



AL-NOOR SUGAR MILLS LIMITED

Half Yearly Results for the period
1st October 2022 to 31st March, 2023

Company Information

BOARD OF DIRECTORS

MR. ZIA ZAKARIA
MR. NOOR MOHAMMAD ZAKARIA
MR. MUHAMMAD SALIM AYOOB
MR. ASAD AHMAD MOHIUDDIN
MS. MUNIFA AYOOB
MR. FARRUKH YASEEN (Independent Director)
MR. KHURRAM AFTAB (Independent Director)

BOARD AUDIT COMMITTEE

MR. KHURRAM AFTAB
MR. ZIA ZAKARIA
MS. MUNIFA AYOOB

HUMAN RESOURCE AND REMUNERATION COMMITTEE

MR. KHURRAM AFTAB
MR. ZIA ZAKARIA
MR. NOOR MOHAMMAD ZAKARIA

CHIEF FINANCIAL OFFICER

MR. MUHAMMAD HANIF CHAMDIA

COMPANY SECRETARY

MR. MOHAMMAD YASIN MUGHAL
FCMA

AUDITORS

M/S 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
Website: www.alnoorsugar.co

REGISTRAR & SHARES REGISTRATION OFFICE

C & K Management Associates (Pvt) Ltd.
404-Trade Tower,
Abdullah Haroon Road,
Near Metropole Hotel, Karachi - 75530

FACTORY

Shahpur Jahania, P.O. Noor Jahania,
Taluka Moro,
District Shaheed Benazir Bhutto Abad
(Nawabshah)

DIRECTORS' REPORT

Dear Members Asslamu-o- Alaikum

With great pleasure I am pleased to place before you, on behalf of the Board, the un-audited financial statements of your company for the period ended March 31, 2023. These statements 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, 2023	March 31, 2022
Sugarcane crushed (M Tons)	789,713	940,764
Sugar produced (M Tons)	79,575	98,110
Sugar recovery percentage	10.09	10.43
Molasses produced (M Tons)	36,100	43,125
MDF Production (Cubic Meters)	34.050	43,435

FINANCIAL DATA	(Rupees in thousands)	
Sales revenue	6,273,720	4,949,934
Cost of sales	(5,671,138)	(4,003,864)
Gross profit	602,582	946,070
Distribution cost	(42,299)	(35,960)
Administrative expenses	(457,490)	(393,702)
Other operating expenses	(6,614)	(34,276)
Financial cost	(484,866)	(221,762)
Share of profit from associate	296,333	71,175
Other Income	14,342	12,344
Profit / (loss) before taxation	(78,012)	343,889
Provision for taxation	(8,353)	(195,033)
Profit / (loss) after taxation	(86,365)	148,856
Profit / (loss) per share	Rs.(4.22)	Rs.7.27

Segment wise performance is elaborated as under:

SUGAR DIVISION

During the period under review the cane crop was not good as it was last year and the mill crushed 789,713 metric tons of cane and produced 79,575 metric tons of sugar. During the same period last year, the mill crushed 940,764 metric tons of cane and produced 98,110 metric tons of sugar. The current period production of sugar is lower by 18.89 percent or 18,535 metric tons. As during the current season, the cane crop was not good as evident from the lower crushing volume and decrease in production of sugar. It is anticipated that production of sugar during season would be lower but expected to meet the requirement of the country inclusive of the carry over stock out of the previous year's production. Due to non-availability of raw material the crushing period had also reduced from 112 days to 94 days during the current period. The Government of Sindh has enhanced the cost of sugar cane from Rs.250/= to Rs.302/= per forty kgs of the same which has increased the cost of production of sugar. The sugar mill has to procure raw material from far and distant areas in order to avoid disruption of production process during the season.

MDF BOARD DIVISION

During the period under review the MDF Board division produced 34,050 cubic meters of sheets in various thickness as against 43,435 cubic meters produced in the same period last year. The production is lower by 9,385 cubic meters which is due to non-availability of raw material in the required volume. The availability of raw material had declined on account of after effects of flood which damaged the roads and bridges in the province which still required rehabilitation. Forests is main source of raw material had also been effected due to excessive rain and flood.

