



AL-NOOR SUGAR MILLS LIMITED

Half Yearly Results for the period
1st October 2019 to 31st March, 2020

COMPANY INFORMATION

BOARD OF DIRECTORS

MR. YUSUF AYOOB
MR. SULEMAN AYOOB
MR. ZIA ZAKARIA
MS. MUNIFA
MR. SHAMIM AHMAD
MR. FARRUKH YASEEN

Chairman
Resident Director

Independent Director
Independent Director

BOARD AUDIT COMMITTEE

MR. SHAMIM AHMAD
MR. ZIA ZAKARIA
MS. MUNIFA

Chairman
Member
Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

MR. FARRUKH YASEEN
MR. SULEMAN AYOOB
MS. MUNIFA

Chairman
Member
Member

CHIEF FINANCIAL OFFICER

MR. MUHAMMAD HANIF CHAMDIA

COMPANY SECRETARY

MR. MOHAMMAD YASIN MUGHAL
FCMA

AUDITORS

KRESTON HYDER BHIMJI & CO.
Chartered Accountants

LEGAL ADVISOR

MR. IRFAN
Advocate

REGISTERED OFFICE

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

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

DIRECTORS' REPORT

Dear Members Asslamu Alaikum

I feel great pleasure to place before you, on behalf of the Board of Director, the un-audited financial statements of your company for the period ended March 31, 2020. These statement have been reviewed by the statutory auditors as required under the Code of Corporate governance.

Salient features of production and Financial Statements are as under:

PRODUCTION DATA	March 31, 2020	March 31, 2019
Sugarcane crushed (M Tons)	769,428	894,494
Sugar produced (M Tons)	74,665	94,825
Sugar recovery percentage	9.71	10.60
Molasses produced (M Tons)	35,010	40,120
MDF Production (Cubic Meters)	39,640	35,465

FINANCIAL DATA	(Rupees in thousands)	
Sales revenue	4,660,984	3,949,817
Cost of sales	(4,054,213)	(3,529,250)
Gross profit	606,771	420,567
Distribution cost	(36,725)	(41,247)
Administrative expenses	(321,800)	(288,768)
Financial cost	(287,990)	(203,366)
Other operating expenses	(10,492)	(18,127)
Share of profit from associate	38,832	86,148
(Loss) before taxation	(11,404)	(44,793)
Provision for taxation	(42,284)	(6,522)
(Loss) after taxation	(53,688)	(51,315)
(Loss) per share	Rs.(2.62)	Rs.(2.51)

Segment wise performance is elaborated as under:

SUGAR DIVISION

During the period under review the mill crushed 769,428 metric tons of cane and produced 74,665 metric tons of sugar. During the same period last year, the mill crushed 894,494 metric tons of cane and produced 94,825 metric tons of sugar. The current period production is less than last year by 21.26 percent or 20,160 metric tons. The decrease in crushing volume and production of sugar was mainly due to non-availability of raw material in the required quantity as the cane crop was not good in the province. The sugar cane crop in Punjab and Khyber Pakhtunkhwa was slightly better as compared with the crop in Sindh due to shortage of rain fall and availability of water through irrigation system. Recovery percentage also declined to 9.71 percent as against 10.60 percent achieved last year. The Government of Sindh has enhanced the cost of sugar cane from Rs.182/= to Rs.192/= per forty kgs of the same but due to scarcity of sugarcane in the province the mill had to incur additional expenses for procurement of the raw material.

AL-NOOR SUGAR MILLS LTD.

The actual cost has increased to Rs.230.25 as against Rs.194.58 per forty kgs of the cane paid during last year. Decrease in recovery rate has also increased the cost of production. Selling price of the sugar in the market is substantially low and the sugar sector will suffer loss. During the period under consideration the business activities remained suspended due to lock down on account of Corona virus which effected the bottom line of financial statements of your company.

MDF BOARD DIVISION

During the period under review the MDF Board division produced 39,640 cubic meters as against 35,465 cubic meters produced in the same period last year. The production is higher by 4,175 cubic meters and is in various sizes keeping in view the demand of the same in the market segments. It is anticipated that the production during the remaining period of the year would hopefully be maintained.

BOARD OF DIRECTORS

The tenure of the Board of directors was completed on March 30, 2020 and the members in their Extra Ordinary General Meeting held on the said date elected the following members as directors for a period of three years.

- | | |
|-------------------------|-----------------------------|
| 1. Mr. Ismail H Zakaria | 2. Mr. Mohammad Yusuf Ayoob |
| 3. Mr. Mohammad Suleman | 4. Mr. Zia Zakaria |
| 5. Ms. Munifa | 6. Mr. Shamim Ahmad |
| 7. Mr. Farrukh Yaseen | |

Mr. Ismail H Zakaria was appointed Chief Executive Officer of the Company by the Board on April 14, 2020 but are deeply grieved and regret to report above his sad demise on May 27, 2020. May Almighty Allah (SWP) grant him maghfirah, illuminate his grave, and grant him place into Jannat-ul-Firdos. Ameen. Upon his sad demise the position of Chief Executive Officer has fallen vacant and thus the accounts and this report have been signed by the chairman of the Board. The casual vacancy will be filled in the due course of time.

The Board of directors also wish to place on record their appreciation to the dedicated work and commitment of all stakeholders who contributed their services to sustain all operations of the Company. In Shah Allah, the difficult situation the country is facing due to Covid-19 will be end soon. Please extend your pray to Almighty Allah to guide / help us to achieve the desired goals. (Ameen)



YUSUF AYOOB
Chairman



SULEMAN AYOOB
Director

Karachi:
Dated: May 29, 2020



AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

INTRODUCTION:

We have reviewed the accompanying condensed interim statement of financial position of **AL-NOOR SUGAR MILLS LIMITED** ("the Company") as of March 31, 2020, and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and notes to the financial statements for the half year ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for quarters ended March 31, 2020 and March 31, 2019 have not been reviewed, as we were required to review only the cumulative figures for the half year ended March 31, 2020.

SCOPE OF REVIEW:

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of these condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner of the review resulting in this independent auditor's report is Fahad Ali Shaikh.

Chartered Accountants
Karachi
Dated: May 29, 2020

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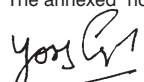
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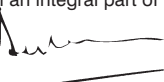
AL-NOOR SUGAR MILLS LTD.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT MARCH 31, 2020

	Note	Un-Audited March 2020 (Rupees in '000)	Audited September 2019
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	4	4,716,649	4,771,459
Intangible asset	5	4,491	5,681
Long term investment in associates	6	668,121	685,385
Long term loans		5,052	2,912
Long term deposits		4,288	4,238
		5,398,601	5,469,675
CURRENT ASSETS			
Stores, spare parts and loose tools		413,052	361,664
Stock in trade		4,498,926	2,153,047
Trade debts		652,128	506,807
Loans and advances		97,858	65,993
Trade deposits and short term prepayments		18,652	11,721
Other receivables		439,612	439,994
Taxation - net		166,338	151,607
Cash and bank balances		303,521	93,221
		6,590,087	3,784,054
		11,988,688	9,253,729
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
Unappropriated profit		417,229	499,808
Share of associate's unrealised loss on remeasurement of associate's investments		(2,655)	(2,655)
Capital Reserve		1,396,786	1,429,316
Surplus on revaluation of property, plant and equipment		3,016,097	3,131,206
NON-CURRENT LIABILITIES			
Long term financing		2,372,500	2,136,875
Lease liability against right of use asset		1,608	-
Deferred liabilities		424,170	460,851
		2,798,278	2,597,726
CURRENT LIABILITIES			
Trade and other payables		2,394,847	1,113,557
Accrued finance cost		110,274	111,499
Short term borrowings		3,140,030	1,529,219
Unclaimed dividend		6,454	5,661
Current portion of long term financing		513,125	764,861
Current portion of lease liability against right of use asset		9,583	-
		6,174,313	3,524,797
CONTINGENCIES AND COMMITMENTS			
	7	-	-
		11,988,688	9,253,729

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.


YUSUF AYOOB
Chairman


SULEMAN AYOOB
Director


MUHAMMAD HANIF CHAMDIA
Chief Finance Officer

AL-NOOR SUGAR MILLS LTD.

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2020

	Note	For the half year		For the quarter	
		October-March		January-March	
		2020	2019	2020	2019
		(Rupees in '000)			
Sales	8	4,660,984	3,949,817	1,503,211	1,721,537
Cost of sales		(4,054,213)	(3,529,250)	(1,250,233)	(1,329,587)
Gross profit		606,771	420,567	252,978	391,950
(Loss) from trading activities		(3)	-	(3)	-
		606,768	420,567	252,975	391,950
Distribution cost		(36,725)	(41,247)	(15,066)	(26,855)
Administration expenses		(321,800)	(288,768)	(158,257)	(153,389)
Other operating expenses		(16,311)	(22,094)	(12,252)	(10,952)
		(374,836)	(352,109)	(185,575)	(191,196)
		231,932	68,458	67,400	200,754
Other income		5,822	3,967	4,775	3,891
		237,754	72,425	72,175	204,645
Finance cost		(287,990)	(203,366)	(167,290)	(121,385)
		(50,236)	(130,941)	(95,115)	83,260
Share of profit/(loss) from associate		38,832	86,148	(9,225)	24,958
(Loss)/profit before taxation		(11,404)	(44,793)	(104,340)	108,218
Taxation		(42,284)	(6,522)	3,948	(6,608)
(Loss)/profit after taxation		(53,688)	(51,315)	(100,392)	101,610
(Loss)/Earning per share - Basic and diluted- (Rupees)		(2.62)	(2.51)	(4.90)	4.96

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.


YUSUF AYOOB
Chairman


SULEMAN AYOOB
Director


MUHAMMAD HANIF CHAUDHARY
Chief Finance Officer

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2020**

	For the half year		For the quarter	
	October-March		January-March	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
(Loss)/profit after taxation	(53,688)	(51,315)	(100,392)	101,610
Other comprehensive income	-	-	-	-
Total Comprehensive (loss)/profit	(53,688)	(51,315)	(100,392)	101,610

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.


YUSUF AYOOB
Chairman


SULEMAN AYOOB
Director


MUHAMMAD HANIF CHAUDHARY
Chief Finance Officer

AL-NOOR SUGAR MILLS LTD.

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2020

Note	March 31, 2020	March 31, 2019
	Rupees in '000	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(11,404)	(44,793)
Adjustments for:		
Depreciation of property, plant and equipment	142,283	141,531
Amortization of intangible asset	1,190	1,015
Gain on disposal of property, plant and equipment	(1,892)	(1,389)
Provision for obsolescence and slow moving items	9,851	9,381
Impairment allowance against trade debts	6,460	-
Finance cost	287,990	203,366
Interest on lease liability against right of use asset	146	-
Share of profit from associates	(38,832)	(86,148)
	407,196	267,756
Cash generated before working capital changes	395,792	222,963
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(61,239)	(19,614)
Stock in trade	(2,345,879)	(2,545,087)
Trade debts	(151,781)	(133,541)
Loans and advances	(31,865)	4,228
Trade deposits and short term prepayments	(6,931)	(5,219)
Other receivables	382	201,603
	(2,597,313)	(2,497,630)
Increase in current liabilities		
Trade and other payables	1,281,305	1,657,235
Short term borrowings	1,610,811	1,113,424
	2,892,116	2,770,659
(Payments for)/Receipts from		
Income tax - net	(93,711)	(58,780)
Finance cost	(289,215)	(164,738)
Long term loans-net	(2,140)	2,412
Long term deposits -net	(50)	(1,144)
	(385,116)	(222,250)
Net cash inflows from operating activities	305,479	273,742
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant & equipment	(71,263)	(69,405)
Addition in intangible asset	-	(4,228)
Sale proceeds from disposal of property, plant and equipment	3,116	3,495
Dividend received	56,096	23,098
Net cash used in investing activities	(12,051)	(47,040)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term financing	500,000	-
Repayment of long term financing	(516,111)	(161,112)
Payments for lease liability against right of use asset	(6,389)	-
Dividend paid	(60,628)	(30,174)
Net cash used in financing activities	(83,128)	(191,286)
Net increase in cash and cash equivalents	210,300	35,416
Cash and cash equivalents at the beginning of the period	93,221	92,508
Cash and cash equivalents at the end of the period	303,521	127,924

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.


YUSUF AYOOB
Chairman


SULEMAN AYOOB
Director


MUHAMMAD HANIF CHAUDHARY
Chief Finance Officer

AL-NOOR SUGAR MILLS LTD.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2020

