



AL-NOOR SUGAR MILLS LIMITED

3rd Quarterly Results for the period
1st October 2017 to 30th June, 2018

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

M/s. 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

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

WEBSITE

www.alnoorsugar.co

DIRECTORS' REPORT

Dear Members:

Assalam-o-Alaikum:

On behalf of Board of Directors' I take the opportunity to place before you the un-audited financial statements of your company for the period ended June 30, 2018.

Salient features of production and Financial Statements are as under:

PRODUCTION DATA	June 30, 2018	June 30, 2017
Crushing commenced on	28-11-2017	15-11-2016
Crushing completed up to	15-04-2018	23-03-2017
Duration of crushing (days)	139	129
Sugarcane crushed (M Tons)	1,108,106	1,315,682
Sugar produced (M Tons)	110,810	127,798
Sugar recovery percentage	10.00	9.70
Molasses produced (M Tons)	57,140	56,560
MDF Production (Cubic Meters)	51,586	42,928
FINANCIAL DATA	(Rupees in thousand)	
Sales revenue	7,495,134	4,298,384
Cost of sales	(8,232,332)	(3,783,064)
Gross (Loss)/ profit	(737,198)	515,320
Distribution cost	(172,647)	(44,770)
Administrative expenses	(388,222)	(361,302)
Financial cost	(219,682)	(223,563)
Other operating income net of expenses	1,360,391	6,800
Loss before taxation	(157,358)	(107,515)
Provision for taxation	126,224	52,387
Loss after taxation	(31,134)	(55,128)
Loss per share	Rs.(1.52)	Rs.(2.69)

Segment wise performance is elaborated as under:

SUGAR DIVISION

During the period under review the mill crushed 1,108,106 metric tons of cane and produced 110,810 metric tons of sugar. During the same period last year the mill crushed 1,315,682 metric tons of cane and produced 127,798 metric tons of sugar. The current period production is less than last year by 13.30 percent or 16,988 metric tons. The decrease in production of sugar was mainly due to lower crushing volume. There was bumper cane crop in Punjab and Khyber Pakhtunkhwa as compared with the crop in Sindh province. This was due to scarcity of water required by cane crop during early stage of growing. Recovery percentage slightly improved to 10.00 percent as against 9.70 percent achieved last year.

AL-NOOR SUGAR MILLS LTD.

The price of sugar cane was notified by the government of Sindh at Rs.182 per 40 kg which was the same as fixed for the crushing season 2016-17. However the price of sugar declined substantially during the period under review and the sugar mills filed a case before the Honorable High Court of Sindh to review the price of the cane notified by the Government. The Honorable High Court of Sindh gave an interim decision that the sugar mills will purchase sugar cane at the rate of 160 per 40 kg and the balance of Rs.22/= would be decided by the Honorable Supreme Court of Pakistan.

Due to the huge cane crop specifically in the upper parts of the country for the current crushing season and the carry over stock from the previous year a surplus of approximately 2.5 million tons is expected. The excess production in the local market and international market has kept the local prices of sugar under pressure. Due to this alarming situation the Federal and Provincial governments allowed an initial export of 1.5 million tons of sugar with an export subsidy. Your company up to June 30, 2018 exported 113,150 metric tons of sugar and earned valuable foreign exchange amounting to U S \$36.711 million for the country. Unfortunately due to extremely slow release of subsidy payments and depressed international prices export quota still remain unutilized as of June 30, 2018.

MDF BOARD DIVISION

During the period under review the MDF Board division produced 51,586 cubic meters as against 42,928 cubic meters produced in the same period last year. The production is higher by 20.17 percent and is in various sizes keeping in view the demand of the same in the market. It is anticipated that the production during the remaining period of the year would increase so as to meet the demand of the market.

FUTURE OUTLOOK

It is expected that during the next crushing season cane crop in Punjab and KPK would be surplus. However cane crop in Sindh would be seriously affected due to non availability of water. We hope that the government will take timely decision for export as well as building buffer stock which would be the only way to stabilize domestic sugar prices.

Future outlook of MDF division appears to be stable as the products of the division have established its acceptability in the domestic and neighboring countries markets.