FUTURE OUTLOOK

It is expected that during the next crushing season the cane crop in the country to increase as the area under cultivation would enhance due to higher return paid to growers during the current year but water shortage was a major concern. There are other internal and external factors concerning future outlook uncertainty. Major global economics intending toward recessionary trends, demand decline, higher financial cost including long Russian - Ukrain conflict are major concern. Internally Pakistan is facing political instability, financial stringency, restrictions on trade including imports. Delaying financial deals with IMF are the major factors for country's stability.

The management is well aware of the internal and external challenges and taking necessary measures to improve the contribution of sugar and MDF board divisions to improve overall performance of the company.

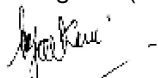
BOARD OF DIRECTORS

The tenure of current Board of directors of your company ended on March 30, 2023 and the members in their Extra Ordinary General Meeting held on the said date elected the following persons as Directors of the Board for a period of three years.

1. Mr. Zia Zakaria
2. Mr. Noor Muhammad Zakaria
3. Mr. Muhammad Salim Ayoob
4. Mr. Asad Ahmad Mohiuddin
5. Ms. Munifa Ayoob
6. Mr. Farrukh Yaseen
7. Mr. Khurram Aftab

Mr. Farrukh Yaseen and Mr. Khurram Aftab are Independent Directors.

The directors also wish to place on record their appreciation to the dedicated work and commitment of all the stakeholders who extended their services to sustain all operation of the Company. Please pray to Almighty Allah to guide/help us to achieve the desired goals. (Ameen)



NOOR MOHAMMAD ZAKARIA
MANAGING DIRECTOR / CEO

Karachi:

Dated: May 25, 2023



ZIA ZAKARIA
CHAIRMAN



**Independent Auditor's Review Report
To the members of Al-Noor Sugar Mills Limited
Report 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, 2023, 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 condensed interim financial statements for the half year then 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 for interim financial reporting. 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, 2023 and March 31, 2022 have not been reviewed, as we were required to review only the cumulative figures for the half year ended March 31, 2023.

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 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 Shaikh Mohammad Tanvir.

Shaikh Mohammad Tanvir

Chartered Accountants
Karachi

Date: May 25, 2023
UDIN: RR202310225Y4kxt5q9g

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**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2023**

	Note	Un-Audited March 2023	Audited September 2022
(Rupees in '000)			
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	4	4,984,792	4,913,855
Right-of-use assets	5	17,787	3,429
Intangible asset	6	1,115	1,335
Long term investments	7	1,207,875	944,540
Long term loans		7,271	4,305
Long term deposits		6,842	5,538
		6,225,682	5,873,002
CURRENT ASSETS			
Stores, spare parts and loose tools		558,387	544,413
Stock in trade		6,236,342	3,351,333
Trade debts		297,982	571,334
Loans and advances		217,309	133,572
Trade deposits and short term prepayments		18,039	4,642
Other receivables		189,113	180,797
Taxation-Net		297,799	294,160
Short term investment		153,107	82,450
Cash and bank balances		171,144	253,552
		8,139,222	5,416,253
		14,364,904	11,289,255
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
Revenue Reserves			
General reserve		1,000,000	1,000,000
Unappropriated profit		882,851	1,045,771
Share of associate's unrealised (loss) on remeasurement of associate's investments at fair value through other comprehensive income (OCI)		(2,413)	(2,413)
Capital Reserve			
Surplus on revaluation of Property, plant and equipment		1,190,689	1,216,503
		3,275,864	3,464,598
NON-CURRENT LIABILITIES			
Long term financing		2,248,034	2,228,857
Lease liability against right-of-use asset		10,037	-
Deferred taxation		419,804	526,893
		2,677,875	2,755,750
CURRENT LIABILITIES			
Trade and other payables		2,151,102	1,424,245
Accrued finance cost		188,499	146,236
Short term borrowings		5,144,092	2,658,448
Unclaimed dividend		10,110	8,221
Current portion of long term financing		912,702	831,045
Current portion of lease liability against right-of-use asset		4,660	712
		8,411,165	5,068,907
CONTINGENCIES AND COMMITMENTS			
	8	-	-
		14,364,904	11,289,255

