

2nd
Quarter

Condensed Interim Financial Statements

For the quarter ended 31 March 2020 (Un-audited)

Abdullah Shah Ghazi Sugar Mills Limited

2nd Quarter



CONTENTS

Company Information.....	01
Director Report.....	02
Auditor's Report.....	04
Balance Sheet.....	06
Profit & Loss Account.....	07
Statement of Comprehensive Income.....	08
Statement of Changes in Equity.....	09
Cash Flow Statement.....	10
Notes to the Financial Statements.....	11

CORPORATE INFORMATION

Board of Directors

Muhammad Irshad Butt
(Director/Chief Executive)
Muhammad Nawaz
Muhammad Rashid Rana
Atif Butt
Muhammad Talib
Yasir Iqbal
Muhammad Dawood

Audit Committee

Muhammad Irshad Butt	(Director)
Muhammad Talib	(Member)
Yasir Iqbal	(Member)

Chief Financial Officer

Sohail Azam Khan

Company Secretary

Saleem Abbas

Internal Auditors

Syed Waqar Ali Bukhari

Auditors

Sarwars
Chartered Accountants

Registrar

CDC Shares Registrar Services Limited,
CDC House, 99-B, Block-B, S.M.C.H.S.,
Main Shahrah-e-Faisal, Karachi, Pakistan

Registered Office

7/10, A-2 Arkay Square
Shahrah-e-Liaqa, New Challil, Karachi

Mills

Abdullah Shah Ghaziabad, Garho,
District Thatta, Sindh

Bankers

Bank Islami Pakistan Limited
Summit Bank Limited
Bank Al-Falah Limited
Silk Bank Limited
MCB Bank Limited
Meezan Bank Limited
Habib Metropolitan Bank Limited
United Bank Limited
Allied Bank Limited

Web Presence:

www.asgsmi.com

DIRECTOR'S REPORT

Dear Members, Assalam-o-Alaikum

On behalf of the Board of Directors and myself, I am pleased to present before you the un-audited financial statements of the Company for the half year ended March 31, 2020 that has duly been reviewed by the external auditors.

Operating Results:

The operating results up to March 31, 2020 and for full season are given below:-

Season Started	-	01-01-2019
Season Closed	-	07-02-2019
Days Worked	-	38
Cane Crushed (M. Tons)	-	24,777.792
Sugar Recovery (%age)	-	7.331
Sugar Produced (M. Tons)	-	1,755.000

The crushing season commenced on November 15, 2019. The Government of Sindh issued notification on December 09, 2019 fixing the minimum support price of sugarcane for the crushing season 2019-20 at Rs.192 per 40 Kg. In addition, mills were also required to pay quality premium at the rate of fifty paisas per 40 kg for every 0.1 percent recovery in excess of the benchmark of 8.7%.

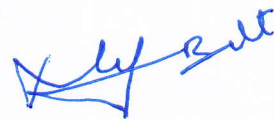
The overall yield per acre for sugar cane is significantly less than previous years due to severe shortage of water in irrigation canals. This is resulting in highly scarce availability of sugar cane and that too at much higher rates. Resultant we are not in position to run a mill in smoothly manner.

The Board would like to place on record its appreciation of all the employees of the company for their dedication and hard work.

For and on behalf of the board



Chief Executive



Director

Lahore: May 30, 2020

ڈائریکٹرز کی رپورٹ

محترم حصص داران، السلام وعلیکم!

بورڈ آف ڈائریکٹرز اور خود اپنی طرف سے، میں آپ کو 31 مارچ 2020 کو ختم ہونے والی ششماہی کے لیے کمپنی کے غیر نظر ثانی شدہ اور بیرونی آڈیٹرز کی طرف سے باقاعدہ جائزہ شدہ مالی حسابات پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

آپریٹنگ نتائج

آپریٹنگ نتائج 31 مارچ، 2020 اور مکمل سیزن کے لئے ذیل میں دیئے گئے ہیں:-

01-01-2019	-	آغاز سیزن
07-02-2019	-	اختتام سیزن
38	-	یوم کار
24,777.792	-	گنے کی کرشنگ (میٹرک ٹن)
7.331 فیصد	-	چینی کی ریکوری
1,755.000	-	چینی کی پیداوار (میٹرک ٹن)

