



SHAHMURAD SUGAR MILLS LIMITED

3rd Quarterly Results for the period
1st October 2019 to 30th June, 2020

COMPANY INFORMATION

BOARD OF DIRECTORS

MR. NOOR MOHAMMAD ZAKARIA
MR. ZIA ZAKARIA
MR. ABDUL AZIZ AYOOB
MRS. SANOBAR HAMID ZAKARIA
MR. NAEEM AHMED SHAFI
MR. KHURRAM AFTAB

Chairman
Managing Director & CEO

Independent Director
Independent Director

BOARD AUDIT COMMITTEE

MR. NAEEM AHMED SHAFI
MR. NOOR MOHAMMAD ZAKARIA
MRS. SANOBAR HAMID ZAKARIA

Chairman
Member
Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

MR. KHURRAM AFTAB
MR. NOOR MOHAMMAD ZAKARIA
MR. ZIA ZAKARIA

Chairman
Member
Member

CHIEF FINANCIAL OFFICER

MR. ZAID ZAKARIA

COMPANY SECRETARY

MR. MOHAMMAD YASIN MUGHAL
FCMA

AUDITORS

M/s. KRESTON HYDER BHIMJI & CO.
Chartered Accountants

LEGAL ADVISOR

MR. IRFAN
Advocate

REGISTERED OFFICE

96-A, SINDHI MUSLIM HOUSING SOCIETY,
KARACHI-74400
Tel: 34550161-63 Fax: 34556675

FACTORY

JHOK SHARIF,
TALUKA MIRPUR BATHORO,
DISTRICT SUJAWAL (SINDH)

REGISTRAR & SHARES REGISTRATION OFFICE

M/S C & K MANAGEMENT ASSOCIATES (PVT) LTD.
404-TRADE TOWER, ABDULLAH HAROON ROAD,
NEAR METROPOLE HOTEL,
KARACHI - 75530

WEBSITE

www.shahmuradsugar.co

SHAHMURAD SUGAR MILLS LTD.

DIRECTORS' REPORT

Dear Members AsslamuAlaikum

On behalf of Board, I take the opportunity to present before you with great pleasure the unaudited financial statements of your company for the period ended June 30, 2020.

Salient features of production and Financial Statements are as under:

PRODUCTION DATA	June 30, 2020	June 30, 2019
Sugarcane crushed (M Tons)	444,430	500,270
Sugar produced (M Tons)	48,786	55,425
Sugar recovery percentage	11.00	11.08
Molasses produced (M Tons)	19,715	23,100
Ethanol Production (M Tons)	40,277	49,805

FINANCIAL DATA	(Rupees in thousands)	
Sales revenue	8,323,645	7,549,009
Cost of sales	(7,174,606)	(5,905,425)
Gross profit	1,149,039	1,643,584
Distribution cost	(9,102)	(80,455)
Administrative expenses	(185,284)	(185,725)
Other operating charges	(50,387)	(82,802)
Other income	78,140	153,916
Financial cost	(294,610)	(279,077)
Profit before taxation	687,796	1,169,441
Provision for taxation	(82,720)	(884)
Profit after taxation	605,076	1,168,557
Earnings per share	Rs.28.65	Rs.55.33

The following factors were primarily responsible for our operational and financial results. Gross profit margin declined from 29.75% to 13.80% due to substantial increase in raw material cost. Sales tax increased from 8% to 17 % which further impacted the gross profit margin. Due to shortage of raw material, sugar production and ethanol production decreased by 12% and 19 % respectively.

Segment wise performance is elaborated as under:

SUGAR DIVISION

During the period under review the mill crushed 444,430 metric tons of cane and produced 48,786 metric tons of sugar. During the same period last year, the mill crushed 500,270 metric tons of cane and produced 55,425 metric tons of sugar. Production during the current period is lower than last year by 12 percent or 6,639 metric tons. The decrease in production of sugar was mainly due to non-availability of raw material. The poor condition of crop in the province was due to non-availability of water. For the crushing season the Government notified support price of sugarcane at Rs. 192/- per forty kgs but Mill has to pay higher price of cane in order to run the mill without interruption.

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ETHANOL DIVISION

During the period under consideration the Ethanol Division produced 40,277 metric tons of ethanol as against 49,805 metric tons produced in the same period of last year. The production is substantially lower when compared with the output of the last year which was due to non-availability of raw material. It is anticipated that the production during the remaining period of the year would hopefully be maintained.

FUTURE OUTLOOK

It is expected that during the next crushing season cane crop in country would improve due to the higher prices of raw material paid and due to natural rain fall, canal water is expected to be available in upper part of the country. We hope that the Government would take timely decision to ensure availability of water in lower part of the province by judicious distribution thereof. Future outlook of ethanol appears to be positive as the demand of our premium product has increased. The company is taking strong measures to improve the contribution of ethanol division by exploring new markets.

BOARD OF DIRECTORS

During the period under consideration Mr. Noor Muhammad Zakaria was appointed as Chairman of the Board of Directors. The vacant position in the board will be filled in the stipulated time frame.

The Board of Directors is making extensive efforts to overcome the difficult situation during this Pandemic. We pray to ALLAH SWT to steer your company forward through these complex times. (Ameen)



ZIA ZAKARIA
Managing Director & CEO



ABDUL AZIZ AYOOB
Director

Karachi:
Dated: July 22, 2020

SHAHMURAD SUGAR MILLS LTD.

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

		Un-Audited June 2020	Audited September 2019
	Note	(Rupees in thousand)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	5,469,309	5,498,699
Intangible asset	5	-	-
Long term investment in associate	6	1,351	1,351
Long term loans		1,307	2,214
Long term deposits		2,429	2,429
Deferred taxation		36,492	25,726
		5,510,888	5,530,419
CURRENT ASSETS			
Stores, spare parts and loose tools		225,508	243,590
Stock-in-trade		3,667,138	1,967,859
Trade debts		841,242	459,571
Loans and advances		387,254	1,586,334
Trade deposits and short term prepayments		6,432	1,095
Other receivables		234,812	235,130
Short term investment		-	200,714
Income tax refundable-Net		93,271	103,896
Cash and bank balances		167,749	62,249
		5,623,406	4,860,438
		11,134,294	10,390,857
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Capital			
25,000,000 ordinary shares of Rs. 10 each		250,000	250,000
Issued, subscribed and paid-up capital		211,187	211,187
Revenue reserve			
General reserve		80,000	80,000
Share of associate's unrealized loss on re-measurement of its investment at fair value through other comprehensive income		(2,441)	(2,441)
Unappropriated profit		2,923,829	2,612,860
Capital reserve			
Revaluation surplus on property, plant and equipment		1,411,287	1,476,197
		4,623,862	4,377,803
NON CURRENT LIABILITIES			
Long term financing		1,224,191	1,340,813
CURRENT LIABILITIES			
Trade and other payables		1,044,507	1,106,764
Accrued finance cost		73,436	39,816
Short term borrowings		3,847,686	3,112,830
Loan from related parties		48,135	48,135
Current portion of long term financing		262,793	358,560
Unclaimed dividend		9,684	6,136
		5,286,241	4,672,241
CONTINGENCIES AND COMMITMENTS			
	7	-	-
		11,134,294	10,390,857

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOOB
DIRECTOR


ZAID ZAKARIA
Chief Financial Officer

SHAHMURAD SUGAR MILLS LTD.

**CONDENSED INTERIM STATEMENT OF PROFIT & LOSS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2020**

		For the nine months October to June		For the Quarter April to June	
		2020	2019	2020	2019
Notes		(Rupees in thousand)			
Sales		8,323,645	7,549,009	3,259,314	3,005,055
Cost of sales	8	(7,174,606)	(5,905,425)	(2,669,960)	(2,240,088)
Gross profit		1,149,039	1,643,584	589,354	764,967
Profit from trading activities		1,132	1,387	7	34
		1,150,171	1,644,971	589,361	765,001
Distribution cost		(9,102)	(80,455)	(174)	(25,929)
Administrative expenses		(185,284)	(185,725)	(51,647)	(61,681)
Other operating charges		(50,387)	(82,802)	(22,423)	(34,859)
		(244,773)	(348,982)	(74,244)	(122,469)
Operating profit		905,398	1,295,989	515,117	642,532
Other income		77,008	152,529	(28,609)	82,250
		982,406	1,448,518	486,508	724,782
Finance cost		(294,610)	(279,077)	(104,979)	(110,376)
Profit before taxation		687,796	1,169,441	381,529	614,406
Taxation					
-Current		(93,486)	(8,504)	(36,445)	(8,504)
-Deferred		10,766	7,620	11,465	11,307
		(82,720)	(884)	(24,980)	2,803
Profit after taxation		605,076	1,168,557	356,549	617,209
Earning per share-Basic and diluted - Rupees		28.65	55.33	16.88	29.23

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOOB
DIRECTOR


ZAID ZAKARIA
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2020**

	For the nine months October to June		For the Quarter April to June	
	2020	2019	2020	2019
(Rupees in thousand)				
Profit after taxation	605,076	1,168,557	356,549	617,209
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	605,076	1,168,557	356,549	617,209

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOUB
DIRECTOR


ZAID ZAKARIA
Chief Financial Officer

SHAHMURAD SUGAR MILLS LTD.

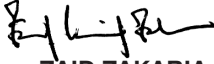
CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2020

Note	June 2020	June 2019
	(Rupees in thousand)	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	687,796	1,169,441
Adjustment for :		
Depreciation	277,502	262,806
Gain on disposal of property, plant and equipment	(469)	(381)
Provision for obsolescence and slow moving items	7,500	6,500
Finance cost	294,610	279,077
	579,143	548,002
	1,266,939	1,717,443
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	10,582	(26,686)
Stock in trade	(1,699,279)	(518,813)
Trade debts	(381,671)	(468,900)
Loans & advances	1,199,080	201,981
Short term prepayments	(5,337)	(4,654)
Short term investment	200,714	-
Other receivables	318	289,643
	(675,593)	(527,429)
Increase in current liabilities		
Trade and other payables	(62,257)	30,700
Short term borrowings	734,856	(94,709)
	672,599	(64,009)
	1,263,945	1,126,005
Decrease in long term loan	907	471
Income tax paid	(82,861)	(73,845)
Finance cost paid	(260,990)	(238,038)
	(342,944)	(311,412)
Net cash inflow from operating activities	921,001	814,593
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(248,482)	(429,904)
Sale proceeds from disposal of property, plant and equipment	839	865
Net cash outflow from investing activities	(247,643)	(429,039)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long term finance received	-	39,687
Repayment of loans from related parties	-	(95,336)
Repayment of long term financing	(212,389)	(173,160)
Dividend paid	(355,469)	(145,539)
Net cash (outflows) from financing activities	(567,858)	(374,348)
Net increase in cash and bank balances (A+B+C)	105,500	11,206
Cash and bank balance at the beginning of the period	62,249	45,452
Cash and bank balance at the end of period	167,749	56,658

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOOB
DIRECTOR


ZAID ZAKARIA
Chief Financial Officer

SHAHMURAD SUGAR MILLS LTD.


CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2020

	Issued, Subscribed & paid up capital	General reserves	Share of Associate's unrealised (loss)/ gain on remeasurement of investment	Un-appropriated profit	Capital Reserve Surplus on revaluation of Property Plant & Equipment	Total
	(Rupees in thousand)					
Balances as at October 01, 2018 (Audited)	211,187	80,000	(2,501)	1,462,075	1,582,959	3,333,720
During the nine months period ended June 30, 2019						
Transactions with owners						
Final Dividend for 30-September-2018 @ Rs. 7.00 Per Share	-	-	-	(147,831)	-	(147,831)
Total Comprehensive Income for the nine months ended June 30, 2019	-	-	-	1,168,557	-	1,168,557
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	-	70,335	(70,335)	-
Balances at June 30, 2019	<u>211,187</u>	<u>80,000</u>	<u>(2,501)</u>	<u>2,553,136</u>	<u>1,512,624</u>	<u>4,354,446</u>
Balances as at October 01, 2019 (Audited)	211,187	80,000	(2,441)	2,612,860	1,476,197	4,377,803
During the nine months period ended June 30, 2020						
Transactions with owners						
Final Dividend for 30-September-2019 @ Re. 17.00 Per Share	-	-	-	(359,017)	-	(359,017)
Total Comprehensive Income for the nine months ended June 30, 2020	-	-	-	605,076	-	605,076
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	-	64,910	(64,910)	-
Balances at June 30, 2020	<u>211,187</u>	<u>80,000</u>	<u>(2,441)</u>	<u>2,923,829</u>	<u>1,411,287</u>	<u>4,623,862</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOOB
DIRECTOR


ZAID ZAKARIA
Chief Financial Officer

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2020**

1. The Company and its Operations

The Company was incorporated in Pakistan as a public limited company on April 9, 1979. Its shares are quoted at the Pakistan Stock Exchange Limited. The registered office of the Company is located at 96-A, Sindhi Muslim Cooperative Housing Society, Karachi, Sindh. The Company owns and operates Sugar and Ethanol manufacturing units which are located at Jhoke Sharif, District Sujawal in the province of Sindh. The total area of industry land which includes the main factory is spread over 333.32 Acres.

2. Basis of Preparation

- 2.1 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; 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, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The condensed interim financial statements does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the company's annual financial statements for the year ended September 30, 2019.

3. Significant accounting policies and disclosures

- 3.1 The accounting policies and methods of computation followed for the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the company's annual financial statements for the year ended September 30, 2019.
- 3.2 Due to the seasonal availability of sugarcane, the manufacture of sugar is carried out during the period of availability of sugarcane and costs incurred/accrued up to the reporting date have been accounted for. Accordingly, the costs incurred/accrued after the reporting date will be reported in the subsequent interim and annual financial statements.
- 3.3 Certain new IFRSs and amendments to existing IFRSs, effective for periods beginning on or after October 01, 2019 are either not relevant or do not have material impact on the condensed interim financial statements, and are therefore not disclosed.
- 3.4 The preparation of these condensed interim financial statements require management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to financial statements as at and for the year ended September 30, 2019.

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- 3.5** The Company has assessed that the Company's accounting policies with respect to revenue recognition and disclosures are already in line with IFRS 15 except that direct export freight, packing and related charges of Rs. 602.171 million previously classified in distribution cost are now classified as part of cost of sales (note 8).

		Un-Audited June 30, 2020 (Rupees in thousand)	Audited September 30, 2019
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	5,463,820	5,342,921
Capital work in progress	4.2	5,489	155,778
		5,469,309	5,498,699
4.1 OPERATING FIXED ASSETS			
Opening book value		5,342,921	5,073,393
Direct additions during the period / year			
Furniture, Fixture and Fittings		-	90
Office Equipment		332	2,539
Vehicle		7,627	28,860
		7,959	31,489
Transfer from CWIP during the period / year			
Owned			
Factory building		-	4,274
Non Factory building		254	3,993
Plant and Machinery		390,558	588,665
		390,812	596,932
Add fresh revaluation of the period		-	-
Disposals - Operating assets (net book value)		(370)	(1,182)
Depreciation Charged for the period / year		(277,502)	(357,711)
Closing book value		5,463,820	5,342,921
4.2 CAPITAL WORK IN PROGRESS			
Opening balance		155,778	241,928
Additions during the period / year			
Civil Works		-	8,520
Plant and Machinery		240,523	502,262
		240,523	510,782
Capitalization during the period/year			
Civil Works		(254)	(8,267)
Plant and Machinery		(390,558)	(588,665)
		(390,812)	(596,932)
Closing balance		5,489	155,778

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5. INTANGIBLE ASSET

The cost of software of Rs. 5.917 million has been fully amortised over a period of three years in accordance with the Company's accounting policy. However the software is still in use of the Company.

6. LONG TERM INVESTMENT IN ASSOCIATE

The company holds 14.285% (September 2019: 14.285%) interest in Al-Noor Modaraba Management (Pvt) Limited and this is carried under equity method. Since the financial statements of Al Noor Modaraba Management (Pvt) Limited are not prepared on year ended June 30; and also are not material hence no effect of results of Al-Noor Modaraba Management (Pvt) Limited has been taken in these condensed interim financial statements.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There is no material change in status of contingencies as disclosed in note No. 26 (a) of the annual financial statements for the year ended September 30, 2019.

	Un-Audited June 30, 2020	Audited September 30, 2019
	(Rupees in thousand)	
7.2 Commitments		
Commitments for capital expenditure	-	185,838
Commitments for stores and spares	-	3,846
	-	189,684
Bank Guarantees		
in favor of Excise and Taxation Department	500	500

	For the Nine Month		For the Quarter	
	October to June		April to June	
	2020	2019	2020	2019

8. COST OF SALES

(Rupees in thousand)

Opening stock of finished goods	1,387,030	1,539,616	2,964,365	3,033,810
Cost of goods manufactured	7,264,661	5,875,287	1,723,179	1,114,952
	8,651,691	7,414,903	4,687,544	4,148,762
Closing stock of finished goods (Note 8.1)	(2,405,819)	(2,111,649)	(2,405,819)	(2,111,649)
	6,245,872	5,303,254	2,281,725	2,037,113
Export and related expenses	928,734	602,171	388,235	202,975
	7,174,606	5,905,425	2,669,960	2,240,088

- 8.1 At period end stock pledged against short term borrowings amounted to Rs. 528 million (June 2019 : 191 million).

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9. TAXATION

Provision for current taxation is made on the basis of minimum and final taxation. Deferred tax asset of Rs 146 million has not been recorded in view of uncertainties related to availability of future taxable profit against which unabsorbed losses may be adjusted.

10. TRANSACTION WITH RELATED PARTIES

Related parties comprises of associated entities, staff retirement funds, directors and key management personnel. The transactions with and balances of related parties during the period/as at period end are given below:

		June 2020	June 2019
Transactions:			
<u>Relationship with the Company</u>	<u>Nature of Transactions</u>	(Rupees in thousand)	
Associates			
Al-Noor Sugar Mills Limited	-Purchase of Goods	667,173	394,844
Reliance Insurance Company Ltd	-Insurance premium	21,664	20,900
Other related parties			
Directors' and key management personnel	-Directors remuneration	13,438	20,467
	-Executive remuneration	41,931	33,886
	-Non-executive directors' meeting fee	190	128
Staff provident fund excluding Directors	-Company's Contribution during the period	4,917	4,432
Other related parties	Loan repaid during the period	-	95,336
		June 2020	September 2019
Balances:			
<u>Relationship with the Company</u>	<u>Nature of Transactions</u>	(Rupees in thousand)	
Associates			
Al-Noor Sugar Mills Limited	Loan and advances	-	105,000
Al-Noor Sugar Mills Limited	Trade & other payables	-	-
Reliance Insurance Company Ltd	Trade & other payables	5,507	-
Staff provident fund	Trade & other payables	354	150

SHAHMURAD SUGAR MILLS LTD.

11. 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 segregation between Shariah complaints and conventional assets/liabilities and income/expenditure are given below:

	As at June 30, 2020			As at September 30, 2019		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Long term financing-Musharka and other finances	687,500	536,691	1,224,191	766,250	574,563	1,340,813
Current portion of long term finance	190,000	72,793	262,793	285,000	73,560	358,560
	877,500	609,484	1,486,984	1,051,250	648,123	1,699,373
Accrued finance cost	45,006	28,430	73,436	28,359	11,457	39,816
Short term borrowings	701,000	3,146,686	3,847,686	750,000	2,362,830	3,112,830
Short term investment	-	-	-	200,714	-	200,714
Cash at banks	(13,004)	(154,745)	(167,749)	(9,624)	(52,625)	(62,249)
	1,610,502	3,629,855	5,240,357	2,020,699	2,969,785	4,990,484

	Nine months ended June 30, 2020			Nine months ended June 30, 2019		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Finance cost	149,250	145,360	294,610	121,375	157,702	279,077
Income from PLS bank account and short term investment	(34,604)	(541)	(35,145)	-	(25)	(25)
	114,646	144,819	259,465	121,375	157,677	279,052

SHAHMURAD SUGAR MILLS LTD.

12. SEGMENT INFORMATION

The Company's operating businesses are organized and managed separately according to the nature of products produced with each segment representing a strategic business unit that offer different products and serves different markets. The sugar segment is engaged in manufacturing and sale of the sugar and its by products whereas ethanol segment is engaged in manufacturing and sale of ethanol. The following tables represents revenue and profit information regarding business segment for the nine months ended June 30, 2020 and June 30, 2019 and assets and liabilities information regarding business segments as at June 30, 2020 and September 30, 2019.

	Sugar		Ethanol		Consolidated	
	Nine months period ended June 30,		Nine months period ended June 30,		Nine months period ended June 30,	
	2020	2019	2020	2019	2020	2019

(Rupees in thousand)

REVENUE

External Sales	2,299,673	1,981,335	6,023,972	5,567,674	8,323,645	7,549,009
Inter segment transfer	367,335	272,175	-	-	367,335	272,175
Total	<u>2,667,008</u>	<u>2,253,510</u>	<u>6,023,972</u>	<u>5,567,674</u>	<u>8,690,980</u>	<u>7,821,184</u>

RESULTS

Profit from operation	(98,198)	(73,176)	1,052,851	1,450,580	954,653	1,377,404
Profit from trading activity	1,132	1,387	-	-	1,132	1,387
	(97,066)	(71,789)	1,052,851	1,450,580	955,785	1,378,791
Other operating charges					(50,387)	(82,802)
Other income					77,008	152,529
Finance cost					(294,610)	(279,077)
Profit before tax					687,796	1,169,441
Taxation					(82,720)	(884)
Profit for the period					<u>605,076</u>	<u>1,168,557</u>

SEGMENT ASSETS AND LIABILITIES

	June 2019	September 2017	June 2019	September 2017	June 2019	September 2017
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(Rupees in thousand)

Assets						
Segment assets	4,775,272	3,649,910	5,901,646	6,192,247	10,676,918	9,842,157
Un-allocated assets					456,025	547,349
Long term investment					1,351	1,351
Total assets					<u>11,134,294</u>	<u>10,390,857</u>
Liabilities						
Segment liabilities	2,065,589	1,782,667	4,382,690	4,133,766	6,448,279	5,916,433
Unallocated liabilities					62,153	96,621
					<u>6,510,432</u>	<u>6,013,054</u>

	Nine months ended June 30		Nine months ended June 30		Nine months ended June 30	
	2020	2019	2020	2019	2020	2019

(Rupees in thousand)

OTHER INFORMATION

Additions to property, plant and equipment	205,448	73,633	43,034	356,271	248,482	429,904
Depreciation	72,042	66,546	205,460	196,260	277,502	262,806

SHAHMURAD SUGAR MILLS LTD.

Revenue from major customers

During the period external sales to major customers amounted to Rs. 3,567 million. (2019: Rs. 3,305 million)

Geographical information

All non-current assets of the Company are located in Pakistan. Company's local external sales represent sales to various external customers in Pakistan as well as outside Pakistan as follows:

	for the period ended June 30,	
	2020	2019
Pakistan	1,945,178	1,981,336
Ghana	1,400,141	661,765
Angola	760,511	516,822
Jordan	383,438	-
Afghanistan	358,175	-
Ivory Coast	316,469	147,620
Thailand	314,587	165,885
South Korea	298,999	-
Sierra Leone	277,794	210,839
Cameroon	277,193	174,115
Kuwait	267,354	-
Tanzania	248,524	146,064
Unied Arab Emirates	212,607	-
Philippines	205,388	325,823
Saudia Arabia	137,137	-
Turkey	128,922	276,223
Singapore	119,257	295,078
Liberia	93,865	-
Taiwan	69,111	81,866
Nigeria	10,792	552,645
Italy	-	977,031
Netherlands	-	193,494
Spain	-	105,038
India	-	46,780
Others	498,203	690,585
	8,323,645	7,549,009

13. WORKERS PROFIT PARTICIPATION FUND, WORKERS WELFARE FUND AND TAXATION

Allocation to the Worker's Profit Participation Fund, Worker's Welfare Fund and provision for taxation are provisional. Final Liability would be determined on the basis of annual results.

14. FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The Company while assessing fair values uses calculation techniques that are appropriate in the circumstances using relevant observable data as far as possible and minimizing the use of unobservable inputs. Fair values are categorized into following three levels based on the input used in the valuation techniques:

- Level 1: Quoted prices in active markets for identical assets or liabilities that can be assessed at measurement.
- Level 2: 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 3: Inputs are unobservable inputs for the asset or liability. Inputs for the asset or liability that are not based on observation market data (that is, unobservable inputs).

Financial assets and liabilities of the Company are either short term in nature or are repriced periodically therefore; their carrying amounts approximate their fair values.

15. AUTHORIZATION

These condensed interim financial statements were authorized for issue on July 22, 2020 by the Board of Directors of the Company.

16. GENERAL

Figures have been rounded off nearest to thousand rupees.



ZIA ZAKARIA
Managing Director & CEO



AZIZ AYOUB
DIRECTOR




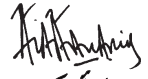
ZAID ZAKARIA
Chief Financial Officer

بورڈ آف ڈائریکٹرز:

زیر غور مدت میں جناب نور محمد زکریا کو بورڈ آف ڈائریکٹرز کا چیئرمین مقرر کیا گیا۔ بورڈ میں خالی پوزیشن مقررہ ٹائم فریم میں بھری جائے گی۔

بورڈ آف ڈائریکٹرز اس وبائی امراض کے دوران مشکل صورتحال پر قابو ہونے کے لئے وسیع تر کوششیں کر رہے ہیں۔ ہم اللہ سبحانہ و تعالیٰ سے دعا کرتے ہیں کہ وہ آپ کی کمپنی کو ان پیچیدہ وقت میں آگے بڑھائے۔ آمین


عبدالعزیز ایوب
ڈائریکٹر


ضیا آتی زکریا
مینجنگ ڈائریکٹر اینڈ سی ای او

کراچی 22 جولائی 2020

درج ذیل عوامل بنیادی طور پر ہمارے آپریشنل اور مالی نتائج کے ذمہ دار تھے۔ خام مال کی لاگت میں خاطر خواہ اضافے کی وجہ سے مجموعی منافع کا مارجن 29.75% سے کم ہو کر 13.80% رہ گیا۔ سیلز ٹیکس 8% سے بڑھ کر 17% ہو گیا جس نے مجموعی منافع کے مارجن پر مزید اثر ڈالا۔ خام مال کی قلت کی وجہ سے چینی کی پیداوار اور استحصال کی پیداوار میں بالترتیب 12% اور 19% کی کمی واقع ہوئی۔

شعبہ جات کے لحاظ سے کارکردگی کو درج ذیل بیان کیا گیا ہے۔

شوگر ڈویژن:

جائزہ لینے کے عرصے کے دوران مل نے 444,430 میٹرک ٹن گنے کو کرش کیا اور 48,786 میٹرک ٹن چینی پیدا کی۔ گزشتہ سال اسی عرصے کے دوران مل نے 500,270 میٹرک ٹن گنے کو کرش کیا اور 55,425 میٹرک ٹن چینی پیدا کی۔ موجودہ مدت کے دوران پیداوار گزشتہ سال کے مقابلے میں 12 فیصد یا 6,639 میٹرک ٹن کم ہے۔ چینی کی پیداوار میں کمی کی بنیادی طور پر خام مال کی عدم فراہمی کی وجہ سے تھی۔ صوبے میں فصل کی خراب حالت پانی کی عدم فراہمی کی وجہ سے تھی۔ کرشننگ سیزن کے لئے حکومت نے گنے کی امدادی قیمت کو 192/= روپے فی چالیس کلوگرام مقرر کیا لیکن مل کو بغیر کسی مداخلت کے چلانے کے لئے گنے کی زیادہ قیمت ادا کرنا پڑتی ہے۔

استحصال ڈویژن:

زیرغور استحصال ڈویژن نے 40,277 میٹرک ٹن استحصال پیدا کیا جب کہ پچھلے سال کے اسی عرصے میں 49,805 میٹرک ٹن پیدا ہوا تھا۔ گزشتہ سال کی پیداوار کے مقابلے میں پیداوار کافی حد تک کم ہے جو خام مال کی عدم دستیابی کی وجہ سے تھی۔ یہ توقع کی جا رہی ہے کہ سال کی باقی مدت کی دوران پیداوار کو برقرار رکھنے کی امید ہے۔

مستقبل کا جائزہ:

توقع کی جا رہی ہے کہ اگلے کرشننگ سیزن کے دوران ملک میں گنے کی فصل میں بہتری آئے گی جس کی وجہ سے خام مال کی ادائیگی زیادہ ہو جانے کی وجہ سے اور قدرتی بارش کی وجہ سے ملک کے بالائی حصے میں نہر کا پانی دستیاب ہونے کی امید ہے۔ ہمیں امید ہے کہ حکومت صوبے کے نچلے حصے میں پانی کی منصفانہ تقسیم کے ذریعے پانی کی دستیابی کو یقینی بنانے کے لئے بروقت فیصلہ کرے گی۔ استحصال کی پیداوار کا نقطہ نظر مثبت معلوم ہوتا ہے کیونکہ ہماری پرییم مصنوعات کی طلب میں اضافہ ہوا ہے۔ کمپنی نئی منڈیوں کی تلاش کر کے استحصال ڈویژن کی شراکت کو بہتر بنانے کیلئے سخت اقدامات کر رہی ہے۔

ڈائریکٹرز رپورٹ برائے ممبران

محترم ممبران!.....السلام علیکم!

بورڈ کی جانب سے میں آپ کے سامنے 30 جون 2020 کو ختم ہونے والی مدت کیلئے آپ کی کمپنی کے غیر آڈٹ شدہ مالیاتی حسابات آپ کے سامنے پیش کرنے میں خوشی محسوس ہو رہی ہے۔
پیداوار اور مالیاتی حسابات کی نمایاں خصوصیات درج ذیل ہیں:

معلومات بابت پیداوار	30 جون 2020	30 جون 2019
گنے کی پسائی (میٹرک ٹن)	444,430	500,270
پیداوار برائے چینی (میٹرک ٹن)	48,786	55,425
ریکوری برائے چینی (فیصد)	11.00	11.08
پیداوار برائے راب (میٹرک ٹن)	19,715	23,100
پیداوار برائے استھانول (میٹرک ٹن)	40,277	49,805
مالیاتی معلومات	(روپے ہزاروں میں)	(روپے ہزاروں میں)
فروختگی	8,323,645	7,549,009
لاگت برائے فروختگی	(7,174,606)	(5,905,425)
خام منافع	1,149,039	1,643,584
اخراجات برائے ترسیلات	(9,102)	(80,455)
انتظامی اخراجات	(185,284)	(185,725)
دیگر اخراجات	(50,387)	(82,802)
دیگر آمدن	78,140	153,916
مالیاتی اخراجات	(294,610)	(279,077)
منافع قبل از ٹیکس	687,796	1,169,441
ٹیکس کے لئے فراہمی	(82,720)	(884)
منافع بعد از ٹیکس	605,076	1,168,557
آمدن فی حصص (بنیادی)	Rs.28.65	Rs.55.33

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