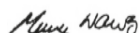


Shahtaj Sugar Mills Limited
Condensed Interim Statement of Financial Position
As at 30 June 2020

	Note	(Un-audited) 30 June 2020	(Audited) 30 September 2019
(Rupees in thousand)			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	3,741,096	3,603,425
Investment in associate		138,157	139,023
Long term loans and advances		1,065	2,006
Long term deposits		1,103	1,103
Deferred taxation	8	18,698	4,110
		<u>3,900,119</u>	<u>3,749,667</u>
CURRENT ASSETS			
Stores, spares and loose tools		141,004	140,056
Stock in trade	9	1,081,647	293,938
Trade debts		17,640	108,793
Loans and advances		29,973	17,164
Trade deposits and short term prepayments		3,379	2,755
Other receivables		13,600	12,000
Income tax recoverable		401,714	384,705
Cash and bank balances		73,965	30,661
		<u>1,762,922</u>	<u>990,072</u>
TOTAL ASSETS		<u>5,663,041</u>	<u>4,739,739</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		120,111	120,111
Share premium - capital reserve		27,534	27,534
Revaluation surplus on property, plant and equipment - capital reserve		1,506,111	1,506,111
General reserve and accumulated loss - revenue reserve		668,635	686,072
Loan from directors		150,000	120,000
TOTAL EQUITY		<u>2,472,391</u>	<u>2,459,828</u>
NON CURRENT LIABILITIES			
Long term borrowings	10	1,123,659	875,860
Loan from associates		90,000	190,000
Retirement benefits obligation		34,288	31,408
Lease Liabilities		19,896	-
		<u>1,267,843</u>	<u>1,097,268</u>
CURRENT LIABILITIES			
Trade and other payables		202,673	159,677
Contract liabilities		177,034	131,577
Unclaimed dividend		1,992	1,992
Short term borrowings	11	1,195,023	485,353
Loan from associates		50,000	-
Accrued interest on borrowings		120,961	76,688
Current maturity of long-term borrowings		50,000	257,388
Current maturity of lease liabilities		385	-
Provision for taxation		124,739	69,968
		<u>1,922,807</u>	<u>1,182,643</u>
TOTAL LIABILITIES		<u>3,190,650</u>	<u>2,279,911</u>
Contingencies and commitments	12		
TOTAL EQUITY AND LIABILITIES		<u>5,663,041</u>	<u>4,739,739</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

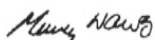


DIRECTOR

Shahtaj Sugar Mills Limited
Condensed Interim Statement of Profit or Loss (Un-audited)
For the nine month period ended 30 June 2020

	Note	Nine Month Period Ended 30 June		Three Month Period Ended 30 June	
		2020	2019	2020	2019
(Rupees in thousand)					
Revenue from contracts with customers - net	13	3,528,945	3,732,749	876,029	1,384,475
Cost of sales	14	(3,249,327)	(3,430,409)	(829,306)	(1,209,866)
Gross profit		279,618	302,340	46,723	174,609
Distribution cost		(7,816)	(9,279)	(1,616)	(2,101)
Administrative expenses		(162,348)	(175,974)	(43,211)	(43,788)
Other operating expenses		(4,393)	(4,454)	1,427	(2,459)
Other income		3,001	10,747	443	3,513
		(171,556)	(178,960)	(42,957)	(44,835)
Operating profit		108,062	123,380	3,766	129,774
Finance cost		(95,949)	(90,998)	(35,176)	(41,917)
Share of profit of associate - net of tax		10,180	11,582	-	-
Profit / (loss) before taxation		22,293	43,964	(31,410)	87,857
Taxation	15	(40,183)	(40,188)	(4,158)	(27,976)
(Loss) / profit for the period		(17,890)	3,776	(35,568)	59,881
(Loss) / earnings per share - basic and diluted (Rupees per share)		(1.49)	0.31	(2.96)	4.99

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

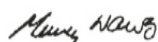


DIRECTOR

Shahtaj Sugar Mills Limited
Condensed Interim Statement of Comprehensive Income (Un-audited)
For the nine month period ended 30 June 2020