کرشنگ سیزن کا آغاز 15 نومبر، 2019 کو ہوا۔ حکومت سندھ نے 09 دسمبر، 2019 کو نوٹیفکیشن جاری کیا تھا کہ کرشنگ سیزن 2019-20 کے لئے گنے کی کم سے کم سپورٹ قیمت 192 روپے فی 40 کلو گرام مقرر کی گئی تھی۔ اس کے علاوہ، ملوں کو 8.7 فیصد بینچ مارک سے زیادہ ہر 0.1 فیصد وصولی کے لئے پچاس پیسے فی 40 کلو گرام کی شرح سے معیاری پریمیم بھی ادا کرنا تھا۔

گنے کی فی ایکڑ مجموعی پیداوار پچھلے سالوں کے مقابلے میں نمایاں طور پر کم ہے کیونکہ آبپاشی نہروں میں پانی کی شدید قلت ہے۔ اس کے نتیجے میں گنے کی انتہائی کم فراہمی ہو رہی ہے اور وہ بھی بہت زیادہ نرخوں پر۔ نتیجہ یہ ہے کہ ہم آسانی سے مل چلانے کی پوزیشن میں نہیں ہیں۔

بورڈ چاہے گا کہ کمپنی کے تمام ملازمین کی لگن اور محنت کے لئے ان کی تعریف کو ریکارڈ کیا جائے۔

منجانب بورڈ



ڈائریکٹر



چیف ایگزیکٹو

**AUDITOR'S REPORT TO THE MEMBERS****ON REVIEW OF INTERIM FINANCIAL INFORMATION****Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Abdullah Shah Ghazi Sugar Mills Limited ("the Company") as at 31 March 2020 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the financial statements for the six months period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this condensed 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 condensed 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 condensed 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.

Material Uncertainty relating to Going Concern

Without qualifying our conclusion we draw attention of the members to note 3 to the interim condensed financial information which indicates that the company has prepared its financial statements on the basis of going concern assumption. The company has sustained a net loss after taxation of Rs. 196.799 million and as of that date it has accumulated losses of Rs. 1,825.663 million (Sep 2019: Rs. 1,666.909 million) and its current liabilities exceeded its current assets by Rs. 2,959.064 million (Sep 2019: Rs. 2,832.761 million). These conditions indicate that the material uncertainty exist, which may cast significant doubts on the company's ability to continue as a going concern and therefore the company may not be able to realize its assets and discharge its liabilities in the normal course of business. The company has appropriately disclosed this matter in the relevant note and provided technically feasible plans and cash flows forecast to cater to any adversity.

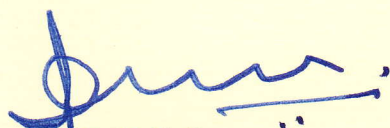


Other Matter Paragraph

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended March 31, 2020 have not been reviewed as we are required to review only the cumulative figures for the half year ended March 31, 2020. The comparative figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended March 31, 2019 and half yearly ended March 31, 2019 have been reviewed by the previous auditors.

Conclusion

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



SARWARS
CHARTERED ACCOUNTANTS

Engagement Partner: Rashid Sarwar (FCA)

Date: May 30, 2020
Place: Lahore



ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2020

	Note	Unaudited 31-Mar-20 Rupees	Audited 30-Sep-19 Rupees
<u>EQUITY AND LIABILITIES</u>			
<u>SHARE CAPITAL AND RESERVES</u>			
Authorized share capital		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital		792,616,660	792,616,660
Surplus on revaluation of property, plant and equipment		1,413,098,789	1,451,143,570
Accumulated loss		(1,825,662,895)	(1,666,909,043)
		380,052,554	576,851,187
<u>NON-CURRENT LIABILITIES</u>			
Long term loans from related party - unsecured	7	123,416,314	123,416,314
Long term loan from bank - secured	8	3,472,000	4,000,000
Employee benefit obligations		7,728,079	6,983,042
Deferred tax liability	9	165,804,801	190,985,345
		300,421,194	325,384,701
<u>CURRENT LIABILITIES</u>			
Trade and other payables	10	2,470,692,136	2,449,285,915
Finance cost payable		314,151,641	288,795,535
Short term borrowings - secured	11	74,720,546	74,720,546
Current portion of long term loan from bank		347,798,518	347,798,518
Current tax liability		-	1,913,875
		3,207,362,841	3,162,514,389
<u>CONTINGENCIES AND COMMITMENTS</u>			
	12	-	-
TOTAL EQUITY AND LIABILITIES		3,887,836,589	4,064,750,277
<u>ASSETS</u>			
<u>NON-CURRENT ASSETS</u>			
Property, plant and equipment	13	3,637,711,560	3,733,170,351
Long term deposits		1,826,165	1,826,165
<u>CURRENT ASSETS</u>			
Stock in trade	14	124,415,246	202,181,486
Stores and spares		34,168,776	34,168,776
Advances, deposits and prepayments	15	78,203,670	82,434,832
Advance income tax - net		4,063,910	5,895,003
Cash and bank balances	16	7,447,262	5,073,665
		248,298,864	329,753,761
TOTAL ASSETS		3,887,836,589	4,064,750,277