	Issued, Subscribed & paid up capital	General reserves	Un- appropriated profit	Capital Reserve Surplus on revaluation of Property Plant & Equipment	Share of associate's unrealized (loss) on remeasurement of investment	Total
	----- (Rupees in thousand) -----					
Balance as at October 1, 2018	204,737	1,000,000	271,708	1,527,935	(2,714)	3,001,666
During the half year ended March 31, 2019						
Transaction with owners						
Final dividend for the year ended September 30, 2018 @ Rs 1.50 per share	-	-	(30,711)	-	-	(30,711)
Total Comprehensive (Loss) for the half year ended March 31, 2019	-	-	(51,315)	-	-	(51,315)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax from:						
Company's Revaluation Surplus	-	-	28,241	(28,241)	-	-
Shares of associates incremental depreciation of revaluation surplus	-	-	7,327	(7,327)	-	-
	-	-	35,568	(35,568)	-	-
Balance as at March 31, 2019	204,737	1,000,000	225,250	1,492,367	(2,714)	2,919,640
Balance as at October 01, 2019	204,737	1,000,000	499,808	1,429,316	(2,655)	3,131,206
During the half year ended March 31, 2020						
Transaction with owners						
Final dividend for the year ended September 30, 2019 @ Rs 3.00 per share	-	-	(61,421)	-	-	(61,421)
Total Comprehensive (Loss) for the half year ended March 31, 2020	-	-	(53,688)	-	-	(53,688)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax from:						
Company's Revaluation Surplus	-	-	25,769	(25,769)	-	-
Shares of associates incremental depreciation of revaluation surplus and on account of disposal of property, plant and equipment	-	-	6,761	(6,761)	-	-
	-	-	32,530	(32,530)	-	-
Balance as at March 31, 2020	204,737	1,000,000	417,229	1,396,786	(2,655)	3,016,097

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.


YUSUF AYOOB
Chairman


SULEMAN AYOOB
Director


MUHAMMAD HANIF CHAUDHARY
Chief Finance Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED MARCH 31, 2020

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, Sindh Muslim Cooperative Housing Society, Karachi, Sindh.

2 Basis of Preparation

2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of :

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. The condensed interim financial statements does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the company's annual financial statements for the year ended September 30, 2019.

2.2 These condensed Interim financial statements comprise of the condensed interim statement of financial position as at March 31, 2019 and the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and the condensed interim statement of cash flows together with notes forming part thereof for the half year then ended which have been subjected to review and are not audited. This also includes the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarter ended March 31, 2020. The comparative statement of financial position presented in these condensed interim financial statements has been extracted from the audited financial statements of the company for the year ended September 30, 2019, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows figures have been extracted from the unaudited condensed interim financial statements for the half year ended March 31, 2019.

2.3 The figures of the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarter ended March 31, 2020 and 2019 are not subject to review by the auditor.

3 Significant accounting policies and disclosures

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of audited annual financial statements of the Company for the year ended September 30, 2019 except for those as resulted on adoption of IFRS 16, Leases.

3.1.1 Change in accounting policy due to first time adoption of IFRS 16 "Leases"

Previously, the Company classified property leases as operating leases under IAS 17. From October 01, 2019, the Company has applied IFRS 16 for recognition of the property leases, having non-cancelable period of more than one year. New accounting policies of the Company upon adoption of IFRS 16 are:

Right-of-Use (RoU) assets

At the commencement date of the lease, the RoU assets is initially measured at the present value of lease liability and subsequently, RoU assets are measured at cost, less accumulated depreciation and any impairment loss. RoU assets are depreciated on a straight-line basis over the lease term.

Lease liability

At the commencement date of the lease, the Company recognises lease liability measured at the present value of the consideration (lease payments) to be made over the lease term. The lease payments are discounted using the incremental rate of borrowings. After the commencement date, the carrying amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made.

The effect of adoption of IFRS 16 is as follows;

The Company has applied transition provisions and used various practical expedients allowed in IFRS 16 and has determined that there is impact of change in accounting policy as at October 01, 2019 mainly due to short term cancellable leases. However during the period modification to a property lease having non-cancellable period of more than twelve months is treated as new lease and accounted for in accordance with IFRS 15. The carrying amounts of the Company's right-of-use assets, lease liabilities and the movements during the period is as below:

	March 31, 2020	
	RoU asset	Lease liability
	Rupees in '000	
Present value of consideration / lease payments	17,434	17,434
Depreciation	(484)	-
Interest expense on lease liabilities against RoU assets	-	146
Payments	-	(6,389)
As at March 31, 2020	16,950	11,191
Less current portion shown under current liabilities	-	(9,583)
	16,950	1,608

AL-NOOR SUGAR MILLS LTD.

Had this standard not been applied, assets and liabilities would have been lowered by Rs. 17.917 million and Rs. 11.191 million respectively. Rent expense would have been higher by Rs.0.532 million and depreciation and finance charges would have been lower by Rs. 0.484 million and Rs. 0.146 million respectively.

- 3.2** In addition to IFRS 16, certain new IFRSs and amendments to existing IFRSs, effective for periods beginning on or after October 1, 2019, do not have material impact on the condensed interim financial information, and are therefore not disclosed.
- 3.3** The preparation of these condensed interim financial statements requires management to make estimates, assumptions and use of judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments 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. Judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to financial statements as at and for the year ended September 30, 2019 except those judgments and estimates used while applying IFRS 16 "Leases" mainly in respect of incremental borrowing rate and determination of enforceable period.
- 3.4** Due to the seasonal availability of sugarcane, the manufacture of sugar is carried out during the period of availability of sugarcane and costs incurred/accrued up to the reporting date have been accounted for. Accordingly, the costs incurred/accrued after the reporting date will be reported in the subsequent interim and annual financial statements.