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


NOOR MOHAMMAD ZAKARIA
Chief Executive Officer



ZIA ZAKARIA
Chairman


MUHAMMAD HANIF CHAUDHARY
Chief Finance Officer

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2023**

	Note	For the half year		For the quarter	
		October to March		January to March	
		2023	2022	2023	2022
(Rupees in '000)					
Sales		6,273,720	4,949,934	1,963,680	2,166,219
Cost of sales	9	(5,671,138)	(4,003,864)	(1,725,499)	(1,594,104)
Gross profit		602,582	946,070	238,181	572,115
Profit from trading activities		-	4,739	-	3,952
		602,582	950,809	238,181	576,067
Distribution cost		(42,299)	(35,960)	(22,643)	(21,385)
Administrative expenses		(457,490)	(393,702)	(242,776)	(196,502)
Other operating expenses		(6,614)	(34,276)	(6,613)	(26,593)
		(506,403)	(463,938)	(272,032)	(244,480)
		96,179	486,871	(33,851)	331,587
Other income		14,342	7,605	6,670	3,382
		110,521	494,476	(27,181)	334,969
Finance cost		(484,866)	(221,762)	(293,194)	(149,175)
		(374,345)	272,714	(320,375)	185,794
Share of profit from associate	7	296,333	71,175	164,802	56,926
(Loss) / profit before taxation		(78,012)	343,889	(155,573)	242,720
Taxation					
- Current		(95,903)	(70,050)	(41,152)	(34,717)
- Prior		(19,539)	-	(19,539)	-
- Deferred		107,089	(124,983)	82,141	(101,691)
		(8,353)	(195,033)	21,450	(136,408)
(Loss) / profit after taxation		(86,365)	148,856	(134,123)	106,312
(Loss) / earning per share					
- Basic and diluted- (Rupees)		(4.22)	7.27	(6.55)	5.19

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


NOOR MOHAMMAD ZAKARIA
Chief Executive Officer

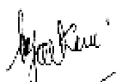

ZIA ZAKARIA
Chairman


MUHAMMAD HANIF CHAMDIA
Chief Finance Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2023

	For the half year		For the quarter	
	October to March 2023	2022	January to March 2023	2022
	----- (Rupees in '000) -----			
(Loss) / profit after taxation	(86,365)	148,856	(134,123)	106,312
Other comprehensive income	-	-	-	-
Total Comprehensive (loss) / income	(86,365)	148,856	(134,123)	106,312


The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



NOOR MOHAMMAD ZAKARIA
Chief Executive Officer



ZIA ZAKARIA
Chairman




MUHAMMAD HANIF CHAMDIA
Chief Finance Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2023

	Note	March 31, 2023	March 31, 2022
		Rupees in '000	
A. CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		(78,012)	343,889
Adjustments for:			
Depreciation of property, plant and equipment	4.1	162,664	171,631
Depreciation of right-of-use assets	5	3,598	3,588
Amortization of intangible assets	6	220	-
Gain on disposal of property, plant and equipment		(1,432)	(2,970)
Provision for obsolescence and slow moving items		851	10,232
Finance cost		484,597	221,701
Interest on lease liability against right-of-use assets		269	61
Share of profit from associates		(296,333)	(71,175)
		354,434	333,068
Cash generated before working capital changes		276,422	676,957
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(14,825)	(80,293)
Stock in trade		(2,885,009)	(4,669,513)
Trade debts		273,352	(323,915)
Loans and advances		(83,737)	(121,130)
Trade deposits and short term prepayments		(13,397)	(16,019)
Short term investment		(70,657)	-
Other receivables		(8,316)	4,014
		(2,802,589)	(5,206,856)
Increase in current liabilities			
Trade and other payables		726,856	1,405,399
Short term borrowings		2,485,644	3,604,447
		3,212,500	5,009,846
Payments for			
Income tax		(119,081)	(118,615)
Finance cost		(442,334)	(168,822)
Long term loans-net		(2,966)	(1,187)
Long term deposits -net		(1,304)	(600)
		(565,685)	(289,224)
Net cash inflows from operating activities		120,648	190,723
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in property, plant and equipment		(233,826)	(126,692)
Sale proceeds from disposal of property, plant and equipment		1,657	3,673
Dividend received		32,998	9,899
Net cash used in investing activities		(199,171)	(113,120)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		500,000	300,000
Repayment of long term financing		(399,166)	(350,833)
Payments for lease liability against right-of-use asset		(4,239)	(3,921)
Dividend paid		(100,480)	(101,085)
Net cash used in financing activities		(3,885)	(155,839)
Net decrease in cash and cash equivalents		(82,408)	(78,236)
Cash and cash equivalents at the beginning of the period		253,552	231,482
Cash and cash equivalents at the end of the period		171,144	153,246

