



AL-NOOR SUGAR MILLS LIMITED

3rd Quarterly Results for the period
1st October 2016 to 30th June, 2017

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. ZOHAIK 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. ZOHAIK 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 & SHARES REGISTRATION OFFICE

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

WEBSITE

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, 2017. During the period under consideration your company suffered pre-tax loss amounting to Rs.107.515 million as against a profit of Rs.26.943 million earned during the same period last year. Salient features of production and financial statements are summarized as under:

PRODUCTION DATA	30-06-2017	30-06-2016
Crushing season commenced on	15-11-2016	27-11-2015
Crushing completed on	23-03-2017	07-03-2016
Duration of crushing period (days)	129	102
Sugarcane crushed (M. Tons)	1,315,682	907,287
Sugar produced (M. Tons)	127,798	92,501
Sugar recovery percentage	9.70	10.20
Molasses extracted (M. Tons)	56,560	39,405
MDF production (Cubic meters)	42,928	39,696
FINANCIAL DATA	(Rupees in thousand)	
Gross sales	4,298,384	5,254,955
Cost of sales	(3,783,064)	(4,686,864)
Gross profit	515,320	568,091
Other income	14,932	19,125
Administration expenses	(361,302)	(321,201)
Selling and distribution expenses	(44,770)	(20,597)
Other operating expenses	(8,550)	(5,205)
Financial cost	(223,563)	(226,301)
Share of profit of investment in associate	418	13,031
Profit / (Loss) before taxation	(107,515)	26,943
Provision for taxation	52,387	(17,013)
Profit / (Loss) after taxation	(55,128)	9,930
Earnings / (Loss) per share	Rs.(2.69)	Rs.0.49

PERFORMANCE REVIEW

During the period under consideration the sugarcane crop was exceptionally good specifically in the upper part of the province when compared with the previous year. As a result the availability of raw material during the period under consideration increased by about 45 percent. The sugar produced also increased to 127,798 metric tons as against 92,501 metric tons produced last year. However the recovery percentage reduced to 9.70 percent as against 10.20 percent achieved last year. The per day crushing was 10,199 metric tons per day as against 8,895 metric tons crushed last year.

As per latest data published in the press and provided by Pakistan Sugar Mills Association the crushing volume of sugarcane was 70.155 million metric tons on overall country basis as against 49.921 million metric tons crushed during the last year depicting an increase of 40.53 percent. The production of sugar increased to 6.923 million metric tons as against 5.076 million metric tons produced during the year 2015-16. During the period under review the recovery percentage on the country basis is 9.87 percent as against 9.44 percent achieved

AL-NOOR SUGAR MILLS LTD.

last year. It is expected that during the next year i.e. 2017-18 bumper sugarcane crop is expected and as per estimate the production of sugar would be around 8.00 million metric tons which is far in excess of the country requirement. The current year's 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 has no option but to allow export of sugar. The price of product in the international market is also depressed due to excess production of the product all over the world. In order to protect the sugar industry, the Pakistan Sugar Mills Association is requesting the Government to allow suitable export subsidy as the production cost is high than the selling price of the product in the international market. The production cost of sugar is high as the raw material cost is fixed by the Government and finished product is left open to the market forces. It is estimated that as on June 30, 2017 the excess sugar available with the mills would be around 2.00 million metric tons and the proposal of the Association should be considered by the Government on priority basis.

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 42,928 cubic meters of final products in various sizes and thickness as against 39,696 cubic meters produced in the same period of last year. The production is higher by 8.14 percent over the production of same period last year. The acceptability of the MDF products is now established in the domestic market and also in the neighboring countries of Pakistan.

FUTURE OUTLOOK

The crop under growth is expected to be much better than last year due to timely availability of water through irrigation system and rain fall 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 the per acre yield would also improve substantially. During the year 2016-17 the production of sugar was 7.00 million metric tons and in the coming year i.e. 2017-18 bumper cane crop is expected thereby increasing the output of about 8.00 million tons of sugar. 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

The tenure of the Board of Directors ended on March 29, 2017 and the members in the Extra Ordinary General Meeting held on the said date elected ten directors of your company for a period of three years as reported in the half yearly report for the period ended March 31, 2017.

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, 2017

AL-NOOR SUGAR MILLS LTD.

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT JUNE 30, 2017

AS AT JUNE 30, 2017		Un-Audited June 2017	Audited September 2016
		Note	(Rupees in thousand)
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	4	4,195,269	4,110,945
Intangible asset		-	-
Long term investments	5	260,014	267,515
Long term loans		1,960	3,935
Long term deposits		3,050	3,560
		4,460,293	4,385,955
CURRENT ASSETS			
Stores, spare parts and loose tools		341,607	306,976
Stock in trade		5,741,209	1,968,261
Trade debts		180,977	62,521
Loans and advances		189,281	71,133
Trade deposit and short term prepayments		17,945	5,367
Other receivables		41,180	40,712
Income tax refund due from Government		15,453	15,453
Income tax refundable-net of provision		95,524	9,558
Cash and bank balances		149,461	136,892
		6,772,637	2,616,873
		11,232,930	7,002,828
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
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		(2,038)	(2,038)
Unappropriated profit		296,529	393,071
		1,499,228	1,595,770
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
		1,100,395	1,140,876
		2,599,623	2,736,646
NON-CURRENT LIABILITIES			
Long term financing		2,014,583	1,607,704
Deferred liabilities		568,084	613,960
		2,582,667	2,221,664
CURRENT LIABILITIES			
Trade and other payables		2,543,821	865,476
Accrued finance cost		102,879	47,536
Short term borrowings		3,156,718	691,100
Current portion of long term financing		247,222	440,406
		6,050,640	2,044,518
CONTINGENCIES AND COMMITMENTS			
	6	-	-
		11,232,930	7,002,828

The annexed notes from 1 to 14 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, 2017**

		For the Nine Months		For the quarter	
		October-June		April-June	
		2017	2016	2017	2016
		----- (Rupees in '000) -----			
Note					
Sales		4,298,384	5,254,955	1,121,384	1,939,106
Cost of sales	7	(3,783,064)	(4,686,864)	(1,221,945)	(1,846,358)
Gross profit/(loss)		515,320	568,091	(100,561)	92,748
Profit from trading activities		574	809	519	179
		515,894	568,900	(100,042)	92,927
Distribution Cost		(44,770)	(20,597)	(10,603)	(3,092)
Administration expenses		(361,302)	(321,201)	(110,245)	(103,886)
Other operating expenses		(8,550)	(5,205)	14,830	7,688
		(414,622)	(347,003)	(106,018)	(99,290)
		101,272	221,897	(206,060)	(6,363)
Other income		14,358	18,316	8,020	820
		115,630	240,213	(198,040)	(5,543)
Finance cost		(223,563)	(226,301)	(109,528)	(91,039)
		(107,933)	13,912	(307,568)	(96,582)
Share of profit/(loss) from associate	5	418	13,031	(11,643)	8,252
(Loss)/Profit before taxation		(107,515)	26,943	(319,211)	(88,330)
Taxation					
-Current		6,512	(48,072)	64,049	(13,752)
-Deferred		45,875	31,059	72,500	35,398
		52,387	(17,013)	136,549	21,646
(Loss)/Profit after taxation		(55,128)	9,930	(182,662)	(66,684)
(Loss)/Earning per share					
- Basic and diluted- (Rupees)		(2.69)	0.49	(8.92)	(3.26)

The annexed notes from 1 to 14 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, 2017**

	<u>For the Nine Months</u>		<u>For the quarter</u>	
	<u>October-June</u>		<u>April-June</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<u>----- (Rupees in '000) -----</u>			
(Loss)/Profit after taxation	(55,128)	9,930	(182,662)	(66,684)
Other comprehensive income	-	-	-	-
Total Comprehensive (Loss)/Profit	<u>(55,128)</u>	<u>9,930</u>	<u>(182,662)</u>	<u>(66,684)</u>

The annexed notes from 1 to 14 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, 2017

	Note	June 2017	June 2016
(Rupees in thousand)			
A. CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit before taxation		(107,515)	26,943
Adjustments for:			
Depreciation of property, plant and equipment	4.1	174,260	175,623
Gain on disposal of property, plant and equipment		(7,537)	(1,024)
Provision for obsolescence and slow moving items		8,550	4,926
Finance cost		223,563	226,301
Share of profit from associate		(418)	(13,031)
		398,418	392,795
Cash generated before working capital changes		290,903	419,738
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(43,181)	(44,321)
Stock in trade		(3,772,948)	(1,256,125)
Trade debts		(118,456)	(35,139)
Loans and advances		(118,148)	12,562
Trade deposits and short term prepayments		(12,578)	29,379
Other receivables		(468)	40,445
		(4,065,779)	(1,253,199)
Increase in current liabilities			
Trade and other payables		1,678,345	104,995
Short term bank borrowings		2,465,618	860,860
		4,143,963	965,855
		369,087	132,394
Income tax paid		(79,455)	(76,158)
Finance cost paid		(168,220)	(200,458)
Decrease in long term loans		1,975	1,559
Decrease / (Increase) in long term deposits		510	(5)
		(245,190)	(275,062)
Net cash inflows from / (used in) operating activities		123,897	(142,668)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in Property, Plant & Equipment		(267,295)	(553,468)
Sale proceeds from disposal of property, plant and equipment		16,248	1,589
Dividend received		7,919	11,549
Net cash used in investing activities		(243,128)	(540,330)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		1,800,000	1,144,000
Repayment of liabilities against assets subject to finance lease		-	(62,094)
Repayment of long term financing		(1,586,305)	(318,481)
Dividend paid		(81,895)	(67,563)
Net cash (out-flow) / in-flow from financing activities		131,800	695,862
Net increase in cash and cash equivalents (A+B+C)		12,569	12,864
Cash and cash equivalents at the beginning of the period		136,892	98,173
Cash and cash equivalents at the end of the period		149,461	111,037

The annexed notes from 1 to 14 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, 2017

	Issued, Subscribed & paid up capital	General reserve	Unrealised loss on remeasurement of investments	Unappro- priated profit	Total
	-----Rupees in '000-----				
Balance as at October 1, 2015 (Audited)	204,737	1,000,000	(1,998)	234,725	1,437,464
During the nine months ended June 30, 2016					
Transactions with owners					
Final dividend for the year ended September 30, 2015 @ Rs.3.30 per share	-	-	-	(67,563)	(67,563)
Total Comprehensive Income for the nine months ended June 30, 2016	-	-	-	9,930	9,930
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
Balance as at June 30, 2016	204,737	1,000,000	(1,998)	219,290	1,422,029
Balance as at October 01, 2016 (Audited)	204,737	1,000,000	(2,038)	393,071	1,595,770
During the nine months ended June 30, 2017					
Transactions with owners					
Final dividend for the year ended September 30, 2016 @ Rs. 4.00 per share	-	-	-	(81,895)	(81,895)
Total Comprehensive (Loss) for the nine months ended June 30, 2017	-	-	-	(55,128)	(55,128)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax from:					
Company's Revaluation Surplus	-	-	-	37,410	37,410
Shares of associates incremental depreciation of revaluation surplus and on account of disposal of property, plant and equipment	-	-	-	3,071	3,071
	-	-	-	40,481	40,481
Balance as at June 30, 2017	204,737	1,000,000	(2,038)	296,529	1,499,228

The annexed notes from 1 to 14 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, 2017**

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. This 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 statements for the year ended September 30, 2016.

3 Significant accounting policies and disclosures

- 3.1** The accounting policies and methods of computation followed for the preparation of this 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, 2016.
- 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** Certain new IFRSs and amendments to existing IFRSs, effective for periods beginning on or after October 1, 2016 do not have any impact on the condensed interim financial information, and are therefore not disclosed.
- 3.4** The preparation of this condensed interim financial information requires 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 this condensed interim financial information are the same as those that were applied to financial statements as at and for the year ended September 30, 2016.

AL-NOOR SUGAR MILLS LTD.

	Unaudited June 30, 2017	Audited September 30, 2016
	Rupees in '000	
4. PROPERTY PLANT AND EQUIPMENT		
Operating fixed Assets	4,053,757	3,467,597
Capital Work in Progress	141,512	643,348
	4,195,269	4,110,945
4.1 Operating Fixed Assets:		
Opening Net Book Value (NBV)	3,467,597	3,549,052
Direct Additions during the period/year		
Land	-	16,400
Plant and Machinery	5,523	13,517
Furniture, Fixture and Fittings	-	247
Office Equipment	3,963	3,610
Vehicles	26,723	15,847
	36,209	49,621
Transfer from CWIP during the period/year		
Factory Building	-	10,032
Non-Factory Building	4,900	5,647
Plant and Machinery	728,022	95,563
	732,922	111,242
Net Book Value of Asset disposed off during the period/year		
Plant & Machinery	-	(5,863)
Vehicles	(8,711)	(1,125)
	(8,711)	(6,988)
Depreciation Charged for the period/year	(174,260)	(235,330)
Closing Net Book Value	4,053,757	3,467,597
4.2 Capital Work in Progress		
Opening Balance	643,348	90,577
Addition during the period/year		
Civil Work	11,435	11,754
Plant & Machinery	207,251	652,259
Advance against land	12,400	-
	231,086	664,013
Capitalization during the period/year		
Civil Work	(4,900)	(15,679)
Plant & Machinery	(728,022)	(95,563)
	(732,922)	(111,242)
Closing Balance	141,512	643,348
4.2.1 Additions to plant and machinery under installation includes borrowing cost of Rs.21.807 million (2016:Rs.5.723 millions) capitalized at the effective rate of 6.8% to 8.05% (2016:7.99% to 8.45%)		

AL-NOOR SUGAR MILLS LTD.

5. Long Term Investment

Investment in associated undertakings:-

	Shahmurad Sugar Mills Limited	Al Noor Modaraba Management (Pvt) Limited	Total June 30, 2017	Total September 30 2016
Opening balance	264,418	3,097	267,515	260,215
Share of profit of associate for period / year	418	-	418	18,904
Shares of associate's unrealized gain on remeasurement of associate's available for sale of investment	-	-	-	(46)
Share of associate's share in reversal of its associate's incremental depreciation on account of revaluation of property plant and equipment	-	-	-	(26)
Shares of associate's share in its associate's incremental depreciation on account of revaluation of property, plant and equipment	-	-	-	17
Dividend received during the period / year	(7,919)	-	(7,919)	(11,549)
	(7,501)	-	(7,501)	7,300
	256,917	3,097	260,014	267,515

The company holds 14.285% (September 2016:14.285%) interest in Al-Noor Modaraba Management (Pvt) Ltd, and holds 15.625% (September 2016:15.625%) 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, 2017.

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, 2016.

Unaudited **Audited**
June 30, **September 30,**
2017 **2016**
Rupees in '000

6.2 Commitments as on the balance sheet date

Letters of credit		
Stores	-	34,130
Raw Material	-	75,367
Plant and Machinery	55,671	79,603
	<u>55,671</u>	<u>189,100</u>

AL-NOOR SUGAR MILLS LTD.

	For Nine Months October-June		For the quarter April-June	
	2017	2016	2017	2016
	----- (Rupees in '000) -----			
7. COST OF SALES				
Opening stock of finished goods	1,646,842	2,120,069	6,243,448	4,861,513
Cost of goods manufactured	7,612,633	6,067,733	454,908	485,783
	9,259,475	8,187,802	6,698,356	5,347,296
Closing stock of finished goods	(5,476,411)	(3,500,938)	(5,476,411)	(3,500,938)
	<u>3,783,064</u>	<u>4,686,864</u>	<u>1,221,945</u>	<u>1,846,358</u>

- 7.1** Stocks of refined sugar amounting to Rs. 3,993.494 million (2016: Rs. 2,033.947 million) is pledged against cash finance facilities and Murabaha/Istisna arrangements.
- 7.2** Stock in trade includes stocks costing Rs. 5,491.454 million (2016: Rs. Nil) written down to their net realizable value of Rs. 5,272.685 million (2016: Nil). This includes stock of molasses valued at net realizable value of Rs.29.490 million. (2016: Nil)

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, 2017	June 30, 2016
Transactions: Relationship with the Company	Nature of Transactions	(Rupees in thousand)	
Associates			
Shahmurad Sugar Mills Ltd	Sale of goods	416,757	313,091
Reliance Insurance Compnay Ltd	Insurance premium paid	22,246	22,818
	Insurance claim	-	24,115
Other Related Parties			
Directors' and key management personnel	Director's remuneration	13,027	19,770
	Executives remuneration	133,338	80,051
	Directors meeting fee	50	137
Staff provident fund	Contribution made during period	8,323	9,122
Balances Relationship with the Company	Nature of Transactions	June 30, 2017	September 30, 2016
Associates			
Shahmurad Sugar Mills Ltd	Advance against sale	29,413	-
Reliance Insurance Compnay Ltd	Trade & other payables	6,330	-
Staff Provident Fund	Trade & other payables	2,225	11

AL-NOOR SUGAR MILLS LTD.

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

	June 2017			September 2016		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Long term financing-Musharka and others finance	800,000	1,214,583	2,014,583	768,375	839,329	1,607,704
Current portion of long term finance	-	247,222	247,222	95,125	345,281	440,406
	800,000	1,461,805	2,261,805	863,500	1,184,610	2,048,110
Trade and other payables						
- Murabaha / Istisna	1,900,000	-	1,900,000	-	-	-
Accrued finance cost	39,266	63,613	102,879	1,250	46,286	47,536
Short term borrowings	-	3,156,718	3,156,718	-	691,100	691,100
Cash at bank accounts	(46,934)	(93,788)	(140,722)	(11,098)	(125,212)	(136,310)
	2,692,332	4,588,348	7,280,680	853,652	1,796,784	2,650,436

	June 2017			June 2016		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Finance cost	49,946	173,617	223,563	72,288	154,013	226,301
Borrowing cost capitalized	-	21,807	21,807	-	5,723	5,723
Income on saving account	(1,935)	-	(1,935)	(1,925)	-	(1,925)
	48,011	195,424	243,435	70,363	159,736	230,099

AL-NOOR SUGAR MILLS LTD.

10. SEGMENT INFORMATION

The Company's operations 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, 2017 and June 30, 2016 and assets and liabilities information regarding business segments as at June 30, 2017 and September 30, 2016.

	Sugar		MDF Board		Total	
	Nine months ended		Nine months ended		Nine months ended	
	June 30,		June 30,		June 30,	
	2017	2016	2017	2016	2017	2016
	(Rupees in '000)					
Revenue						
Sales	2,430,526	3,347,125	1,867,858	1,907,830	4,298,384	5,254,955
Sales of By-product & electricity						
External Sales	522,225	412,176	1,590	493	523,815	412,669
Inter segment transfer	80,521	41,605	-	-	80,521	41,605
	<u>3,033,272</u>	<u>3,800,906</u>	<u>1,869,448</u>	<u>1,908,323</u>	<u>4,902,720</u>	<u>5,709,229</u>

RESULTS

Profit from operation	4,882	71,437	96,390	150,460	101,272	221,897
Other income					14,358	18,316
Finance cost					(223,563)	(226,301)
Share of profit from associate					418	13,031
(Loss)/Profit before tax					(107,515)	26,943
Taxation					52,387	(17,013)
(Loss)/Profit after taxation					(55,128)	9,930
Other Comprehensive Income					-	-
Total Comprehensive (Loss)/Profit Income for the period					<u>(55,128)</u>	<u>9,930</u>

Other Comprehensive Income / (loss)

OTHER INFORMATION

Capital expenditures	135,792	156,726	131,503	396,742	267,295	553,468
Depreciation	97,185	95,155	77,075	80,468	174,260	175,623

AL-NOOR SUGAR MILLS LTD.

	Sugar		MDF Board		Total	
	June 30, 2017	September 30, 2016	June 30, 2017	September 30, 2016	June 30, 2017	September 30, 2016
	----- (Rupees in '000) -----					
BALANCE SHEET						
Assets						
Segment assets	8,288,991	4,122,328	2,572,948	2,587,974	10,861,939	6,710,302
Investment in associates	260,014	267,515	-	-	260,014	267,515
Unallocated assets			-		110,977	25,011
Total assets					<u>11,232,930</u>	<u>7,002,828</u>
Liabilities						
Segment liabilities	7,854,889	3,406,891	768,978	839,703	8,623,867	4,246,594
Unallocated liabilities					<u>9,440</u>	<u>19,588</u>
					<u>8,633,307</u>	<u>4,266,182</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.539,544 million(2016:Rs. 465.621 million) represent sales to customers in various countries of Asia as follows:

	June 30, 2017	June 30, 2016
	Rupees in '000	
Pakistan	3,758,840	4,789,334
Asian countries other than Pakistan	539,544	465,621
	<u>4,298,384</u>	<u>5,254,955</u>

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. 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.

13. AUTHORIZATION

This condensed interim financial information was authorized for issue by the Board of Directors of the Company in their meeting held on July 27, 2017.

14. GENERAL

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


ISMAIL H. ZAKARIA
Chief Executive Officer


SULEMAN AYOB
Director

ایم ڈی ایف ڈویژن:-

زیر نظر دورانے کے دوران ایم ڈی ایف بورڈ کی جانب سے مختلف موٹائی / سائز کی جتنی مصنوعات 42,928 مکعب میٹر رہی جبکہ گزشتہ سال اسی عرصے کے دوران یہ پیداواری حجم 39,696 مکعب میٹر تھا۔ یہ پیداواری حجم گزشتہ سال کے مقابلے میں 8.14 فیصد زائد رہا۔ ایم ڈی ایف اشیاء کی پذیرائی ملکی اور پاکستان کے پڑوسی ممالک میں مستحکم ہوئی ہے۔

مستقبل پر نظر:-

پچھلے سال کے مقابلے میں سندھ میں بارش ہونے اور بروقت آبی نظام کے ذریعے سے پانی کی فراہمی کی وجہ سے اس فصل میں اضافہ متوقع ہے۔ پچھلے سال کی بنسبت اس سال ملک میں بالائی علاقوں میں بارش کی وجہ سے پانی کی دستیابی کافی بہتری اور امید کی جاتی ہے کہ فی ایکڑ پیداوار (اچھی) کسی حد تک بڑھے گی۔

2016-2017 کے سال کے دوران چینی کی پیداوار 7 ملین میٹرک ٹن تھی اور آئندہ سال 2017-2018 میں گنے کی متوقع بڑی فصل کی وجہ سے چینی 8 ملین ٹن چینی کا حصول متوقع ہے۔ ان تمام مثبت حالات کے تناظر میں ریکوری کی شرح فیصد میں بہتری کی امید ہے۔

بورڈ آف ڈائریکٹرز کی ترتیب میں تبدیلی:-

موجودہ ڈائریکٹروں کی مدت 29 مارچ 2017 کو ختم ہو چکی ہے اور ممبران نے غیر معمولی اجلاس منعقد 29 مارچ 2017 میں دس ڈائریکٹرز کو آئندہ تین سال کی مدت کے لئے منتخب کیا ہے جیسا کہ 31 مارچ 2017 کی آدھے سال کی مالیاتی رپورٹ میں مذکور ہے۔

ملازمین کے رابطہ:

انتظامیہ اور ڈائریکٹر چینی کے بے لوث اور مخلص آفسیروں اور اسٹاف کے لئے سٹافنگ کا اظہار کرتے ہیں۔



اسامیل ایچ ڈکریا
مینجنگ ڈائریکٹر

بمقام: کراچی
مورخہ 27 جولائی 2017

جائزہ برائے کارکردگی:-

زیر نظر دورانی کے دوران گنے کی فصل غیر معمولی طور پر اچھی رہی بالخصوص بالائی صوبے میں گزشتہ سال کے مقابلے میں بہتر رہی۔ جس کے نتیجے میں خام مال کی موجودگی زیر نظر دورانی کے درمیان تقریباً 45% بڑھ گئی۔ چینی کی پیداوار گزشتہ سال کے مقابلے میں 92,501 سے بڑھ کر 127,798 میٹرک ٹن رہی تاہم ریکوری کی شرح گزشتہ سال کے مقابلے میں 10.20% سے کم ہو کر 9.70% رہی۔ یومیہ گنے کی سپلائی حجم 10,199 میٹرک ٹن تھا جبکہ گزشتہ اس عرصے کے دوران یہ حجم 8,895 میٹرک ٹن تھا۔ حالیہ پریس کے اور پاکستان شوگر ملز ایسوسی ایشن کے چھپے ہوئے اعداد و شمار کے مطابق گنے کی سپلائی کا حجم ملکی سطح کی بنیاد پر 70.155 ملین میٹرک ٹن تھا بر خلاف گزشتہ سال کے 49.921 میٹرک ٹن کی سپلائی کے جو کہ 40.53 فی صد کا اضافہ ظاہر کرتا ہے۔

2015-16 کے سال کی 5.076 ملین میٹرک ٹن کی پیداوار کے برخلاف چینی کی پیداوار 6.923 ملین میٹرک ٹن تک بڑھی۔ ملکی سطح پر وصولی کی شرح سال کے دوران 9.87 فیصد رہی۔ برخلاف گزشتہ سال کے جو کہ 9.44 فی صد تھی۔ یہ توقع کی جائے کہ اگلے سال یعنی 2017-2018 میں گنے کی فصل بھرپور ہوگی۔ اور ایک اندازے کے مطابق چینی کی پیداوار 8 ملین میٹرک ٹن تک متوقع ہے جو کہ ملکی طلب سے بہت زیادہ ہے۔

اس سال پیدا ہونے والی چینی اور اس کے ساتھ ساتھ گزشتہ سال سے بچ جانے والا ذخیرہ جو کہ ملوں کے پاس محفوظ ہے کو اگر ملا کر دیکھا جائے تو سپلائی ملک میں پائی جانے والی طلب سے زیادہ ہے، ملک کے اندر طلب سے زائد مقدار میں چینی کی توڑ جوڑ کو مد نظر رکھتے ہوئے حکومت چینی کو برآمد کرنے کی اجازت تو دیدی لیکن عالمی سطح پر بھی چینی کے بڑے ذخائر ہونے کی وجہ سے چینی کی نرخ کافی دباؤ کا شکار ہے عالمی مارکیٹ میں چینی کی قیمت خرید کی بنسٹ پیداواری لاگت زیادہ ہونے کی بنا پر پاکستان شوگر ملز ایسوسی ایشن حکومت سے برآمد میں سبسڈی دینے کی اجازت کی درخواست کر رہی ہے۔

چینی کی پیداواری لاگت سے زیادہ ہے جبکہ خام مال کی قیمت حکومت کی طرف سے طے شدہ ہے اور تیار شدہ مال کی قیمت کا اختیار بازار کے پاس ہے ایک اندازے کے مطابق 2 ملین تک کی مقدار کی چینی 30 جون 2017 تک ملز کے پاس دستیاب ہے اور حکومت کو ترجیحی بنیاد پر ایسوسی ایشن کے رائے پر غور کرنا چاہئے۔

سندھ میں پنجاب کے مقابلے میں گنے کی دستیابی کم تھی جس کی وجہ سے آب پاشی نظام سے مطلوبہ مقدار میں پانی کی دستیابی کا کم ہونا تھا۔ ایک اور وجہ بارش نہ ہونا بھی تھی۔

پنجاب میں پانی دستیاب تھا اور ملک کے بالائی علاقوں میں بارشیں اچھی ہوئی تھیں۔ ملز میں مسابقت کی وجہ سے گنے کی کچھ مقدار دور دراز علاقوں سے خریدی گئی۔ اور اچھی خاصی رقم ٹرانسپورٹ سبسڈی کی مدد میں ٹرانسپورٹروں کو ادا کی گئی جو خام مال کی لاگت میں اضافے کا باعث بنی یہ تمام عوامل شوگر ڈویژن منافع پر دباؤ کا باعث بنے رہے۔

ڈائریکٹر ز رپورٹ برائے ممبران
 شروع اللہ کے نام سے جو بڑا مہربان نہایت رحم کرنے والا ہے
 معزز ممبران گرامی:-
 السلام علیکم!

یہ بات میرے لئے باعث افتخار ہے کہ میں بورڈ آف ڈائریکٹر کی جانب سے آپ کی خدمت میں آپ کی کمپنی کی غیر آڈٹ شدہ مالیاتی دستاویزات برائے مالی سال 30 جون 2017 پیش کر رہا ہوں۔ زیر غور دورانے میں آپ کی کمپنی کو ٹیکس سے پہلے 107.515 ملین روپے کے نقصان کا سامنا کرنا پڑا جبکہ اسکے برخلاف گزشتہ سال اسی دورانے میں کمپنی نے 26.943 ملین روپے کا منافع کمایا تھا۔ زیر نظر مالی دستاویزات کی بات چیدہ چیدہ خصوصیات درج ذیل ہیں۔

معلومات برائے پیداوار	30 جون 2017	30 جون 2016
گنے کی پسائی کا آغاز	15-11-2016	27-11-2015
پسائی کی تکمیل	23-03-2017	07-03-2016
زیر نظر دورانے میں پسائی (ڈنوں میں)	129	102
گنے کی پسائی (میٹرک ٹن میں)	1,315,682	907,287
چینی کی پیداوار (میٹرک ٹن میں)	127,798	92,501
چینی کی ریکوری کی شرح	9.70	10.20
راب کی پیداوار	56,560	39,405
ایم ڈی ایف کی پیداوار (مکعب میٹر میں)	42,928	39,696
مالیاتی معلومات	(روپے ہزاروں میں)	(روپے ہزاروں میں)
فروختگی	4,298,384	5,254,955
لاگت برائے فروختگی	(3,783,064)	(4,686,864)
خام منافع	515,320	568,091
دیگر آمدنی	14,932	19,125
انتظامی اخراجات	(361,302)	(321,201)
لاگت برائے تقسیم مال	(44,770)	(20,597)
دیگر آمدن بعد از اخراجات	(8,550)	(5,205)
تمویلی اخراجات	(223,563)	(226,301)
ایسوسیٹ کے سرمائے میں منافع کا حصہ	418	13,031
منافع/(خسارہ) قبل از ٹیکس	(107,515)	26,943
پروویژن برائے ٹیکس	52,387	(17,013)
منافع/(خسارہ) بعد از ٹیکس	(55,128)	9,930
آمدن/(خسارہ) فی حصص	(2.69) روپے	0.49 روپے

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