BOARD OF DIRECTORS

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

The Board of Directors wishes to assure its respectable stakeholders for the dedicated efforts to achieve the success with better planning to overcome, In Sha Allah, the difficult situation being faced presently by the sugar industry of the country. Please extend your pray to Almighty Allah to guide / help us to achieve the desired goals. (Ameen)

By order of the Board



ISMAIL H. ZAKARIA
MANAGING DIRECTOR

Karachi: 27th July 2018

AL-NOOR SUGAR MILLS LTD.


CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2018

AS AT JUNE 30, 2018		Un-Audited June 2018	Audited September 2017
	Note	(Rupees in thousand)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	4	4,403,026	4,417,460
Long term investments	5	314,428	260,309
Long term loans		4,213	3,227
Long term deposits		3,095	5,510
		4,724,762	4,686,506
CURRENT ASSETS			
Stores, spare parts and loose tools		352,707	321,159
Stock in trade		2,943,534	3,928,170
Trade debts		240,921	205,323
Loans and advances		71,382	60,281
Trade deposit and short term prepayments		12,223	16,033
Other receivables - Including Export subsidy announced by Federal and Provincial Governments on export sale of sugar		888,084	40,864
Income tax refund due from Government		25,011	25,011
		150,890	103,044
Cash and bank balances		282,072	129,209
		4,966,824	4,829,094
		9,691,586	9,515,600
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Capital			
50,000,000 ordinary shares of Rs.10 each		500,000	500,000
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 its available for sale investments		(2,110)	(2,110)
Unappropriated profit		341,488	334,397
Surplus on revaluation of Property, plant and equipment		1,060,428	1,098,653
		2,604,543	2,635,677
NON-CURRENT LIABILITIES			
Long term financing		2,432,986	2,198,959
Deferred liabilities		306,538	503,451
		2,739,524	2,702,410
CURRENT LIABILITIES			
Trade and other payables		1,575,719	1,130,486
Accrued finance cost		41,963	73,198
Unclaimed dividend		5,170	5,202
Short term borrowings		2,393,070	2,690,155
Current portion of long term financing		331,597	278,472
		4,347,519	4,177,513
CONTINGENCIES AND COMMITMENTS			
	6	-	-
		9,691,586	9,515,600

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


Zohair Zakaria
Chief Finance Officer

AL-NOOR SUGAR MILLS LTD.

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2018**

	For the Nine Months		For the quarter	
	October-June 2018	2017	April-June 2018	2017
	----- (Rupees in ‘000) -----			
Note				
Sales	7,495,134	4,298,384	1,795,533	1,121,384
Cost of sales	(8,232,332)	(3,783,064)	(1,965,631)	(1,221,945)
Gross (loss) / profit	(737,198)	515,320	(170,098)	(100,561)
Profit from trading activities	42	574	-	519
	(737,156)	515,894	(170,098)	(100,042)
Distribution Cost	(172,647)	(44,770)	(59,397)	(10,603)
Administration expenses	(388,222)	(361,302)	(123,425)	(110,245)
Other operating expenses	(13,448)	(8,550)	(1,311)	14,830
	(574,317)	(414,622)	(184,133)	(106,018)
	(1,311,473)	101,272	(354,231)	(206,060)
Other income - including Export subsidy announced by Federal and Provincial Governments on export sale of sugar	1,318,028	14,358	299,912	8,020
	6,555	115,630	(54,319)	(198,040)
Finance cost	(219,682)	(223,563)	(82,953)	(109,528)
	(213,127)	(107,933)	(137,272)	(307,568)
Share of profit from associate	55,769	418	38,082	(11,643)
Loss before taxation	(157,358)	(107,515)	(99,190)	(319,211)
Taxation				
-Current	(70,689)	6,512	(21,245)	64,049
-Deferred	196,913	45,875	55,118	72,500
	126,224	52,387	33,873	136,549
Loss after taxation	(31,134)	(55,128)	(65,317)	(182,662)
Loss per share - Basic and diluted- (Rupees)	(1.52)	(2.69)	(3.19)	(8.92)

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ISMAIL H. ZAKARIA
Chief Executive Officer


SULEMAN AYOOB
Director


Zohair Zakaria
Chief Finance Officer

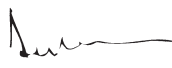
**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2018**

	<u>For the Nine Months</u>		<u>For the quarter</u>	
	<u>October-June</u>		<u>April-June</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	<u>----- (Rupees in '000) -----</u>			
Loss after taxation	(31,134)	(55,128)	(65,317)	(182,662)
Other comprehensive income	-	-	-	-
Total Comprehensive Loss	<u>(31,134)</u>	<u>(55,128)</u>	<u>(65,317)</u>	<u>(182,662)</u>

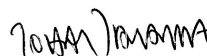
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ISMAIL H. ZAKARIA
Chief Executive Officer



SULEMAN AYOOB
Director



Zohair Zakaria
Chief Finance Officer

AL-NOOR SUGAR MILLS LTD.

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2018

	Note	June 2018	June 2017
(Rupees in thousand)			
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(157,358)	(107,515)
Adjustments for:			
Depreciation of property, plant and equipment	4.1	200,174	174,260
Gain on disposal of property, plant and equipment		(6,356)	(7,537)
Provision for obsolescence and slow moving items		8,350	8,550
Finance cost		219,682	223,563
Share of profit from associate		(55,769)	(418)
		<u>366,081</u>	<u>398,418</u>
Cash generated before working capital changes		208,723	290,903
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(39,898)	(43,181)
Stock in trade		984,636	(3,772,948)
Trade debts		(35,598)	(118,456)
Loans and advances		(11,101)	(118,148)
Trade deposits and short term prepayments		3,810	(12,578)
Other receivables		(847,220)	(468)
		<u>54,629</u>	<u>(4,065,779)</u>
Increase in current liabilities			
Trade and other payables		445,234	1,678,345
Short term bank borrowings		(297,085)	2,465,618
		<u>148,149</u>	<u>4,143,963</u>
		411,501	369,087
Income tax paid		(118,535)	(79,455)
Finance cost paid		(250,917)	(168,220)
(Increase) / Decrease in long term loans		(986)	1,975
Decrease in long term deposits		2,415	510
		<u>(368,023)</u>	<u>(245,190)</u>
Net cash inflows from operating activities		43,478	123,897
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in Property, Plant & Equipment		(192,650)	(267,295)
Sale proceeds from disposal of property, plant and equipment		13,265	16,248
Dividend received		1,650	7,919
Net cash used in investing activities		(177,735)	(243,128)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		500,000	1,800,000
Repayment of long term financing		(212,848)	(1,586,305)
Dividend paid		(32)	(81,895)
Net cash increased in financing activities		287,120	131,800
Net increase in cash and cash equivalents		152,863	12,569
Cash and cash equivalents at the beginning of the period		129,209	136,892
Cash and cash equivalents at the end of the period		<u>282,072</u>	<u>149,461</u>

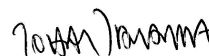
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ISMAIL H. ZAKARIA
Chief Executive Officer



SULEMAN AYOOB
Director



Zohair Zakaria
Chief Finance Officer

AL-NOOR SUGAR MILLS LTD.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2018

	Issued, Subscribed & paid up capital	General reserves	Unrealised (loss) on remeasurement of investments	Un-appropriated profit	Capital Reserve Surplus on revaluation of Property Plant & Equipment	Total
	(Rupees in thousand)					
Balance as at October 1, 2016	204,737	1,000,000	(2,038)	393,071	1,140,876	2,736,646
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 30-June-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	-	-	-	3,071	(3,071)	-
	-	-	-	40,481	(40,481)	-
Balance as at June 30, 2017	204,737	1,000,000	(2,038)	296,529	1,100,395	2,599,623
Balance as at October 01, 2017	204,737	1,000,000	(2,110)	334,397	1,098,653	2,635,677
During the Nine months ended June 30, 2018						
Total Comprehensive Loss for the nine months ended 30-June-2018	-	-	-	(31,134)	-	(31,134)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax from:						
Company's Revaluation Surplus	-	-	-	35,332	(35,332)	-
Shares of associates incremental depreciation of revaluation surplus and on account of disposal of property, plant and equipment	-	-	-	2,893	(2,893)	-
	-	-	-	38,225	(38,225)	-
Balance as at June 30, 2018	204,737	1,000,000	(2,110)	341,488	1,060,428	2,604,543

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


Zohair Zakaria
Chief Finance Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2018

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 operates 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 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of :

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the company's annual financial statements for the year ended September 30, 2017.

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, 2017, except revaluation surplus on Property Plant & Equipment as stated below in 3.2.

- 3.2** Effective from 30 May 2017, the Companies Act, 2017 (the Act) was enacted which replaced and repealed the previous Companies Ordinance, 1984 (the repealed Ordinance). The Companies Act introduces new disclosure and presentation requirements and also section 235 of the repealed Ordinance relating to treatment of surplus arising on revaluation of property, plant and equipment has not been carried forward in the Act, consequently the Company has to account for and classify revaluation surplus in accordance with the requirements of IAS 16 "Property, Plant and Equipment". The Company used to transfer such surplus to an account called 'Surplus on revaluation of property plant and equipment' which was shown separately in statement of financial position after Capital and Reserves (i.e. Equity) whereas the IAS 16 requires same to be treated as part of equity and also there is change in treatment of loss on revaluation. Accordingly the Company has made the changes in its accounting policy as per the requirements of the Companies Act, 2017; however, there is no significant change in the reported amounts so no restatement is required with respect to amount, the only change required is reclassification of revaluation surplus as part of equity rather than separating it from capital and reserves. Additional disclosures required by the Act will be made in the annual financial statements of the Company.

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- 3.3** 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.
- 3.4** Certain new IFRSs and amendments to existing IFRSs, effective for periods beginning on or after October 1, 2017 do not have any impact on the condensed interim financial information, and are therefore not disclosed.
- 3.5** The preparation of this condensed interim financial information requires management to make estimates, assumptions and use of 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, 2017.

	Unaudited June 30, 2018	Audited September 30, 2017
	Rupees in '000	
4. PROPERTY PLANT AND EQUIPMENT		
Operating fixed Assets	4,178,120	4,157,116
Capital Work in Progress	224,906	260,344
	4,403,026	4,417,460
4.1 Operating Fixed Assets:		
Opening Net Book Value (NBV)	4,157,116	3,467,597
Direct Additions during the period/year		
Plant and Machinery	10,210	23,719
Office Equipment	5,694	11,904
Vehicles	27,300	30,184
	43,204	65,807
Transfer from CWIP during the period/year		
Factory Building	23,910	12,040
Non-Factory Building	-	4,899
Power Plant	-	85,777
Plant and Machinery	160,973	773,251
	184,883	875,967
Net Book Value of Asset disposed off during the period/year		
Vehicles	(6,909)	(9,786)
Depreciation Charged for the period/year	(200,174)	(242,469)
Closing Net Book Value	4,178,120	4,157,116

AL-NOOR SUGAR MILLS LTD.

	Unaudited June 30, 2018	Audited September 30, 2017
	Rupees in '000	
4.2 Capital Work in Progress		
Opening Balance	260,344	643,348
Addition during the period/year		
Civil Work	19,136	26,524
Plant & Machinery	115,159	439,964
Advance against land	15,150	26,475
	149,445	492,963
Capitalization during the period/year		
Civil Work	(23,910)	(16,939)
Plant & Machinery	(160,973)	(859,028)
	(184,883)	(875,967)
Closing Balance	224,906	260,344

4.2.1 Additions to plant and machinery under installation includes borrowing cost of Rs.Nil (2017:20.757 millions) capitalized at the effective rate nil (2017:6.78%-7.53%)

5. Long Term Investment

Investment in associated undertakings:-

	Shahmurad Sugar Mills Limited	Al Noor Modaraba Management (Pvt) Limited	Total June 30, 2018	Total September 30 2017
Opening balance	257,635	2,674	260,309	267,515
Share of profit of associate for the period / year	55,769	-	55,769	824
Shares of associate's unrealized gain on remeasurement of associate's available for sale of investment	-	-	-	(82)
Share of associate's share in reversal of its associate's incremental depreciation on account of revaluation of property plant and equipment	-	-	-	(35)
Shares of associate's share in its associate's incremental depreciation on account of revaluation of property, plant and equipment	-	-	-	6
Dividend received during the period / year	(1,650)	-	(1,650)	(7,919)
	54,119	-	54,119	(7,206)
	311,754	2,674	314,428	260,309

AL-NOOR SUGAR MILLS LTD.

The company holds 14.285% (September 2017:14.285%) interest in Al-Noor Modaraba Management (Pvt) Ltd, and holds 15.625% (September 2017:15.625%) 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 share of profit and other comprehensive income has been taken on the basis of its reviewed condensed interim financial information for the nine months period ended June 30, 2018.

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There is no material change in status of contingencies as disclosed in note No.23 (a) of the annual financial statement for the year ended September 30,2017,except for the following:

- 6.1.1** During the period under review, the Government of Sindh issued a notification no. 8(142)/ S.O(EXT)2017, according to which, the minimum price of sugarcane has been fixed at the rate of Rs. 182 per 40 kg for the crushing season 2017-2018. The Sugar mills, against the said notification, filed a petition in the High Court of Sindh. The Honourable Court after deliberations with all stakeholders announced the judgement fixing the purchase price at the Rs. 160 to be paid to growers and the balance of Rs. 22 per 40 kg to be decided by the Supreme Court of Pakistan. However, the Company, as a matter of prudence accounted for the said difference of Rs. 22 per 40kg in this condensed interim financial information aggregating to Rs.609.458 million.
- 6.1.2** During the period under review the matter of the quality premium has been decided by the Honourable Supreme Court of Pakistan against the Sugar Mills. The Legal Counsel of the Company is of the view that the Honorable Supreme Court of Pakistan has now simply prescribed the criteria for future, which if followed properly, would make quality premium applicable in the future, and in relation to the past (other than crushing season 1998-1999) it appears that no liability arose as no legally binding notification under section 16(v) of the Sugar Factories Control Act, 1950 can be said to be in the field in the light of the decision of Honourable Supreme Court. Accordingly, no liability arises for the past except for the year 1998 - 99 for which also quality premium is not payable owing to lesser recovery than base recovery in case of the Company.
- 6.1.3** During the period under review the Supreme Court has decided the matter of Excise duty, as disclosed in the note 19.2 of the audited financial statements of the Company for the year ended September 30, 2017, in favour of the Company and has decreed that if any tax in this regard has been collected by the excise authorities the same shall be refunded or adjusted as the case may be subject to determination by the competent forum that burden of such excise duty has not been passed on the general public. Accordingly, Company intends to claim for refund of Rs.19 million in the due course of time.

6.2 Commitments as on the balance sheet date

	Unaudited June 30, 2018	Audited September 30, 2017
	Rupees in '000	
Letters of credit		
Stores	15,346	7,998
Raw Material	127,975	117,863
Plant and Machinery	-	107,102
	143,321	232,963

AL-NOOR SUGAR MILLS LTD.

	For Nine Months October-June		For the quarter April-June	
	2018	2017	2018	2017
----- (Rupees in '000) -----				
7. COST OF SALES				
Opening stock of finished goods	3,596,450	1,646,842	3,341,370	6,243,448
Cost of goods manufactured	7,120,147	7,612,633	1,108,526	454,908
	10,716,597	9,259,475	4,449,896	6,698,356
Closing stock of finished goods	(2,484,265)	(5,476,411)	(2,484,265)	(5,476,411)
	8,232,332	3,783,064	1,965,631	1,221,945

- 7.1** Stock of refined sugar amounting of Rs. Million 2,049.866 (June 2017:Rs.3,993.494 million) has been pledged against cash finance facilities and Murabaha/Istisna arrangements.
- 7.2** Stock in trade includes stocks costing Rs.2,361.491 million (June 2017: Rs. 5,491.454 million) written down to their net realizable value of Rs.2,262.736 million (June 2017: 5,272.685 million). This includes stock of molasses valued at net realizable value of Rs.32.986 million. (June 2017: Rs.29.490)

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, 2018	June 30, 2017
Transactions:			
Relationship with the Company	Nature of Transactions	(Rupees in thousand)	
Associates			
Shahmurad Sugar Mills Ltd	Sale of molasses	319,351	416,757
Reliance Insurance Compnay Ltd	Insurance premium paid	9,062	22,246
	Insurance claim	3,380	-
Other Related Parties			
Directors' and key management personnel	Director's remuneration	15,026	13,027
	Executives remuneration	95,322	133,338
	Directors meeting fee	135	50
Staff provident fund	Contribution made during period excluding directors	13,828	8,323
Balances			
Relationship with the Company	Nature of Transactions	June 30, 2018	September 30, 2017
Associates			
Shahmurad Sugar Mills Ltd	Trade & other payables	32,987	-
Reliance Insurance Compnay Ltd	Trade & other payables	17,506	-
Staff provident fund	Trade & other payables	2,664	146

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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 2018			September 2017		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Long term financing-Musharka and others finance	2,312,500	120,486	2,432,986	2,050,000	148,959	2,198,959
Current portion of long term finance	175,000	156,597	331,597	93,750	184,722	278,472
	2,487,500	277,083	2,764,583	2,143,750	333,681	2,477,431
Trade and other payables						
-Murhaba/Istisna	-	-	-	499,565	-	499,565
Accrued finance cost	11,299	30,664	41,963	17,371	55,827	73,198
Short term borrowings	-	2,393,070	2,393,070	-	2,690,155	2,690,155
Cash at bank accounts	(8,916)	(261,708)	(270,624)	(3,688)	(124,456)	(128,144)
	2,489,883	2,439,109	4,928,992	2,656,998	2,955,207	5,612,205

	June 2018			June 2017		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Finance cost	72,501	147,181	219,682	49,946	173,617	223,563
Borrowing cost capitalized	-	-	-	-	21,807	21,807
Income on saving account	(447)	-	(447)	(1,935)	-	(1,935)
	72,054	147,181	219,235	48,011	195,424	243,435

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, 2018 and June 30, 2017 and assets and liabilities information regarding business segments as at June 30, 2018 and September 30, 2017:

	Sugar		MDF Board		Total	
	Nine months ended June 30,		Nine months ended June 30,		Nine months ended June 30,	
	2018	2017	2018	2017	2018	2017
	(Rupees in '000)					
Revenue						
Sales	5,056,639	2,430,526	2,438,495	1,867,858	7,495,134	4,298,384
Sales of By-product & electricity						
External Sales	409,099	522,225	1,516	1,590	410,615	523,815
Inter segment transfer	79,338	80,521	-	-	79,338	80,521
	5,545,076	3,033,272	2,440,011	1,869,448	7,985,087	4,902,720

RESULTS

(Loss) / Profit from operation	(1,484,131)	4,882	172,658	96,390	(1,311,473)	101,272
Other income including export subsidy					1,318,028	14,358
Finance cost					(219,682)	(223,563)
Share of profit from associate					55,769	418
(Loss) / Profit before tax					(157,358)	(107,515)
Taxation					126,224	52,387
Profit after taxation					(31,134)	(55,128)
Total Comprehensive Income for the period					(31,134)	(55,128)

OTHER INFORMATION

Capital expenditures	124,835	135,792	67,815	131,503	192,650	267,295
Depreciation	101,930	97,185	98,244	77,075	200,174	174,260

AL-NOOR SUGAR MILLS LTD.

	Sugar		MDF Board		Total	
	June 30, 2018	September 30, 2017	June 30, 2018	September 30, 2017	June 30, 2018	September 30, 2017
	----- (Rupees in '000) -----					
BALANCE SHEET						
Assets						
Segment assets	6,564,417	6,572,875	2,636,840	2,554,361	9,201,257	9,127,236
Investment in associates	314,428	260,309	-	-	314,428	260,309
Unallocated assets			-		175,901	128,055
Total assets					<u>9,691,586</u>	<u>9,515,600</u>
Liabilities						
Segment liabilities	6,442,944	6,166,054	639,171	704,436	7,082,115	6,870,490
Unallocated liabilities					<u>4,928</u>	<u>9,433</u>
					<u>7,087,043</u>	<u>6,879,923</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.4,625.390 million(2017:539.544 million) represent sales to customers in various countries of Asia as follows:

	June 30, 2018	June 30, 2017
	Rupees in '000	
Pakistan	2,870,044	3,758,840
Afghanistan	4,458,835	539,544
Other Countries	166,255	-
	<u>7,495,134</u>	<u>4,298,384</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 27th July 2018.

14. GENERAL

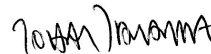
Amounts have been rounded off to the nearest thousand rupee unless otherwise stated.



ISMAIL H. ZAKARIA
Chief Executive Officer



SULEMAN AYOOB
Director



Zohair Zakaria
Chief Finance Officer

20.17 فیصد زائد رہی اور مارکیٹ میں اس کی طلب کو مد نظر رکھتے ہوئے مختلف سائزوں میں تیار کی گئی۔ یہ اندازہ ہے کہ سال کی باقی ماندہ مدت کے دوران پیداوار میں اضافہ ہوگا تاکہ مارکیٹ کی طلب کو پورا کیا جائے۔

مستقبل پر نظر

یہ توقع کی جاتی ہے کہ آئندہ پسائی کے سیزن کے دوران پنجاب اور کے پی کے میں گنے کی اضافی فصل ہوگی تاہم سندھ میں پانی کی عدم دستیابی کے باعث فصل شدید متاثر ہوگی۔ ہم امید کرتے ہیں کہ حکومت برآمدات نیز بفر اسٹاک کے بارے میں بروقت فیصلہ کرے گی جو چینی کے مقامی نرخوں کو مستحکم بنانے کا واحد راستہ ہے۔

ایم ڈی ایف ڈویژن کا مستقبل کا جائزہ مستحکم صورتحال کی عکاسی کرتا ہے کیونکہ ڈویژن کی مصنوعات مقامی اور پڑوسی ممالک کی مارکیٹوں میں اپنی جگہ مستحکم بنا رہی ہیں۔

بورڈ آف ڈائریکٹرز

زیر جائزہ مدت کے دوران بورڈ آف ڈائریکٹرز کی تشکیل میں کوئی تبدیلی رونما نہیں ہوئی۔

بورڈ آف ڈائریکٹرز معزز حصص داران کو اس بات کی یقین دہانی کرانا چاہتا ہے کہ ملک میں شوگر انڈسٹری کو درپیش موجودہ چیلنجوں کا مقابلہ انشاء اللہ بہتر منصوبہ بندی اور انتھک محنت کے ذریعے کیا جائے گا تاکہ کمپنی کے لئے کامیابیاں حاصل کی جاسکیں۔ آپ سے گزارش ہے کہ اللہ رب العزت کے حضور ہمارے لئے دعا کریں کہ اللہ تعالیٰ مطلوبہ مقاصد کے حصول کے لئے ہماری رہنمائی اور مدد فرمائیں۔ (آمین)



اسماعیل ایچ ڈکریا
مینجنگ ڈائریکٹر

بمقام: کراچی
مورخہ 27 جولائی 2018

شعبہ جات کے لحاظ کارکردگی درج ذیل کے مطابق رہی۔

شوگر ڈویژن

زیر جائزہ مدت کے دوران مل نے 1,108,106 میٹرک ٹن گنے کی پسائی کی اور 110,810 میٹرک ٹن چینی کی پیداوار حاصل ہوئی۔ گزشتہ سال کی اس مدت میں مل نے 1,315,682 میٹرک ٹن گنا پسائی کر کے 127,798 میٹرک ٹن چینی حاصل کی تھی۔ رواں مدت کی پیداوار گزشتہ سال سے 13.30 فیصد یا 16,988 میٹرک ٹن کم رہی۔ چینی کی پیداوار میں کمی کی بنیادی وجہ پسائی کے حجم میں کمی تھی۔ پنجاب اور خیبر پختونخوا میں گنے کی فصل سندھ کے مقابلے میں اچھی رہی۔ وصولیائی کی شرح گزشتہ سال کے حاصل کردہ 9.70 فیصد کے مقابلے میں معمولی اضافے سے 10.00 فیصد رہی۔

حکومت سندھ کی جانب سے گنے کے نرخ کا -182 روپے فی چالیس کلو کا اعلان کیا گیا تھا جبکہ گزشتہ کرشنک سیزن 2016-17 کے لئے بھی یہی مقرر کئے گئے تھے تاہم اس مدت کے دوران چینی کے نرخ بتدریج کم ہوئے اور شوگر ملوں نے معزز عدالت عالیہ سندھ میں کیس داخل کر دیا۔ معزز ہائی کورٹ آف سندھ نے ایک عبوری حکم دیا کہ شوگر ملز گنے کو -160 روپے فی چالیس کلو گرام کے نرخ پر خریدیں گی اور باقی ماندہ -22 روپے کا فیصلہ معزز سپریم کورٹ آف پاکستان کی جانب سے کیا جائے گا۔

رواں کرشنک سیزن کے لئے ملک کے بالائی حصوں سے گنے کی بھاری فصل اور گزشتہ سال سے اسٹاک لے جانے کے باعث 2.5 ملین ٹن اضافی چینی کی امید ہے۔ مقامی اور بین الاقوامی مارکیٹ میں اضافی پیداوار سے چینی کی مقامی قیمتیں دباؤ میں ہیں۔ اس گھمبیر صورتحال کے باعث وفاقی اور صوبائی حکومتوں نے 1.5 ملین ٹن چینی کی ابتدائی برآمد کی اجازت ایکسپورٹ سبسڈی کے ساتھ دی۔ آپ کی کمپنی نے 30 جون 2018 تک 113,150 ٹن چینی برآمد کی اور ملک کے لئے 36.711 ملین US ڈالر کا قابل قدر غیر ملکی زرمبادلہ حاصل کیا۔ بد قسمتی سے سبسڈی کی ادائیگیوں کے انتہائی سست رفتاری سے اجرا اور کمتر بین الاقوامی نرخوں کے باعث ایکسپورٹ کوٹہ 30 جون 2018 تک غیر استعمال شدہ صورت میں پڑا ہے۔

ایم ڈی ایف بورڈ ڈویژن

زیر جائزہ مدت کے دوران ایم ڈی ایف بورڈ ڈویژن نے 51,586 کیوبک میٹر کی پیداوار حاصل کی جبکہ اس کے برخلاف گزشتہ سال کی اسی مدت میں 42,928 کیوبک میٹر پیداوار حاصل کی گئی تھی۔ پیداوار

ڈائریکٹرز رپورٹ برائے ممبران

معزز ممبران گرامی
السلام وعلیکم

میرے لئے یہ بات باعث افتخار ہے کہ بورڈ آف ڈائریکٹرز کی جانب سے میں آپ کی خدمت میں غیر آڈٹ شدہ مالیاتی حسابات بتاریخ 30 جون 2018 پیش کرنے جا رہا ہوں۔

پروڈکشن اور مالیاتی حسابات سے متعلق اہم معلومات ذیل میں پیش خدمت ہیں۔

معلومات برائے پیداوار	30 جون 2018	30 جون 2017
گنے کی پائی کا آغاز	28-11-2017	15-11-2016
پائی کی تکمیل	15-04-2018	23-03-2017
زیر نظر دورائے میں پائی (دوئیں میں)	139	129
گنے کی پائی (میٹرک ٹن میں)	1,108,106	1,315,682
چینی کی پیداوار (میٹرک ٹن میں)	110,810	127,798
چینی کی ریکوری کی شرح	10.00	9.70
راب کی پیداوار	57,140	56,560
ایم ڈی ایف کی پیداوار (مکعب میٹر میں)	51,586	42,928
مالیاتی معلومات	(روپے ہزاروں میں)	(روپے ہزاروں میں)
فروختگی	7,495,134	4,298,384
لاگت برائے فروختگی	(8,232,332)	(3,783,064)
خام منافع / خسارہ	(737,198)	515,320
لاگت برائے تقسیم مال	(172,647)	(44,770)
انتظامی اخراجات	(388,222)	(361,302)
مالیاتی اخراجات	(219,682)	(223,563)
دیگر آمدن بعد از اخراجات	1,360,391	6,800
خسارہ قبل از ٹیکس	(157,358)	(107,515)
پروویژن برائے ٹیکس	126,224	52,387
خسارہ بعد از ٹیکس	(31,134)	(55,128)
خسارہ فی حصص	(1.52) روپے	(2.69) روپے

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