	Nine Month Period Ended 30 June		Three Month Period Ended 30 June	
	2020	2019	2020	2019
	(Rupees in thousand)			
(Loss) / profit for the period	(17,890)	3,776	(35,568)	59,881
Other comprehensive income for the period				
Other comprehensive income not to be re-classified to profit or loss in subsequent periods (net of deferred tax)				
Share of associate's other comprehensive income	453	510	-	-
Revaluation surplus on property, plant and equipment	-	1,506,111	-	1,506,111
Total comprehensive (loss) / income for the period	(17,437)	1,510,397	(35,568)	1,565,992

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

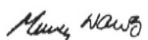


DIRECTOR

Shahtaj Sugar Mills Limited
Condensed Interim Statement of Changes in Equity (Un-audited)
For the nine month period ended 30 June 2020

	<u>Capital reserve</u>		Revaluation surplus on property, plant and equipment	<u>Revenue reserve</u>		Loan from Directors	Total
	Share capital	Share premium		General reserve	Unappropriated profits / (losses)		
	----- (Rupees in thousand) -----						
Balance as at 01 October 2018	120,111	27,534	-	1,016,000	(365,738)	-	797,907
Profit for the period	-	-	-	-	3,776	-	3,776
Other comprehensive income	-	-	1,506,111	-	510	-	1,506,621
Total comprehensive income for the period	-	-	1,506,111	-	4,286	-	1,510,397
Balance as at 30 June 2019	120,111	27,534	1,506,111	1,016,000	(361,452)	-	2,308,304
Balance as at 01 October 2019	120,111	27,534	1,506,111	1,016,000	(329,928)	120,000	2,459,828
Loss for the period	-	-	-	-	(17,890)	-	(17,890)
Other comprehensive income	-	-	-	-	453	-	453
Total comprehensive loss for the period	-	-	-	-	(17,437)	-	(17,437)
Loan from directors	-	-	-	-	-	30,000	30,000
Balance as at 30 June 2020	120,111	27,534	1,506,111	1,016,000	(347,365)	150,000	2,472,391

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.


 CHIEF EXECUTIVE

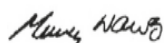

 CHIEF FINANCIAL OFFICER


 DIRECTOR

Shahtaj Sugar Mills Limited
Condensed Interim Statement of Cash Flows (Un-audited)
For the nine month period ended 30 June 2020

	30 June	
	2020	2019
	(Rupees in thousand)	
Profit before taxation	22,293	43,964
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation on property, plant and equipment	38,559	40,832
Interest / mark-up	90,066	89,266
Profit on bank deposits	(1,889)	(421)
Share of profit of associate	(10,180)	(11,582)
Gain on disposal of property, plant and equipment	-	(1,276)
Provision for gratuity and retirement benefits	3,420	2,858
Loss on initial recognition of financial assets at fair value	(382)	(77)
	119,594	119,600
Operating profit before working capital changes	141,887	163,564
Working capital adjustments:		
Increase in current assets:		
Stores, spares and loose tools	(948)	(17,761)
Stock in trade	(787,709)	(580,603)
Trade debts	91,153	54,168
Loans and advances	(12,809)	15,697
Trade deposits and short term prepayments	(624)	(3,298)
Other receivables	(1,600)	(3,600)
	(712,537)	(535,397)
Increase in current liabilities		
Trade and other payables	43,505	191,298
Contract liabilities	45,457	(199,762)
Cash used in operations	(481,688)	(380,297)
Income tax paid	(17,009)	(69,995)
Interest / mark-up paid	(45,793)	(19,848)
Profit on bank deposits received	1,889	421
Leave encashment paid	(511)	(707)
Retirement benefits paid	(540)	(2,130)
Net cash used in operating activities	(543,652)	(472,556)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of operating fixed assets	(1,242)	(1,837)
Addition in capital work in progress	(151,256)	(161,115)
Sale proceeds from disposal of operating fixed assets	-	2,647
Decrease in loans and advances	1,323	1,365
Dividend received from associate	11,500	3,163
Net cash used in investing activities	(139,675)	(155,777)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(56)
Short-term borrowings	709,670	569,776
Loan from associate	(50,000)	100,000
Loan from director	30,000	-
Repayment of lease	(3,450)	-
Long-term borrowings	40,411	-
Net cash generated from financing activities	726,631	669,720
Net increase in cash and cash equivalents	43,304	41,387
Cash and cash equivalents at the beginning of the period	30,661	56,274
Cash and cash equivalents at the end of the period	73,965	97,661

