



Shah Taj Sugar Mills Limited

Condensed Interim Financial Information

For the Six Month Period Ended
31 March 2015 (Un-Audited)

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Company Information

Board of Directors

Mr. Mahmood Nawaz	Chairman
Mr. Muneer Nawaz	Chief Executive
Mr. Cyrus R. Cowasjee	Independent Director
Mr. M. Naeem	
Mr. Ijaz Ahmad	
Mrs. Samia Shah Nawaz Idris	
Mr. Rashed Amjad Khalid	
Mr. Toqueer Nawaz	
Mr. Attaullah A. Rasheed	(S.L.I.C.)
Mr. Aamir Amin	(N.I.T.)

Company Secretary

Mr. Jamil Ahmad Butt

Chief Financial Officer

Mr. Muhammad Asghar

Audit Committee

Mr. M. Naeem	Chairman
Mr. Rashed Amjad Khalid	Member
Mr. Toqueer Nawaz	Member

Human Resource & Remuneration Committee

Mr. Rashed Amjad Khalid	Chairman
Mr. Muneer Nawaz	Member
Mr. Attaullah A. Rasheed	Member

Head Office

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Gulberg III, Lahore - 54660.
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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 : registeredoffice@shahtajsugar.com

Production Facility

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

Auditors

Ernst & Young Ford Rhodes Sidat Hyder,
Chartered Accountants,
Mall View Building,
4 - Bank Square, Lahore.

Legal Advisor

Mr. Ras Tariq Chowdhary,
30 - Mall Mansion,
The Mall, Lahore.

Share Registrar

Evolution Factor (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

Directors' Report to the Members

Your Directors have pleasure in presenting the un-audited condensed interim financial information for the six month period ended 31st March 2015. Operational performance of the present crushing season as compared with that of last year is produced below:

		Production Data	
		Six Month Period Ended 31 March	
		2015	2014
Start of Season		29.11.2014	27.11.2013
End of Season		15.03.2015	06.03.2014
Duration	Days	107	100
Sugarcane Crushed	(M. Tons)	800,969	817,752
PRODUCTION			
Sugar	(M. Tons)	74,654	80,434
Molasses	(M. Tons)	38,622	39,840
RECOVERY			
Sugar	(%)	9.32	9.84
Molasses	(%)	4.82	4.87

Both, the production and recovery was less than last year. The availability of cane was reduced due to low yield and less acreage, as a consequence, we got less cane than last year, resulting in reduced crushing and sugar production. The recovery was also slightly less than last year primarily due to climatic factors; both lower crushing and lower recovery resulted in a drop in sugar production.

About 56% of the cane was purchased from our traditional area and approximately 44% from the out zone area. We regularly buy cane from the out zone area to maximize the production of sugar.

Last year, the Government support price was Rs. 170/- per 40 kg but this year, the Punjab Government increased it to Rs. 180/- per 40 kg. As a result of this, the average cost of sugarcane procurement was Rs. 185/- per 40 kg as compared to Rs. 179/- per 40 kg last year.

Our shareholders are aware of the drop of international prices of petroleum products, because of this, the molasses prices have gone down and this had an adverse effect on our profitability.

Sugar prices during this period were better than last year but at the same time, the cost of production had gone up due to increase in the support price of Rs. 10 per 40 kg. The quarter January to March, by the grace of Allah, your Company made a profit but it was not enough to offset the loss suffered in the first quarter. The second quarter was profitable for the Company but keeping in view loss in the first quarter during the six month period, the Company again has reported a loss of Rs. (thousand) 23,797.

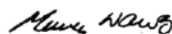
With the advent of summer, the sugar prices have shown an upward trend and as of 1st April, we had a sugar stock of 44,280 M. Tons. We are hopeful that Insha Allah, if this positive trend in sugar prices continues, we should have a profitable year for the Company.

The cane sowing for the next season has been completed and it is slightly less than last year. Let's now pray for monsoon rains and favourable weather so that we have a healthy cane crop for next year. All efforts were made at the time of sowing to ensure use of good quality seed.

We are in the process of negotiations with the banks for financing of our turbine generator sets for our power project. As already advised, we plan to install two turbines of 16 MW each to generate electricity from biomass for our own use and to sell the surplus electricity to the National Grid. The turbines would be of Chinese origin with a proven track record in Pakistan. As soon as the financial arrangements with the banks are made, the order will be placed. Our new 135 tonnes high pressure boiler is working satisfactorily.

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

For and on behalf of the Board,



MUNEER NAWAZ
Chief Executive

Karachi: 26 May 2015.

Report to the Members on Review of Condensed Interim Financial Information

Introduction

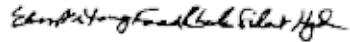
We have reviewed the accompanying condensed interim balance sheet of Shahtaj Sugar Mills Limited as at 31 March 2015 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



Chartered Accountants
Engagement Partner:
Mohammed Junaid


Lahore: 26 May 2015

Condensed Interim Balance Sheet

As at 31 March 2015

	Note	(Un-Audited) 31 March 2015	(Audited) 30 September 2014
(Rupees in thousand)			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	708,043	736,255
Investments in associates	8	98,302	92,949
Loans and advances		2,907	2,074
Deposits		1,140	840
Deferred taxation	9	34,471	–
CURRENT ASSETS			
Stores, spares and loose tools		111,206	116,635
Stock in trade	10	2,408,926	185,812
Trade debts		125,906	84,029
Loans and advances		32,585	54,126
Tax refunds due from government		108,182	69,287
Deposits, prepayments and other receivables		7,297	2,820
Cash and bank balances		45,359	92,064
		2,839,461	604,773
TOTAL ASSETS		3,684,324	1,436,891
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		120,111	120,111
Capital reserve - share premium		27,534	27,534
General reserve and un-appropriated profits		924,414	972,233
TOTAL EQUITY		1,072,059	1,119,878
NON CURRENT LIABILITIES			
Long term borrowing	11	100,000	125,000
Deferred taxation	9	–	2,685
Retirement benefits obligation		24,655	23,739
		124,655	151,424
CURRENT LIABILITIES			
Current maturity of long term borrowing		50,000	50,000
Trade and other payables		548,886	110,555
Short term borrowings	12	1,833,968	–
Accrued interest on long term borrowing		3,598	4,556
Accrued interest on short term borrowings		31,883	–
Provision for taxation		19,275	478
		2,487,610	165,589
TOTAL LIABILITIES		2,612,265	317,013
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		3,684,324	1,436,891

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


Chief Executive



Director

Condensed Interim Profit and Loss Account (Un-Audited)

for the six month period ended 31 March 2015

	Note	Six Month Period Ended		Three Month Period Ended	
		31 March		31 March	
		2015	2014	2015	2014
(Rupees in thousand)					
Sales - net	14	1,864,634	2,253,024	1,307,991	1,434,753
Cost of sales	15	(1,768,952)	(2,119,541)	(1,216,058)	(1,373,796)
Gross profit		95,682	133,483	91,933	60,957
Distribution cost		(5,503)	(5,133)	(3,885)	(3,339)
Administrative expenses		(108,399)	(101,878)	(66,078)	(59,874)
Other operating expenses		(1,877)	(1,881)	(903)	1,864
Other operating income		12,540	13,487	7,686	5,710
		(103,239)	(95,405)	(63,180)	(55,639)
Operating (loss) / profit		(7,557)	38,078	28,753	5,318
Finance cost		(42,540)	(35,968)	(36,290)	(35,435)
		(50,097)	2,110	(7,537)	(30,117)
Share of profit of associates - net		8,228	4,291	8,228	4,291
(Loss) / profit before taxation		(41,869)	6,401	691	(25,826)
Taxation	16	18,072	25,903	23,973	55,330
Net (loss) / profit for the period		(23,797)	32,304	24,664	29,504
(Loss) / Earnings per ordinary share -					
Basic and Diluted (Rupees)		(1.98)	2.69	2.05	2.46

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

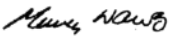

Chief Executive


Director

Condensed Interim Statement of Comprehensive Income (Un-Audited) for the six month period ended 31 March 2015

Note	Six Month Period Ended		Three Month Period Ended	
	31 March		31 March	
	2015	2014	2015	2014
	(Rupees in thousand)			
Net (loss) / profit for the period	(23,797)	32,304	24,664	29,504
Other comprehensive income	–	–	–	–
Total comprehensive (loss) / income for the period	(23,797)	32,304	24,664	29,504

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


Chief Executive


Director

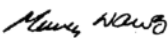
Condensed Interim Cash Flow Statement (Un-Audited)

for the six month period ended 31 March 2015

	Six Month Period Ended	
	31 March	
	2015	2014
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(41,869)	6,401
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation	37,054	31,957
Interest / mark-up	42,540	35,532
Profit on bank deposits	(2,944)	(4,258)
Share of profit of associates	(8,228)	(4,291)
Gain on disposal of property, plant and equipment	(590)	(173)
Provision for gratuity and retirement benefits	1,679	1,725
Loss / (gain) on initial recognition of financial assets at fair value	198	(136)
	69,709	60,356
Operating profit before working capital changes	27,840	66,757
(Increase) / decrease in current assets		
Stores, spares and loose tools	5,429	(9,245)
Stock in trade	(2,223,114)	(1,816,089)
Trade debts	(41,877)	(62,573)
Loans and advances	21,343	2,358
Deposits, prepayments and other receivables	(4,477)	1,752
	(2,242,696)	(1,883,797)
Increase / (decrease) in current liabilities		
Trade and other payables	438,331	219,491
Short term borrowings	1,833,968	1,578,619
	2,272,299	1,798,110
Interest paid	(11,615)	(5,558)
Income tax paid	(39,182)	(44,006)
Retirement benefits paid	(763)	(886)
	(51,560)	(50,450)
Net cash generated from / (used in) operating activities	5,883	(69,380)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9,806)	(81,535)
Sale proceeds from disposal of property, plant and equipment	1,554	315
Profit received from banks	2,944	4,258
Loans and advances	(833)	686
Dividend received	2,875	4,140
Deposits	(300)	-
Net cash used in investing activities	(3,566)	(72,136)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(24,022)	(12)
Long term loan paid	(25,000)	-
Net cash used in financing activities	(49,022)	(12)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(46,705)	(141,528)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	92,064	143,677
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	A 45,359	2,149

A- Cash and cash equivalents include cash and bank balances as stated in balance sheet.

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

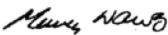

Chief Executive


Director

Condensed Interim Statement of Changes in Equity (Un-Audited) for the six month period ended 31 March 2015

	Share Capital	Share Premium	General Reserve	Unappropriated Profits / (Accumulated Loss)	Total
(Rupees in thousand)					
Balance as at 01 October 2013	120,111	27,534	916,000	18,821	1,082,466
Total comprehensive income for the period	–	–	–	32,304	32,304
Balance as at 31 March 2014	120,111	27,534	916,000	51,125	1,114,770
Balance as at 01 October 2014	120,111	27,534	916,000	56,233	1,119,878
Final dividend @ Rs. 2 per share for the year 2014	–	–	–	(24,022)	(24,022)
Transfer to general reserve for the year 2014	–	–	10,000	(10,000)	–
Total comprehensive loss for the period	–	–	–	(23,797)	(23,797)
Balance as at 31 March 2015	120,111	27,534	926,000	(1,586)	1,072,059

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


Chief Executive


Director

Notes to the Condensed Interim Financial Information (Un-Audited) for the six month period ended 31 March 2015

1 THE COMPANY AND ITS OPERATIONS

Shahtaj Sugar Mills Limited was incorporated in Pakistan on 27 March 1965 as a Public Limited Company under the Companies Ordinance, 1984 with a registered office situated in Karachi. The Company is listed on Karachi / Lahore Stock Exchange Limited and is engaged in the manufacture of sugar from sugarcane. Molasses is the only significant by-product contributing to Company's revenue.

2 STATEMENT OF COMPLIANCE

This condensed interim financial information of the Company for the six month period ended 31 March 2015 has been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

3 BASIS OF PRESENTATION AND MEASUREMENT

3.1 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with financial statements of the Company for the year ended 30 September 2014.

3.2 This condensed interim financial information is un-audited but subject to limited scope review by the auditors. Three month figures were not subject to limited scope review by the auditors as the scope of the review covered only the cumulative figures for the six month period ended 31 March 2015.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial information are consistent with those of the previous financial year except as follows:

New, Amended and Revised Standards and Interpretations of IFRSs

The Company has adopted the following revised standard, amendments and interpretation of IFRSs which became effective for the current period:

IAS 19	-	Employee Benefits – (Amendment) – Defined Benefit Plans: Employee Contributions
IAS 32	-	Financial Instruments : Presentation – (Amendment)-Offsetting Financial Assets and Financial Liabilities
IAS 36	-	Impairment of Assets – (Amendment) – Recoverable Amount Disclosures for Non-Financial Assets
IAS 39	-	Financial Instruments: Recognition and Measurement – (Amendment) – Novation of Derivatives and Continuation of Hedge Accounting
IFRIC 21	-	Levies

Notes to the Condensed Interim Financial Information (Un-Audited) for the six month period ended 31 March 2015

The adoption of the above amendments, revisions, improvements to accounting standards and interpretations did not have any material effect on this condensed interim financial information.

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 increasing volume of inventories and financing at the end of the first half.

6 TAXATION, RETIREMENT BENEFITS OBLIGATION, WORKERS' WELFARE FUND AND WORKERS' PROFIT PARTICIPATION FUND

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) 31 March 2015	(Audited) 30 September 2014
(Rupees in thousand)			
7	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	7.1	692,006
	Capital work in progress	7.2	16,037
			719,583
			16,672
			736,255

7.1 Additions and deletions made to operating fixed assets during the six month period ended 31 March 2015 are as under:

	Additions	Deletions
(Rupees in thousand)		
Owned Assets		
Plant and machinery	9,660	1,414
Motor vehicles and bicycles	8	1,963
Office equipment	757	–
Furniture and fittings	16	14
	10,441	3,391

7.2 The position of capital work in progress as at 31 March 2015 is as follows:

	(Un-audited) 31 March 2015	(Audited) 30 September 2014
(Rupees in thousand)		
Capital work in progress		
Plant and machinery	16,037	16,672

Notes to the Condensed Interim Financial Information (Un-Audited) for the six month period ended 31 March 2015

	Note	(Un-audited) 31 March 2015 (Rupees in thousand)	(Audited) 30 September 2014
8	LONG TERM INVESTMENTS		
	Investment in Associate associate - Equity method Shahtaj Textile Limited - Listed		
	8.1	98,302	92,949

8.1 Market value of investment as at 31 March 2015 is Rs. (thousand) 80,500 (30 September 2014: Rs. (thousand) 176,920).

		(Un-audited) 31 March 2015 (Rupees in thousand)	(Audited) 30 September 2014
9	DEFERRED TAXATION		
	Deferred tax assets / (liabilities)		
	- Taxable temporary differences	(105,134)	(106,871)
	- Deductible temporary differences	8,136	7,834
	- Carry forward tax losses and credits	131,469	96,352
		34,471	(2,685)

Movement for the six month period ended 31 March 2015

	Opening balance	Recognized in profit and loss	Closing balance
Deferred tax liabilities on taxable temporary differences arising in respect of:			
Property, plant and equipment-owned assets	(98,726)	2,272	(96,454)
Investment in associate	(8,145)	(535)	(8,680)
	(106,871)	1,737	(105,134)
Deferred tax assets on deductible temporary differences arising in respect of:			
Staff gratuity and retirement benefits	7,834	302	8,136
Carry forward tax losses and credits	96,352	35,117	131,469
	(2,685)	37,156	34,471

During the period, the Company has incurred taxable loss of Rs. (thousand) 49,452 (30 September 2014: Rs. (thousand) 86,644) against which a deferred tax asset has been recognized by the Company at the tax rate of 33% amounting to Rs. (thousand) 16,319 (30 September 2014: Rs. (thousand) 28,593). These include unabsorbed tax depreciation of Rs. (thousand) 33,545 (30 September 2014: Rs. (thousand) 199,694) which is adjustable for indefinite period, while remaining amount of Rs. (thousand) 15,907 (30 September 2014: Rs. (thousand) 113,050) is adjustable against future taxable income up till tax year 2021.

Notes to the Condensed Interim Financial Information (Un-Audited) for the six month period ended 31 March 2015

Furthermore, the Company has made provision for minimum tax under section 113 of the Income Tax Ordinance, 2001 amounting to Rs. (thousand) 18,797 (30 September 2014: Rs. (thousand) Nil) which is also adjustable against future taxable income till tax year 2020.

The Company is expecting growth in operations which will result in generation of taxable income in future to set off against these carry forward losses.

Note	(Un-audited)	(Audited)
	31 March 2015	30 September 2014
(Rupees in thousand)		
10 STOCK IN TRADE		
Sugar - refined	2,238,488	161,810
Sugar in process	2,576	2,242
Molasses	118,694	–
Molasses in process	26	29
Bagasse	48,596	21,315
	2,408,380	185,396
Insecticides	97	36
Fair price shop	449	380
	546	416
	2,408,926	185,812
11 LONG TERM BORROWING		
Long term borrowing	11.1 150,000	175,000
Less: Current maturity	50,000	50,000
	100,000	125,000

11.1 This represents long term loan obtained for purchase and installation of high pressure boiler and ancillary machinery from a commercial bank, repayable in 8 equal half yearly installments commencing after grace period of one year. Mark-up is chargeable at a rate of 6 month KIBOR plus 1% per annum payable bi-annually. The facility is secured against first exclusive charge over entire plant and machinery with 25% margin limited to Rs. 267 million.

12 SHORT TERM BORROWINGS - SECURED

The aggregate facility of short-term borrowings available from commercial banks as at 31 March 2015 is Rs. (thousand) 2,570,000 (30 September 2014: Rs. (thousand) 2,270,000). These facilities are secured against pledge over stock and hypothecation over stores and spares.

The rates of mark - up range between 1 month / 3 month KIBOR + 0.75% to 1 month / 3 month KIBOR + 1.15% (30 September 2014: 1 month / 3 month KIBOR + 0.75% to 1 month / 3 month KIBOR + 1.50%).

The un-utilized facility for letters of credit and guarantees as at 31 March 2015 is Rs. (thousand) 51,800 (30 September 2014: Rs. (thousand) 50,061).

Notes to the Condensed Interim Financial Information (Un-Audited) for the six month period ended 31 March 2015

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 for capital expenditure as at 31 March 2015 is Rs. (thousand) Nil (30 September 2014: Rs. (thousand) 16,672).

The Company's commitments for letter of credit as at 31 March 2015 amounts to Rs. (thousand) Nil (30 September 2014: Rs. (thousand) 939).

	Un-audited Six Month Period Ended		Un-audited Three Month Period Ended	
	31 March		31 March	
	2015	2014	2015	2014
	(Rupees in thousand)			
14 SALES - net				
Sugar	1,785,746	2,091,913	1,219,697	1,265,228
Molasses	177,420	286,431	164,960	232,270
Bagasse	58,224	62,477	33,046	59,686
Press mud	5,767	5,642	3,879	3,586
	2,027,157	2,446,463	1,421,582	1,560,770
Less:				
Broker's commission on sugar	4,262	5,173	2,996	3,292
Sales tax / FED	155,842	186,344	109,011	121,625
Withholding tax on sales	2,419	1,922	1,584	1,100
	162,523	193,439	113,591	126,017
	1,864,634	2,253,024	1,307,991	1,434,753

Notes to the Condensed Interim Financial Information (Un-Audited) for the six month period ended 31 March 2015

	Un-audited Six Month Period Ended		Un-audited Three Month Period Ended	
	31 March		31 March	
	2015	2014	2015	2014
	(Rupees in thousand)			
15 COST OF SALES				
Cost of sugarcane procured	3,709,670	3,659,276	2,499,607	2,346,079
Process materials	38,707	37,702	24,896	22,106
Fuel and power	7,950	9,700	2,037	1,750
Stores and spares consumed	32,363	34,082	11,932	15,282
Repairs and maintenance	3,596	5,696	1,024	2,237
Salaries, wages and other benefits	112,201	104,690	71,461	62,992
Company's contribution to provident fund	966	900	517	482
Rent, rates and taxes	921	852	105	96
Insurance	3,011	1,846	1,506	923
Conveyance and travelling	5,258	5,864	2,937	3,292
Depreciation	35,186	29,780	17,610	19,079
Other expenses	5,571	6,269	3,673	4,036
	3,955,400	3,896,657	2,637,305	2,478,354
Add: Opening stock of sugar and molasses in process	2,271	1,714	82,980	44,092
Less: Closing stock of sugar and molasses in process	(2,602)	(2,177)	(2,602)	(2,177)
Cost of sugar manufactured	3,955,069	3,896,194	2,717,683	2,520,269
Packing material	36,536	38,316	25,143	24,953
Cost of sugar bagged	3,991,605	3,934,510	2,742,826	2,545,222
Add: Opening stock of sugar and by-products	183,125	259,631	879,010	903,174
Less: Closing stock of sugar and by-products	(2,405,778)	(2,074,600)	(2,405,778)	(2,074,600)
	1,768,952	2,119,541	1,216,058	1,373,796
16 TAXATION				
Taxation for the period				
– Current	(19,084)	(22,716)	(13,183)	(14,436)
– Deferred	37,156	48,619	37,156	69,766
	18,072	25,903	23,973	55,330

Notes to the Condensed Interim Financial Information (Un-Audited) for the six month period ended 31 March 2015

17 TRANSACTIONS WITH RELATED PARTIES

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

Six month period ended 31 March 2015					
Related Parties					
M/s. Shahtaj Textile Limited	M/s. Shezan International Limited	M/s. Shahnawaz (Private) Limited	M/s. Information System Associates Limited	M/s. Shezan Services (Private) Limited	Staff Provident Fund

(Rupees in thousand)

Dividend received	2,875	–	–	–	–	–
Utilities paid	–	–	134	–	–	–
Purchases and services received	180	15	624	515	–	–
Dividend paid	–	–	–	–	571	–
Sales	–	239,145	–	–	–	–
Staff provident fund	–	–	–	–	–	2,051

Six month period ended 31 March 2014					
Related Parties					
M/s. Shahtaj Textile Limited	M/s. Shezan International Limited	M/s. Shahnawaz (Private) Limited	M/s. Information System Associates Limited	M/s. Shezan Services (Private) Limited	Staff Provident Fund

(Rupees in thousand)

Dividend received	4,600	–	–	–	–	–
Utilities paid	–	–	134	–	–	–
Purchases and services received	180	570	133	722	–	–
Sales	–	259,410	–	–	–	–
Staff provident fund	–	–	–	–	–	1,848

All transactions with the related parties and associated undertakings are entered into 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, due to 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.

18 AUTHORIZATION

This condensed interim financial information was authorized for issue by the Board of Directors on 26 May 2015.

19 GENERAL

Figures in this condensed interim financial information has been rounded off to the nearest thousand of rupees unless otherwise stated.


Chief Executive


Director



Shahtaj Sugar Mills Limited

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