UN - AUDITED CONDENSED FINANCIAL INFORMATION

FOR THE THIRD QUARTER ENDED JUNE 30, 2020

19 66

HUSEIN

SUGAR

Contents

Company Information

BOARD OF DIRECTORS	**Chairman** Mian Ahmed Ali Tariq **Chief Executive Officer** Mian Mustafa Ali Tariq **Directors** Mrs. Maryam Habib Mr. Muhammad Imran Khan Mrs. Nusrat Shamim Mr. Saif Hasan Mr. Taufiq Ahmed Khan	
CHIEF OPERATING/ FINANCIAL OFFICER	Mr. Wasim Saleem	
COMPANY SECRETARY	Mr. Khalid Mahmood	
HEAD OF INTERNAL AUDIT	Mr. Jalal-ud-Din Khan	
AUDIT COMMITTEE	Mr. Taufiq Ahmed Khan	(Chairman)
	Mian Ahmed Ali Tariq	(Member)
	Mr. Muhammad Imran Khan	(Member)
HUMAN RESOURCE REMUNERATION & NOMINATION COMMITTEE	Mian Ahmed Ali Tariq	(Chairman)
	Mian Mustafa Ali Tariq	(Member)
	Mr. Taufiq Ahmed Khan	(Member)
RISK MANAGEMENT COMMITTEE	Mian Mustafa Ali Tariq	(Chairman)
	Mrs. Maryam Habib	(Member)
	Mr. Saif Hasan	(Member)
LEGAL ADVISOR	Saad Rasool Law Associates	
BANKERS	**Islamic** Askari Bank Limited Bankislami Pakistan Limited Dubai Islamic Bank Limited Habib Bank Limited Meezan Bank Limited Orix Modaraba	
BANKERS	**Conventional** First Credit and Investment Bank Limited National Bank of Pakistan Samba Bank Limited	

SHARE REGISTRAR	M/s Corptec Associates (Pvt) limited 503 – E, Johar Town, Lahore, Pakistan Ph: 042-35170336-7 Fax: 042-35170338
EXTERNAL AUDITORS	Kreston Hyder Bhimji & Co. Chartered Accountants
MILLS	Lahore Road, Jaranwala Ph: 041-4312483, 041-4312499
REGISTERED & HEAD OFFICE	180 Abu Bakar Block, New Garden Town, Canal Road, Lahore. Ph: 042-111-111-HSM (476) Fax: 042-35712680 Email: info@husein.pk
WEBISTE INFORMATION	www.husein.pk
PSX SYMBOL	HSM

DIRECTORS' REPORT

I am pleased to present the third quarter interim condensed financial information of the Company for the period ending on **June 30, 2020.**

I am pleased to present the third quarter interim condensed financial information of the Company for the period ending on **June 30, 2020.**

The highlights of the Company's performance for the nine months and its comparison with the corresponding period from last year are illustrated below:

	2020	2019
OPERATIONAL		
Sugarcane crushed (M. Tons)	**476,431**	491,277
Sugar produced (M. Tons)	**43,307**	48,251
Sugar recovery percentage	**9.12**	9.82
	Rupees	
FINANCIAL		
Sales	**1,331,076,184**	3,467,314,415
Gross profit	**165,218,726**	323,486,487
Operating cost	**149,401,087**	120,622,271
Finance cost	**285,585,976**	182,887,097
Profit/(Loss) before taxation	**(182,521,997)**	77,285,227
Profit/(Loss) after taxation	**(178,290,997)**	33,805,816
Earnings/ (Loss) per share	**(4.63)**	0.88

This year, the crushing season began later than usual, leading to lower overall production for the company. Perhaps, most of all, the most devastating factor for lower production in Pakistan was due to the drastic reduction in sugarcane crop and sucrose recoveries. This year, the company was able to crush **476,431** Tons of sugarcane and produced **43,307** M.Tons of refined sugar at an average recovery of 9.12 as compared to last year's sugarcane crushing of **491,277** M. Tons and production of **48,251** M.Tons refined sugar at an average recovery of 9.82.

In the previous season, given that all indicators demonstrated an increase in sugar prices, we held on to a significant portion of our inventory. This year, management has again pursued a more conservative selling strategy. The management of your company has decided to hold on to stocks towards the end of the year to realize maximum capital gains for our inventory. As is evident in the financials, our sales are only 37% of what they were last year.

We are confident that starting Q3 and heading into Q4, prices of sugar will rally higher towards rates that will breakeven losses incurred in previous quarters. With the opening up of the lockdown and lower cases of Covid-19 in Pakistan, we are confident the levels of demand of sugar will return to normal. As we have started to observe already, sugar prices in Pakistan have started to recover to feasible values and will continue to rally into the later part of the year. Due to our selling strategy, the management is highly confident that we will recuperate the losses we have made in our first quarters and close this financial year in profit. Having operated in perhaps the most difficult year in the Sugar Industry's history, our strategy will turn a year of crisis into a year of relief.

FUTURE OUTLOOK

Our agricultural survey department predicts that for the forthcoming year, sugarcane plantation in terms of total area under cultivation in our area is expected to be at higher levels than last year. However, due to substantial monsoon rains, and ample utilization of fertilizer and pesticides by cane growers, the expected yield per acre is projected to be significantly higher than last year. We are confident in a stable and economical supply of sugarcane for next crushing season. This hypothesis will be confirmed by end of August 2020 by which time the sugarcane survey of all mills will be complete.

Your company is continuously investing funds in project to improve its machinery efficiency and steam consumption per ton of sugarcane processed.

The Board acknowledges with thanks the continued support and cooperation extended by all stakeholders, bankers, financial institutions and growers. The Board also places on record its appreciation for employees of the Company for their dedication, commitment, and hard work.

For and On behalf of the Board,

Mian Mustafa Ali Tariq	**Mian Ahmed Ali Tariq**
Chief Executive Officer	**Chairman**

Lahore: 27 July 2020

ڈائریکٹرز رپورٹ

میں 30 جون 2020ء کو ختم ہونے والی مدت کیلئے کمپنی کے نو ماہی عبوری مجمد مالی معلومات پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

نو ماہی کے لئے کمپنی کی کارکردگی کی جھلکیاں اور گزشتہ سال کی اسی مدت سے اس کا موازنہ حسبِ ذیل ہے:۔

آپریشنل	2020	2019
گنے کی کرشنگ (میٹرک ٹن)	476,431	491,277
چینی کی پیداوار (میٹرک ٹن)	43,307	48,251
چینی کی فیصد ریکوری	9.12	9.82
فنانشل	**روپے**	**روپے**
فروخت	1,331,076,184	3,467,314,415
مجموعی منافع	165,218,726	323,486,487
آپریٹنگ لاگت	149,401,087	120,622,271
مالی لاگت	285,585,976	182,887,097
ٹیکس سے قبل منافع / (نقصان)	(182,521,997)	77,285,227
ٹیکس کے بعد منافع / (نقصان)	(178,290,997)	33,805,816
فی شیئر آمدنی / (نقصان)	(4.63)	0.88

اس سال کرشنگ سیزن معمول کی تاخیر سے شروع ہوا، جس وجہ سے کمپنی کی مجموعی پیداوار کم ہوئی۔ شاید، سب سے زیادہ، پاکستان میں کم پیداوار کا زیادہ تباہ کن عنصر گنے کی فصل اور سکروز کی بازیابی میں زبردست کمی کی وجہ سے تھا۔ اس سال، کمپنی نے 476,431 ٹن گنا کرش کیا اور 9.12 کی اوسط ریکوری پر 43,307 ٹن ریفائنڈ چینی بنائی جبکہ گزشتہ سال 491,277 میٹرک ٹن گنا کرش کیا اور 9.82 کی اوسط ریکوری پر 48,251 میٹرک ٹن ریفائنڈ چینی بنائی۔

پچھلے سیزن میں، بیان کیا گیا کہ تمام اشارے چینی کی قیمتوں میں اضافہ ظاہر کر رہے ہیں، ہم نے اپنی انوینٹری کا ایک نمایاں حصہ روک لیا۔ اس سال، انتظامیہ دوبارہ ایک زیادہ محفوظ فروخت حکمت عملی پر عمل پیرا ہے۔ آپ کی کمپنی کی انتظامیہ نے فیصلہ کیا ہے کہ ہماری انوینٹری کے لئے سرمایہ پر زیادہ سے زیادہ منافع حاصل کرنے کے لئے اس سال کے اختتام تک اسٹاک کو برقرار رکھیں۔ جیسا کہ مالیات میں واضح ہے کہ ہماری فروخت گذشتہ سال کی صرف 37 فیصد ہے۔

ہمیں یقین ہے کہ Q3 کے آغاز اور Q4 میں، چینی کی قیمتیں اس شرح سے بڑھ جائیں گی جو پچھلی سہ ماہیوں میں ہونے والے نقصانات کو پورا کردیں گی۔ پاکستان میں لاک ڈاؤن کھلنے اور کوویڈ-19 کے کم مریضوں کے ساتھ، ہمیں یقین ہے کہ چینی کی طلب کی سطح معمول پر آجائے گی۔ جیسا کہ ہم پہلے ہی مشاہدہ کر رہے ہیں، پاکستان میں چینی کی قیمتیں قابل قدر بڑھنے لگی ہیں اور سال کے باقی عرصہ میں یہ سلسلہ جاری رکھیں گی۔ ہماری فروخت کی حکمت عملی کی وجہ سے، انتظامیہ انتہائی یقین رکھتی ہے کہ ہم اپنی پہلی سہ ماہی میں ہونے والے نقصانات کی تلافی کریں گے اور اس مالی سال کا اختتام منافع بخش ہوگا۔ شوگر انڈسٹری کی تاریخ کے سب سے مشکل سال میں کام کرنے کے بعد، ہماری حکمت عملی بحران کے سال کو راحت بخش سال میں بدل دے گی۔

مستقبل کا نقطہ نظر

ہمارے زرعی سروے ڈیپارٹمنٹ نے پیشین گوئی کی ہے کہ ہمارے علاقہ میں زیرِ کاشت کل رقبہ کے لحاظ سے آئندہ سال کے لئے گنے کی کاشت گزشتہ سال کی سطح سے زیادہ ہونے کی توقع ہے۔ تاہم، مون سون کی کافی بارشوں، اور گنے کے کاشت کاروں کی طرف سے کھادوں اور کیڑے مار ادویات کے وسیع استعمال کے باعث، فی ایکڑ متوقع پیداوار ڈرامائی طور پر گزشتہ سال سے زیادہ ہونے کی توقع ہے۔ ہم اگلے کرشنگ سیزن کے لئے گنے کی مستحکم اور سستی رسد میں یقین رکھتے ہیں۔ اس مفروضہ کی توثیق اگست 2020 کے اختتام تک ہوجائے گی جس وقت تمام ملز کے گنے کا سروے مکمل ہوجائے گا۔

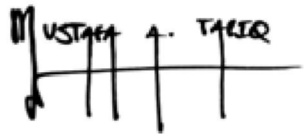
آپ کی کمپنی اپنی مشینری کی کارکردگی اور گنے کی پراسیسنگ کی فی ٹن اسٹیم کنزمپشن کو بہتر بنانے کے لئے مسلسل اپنے منصوبے میں فنڈز کی سرمایہ کاری کر رہی ہے۔

اظہار تشکر

بورڈ تمام اسٹیک ہولڈرز، بینکرز، مالی اداروں اور کاشتکاروں کی مسلسل حمایت اور تعاون کا شکریہ ادا کرتا ہے۔ بورڈ کمپنی کے ملازمین کی جان نثاری، وفاداری، اور سخت محنت کو بھی سراہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

لاہور: 27 جولائی 2020ء



میاں مصطفٰی علی طارق

چیف ایگزیکٹو آفیسر

میاں احمد علی طارق

چیئرمین

HUSEIN SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020 (UN-AUDITED)

	Note	Un-Audited June 30 2020	Audited September 30 2019
		..........Rupees.........	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	6		
53,000,000 ordinary shares of Rs. 10 each		**530,000,000**	530,000,000
Preferance shares 15,000,000@10 each		**150,000,000**	150,000,000
		680,000,000	680,000,000
Issued, subscribed and paid-up share capital		**385,200,000**	360,000,000
Share premium account		**115,893,550**	141,093,550
Surplus on revaluation of fixed assets account - net of deferred tax		**1,719,537,025**	1,726,506,614
Reserve arising as consequence of amalgation		**70,694,859**	70,694,859
Accumulated profit (loss)		**(63,149,246)**	102,944,970
		2,228,176,188	2,401,239,993
Director's loans - related parties		**432,480,983**	446,380,983
		2,660,657,171	2,847,620,976
NON-CURRENT LIABILITIES			
Long term finance	7	**716,644,613**	277,662,559
Long term lease liability		**11,530,903**	-
Deferred tax liability - net		**115,106,644**	120,333,836
		843,282,160	397,996,395
CURRENT LIABILITIES			
Trade and other payables		**683,983,747**	386,445,064
Contract Liabilities		**347,530,949**	489,959,343
Accrued mark-up on secured borrowings		**129,987,179**	31,474,678
Short term borrowings	8	**2,567,760,158**	411,382,178
Current maturity of Long term loan	7	**73,771,581**	74,910,714
Un-claimed Dividends		**1,208,089**	1,208,089
		3,804,241,703	1,395,380,066
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		**7,308,181,034**	4,640,997,437

	Note	Un-Audited June 30 2020	Audited September 30 2019
		..........Rupees.........	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	**3,787,333,563**	3,318,051,479
Long term deposits		**20,714,520**	22,073,148
		3,808,048,083	3,340,124,627
CURRENT ASSETS			
Stores, spare parts and loose tools		**252,827,013**	155,697,484
Stock-in-trade		**2,090,418,396**	180,206,290
Trade debts		**860,531,034**	659,067,826
Advances and prepayments		**173,363,777**	150,017,601
Short Term Investment		**5,070,870**	22,606,830
Tax refund due from Government - income tax		**68,561,956**	62,347,548
Cash and bank balances		**49,359,905**	70,929,231
		3,500,132,951	1,300,872,810
TOTAL ASSETS		**7,308,181,034**	4,640,997,437

The annexed notes form an integral part of this condensed interim financial information.

Lahore

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

HUSEIN SUGAR MILLS LIMITED

CONDENSED STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE THIRD QUARTER ENDED ON 30 JUNE 2020

	Note	NINE MONTHS ENDED JUNE 30		QUARTER ENDED JUNE 30	
		2020	2019	2020	2019
		..........................Rupees		....	
NET SALES	11	**1,331,076,184**	3,467,314,415	**533,396,593**	1,652,287,448
COST OF SALES	12	**(1,165,857,458)**	(3,143,827,928)	**(363,770,437)**	(1,484,642,970)
GROSS PROFIT		**165,218,726**	323,486,487	**169,626,156**	167,644,478
OPERATING EXPENSES					
Administrative and general expenses		**(136,854,521)**	(103,543,146)	**(37,081,560)**	(36,745,003)
Selling and distribution expenses		**(12,546,566)**	(12,978,672)	**559,714**	(2,155,067)
Other operating expenses		**-**	(4,100,453)		(3,695,365)
		(149,401,087)	(120,622,271)	**(36,521,846)**	(42,595,435)
PROFIT FROM OPERATIONS		**15,817,639**	202,864,216	**133,104,310**	125,049,043
OTHER INCOME		**87,246,340**	57,308,108	**11,030,530**	11,494,633
FINANCE COST		**(285,585,976)**	(182,887,097)	**(112,049,995)**	(65,217,475)
(LOSS) / PROFITBEFORE TAXATION		**(182,521,997)**	77,285,227	**32,084,845**	71,326,201
TAXATION		**4,231,000**	(43,479,411)	**(2,000,949)**	(44,599,796)
(LOSS) /PROFITAFTER TAXATION		**(178,290,997)**	33,805,816	**30,083,896**	26,726,405
(LOSS) /EARNINGS PER SHARE - BASIC AND DILUTED		**(4.63)**	**0.88**	**0.78**	**0.69**

The annexed notes form an integral part of this condensed interim financial information.

MUSTAFA A. TARIQ

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

HUSEIN SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE THIRD QUARTER ENDED ON 30 JUNE 2020

	NINE MONTHS ENDED 30 JUNE		QUARTER ENDED 30 JUNE	
	2020	2019	2020	2019
	-----------------------------	Rupees	-----------------------------	
PROFIT AFTER TAXATION	**(178,290,997)**	33,805,816	**30,083,896**	26,726,405
OTHER COMPREHENSIVE INCOME	**-**	-	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(178,290,997)**	33,805,816	**30,083,896**	26,726,405

The annexed notes 1 to 4 form an integral part of this condensed interim financial information.

MUSTAFA A. TARIQ

CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	DIRECTOR

HUSEIN SUGAR MILLS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE THIRD QUARTER ENDED ON 30 JUNE 2020

	Note	JUNE 30 2020	JUNE 30 2019
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**(182,521,997)**	77,285,227
Adjustments for non-cash charges and other items:			
Depreciation		**86,047,185**	87,112,860
Profit on bank deposits		**(270,578)**	(48,399)
Gain on disposal of Fixed Assets		**(1,354)**	(622,495)
Bad Debts written off		**2,713,697**	
Old credit balances written back			
Finance cost		**285,585,976**	182,887,097
Cash generated from operating activities before working capital changes		**191,552,929**	346,614,290
Working capital changes	15	**(2,083,255,138)**	571,793,616
Cash used in operations		**(1,891,702,209)**	918,407,906
Finance Cost paid		**(187,073,475)**	(169,019,264)
Income tax paid		**(21,760,820)**	(55,813,452)
Net Increase/decrease in term deposits		**-**	-
Net cash used in operating activities		**(2,100,536,504)**	693,575,190
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in property, plant and equipment		**(158,324,266)**	(57,722,496)
Capital work in progress incurred		**(385,945,348)**	(168,616,864)
Proceed from disposal of fixed assets		**-**	1,302,090
Increase in long term deposits		**1,358,628**	(11,077,108)
Profit on bank deposits received		**270,578**	48,399
Net cash used in investing activities		**(542,640,408)**	(236,065,979)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings obtained - net		**2,156,377,980**	(238,074,816)
Long term finance obtained		**437,842,921**	299,806,495
Lease liability		**11,530,903**	
Repayment of directors' loan - related parties		**(13,900,000)**	(69,083,370)
Repayment of loan obtained from related party		**-**	(1,619,760)
Net cash generated from financing activities		**2,591,851,804**	(8,971,451)
Net increase in cash and cash equivalents		**(51,325,108)**	448,537,760
Cash and cash equivalents at the beginning of the period		**70,929,231**	18,044,992
Cash and cash equivalents at the end of the period		**19,604,123**	465,280,663
The reconciliation in cash and cash equivalent is as follows:			
Cash and bank balances		**49,359,905**	**14,161,410**
Temporary book overdrawn		**(29,755,782)**	**(479,442,073)**
		19,604,123	**(465,280,663)**

The annexed notes form an integral part of this condensed interim financial information.

MUSTAFA A. TARIQ

CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	DIRECTOR

HUSEIN SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE THIRD QUARTER ENDED ON 30 JUNE 2020

	SHARE CAPITAL	Share Captial after merger	Amalgamation Reserve after merger	Right issue subscript	RESERVES: Capital: Premium on issue of right shares	RESERVES: Capital: Surplus on revaluation of property, plant and equipment	RESERVES: Capital: Sub total	RESERVES: Revenue: General	RESERVES: Revenue: Accumulated loss	RESERVES: Revenue: Sub total	TOTAL RESERVES	Director,s Loan	TOTAL EQUITY
	……………………………………Rupees……………………………………												
	-	-	-		-	-	-	-	-	-	-	-	-
Balance as at September 30,2018 (audited)	250,000,000				141,093,550	1,777,492,862	1,918,586,412	169,450,000	(418,335,062)	(248,885,062)	1,752,463,475	529,551,753	2,449,253,103
Profit for the period									2,396,266			800,000	
Right issue	100,329,000								(415,938,796)	(415,938,796)	(415,938,796)		(315,609,796)
Profit for the period	-								293,542,629	293,542,629	293,542,629		293,542,629
Bonus issue	-							(169,450,000)	169,450,000	169,450,000			
Surplus realized during period on account of incremental depreciaion	-					(55,891,137)	(55,891,137)		55,891,137	55,891,137			
Effect of Change in Tax rate on deferred tax related to revaluation of surplus	9,671,000	(9,671,000)				4,904,889	4,904,889			-	4,904,889		4,904,889
Adjustment due to repayment	-											(83,970,770)	(83,970,770)
Amalgamation reserve	-		70,694,859				70,694,859				70,694,859		70,694,859
Balance as at September 30,2019	360,000,000		70,694,859	-	141,093,550	1,726,506,614	1,938,295,023	-	102,944,970	102,944,970	2,041,239,993	446,380,983	2,847,620,976
Profit for the period	-		-						(178,290,997)	(178,290,997)	(178,290,997)		(178,290,997)
Surplus realized during the period on account of incremental depreciation	-		-	-	-	(12,196,781)	(12,196,781)		12,196,781	12,196,781			
Effect of change in the tax rate on deferred tax related to revaluation of surplus	-		-	-	-	5,227,192	5,227,192			-	5,227,192		5,227,192
Issuance of Bonus shares	25,200,000		-	-	(25,200,000)	-							
Adjustment due to repayment							-				-	(13,900,000)	(13,900,000)
Balance as on 30 June,2020	**385,200,000**	**-**	**70,694,859**	**-**	**115,893,550**	**1,719,537,025**	**1,931,325,434**	**-**	**(63,149,246)**	**(63,149,246)**	**1,868,176,188**	**432,480,983**	**2,660,657,171**

MUSTAFA A. TARIQ

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

1 THE COMPANY AND ITS OPERATIONS

Husein Sugar Mills Limited ("the Company") is a public limited company incorporated in Pakistan under the repealed Companies Act, 1913 (now the Companies Act, 2017). The shares of the Company are listed on Pakistan Stock Exchange Limited. The Company is principally engaged in the business of production and sale of sugar and by products. Its registered office is situated at 180 Abu Bakar Block, New Garden Town, Canal Road, Lahore whereas its mill / plant is situated at Lahore Road, Jaranwala, district Faisalabad.

2 STATEMENT OF COMPLAINCE

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 Standards (IFAS) issued by the Institute of Chartered Accountancy of Pakistan as referred 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.

These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended September 30, 2019. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

3 BASIS OF MEASUREMENT

3.1 Accounting convention

These financial statements have been prepared under the historical cost convention, except for freehold land, buildings on freehold land and plant and machinery which are carried at revalued amount.

3.2 Functional and presentation currency

The financial statements are presented in Pakistani Rupee (Rs.) which is the Company's functional and presentation currency.

3.3 Critical accounting estimates, judgments and assumptions

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty are the same as those that were applied to audited annual financial statements of the Company for the year ended September 30, 2019.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual audited financial statements for the year ended 30 September 2019, except for those as resulted on adoption of IFRS 16, Leases.

4.1 Taxation

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial

4.2 Change in accounting standards, interpretations and amendments to published approved accounting and reporting standards

(a) New standards, interpretations and amendments to published approved accounting and reporting standards which are effective during the period ended June 30, 2020 and are relevant:

Change in significant accounting policies

IFRS 16 'Leases' - IFRS 16

are other new standards which are effective from 01 October 2019 but they do not have a material effect on the Company's condensed interim financial statements. The detail of new significant accounting policy adopted and the nature and effect of the changes from previous accounting policy are set out below:

This standard replaces the previous lease standard: IAS 17: Leases. As the distinction between operating and finance lease is eliminated, it has resulted in leases being recognized on the statement of financial position except for short-term and low-value leases. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized.

Adoption of IFRS 16 'Leases' - IFRS 16

Previously, the Company classified property leases as operating leases under IAS 17. From October 01, 2019, the Company has applied IFRS 16 for recognition of the property leases, having non-cancelable period of more than one year, using the modified retrospective approach.

New accounting policies of the Company upon adoption of IFRS 16 are:

Right-of-use (RoU) assets

At the commencement date of the lease, the RoU assets is initially measured at the present value of lease liability adjusted for lease prepayments. Subsequently, RoU assets are measured at cost, less accumulated depreciation and any impairment loss. RoU assets are depreciated on a straight-line basis over the lease term.

Lease Liability

At the commencement date of the lease, the Company recognizes lease liability measured at the present value of the consideration (lease payments) to be made over the lease term. The lease payments are discounted using the incremental rate of borrowing. After the commencement date, the carrying amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made.

(b) Standards and amendments to approved accounting and reporting standards that are not yet

There are new standards and certain amendments and interpretation to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after October 1, 2020. However, these standard, amendments and interpretation will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

5 SEASONALITY OF OPERATIONS

Due to the seasonal availability of sugarcane, operating results are expected to fluctuate in the second half of the year. The crushing season starts from November and last till April each year. During the period, the Company has obtained and availed financing facilities from different banks for BMR and to meet working capital requirements (refer note 7 and 8).

6 SHARE CAPITAL

	Note	June 30, 2020 Rupees	September 30, 2019 Rupees
6.1. Authorized capital			
Ordinary share capital		**530,000,000**	530,000,000
53 million (30 September 2019: 53 million) ordinary shares of Rupees 10 each			
Preference share capital		**150,000,000**	150,000,000
		680,000,000	680,000,000

6.2. Issued, subscribed and paid-up ordinary share capital

June 30, 2020 Number of shares	September 30, 2019 Number of shares		June 30, 2020 Rupees	September 30, 2019 Rupees
26,189,150	26,189,150	Ordinary shares of Rs. 10 each, fully paid in	**261,891,500**	261,891,500
1,129,000	1,129,000	Ordinary shares of Rs. 10 each, fully paid for consideration other than cash	**11,290,000**	11,290,000
11,201,850	8,681,850	Ordinary shares of Rs. 10 each, issued as fully paid bonus shares	**112,018,500**	86,818,500
38,520,000	36,000,000		**385,200,000**	360,000,000

7. LONG TERM FINANCE

	Note	June 30, 2020 Rupees	September 30, 2019 Rupees
From banking companies - secured			
National Bank of Pakistan			
Demand finance	7.1	**166,473,162**	177,584,273
Demand finance	7.2	**200,000,000**	-
Demand finance	7.3	**18,616,248**	-
First Credit & Investment Bank Limited	7.4	**94,117,647**	100,000,000
ORIX Modaraba	7.5	**61,209,137**	74,989,000
Bank Islami Pakistan Limited	7.6	**250,000,000**	-
		790,416,194	352,573,273
Less: current portion shown under current liabilities		**(73,771,581)**	(74,910,714)
		716,644,613	277,662,559

7.1 This demand finance facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 200 million (2019: Rs.200 million), to finance for BMR (for installation of equipment to improving efficiency of mill). It carries mark-up at the rate of 3 months KIBOR + 2.5% (2019: 3 months KIBOR + 2.5%) per annum, payable quarterly. It is secured by way of first pari passu mortgage charge of Rs. 267 million over fixed assets (including land, building & machinery)of the company with 25% margin registered with SECP and personal guarantees along with Personal Net Worth Statement (PNWS) of the two directors of the Company. The tenor of the facility is five years from the date of first disbursement.

7.2 This demand finance facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 200 million (2019: nil), to finance CAPEX / BMR requirement of the company (installation of equipment / plant / machinery i.e. falling film evaporators to improve efficiency of mill). It carries mark-up at the rate of 3 months KIBOR + 3% (2019: nil) per annum, payable quarterly. It is secured by way of first pari passu / JPP charge of Rs. 267 million (2019: nil) over fixed assets (land, building, plant & machinery) of the company (initially a ranking charge for Rs. 267 million over fixed assets (land, building and plant & machinery) of the company registered with SECP which shall be converted into first pari pasu / JPP within 90 days of first disbursement of demand finance), total value of fixed assets assessed at Rs. 2,109.061 million (FSV Rs. 1,581.796 million) vide evaluation report dated 22.06.2017 conducted by Harvester Services (Pvt) Limited & measuring 616 Kanal 14 marla / 77 Acres 14 marla located at Chak No. 128 G.B., Lahore Road, Tehsil Jaranwala, District Faisalabad and personal guarantees along with Personal Net Worth Statement (PNWS) of the two directors of the Company.

7.3 This demand facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 278.640 million (2019: nil), for import of equipment / plant / machinery i.e. planetary gears. It carries nil / as per regulatory margin, commission at 0.10% per quarter. It is secured by way of lien over import documents of the title of goods, first pari passu / JPP charge of Rs. 372 million (2019: nil) over fixed assets (land, building, plant & machinery) of the company (initially a ranking charge for Rs. 372 million over fixed assets (land, building and plant & machinery) of the company registered with SECP which shall be converted into first pari pasu / JPP within 90 days of first LC establishment), total value of fixed assets assessed at Rs. 2,109.061 million (FSV Rs. 1,581.796 million) vide evaluation report dated 22.06.2017 conducted by Harvester Services (Pvt) Limited & measuring 616 Kanal 14 marla / 77 Acres 14 marala located at Chak No. 128 G.B., Lahore Road, Tehsil Jaranwala, District Faisalabad and personal guarantees along with Personal Net Worth Statement (PNWS) / wealth tax returns of the two directors of the Company.

7.4 This long term finance facility has been obtained from First Credit & Investment Bank Limited, out of the total sanctioned limit of Rs. 100 million (2019: 100), for Balancing, Modernization and Replacement (BMR) and Efficiency Improvement Project (EIP). It carries mark-up at the rate of 3 months KIBOR + 4% (2019: 3 months KIBOR + 4%) per annum, payable quarterly. It is secured by way of first pari passu charge over all present and future fixed assets / non-current assets including land, building and plant & machinery of the company with 25% margin registered with SECP, personal guarantee of Chairman and Chief Executive of the Company along with his Personal Net Worth Statement (PNWS) and subordination of directors' loan amounting to Rs 500 million. The tenor of the facility is five years from the date of disbursement.

7.5 This Ijarah facility has been obtained from ORIX Modaraba, out of the total sanctioned limit of Rs. 75 million (2019: 75 million), to import one unit brand new Steam Turbine. It carries mark-up at the rate of 3 months KIBOR + 3.75% (2019: 3 months KIBOR + 3.75%) per annum, payable quarterly. It is secured by way of 10% security deposit of the finance amount, title of the leased asset, exclusively in the name of ORIX Modaraba for the entire lease period and subordination of directors' loan amounting to Rs 500 million in favour of ORIX Modaraba. The tenor of the facility is three years.

7.6 This diminishing musharakah facility has been obtained from Bank Islami Pakistan Limited, out of the total sanctioned limit of Rs. 250 million (2019: nil), to meet company's requirements of BMR. It carries mark-up at the rate of 6 months KIBOR + 3.0% floor =13% and cap=25% (2019: nil) per annum, payable quarterly. It is secured by way ranking charge over present and future fixed assets (land, building and plant & machinery) of the company amounting to Rs. 334 million to be upgraded to first pari pasu charge within 120 days from the date of disbursement and personal guarantee of two directors.

8. SHORT TERM BORROWINGS

	Note	June 30, 2020 Rupees	September 30, 2019 Rupees
From financial institutions	8.1.	**2,567,760,158**	397,180,183
From related parties	8.2.	**13,901,995**	14,201,995
		3,021,010,647	411,382,178

8.1. From financial institutions

	Note	June 30, 2020 Rupees	September 30, 2019 Rupees
Secured and interest bearing			
National Bank of Pakistan			
Cash finance (hypothecation)	8.1.1	**99,995,182**	99,995,182
Cash finance (pledge)	8.1.2	**499,725,000**	47,485,000
Cash finance (pledge)OTT	8.1.3	**250,000,000**	-
Habib Bank Limited	8.1.4	**210,915,656**	-
Bank Islami Pakistan Limited			
Istisna finance	8.1.5	**522,022,342**	249,700,001
Meezan Bank Limited			
Istisna / tijarah	8.1.6	**499,352,496**	-
Meezan Bank Ltd-Istisna / tijarah-OTT	8.1.7	**129,557,101**	-
Dubai Islamic Bank Pakistan Limited			
Salam cum wakala	8.1.8	**158,032,381**	-
			-
Askari Bank Limited - Islamic banking	8.1.9	**198,160,000**	-
Salam OTT (Pledge)			
		2,567,760,158	397,180,183

8.1.1 This cash finance (hypothecation) facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 100 million (2019: Rs. 100 million), to finance working capital needs i.e. raw material procurement & other direct / indirect cost / expense / overheads as well as financing of white refined sugar. It carries mark-up at the rate of 3 months KIBOR + 3% (2019: 3 months KIBOR + 3%) per annum, payable quarterly in shape of arrears. It is secured by way of first pari passu charge of Rs. 134 million (2019: Rs. 134 million) over current assets of the company registered with SECP, first pari passu charge of Rs. 134 million (2019: Rs. 134 million) over fixed assets (land, building, plant and machinery) of the company registered with SECP. The total value of fixed assets assessed at Rs. 2,109.061 million (FSV Rs. 1,581.796 million) vide evaluation report dated 22.06.2017 conducted by Harvester Services (Pvt) Limited & measuring 616 Kanal 14 marla / 77 Acres 14 marla located at Chak No. 128 G.B., Lahore Road, Tehsil Jaranwala, District Faisalabad and personal guarantees along with Personal Net Worth Statement (PNWS) / wealth tax returns of the two directors of the Company.

8.1.2 This cash finance facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 500 million (2019: Rs. 500 million) to finance working capital needs (purchase of raw material i.e. sugarcane for manufacturing of refined sugar/stock-in-trade financing/for keeping stock of white refined sugar). It carries markup at the rate of 1 month KIBOR + 2.5% (2019: 1 month KIBOR + 2.5%) per annum, payable quarterly. It is secured by way of exclusive charge of Rs. 667.67 million (inclusive of 25% margin) over pledged assets of the company registered with SECP, pledge of white refined sugar bags (season 2019-2020) in standard size bags of 50 kgs & in shared godowns properly demarcated under common housing arrangement with company's/ other banks' stock inclusive of 25% margin, ranking charge of Rs. 400 million (2019: Rs. 400 million) over fixed assets of the company registered with SECP and personal guarantees along with Personal Net Worth Statement (PNWS) / wealth tax returns of two directors of the Company.

8.1.3 This cash finance (Pledge-OTT) facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 250 million (2019: nil) to finance working capital needs (purchase of raw material i.e. sugarcane for manufacturing of refined sugar/stock-in-trade financing/ for keeping stock of white refined sugar. It carries markup at the rate of 1 month KIBOR + 3% (2019: nil) per annum, payable quarterly in shape of arrears . It is secured by way of exclusive charge of Rs. 334 million inclusive of 25% margin over pledge assets of the company registered with SECP, pledge of white refined sugar bags (season 2019-2020) in standard size bags of 50 kgs & in shared godowns properly demarcated under common housing arrangement with the company's/other banks' stock inclusive of 25% margin and personal guarantees along with Personal Net Worth Statement (PNWS) / wealth tax returns of

8.1.4 This Salam facility was obtained from Habib Bank Limited, out of total sanctioned limit of Rs. 300 million (2019: nil) for manufacturing of sugar during season 2019-2020. It carries profit at the rate of KIBOR + 3% per annum, payable quarterly. It is secured by way of ranking charge over fixed assets including land, building, plant & machinery of the company with 25% risk margin, ranking charge over current assets of the company with 25% risk margin, pledge of white crystalline sugar of season 2019-2020 packed in marketable bag of 50 kgs lying in factory premises under effective control of banks appointed mucaddum with 25% risk margin on stocks which are placed in godowns and 30% risk margin where stocks are placed in open within factory premises, pledge charge registered with SECP before drawdown, subordination of director's loan of Rs. 530 million in favour of the bank and personal guarantees of two directors of the company along with PNWSs .

8.1.5 This istisna finance facility has been obtained from Bank Islami Pakistan Limited, out of total sanctioned limit of Rs. 580.14 million (2019: Rs. 250 million) for production of sugar. It carries profit at the rate of respective KIBOR + 3% (2019: respective KIBOR + 3%) per annum, payable quarterly. It is secured by way of first pari passu charge over fixed assets (land, building and plant & machinery) of the Company to the extent of Rs. 334 million (2019: Rs. 334 million), first pari passu charge over present and future current assets of the company to the extent of Rs. 234 million (2019: Rs. 234 million), ranking charge over present and future current assets of the company amounting to Rs. 825 million to be upgraded to first pari pasu / JPP charge within 120 days from the date of sanction advice and personal guarantees of two directors of the Company.

8.1.6 This istisna finance / tijarah facility was obtained from Meezan Bank Limited, out of total sanctioned limit of Rs. 500 million (2019:nill) for purchase of raw materials / stores and spares / and to meet the working capital requirements of the company. It carries profit at the rate of respective KIBOR + 3% per annum (2019: nil), payable quarterly. It is secured by way of ranking charge of Rs. 667 million over both current and fixed assets of the company, subordination of directors' loan amounting to Rs. 500 million, pledge of charge on pledge assets registered with SECP of the company (white refined crystalline sugar) amounting to Rs. 715 million, personal guarantees of two directors of the company along with PNWS.

8.1.7 This istisna finance facility was obtained from Meezan Bank Limited, out of total sanctioned limit of Rs. 200 million (2019:nill) for purchase of raw materials / stores and spares / and to meet the working capital requirements of the company. It carries profit at the rate of respective KIBOR + 3.50% per annum, payable quarterly. It is secured by way of charge over pledge amounting to Rs. 335 million registered with SECP, corporate guarantee of all credible buyers, pledge of white crystalline refined sugar (season 2019-2020) packed in marketable bags lying in the factory premises under effective control of bank's appointed muccadam as per following margins: 25% in case of where stock is placed in covered godowns and 30% in case where stock is placed in open within the mill premises, excise duty will be excluded while calculating drawing power, for the purpose of drawing power calculation, sugar price shall be obtained from the business recorder or akbari mandi (exclusive of sales tax / excise duty whichever is lower), stocks of sugar pledged with different banks are placed in the same godown with clear marking / segregation of stock for each bank and personal guarantees of two directors of the company along with

8.1.8 This salam facility was obtained from Dubai Islamic Bank Pakistan Limited (DIBPL), out of total sanctioned limit of Rs. 400 million (2019: nil) to meet the working capital requirements of the company by purchasing sugarcane from farmers / various suppliers in the local market. It carries profit at the rate of relevant KIBOR + 3% per annum, payable quarterly. It is secured by way of pledge of white refined sugar stock with 25% margin, charge of Rs. 534 million over pledged stock of white refined sugar inclusive of 25% margin, ranking charge of Rs. 534 million over all present and future current assets of the company inclusive of 25% margin, ranking charge of Rs. 534 million over all present & future fixed assets (land, building, plant & machinery) of the company, first pari passu charge of Rs. 252.3 million over all present and future fixed assets (land, building, plant & machinery) of the company, directors' loan of Rs. 521.95 million shall remain subordinated to DIBPL's facility and personal guarantees along with PNWS of the two directors of the company.

8.1.9 This Salam (Pledge) facility was obtained from Askari Bank Limited, out of total sanctioned limit of Rs. 400 million (2019: nil) for production of white refined sugar from sugarcane. It carries profit at the rate of matching KIBOR + 3% per annum, payable quarterly. It is secured by way of ranking charge over all present and future fixed assets of the company to the extent of Rs. 400 million through constructive MOTD and plant & machinery (through letter of hypothecation) duly registered with SECP, ranking charge over all present and future current assets of the company to the extent of Rs. 534 million out of which Rs. 400 million is already registered with SECP and the remaining charge of Rs. 134 million for enhancement, pledged of white refined sugar of 2019-2020 season with 25% margin (inclusive of applicable sales tax) stored at the company's godown shared with other banks / open pledge in sugar mills / factory, duly stacked and segregated in countable position and insured under the supervision of the banks approved muccadum. Placement of 33.33% (166.650 million approx.) of total pledge of sugar bags in open located within the Mill's premises keeping in view of lesser capacity of godowns during peak season (2019-2020) and personal guarantees of two directors of the company along with PNWSs.

	June 30, 2020	September 30, 2019
	Rupees	Rupees
8.2. From related party		
Unsecured and interest free		
Mrs. Nusrat Shamim	**13,901,995**	14,201,995
	13,901,995	14,201,995

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There is no change in the status of contingencies as reported in the annual financial statements of the company for the year ended September 30, 2019, except

The Additional Commissioner (IR) Zone-III, LTU, Lahore has passed an order under section 122(5A) and created a tax demand of Rs. 2,644,646, by making certain additions to taxable income of the Company for the tax year 2017. The Company has filed appeal before the Commissioner Inland Revenue (Appeals - I), Lahore, against the impugned amended assessment order, pending adjudicating at the reporting date. The Company has also filed a rectification application before the Additional Commissioner (IR) Zone-III, LTU, Lahore, `which is pending at the reporting date. After the rectification effect the original tax demand shall be reduced from Rs. 2,644,646 to Rs. 1,162,426. The tax advisors as well as management of the Company expects a favorable outcome of this case, hence no provision has been made to this effect in these condensed interim financial statements.

The Deputy Commissioner of (IR) Zone-III, Lahore has passed an order under section 11 of the Sales Tax Act, 1990 ("the Act") and created a tax demand of Rs. 15,031,144 along with penalty and default surcharge under sections 33 and 34 of the Act (to be calculated at the time of deposit) by disallowing the input sales tax on certain items for the alleged violation of sections 6, 7, 8 and 26 of the Act. The Company at present is in the process to file an appeal against this order before the Commissioner Inland Revenue (Appeals - I) Lahore. The tax advisors as well as management of the Company expects a favourable outcome of this case being contrary to the facts of the case, hence no provisions has been made to this effect in these condensed interim financial statements.

9.2 Commitments		**June 30, 2020**	September 30, 2019
9.2.1 Company is committed to pay the following:	**Note**	**Rupees**	Rupees
Ijarah rentals			
Due within one year		**7,544,448**	7,381,200
Due after one year but not later than five years		**11,890,753**	21,057,482
Diminishing Musharikah rentals			
Due within one year		**4,116,408**	4,138,224
Due after one year but not later than five years		**4,802,476**	6,164,133
		28,354,085	38,741,039
9.2.2 Commitment against CAPEX		**294,845,939**	294,845,939

	Note	Un-audited 30 June 2020	Audited 30 September 2019
		Rupees	
10 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	10.1	**2,849,567,454**	2,766,230,720
Capital work in progress	10.2	**937,766,109**	551,820,761
		3,787,333,563	3,318,051,481

10.1 Operating fixed assets

	Note	Un-audited 30 June 2020	Audited 30 September 2019
Opening balance - net book value		**2,777,290,373**	3,171,526,463
Additions during the period / year	10.1.1	**158,324,266**	61,873,985
Disposals during the period - net book value			114,183,197
Revaluation surplus arose during the period / year		**-**	-
Depreciation charged during the period / year		**(86,047,185)**	352,986,531
Closing balance - net book value		**2,849,567,454**	2,766,230,720

10.1.1 The following additions were made during the period in operating fixed assets:

	Additions Cost (Rupees)	Additions Cost (Rupees)
Plant and machinery	**140,022,026**	39,900,338
Civil Works	**12,474,018**	30,000
Gas and electric installation	**1,493,875**	21,912,217
Office equipment	**56,200**	-
Furniture&Fixture	**3,248,444**	31,430
Vehicles	**734,803**	-
Computer equipment's	**294,900**	-
	158,324,266	61,873,985

10.2 Capital work in progress

	Un-audited 30 June 2020	Audited 30 September 2019
Opening balance	**551,820,761**	296,781,497
Additions during the period / year:		
Civil Works - building	**10,434,634**	613,083
Plant & Machinery	**199,473,700**	154,838,211
Advance for capital expenditure	**176,037,014**	288,459,580
	385,945,348	443,910,874
	937,766,109	740,692,371
Civil Works - building	**-**	-
Plant & Machinery	**-**	188,871,610
	-	188,871,610
Closing balance	**937,766,109**	551,820,761

11 NET SALES

	NINE MONTHS ENDED JUNE 30		QUARTER ENDED JUNE 30	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Local sales - net of sales tax and federal excise duty	**1,327,846,904**	2,497,192,794	**533,396,593**	1,435,971,010
Export sales	**3,229,280**	881,541,960	-	127,736,777
Freight Subsidy	**-**	88,579,661	-	88,579,661
	1,331,076,184	3,467,314,415	533,396,593	1,652,287,448

	NINE MONTHS ENDED JUNE 30		QUARTER ENDED JUNE 30	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	..........Rupees..........		..........Rupees..........	
12 COST OF SALES				
Raw materials consumed:				
Sugarcane purchased	**2,690,423,486**	2,347,672,270	**44,448**	-
Sugarcane development cess	**24,570,473**	18,426,877	**-**	-
Market committee fee	**4,888,506**	4,913,877	**122,090**	-
	2,719,882,465	2,371,013,024	**166,538**	-
Salaries, wages and other benefits	**112,515,272**	123,160,753	**18,070,905**	17,822,953
Workers' welfare	**8,762,263**	6,129,211	**742,694**	158,016
Stores, spares and loose tools consumed	**9,601,032**	8,407,007	**636,379**	267,673
Chemicals consumed	**25,078,921**	24,693,021	**712,476**	911,533
Packing material consumed	**27,608,820**	26,049,573	**138,198**	-
Fuel and power	**19,381,938**	12,869,279	**6,202,225**	4,967,181
Repair and maintenance	**60,722,598**	39,790,450	**378,386**	6,465,378
Insurance	**6,398,911**	4,745,944	**2,062,135**	1,926,826
Other factory overheads	**3,356,490**	9,550,452	**185,947**	1,491,385
Depreciation	**82,623,472**	77,574,670	**30,305,022**	23,264,258
	356,049,717	332,970,360	**59,434,367**	57,275,203
	3,075,932,182	2,703,983,384	**59,600,905**	57,275,203
Work-in-process:				
Opening stock	**7,157,809**	7,428,720	**14,932,374**	6,833,823
Closing stock	**(15,143,197)**	(7,212,964)	**(15,143,197)**	(7,212,964)
	(7,985,388)	215,756	**(210,823)**	(379,141)
Cost of goods manufactured	**3,067,946,794**	2,704,199,140	**59,390,082**	56,896,062
Finished goods:				
Opening stock	**173,048,481**	881,313,888	**2,379,518,172**	1,869,432,007
Closing stock	**(2,075,137,817)**	(441,685,099)	**(2,075,137,817)**	(441,685,099)
	(1,902,089,336)	439,628,789	**304,380,355**	1,427,746,908
	1,165,857,458	3,143,827,929	**363,770,437**	1,484,642,970

13 (LOSS) /EARNINGS PER SHARE

		NINE MONTHS ENDED - (Un-audited)		QUARTER ENDED - (Un-audited)	
		30 June 2020	30 June 2019	30 June 2020	30 June 2020
Profit attributable to Shareholders	*Rupees*	**(178,290,997)**	33,805,816	**30,083,896**	26,726,405
Weighted average number of shares outstanding	*Numbers*	**38,520,000**	38,520,000	**38,520,000**	38,520,000
(Loss) / Earning per share-basic and dilited	*Rupees*	**(4.63)**	0.88	**0.78**	0.69

13 RELATIONSHIP WITH THE ISLAMIC AND CONVENTIONAL FINANCIAL INSTITUTION

The Company in the normal course of business deals with sole Islamic financial institutions as well as the financial institutions who operate both the conventional side and Islamic window. The details and segregation between Shariah complaints and conventional assets/liabilities and income/expenditure are given below:

	Period Ended June 30,2020			Period Ended June 30,2019		
	----------Rupees----------					
	Islamic Mode	**Conventional**	**Total**	Islamic Mode	Conventional	Total
Accrued Markup on Secured Borrowings	**87,921,291**	**42,065,888**	**129,987,179**	39,074,881	39,727,626	78,802,507
Short Term Borrowings	**1,718,039,976**	**849,720,182**	**2,567,760,158**	616,507,774	707,170,182	1,323,677,956
Bank Balances	**(35,203,539)**	**(14,156,366)**	**(49,359,905)**	(7,793,718)	(6,367,692)	(14,161,410)
	1,770,757,728	**877,629,704**	**2,648,387,432**	647,788,937	740,530,116	1,388,319,053

14 FINANCIAL RISK MANAGEMENT

14.1 Financial risk factors

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 September 2019.

14.2 Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer 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 operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs.

The carrying values of all financial assets and financial liabilities as well as certain property, plant and equipment (level 2) and short term investment (level 1) reflected in these condensed interim financial statements approximate their fair values.

15 CHANGE IN WORKING CAPITAL

	Period Ended June 30,2020	Period Ended June 30,2019
	Rupees	
Change in Working capital		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	**(97,129,529)**	50,562,010
Stock in trade	**(1,910,212,106)**	(281,857,587)
Trade debts	**(201,463,208)**	310,156,042
Advances and prepayments	**(23,346,176)**	(122,355,437)
Due from Govt Income Tax	**(6,214,408)**	(21,994,936)
Trade and other payables	**297,538,683**	277,749,800
Contract Liabilities	**(142,428,394)**	
	(2,083,255,138)	212,259,892

16 DATE OF AUTHORIZATION

This condensed interim financial information was approved by the Board of Directors and authorized for issue on 27 July 2020.

17 GENERAL

17.1 Figures of the corresponding period have been re-arranged and regrouped to represent better / true presentation and to facilitate appropriate comparison. However, there were no major reclassifications during the period.

17.2 Allocation to the Worker's Profit Participation Fund, Workers' Welfare Fund and figures of taxation are provisional. Final liabilities thereof would be determined on the basis of annual results.

17.3 The figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

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