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

Shahtaj Sugar Mills Limited
Notes to the Condensed Interim Financial Statements (Un-audited)
for the nine month period ended 30 June 2020

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:

<u>Business Unit</u>	<u>Address</u>
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

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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 from 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** These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 September 2019.
- 3.2** These condensed interim financial statements have been prepared under the historical cost convention. These financial statements are prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest thousand rupee unless otherwise stated.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended 30 September 2019, except as follows:

4.1 New / Revised Standards, Interpretations and Amendments

The Company has adopted the following standards, amendments and interpretations of IFRSs which became effective for the current period:

IFRS 14	Regulatory Deferral Accounts
IFRS 16	Leases
IFRIC 23	Uncertainty over Income Tax Treatments
IFRS 9	Prepayment Features with Negative Compensation — (Amendments)
IAS 28	Long-term Interests in Associates and Joint Ventures — (Amendments)
IAS 19	Plan Amendment, Curtailment or Settlement — (Amendments)
IFRS 3	Business Combinations - Previously held Interests in a joint operation — (AIP)
IFRS 11	Joint Arrangements - Previously held Interests in a joint operation — (AIP)
IAS 12	Income Taxes - Income tax consequences of payments on financial instruments classified as equity — (AIP)
IAS 23	Borrowing Costs - Borrowing costs eligible for capitalization — (AIP)

The nature and effect of the changes as a result of adoption of IFRS 16 are described below. The adoption of other standards, interpretations and amendments applied for the first time in the period did not have any material impact on the condensed interim financial statements of the Company.

4.2 IFRS 16 - Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 determining whether an arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessee to recognize most leases on the statement of financial position.

The Company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 01 October 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application.

The effect of adoption of IFRS 16 (increase / (decrease)) is as follows:

	30 June 2020	01 October 2019
Condensed interim statement of financial position (un-audited)		
(Rupees in thousand)		
Assets		
<i>Property, plant and equipment - right-of-use assets</i>	22,413	23,732
<i>Prepayments</i>	-	(3,450)
Liabilities		
<i>Lease liabilities</i>	20,281	20,281
<i>Deferred tax liability</i>	427	-

The effect of adoption of IFRS 16 during the period ended 30 June 2020 is as follows:

Condensed interim statement of profit or loss (un-audited)	(Rupees in thousand)
<i>Lease rental expense not booked</i>	2,588
<i>Depreciation - right-of-use assets</i>	(1,978)
<i>Impact on (loss) / profit before taxation</i>	610
<i>Taxation</i>	(427)
<i>Impact on (loss) / profit after taxation</i>	183

The Company has lease contract for head office building. Before the adoption of IFRS 16, the Company classified its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Leases previously accounted for as operating leases

The Company recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use asset were recognized based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

4.2.1 Summary of new accounting policies

Set out below are the new accounting policies of the Company upon adoption of IFRS 16, which have been applied from the date of initial application:

a) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

b) Lease liabilities - rented premises

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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 BENEFIT OBLIGATIONS, WWF AND WPPF

Provisions in respect of taxation, retirement benefit obligations, workers' welfare fund (WWF) and workers' profit participation fund (WPPF) are estimated and these are subject to final adjustments in the annual audited financial statements.