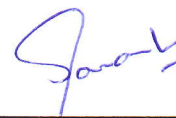
The annexed notes form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



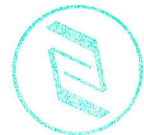
CHIEF FINANCIAL OFFICER



ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2020

	Note	Six Months Period Ended		Quarter Ended	
		31-Mar-20 Rupees	31-Mar-19 Rupees	31-Mar-20 Rupees	31-Mar-19 Rupees
Sales - net	17	-	153,110,000	-	68,750,000
Cost of sales	18	187,365,011	298,459,192	(15,747,435)	26,542,630
Gross (loss) / profit		(187,365,011)	(145,349,192)	15,747,435	42,207,370
Administrative and general expenses		9,167,918	11,063,174	4,974,384	4,328,244
Distribution expenses		-	928,400	-	730,400
		9,167,918	11,991,574	4,974,384	5,058,644
Operating (loss) / profit		(196,532,929)	(157,340,766)	10,773,051	37,148,726
Other income		-	-	-	-
Finance cost		25,446,248	30,583,688	6,699,982	19,474,977
Loss before tax		(221,979,177)	(187,924,454)	4,073,069	17,673,749
Taxation	19	(25,180,544)	8,782,114	8,181,551	9,841,463
(Loss) / profit after tax		(196,798,633)	(196,706,568)	(4,108,482)	7,832,286
(Loss) / earnings per share		(2.48)	(2.48)	(0.05)	0.10

The annexed notes form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2020

	Six Months Period Ended		Quarter Ended	
	31-Mar-20 Rupees	31-Mar-19 Rupees	31-Mar-20 Rupees	31-Mar-19 Rupees
(Loss) / profit for the period	(196,798,633)	(196,706,568)	(4,108,482)	7,832,286
Other comprehensive income				
Remeasurement of retirement benefit obligation	-	-	-	-
Deferred tax on remeasurement of retirement benefit obligation	-	-	-	-
Total comprehensive (loss) / income for the period	(196,798,633)	(196,706,568)	(4,108,482)	7,832,286



The annexed notes form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICE

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDIITED)
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2020

	Share Capital	Un-appropriated Profit	Surplus on revaluation of property, plant and equipments - net	Total
	Rupees			
Balance as at October 1, 2018 Audited	792,616,660	(1,639,771,431)	502,399,755	(344,755,016)
Total comprehensive loss for the period	-	(196,706,568)	-	(196,706,568)
Transfer from surplus on revaluation of property plant and equipment	-	13,570,319	(13,570,319)	-
Balance as at March 31, 2019 Un-Audited	<u>792,616,660</u>	<u>(1,822,907,680)</u>	<u>488,829,436</u>	<u>(541,461,584)</u>
Balance as at October 1, 2019 Audited	792,616,660	(1,666,909,043)	1,451,143,571	576,851,188
Total comprehensive loss for the period	-	(196,798,633)	-	(196,798,633)
Transfer from surplus on revaluation of property plant and equipment	-	38,044,781	(38,044,781)	-
Balance as at March 31, 2020 Un-Audited	<u>792,616,660</u>	<u>(1,825,662,895)</u>	<u>1,413,098,789</u>	<u>380,052,555</u>

The annexed notes form an integral part of these condensed interim financial statements.



[Signature]

CHIEF EXECUTIVE

[Signature]

DIRECTOR

[Signature]

CHIEF FINANCIAL OFFICER

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2020

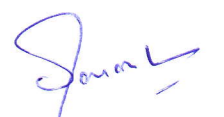
	31-Mar-2020 Rupees	31-Mar-2019 Rupees
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Loss before taxation	(221,979,177)	(187,924,454)
Adjustments for non-cash and other items:		
Depreciation	95,458,791	63,068,624
Provision for gratuity	745,037	-
Finance cost	25,446,248	30,583,688
	<u>121,650,076</u>	<u>93,652,312</u>
<i>Profit before working capital changes</i>	<i>(100,329,101)</i>	<i>(94,272,142)</i>
Working capital changes		
(Increase)/Decrease in:		
Stores and spares	-	(16,530,111)
Stock in trade	77,766,240	55,870,583
Advances, deposits and prepayments	4,231,162	3,031,833
	<u>81,997,402</u>	<u>42,372,305</u>
(Increase)/Decrease in:		
Trade and other payables	21,406,219	60,279,938
	<u>21,406,219</u>	<u>60,279,938</u>
<i>Cash generated from operations</i>	<i>3,074,520</i>	<i>8,380,101</i>
Income tax paid	(82,783)	(353,356)
Finance cost paid	(90,142)	(4,771,973)
Gratuity paid	-	(60,000)
	<u>(172,924)</u>	<u>(5,185,329)</u>
<i>Net cash generated from operating activities</i>	<i>2,901,596</i>	<i>3,194,772</i>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Fixed assets acquired	-	(38,614)
<i>Net cash used in investing activities</i>	<i>-</i>	<i>(38,614)</i>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Loan term borrowings	(528,000)	-
Short term borrowings	-	(500,000)
<i>Net cash (used in)/from financing activities</i>	<i>(528,000)</i>	<i>(500,000)</i>
Net increase/(decrease) in cash and cash equivalents	2,373,597	2,656,158
Cash & cash equivalents at the beginning of the year	5,073,665	4,769,532
Cash & cash equivalents at the end of the period	<u>7,447,262</u>	<u>7,425,690</u>



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

The Company as incorporated in Pakistan on February 25, 1984 as a Private Limited Company and was subsequently converted into a Public Limited Company on February 11, 1990. The Company is listed on Pakistan Stock Exchange. The principal business of the Company is manufacturing and selling of refined sugar and by products. The Mill is located at Gharo, Sindh. Name of parent company is M/s. Haq Bahu Sugar Mills (Private) Limited and registered office of the company is situated at 7/10, A-2 Akray Square Shahra-e-Liaquat, New Challi, Karachi, with sub-office at 65-infantry Rad, Dharampura, Lahore.

Mill location: Gharo, Sindh

The company has been classified as Large Sized Entity as per the guidelines of SECP and ICAP.

2 BASIS OF PREPARATION

2.1 Basis of Accounting

2.1.1 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;
 - Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
 - Provisions of and directives issued under the Companies Act, 2017.
- Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34 or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.2 These condensed interim financial statements provide maximum information as required by law, and should be read in conjunction with the annual audited financial statements for the year ended 30 September 2019.

2.1.3 These condensed interim financial statements are unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.

3 GOING CONCERN ASSUMPTION

These financial statements have been prepared under the "going concern convention" except of certain classes of property, plant and equipment which are stated at revalued amount and employee retirement benefits which are stated at fair value.

The interim condensed financial statements of the company for the half year ended March 31, 2020 reflect that company has sustained a net loss after taxation of Rs. 196.799 million and as of that date it has accumulated losses of Rs. 1,825.663 million (Sep 2019: Rs. 1,666.909 million) and its current liabilities exceeded its current assets by Rs. 2,959.064 million (Sep 2019: Rs. 2,832.761 million). These conditions indicate that the material uncertainty exist, which may cast significant doubts on the company's ability to continue as going concern and therefore the company may not be able to realize its assets and discharge its liabilities in the normal course of business. However management has taken the following significant measures to improve the operational performance and liquidity of the company:

- a) Unfavourable business conditions are temporary and cyclical in nature and would reverse in future;
- b) Arbitration efforts that have been undertaken to resolve dispute with TCP will be successful and the Company will be able to settle the subject amount in a convenient and sustainable manner;
- c) Negotiations with all the secured creditors and financial institutions to restructure the liabilities on long-term basis are underway and some financial institutions have restructured their facilities and management expects that the remaining will also turn out successful;
- d) There will be a persistent financial support from sponsors to enable Company to survive as a 'going concern'.
- e) Further, the management is actively pursuing a plan to reduce cost and to increase the efficiency of mills.

Finally, the management is very much convinced that the above measures would result in improving the financial position and operational performance of the company.



4 **ACCOUNTING STANDARDS AND POLICIES**

- 4.1 The accounting standards, policies and the methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the audited financial statements for the year ended 30 September 2019, unless otherwise as mentioned.

5 **ACCOUNTING ESTIMATES & JUDGEMENTS**

The preparation of the condensed interim financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the condensed interim financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of audited financial statements for the year ended 30 September 2019.

6 **SEASONALITY OF OPERATIONS**

The Company has not carried out its commercial operations during this season due to non-availability of good quality sugarcane. The sugarcane crushing season normally starts from November and lasts till April each year. See note no. 25.2 annexed.



ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-Audited)
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2020

		Un-Audited 31-Mar-2020 Rupees	Audited 30-Sep-2019 Rupees
7	<u>LONG TERM LOAN FROM RELATED PARTY - UNSECURED</u>		
	Subordinated loan from holding company	123,416,314	123,416,314
	<p>The loan has been advanced by M/s. Haq Bahu Sugar Mills (Pvt.) Ltd which carries markup @ three months KIBOR plus 1% (Sep 2019: @ three months KIBOR plus 1%) payable half yearly. Since the loan will not be repayable within next twelve months therefore the same has been classified as long term liability. The loan is subordinated to certain short term finance facility obtained by the company.</p>		
8	<u>LONG TERM LOAN FROM BANK - SECURED</u>		
	Markup based borrowing from conventional banks (Secured):		
	Term Finance		
	Summit Bank	8.1 75,000,000	75,000,000
	Silk Bank	8.2 4,472,000	5,000,000
		79,472,000	80,000,000
	Islamic Mode of Financing (Secured):	8.3	
	Bank Islami	271,798,518	271,798,518
		271,798,518	271,798,518
		351,270,518	351,798,518
		(347,798,518)	(347,798,518)
	Less: Current Portion of Long term Loans	3,472,000	4,000,000
	8.1 The facility has been obtained from Summit Bank Limited and amounting to Rs. 75 million. The facility carries markup @ 3 months KIBOR plus 1% per annum payable quarterly in arrears. The facility is secured against first pari passu charge over present and future fixed assets of the company amounting to Rs. 66.70 million and personal guarantees of all sponsoring directors.		
	8.2 The facility has been obtained from Silk Bank Limited amounting to Rs. 100 million. The facility is secured against pledge of refined sugar with 10% margin.		
	8.3 The facility has been obtained from Bank Islami Limited amounting to Rs. 275 million. The facility carries markup @ 3 months KIBOR with a floor of 5% and cap of 12% per annum payable quarterly in arrears. The facility is secured against ranking charge over current assets of the Company with 25% margin.		
9	<u>DEFERRED TAXATION</u>		
	Deferred tax liability arising due to		
	Accelerated tax depreciation	205,022,926	212,221,664
	Revaluation - net of related depreciation	570,172,783	585,712,201
	Deferred tax assets arising due to		
	Retirement Benefit Obligation	(2,241,143)	(2,025,082)
	Available tax losses and credits	(607,149,765)	(604,923,438)
		165,804,801	190,985,345
10	<u>TRADE AND OTHER PAYABLES</u>		
	Trade creditors, accrued and other payables	2,403,356,563	2,381,952,267
	Deposits	39,076	39,076
	Income Tax Payable	3,852,125	3,850,200
	Workers' Profit Participation Fund	58,827,516	58,827,516
	Workers' Welfare Fund	4,616,856	4,616,856
		2,470,692,136	2,449,285,915



		Un-Audited 31-Mar-2020 Rupees	Audited 30-Sep-2019 Rupees
11 SHORT TERM BORROWINGS			
<i>Running Finance</i>			
Summit Bank	11.1	47,080,879	47,080,879
		-	-
<i>Short Term Finance</i>			
Summit Bank	11.1	8,666,667	8,666,667
		8,666,667	8,666,667
<i>Loan from Others - Unsecured Interest Free</i>			
Azhar Qadeer Butt	11.2	18,973,000	18,973,000
		18,973,000	18,973,000
		74,720,546	74,720,546

11.1 During the year the company has obtained various short term borrowings facilities from various banks for working capital requirements against the available limit of Rs. 685.240 million (Sep 2018: Rs. 685.240 million). These facilities carries markup @ ranging from three to six months KIBOR plus 2.5% to 4% (Sep 2019: @ ranging from three to six months KIBOR plus 2.25% to 4%) payable quarterly in arrears. These facilities are secured on all present & future fixed assets of the company, pledge of refined sugar stock and personal guarantees of directors.

11.2 This loan is interest free and unsecured and is payable with the mutual consent.

12 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of contingencies as detailed in note 14 to the Company's annual audited financial statements for the year ended September 30, 2019.

13 PROPERTY, PLANT AND EQUIPMENT

Operating assets	13.1	3,577,023,952	3,672,482,743
Capital work in progress	13.2	60,687,608	60,687,608
		3,637,711,560	3,733,170,351

13.1 Operating Assets

Net book value at beginning of the period	3,672,482,743	2,425,582,769
Addition during the period	-	63,140
surplus during the period / year	-	1,372,972,411
Depreciation charged during the period	(95,458,791)	(126,135,577)
	3,577,023,952	3,672,482,743

13.2 Capital work in progress

Plant and machinery	60,687,608	60,687,608
	60,687,608	60,687,608

14 STOCK IN TRADE

Work in Process	95,440,810	150,911,486
Finished Goods	28,974,436	51,270,000
	124,415,246	202,181,486

15 ADVANCES, DEPOSITS AND PREPAYMENTS

Advances - Unsecured, considered good

Growers	34,984,346	37,145,781
Contractors	1,391,257	1,392,257
Suppliers	18,696,025	21,011,378
Employees	965,790	1,072,732
For expenses	5,480,778	5,494,391
Export rebate receivable	15,815,000	15,815,000
	77,333,196	81,931,539
Excise duty deposit	20,831,910	20,831,910
Sales tax receivable	870,474	503,293
	99,035,580	103,266,742
Provision against excise duty deposit	(20,831,910)	(20,831,910)
	78,203,670	82,434,832



13.1 Operating Fixed Assets

Particulars	Cost / Revaluation				Rate	Depreciation		WDV as at March 31, 2020
	As at October 01, 2019	Additions	As at March 31, 2020	As at October 01, 2019		For the year	As at March 31, 2020	
RUPEES							RUPEES	
<i>Owned</i>								
Land free hold	9,337,791	--	9,337,791	--	--	--	--	9,337,791
Experimental land	11,844,084	--	11,844,084	--	--	--	--	11,844,084
Building on free hold land:	--		--					
- Factory	270,950,261	--	270,950,261	10	5,894,241	153,065,440	158,959,681	111,990,580
- Non factory	106,000,769	--	106,000,769	10	1,854,926	68,902,240	70,757,166	35,243,603
Plant and machinery	4,426,648,485	--	4,426,648,485	5	87,177,790	939,536,867	1,026,714,657	3,399,933,828
Electric installations	12,529,128	--	12,529,128	10	30,341	11,922,310	11,952,651	576,477
Tools and equipment	3,526,377	--	3,526,377	10	28,643	2,953,524	2,982,167	544,210
Telephone installation	1,030,151	--	1,030,151	10	4,153	947,095	951,248	78,903
Electric equipment	7,223,203	--	7,223,203	10	65,804	5,907,130	5,972,934	1,250,269
Furniture and fixture	7,717,229	--	7,717,229	10	54,408	6,629,063	6,683,471	1,033,758
Office equipment	4,439,008	--	4,439,008	10	90,371	2,631,588	2,721,959	1,717,049
Arms and ammunitions	453,677	--	453,677	10	3,405	385,585	388,990	64,687
Tents and tarpaulins	3,210,660	--	3,210,660	10	69,083	1,828,991	1,898,074	1,312,586
Computers	3,281,263	--	3,281,263	10	42,330	2,434,655	2,476,985	804,278
Vehicles	11,986,565	--	11,986,565	20	143,075	10,555,812	10,698,887	1,287,678
Scales and weighbridges	14,000	--	14,000	10	220	9,608	9,828	4,172
TOTAL	4,880,192,651	--	4,880,192,651		95,458,791	1,207,709,908	1,303,168,698	3,577,023,953

13.1.1 Depreciation charge for the year has been allocated as follows:

Cost of sales	93,200,318
Administration expenses	2,258,473
	95,458,791

2020	2019
RUPES	RUPES
93,200,318	61,381,166
2,258,473	1,687,458
95,458,791	63,068,624



16 **CASH AND BANK BALANCES**

Cash at Banks	4,092,902	2,563,800
Cash in Hand	3,354,360	2,509,864
	7,447,262	5,073,665

Un-Audited Half Year Ended		Un-Audited Quarter Ended	
31-Mar-20 Rupees	31-Mar-19 Rupees	31-Mar-20 Rupees	31-Mar-19 Rupees

17 **SALES - NET**

Gross Local Sales

Sugar	-	153,486,900	-	59,847,300
Molasses	-	15,138,489	-	15,138,489
Total Gross Sales	-	168,625,389	-	74,985,789
Less: Sales tax	-	(15,515,389)	-	(6,235,789)
	-	153,110,000	-	68,750,000

18 **COST OF SALES**

Cost of sugar cane	443,229	114,102,267	200,591	113,821,385
Stores and spares consumed	-	11,704,066	-	7,922,536
Oil and lubricants consumed	-	1,012,768	-	1,012,768
Packing material consumed	-	-	-	-
Chemical consumed	-	461,236	-	461,236
Salaries, wages and benefits	12,431,392	42,436,749	5,646,825	30,441,740
Water, fuel and power	1,414,851	4,204,951	620,535	3,355,385
Vehicle running and maintenance	575,150	1,473,139	560,150	1,473,139
Freight, handling and octroi	87,980	2,728,307	56,500	1,847,867
Depreciation	93,200,318	61,381,166	46,600,156	30,690,583
Others	1,445,851	3,083,959	783,043	2,145,814
	109,598,771	242,588,609	54,467,800	193,172,454
Add: Opening WIP	150,911,486	99,253,276	3,198,420	-
Less: Closing WIP	(95,440,810)	(76,472,693)	(95,584,349)	(115,359,824)
Cost of Goods Manufactured	165,069,447	265,369,192	(37,918,129)	77,812,630
Add: Opening Finished Goods	51,270,000	84,360,000	51,270,000	-
Less: Closing Finished Goods	(28,974,436)	(51,270,000)	(29,099,306)	(51,270,000)
	187,365,011	298,459,192	(15,747,435)	26,542,630

19 **TAXATION**

Taxation for the period				
Current	-	1,913,875	-	859,375
Deferred	(25,180,544)	6,868,239	8,181,551	8,982,088
	(25,180,544)	8,782,114	8,181,551	9,841,463

20 **TRANSACTIONS WITH RELATED PARTIES**

The Company has related party relationship with its Associated Companies, associated persons, employee benefit plan, its directors and key management personnel. Transactions with related parties are carried-out on arm's length basis.

Aggregate transactions with related parties, during the current period, were as follows:

Relationship	Nature of Transaction	Un-Audited Half Year Ended	
		31-Mar-20 Rupees	31-Mar-19 Rupees
Parent Company	Markup expense	9,025,644	5,271,263
key management personnel	Remuneration and other benefits	268,850	239,277



21 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

There has been no change in the Company's sensitivity to these risks since September 30, 2019, except for the change in exposure from liquidity risks due to increase in borrowings and general exposure due to fluctuations in foreign currency and interest rates. There have been no change in risk management objectives and policies of the Company during the current period.

These condensed interim financial statements does not include all financial risk management information and disclosures as required in the audited annual financial statements and should be read in conjunction with the Company's annual audited financial statement as at September 30, 2019.

22 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

Fair values categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

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

23 CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34 'Interim Financial Reporting', the condensed interim statement of financial position have been compared with the balances of annual audited financial statements of the preceding financial year, whereas, the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been compared with the balances of comparable period of the immediately preceding financial year.

24 DATE OF AUTHORIZATION

These condensed interim financial statements have been authorized for issue by the Board of Directors on 30 May 2020.

25 GENERAL

25.1 Figures in these condensed interim financial statements has been rounded off to the nearest Rupee unless otherwise stated.

25.2 In March , the World Health Organization declared Coronavirus disease (COVID-19) a pandemic, and its spread has gained momentum and general lockdowns have been imposed in most parts of the country. These measures lead to uncertainty of an overall economic slowdown and disruptions to various businesses, owever the management is of the opinion that the mitigating plans and actions proposed by the The Government of Pakistan and State Bank of Pakistan are not sufficient to restore the economy.

The extent and duration of such impacts remain uncertain and are dependent on future developments that cannot be precisely determined at this time. In the ongoing economic uncertainty and evolving situation at the time of issuing these condensed interim financial statements, the overall impact on the Company's financial position cannot be estimated with a reasonable certainty. Furthermore, the company has carried out impairment review at the end of this reporting period and is of the opinion that no impairment required as at March 31, 2020.



CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER