمت ہیں۔ اس اختتام شدہ سرمایہ ۳۱ دسمبر ۲۰۱۹ کے پیرا واری اعداد و شمار ذیل میں درج ہیں۔

۳۱ دسمبر		
۲۰۱۸	۲۰۱۹	پیرا واری اعداد و شمار
۱۲ دسمبر ۲۰۱۸	۳۰ نومبر ۲۰۱۹	آغاز سیزن
۱۶۸,۷۱۳ میٹرک ٹن	۱۹۱,۸۳۱ میٹرک ٹن	گنے کی پیمائی
		پیرا واری
۱۵,۰۲۵ میٹرک ٹن	۱۶,۶۱۵ میٹرک ٹن	چینی
۶,۶۰۰ میٹرک ٹن	۷,۰۰۰ میٹرک ٹن	راب
		پیرا واری تناسب
۹-۳۱ فیصد	۹-۳۵ فیصد	چینی
۳-۲۸ فیصد	۳-۹۵ فیصد	راب

کرٹیک سیزن برائے سال ۲۰۱۹-۲۰ کا آغاز مورچہ ۳۰ نومبر ۲۰۱۹ کو ہوا اور ۲۹ جنوری ۲۰۲۰ کی صبح تک ہم نے ۳۳,۵۶۶ میٹرک ٹن گنا کر لیا اور ۳۱,۵۱۵ میٹرک ٹن چینی کی پیرا واری ۹ فیصد پیرا واری تناسب کے ساتھ حاصل کی۔

اوپر درج شدہ اعداد و شمار کے مطابق چینی کی پیرا واری میں سیزن جلد شروع ہونے کی وجہ سے گزشتہ سال کے مقابلہ اضافہ ہوا۔ تاہم چینی اور راب کا پیرا واری تناسب موسمی حالات کے باعث گزشتہ دورانیہ سے کم ہے۔ حکومت پنجاب نے رواں سال کے لیے گنے کی امدادی قیمت ۱۹۰ روپے فی من مقرر کی ہے جبکہ گزشتہ سال امدادی قیمت ۱۸۰ روپے فی من تھی۔

ابتدائی اندازہ کے مطابق گنے کی کم کاشت اور سال ۲۱۰۹ میں کم بارشوں کے باعث گنے کی دستیابی گزشتہ سال کے مقابلہ کم ہے۔ تاہم امدادی قیمت میں موجودہ اضافہ کاشتکاروں کی کاشت کی طرف متوجہ کرے گا۔ ہمارا فیلڈ اسٹاف ہر وقت زیادہ روچہ پر بہتر معیار کی فصل کاشت کروانے کے لیے کوشاں رہتا ہے۔

دوران سرمایہ چینی کی قیمت فروخت ملک بھر میں چینی کی کم پیرا واری کی وجہ سے گزشتہ دورانیہ کی نسبت بہتر ہے۔ مزید برآں عرصہ زیر جائزہ راب کی قیمت فروخت بھی گزشتہ دورانیہ کے مقابلہ کم پیرا واری اور راب کی بازار میں کمیابی کے باعث بہتر ہے۔

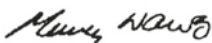
پہلی سرمایہ کے دوران، آپ کے ادارے کی فروخت ۹۳۳-۶۶۷ ملین روپے رہی جو کہ ۲۰۱۸ کے اسی عرصہ میں ۳۱۸-۳۷۷ ملین روپے تھی۔ پیرا واری لاگت ۲۳۶-۵۶۹ ملین روپے رہی جبکہ گزشتہ سال کے اسی عرصہ میں یہ رقم ۲۹۹-۳۹۲ ملین روپے تھی۔ اس طرح اختتام شدہ سرمایہ ۳۱ دسمبر ۲۰۱۹ میں ادارے کو ۳۱-۹۸ ملین روپے کا مجموعی منافع ہوا جبکہ گزشتہ سال کے دورانیہ میں مجموعی نقصان ۹۸۱-۱۲ ملین روپے تھا۔ خالص نفع ۳۵۳-۱۵ ملین روپے رہا جبکہ اس کے مقابلہ گزشتہ سال مجموعی نقصان ۳۰۰-۹۰ ملین روپے رہا۔ منافع زیر جائزہ عرصہ کے دوران چینی اور راب کی قیمت فروخت میں اضافہ کی وجہ سے تھا۔ دوران عرصہ وینک کی طرف سے مقرر کردہ مالیاتی رقم کے زائد استعمال اور شرح سود میں اضافہ کی وجہ سے مالیاتی اخراجات ۵۳-۱۳ ملین روپے رہے جبکہ اس کے مقابلہ گزشتہ عرصہ کے دوران یہ رقم ۹۳۱-۱۰ ملین روپے تھی۔

Condensed Interim Statement of Financial Position

As at 31 December 2019

		(Un-audited) 31 December 2019	(Audited) 30 September 2019
	Note	(Rupees in thousand)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	3,636,678	3,603,425
Investment in associate	8	127,523	139,023
Long term loans and advances		1,688	2,006
Long term deposits		1,103	1,103
Deferred taxation		4,110	4,110
		3,771,102	3,749,667
CURRENT ASSETS			
Stores, spares and loose tools		162,488	140,056
Stock in trade	9	844,385	293,938
Trade debts		91,313	108,793
Loans and advances		31,381	17,164
Trade deposits and short term prepayments		10,129	2,755
Other receivables		12,000	12,000
Income tax recoverable		395,147	384,705
Cash and bank balances		324,441	30,661
		1,871,284	990,072
TOTAL ASSETS		5,642,386	4,739,739
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		120,111	120,111
Capital reserve - share premium		27,534	27,534
Revaluation surplus on property, plant & equipment - capital reserve		1,506,111	1,506,111
General reserve and accumulated loss - revenue reserve		701,426	686,072
Loan from directors	10	160,000	120,000
TOTAL EQUITY		2,515,182	2,459,828
NON CURRENT LIABILITIES			
Long term borrowings	11	863,360	875,860
Loan from associates		190,000	190,000
Retirement benefits obligation		32,620	31,408
		1,085,980	1,097,268
CURRENT LIABILITIES			
Trade and other payables		477,601	159,677
Contract Liabilities		457,991	131,577
Unclaimed dividend		1,992	1,992
Short term borrowings	12	670,828	485,353
Accrued interest on borrowings		93,685	76,688
Current maturity of long-term borrowings		257,388	257,388
Provision for taxation		81,739	69,968
		2,041,224	1,182,643
TOTAL LIABILITIES		3,127,204	2,279,911
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	13	5,642,386	4,739,739

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.



Chief Executive



Chief Financial Officer



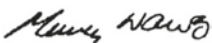
Director

Condensed Interim Statement of Profit or Loss (Un-audited)

For the three month period ended 31 December 2019

	Note	31 December	
		2019	2018
		(Rupees in thousand)	
Revenue from contracts with customers - net	14	667,943	479,318
Cost of sales	15	(569,626)	(492,299)
Gross profit / (loss)		98,317	(12,981)
Distribution cost		(2,063)	(1,982)
Administrative expenses		(53,088)	(47,433)
Other operating expenses		(3,279)	(984)
Other income		991	1,758
		(57,439)	(48,641)
Operating profit / (loss)		40,878	(61,622)
Finance cost		(13,753)	(10,931)
Share of profit of associate - net of tax		-	-
Profit / (loss) before taxation		27,125	(72,553)
Taxation	16	(11,771)	(6,487)
Profit / (loss) for the period		15,354	(79,040)
Profit / (loss) per share - basic and diluted (Rupees per share)		1.28	(6.58)

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.



Chief Executive



Chief Financial Officer



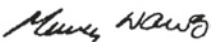
Director

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the three month period ended 31 December 2019

	31 December	
	2019	2018
	(Rupees in thousand)	
Profit / (loss) for the period	15,354	(79,040)
Other comprehensive income for the period	-	-
Total comprehensive profit / (loss) for the period	15,354	(79,040)

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.



Chief Executive



Chief Financial Officer



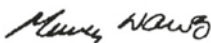
Director

Condensed Interim Statement of Changes in Equity (Un-audited)

For the three month period ended 31 December 2019

	Capital reserve			Revenue reserve		Loan from Directors	Total
	Share Capital	Share premium	Revaluation surplus on property, plant and equipment	General reserve	Unappropriated profits / (losses)		
	(Rupees in thousand)						
Balance as at 01 October 2018	120,111	27,534	-	1,016,000	(365,736)	-	797,907
Loss for the period	-	-	-	-	(79,040)	-	(79,040)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(79,040)	-	(79,040)
Balance as at 31 December 2018	120,111	27,534	-	1,016,000	(444,776)	-	718,867
Balance as at 01 October 2019	120,111	27,534	1,506,111	1,016,000	(329,928)	120,000	2,459,828
Profit for the period	-	-	-	-	15,354	-	15,354
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive profit for the period	-	-	-	-	15,354	-	15,354
Loan from directors	-	-	-	-	-	40,000	40,000
Balance as at 31 December 2019	120,111	27,534	1,506,111	1,016,000	(314,574)	160,000	2,515,182

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.



Chief Executive



Chief Financial Officer




Director

Condensed Interim Statement of Cash Flows (Un-audited)

For the three month period ended 31 December 2019

	31 December	
	2019	2018
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	27,125	(72,553)
Non-cash adjustments to reconcile profit / (loss) before tax to net cash flows:		
Depreciation on property, plant and equipment	12,165	13,630
Interest / mark-up	13,367	10,613
Profit on bank deposits	(347)	(200)
Gain on disposal of property, plant and equipment	-	(861)
Provision for gratuity and retirement benefits	1,260	979
	26,445	24,161
Operating profit / (loss) before working capital changes	53,570	(48,392)
Working capital adjustments		
Increase in current assets		
Stores, spares and loose tools	(22,432)	(25,831)
Stock in trade	(550,447)	(393,028)
Trade debts	17,480	(29,318)
Loans and advances	(14,217)	(870)
Trade deposits and short term prepayments	(7,374)	(11,510)
Other receivables	-	-
	(576,990)	(460,557)
Increase in current liabilities		
Trade and other payables	318,189	801,153
Contract liabilities	326,414	3,179
Cash generated from operations	121,183	295,383
Income tax paid	(10,442)	(11,146)
Interest / mark-up paid	3,630	11,382
Profit on bank deposits received	347	200
Leave encashment paid	(265)	(221)
Retirement benefits paid	(48)	(138)
Net cash generated from operating activities	114,405	295,460
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of operating fixed assets	(422)	(90)
Addition in capital work in progress	(44,996)	(80,009)
Sale proceeds from disposal of operating fixed assets	-	1,000
Decrease in loans and advances	318	493
Dividend received from associate	11,500	3,163
Net cash used in investing activities	(33,600)	(75,443)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(41)
Short-term borrowings obtained / (repaid)	185,475	(182,515)
Loan from directors	40,000	-
Long-term borrowings repaid	(12,500)	-
Net cash generated from / (used in) financing activities	212,975	(182,556)
Net increase in cash and cash equivalents	293,780	37,461
Cash and cash equivalents at the beginning of the period	30,661	56,274
Cash and cash equivalents at the end of the period	324,441	93,735

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.



Chief Executive



Chief Financial Officer



Director

Notes to the Condensed Interim Financial Information (Un-audited)

For the three month period ended 31 December 2019

1. THE COMPANY AND ITS OPERATIONS

Shahtaj Sugar Mills Limited (the Company) was incorporated in Pakistan on 27 March 1965 as a public limited company under the Companies Act 1913. Its registered office is situated at 19, Dockyard Road, West Wharf, Karachi. The Company is listed on Pakistan Stock Exchange and is engaged in the manufacture and sale of sugar whereas molasses and bagasse are its significant by-products. The business units of the Company along with their location are as follows:

Business Unit	Address
Registered Office	19, Dockyard Road, West Wharf, Karachi.
Head Office	72-C/1, M. M. Alam Road, Gulberg-III, Lahore.
Production Plant	Kuthiala Saidan, Mandi Bahauddin.

The Company is in the process to setup a bagasse based co-generation power project with an installed capacity of 32 MW. The project is being financed through a combination of debt and equity. The Company has received power generation license and upfront tariff for thirty years from the National Electric Power Regulatory Authority (NEPRA). The Company expects to commence commercial generation after obtaining approval from the competent authority and any surplus electric power, not consumed by the Company itself, will be sold to the Central Power Purchasing Agency (Guarantee) Limited (CPPA).

2. STATEMENT OF COMPLIANCE

This Condensed Interim Financial Information of the Company for the three month period ended 31 December 2019 has been prepared in accordance with the accounting and reporting standards for the condensed interim financial reporting as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

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

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

The Company accordingly has adopted and applied the accounting policies, same as applied in the latest audited financial statements of the Company for the year ended 30 September 2019.

3. BASIS OF PRESENTATION AND MEASUREMENT

- 3.1 This Condensed Interim Financial Information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan.
- 3.2 This Condensed Interim Financial Information does not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the audited financial statements of the Company for the year ended 30 September 2019.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and applied by the Company for the preparation of this Condensed Interim Financial Information are the same as were adopted and applied in the preparation of the preceding annual audited financial statements for the year ended 30 September 2019.

Notes to the Condensed Interim Financial Information (Un-audited)

For the three month period ended 31 December 2019

5. SEASONALITY OF OPERATIONS

The Company is inter-alia, engaged in manufacturing of sugar for which the season begins in November / December and ends in March / April. Therefore, majority of expenses are incurred and production activities are undertaken in first half of the Company's financial year thus increase the volume of inventories and financing at the end of the first half.

6. TAXATION, RETIREMENT BENEFITS OBLIGATION, WWF AND WPPF

Provisions in respect of Taxation, Retirement Benefits Obligation, Workers' Welfare Fund and Workers' Profit Participation Fund are estimated and these are subject to final adjustments in the annual audited financial statements.

Note	(Un-audited)	(Audited)
	31 December 2019	30 September 2019

(Rupees in thousand)

7. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	7.1	1,965,368	1,977,111
Capital work in progress	7.2	1,671,310	1,626,314
		<u>3,636,678</u>	<u>3,603,425</u>

- 7.1 Additions or deletions made to operating fixed assets during the three month period ended 31 December 2019 are as under:

Additions Deletions
(Rupees in thousand)

Office equipment

422

-

- 7.2 Additions and transfers made to capital work in progress during the three month period ended 31 December 2019 are as under:

	As at 01 October 2019	Additions / Transfers	Transfer to Operating Fixed Assets	As at 31 December 2019
	62,455	-	-	62,455
Civil works and buildings	1,177,922	2,237	-	1,180,159
Plant and machinery	317,447	60,711	-	378,158
Other directly attributable overheads	68,490	(17,952)	-	50,538
Advances to suppliers	1,626,314	44,996	-	1,671,310

(Rupees in thousand)

Notes to the Condensed Interim Financial Information (Un-audited)

For the three month period ended 31 December 2019

Note	(Un-audited)	(Audited)
	31 December 2019	30 September 2019
(Rupees in thousand)		
8. INVESTMENT IN ASSOCIATE		
Associate - Equity method		
Shahtaj Textile Limited - Listed	8.1	139,023
	127,523	

- 8.1 Fair value of investment as at 31 December 2019 is Rs. (thousand) 165,600 (30 September 2019: Rs. (thousand) 111,550).

	(Un-audited)	(Audited)
	31 December 2019	30 September 2019
(Rupees in thousand)		
9. STOCK IN TRADE		
Sugar	665,440	239,222
Molasses	40,282	-
Bagasse	49,028	49,720
	754,750	288,942
Sugar in process	79,812	4,183
Molasses in process	8,221	75
	88,033	4,258
Insecticide	206	58
Stock at fair price shop	1,396	680
	1,602	738
	844,385	293,938

10. LOAN FROM DIRECTORS

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

Note	(Un-audited)	(Audited)
	31 December 2019	30 September 2019
(Rupees in thousand)		
11. LONG TERM BORROWINGS - SECURED		
Loan-I	11.1	933,248
Loan-II	11.2	200,000
	1,120,748	1,133,248
Less: Current maturity		(257,388)
	863,360	875,860

- 11.1 This represents a long term syndicated term finance facility amounting to Rs. 1,956 million obtained from a consortium of banking companies comprising MCB Bank Limited, United Bank Limited and Bank AL Habib Limited. The facility is secured against first mortgage charge over properties and first pari passu hypothecation charge over hypothecated assets in favor of the syndicate for the purpose of co-generation power project with 25% margin limited to Rs. 2,608 million. Markup is chargeable at a rate of 6 month KIBOR + 1.25% per annum semi-annually with a two years grace period.

Notes to the Condensed Interim Financial Information (Un-audited)

For the three month period ended 31 December 2019

11.2 This represents an outstanding loan amounting to Rs. 187.50 million obtained from MCB Bank Limited for BMR of machinery. Markup is chargeable at a rate of 3 month KIBOR + 1.25% per annum quarterly. This facility is secured against first pari passu charge over present and future plant and machinery with 25% margin limited to Rs. 267 million. The loan is repayable in sixteen equal quarterly installments commencing from November 2019 after a grace period of one year.

12. SHORT TERM BORROWINGS - SECURED

The aggregate facility of short term borrowings available from commercial banks is Rs. (thousand) 2,870,000 (30 September 2019: Rs. (thousand) 2,364,000). These facilities are secured against pledge over stock and first charge of Rs. (thousand) 98,200 on all present and future plant & machinery, equipment, fixtures and other installations and such movables etc of the Company. The un-utilized portion of the said facility amounts to Rs. (thousand) 2,199,172 (30 September 2019: Rs. (thousand) 1,878,647).

The rates of markup range between 1 month / 3 month KIBOR + 0.75% to 1 month / 3 month KIBOR + 1.50% (30 September 2019: 1 month / 3 month KIBOR + 0.65% to 1 month / 3 month KIBOR + 0.75%) per annum.

The aggregate facility for letters of credit and guarantees amounts to Rs. (thousand) 10,000 (30 September 2019: Rs. (thousand) 10,000) and Rs. (thousand) 5,000 (30 September 2019: Rs. (thousand) 5,000), respectively. Out of total facilities available, the un-utilized facility for letters of credit and guarantees amounts to Rs. (thousand) 10,000 (30 September 2019: Rs. (thousand) 10,000) and Rs. (thousand) 5,000 (30 September 2019: Rs. (thousand) 5,000), respectively.

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

There is no material change in contingencies since the last published financial statements.

13.2 Commitments

- The Company's commitments on 31 December 2019 for capital expenditure, amounts to Rs. (thousand) Nil (30 September 2019: Rs. (thousand) Nil) in the normal course of business.
- The Company's commitments for letters of credit and guarantees amounts to Rs. (thousand) Nil (30 September 2019: Rs. (thousand) Nil) and Rs. (thousand) Nil (30 September 2019: Rs. (thousand) Nil), respectively. The amount of letters of credit includes Rs. (thousand) Nil (30 September 2019: (thousand) Nil) which relating to co-generation power project.

	(Un-audited)	
	31 December	
	2019	2018
	(Rupees in thousand)	
14. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET		
Sugar	678,115	524,462
Molasses	66,755	7,907
Bagasse	19,020	7,047
Press mud	6,474	1,544
	770,364	540,960
Less:		
Broker's commission on sugar	1,276	1,056
Sales tax / federal excise duty	100,719	59,844
Withholding tax on sales	426	742
	102,421	61,642
	667,943	479,318

Notes to the Condensed Interim Financial Information (Un-audited)

For the three month period ended 31 December 2019

	(Un-audited) 31 December	
	2019	2018
	(Rupees in thousand)	
15. COST OF SALES		
Cost of sugarcane procurement	982,472	767,777
Process materials	17,127	13,077
Fuel and power	9,482	6,700
Stores and spares consumed	23,701	21,733
Repairs and maintenance	4,371	6,035
Salaries, wages and other benefits	54,325	41,331
Company's contribution to provident fund	536	518
Rent, rates and taxes	813	551
Insurance	1,979	2,303
Depreciation	11,290	12,611
Conveyance and travelling	3,081	2,222
Other expenses	518	1,602
	1,109,695	876,460
Add: Opening stock of sugar and by-products in process	4,258	3,236
Less: Closing stock of sugar and by-products in process	(88,033)	(48,455)
Cost of sugar manufactured	1,025,920	831,241
Packing material consumed	9,513	7,964
Cost of sugar bagged	1,035,433	839,205
Add: Opening stock of sugar and by-products	288,942	379,774
Less: Closing stock of sugar and by-products	(754,749)	(726,680)
	569,626	492,299
16. TAXATION		
Taxation for the period:		
Current	11,771	6,487

17. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise related group companies, local associates, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings, other than remuneration and benefits to key management personnel under the terms of their employment are as follows:

Name of Related Party	Nature of Transactions	31 December	
		2019	2018
		(Rupees in thousand)	
Shahhtaj Textile Limited	Dividend Received	11,500	3,163
Shahnawaz (Private) Limited	Purchases and Services Received	425	221
	Utilities paid	62	67
Shezan International Limited	Sale of Sugar	116,781	98,505
Information System Associates Limited	Services Received	113	139
State Life Insurance Corporation of Pakistan	Premium Paid	1,598	-
Staff Provident Fund Trust	Contributions Paid	1,252	1,268
Mr. Muneer Nawaz - Director	Loan Received	40,000	-

Notes to the Condensed Interim Financial Information (Un-audited) For the three month period ended 31 December 2019

All transactions with the related parties and associated undertakings are entered into at an arm's length, determined in accordance with comparable uncontrolled price method except for transactions with M/s. Shahnawaz (Private) Limited, where an additional discount of 40% is received on service charges and 15% on spare parts, in connection with the repairs of motor vehicles, as per group policy. The effect of this policy on the balance sheet and profit or loss account is considered to be immaterial.

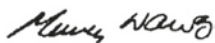
No buying or selling commission has been paid to or received from any associated undertaking.

18. AUTHORIZATION

This condensed interim financial information was authorized for issue by the Board of Directors on 29 January 2020.

19. GENERAL

Figures in this condensed interim financial information have been rounded off to the nearest thousand of rupees.



Chief Executive



Chief Financial Officer



Director

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
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