Unaudited March 31, 2020	Audited September 30, 2019
Rupees in '000	

4. PROPERTY PLANT AND EQUIPMENT

Operating fixed Assets	4,616,443	4,687,656
Capital Work in Progress	100,206	83,803
	<u>4,716,649</u>	<u>4,771,459</u>

AL-NOOR SUGAR MILLS LTD.

	Unaudited March 31, 2020	Audited September 30, 2019
	Rupees in '000	
4.1 Operating Fixed Assets:		
Opening Net Book Value (NBV)	4,687,656	4,570,047
Direct Additions during the period/year		
Plant and Machinery	15,358	66,399
Furniture, Fixture and Fittings	-	421
Office Equipment	8,199	7,091
Vehicles	14,642	22,669
	38,199	96,580
Right of use asset against immovable property	17,434	-
Transfer from CWIP during the period/year		
Factory Building	930	28,637
Non-Factory Building	-	5,065
Power Plant	-	11,762
Plant and Machinery	15,731	265,972
	16,661	311,436
Net Book Value of Asset disposed off during the period/year		
Vehicles	(1,224)	(3,352)
Depreciation Charged for the period/year	(142,283)	(287,055)
Closing Net Book Value	4,616,443	4,687,656
4.2 Capital Work in Progress		
Opening Balance	83,803	271,614
Addition during the period/year		
Civil Work	10,668	26,655
Plant & Machinery	22,396	96,970
	33,064	123,625
Capitalization during the period/year		
Civil Work	(930)	(33,702)
Plant & Machinery	(15,731)	(277,734)
	(16,661)	(311,436)
Closing Balance	100,206	83,803
5. INTANGIBLE ASSET		
Opening Balance	5,681	2,583
Addition during the period/year	-	5,228
Amortization during the period/year	(1,190)	(2,130)
	4,491	5,681

AL-NOOR SUGAR MILLS LTD.

6. Long Term Investments

Investment in associated undertakings:-

	Shahmurad Sugar Mills Limited	Al Noor Management Modaraba (Pvt) Limited	Total March 31, 2020	Total September 30, 2019
Opening balance	684,033	1,352	685,385	522,710
Share of profit of associate for the period / year	38,832	-	38,832	187,843
Shares of associate's unrealized gain on remeasurement of associate's available for sale of investment	-	-	-	69
Share of associate's tax rate impact related to its surplus on revaluation of property, plant and equipment	-	-	-	(2,139)
Dividend received during the period / year	(56,096)	-	(56,096)	(23,098)
	(17,264)	-	(17,264)	162,675
	666,769	1,352	668,121	685,385

The company holds 14.285% (September 2019:14.285%) interest in Al-Noor Modaraba Management (Pvt) Ltd, and holds 15.625% (September 2019:15.625%) 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 these condensed interim financial statements, 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 statements for the half year ended March 31, 2020.

7. CONTINGENCIES AND COMMITMENTS

7.1 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, 2019.

Unaudited
March 31,
2020

Audited
September 30,
2019

Rupees in '000

7.2 Commitments as on the balance sheet date

Letters of credit		
Stores	22,901	20,166
Raw Material	276,449	203,552
Plant and Machinery	27,680	27,360
	327,030	251,078

AL-NOOR SUGAR MILLS LTD.

For the half year October-March		For the quarter January-March	
2020	2019	2020	2019

----- (Rupees in '000) -----

8. COST OF SALES

Opening stock of finished goods	1,758,560	1,864,499	967,233	1,134,404
Cost of goods manufactured	6,049,873	5,914,287	4,037,220	4,444,719
	7,808,433	7,778,786	5,004,453	5,579,123
Closing stock of finished goods	(3,754,220)	(4,249,536)	(3,754,220)	(4,249,536)
	4,054,213	3,529,250	1,250,233	1,329,587

8.1 Stock of refined sugar amounting of Rs. Million 2,673.759 (2019:Rs.3,029 million) has been pledged against cash finance facilities and Murabaha/Istisna arrangements.

8.2 Stock in trade includes stocks costing Rs.258.294 million (2019: Rs. 229.267 million) written down to their net realizable value of Rs.208.450 (2019: 201.455 million). Stock of molasses and bagasse valued at net realizable value aggregate to Rs. 247.208 million. (2019: Rs.128.983 million)

9. 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:

		March 31, 2020	March 31, 2019
		Rupees in '000	
Transactions:			
Relationship with the company	Nature of Transactions		
Associates			
Shahmurad Sugar Mills Ltd	Sale of goods	482,446	284,854
	Dividend received	56,096	23,098
	Share of profit in associates	38,832	86,148
Reliance Insurance Compnay Ltd	Insurance premium paid	936	26,063
	Insurance claim received	1,443	6,091
Other Related Parties			
Directors' and key management personnel	Director's remuneration	30,216	13,327
	Executives remuneration	49,160	38,076
	Directors meeting fee	265	105
Staff provident fund	Contribution made during period excluding directors	11,367	9,884
		March 31, 2020	September 30, 2019
		Rupees in '000	
Balances:			
Relationship with the Company	Nature of Transactions		
Associates			
Shahmurad Sugar Mills Ltd	Trade debts	40,638	-
	Trade & other payables	-	104,969
Reliance Insurance Compnay Ltd	Trade & other payables	19,930	-
Staff provident fund	Trade & other payables	3,495	777

AL-NOOR SUGAR MILLS LTD.

10. RELATIONSHIP WITH THE ISLAMIC AND CONVENTIONAL FINANCIAL INSTITUTION

The Company in the normal course of business deals with sole Islamic financial institutions as well as the financial 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:

	March 2020			September 2019		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Long term financing-Musharka and others finance	1,572,500	800,000	2,372,500	1,321,250	815,625	2,136,875
Current portion of long term finance	466,250	46,875	513,125	685,000	79,861	764,861
	2,038,750	846,875	2,885,625	2,006,250	895,486	2,901,736
Accrued finance cost	54,906	55,368	110,274	50,747	60,752	111,499
Short term borrowings	600,000	2,540,030	3,140,030	-	1,529,219	1,529,219
Cash at bank accounts	(236,298)	(41,008)	(277,306)	(13,264)	(77,786)	(91,050)
	2,457,358	3,401,265	5,858,623	2,043,733	2,407,671	4,451,404

	March 2020			March 2019		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Finance cost	147,629	140,361	287,990	128,561	74,805	203,366
Income on saving account	(1,655)	-	(1,655)	(195)	-	(195)
	145,974	140,361	286,335	128,366	74,805	203,171

AL-NOOR SUGAR MILLS LTD.

11. 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 March 31, 2020 and March 31, 2019 and assets and liabilities information regarding business segments as at March 31, 2020 and September 30, 2019:

	Sugar		MDF Board		Consolidated	
	Half year ended March 31,		Half year ended March 31,		Half year ended March 31,	
	2020	2019	2020	2019	2020	2019
(Rupees in thousand)						
Revenue						
Sales	2,201,762	1,818,177	2,459,222	2,131,640	4,660,984	3,949,817
Sales of By-product & electricity						
External Sales	481,729	351,324	5,386	3,660	487,115	354,984
Inter segment transfer	108,390	76,032	-	-	108,390	76,032
	<u>2,791,881</u>	<u>2,245,533</u>	<u>2,464,608</u>	<u>2,135,300</u>	<u>5,256,489</u>	<u>4,380,833</u>
RESULTS						
Profit / (Loss) from operation	29,462	(77,658)	202,470	146,116	231,932	68,458
Other income	2,738	2,383	3,084	1,584	5,822	3,967
Finance cost					(287,990)	(203,366)
Share of profit from associate					38,832	86,148
(Loss) before tax					(11,404)	(44,793)
Taxation					(42,284)	(6,522)
(Loss) after taxation					(53,688)	(51,315)
Other Comprehensive Income					-	-
Total Comprehensive (Loss) for the period					<u>(53,688)</u>	<u>(51,315)</u>
OTHER INFORMATION						
Capital expenditures	30,807	23,210	40,456	46,195	71,263	69,405
Depreciation	72,947	71,107	69,336	70,424	142,283	141,531
Amortization	627	462	563	553	1,190	1,015
Addition in intangible assets	-	4,228	-	-	-	4,228

AL-NOOR SUGAR MILLS LTD.

	Sugar		MDF Board		Total	
	March 31, 2020	September 30, 2019	March 31, 2020	September 30, 2019	March 31, 2020	September 30, 2019
----- (Rupees in '000) -----						
Statement of financial position						
Assets						
Segment assets	8,117,568	5,622,951	3,036,661	2,793,786	11,154,229	8,416,737
Investment in associates	668,121	685,385	-	-	668,121	685,385
Unallocated assets			-		166,338	151,607
Total assets					11,988,688	9,253,729
Liabilities						
Segment liabilities	8,310,314	5,536,128	634,756	560,757	8,945,070	6,096,885
Unallocated liabilities					27,521	25,638
					8,972,591	6,122,523

Geographical Information

All non-current assets of the Company are located in Pakistan. Company's sales by geographical location is as follows:

	Unaudited March 31, 2020	Audited September 30, 2019
	Rupees in '000	
Pakistan	3,306,247	3,536,271
Afghanistan	1,354,737	413,546
	4,660,984	3,949,817

12. 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.

13. FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The Company while assessing fair values uses calculation techniques that are appropriate in the circumstances using relevant observable data as far as possible and minimizing the use of unobservable inputs. Fair values are categorized into following three levels based on the input used in the valuation techniques:

Level 1: Quoted prices in active markets for identical assets or liabilities that can be assessed at measurement.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3: Inputs are unobservable inputs for the asset or liability. Inputs for the asset or liability that are not based on observation market data (that is, unobservable inputs).

Financial assets and liabilities of the Company are either short term in nature or are repriced periodically therefore; their carrying amounts approximate their fair values.

14. AUTHORIZATION

These condensed interim financial statements was authorized for issue by the Board of Directors of the Company in their meeting held on May 29, 2020.

15. GENERAL

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

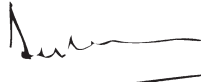

YUSUF AYOOB
Chairman



SULEMAN AYOOB
Director


MUHAMMAD HANIF CHAMDIA
Chief Finance Officer

بورڈ آف ڈائریکٹرز نے اپنی میٹنگ منعقدہ 14 اپریل 2020 کو جناب اسماعیل ایچ زکریا کو کمپنی کا چیف ایگزیکٹو آفیسر مقرر کیا تھا۔ ہم بہت ہی غم زدہ ہیں اور افسوس سے بتا رہے ہیں کہ وہ 27 مئی 2020 کو رحلت فرما گئے ہیں۔ ہم دعا کرتے ہیں کہ اللہ تعالیٰ ان کی مغفرت فرمائے اور ان کی قبر کو متور کرے اور جنت الفردوس میں اعلیٰ مقام عطا فرمائے۔ ان کی افسوس ناک رحلت کے بعد چیف ایگزیکٹو کی پوزیشن خالی ہو گئی ہے۔ اس لئے حسابات چیئر مین صاحب نے دستخط کئے ہیں۔ عارضی طور پر خالی ہونے والی جگہ کو جلد پُر کیا جائے گا۔

بورڈ آف ڈائریکٹرز یہ بھی چاہتے ہیں کہ وہ کمپنی کے تمام کاموں کو برقرار رکھنے کے لئے اپنی خدمات میں معاونت کرنے والے تمام اسٹیک ہولڈرز کے سرشار کام اور وابستگی کو یکساں کر دیں۔ ان شاء اللہ، کوویڈ-19 کی وجہ سے ملک کو جو مشکل صورتحال درپیش ہے وہ جلد ختم ہو جائے گی۔ براہ کرم مطلوبہ اہداف کے حصول میں ہماری رہنمائی/مدد کرنے کے لئے اللہ رب العزت سے دعا مانگیں۔ (آمین)


سلیمان ایوب
ڈائریکٹر


یوسف ایوب
چیئر مین

کراچی: 29 مئی 2020ء

شعبہ جات کے لحاظ کارکردگی درج ذیل کے مطابق رہی۔

شوگر ڈویژن:

جائزہ لینے کے اس عرصے کے دوران مل نے 769,428 میٹرک ٹن گنے کو کرش کیا اور 74,665 میٹرک ٹن چینی پیدا کی۔ گزشتہ سال اسی عرصے کے دوران مل نے 894,494 میٹرک ٹن گنے کو کرش کیا اور 94,825 میٹرک ٹن چینی پیدا کی۔ موجودہ مدت پیداوار 21.26 فیصد یا 20,160 میٹرک ٹن گزشتہ سال سے کم ہے۔ چینی کی کرشنگ حجم اور پیداوار میں کمی کی بنیادی وجہ مطلوبہ مقدار میں خام مال کی عدم فراہمی تھی کوینکھ صوبے میں گنے کی فصل اچھی نہیں تھی۔ بارش میں کمی اور آب پاشی کے نظام کے ذریعہ پانی کی دستیابی کی وجہ سے سندھ میں فصل کی نسبت پنجاب اور خیبر پختونخواہ میں گنے کی فصل قدرے بہتر تھی۔ ریکوری کا فیصد بھی کم ہو کر 9.71 فیصد رہ گیا جبکہ پچھلے سال یہ 10.60 فیصد حاصل ہوا تھا۔ حکومت سندھ نے گنے کی قیمت = 182 روپے سے بڑھا کر = 192 روپے فی چالیس کلوگرام کر دی ہے۔ صوبہ سندھ میں گنے کی قلت کی وجہ سے مل کو زیادہ اخراجات پر گنا خریدنا پڑ رہا ہے گنے کی قیمت بڑھ کر 230.25 روپے ہوئی ہے جب کہ گزشتہ سال گنے کی قیمت 194.58 روپے فی چالیس کلوگرام تھی۔ چینی کی ریکوری کی شرح بھی گری ہے جس کی وجہ سے چینی کی پیداواری قیمت بڑھ گئی ہے۔ مارکیٹ میں چینی کی قیمت بہت کم ہے جس کی وجہ سے شوگر ڈویژن کو کافی نقصان ہوگا۔ زیر غور مدت کے دوران، کورونا وائرس کی وجہ سے بند ہونے کی وجہ سے کاروباری سرگرمیاں معطل رہیں جس نے آپ کی کمپنی کے مالی حسابات کی چٹائی لائن کو متاثر کیا۔

ایم ڈی ایف بورڈ ڈویژن:

جائزہ لینے کے دوران ایم ڈی ایف بورڈ ڈویژن نے 39,640 کیوبک میٹر پیداوار کیا جبکہ اس سے گزشتہ سال اسی عرصے 35,465 کیوبک میٹر بنایا گیا تھا۔ پیداوار 4,175 کیوبک میٹر زیادہ ہے مارکیٹ میں مختلف ساز و ساز کی طلب کو مد نظر رکھتے ہوئے پیدا کیا ہے۔

بورڈ آف ڈائریکٹرز:

بورڈ آف ڈائریکٹرز کا دورانیہ 30 مارچ 2020 کو مکمل ہوا تھا اور مذکورہ تاریخ کو منعقدہ غیر معمولی اجلاس عام میں ممبرز نے تین سال کی مدت کے لئے مندرجہ ذیل ممبروں کو بطور ڈائریکٹر منتخب کیا تھا۔

- 1- جناب اسماعیل ایچ زکریا
- 2- جناب محمد یوسف ایوب
- 3- جناب محمد سلیمان
- 4- جناب ضیاء زکریا
- 5- محترمہ مدیفہ
- 6- جناب شمیم احمد
- 7- جناب فرخ بلین

ڈائریکٹرز کی رپورٹ برائے ممبران

محترم ممبران..... السلام علیکم!

مجھے بورڈ آف ڈائریکٹرز کی جانب سے، آپ کی کمپنی کے 31 مارچ 2020 کو ختم ہونے والی مدت کے غیر آڈٹ شدہ مالیاتی حسابات کے بارے میں آپ کے سامنے پیش کرنے میں بڑی خوشی محسوس ہو رہی ہے، ضابطہ اخلاق کے تحت ان حسابات کا آڈیٹر نے جائزہ لیا ہے جو کہ کارپورٹ گورننس کے تحت ہے، مالیاتی حسابات اور پیداوار کی نمایاں خصوصیات درج ذیل ہیں:

معلومات بابت پیداوار	31 مارچ 2020	31 مارچ 2019
گنے کی پسائی (میٹرک ٹن)	769,428	894,494
پیداوار برائے چینی (میٹرک ٹن)	74,665	94,825
ریکوری برائے چینی (فیصد)	9.71	10.60
پیداوار برائے راب (میٹرک ٹن)	35,010	40,120
ایم ڈی ایف پیداوار (کیوبک میٹرز)	39,640	35,465

مالیاتی معلومات	(روپے ہزاروں میں)	(روپے ہزاروں میں)
فروختگی	4,660,984	3,949,817
لاگت برائے فروختگی	(4,054,213)	(3,529,250)
خام منافع	606,771	420,567
اخراجات برائے ترسیل	(36,725)	(41,247)
انتظامی اخراجات	(321,800)	(288,768)
مالیاتی اخراجات	(287,990)	(203,366)
دیگر اخراجات	(10,492)	(18,127)
منافع کا حصہ ایسوی ایٹ میں	38,832	86,148
(خسارہ) قبل از ٹیکس	(11,404)	(44,793)
ٹیکس کے لئے فراہمی	(42,284)	(6,522)
(خسارہ) بعد از ٹیکس	(53,688)	(51,315)
(خسارہ) فی حصص (بنیادی)	Rs.(2.62)	Rs.(2.51)

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