7 PROPERTY, PLANT AND EQUIPMENT

		(Un-audited) 30 June 2020	(Audited) 30 September 2019
	Note	(Rupees in thousand)	
Operating fixed assets	7.1	1,963,526	1,977,111
Capital work in progress	7.2	1,777,570	1,626,314
		3,741,096	3,603,425

7.1 Additions and deletions made to operating fixed assets during the nine month period ended 30 June 2020 are as under:

	Additions	Deletions
	(Rupees in thousand)	
Office equipment	1,242	-
Building - Leased*	23,732	-
	24,974	-

*This represents initial recognition of right-of-use asset on rental building for a period of nine years.

7.2 Additions and transfers made to capital work in progress during the nine month period ended 30 June 2020 are as under:

	Additions	Transfers
	(Rupees in thousand)	
Civil works and buildings	120	-
Plant and machinery	16,636	-
Other directly attributable overheads	152,534	-
Advances to suppliers	-	18,034
	169,290	18,034

	(Un-audited) 30 June 2020	(Audited) 30 September 2019
(Rupees in thousand)		
8 DEFERRED TAXATION		
This comprises:		
Deferred tax liabilities on taxable temporary differences		
Accelerated tax depreciation	(98,730)	(105,800)
Lease assets and liabilities - net	(427)	-
	(99,157)	(105,800)
Deferred tax assets on deductible temporary differences		
Employee benefits	13,669	12,981
Allowance for expected credit losses	186	167
Carry forward tax losses and credits	104,000	96,762
	117,855	109,910
	18,698	4,110

9 STOCK IN TRADE

	(Un-audited) 30 June 2020	(Audited) 30 September 2019
(Rupees in thousand)		
	Note	
Sugar	1,003,823	239,222
Bagasse	67,530	49,720
	1,071,353	288,942
Sugar in process	8,671	4,183
Molasses in process	202	75
	8,873	4,258
Insecticide	155	58
Stock at fair price shop	1,266	680
	1,421	738
	1,081,647	293,938

10 LONG TERM BORROWINGS

Loan - I	10.1	933,248	933,248
Loan - II	10.2	162,500	200,000
Loan - III	10.3	77,911	-
		1,173,659	1,133,248
Less: Current maturity		(50,000)	(257,388)
		1,123,659	875,860

10.1 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 consortium). 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. The loan is repayable originally in ten equal semi-annual installments starting from August 2019. During the period, the Company has entered into supplemental agreement with the consortium, as a result of which, further two years grace period has been granted to the Company for principal repayment. As a result of the supplemental agreement with consortium, the facility is also secured against personal guarantee from Mr. Muneer Nawaz, Director of the Company.

10.2 This represents a long term loan amounting to Rs. 200 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.

10.3 This represents a finance facility obtained under SBP refinance scheme for the payment of salaries and wages for the period of 3 months. This Loan is repayable in 30 months with a grace period of 6 months repayable in eight equal quarterly installments. The facility is secured against ranking charge over fixed assets with 25% margin. Markup is payable quarterly at a fixed rate of 3%.

11 SHORT TERM BORROWINGS

The aggregate facility of short term borrowings available from commercial banks is Rs. (thousand) 3,020,000 (30 September 2019: Rs. (thousand) 2,870,000). These facilities are secured against pledge over stock and first charge of Rs. 98.2 million on all present and future plant and machinery, equipment, fixtures and other installations and such movables etc. of the Company. The un-utilized portion of the said facility as on 30 June 2020 amounts to Rs. (thousand) 1,824,977 (30 September 2019: Rs. (thousand) 1,878,647).

The rates of markup range between 1 month / 9 month KIBOR + 0.75% to 1 month / 9 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.

12 CONTINGENCIES AND COMMITMENTS**12.1 Contingencies**

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

12.2 Commitments

i. The Company's commitments on 30 June 2020 for capital expenditure, amounts to Rs. (thousand) Nil (30 September 2019: Rs. (thousand) Nil) in the normal course of business.

ii. 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.

13 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	(Un-audited)			
	Nine Month Period Ended 30 June		Three Month Period Ended 30 June	
	2020	2019	2020	2019
Gross Sales	4,083,549	4,132,166	1,019,797	1,522,868
Less:				
Broker's commission on sugar	6,707	8,242	1,698	3,361
Sales tax	546,678	388,184	141,763	134,224
Withholding tax on sales	1,219	2,991	307	808
	554,604	399,417	143,768	138,393
	3,528,945	3,732,749	876,029	1,384,475

Set out below is the disaggregation of the Company's revenue from contracts with Customers:

Major Products:

Sugar	3,504,058	3,668,730	992,066	1,409,408
Molasses	445,700	313,174	27,731	113,460
Bagasse	112,526	143,392	-	-
Press mud	21,265	6,870	-	-
	4,083,549	4,132,166	1,019,797	1,522,868

Geographical region:

Pakistan	4,083,549	4,132,166	1,019,797	1,522,868
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Type of customer:

Non-government customers	4,083,549	4,111,634	1,019,797	1,502,336
Government customers	-	20,532	-	20,532
	4,083,549	4,132,166	1,019,797	1,522,868

Timing of transfer goods:

Goods transferred to customers at a point in time	4,083,549	4,132,166	1,019,797	1,522,868
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14 COST OF SALES

Cost of sugarcane procurement	3,671,498	3,626,286	159	248
Process materials	43,038	49,442	563	792
Fuel and power	23,126	16,085	6,789	6,003
Stores and spares consumed	41,105	40,344	5,699	5,064
Repairs and maintenance	5,181	8,138	394	775
Salaries, wages and other benefits	166,171	170,755	30,461	32,811
Company's contribution to provident fund	1,716	1,645	540	538
Rent, rates and taxes	1,265	1,117	118	186
Insurance	4,117	6,909	1,373	2,303
Depreciation	33,869	37,825	11,290	12,607
Conveyance and travelling	7,789	6,569	902	1,295
Other expenses	5,414	6,077	165	168
	4,004,289	3,971,192	58,453	62,790
Add: Opening stock of sugar and by-products in process	4,258	3,236	8,782	4,470
Less: Closing stock of sugar and by-products in process	(8,873)	(4,191)	(8,873)	(4,191)
Cost of sugar manufactured	3,999,674	3,970,237	58,362	63,069
Packing material consumed	32,064	39,229	-	-
Cost of sugar bagged	4,031,738	4,009,466	58,362	63,069
Add: Opening stock of sugar and by-products	288,942	379,774	1,842,297	2,105,628
Less: Closing stock of sugar and by-products	(1,071,353)	(958,831)	(1,071,353)	(958,831)
	3,249,327	3,430,409	829,306	1,209,866

15 TAXATION

	(Un-audited)			
	Nine Month Period Ended 30 June		Three Month Period Ended 30 June	
	2020	2019	2020	2019
	(Rupees in thousand)			
Taxation for the period:				
Current	54,771	57,935	13,168	27,976
Deferred	(14,588)	(17,747)	(9,010)	-
	40,183	40,188	4,158	27,976

16 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 Transaction	30 June	
		2020	2019
		(Rupees in thousand)	
Shahtaj Textile Limited	Dividend received	11,500	3,163
Shahnawaz (Private) Limited	Purchases and services received	1,960	581
	Utilities paid	125	201
	Loan obtained and repaid	50,000	100,000
Shezan International Limited	Sale of sugar	402,411	656,530
Information System Associates Limited	Purchases and services received	355	551
State Life Insurance Corporation of Pakistan	Premium paid	1,598	1,872
JS Bank Limited	Banking transactions	18,515	-
Mr. Muneer Nawaz	Loan received	30,000	-
Staff Provident Fund Trust	Contributions paid	3,943	3,872
Key Management Personnel	Remuneration and benefits	55,298	51,725

All transactions with the related parties and associated undertakings are entered into at 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 and loss account is considered to be immaterial.

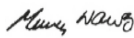
No buying or selling commission has been paid to any associated undertaking.

17 AUTHORIZATION

These condensed interim financial statements were authorized for issue by the Board of Directors on 29 July 2020.

18 GENERAL

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR