



SHAHMURAD SUGAR MILLS LIMITED

3rd Quarterly Results for the period
1st October 2020 to 30th June, 2021

Company Information

BOARD OF DIRECTORS

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

BOARD AUDIT COMMITTEE

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

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 Society, Karachi-74400 Tel: 34550161-63 Fax: 34556675

REGISTRAR & SHARES REGISTRATION OFFICE

C & K Management Associates (Pvt) Ltd.
404-Trade Tower,
Abdullah Haroon Road,
Near Metropole Hotel, Karachi - 75530
www.shahmuradsugar.co

FACTORY

Jhok Sharif,
Taluka Mirpur Bathoro,
District Sujawal (Sindh)

DIRECTORS' REPORT

Dear Members AsslamuAlaikum

On behalf of the Board, I take the opportunity to present before you with great pleasure the un-audited financial statements of your company for the period ended June 30, 2021.

Salient features of production and financial statements are as under:

PRODUCTION DATA	June 30, 2021	June 30, 2020
Sugarcane crushed (M Tons)	441,293	444,430
Sugar produced (M Tons)	47,220	48,786
Sugar recovery percentage	10.70	11.00
Molasses produced (M Tons)	19,740	19,715
Ethanol Production (M Tons)	29,935	40,277

FINANCIAL DATA	(Rupees in thousands)	
Sales revenue	7,041,917	8,323,645
Cost of sales	(6,550,002)	(7,174,606)
Gross profit	491,915	1,149,039
Distribution cost	(25,976)	(9,102)
Administrative expenses	(182,127)	(185,284)
Other operating charges	(38,136)	(50,387)
Other income	235,240	78,140
Financial cost	(285,524)	(294,610)
Profit before taxation	195,392	687,796
Provision for taxation	(94,427)	(82,720)
Profit after taxation	100,965	605,076
Earnings per share	Rs.4.78	Rs.28.65

Segment wise performance is elaborated as under:

SUGAR DIVISION

During the period under review the mill crushed 441,293 metric tons of cane and produced 47,220 metric tons of sugar. During the same period last year, the mill crushed 444,430 metric tons of cane and produced 48,786 metric tons of sugar. Production during the current period is slightly lower than last year by 3.21 percent or 1,566 metric tons. The decrease in production of sugar was mainly due to non-availability of raw material and decline in recovery rate from 11.00 percent to 10.70 percent. 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. 202/- per forty kgs but Mill had to pay higher price of cane in order to secure raw material from far distance.

ETHANOL DIVISION

During the period under consideration the Ethanol Division produced 29,735 metric tons of ethanol as against 40,277 metric tons produced in the same period of last year. The production was lower when compared with the last year mainly due to lower demand from the European countries as the prevalence of corona virus in Europe was on the higher side. It is anticipated that the production during the remaining period of the year would hopefully increase as the international markets are normalizing due to various vaccines and extensive use thereof.

FUTURE OUTLOOK

It is expected that during the next crushing season, cane crop in country would improve due to the higher prices paid for the raw material to growers during the current season. It is also expected that availability of water through irrigation system and natural rain fall in the province would improve. It is expected 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 product mix would increase and there would be an increased supply of raw material. 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 there was no change in the composition of Board of directors.

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 27, 2021

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT JUNE 30, 2021**

AS AT JUNE 30, 2021		Un-Audited June 2021	Audited September 2020
	Note	(Rupees in thousand)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	5,235,230	5,386,952
Intangible asset	5	-	-
Long term investment in associate	6	1,006	1,006
Long term loans		2,239	1,224
Long term deposits		2,429	2,429
		5,240,904	5,391,611
CURRENT ASSETS			
Stores, spare parts and loose tools		285,044	247,329
Stock-in-trade		5,833,865	1,603,448
Trade debts		1,255,628	207,178
Loans and advances		379,613	1,467,802
Trade deposits and short term prepayments		6,605	457
Other receivables		176,264	176,689
Short term investment		365	2,103,781
Income tax refundable-Net		46,590	76,852
Cash and bank balances		95,779	36,389
		8,079,753	5,919,925
		13,320,657	11,311,536
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		(2,501)	(2,501)
Unappropriated profit		3,008,620	3,100,705
Capital reserve			
Revaluation surplus on property, plant and equipment		1,329,276	1,389,650
		4,626,582	4,779,041
NON CURRENT LIABILITIES			
Long term financing		985,848	1,163,612
Deferred taxation		27,576	17,212
		1,013,424	1,180,824
CURRENT LIABILITIES			
Trade and other payables		1,017,312	1,328,710
Accrued finance cost		115,956	31,816
Short term borrowings		6,186,655	3,641,288
Loan from related parties		48,135	48,135
Current portion of long term financing		300,723	292,123
Unclaimed dividend		11,870	9,599
		7,680,651	5,351,671
CONTINGENCIES AND COMMITMENTS			
	7	-	-
		13,320,657	11,311,536

The annexed notes from 1 to 15 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 PROFIT & LOSS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2021**

		For the nine months October to June		For the Quarter April to June	
		2021	2020	2021	2020
Notes		(Rupees in thousand)			
Sales		7,041,917	8,323,645	3,483,197	3,259,314
Cost of sales	8	(6,550,002)	(7,174,606)	(3,283,452)	(2,669,960)
Gross profit		491,915	1,149,039	199,745	589,354
Profit from trading activities		442	1,132	13	7
		492,357	1,150,171	199,758	589,361
Distribution cost		(25,976)	(9,102)	(18,962)	(174)
Administrative expenses		(182,127)	(185,284)	(59,046)	(51,647)
Other operating charges		(38,136)	(50,387)	12,235	(22,423)
		(246,239)	(244,773)	(65,773)	(74,244)
Operating profit		246,118	905,398	133,985	515,117
Other income		234,798	77,008	17,696	(28,609)
		480,916	982,406	151,681	486,508
Finance cost		(285,524)	(294,610)	(131,071)	(104,979)
Profit before taxation		195,392	687,796	20,610	381,529
Taxation					
-Current		(84,063)	(93,486)	(43,554)	(36,445)
-Deferred		(10,364)	10,766	(6,884)	11,465
		(94,427)	(82,720)	(50,438)	(24,980)
Profit / (loss) after taxation		100,965	605,076	(29,828)	356,549
Earning/(loss) per share - Basic and diluted - Rupees		4.78	28.65	(1.41)	16.88

The annexed notes from 1 to 15 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, 2021**

	For the nine months October to June		For the Quarter April to June	
	2021	2020	2021	2020
(Rupees in thousand)				
Profit/(loss) after taxation	100,965	605,076	(29,828)	356,549
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the period	100,965	605,076	(29,828)	356,549

The annexed notes from 1 to 15 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 CASH FLOW (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2021**

	June 2021	June 2020
	(Rupees in thousand)	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	195,392	687,796
Adjustment for :		
Depreciation	264,901	277,502
Gain on disposal of property, plant and equipment	(7,715)	(469)
Provision for obsolescence and slow moving items	3,500	7,500
Reversal of provision of prior year liability	(149,000)	-
Finance cost	285,524	294,610
	397,210	579,143
	592,602	1,266,939
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(41,215)	10,582
Stock in trade	(4,230,417)	(1,699,279)
Trade debts	(1,048,450)	(381,671)
Loans and advances	1,088,189	1,199,080
Short term prepayments	(6,148)	(5,337)
Short term investment	2,103,416	200,714
Other receivables	425	318
	(2,134,200)	(675,593)
(Decrease) / Increase in current liabilities		
Trade and other payables	(162,399)	(62,257)
Short term borrowings	2,545,367	734,856
	2,382,968	672,599
	841,370	1,263,945
(Increase) / Decrease in long term loan	(1,015)	907
Income tax paid	(53,801)	(82,861)
Finance cost paid	(201,384)	(260,990)
	(256,200)	(342,944)
Net cash inflow from operating activities	585,170	921,001
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(115,628)	(248,482)
Sale proceeds from disposal of property, plant and equipment	10,165	839
Net cash outflow from investing activities	(105,463)	(247,643)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term financing	(169,164)	(212,389)
Dividend paid	(251,153)	(355,469)
Net cash (outflows) from financing activities	(420,317)	(567,858)
Net increase in cash and bank balances (A+B+C)	59,390	105,500
Cash and bank balance at the beginning of the period	36,389	62,249
Cash and bank balance at the end of the period	95,779	167,749

The annexed notes from 1 to 15 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 CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2021

	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, 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 @ Rs. 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>
Balances as at October 01, 2020 (Audited)	211,187	80,000	(2,501)	3,100,705	1,389,650	4,779,041
During the nine months period ended June 30, 2021						
Transactions with owners						
Final Dividend for 30-September-2020 @ Re. 12.00 Per Share	-	-	-	(253,424)	-	(253,424)
Total Comprehensive Income for the nine months ended June 30, 2021	-	-	-	100,965	-	100,965
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation -net of deferred tax	-	-	-	60,374	(60,374)	-
Balances at June 30, 2021	<u>211,187</u>	<u>80,000</u>	<u>(2,501)</u>	<u>3,008,620</u>	<u>1,329,276</u>	<u>4,626,582</u>

The annexed notes from 1 to 15 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, 2021

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, 2020.

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, 2020.
- 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, 2020 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, 2020.

		Un-Audited June 30, 2021 (Rupees in thousand)	Audited September 30, 2020
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	5,215,244	5,372,447
Capital work in progress	4.2	19,986	14,505
		5,235,230	5,386,952
4.1 OPERATING FIXED ASSETS			
Opening book value		5,372,447	5,342,921
Direct additions during the period / year			
Office Equipment		928	864
Vehicle		-	10,942
		928	11,806
Transfer from CWIP during the period / year			
Owned			
Factory building		695	-
Non Factory building		-	253
Plant and Machinery		108,524	390,557
		109,219	390,810
Disposals - Operating assets (net book value)		(2,449)	(805)
Depreciation Charged for the period / year		(264,901)	(372,285)
Closing book value		5,215,244	5,372,447
4.2 CAPITAL WORK IN PROGRESS			
Opening balance		14,505	155,778
Additions during the period / year			
Civil Works		695	-
Plant and Machinery		114,005	249,537
		114,700	249,537
Capitalization during the period/year			
Civil Works		(695)	(253)
Plant and Machinery		(108,524)	(390,557)
		(109,219)	(390,810)
Closing balance		19,986	14,505
5. INTANGIBLE ASSET			

The cost of software of Rs. 5.917 million has already 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 2020: 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 except 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 these status of contingencies as disclosed in note No. 26 (a) of the annual financial statements for the year ended September 30, 2020 except for the following:

7.1.1 The Company has reversed the provision of Rs. 149 million as disclosed in Note 26.10 of the annual financial statements for the year ended September 30, 2020, since no decision has yet been made by the court and the likelihood of further payment is remote. A brief history of the case is that against the sugarcane purchase price of Rs. 172 per 40 Kgs as fixed for the season 2013-2014, the company had filed a Constitutional Petition, dated 21 January 2014, before the Honourable High Court of Sindh for linkage with prevailing market sugar price which was dismissed and the matter was taken up with the Honourable Supreme Court of Pakistan on 05 January 2015. In the due course of time, the Government of Sindh fixed the price of sugarcane at Rs. 182 per 40 kgs for the season 2014-15 in pursuance of which the Sindh Chamber of Agriculture filed a petition in the Honourable High Court of Sindh. The Honourable High Court disposed of the case upon settlement with the consent of all the stake holders whereby it was settled that Sugar Mills shall purchase the sugarcane from growers at Rs. 160 per 40 kgs for crushing season 2014-15 whereas Rs. 12 per 40 kgs will be paid by the Government of Sindh. The Honourable High Court has subjected this interim arrangement to the decision of Civil appeal No 48 of 2015, dated 20 January 2015, which is pending before the Honourable Supreme Court of Pakistan and also have ordered that the fate of remaining Rs. 10 i.e., difference of Rs. 182 and 172 (which in the case of the Company amount to Rs. 149 million) will also be dependent on upon the decision of Honourable Supreme Court of Pakistan for which the Company now expect that the same is not likely to crystallise.

7.1.2 During the period income tax audit for the tax year 2015 has been finalized by the Inland Revenue Department via assessment order dated June 23, 2021. Inland Revenue Department raised the demand of Rs. 7.016 billion for which the Company's Tax Advisor is of the view that ultimate outcome will be in favour of the Company in the appellate forum. Hence no provision has been made in the financial statements.

	Un-Audited June 30, 2021	Audited September 30, 2020
	(Rupees in thousand)	
7.2 Commitments		
Commitments for capital expenditure	-	34,114
Commitments for stores and spares	5,390	14,056
	5,390	48,170
Bank Guarantees		
In favor of Excise and Taxation Department	500	500

	For the Nine Months October to June		For the Quarter April to June	
	2021	2020	2021	2020
8. COST OF SALES	(Rupees in thousand)			
Opening stock of finished goods	1,116,774	1,387,030	4,058,655	2,964,365
Cost of goods manufactured	7,131,567	7,264,661	1,178,667	1,723,179
	8,248,341	8,651,691	5,237,322	4,687,544
Closing stock of finished goods (Note 8.1)	(2,112,779)	(2,405,819)	(2,112,779)	(2,405,819)
	6,135,562	6,245,872	3,124,543	2,281,725
Export and related expenses	414,440	928,734	158,909	388,235
	6,550,002	7,174,606	3,283,452	2,669,960

- 8.1** Finished goods costing Rs.56.264 million (June 2020: nil) have been written down to their net realizable value of Rs. 43.330 million (June 2020: nil) . At period end stock pledged against short term borrowings amounted to Rs. 1,830 million (June 2020 : 191 million).

9. 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 30, 2021	June 30, 2020
Transactions:			
<u>Relationship with the Company</u>	<u>Nature of Transactions</u>	(Rupees in thousand)	
Associates			
Al-Noor Sugar Mills Limited	- Purchase of Goods	596,742	667,173
Al-Noor Sugar Mills Limited	- Dividend paid	39,597	56,096
Reliance Insurance Company Ltd	- Insurance premium	23,935	21,664
Reliance Insurance Company Ltd	- Insurance claim receivables	716	-
Other related parties			
Directors' and key management personnel	- Directors remuneration	16,046	13,438
	- Executive remuneration	31,039	41,931
	- Non-executive directors' meeting fee	230	190
Staff provident fund	- Company's Contribution during the period	6,817	4,917
		June 30, 2021	September 30, 2020
Balances:			
<u>Relationship with the Company</u>	<u>Nature of Transactions</u>	(Rupees in thousand)	
Associates			
Al-Noor Sugar Mills Limited	Loan and advances	-	150,000
Reliance Insurance Company Ltd	Trade & other payables	6,986	-
Reliance Insurance Company Ltd	Receivables	156	-
Staff provident fund	Trade & other payables	1,590	333

10. 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, 2021			As at September 30, 2020		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Long term financing-Musharka and other finances	465,000	520,848	985,848	591,250	572,362	1,163,612
Current portion of long term finance	222,500	78,223	300,723	255,000	37,123	292,123
	687,500	599,071	1,286,571	846,250	609,485	1,455,735
Accrued finance cost	64,564	51,392	115,956	22,100	9,716	31,816
Short term borrowings	1,270,000	4,916,655	6,186,655	1,300,000	2,341,288	3,641,288
Short term investment	(365)	-	(365)	(2,103,781)	-	(2,103,781)
Cash at banks	(12,448)	(83,331)	(95,779)	(10,104)	(26,285)	(36,389)
	2,009,251	5,483,787	7,493,038	54,465	2,934,204	2,988,669

	Nine months ended June 30, 2021			Nine months ended June 30, 2020		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Finance cost	120,447	165,077	285,524	149,250	145,360	294,610
Income from PLS bank account and short term investment	(46,070)	(508)	(46,578)	(34,604)	(541)	(35,145)
	74,377	164,569	238,946	114,646	144,819	259,465

11. 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, 2021 and June 30, 2020 and assets and liabilities information regarding business segments as at June 30, 2021 and September 30, 2020.

	Sugar		Ethanol		Consolidated	
	Nine months period ended June 30,		Nine months period ended June 30,		Nine months period ended June 30,	
	2021	2020	2021	2020	2021	2020
(Rupees in thousand)						
REVENUE						
External Sales	2,717,825	2,299,673	4,324,092	6,023,972	7,041,917	8,323,645
Inter segment transfer	495,108	367,335	-	-	495,108	367,335
Total	<u>3,212,933</u>	<u>2,667,008</u>	<u>4,324,092</u>	<u>6,023,972</u>	<u>7,537,025</u>	<u>8,690,980</u>
RESULTS						
Profit/(loss) from operation	218,759	(98,198)	65,053	1,052,851	283,812	954,653
Profit from trading activity	442	1,132	-	-	442	1,132
	219,201	(97,066)	65,053	1,052,851	284,254	955,785
Other operating charges					(38,136)	(50,387)
Other income					234,798	77,008
Finance cost					(285,524)	(294,610)
Profit before tax					195,392	687,796
Taxation					(94,427)	(82,720)
Profit for the period					<u>100,965</u>	<u>605,076</u>
SEGMENT ASSETS AND LIABILITIES						
	June 2021	September 2020	June 2021	September 2020	June 2021	September 2020
(Rupees in thousand)						
Assets						
Segment assets	4,193,717	2,886,010	8,738,238	8,134,341	12,931,955	11,020,351
Un-allocated assets					387,696	290,179
Long term investment					1,006	1,006
Total assets					<u>13,320,657</u>	<u>11,311,536</u>
Liabilities						
Segment liabilities	4,376,947	1,746,292	4,277,728	4,707,071	8,654,675	6,453,363
Unallocated liabilities					39,400	79,132
					<u>8,694,075</u>	<u>6,532,495</u>
	Nine months ended June 30		Nine months ended June 30		Nine months ended June 30	
	2021	2020	2021	2020	2021	2020
(Rupees in thousand)						
OTHER INFORMATION						
Additions to property, plant and equipment	61,831	205,448	53,797	43,034	115,628	248,482
Depreciation	72,258	72,042	192,643	205,460	264,901	277,502

Revenue from major customers

During the period external sales to major customers amounted to Rs. 1,558 million.
(June 2020: Rs. 3,567 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, 2021	June 30, 2020
Pakistan	2,717,825	1,945,178
Ghana	875,571	1,400,141
Indonesia	674,228	-
Taiwan	411,216	69,111
Philippines	299,495	205,388
China	283,466	-
Spain	280,478	-
Netherland	269,860	-
Tanzania	174,033	248,524
Lebanon	173,619	-
Thailand	173,260	314,587
Australia	96,040	-
Jordan	90,975	383,438
Cameroon	65,999	277,193
Turkey	65,030	128,922
Sri Lanka	53,009	-
Unied Arab Emirates	34,827	212,607
Singapore	27,857	119,257
Ivory Coast	26,762	316,469
South Korea	26,100	298,999
Saudia Arabia	8,541	137,137
Angola	-	760,511
Afghanistan	-	358,175
Sierra Leone	-	277,794
Kuwait	-	267,354
Liberia	-	93,865
Nigeria	-	10,792
Others	213,726	498,203
	7,041,917	8,323,645

12. 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.

13. 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.

14. AUTHORIZATION

These condensed interim financial statements were authorized for issue on July 27, 2021 by the Board of Directors of the Company.

15. GENERAL

Figures have been rounded off nearest to thousand rupees.



ZIA ZAKARIA
Managing Director & CEO



AZIZ AYOOB
DIRECTOR





ZAID ZAKARIA
Chief Financial Officer

بورڈ آف ڈائریکٹرز:

زیر غور مدت کے دوران بورڈ آف ڈائریکٹرز کی تشکیل میں کوئی تبدیلی نہیں کی گئی۔

بورڈ آف ڈائریکٹرز اس وبائی امراض کے دوران مشکل صورتحال پر قابو پانے 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 اوقات میں آگے بڑھائے۔ (آمین)


عبدالعزیز ایوب
ڈائریکٹر


ضیاء زکریا
مینیجنگ ڈائریکٹر ایڈیسی ای او

کراچی: 27 جولائی 2021

شعبہ جات کی کارکردگی کو درج ذیل بیان کیا گیا ہے۔

شوگر ڈویژن:

جائزہ لینے کے اس عرصے کے دوران مل نے 441,293 میٹرک ٹن گنے کو کرش کیا اور 47,220 میٹرک ٹن چینی پیدا کی۔ پچھلے سال اسی عرصے کے دوران مل نے 444,430 میٹرک ٹن گنے کو کرش کیا اور 48,786 میٹرک ٹن چینی پیدا کی۔ موجودہ مدت کے دوران پیداوار گزشتہ سال کے مقابلہ میں 3.21 فیصد یا 1,566 میٹرک ٹن سے تھوڑی کم ہے۔ چینی کی پیداوار میں کمی بنیادی طور پر خام مال کی عدم فراہمی اور وصولی کی ریکوری میں 11.00 فیصد سے کم ہو کر 10.70 فیصد رہ گئی تھی۔ پانی کی عدم فراہمی کی وجہ سے صوبے میں فصل کی خراب حالت تھی۔ کرشنگ سیزن کے لئے حکومت نے گنے کی امدادی قیمت کو Rs. 202/= فی چالیس کلوگرام لیکن مل کو دور دراز سے خام مال کو محفوظ بنانے کے لئے گنے کی زیادہ قیمت ادا کرنا پڑی۔

استھنول ڈویژن:

زیر غور مدت کے دوران استھنول ڈویژن نے 29,935 میٹرک ٹن استھنول پیدا کیا جبکہ پچھلے سال کے اسی عرصے میں 40,277 میٹرک ٹن پیدا ہوا تھا۔ پچھلے سال کے مقابلے میں پیداوار کم رہی بنیادی طور پر یوروپی ملک کی طلب کم ہونے کی وجہ سے کیونکہ یورپ میں کورونا وائرس کا پھیلاؤ زیادہ تھا۔ یہ توقع کی جارہی ہے کہ سال کے باقی عرصے کے دوران پیداوار میں اضافہ ہوگا امید ہے کہ مختلف ویکسینوں اور اس کے وسیع استعمال کی وجہ سے بین الاقوامی مارکیٹیں معمول پر آ رہی ہیں۔

مستقبل کا جائزہ:

توقع کی جارہی ہے کہ اگلے کرشنگ سیزن کے دوران، موجودہ موسم میں کاشتکاروں کو خام مال کی ادائیگی زیادہ دینے کی وجہ سے ملک میں گنے کی فصل میں بہتری آئے گی۔ یہ بھی توقع کی جارہی ہے کہ آبپاشی کے نظام کے ذریعے پانی کی دستیابی اور صوبے میں قدرتی بارش کی کمی میں بہتری آئے گی۔ توقع کی جارہی ہے کہ حکومت صوبے کے نچلے حصے میں انصاف کی فراہمی کے ذریعے پانی کی دستیابی کو یقینی بنانے کے لئے بروقت فیصلہ کرے گی۔ مستقبل میں استھنول کا نقطہ نظر مثبت معلوم ہوتا ہے کیونکہ ہماری مختلف مصنوعات کی طلب میں اضافہ ہوگا اور خام مال کی سپلائی میں اضافہ ہوگا۔ کمپنی نئی منڈیوں کی تلاش کر کے استھنول ڈویژن کی شراکت کو بہتر بنانے کے لئے سخت اقدامات کر رہی ہے۔

ڈائریکٹرز کی رپورٹ


محترم ممبران!..... السلام علیکم!

بورڈ کی جانب سے میں 30 جون 2021 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:

30 جون 2020	30 جون 2021	معلومات بابت پیداوار
444,430	441,293	گنے کی پٹائی (میٹرک ٹن)
48,786	47,220	پیداوار برائے چینی (میٹرک ٹن)
11.00	10.70	ریکوری برائے چینی (فیصد)
19,715	19,740	پیداوار برائے راب (میٹرک ٹن)
40,277	29,935	پیداوار برائے آتھنول (میٹرک ٹن)
(روپے ہزاروں میں)	(روپے ہزاروں میں)	مالیاتی معلومات
8,323,645	7,041,917	فروختگی
(7,174,606)	(6,550,002)	لاگت برائے فروختگی
1,149,039	491,915	خام منافع
(9,102)	(25,976)	اخراجات برائے ترسیلات
(185,284)	(182,127)	انتظامی اخراجات
(50,387)	(38,136)	دیگر اخراجات
78,140	235,240	دیگر آمدن
(294,610)	(285,524)	مالیاتی اخراجات
687,796	195,392	منافع قبل از ٹیکس
(82,720)	(94,427)	ٹیکس کے لئے فراہمی
605,076	100,965	منافع بعد از ٹیکس
Rs.28.65	Rs.4.78	آمدن فی حصص (بنیادی)

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