



Condensed Interim Financial Information

For the Three Months Period ended

December 31, 2019

(Un-Audited)



سانگھڑ شوگر ملز لمیٹیڈ

Sanghar Sugar Mills Limited

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Company Information

BOARD OF DIRECTORS

Mr. Gul Muhammad	(Chairman)
Haji Khuda Bux Rajar	(Chief Executive)
Mr. Mohammad Aslam	
Mr. Rahim Bux	
Mr. Ghulam Hyder	
Mr. Qazi Shamsuddin	
Mr. Shahid Aziz	(Nominee of N.I.T.)

BOARD COMMITTEES

AUDIT COMMITTEE

Mr. Rahim Bux	(Chairman)
Mr. Mohammad Aslam	
Mr. Shahid Aziz	

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Rahim Bux	(Chairman)
Mr. Mohammad Aslam	
Mr. Shahid Aziz	

INFORMATION TECHNOLOGY & STEERING COMMITTEE

Mr. Ghulam Hyder	(Chairman)
Syed Rehan Ahmad Hashmi	
Mr. Sheraz Khan	

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Rahim Bux	(Chairman)
Mr. Mohammad Aslam	
Mr. Shahid Aziz	
Syed Rehan Ahmad Hashmi	

RISK MANAGEMENT COMMITTEE

Mr. Mohammad Aslam	(Chairman)
Mr. Ghulam Hyder	
Mr. Shahid Aziz	

COMPANY SECRETARY

Mr. Muhammad Mubeen Alam

CHIEF FINANCIAL OFFICER

Syed Rehan Ahmad Hashmi

STATUTORY AUDITOR

Kreston Hyder Bhimji & Co.
Chartered Accountants

SHARE REGISTRAR

Hameed Majeed Associates (Pvt) Limited
Karachi Chambers, Hasrat Mohani Road, Karachi.
Phone: 021 32424826, Fax: 021 32424835

LEGAL ADVISOR

Rafiq Kalwar & Dars Law Associates,
Advocates & Corporate Counselors,
Office # 412, 4th Floor, Clifton Centre,
DC-1, Block 5, Clifton, Karachi

BANKERS

Islamic

Al-Baraka Bank (Pakistan) Limited
Bank Islami Pakistan Limited
Meezan Bank Limited

Conventional

Bank Al-Falah Limited
Bank Al-Habib Limited
MCB Bank Limited
National Bank of Pakistan
Soneri Bank Limited
United Bank Limited

REGISTERED / HEAD OFFICE

Office # 204, 2nd Floor, Clifton Centre,
Block 5, Clifton, Karachi, Pakistan.
Phone: 021 35371441 to 43 (3 lines)
Fax: 021 35371444
E-mail: info@sangharsugarmills.com
Website: www.sangharsugarmills.com

MANUFACTURING FACILITIES

13 K.M., Sanghar - Sindhari Road
Deh Kehore, District Sanghar, Sindh
Phone: (0345) 3737001 - 8222911

DIRECTORS' REVIEW

The Board of Directors of your Company is presenting the un-audited Condensed Interim Financial Information of the Company for the three months period ended December 31, 2019 to the members of the Company.

Overview

As predicted earlier, the sugarcane crop is reported to be short by 25% - 30% in the Country. Sugar Mills delayed the start of season to end November and in majority cases to December 2019. Government of Sindh has announced the minimum price of cane at Rs. 192 per 40 k.g. Due to lower crop, selling price of sugar has witnessed some gain, but it is still short of the cost of sugar produced, as we have witnessed cut throat competition for the procurement of cane.

Review of Operating Results

During the quarter, your Company has worked for 47 days in current season and able to crush 171,220 M. Tons of cane, producing 16,235 M. Tons of sugar at the recovery rate of 9.88% as compared to 41 days of crushing and crushed 227,418 M. Tons of cane, produced 22,702 M. Tons of sugar at the recovery rate of 10.24 % during the corresponding period.

Financial Results

The key financial figures of the financial results of the Company for the three months period ended December 31, 2019 along with the comparatives for the corresponding period are summarized as under:

	Oct. Dec. 2019	Oct. Dec. 2018
	(Rupees '000)	
Profit / (Loss) before taxation	35,360	(88,889)
Taxation	(16,375)	(21,032)
Profit / (Loss) after taxation	<u>18,985</u>	<u>(109,921)</u>
Earnings / (Loss) per share - basic and diluted (Rupees)	<u>1.59</u>	<u>(9.20)</u>

Review of Financial Results

Results of the quarter are in positive due to huge sale of carry forward inventory at better price.

Future Prospects

Prices of sugar are at healthy level & we can see results for the year probably ending in positive zone, subject to the condition that millers do not indulge into price war for the procurement of sugarcane.

However, at this moment we are witnessing intense price war, for the procurement of cane.

Acknowledgement

Your Directors place on record their appreciation for devotion of duty, loyalty and hard work of the executives, officers, staff members and workers for smooth running of the Company's affairs and hope that they will continue for enhancement of productivity with great zeal and spirit under the blessings of Almighty Allah.

The Directors would like to thank all the government functionaries, banking and non-banking financial institutions, suppliers and shareholders for their continued support and cooperation for the betterment and prosperity of the Company.

For and behalf of the Board of Directors

Chairman

Chief Executive

Karachi: January 25, 2020

مالیاتی نتائج کا جائزہ

چینی کے گزشتہ بڑے ذخیرے اچھی قیمت پر فروخت کئے جانے کی وجہ سے ماہی کے مالیاتی نتائج مثبت رہے ہیں۔ مستقبل پر نظر

چینی کی قیمت فروخت میں اضافہ ہو رہا ہے اور یقینہ مالی سال کے دوران مثبت نتائج برآمد ہونے کی توقع ہے بشرطیکہ مل مالکان گنے کے حصول کے سلسلے میں قیمتوں کی بنیاد پر مسابقت کو جنم نہ دیں۔ تاہم فی الوقت ہم اس سلسلے میں زبردست مسابقت کا سامنا کر رہے ہیں۔

اظہار تشکر

آپ کی کمپنی کے ڈائریکٹرز تمام منتظمین، افسران، اسٹاف ممبران اور دیگر ملازمین کی جانب سے کمپنی کے معاملات کو انتہائی مستعد انداز سے چلانے کیلئے انکے اخلاص، ایمانداری اور محنت کیلئے تہہ دل سے مشکور ہیں۔ ڈائریکٹرز امید کرتے ہیں کہ مستقبل میں بھی کمپن کی پیداواریت میں اضافے کیلئے اسی جوش و جذبے کا مظاہرہ کیا جائے گا اور اللہ رب العزت کی رحمت ہمارے شامل حال رہے گی۔

نیو ڈائریکٹرز کمپنی کی بہبود و ترقی کیلئے تمام سرکاری عمال، بینکوں، غیر بینکاری مالیاتی اداروں، سپلائروں اور حصص داران کی جانب سے ان کے تعاون اور حمایت کیلئے بھی ان کے بے حد مشکور ہیں۔

منجانب بورڈ آف ڈائریکٹرز

چیف ایگزیکٹو

چئیرمین

بمقام کراچی: 25 جنوری 2020

ڈائریکٹروں کی رپورٹ

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر 2019 کو ختم ہونے والی سہ ماہی سے متعلق کمپنی کی غیر آڈٹ شدہ مرتکز و عبوری مالیاتی معلومات آپ کی خدمت میں پیش کی جا رہی ہیں۔

جائزہ

جیسا کہ پہلے ذکر کیا جا چکا ہے، ملک میں گنے کی فصل میں 25% سے 30% تک کمی کی توقع ہے۔ شوگر ملز کی جانب سے سیزن کے آغاز میں تاخیر کی گئی ہے اور سیزن کا آغاز نومبر کے آخر تک چلا گیا جبکہ اکثر تولوں میں سیزن کا آغاز دسمبر 2019 تک مؤخر ہو گیا۔ حکومت سندھ کی جانب سے گنے کی کم از کم قیمت 192 روپے فی 40 کلو مقرر کی گئی تھی۔ پیداوار میں کمی کی وجہ سے چینی کی قیمت فروخت میں اضافے کا رجحان دیکھا گیا ہے لیکن یہ قیمت اب بھی چینی کی پیداواری لاگت کی نسبت کم ہے، جیسا کہ گنے کے حصول کے سلسلے میں زبردست مسابقت دیکھنے میں آئی ہے۔

کاروباری نتائج کا جائزہ

رواں سیزن کے دوران آپ کی کمپنی نے 47 دن کام کیا ہے اور اس دوران 171,220 میٹرک ٹن گنا پیسنے میں کامیاب رہی جس میں سے 16,235 میٹرک ٹن چینی پیدا کی گئی اور ریکوری کی شرح 9.88% درج کی گئی ہے۔ جبکہ گزشتہ سال اسی عرصے کے دوران 41 ایام کار کے دوران 227,418 میٹرک ٹن گنا پیسا گیا تھا اور 10.24% ریکوری کی شرح کے ساتھ 22,702 میٹرک ٹن چینی پیدا کی گئی تھی۔

مالیاتی نتائج

کمپنی کے مالیاتی نتائج بابت سہ ماہی اختتامیہ 31 دسمبر 2019 کے اہم ترین اعداد و شمار اور گزشتہ سال کی سہ ماہی کے اعداد و شمار کا تقابلی جائزہ ذیل میں پیش کیا جا رہا ہے:

اکتوبر تا دسمبر	اکتوبر تا دسمبر	
2018	2019	(روپے ہزاروں میں)
(88,889)	35,360	(نقصان) / منافع قبل از ٹیکس
(21,032)	(16,375)	ٹیکس
(109,921)	18,985	(نقصان) / منافع بعد از ٹیکس
(9.20)	1.59	(نقصان) / منافع فی حصص -- بنیادی و تھیلی (روپے میں)

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019**

	Notes	Un-Audited December 31 2019 (Rupees in '000)	Audited September 30 2019
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	2,779,238	2,807,695
Long term deposits		17,323	17,323
Deferred cost		—	—
		2,796,561	2,825,018
CURRENT ASSETS			
Stores, spare parts and loose tools		57,044	56,925
Stock-in-trade		382,613	604,943
Trade Debts		11,383	—
Loans and advances		33,146	34,336
Trade deposits & short term prepayments		14,540	11,051
Other receivables		47,080	47,080
Income tax refundable - net of provision		25,134	23,758
Cash and bank balances		78,539	37,662
		649,479	815,755
TOTAL ASSETS		3,446,040	3,640,773
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital		200,000	200,000
20,000,000 shares of Rs.10 each			
Issued, subscribed and paid up capital		119,460	119,460
Unappropriated profit		99,201	67,276
Surplus on revaluation of property, plant & equipment		1,024,178	1,037,118
		1,242,839	1,223,854
NON CURRENT LIABILITIES			
Long term financing	8	68,047	84,560
Liabilities against assets subject to finance lease		50,593	61,110
Deferred liabilities	9	521,759	519,916
		640,399	665,586
CURRENT LIABILITIES			
Trade and other payables		764,924	781,975
Accrued finance cost		43,388	57,670
Short term borrowings		630,865	797,350
Unclaimed dividend		8,286	8,286
Current portion of long term financing		74,923	69,272
Current portion of liabilities against assets subject to finance lease		40,416	36,780
		1,562,802	1,751,333
CONTINGENCIES AND COMMITMENTS	10	—	—
TOTAL EQUITY AND LIABILITIES		3,446,040	3,640,773

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

Karachi: January 25, 2020

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE THREE MONTHS PERIOD ENDED DECEMBER 31, 2019**

	Notes	Un-Audited December 31 2019 (Rupees in '000)	Un-Audited December 31 2018
Sales	11	1,185,583	822,631
Cost of sales	12	1,087,546	862,823
Gross Profit / (Loss)		98,037	(40,192)
Distribution cost		148	190
Administrative cost		21,715	20,308
Other operating cost		3,584	742
		25,447	21,240
Operating Profit / (Loss)		72,590	(61,432)
Other income		2	26
		72,592	(61,406)
Finance cost		37,232	27,483
Profit / (Loss) before taxation		35,360	(88,889)
Taxation		16,375	21,032
Profit / (Loss) after taxation		18,985	(109,921)
Profit / (Loss) per share - Basic and diluted (Rupees)		1.59	(9.20)

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

CHIEF EXECUTIVE

Karachi: January 25, 2020

DIRECTOR

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED DECEMBER 31, 2019**

Un-Audited December 31 2019 (Rupees in '000)	Un-Audited December 31 2018
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Profit / (Loss) after taxation	18,985	(109,921)
Other Comprehensive Income	—	—
Total Comprehensive Income / (Loss) for the period	<u>18,985</u>	<u>(109,921)</u>

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

CHIEF EXECUTIVE

Karachi: January 25, 2020

DIRECTOR

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE MONTHS PERIOD ENDED DECEMBER 31, 2019

	Un-Audited December 31 2019 (Rupees in '000)	Un-Audited December 31 2018
Profit / (loss) before taxation	35,360	(88,889)
Adjustment for non cash charges and other items:		
Depreciation	37,638	38,931
Amortization of deferred cost	—	2,193
Employees retirement benefits expense	3,972	3,133
Provision for market committee fee	1,712	2,274
Finance cost	37,232	27,483
	<u>80,554</u>	<u>74,014</u>
	115,914	(14,875)
Changes in Working capital		
(Increase) / Decrease in current assets		
Stores, spare parts and loose tools	(119)	5,511
Stock - in - trade	222,330	(204,215)
Trade debts	(11,383)	7,862
Loans and advances	1,190	(8,476)
Trade deposits & Short term prepayments	(3,489)	(19,979)
Other receivables	—	63,221
	<u>208,529</u>	<u>(156,076)</u>
(Decrease) / Increase in current liabilities		
Trade and other payables	(17,051)	916,802
	<u>307,392</u>	<u>745,851</u>
Employees retirement benefits paid during the period	(700)	(4,554)
Finance cost paid during the period	(51,514)	(39,980)
Income tax paid during the period	(20,892)	(12,530)
	<u>(73,106)</u>	<u>(57,064)</u>
Net cash inflow from operating activities	<u>234,286</u>	<u>688,787</u>

	Note	Un-Audited December 31 2019 (Rupees in '000)	Un-Audited December 31 2018
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(9,181)	(38,315)
Net cash outflow from investing activities		(9,181)	(38,315)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term financing		(10,862)	(19,002)
Payments of liabilities against asset subject to finance lease		(6,881)	(9,918)
Decrease in dividend payable during the period		—	(17)
Net cash outflow from financing activities		(17,743)	(28,937)
Net increase in cash and cash equivalents		207,362	621,535
Cash and cash equivalents at beginning of the period		(759,688)	(1,014,412)
Cash and cash equivalents at end of the period	13	(552,326)	(392,877)

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

CHIEF EXECUTIVE

Karachi: January 25, 2020

DIRECTOR

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED DECEMBER 31, 2019 (UN AUDITED)**

	Issued, Subscribed & Paid-up Capital	Unappropriated profit	Capital Reserve - Surplus on revaluation of property, plant & equipment	Total
	(Rupees in '000)			
Balance as at October 01, 2018	119,460	111,367	1,099,872	1,330,699
Total Comprehensive loss for the three months period ended December 31, 2018	—	(109,921)	—	(109,921)
Incremental depreciation charged on surplus on revaluation of property, plant & equipment - net of deferred tax	—	21,440	(21,440)	—
Balance as at December 31, 2018	119,460	22,886	1,078,432	1,220,778
Balance as at October 01, 2019	119,460	67,276	1,037,118	1,223,854
Total Comprehensive income for the three months period ended December 31, 2019	—	18,985	—	18,985
Incremental depreciation charged on surplus on revaluation of property, plant & equipment - net of deferred tax	—	12,940	(12,940)	—
Balance as at December 31, 2019	119,460	99,201	1,024,178	1,242,839

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

CHIEF EXECUTIVE

Karachi: January 25, 2020

DIRECTOR

CHIEF FINANCIAL OFFICER

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE MONTHS PERIOD ENDED DECEMBER 31, 2019

1 THE COMPANY AND ITS OPERATIONS

- 1.1 The Company is a public limited Company incorporated in 1986 in Pakistan and its shares are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at Office No. 204, 2nd Floor, Clifton Centre, Block 5, Clifton, Karachi. The manufacturing facilities are located at Sanghar Sindhri Road, Deh Kehore, District Sanghar in the province of Sindh.
- 1.2 The Company is principally engaged in the manufacture and sale of sugar and sale of its by-products i.e. molasses and bagasse. The Company has also installed bagasse based power generation and transmission equipment to sell surplus electric power. The total area of industry land / manufacturing facilities which includes the main factory is spread over 320.625 Acres.

2 BASIS OF PREPARATION

- 2.1 This condensed interim financial information of the Company for the three months period ended December 31, 2019 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting'. This condensed interim financial information 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 the following:

- International Accounting Standard (IAS) 34 'Interim Financial Reporting' issued by the International Accounting Standard 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.

- 2.2 These condensed interim financial information comprise of the condensed interim statement of financial position as at December 31, 2019 and condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes thereto for the three months period then ended.
- 2.3 This condensed interim financial information for the three months period ended December 31, 2019 is being submitted to shareholders as required under Section 237 of Companies Act, 2017. The condensed interim financial statements do not include all the information and disclosure as required in the annual financial statements and should be read in conjunction with Company's annual financial statements for the year ended September 30, 2019.

3 ACCOUNTING POLICIES

The accounting policies, related judgments, estimates and assumptions adopted for the preparation of this condensed interim financial information are the same as those applied in preparation of the annual financial statements of the Company for the year ended September 30, 2019.

4 SEASONAL PRODUCTION

Due to seasonal availability of sugarcane, the manufacturing of sugar is carried out during the period of availability of sugarcane and only costs incurred / accrued up to the reporting date have been accounted for. Accordingly, the cost incurred / accrued after the reporting date will be reported in the subsequent financial statements.

5 RECENT ACCOUNTING DEVELOPMENTS**5.1 New Standards, amendments to approved accounting standards and new interpretations which became effective during the three months period ended December 31, 2019:**

There are certain amendments to the new accounting standards that are effective and mandatory to the Company's accounting period beginning on October 01, 2019, but are considered not to be relevant or have any significant effect on the Company's operations and are therefore, not disclosed in this condensed interim financial information. The management of the Company is currently evaluating the impact of IFRS 16 on the financial statements of the Company.

5.2 New Standards, amendments to approved accounting standards and new interpretations that are not yet effective during the three months period ended December 31, 2019:

There are certain amendments to the new accounting standards that are mandatory and not yet effective to the Company's accounting period beginning on October 01, 2019, but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed in this condensed interim financial information.

6 PROVISIONS

Provisions in respect of current taxation, deferred taxation, workers' profit participation fund and workers' welfare fund, if any, are based on three months results and final liabilities will be determined on the basis of annual results.

7 PROPERTY, PLANT & EQUIPMENT

Operating Fixed Assets:

Owned

Leased

Capital Work in Progress

Un-Audited December 31 2019	Audited September 30 2019
(Rupees in '000)	

2,622,969	2,654,914
147,460	149,326
2,770,429	2,804,240
8,809	3,455
2,779,238	2,807,695

7.1 Operating Fixed Assets**Additions:***Direct additions during the period*

Vehicles

Depreciation:*Depreciation charged during the period*

Un-Audited December 31 2019	Un-Audited December 31 2018
(Rupees in '000)	

3,827	1,516
37,638	38,931

7.2 Capital Work in Progress*Additions during the period*

Plant & Machinery under erection

5,354	36,799
5,354	36,799

Un-Audited December 31 2019	Audited September 30 2019
-----------------------------------	---------------------------------

(Rupees in '000)

8 LONG TERM FINANCING**Secured - From Banking Company under mark-up arrangements**

Demand Finance - I	Note 8.1 & 8.3	—	3,000
Demand Finance - II	Note 8.2 & 8.3	124,349	131,198
Diminishing Musharakah	Note 8.4	18,621	19,634
		142,970	153,832
Current portion shown under current liabilities		(74,923)	(69,272)
		68,047	84,560

- 8.1** This represents Demand Finance I obtained from MCB Bank Limited under mark-up arrangements with a grace period of one year from disbursement of loan and is repayable in 16 varying quarterly installments starting from December 2015 with a mark-up payments @ 3 months KIBOR + 2.5% on quarterly basis.
- 8.2** This represents Demand Finance II obtained from MCB Bank Limited under mark-up arrangements with a grace period of one year from disbursement of loan and repayable in 16 quarterly installments starting from November 2017 with a mark-up payments @ 3 months KIBOR + 2.5% on quarterly basis.
- 8.3** These loans are secured against the Personal Guarantees of all Sponsoring Directors, 1st Exclusive Charge over specific plant & Machinery. 1st Registered Exclusive charge over all Land & Building of the Company and additionally secured against 1st paripassu charge over other plant & machinery of the Company.
- 8.4** This represents Diminishing Musharakah arrangement from shariah compliant financial institution under profit arrangements and repayable in five years in quarterly installments with a profit payments @ 6 months KIBOR + 3%. The loan is secured against the title over specific machinery.

		Un-Audited December 31 2019	Audited September 30 2019
(Rupees in '000)			
9 DEFERRED LIABILITIES			
Deferred taxation		365,519	368,660
Market committee fee	Note 9.1	73,555	71,843
Employees retirement benefits			
- Defined benefits plan		79,552	76,563
- Leave Encashment plan		3,133	2,850
		<u>521,759</u>	<u>519,916</u>

9.1 The amount of the aggregate provision of the market committee fee as stated in note 20 & sub note 20.2 of the annual financial statements, has increased to Rs. 73,555 thousand. Due to provision in respect of the current crushing season amounting to Rs. 1,712 thousands.

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies:

There is no material change in the status of contingencies as disclosed in note no. 24.1 of the annual financial statements for the year ended September 30, 2019.

10.2 Guarantee:

- a) Rs. 30,000 thousand (September 2019: 30,000 thousands) guarantee was issued by the Bank for six months period in favour of Engro Fertilizers Limited on behalf of the Company for the procurement of Fertilizers for onward supply to sugarcane growers. The guarantee was secured against the 25% cash margin and rest against the existing charge over current and fixed assets of the Company held as collateral.

10.3 Commitments:

- a) Capital commitments in respect of machinery for waste water treatment plant amounting to Rs. 20,000 thousands and (2019: Rs. 25,500 thousands).
- b) As disclosed in note 24.3.2 of annual financial statements of the Company for the year ended September 30, 2019, the Company committed to donate 05 acre of its land to Workers Welfare Fund, Government of Pakistan for establishing 50 bed hospital in the vicinity of Sanghar, the formalities of transfer of Land and other documentation is in process till date.

	Un-Audited December 31 2019 (Rupees in '000)	Un-Audited December 31 2018
11 SALES		
Local	1,411,015	950,701
Less: Sales Tax / Further Tax	(225,432)	(128,070)
	<u>1,185,583</u>	<u>822,631</u>
12 COST OF SALES		
Opening stock of finished goods	602,086	787,770
Cost of goods manufactured during the period - Net	856,028	1,058,144
	1,458,114	1,845,914
Closing stock of finished goods	Note - 12.1 (370,568)	(983,091)
	<u>1,087,546</u>	<u>862,823</u>
12.1	The closing stock of sugar having carrying value of Rs. 358,898 thousand (December 2018: Rs. 287,162 thousand) has been pledged against cash finance obtained from Banking Companies.	
13 CASH AND CASH EQUIVALENTS	Un-Audited December 31 2019 (Rupees in '000)	Un-Audited December 31 2018
Cash and cash equivalents comprise of the following items;		
Cash and bank balances	78,539	217,123
Short term borrowings	(630,865)	(610,000)
	<u>(552,326)</u>	<u>(392,877)</u>

14 RELATIONSHIP WITH THE ISLAMIC AND CONVENTIONAL FINANCIAL INSTITUTION

The Company in the normal course of business deals with pure Islamic financial institution as well as the financial institution who have both the conventional and Islamic window operations. The detail of the segregation relevant assets / liabilities and expenditures between Islamic Mode and Conventional Mode is as under:

	December 31, 2019 (Un-audited)			September 30, 2019 (Audited)		
	(Rupees in '000)					
	Islamic Mode	Conventional Mode	Total	Islamic Mode	Conventional Mode	Total
Long Term Financing	18,621	124,349	142,970	19,634	134,198	153,832
Liabilities against assets subject to finance lease	—	91,009	91,009	—	97,890	97,890
Short Term Borrowings	315,515	315,350	630,865	375,000	422,350	797,350
Accrued finance cost	15,851	27,537	43,388	25,221	32,449	57,670
Long term Deposits	(792)	(16,531)	(17,323)	(792)	(16,531)	(17,323)
Trade Deposits	—	(7,575)	(7,575)	—	(7,575)	(7,575)
Bank Balances	(59,027)	(19,046)	(78,073)	(3,988)	(33,470)	(37,458)
	290,168	515,093	805,261	415,075	629,311	1,044,386

	December 31, 2019 (Un-audited)			December 31, 2018 (Un-audited)		
	(Rupees in '000)					
	Islamic Mode	Conventional Mode	Total	Islamic Mode	Conventional Mode	Total
Finance Cost	10,822	26,410	37,232	7,898	19,585	27,483
Ijarah Lease Rental	—	—	—	1,777	—	1,777
	10,822	26,410	37,232	9,675	19,585	29,260

15 RELATED PARTY TRANSACTIONS

The details of the transactions with related parties carried out during the period is as detailed below:

a	Name of Related Party	Relationship with Company	Nature of Transaction	Un-Audited	Un-Audited
				December 31 2019	December 31 2018
				(Rupees in '000)	
	Mr. Ghulam Dastagir Rajar	Chairman	Cane purchased	—	24,460
	..... Do .....	..... Do	Advance against cane purchase (Paid / Adjusted)	—	10,431
	Mr. Gul Mohammad Rajar	Son of Chief Executive	Cane purchased	1,997	4,265
	..... Do .....	..... Do	Advance against cane purchase (Paid / Adjusted)	1,291	—
	Mr. Muhammad Hashim	General Manager	Cane purchased	1,882	1,695
	..... Do .....	..... Do	Advance against cane purchase (Paid / Adjusted)	1,599	3
b	Number of Directors & Executives	Relationship with Company	Nature of Transaction		
	One Executive Director	Chief Executive	Salaries & Benefits	2,602	2,444
	One Executive Director	Executive Director	Salaries & Benefits	939	830
	Three Executives	Company Secretary, Chief Financial Officer & General Manager	Salaries & Benefits	2,571	2,360
	One Director	Non-Executive Director	Meeting Fee	105	75

15.1 Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly.

16 FAIR VALUES/ MEASUREMENT

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.

A number of the Company's accounting policies and disclosure require the measurement of fair values, for both financial, if any and non-financial assets and liabilities. When measuring the fair value of an asset or a liability, the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (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.

17 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Company in their meeting held on January 25, 2020.

18 GENERAL

18.1 Figures have been rounded off to nearest thousand of rupees.

CHIEF EXECUTIVE**DIRECTOR****CHIEF FINANCIAL OFFICER**

Karachi: January 25, 2020

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Sanghar Sugar Mills Limited

Dividend Payments through Electronic Mode

In accordance with the provisions and under section 242 of the Companies Act, 2017, shareholders are entitled to receive their dividends by way of direct credit to their bank account instead of receiving them through dividend warrants.

Therefore, to receive your future dividends directly in your bank account, please give us complete details and inform us in writing duly signed along with a copy of your CNIC / NTN to the Share Registrar or the Company and in case Shares held in CDC then please inform concerned Participant / CDC investor Account Services.

SHARE HOLDER'S SECTION

The Company Secretary,
Sanghar Sugar Mills Limited,
Office No. 204, 2nd Floor, Clifton Centre,
Block 5, Clifton, Karachi.
Phone: 021 35371441 to 43 (3 lines)
Fax: 021 35371444

The Share Registrar,
Hameed Majeed Associates (Pvt) Limited
Karachi Chambers, Hasrat Mohani Road,
Karachi
Phone: 021 32424826
Fax: 021 32424835

I hereby wish to communicate my desire to receive my future dividends directly in my bank account as detailed below:

Name of shareholder : _____
Folio number : _____
Contact number of shareholder : _____
Name of Bank : _____
Bank Branch & mailing address : _____
Bank Account No. (Full) : _____
Title of Account : _____
CNIC No. : _____
NTN (in case of corporate entity) : _____

It is stated that the above particulars given by me are correct to the best of my knowledge and I shall keep the Company informed in case of any changes in the said particulars in future.

Shareholder's Signature

CNIC / NTN No. _____
(Copy attached)



ادائیگی ڈیویڈنڈ بریج ایکٹرانک ذرائع

کمپنیز ایکٹ 2017 کی دفعہ 242 کے تحت حصص داران کو یہ حق حاصل ہے کہ وہ اپنے ڈیویڈنڈ براہ راست اپنے بینک اکاؤنٹ میں کریڈٹ کروالیں بجائے اس کے کہ انہیں یہ ڈیویڈنڈ بریج ڈیویڈنڈ وارنٹ ادا کئے جائیں۔
 لہذا اگر آپ اپنے ڈیویڈنڈ براہ راست اپنے اکاؤنٹ میں وصول کرنا چاہتے ہیں تو آپ سے گزارش ہمیں اپنی مکمل معلومات فراہم کریں اور ہمیں تحریری طور اس بات سے آگاہ کیجئے۔ بعد دیکھنا اور قومی شناختی کارڈ/این ٹی این کی نقل اپنی درخواست حصص رجسٹرار یا کمپنی کے پاس جمع کروائیں اور بصورت سی ڈی سی حصص اپنے متعلقہ شرکاء داران سی ڈی سی سرمایہ کارا کا اکاؤنٹ سرور کو درخواست دیں۔

شعبہ حصص داران

حصص رجسٹرار
 حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ
 کراچی جی بی روڈ، حسرت موہانی روڈ، کراچی۔
 فون نمبر: 021 32424826
 فیکس نمبر: 021 32424835

کمپنی سیکریٹری
 ساٹکھڑ شوگر ملز لمیٹڈ
 آفس نمبر 204، سیکنڈ فلور، کلغٹن سینٹر
 بلاک 5، کلغٹن، کراچی۔
 فون نمبر: 021 35371441 to 43 (تین لائنیں)
 فیکس نمبر: 021 32424835

میں بڈریج ہڈیہ خواہش ظاہر کرتا ہوں کہ مستقبل میں میرے ڈیویڈنڈ براہ راست میرے بینک اکاؤنٹ میں منتقل کر دیئے جائیں جس کی تفصیلات درج ذیل ہیں:

_____	:	حاصل حصص کا نام
_____	:	فون نمبر
_____	:	حاصل حصص کا رابطہ نمبر
_____	:	بینک کا نام
_____	:	بینک کی برانچ و پتہ
_____	:	بینک اکاؤنٹ نمبر (مکمل)
_____	:	عنوان برائے اکاؤنٹ
_____	:	قومی شناختی کارڈ نمبر
_____	:	این ٹی این نمبر (بصورت کارپوریٹ)

میرے علم کے مطابق میری جانب سے فراہم کی جانے والی مذکورہ بالا معلومات بالکل صحیح اور درست ہیں اور اگر مستقبل میں ان میں کسی قسم کی تبدیلی واقع ہوتی ہے تو ایسی تبدیلی سے کمپنی کو آگاہ کر دیا جائے گا۔

دستخط حاصل حصص

قومی شناختی کارڈ/این ٹی این نمبر
 (نقل منسلک ہے)



Sanghar Sugar Mills Limited

Consent to receive Notices and Audited Financial Statements through email

In accordance with the notification 787(I)/2014 dated September 08, 2014 issued by the Securities & Exchange Commission of Pakistan; shareholders are entitled to receive the Notices and Audited Financial Statements through email. Therefore, to receive current and future notices and audited financial statements directly through email, please give us complete details and inform us in writing duly signed along with a copy of your CNIC / NTN to the Share Registrar or the Company and in case shares held in CDC then please inform concerned Participant / CDC investor Account Services.

SHARE HOLDER'S SECTION

The Company Secretary,
Sanghar Sugar Mills Limited,
Office No. 204, 2nd Floor, Clifton Centre,
Block 5, Clifton, Karachi.
Phone: 021 35371441 to 43 (3 lines)
Fax: 021 35371444

The Share Registrar,
Hameed Majeed Associates (Pvt) Limited
Karachi Chambers, Hasrat Mohani Road,
Karachi
Phone: 021 32424826
Fax: 021 32424835

I hereby wish to communicate my desire to receive notices and audited financial statements through email as detailed below:

Name of shareholder : _____
Folio number/CDC Account No. : _____
Contact number of shareholder : _____
Contact Address of shareholder : _____
Email ID : _____
CNIC No. : _____
NTN (in case of corporate entity) : _____

Note: Email Id should be belongs to the Shareholder and for joint account holder, email Id should be the principal shareholder and or the name appearing first in the list of shareholders.

It is stated that the above particulars given by me are correct to the best of my knowledge and I shall keep the Company informed in case of any changes in the said particulars in future.

Shareholder's Signature & date
(Affix stamp for corporate entity)

CNIC / NTN No. _____
(Copy attached)

ساگھڑ شوگر ملز لمیٹڈ



اظہار رضامندی برائے وصولی نوٹس و آڈٹ شدہ مالیاتی دستاویزات بذریعہ ای میل

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ نوٹیفکیشن 2014 (I) 787 بھر یہ 8 ستمبر 2014 کے مطابق حصص داران کو یہ حق حاصل ہے کہ تمام نوٹس اور آڈٹ شدہ مالیاتی دستاویزات انھیں بذریعہ ای میل ارسال کی جائیں۔ لہذا موجودہ اور مستقبل کے نوٹس اور آڈٹ شدہ مالیاتی دستاویزات بذریعہ ای میل موصول کرنے کیلئے آپ ہمیں اپنی مکمل معلومات فراہم کیجئے، اپنے دستخط اور قومی شناختی کارڈ این این ٹی این نمبر کے ساتھ اپنی درخواست حصص رجسٹرار یا کمپنی اور بصورت سی ڈی سی اپنے متعلقہ شرکت ادارے سی ڈی سی سرمایہ کارا کاؤنٹ سرورسز کے پاس جمع کروائیں۔

شعبہ حصص داران

حصص رجسٹرار
حمید حمید ایسوسی ایشن (پرائیویٹ) لمیٹڈ
کراچی جیمیز، حسرت موبائی روڈ، کراچی۔
فون نمبر: 021 32424826
فیکس نمبر: 021 32424835

کمپنی سیکریٹری
ساگھڑ شوگر ملز لمیٹڈ
آفس نمبر: 204، سیکنڈ فلور، کالونین سینٹر
بلاک 5، کالونین، کراچی۔
فون نمبر: 021 35371441 to 43 (تین لائنیں)
فیکس نمبر: 021 32424835

میں بذریعہ ذیل خواہش ظاہر کرتا ہوں کہ مستقبل میں مجھے تمام نوٹس اور آڈٹ شدہ مالیاتی دستاویزات بذریعہ ای میل ارسال کی جائیں جس کی تفصیلات

حاصل حصص کا نام : _____
 فولیو نمبر سی ڈی سی نمبر : _____
 حاصل حصص کا رابطہ نمبر : _____
 حاصل حصص کا رابطہ کا پتہ : _____
 ای میل آئی ڈی : _____
 قومی شناختی کارڈ نمبر : _____
 این ٹی این نمبر (بصورت کارپوریٹ) : _____

نوٹ: ای میل حاصل حصص کی ہونی چاہئے اور مشنر کا کاؤنٹ کی صورت میں اس حاصل حصص کی ای میل فراہم کی جائے جس کا تاسب حصص سب سے زیادہ ہوا اور جس کا نام حصص داران کی فہرست میں سر نمبرست ہو۔
 میرے علم کے مطابق میری جانب سے فراہم کی جانے والی مذکورہ بالا معلومات بالکل صحیح اور درست ہیں اور اگر مستقبل میں ان میں کسی بھی قسم کی کوئی تبدیلی واقع ہوتی ہے تو اسکی تبدیلی سے پہلے نوٹس فراہم کر دیا جائے گا۔

دستخط حاصل حصص

(بصورت کارپوریٹ ادارہ یہاں مہر چھپا کر لیں)

قومی شناختی کارڈ این ٹی این نمبر

(نقل منسلک ہے)



Sanghar Sugar Mills Limited

Consent to receive Hard Copies of Notices and Audited Financial Statements

In accordance with the notification 470(I) dated May 31, 2016 and in continuation of notification no. 787(I)/2014 dated September 08, 2014 issued by the Securities & Exchange Commission of Pakistan; shareholders are entitled to receive the Hard Copies of Notices and Audited Financial Statements rather through email. Therefore, to receive Hard Copies of current and future notices and audited financial statements, please give us complete details and inform us in writing duly signed along with a copy of your CNIC / NTN to the Share Registrar or the Company and in case shares held in CDC then please inform concerned Participant / CDC investor Account Services.

SHARE HOLDER'S SECTION

SHARE HOLDER'S SECTION

The Company Secretary,
Sanghar Sugar Mills Limited,
Office No. 204, 2nd Floor, Clifton Centre,
Block 5, Clifton, Karachi.
Phone: 021 35371441 to 43 (3 lines)
Fax: 021 35371444

The Share Registrar,
Hameed Majeed Associates (Pvt) Limited
Karachi Chambers, Hasrat Mohani Road,
Karachi
Phone: 021 32424826
Fax: 021 32424835

I hereby wish to communicate my desire to receive notices and audited financial statements through mail as detailed below:

Name of shareholder : _____

Folio number/CDC Account No. : _____

Contact number of shareholder : _____

Contact Address of shareholder : _____

CNIC No. : _____

NTN (in case of corporate entity) : _____

It is stated that the above particulars given by me are correct to the best of my knowledge and I would like to opt the option of receiving the hard copies of notices and audited financial statements of the Company and I shall keep the Company informed in case of any changes in the said particulars in future.

Shareholder's Signature & date
(Affix stamp for corporate entity)

CNIC / NTN No. _____
(Copy attached)

سانگھڑ شوگر ملز لمیٹڈ



اظہار رضامندی برائے وصولی نوٹس واڈٹ شدہ مالیاتی دستاویزات بذریعہ کاغذی دستاویزات

سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ نوٹیفکیشن (ا) 470 مجریہ 31 مئی 2016 اور نوٹیفکیشن نمبر (ا) 2014 (ا) 787 مجریہ 8 ستمبر 2014 کے مطابق حصص داران کو یہ حق حاصل ہے کہ تمام نوٹس اور آڈٹ شدہ مالیاتی دستاویزات انہیں بجائے ای میل کے کاغذی صورت ارسال کی جائیں۔ لہذا موجودہ اور مستقبل کے نوٹس اور آڈٹ شدہ مالیاتی دستاویزات کاغذی صورت میں موصول کرنے کیلئے آپ ہمیں اپنی مکمل معلومات فراہم کیجئے، اپنے دستخط اور قومی شناختی کارڈ / این ٹی این نمبر کے ساتھ اپنی درخواست حصص رجسٹرار یا کمپنی اور بصورتی ذی ہی اپنے متعلقہ شراکت دار ای سی ڈی سرمایہ کار اکاؤنٹ سروسز کے پاس جمع کروائیں۔

شعبہ حصص داران

حصص رجسٹرار
حمید مجید ایبوسٹی ایس (پرائیویٹ) لمیٹڈ
کراچی جی بی روڈ، حسرت موہانی روڈ، کراچی۔
فون نمبر: 021 32424826
ٹیکس نمبر: 021 32424835

کمپنی سیکریٹری
سانگھڑ شوگر ملز لمیٹڈ
آفس نمبر 204، سیکنڈ فلور کلفٹن سینٹر
بلاک 5 کلفٹن، کراچی۔
فون نمبر: 43 to 021 35371441 (تین لائنیں)
ٹیکس نمبر: 021 32424835

میں بذریعہ ہذا یہ خواہش ظاہر کرتا ہوں کہ مستقبل میں مجھے تمام نوٹس اور آڈٹ شدہ مالیاتی دستاویزات کاغذی صورت میں ارسال کی جائیں جس کی تفصیلات درج ذیل ہیں:

_____ : حامل حصص کا نام
_____ : فولیو نمبر / ای سی ڈی سی نمبر
_____ : حامل حصص کا رابطہ نمبر
_____ : حامل حصص کا رابطہ کا پتہ
_____ : قومی شناختی کارڈ نمبر
_____ : این ٹی این نمبر (بصورت کارپوریٹ)

میرے علم کے مطابق میری جانب سے فراہم کی جانے والی مذکورہ بالا معلومات بالکل صحیح اور درست ہیں اور یہ کہ میں چاہتا ہوں کہ مجھے تمام نوٹس اور آڈٹ شدہ مالیاتی دستاویزات کاغذی صورت میں ارسال کی جائیں۔ اگر مستقبل میں مذکورہ بالا معلومات میں کسی بھی قسم کی کوئی تبدیلی واقع ہوتی ہے تو ایسی تبدیلی سے کمپنی کو آگاہ کر دیا جائے گا۔

دستخط حامل حصص

(بصورت کارپوریٹ ادارہ یہاں مہر چسپاں کریں)

قومی شناختی کارڈ / این ٹی این نمبر

(نقل منسلک ہے)

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