



**AL-NOOR SUGAR MILLS LIMITED**

3rd Quarterly Results for the period  
1st October 2015 to 30th June, 2016

## COMPANY INFORMATION

### BOARD OF DIRECTORS

MR. YUSUF AYOOB  
MR. ISMAIL H. ZAKARIA  
MR. SULEMAN AYOOB  
MR. A. AZIZ AYOOB  
MR. NOOR MOHAMMAD ZAKARIA  
MR. ZIA ZAKARIA  
MR. SALIM AYOOB  
MR. ZOHAIR ZAKARIA  
MR. SHAMIM AHMAD  
MR. MUHAMMAD ASIF

Chairman  
Managing Director  
Resident Director

Independent Director  
(N.I.T. Nominee)

### BOARD AUDIT COMMITTEE

MR. A. AZIZ AYOOB  
MR. ZIA ZAKARIA  
MR. SHAMIM AHMAD  
MR. MUHAMMAD ASIF

Chairman  
Member  
Independent Director  
Member

### HUMAN RESOURCE AND REMUNERATION COMMITTEE

MR. NOOR MOHAMMAD ZAKARIA  
MR. ISMAIL H. ZAKARIA  
MR. ZIA ZAKARIA

Chairman  
Member  
Member

### CHIEF FINANCIAL OFFICER

MR. ZOHAIR ZAKARIA

### COMPANY SECRETARY

MR. MOHAMMAD YASIN MUGHAL  
FCMA

### AUDITORS

KRESTON HYDER BHIMJI & CO.  
Chartered Accountants

### LEGAL ADVISOR

MR. ABDUL SATTAR PINGAR

### REGISTERED OFFICE

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

### FACTORY

SHAHPUR JAHANIA, P.O. NOOR JAHANIA, TALUKA MORO,  
DISTRICT SHAHEED BENAZIR BHUTTO ABAD (NAWABSHAH)

### REGISTRAR & SHARE REGISTRATION OFFICE

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

### WEBSITE

[www.alnoorsugar.co](http://www.alnoorsugar.co)

## DIRECTORS' REPORT

### IN THE NAME OF ALLAH THE MOST GRACIOUS AND MOST MERCIFUL

Dear Members:

Assalam-o-Alaikum:

It is my privilege to place before you, on behalf of the Board, the un-audited financial statements of the company for the period ended June 30, 2016. During the period under consideration your company earned pre-tax profit amounting to Rs.26.943 million as against Rs.272.465 million earned during the same period last year. Salient features of the financial statements are summarized as under.

<b>PRODUCTION DATA</b>	<b>30-06-2016</b>	<b>30-06-2015</b>
Crushing season commenced on	27-11-2015	09-12-2014
Crushing completed on	07-03-2016	29-03-2015
Duration of crushing period (days)	102	110
Sugarcane crushed (M. Tons)	907,287	1,013,118
Sugar produced (M. Tons)	92,501	104,283
Sugar recovery percentage	10.20	10.30
Molasses extracted (M. Tons)	39,405	47,925
MDF production (C meters)	39,696	43,984

<b>FINANCIAL DATA</b>	<b>(Rupees in thousand)</b>	
Gross sales	5,254,955	4,054,058
Cost of sales	(4,686,864)	(3,219,941)
Gross profit	568,091	834,117
Other income	19,125	40,712
Administration expenses	(321,201)	(295,065)
Selling and distribution expenses	(20,597)	(21,110)
Other operating expenses	(5,205)	(20,785)
financial cost	(226,301)	(292,439)
Share of profit of investment in associate	13,031	27,035
Profit before taxation	26,943	272,465
Provision for taxation	(17,013)	(103,814)
Profit after taxation	9,930	168,651
Earnings per share	Rs.0.49	Rs.8.24

### PERFORMANCE REVIEW

During the period under consideration the sugarcane crop not as strong as the previous year. Therefore, the availability of cane was less than last year and the crushing volume reduced by approximately 10.45 percent. The sugar produced also reduced to 92,501 metric tons as against 104,283 metric tons produced last year. The recovery percentage was 10.20 percent as against 10.30 percent achieved last year. The per day crushing was 8,895 metric tons per day as against 9,210 metric tons crushed last year.

## AL-NOOR SUGAR MILLS LTD.

As per latest data provided by Pakistan Sugar Mills Association the crushing volume of sugarcane was 49.921 million metric tons on overall country basis as against 50.795 million metric tons crushed during the last year depicting a nominal decrease of 0.74 million metric tons. The production of sugar was 5.076 million metric tons as against 5.162 million metric tons produced during 2014-15. During the period under review the recovery percentage of the country is 9.44 percent as against 10.12 percent achieved last year. The current year production of sugar and closing stock available with the sugar mills remained in excess of the requirement of the country. Keeping in view the excess stock of sugar the Government allowed export of sugar but the same could not be utilized by the sugar mills due to depressed price of the product in the international market. In the province of Sindh the Government notified support price of cane at Rs.172/= per 40 kg of cane whereas in Punjab the same was fixed at Rs.180/=.

The availability of sugarcane in Sindh was low when compared with Punjab due to non-availability of water in the desired volume from the irrigation system and there was also no rain in the province. In Punjab the availability of water through irrigation system was available and there was also good rain in the upper part of the country. Due to competition amongst the mills, some cane was also purchased from far flung areas and heavy amounts were paid as transportation subsidy to the transporters which raised the cost of the raw material. All these factors have kept significant pressure on the profitability of the division.

### **MDF BOARD DIVISION**

The MDF division produced 39,696 cubic meters of final products in various sizes and thickness as against 43,985 cubic meters produced in the same period of last year. The production is low by about 2 percent which was due to maintenance of MENDE line for some period. The acceptability of the MDF products is now established in the domestic markets and also in the neighboring countries of Pakistan.

### **FUTURE OUTLOOK**

The crop under growth is expected to be better than last year due to availability of water through irrigation system and timely rainfall in the province of Sindh when compared with the previous year's season. In the upper part of the country there was more rain than last year and availability of water has improved considerably and it is expected that the per acre yield would also improve. Due to all these positive condition the expectation of increase in the recovery percentage are also good.


### **CHANGES IN THE COMPOSITION OF BOARD OF DIRECTORS**

During the period under consideration there was no change in the composition of the Board of Directors.

### **STAFF RELATIONS:**

Finally the Directors of your Company record their appreciations for the perseverance, commitment to meeting the objectives and targets and the team work put in by the Management and employees, in the current demanding environment and are confident that they will continue to demonstrate the same zeal and vigor in future.

By order of the Board



**ISMAIL H. ZAKARIA**  
CHIEF EXECUTIVE OFFICER

Karachi: July 27, 2016

# AL-NOOR SUGAR MILLS LTD.

## CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT JUNE 30, 2016

AS AT JUNE 30, 2016		Un-Audited June 2016	Audited September 2015
		Note	(Rupees in thousand)
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	4	4,016,908	3,639,629
Long term investments	5	261,697	260,215
Long term loans		4,463	6,022
Long term deposits		3,557	3,552
		4,286,625	3,909,418
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		353,381	313,986
Stock in trade		3,752,089	2,495,964
Trade debts		155,245	120,106
Loans and advances		70,553	83,115
Trade deposit and short term prepayments		9,567	38,946
Other receivables		33,763	74,208
Income tax refund due from Government		7,037	7,037
Income tax refundable-net of provision		36,502	8,416
Cash and bank balances		111,037	98,173
		4,529,174	3,239,951
		8,815,799	7,149,369
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised Capital		500,000	500,000
50,000,000 ordinary shares of Rs.10 each			
Issued, subscribed and paid-up capital		204,737	204,737
General reserve		1,000,000	1,000,000
Share of associate's unrealised loss on remeasurement of investments		(1,998)	(1,998)
Unappropriated profit		219,290	234,725
		1,422,029	1,437,464
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>		1,142,408	1,184,605
		2,564,437	2,622,069
<b>NON-CURRENT LIABILITIES</b>			
Long term financing		1,884,171	1,120,111
Liabilities against assets subject to finance lease		-	-
Deferred liabilities -			
Deferred taxation		582,804	613,863
Excise duty		35,120	35,120
		617,924	648,983
		2,502,095	1,769,094
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,172,457	1,067,464
Accrued markup/profit/financial charges		73,957	48,114
Short term borrowings		2,033,947	1,173,087
Current portion of long term financing		468,906	407,447
Liabilities against assets subject to finance lease		-	62,094
		3,749,267	2,758,206
<b>CONTINGENCIES AND COMMITMENTS</b>	6	-	-
		8,815,799	7,149,369

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

  
**ISMAIL H. ZAKARIA**  
Chief Executive Officer

  
**SULEMAN AYOOB**  
Director

AL-NOOR SUGAR MILLS LTD.

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2016**

		For the Nine Months		For the quarter	
		October-June		April-June	
		2016	2015	2016	2015
		----- (Rupees in '000) -----			
Note					
Sales	7	5,254,955	4,054,058	1,939,106	1,582,470
Cost of sales		(4,686,864)	(3,219,941)	(1,846,358)	(1,434,414)
Gross profit		568,091	834,117	92,748	148,056
Profit from trading activities		809	1,307	179	403
		568,900	835,424	92,927	148,459
Distribution Cost		(20,597)	(21,110)	(3,092)	(4,558)
Administration expenses		(321,201)	(295,065)	(103,886)	(96,604)
Other operating expenses		(5,205)	(20,785)	7,688	3,997
		(347,003)	(336,960)	(99,290)	(97,165)
		221,897	498,464	(6,363)	51,294
Other income		18,316	39,405	820	8,523
		240,213	537,869	(5,543)	59,817
Finance cost		(226,301)	(292,439)	(91,039)	(113,736)
		13,912	245,430	(96,582)	(53,919)
Share of profit from associate		13,031	27,035	8,252	2,063
Profit before taxation		26,943	272,465	(88,330)	(51,856)
Taxation		(17,013)	(103,814)	21,646	23,352
Profit after taxation		9,930	168,651	(66,684)	(28,504)
Earnings per share - Basic and diluted- (Rupees)		0.49	8.24	(3.26)	(1.39)

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

  
**ISMAIL H. ZAKARIA**  
Chief Executive Officer

  
**SULEMAN AYOOB**  
Director

**CONDENSED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2016**

	<u>For the Nine Months</u>		<u>For the quarter</u>	
	<u>October-June</u>		<u>April-June</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>----- (Rupees in '000) -----</u>			
<b>Profit after taxation</b>	9,930	168,651	(66,684)	(28,504)
<b>Other Comprehensive Income</b>				
<b>Items that shall not be reclassified subsequently to profit and loss</b>				
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax from:				
Company's revaluation surplus	38,996	41,712	12,999	15,053
Shares of associate's incremental depreciation of revaluation surplus	3,202	3,365	1,067	1,121
Transfer from surplus on revaluation of property, plant and equipment on account of disposal of plant and machinery	-	509	-	-
	42,198	45,586	14,066	16,174
<b>Total Comprehensive Income</b>	<u>52,128</u>	<u>214,237</u>	<u>(52,618)</u>	<u>(12,330)</u>

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

  
**ISMAIL H. ZAKARIA**  
Chief Executive Officer

  
**SULEMAN AYOOB**  
Director

# AL-NOOR SUGAR MILLS LTD.

## CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2016

	Note	June 2016	June 2015
(Rupees in thousand)			
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		26,943	272,465
Adjustments for:			
Depreciation of property, plant and equipment	4.1	175,623	179,106
Gain on disposal of property, plant and equipment		(1,024)	(7,342)
Provision for obsolescence and slow moving items		4,926	2,596
Finance cost		226,301	292,439
Share of profit from associate		(13,031)	(27,035)
		392,795	439,764
Cash generated before working capital changes		419,738	712,229
(Increase)/decrease in current assets			
Stores, spare parts and loose tools		(44,321)	(103,685)
Stock in trade		(1,256,125)	(2,670,790)
Trade debts		(35,139)	(202,912)
Loans and advances		12,562	(44,051)
Trade deposits and short term prepayments		29,379	(4,422)
Other receivables		40,445	(13,137)
		(1,253,199)	(3,038,997)
Increase in current liabilities			
Trade and other payables		104,995	1,008,270
Short term bank borrowings		860,860	1,750,708
		965,855	2,758,978
		132,394	432,210
Income tax paid		(76,158)	(56,168)
Deferred liabilities paid		-	-
Finance cost paid		(200,458)	(268,685)
Decrease/(Increase) in long term loans		1,559	(2,854)
(Increase)/Decrease in long term deposits - assets		(5)	6,908
Increase in long term deposits - liability		-	6,400
		(275,062)	(314,399)
Net cash used in operating activities		(142,668)	117,811
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Addition in Property, Plant & Equipment		(553,468)	(106,532)
Sale proceeds from disposal of property, plant and equipment		1,589	18,329
Dividend received		11,549	6,600
Net cash used in investing activities		(540,330)	(81,603)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		1,144,000	285,000
Repayment of liabilities against assets subject to finance lease		(318,481)	(15,794)
Repayment of long term financing		(62,094)	(257,667)
Dividend paid		(67,563)	(20,474)
Net cash in-flow from financing activities		695,862	(8,935)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		12,864	27,273
Cash and cash equivalents at the beginning of the period		98,173	148,509
<b>Cash and cash equivalents at the end of the period</b>		<b>111,037</b>	<b>175,782</b>

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

  
**ISMAIL H. ZAKARIA**  
Chief Executive Officer

  
**SULEMAN AYOOB**  
Director

# AL-NOOR SUGAR MILLS LTD.

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2016

	Issued, Subscribed & paid up capital	General reserve	Unrealised loss on remeasurement of investments	Unappro- priated profit	Total
-----Rupees in '000-----					
<b>Balance as at October 1, 2014 (Audited)</b>	204,737	1,000,000	(1,005)	29,814	1,233,546
<b>Total Comprehensive Income for the nine months ended 30-June-2015</b>					
Profit after taxation	-	-	-	168,651	168,651
Other Comprehensive Income					
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax from:					
Company's Revaluation Surplus	-	-	-	41,712	41,712
Shares of associates incremental depreciation of revaluation surplus	-	-	-	3,365	3,365
Transfer from surplus on revaluation of property, plant and equipment on account of disposal of plant and machinery	-	-	-	45,077	45,077
				-	-
<b>Transactions with owners</b>					
Final dividend for the year ended September 30, 2014 @ Re. 1 per share	-	-	-	(20,474)	(20,474)
<b>Balance as at June-2015</b>	<u>204,737</u>	<u>1,000,000</u>	<u>(1,005)</u>	<u>223,068</u>	<u>1,426,800</u>
<b>Balance as at October 01, 2015 (Audited)</b>	204,737	1,000,000	(1,998)	234,725	1,437,464
<b>Total Comprehensive Income for the nine months ended 31-June-2016</b>					
Profit after taxation	-	-	-	9,930	9,930
Other Comprehensive Income					
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax from:					
Company's Revaluation Surplus	-	-	-	38,996	38,996
Shares of associates incremental depreciation of revaluation surplus	-	-	-	3,202	3,202
	-	-	-	42,198	42,198
<b>Transactions with owners</b>					
Final dividend for the year ended September 30, 2015 @ Rs. 3.30 per share	-	-	-	(67,563)	(67,563)
<b>Balance as at June 30, 2016</b>	<u>204,737</u>	<u>1,000,000</u>	<u>(1,998)</u>	<u>219,290</u>	<u>1,422,029</u>

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

  
**ISMAIL H. ZAKARIA**  
Chief Executive Officer

  
**SULEMAN AYOOB**  
Director

**NOTES TO THE CONDENSED INTERIM  
FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2016**

**1 SELECTED EXPLANATORY NOTES TO THE ACCOUNTS**

**1.1 The Company and its Operations**

The Company was incorporated in Pakistan as a public limited company on August 08, 1969 and its shares are quoted at the Pakistan Stock Exchange Limited. The Company owns and operate Sugar, Medium Density Fiber (MDF) board and generation of power units which are located at Shahpur Jahania, District Shaheed Benazirabad in the province of Sindh. The registered office of the Company is located at 96-A, Sindhi Muslim Cooperative Housing Society, Karachi, Sindh.

**2 Basis of Preparation**

- 2.1** This condensed interim financial information is being submitted to the shareholders as required under section 245 of Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standard-34 "Interim Financial Reporting" as applicable in Pakistan and provision of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of and directives issued under the Companies Ordinance 1984 have been followed. These condensed interim financial information do not include all the information and disclosure required in the annual financial statements and should be read in conjunction with the company's annual financial statement for the year ended September 30, 2015.

**3 Significant accounting policies and disclosures**

- 3.1** The accounting policies and methods of computation followed for the preparation of these condensed interim financial information are consistent with those followed in the preparation of the company's annual financial statements for the year ended September 30, 2015.
- 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 upto 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** The following standards, amendments and interpretations of approved accounting standards have become effective for the current accounting period, however these are either irrelevant or do not have any material effect on this condensed interim financial information.

## AL-NOOR SUGAR MILLS LTD.

### Standard or Interpretation

### Effective date (accounting periods beginning on or after)

IFRS-9 Financial Instruments: Classification and Measurement	01 January 2015
IFRS-10 Consolidated Financial Statements	01 January 2015
IFRS-11 Joint Arrangements	01 January 2015
IFRS-12 Disclosure of Interest in Other Entities	01 January 2015
IFRS-13 Fair Value Measurement	01 January 2015

There have been certain other revision/amendments during the period which are also either irrelevant or immaterial to the Company hence not presented here.

	Unaudited June 30, 2016	Audited September 30, 2015
	Rupees in '000	
<b>4. Property Plant and Equipment</b>		
Operating Fixed Assets	3,519,599	3,549,052
Capital Work in Progress	497,309	90,577
	4,016,908	3,639,629
<b>4.1 Operating Fixed Assets:</b>		
<b>Opening Net Book Value (NBV)</b>	3,549,052	3,662,694
<b>Direct Additions during the period/year</b>		
Land	16,400	-
Plant and Machinery	12,552	8,141
Furniture, Fixture and Fittings	199	6,131
Office Equipment	2,844	6,219
Vehicles	9,146	29,044
	41,141	49,535
<b>Transfer from CWIP during the period/year</b>		
Factory Building	10,032	3,533
Non-Factory Building	-	13,629
Plant and Machinery	95,563	71,966
	105,595	89,128
<b>Net Book Value of Asset disposed off during the period/year</b>		
Plant & Machinery	-	(4,673)
Furniture & Fixtures	-	(2,504)
Office Equipment	-	(259)
Vehicles	(566)	(3,944)
	(566)	(11,380)
<b>Depreciation Charged for the period/year</b>	(175,623)	(240,925)
<b>Closing Net Book Value</b>	3,519,599	3,549,052

## AL-NOOR SUGAR MILLS LTD.

	Unaudited June 30, 2016	Audited September 30, 2015
	Rupees in '000	
<b>4.2 CAPITAL WORK IN PROGRESS</b>		
Opening Balance	90,577	44,257
Addition during the period/year		
Civil Work	20,447	24,454
Plant & Machinery	508,279	110,994
	528,726	135,448
Capitalization during the period/year		
Civil Work	(30,981)	(17,162)
Plant & Machinery	(74,613)	(71,966)
	(105,594)	(89,128)
Adjustment	(16,400)	-
Closing Balance	497,309	90,577

**4.2.1** This includes borrowing cost of Rs. 5.723 million capitalized during the period at the rates 6M Kibor+2%

### 5. Long Term Investment

#### *Investment in associated undertakings:-*

	Shahmurad Sugar Mills Limited	Al Noor Modaraba Management (Pvt) Limited	Total June 30, 2016	Total September 30 2015
Opening balance	256,456	3,759	260,215	246,884
Share of profit of associate for the period / year	13,031	-	13,031	28,497
Share of unrealised gain on remeasurement of associates' securities for the period / year	-	-	-	(993)
Shares of associate's surplus on fresh revaluation of its property, plant and equipment net of deferred tax	-	-	-	(7)
Shares of associate's share in its associate's incremental depreciation on account of revaluation of property plant and equipment	-	-	-	24
Dividend received during the period / year	(11,549)	-	(11,549)	(14,190)
	1,482	-	1,482	13,331
	257,938	3,759	261,697	260,215

The company holds 14.285% (September 2015:14.285%) interest in Al-Noor Modaraba Management (Pvt) Ltd, and holds 15.625% (September 2015:15.625%) interest in Shahmurad Sugar Mills Limited. Since the financial statements of Al Noor Modaraba Management (Pvt) Limited are not prepared except on year end June 30; and are not material hence no effect of results of Al-Noor Modaraba Management (Pvt) Ltd has been taken in this condensed interim financial information, however in the case of Shahmurad Sugar Mills Ltd, the shares of profit and other comprehensive income has been taken on the basis of its reviewed condensed interim financial information for the nine months ended June 30, 2016.

## AL-NOOR SUGAR MILLS LTD.

### 6. CONTINGENCIES AND COMMITMENTS

#### 6.1 Contingencies

There is no material change in the status of contingencies as disclosed in the published annual audited financial statements for the year ended September 30, 2015, except that as claim for the loss due to fire as disclosed in note no.25.10 of financial statement for the year ended September 30,2015 have been finalized settled at Rs.11.049 million.

Unaudited  
June 30,  
2016  
Audited  
September 30,  
2015  
Rupees in '000

#### 6.2 Commitments as on the balance sheet date

Letters of credit		
Stores	25,031	25,881
Raw Material	153,251	94,889
Plant and Machinery	35,884	106,624
	<u>214,166</u>	<u>227,394</u>

For Nine Months  
October-June  
2016      2015  
For the quarter  
April-June  
2016      2015  
----- (Rupees in '000) -----

### 7. COST OF SALES

Opening stock of finished goods	2,120,069	1,620,785	4,861,513	5,111,503
Cost of goods manufactured	6,067,733	5,821,246	485,783	545,001
	8,187,802	7,442,031	5,347,296	5,656,504
Closing stock of finished goods	(3,500,938)	(4,222,090)	(3,500,938)	(4,222,090)
	<u>4,686,864</u>	<u>3,219,941</u>	<u>1,846,358</u>	<u>1,434,414</u>

7.1 Certain stock of finished goods and molasses as at the nine months ended valued at net realisable value amounting of Rs. Nil (2015: Rs. Nil ).

7.2 Finished goods pledged against short term borrowings as at period end amounted to Rs. 2,033.947 million.

## AL-NOOR SUGAR MILLS LTD.

### 8. TRANSACTIONS WITH RELATED PARTIES

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

		June 30, 2016	June 30, 2015
<b>Transactions:</b>			
<b>Relationship with the Company</b>	<b>Nature of Transactions</b>	<b>(Rupees in thousand)</b>	
<b>Associates</b>			
Shahmurad Sugar Mills Ltd	Sale of molasses	313,091	362,738
Reliance Insurance Compnay Ltd	Insurance premium paid	22,818	22,875
	Insurance claim	24,115	56,764
<b>Other Related Parties</b>			
Directors' and key management personnel	Director's remuneration	19,770	17,845
	Executives remuneration	80,051	72,172
	Directors meeting fee	137	207
Staff provident fund	Contribution made during period	9,122	8,826
		<b>June 30, 2016</b>	<b>September 30, 2015</b>
<b>Balances:</b>			
<b>Relationship with the Company</b>	<b>Nature of Transactions</b>		
<b>Associates</b>			
Shahmurad Sugar Mills Ltd	Advance against sale	-	-
	Dividend receivable	-	7,590
Reliance Insurance Compnay Ltd	Trade & other payables	10,405	6,665
	Other receivables	2,287	11,049
Staff provident fund	Trade & other payables	1,981	64

### 9. 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 institution who operate both the conventional side and Islamic window. During the period the Company carried out transactions with both the conventional side as well as Islamic window of financial institutions. The details segregation between Shariah complaints and conventional assets/liabilites and income/expenditure are given below:

	June 2016			September 2015		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Long term financing-Musharka and others finance	827,251	1,056,920	1,884,171	518,167	601,944	1,120,111
Current portion of long term finance	195,500	273,406	468,906	218,792	188,655	407,447
	1,022,751	1,330,326	2,353,077	736,959	790,599	1,527,558
Liabilities against assets subject to finance lease	-	-	-	-	62,094	62,094
Trade and other payables -Murhaba/Istisna	270,000	-	270,000	300,000	-	300,000
Accrued Mark-up/profit/financial charges	19,959	53,998	73,957	7,774	40,340	48,114
Short term borrowings	-	2,033,947	2,033,947	-	1,173,087	1,173,087
Cash at bank accounts	(20,501)	(90,536)	(111,037)	(21,849)	(75,204)	(97,053)
	1,292,209	3,327,735	4,619,944	1,022,884	1,990,916	3,013,800

## AL-NOOR SUGAR MILLS LTD.

	June 2016			June 2015		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Finance cost	72,288	143,533	215,821	91,134	185,031	276,165
Borrowing cost capitalized	-	5,723	5,723	-	-	-
Income on saving account	(1,925)	-	(1,925)	(2,086)	-	(2,086)
	<u>70,363</u>	<u>149,256</u>	<u>219,619</u>	<u>89,048</u>	<u>185,031</u>	<u>274,079</u>

### 10. 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 offers different products and serves different markets. The sugar segment is the manufacturer of sugar and board segment is a manufacturer of Medium Density Fiber (MDF) board. The following tables represent revenue and profit information regarding business segment for the period ended June 30, 2016 and June 30, 2015 and assets and liabilities information regarding business segments as at June 30, 2016 and September 30, 2015:

	Sugar		MDF Board		Total	
	Nine months ended June 30, 2016	Nine months ended June 30, 2015	Nine months ended June 30, 2016	Nine months ended June 30, 2015	Nine months ended June 30, 2016	Nine months ended June 30, 2015
	----- (Rupees in '000) -----					
<b>Revenue</b>						
Sales	3,347,125	2,265,412	1,907,830	1,788,647	5,254,955	4,054,059
Sales of By-product & electricity						
External Sales	412,176	477,038	493	617	412,669	477,655
Inter segment transfer	41,605	46,183	-	-	41,605	46,183
	<u>3,800,906</u>	<u>2,788,633</u>	<u>1,908,323</u>	<u>1,789,264</u>	<u>5,709,229</u>	<u>4,577,897</u>

### RESULTS

Profit from operation	71,437	393,365	150,460	105,099	221,897	498,464
Other income					18,316	39,405
Finance cost					(226,301)	(292,439)
Share of profit from associate					13,031	27,035
Profit before tax					26,943	272,465
Taxation					(17,013)	(103,814)
Profit after taxation					9,930	168,651
Other Comprehensive Income					42,198	45,586
Total Comprehensive Income for the period					<u>52,128</u>	<u>214,237</u>

Other Comprehensive Income / (loss)

### OTHER INFORMATION

Capital expenditures	156,726	38,018	396,742	68,514	553,468	106,532
Depreciation	95,155	96,027	80,468	83,079	175,623	179,106

## AL-NOOR SUGAR MILLS LTD.

	Sugar		MDF Board		Total	
	June 30, 2016	September 30, 2015	June 30, 2016	September 30, 2015	June 30, 2016	September 30, 2015
	----- (Rupees in '000) -----					
<b>BALANCE SHEET</b>						
<b>Assets</b>						
Segment assets	5,934,380	4,526,515	2,576,184	2,347,186	8,510,564	6,873,701
Investment in associates	261,696	260,215	-	-	261,696	260,215
Unallocated assets	-	-	-	-	43,539	15,453
Total assets					<u>8,815,799</u>	<u>7,149,369</u>
<b>Liabilities</b>						
Segment liabilities	5,384,396	3,770,681	855,487	736,135	6,239,883	4,506,816
Unallocated liabilities					<u>11,479</u>	<u>20,484</u>
					<u>6,251,362</u>	<u>4,527,300</u>

### Geographical Information

All non-current assets of the Company are located in Pakistan. Company's local sales represent sales to various external customers in Pakistan whereas export sales of Rs.465.621 million(2015:389.053 million) represent sales to customers in various countries of Asia.

### 11. WORKER'S 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.

### 12. GENERAL

Amounts have been rounded off to the nearest thousand rupee unless otherwise stated.

### 13. APPROVAL OF FINANCIAL STATEMENTS

This condensed interim financial information was authorized for issue by the Board of Directors of the Company in their meeting held on July 27, 2016.

  
**ISMAIL H. ZAKARIA**  
Chief Executive Officer

  
**SULEMAN AYOOB**  
Director

مستقبل کا جائزہ

گزشتہ سال کے مقابلے میں اس سال بروقت بارشوں اور ذرائع آب پاشی سے تسلسل سے فراہمی آب کی وجہ سے امید کی جاتی ہے کہ اس سال سندھ میں زیر کاشت فصلوں سے گزشتہ سال کے مقابلے میں بہتر پیداوار حاصل ہوگی۔ ملک کے بالائی حصوں میں اس سال بارشوں کی صورتحال بہتر ہونے کی وجہ سے فراہمی آب میں تسلسل کی امید ہے جس کا مثبت اثر فی ایکڑ پیداوار پر پڑے گا۔ ان تمام مثبت عوامل کے پیش نظر فیصد ریکوری میں بھی بہتری آئے گی۔

بورڈ آف ڈائریکٹرز کی ترکیب میں ردوبدل

زیر نظر دوارینے کے دوران بورڈ آف ڈائریکٹرز کی ترکیب میں کسی قسم کا کوئی ردوبدل نہیں کیا گیا۔

عملے سے روابط

آخر میں آپ کی کمپنی کے ڈائریکٹرز نے حصول مقاصد کی تکمیل کے لیے انتظامیہ کی جانب سے انتھک محنت خلوص نیت اور دیانت سے کام کرنے پر جہر دل سے مشکور ہیں۔ انتظامیہ اور عملہ موجودہ مثبت ماحول میں بڑھتی ہوئی مانگ کے پیش نظر تمام چیلنجز سے مستعدی سے نبرد آزما ہونے کے لیے ہمہ تن تیار ہیں۔



اسامیل ایچ ڈکریا  
مینجنگ ڈائریکٹر

بمقام: کراچی  
مورخہ 27 جولائی 2016

زیر نظر دورانیے کے دوران گنے کی پیداوار خاطر خواہ نہ تھی نتیجتاً گنے کی دستیابی گزشتہ سال کی نسبت کم رہی اور پسائی کا حجم بھی گزشتہ سال کے مقابلے میں 10.45 فیصد کم رہا۔ چینی کی پیداوار گزشتہ سال 104,283 میٹرک ٹن کے مقابلے میں اس سال کم ہو کر 92,501 میٹرک ٹن رہی۔ شرح بازیابی (ریکوری) اس سال 10.20 فیصد رہی جبکہ گزشتہ سال شرح بازیابی (ریکوری) 10.30 فیصد تھی۔ گزشتہ سال یومیہ پسائی 9,210 میٹرک ٹن تھی جو کہ اس سال کم ہو کر 8,895 میٹرک ٹن رہی۔

شوگر ملز ایسوسی ایشن کے فراہم کردہ تازہ ترین اعداد و شمار کے مطابق مجموعی طور پر ملک بھر میں گنے کی پسائی کا کل حجم سال 2015-16 کے دوران 49.921 ملین میٹرک ٹن رہا جبکہ گنے کی پسائی کا کل حجم گزشتہ سال 50.795 ملین میٹرک ٹن ریکارڈ کیا گیا تھا۔ سال رواں کی پسائی میں گزشتہ سال کے مقابلے میں 0.74 ملین میٹرک ٹن کی معمولی کمی ریکارڈ کی گئی۔ اسی طرح چینی کی کل پیداوار 5.076 ملین میٹرک ٹن ریکارڈ کی گئی جو کہ سال 2014-15 کے دوران 5.162 ملین میٹرک ٹن تھی۔ زپر جائزہ مدت کے دوران مجموعی طور پر ملک بھر میں گنے کی شرح بازیابی (ریکوری) گزشتہ سال کے 10.12 فیصد کے مقابلے میں اس سال 9.44 فیصد رہی۔ چینی کی موجودہ پیداوار بشمول گزشتہ سال سے بچنے والے ذخیرے کے ملک میں مقامی ضروریات سے بڑھ کر رہی۔ ملک بھر میں ضرورت سے زیادہ چینی کے ذخیرے کو مد نظر رکھتے ہوئے حکومت کی جانب سے چینی کو برآمد کرنے کی اجازت تو دے دی گئی تھی تاہم بد قسمتی سے چینی کی عالمی منڈیوں میں چینی کے نرخوں پر دباؤ اور عالمی منڈیوں میں چینی کے بڑے بڑے ذخائر کی وجہ سے برآمدی کوٹے سے بھرپور استفادہ نہ کیا جاسکا۔ صوبہ سندھ میں صوبائی حکومت کی جانب سے گنے کی امدادی قیمت = 172 روپے فی من مقرر کی گئی جبکہ صوبہ پنجاب میں امدادی قیمت = 180 روپے فی من رہی۔

آپاشی کے نظام سے پانی کی مطلوبہ مقدار سے کم فراہمی اور بارش کی کمی کے باعث صوبہ سندھ میں پنجاب کے مقابلے گنے کی دستیابی کم رہی۔ جبکہ صوبہ پنجاب میں نہ صرف ذرائع آپاشی سے پانی وافر مقدار میں دستیاب رہا اور ملک کے بالائی حصوں میں بارشیں بھی ہوتی رہیں۔ شوگر ملوں میں مسابقت کی وجہ سے دور دراز کے علاقوں سے بھی گنا لانا پڑا جس کی وجہ سے ذرائع آمدورفت کی مد میں اضافی مراعات کی وجہ سے خام مال کی لاگت میں اضافہ ہو گیا۔ ان تمام عوامل کے بناء پر ہماری منصفیت پر مبنی اثرات مرتب ہوئے۔

#### ایم ڈی ایف بورڈ ڈویژن

زیر نظر دورانیے کے دوران ایم ڈی ایف بورڈ ڈویژن کی جانب سے حتمی طور پر تیار شدہ مصنوعات کی پیداوار کا حجم 39,696 کعب میٹر رہا جس میں مختلف موٹائی/سائز کی مصنوعات شامل تھیں، جبکہ گزشتہ سال اسی دورانیے میں ان مصنوعات کا پیداواری حجم 43,985 کعب میٹر تھا۔ MENDE پروڈکشن لائن کی مرمت اور دیکھ بھال کی وجہ سے پیداواری حجم 2 فیصد کم رہا۔ ایم ڈی ایف کی مصنوعات کی مارکیٹ نا صرف مقامی طور پر مسلمہ ہے بلکہ پڑوسی ممالک میں بھی اس کی مانگ موجود ہے۔

ڈائریکٹروں کی رپورٹ برائے ممبران

معزز ممبران

السلام علیکم

میرے لئے یہ بات باعثِ افتخار ہے کہ بورڈ آف ڈائریکٹرز کی جانب سے میں آپ کی خدمت میں غیر آڈٹ شدہ مالیاتی رپورٹ بتاریخ 30 جون 2016 پیش کرنے جا رہا ہوں۔ زیرِ نظر دورانی کے دوران آپ کی کمپنی نے اس سال 26.943 ملین روپے قبل از ٹیکس منافع کمایا جو کہ گزشتہ سال اسی مدت کے دوران 272.465 ملین روپے تھا۔ زیرِ نظر مالیاتی رپورٹس کی چیدہ چیدہ معلومات درج ذیل ہیں:

معلومات برائے پیداوار	30 جون 2016	30 جون 2015
آغاز پسائی مورخہ	07-11-2015	09-12-2014
اختتام پسائی مورخہ	07-03-2016	29-03-2015
دورانیہ پسائی (دنوں میں)	102	110
گنے کی پسائی (میٹرک ٹن میں)	907,287	1,013,118
چھنی کی پیداوار (میٹرک ٹن میں)	92,501	104,283
چھنی کے بازیابی (ریکوری) نرخ	10.20%	10.30%
راب کی پیداوار (میٹرک ٹن میں)	39,405	47,925
ایم ڈی ایف کی پیداوار (سی میٹر میں)	39,696	43,984
مالیاتی معلومات	(روپے ہزاروں میں)	(روپے ہزاروں میں)
فروختگی	5,254,955	4,054,058
لاگت برائے فروختگی	(4,686,864)	(3,219,941)
خام منافع	568,091	834,117
دیگر آمدن	19,125	40,712
انتظامی اخراجات	(321,201)	(295,065)
لاگت برائے تقسیم مال	(20,597)	(21,110)
دیگر کاروباری اخراجات	(5,205)	(20,785)
جموئی اخراجات	(226,301)	(292,439)
منسلک کمپنی میں منافع کا حصہ	13,031	27,035
منافع قبل از ٹیکس	26,943	272,465
پرڈیشن برائے ٹیکس	(17,013)	(103,814)
منافع بعد از ٹیکس	9,930	168,651
آمدن فی حصص	0.49 روپے	8.24 روپے



*If undelivered please return to :*

**AL-NOOR SUGAR MILLS LTD.**

96-A, SINDHI MUSLIM SOCIETY,  
KARACHI-74400.