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


NOOR MOHAMMAD ZAKARIA
Chief Executive Officer


ZIA ZAKARIA
Chairman


MUHAMMAD HANIF CHAUDHARY
Chief Finance Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2023

	Issued, Subscribed & paid up capital	General reserves	Un- appropriated profit	Share of associate's unrealized (loss) on remeasurement of investment at fair value through OCI	Capital Reserve Surplus on revaluation of Property Plant & Equipment	Total
	(Rupees in thousand)					
Balance as at October 1, 2021 - (Audited)	204,737	1,000,000	916,054	(2,596)	1,303,580	3,421,775
During the half year ended March 31, 2022						
Transaction with owners						
Final dividend for the year ended September 30, 2021 @ Rs 5.00 per share	-	-	(102,369)	-	-	(102,369)
Total comprehensive income for the half year ended March 31, 2022	-	-	148,856	-	-	148,856
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax from:						
Company's Revaluation Surplus	-	-	22,598	-	(22,598)	-
Shares of associates incremental depreciation of revaluation surplus	-	-	12,578	-	(12,578)	-
	-	-	35,176	-	(35,176)	-
Balance as at March 31, 2022	204,737	1,000,000	997,717	(2,596)	1,268,404	3,468,262
Balance as at October 01, 2022 - (Audited)	204,737	1,000,000	1,045,771	(2,413)	1,216,503	3,464,598
During the half year ended March 31, 2023						
Transaction with owners						
Final dividend for the year ended September 30, 2022 @ Rs 5 per share	-	-	(102,369)	-	-	(102,369)
Total comprehensive loss for the half year ended March 31, 2023	-	-	(86,365)	-	-	(86,365)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax from:						
Company's Revaluation Surplus	-	-	20,459	-	(20,459)	-
Shares of associates incremental depreciation of revaluation surplus	-	-	5,355	-	(5,355)	-
	-	-	25,814	-	(25,814)	-
Balance as at March 31, 2023	204,737	1,000,000	882,851	(2,413)	1,190,689	3,275,864

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


NOOR MOHAMMAD ZAKARIA
Chief Executive Officer


ZIA ZAKARIA
Chairman


MUHAMMAD HANIF CHAUDHARY
Chief Finance Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED MARCH 31, 2023

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 own operates sugar, medium density fiber (MDF) board and generation of power units which are located at Shahpur Jahania, District Shaheed Benazirabad and Noushero Feroze in the Province of Sindh. The registered office of the Company is located at 96-A, Sindhi Muslim Cooperative Housing Society, Karachi, Sindh. The area of Sugar mill occupies and over area 150.175 Acres and MDF board division occupies and over area 57.075 Acres.

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.

2.2 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, 2022.

2.3 These condensed interim financial statements comprise of the condensed interim statement of financial position as at March 31, 2023 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, 2023. 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, 2022, 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, 2022.

- 2.4 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, 2023 and 2022 are not subject to review by the auditor.

3 Significant accounting policies and disclosures

- 3.1 The accounting policies and methods of computation followed for the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended September 30, 2022.
- 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 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.
- 3.3 Certain new IFRSs and amendments to existing IFRSs, effective for periods beginning on or after October 01, 2022, do not have any impact on the condensed interim financial statements, and are therefore not disclosed.
- 3.4 The preparation of these condensed interim financial statements 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 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, 2022.

	Note	Unaudited March 31, 2023	Audited September 30, 2022
		Rupees in '000	
4. PROPERTY PLANT AND EQUIPMENT			
Operating fixed assets	4.1	4,870,099	4,787,410
Capital work in progress	4.2	114,693	126,445
		4,984,792	4,913,855

	Unaudited March 31, 2023	Audited September 30, 2022
	Rupees in '000	
4.1 Operating Fixed Assets:		
Opening Net Book Value (NBV)	4,787,410	4,794,225
Direct Additions during the period/year		
Non-Factory Building	-	-
Plant and Machinery	17,141	64,616
Office Equipment	5,067	13,972
Vehicles	40,921	36,616
	63,129	115,204
Transfer from CWIP during the period/year		
Factory Building	915	2,947
Plant and Machinery including power plant	181,534	210,422
	182,449	213,369
Net Book Value of Asset disposed off during the period/year		
Vehicles	(225)	(14,618)
Depreciation Charged for the period/year	(162,664)	(320,770)
Closing Net Book Value	4,870,099	4,787,410
4.2 Capital Work in Progress		
Opening Balance	126,445	45,519
Addition during the period/year		
Civil Work	16,248	30,067
Plant and Machinery including power plant	154,449	264,228
	170,697	294,295
Capitalization during the period/year		
Civil Work	(915)	(2,947)
Plant and Machinery including power plant	(181,534)	(210,422)
	(182,449)	(213,369)
Closing Balance	114,693	126,445

	Unaudited March 31, 2023	Audited September 30, 2022
	Rupees in '000	
5. RIGHT-OF-USE ASSETS		
Opening Balance	3,429	10,605
Addition during the period/year	17,956	-
Depreciation during the period/year	(3,598)	(7,176)
	<u>17,787</u>	<u>3,429</u>
6. INTANGIBLE ASSETS		
Opening Balance	1,335	16,936
Amortization during the period / year	(220)	(15,601)
	<u>1,115</u>	<u>1,335</u>

7. Long Term Investments

Investment in associated undertakings:-

	Shahmurad Sugar Mills Limited	Al Noor Management Modaraba (Pvt) Limited	Total March 31, 2023	Total September 30, 2022
Opening balance	943,445	1,095	944,540	729,327
Share of profit of associate for the period / year	296,333	-	296,333	257,895
Shares of associate's unrealized (loss) on remeasurement of associate's investment at fair value through OCI	-	-	-	215
Dividend received during the period / year	(32,998)	-	(32,998)	(42,897)
	<u>263,335</u>	<u>-</u>	<u>263,335</u>	<u>215,213</u>
	<u>1,206,780</u>	<u>1,095</u>	<u>1,207,875</u>	<u>944,540</u>

- 7.1. The company holds 14.285% (September 2021:14.285%) interest in Al-Noor Modaraba Management (Pvt) Ltd, and holds 15.625% (September 2021:15.625%) 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 statements, however in the case of Shahmurad Sugar Mills Ltd, the share of profit has been taken on the basis of its reviewed condensed interim financial statements for the half year ended March 31, 2023.

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There is no change in contingencies as reported in note no.26 of the annual financial statements of the Company for the year ended September 30, 2022 except as follow:

- 8.1.1** As disclosed in note no. 26.10 of the annual financial statements for the year ended September 30, 2022, Federal Board of Revenue (FBR) passed detrimental order in the matter of tax audits for tax year 2016 whereby frivolous tax demand of Rs.8,857 million was created as well as penalty of Rs.8,857 million was imposed and the Company had preferred appeals to the Commissioner Inland Revenue [Appeals] (CIRA) against the said orders. Subsequent to period end these appeals has been decided in favor of the Company and the said tax demand as well as penalty has been deleted by CIRA.
- 8.1.2** As disclosed in note no. 26.11 of the annual financial statements for the year ended September 30, 2022, Assistant/Deputy Commissioner Inland Revenue (DCIR) passed order in the matter of show cause notices issued under section 161(1A) for tax years 2016, 2017, 2019 and 2020 whereby aggregated demand of Rs.76,314 million was created. The Company had preferred appeals to Commissioner Inland Revenue [Appeal] (CIRA) against the said orders and CIRA has decided matters of tax years 2016, 2017 and 2019 against the Company which has been challenged by the company before the Appellant tribunal. However, subsequent to period end in the matter of tax year 2020, involving tax demand of Rs. 52.011 million and default surcharge and penalty aggregating to Rs. 20.761 million, CIRA has annulled the impugned order of DCIR. The Company also believes that the appeals pending before the Appellant tribunal will also be decided favorably.
- 8.1.3** The Federal Government, through Finance Act, 2022, levied Super Tax on high earning persons by way of inserting section 4-C, in the Income Tax Ordinance, 2001. The Company along with other petitioners, has challenged the imposition in the Honourable Sindh High Court concluded that "the 1st proviso to Division IIB of Part I of the First Schedule to the Ordinance was found to be prima facie discriminatory". Furthermore, in the petition the Honourable Court has passed an interim order allowing the petitioners to file the Income Tax Returns without payment of the Super Tax and has restrained tax authorities, from taking any coercive action against the Company. The Company has provided required security of Rs. 48.846 million worked out at the rate of ten percent in respect of tax year 2022 to Nazir of High Court Sindh. Thereafter, order of the Honourable High Court was challenged by the Federal Government before the Honourable Supreme Court of Pakistan and the Honourable Supreme Court in the interim order has directed to deposit the amount of super tax at rate of four percent over the eligible income till the final decision. The Company is confident that the matter will be decided favorably, however, as a matter of prudence the Company has recorded provision to the extent of amount deposited under direction of the Honourable Supreme Court, i.e., Rs. 19.539 million being four percent of income defined in the section 4-C.

**Unaudited
March 31,
2023**

**Audited
September 30,
2022**

Rupees in '000

8.2 Commitments as on the balance sheet date

Letters of credit		
Stores	40,211	45,698
Raw Material	307,674	144,322
Machinery	16,192	55,846
	364,077	245,866

For the half year October-March		For the quarter January-March	
2023	2022	2023	2022

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

9. COST OF SALES

Opening stock of finished goods	2,731,036	1,213,057	1,852,327	1,060,502
Cost of goods manufactured	8,366,167	8,149,511	5,299,237	5,892,306
	11,097,203	9,362,568	7,151,564	6,952,808
Closing stock of finished goods	(5,426,065)	(5,358,704)	(5,426,065)	(5,358,704)
	5,671,138	4,003,864	1,725,499	1,594,104

9.1 Stock of refined sugar amounting to Rs.5,006.466 Million (2022:Rs.4,869 Million) has been pledged against cash finance facilities and Murabaha/Istisna arrangements.

9.2 Stock of molasses and bagasse valued at aggregate net realizable value of Rs.225.491 million. (Mar 2022: Rs.483.391 million)

10. 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:

Transactions:		Unaudited March 31, 2023	Unaudited March 31, 2022
Relationship with the company		Rupees in '000	
Nature of Transactions			
Associates			
Shahmurad Sugar Mills Ltd	Sale of goods	908,717	445,979
	Dividend received	32,998	9,899
	Share of profit in associates	296,333	71,175
Reliance Insurance Compnay Ltd	Insurance premium paid	11,434	21,985
	Insurance claim received	877	3,750
Other Related Parties			
Directors' and key management personnel	Director's remuneration	16,973	16,392
	Executives remuneration	88,303	66,384
	Directors meeting fee	245	160
Staff provident fund	Contribution made during period including directors	16,671	14,321
Balances:		Unaudited March 31, 2023	Audited September 30, 2022
Relationship with the Company		Rupees in '000	
Nature of Transactions			
Associates			
Shahmurad Sugar Mills Ltd	Trade & other payables - Advance from Customer	156,616	237,502
	Trade & other payables	17,519	-
Reliance Insurance Compnay Ltd	Trade & other payables - Payable to provident fund	5,145	1,148
Reliance Insurance Compnay Ltd	Other receivables - Insurance claim receivable	9,637	-

11. 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 2023			September 2022		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Long term financing-Musharka and others finance	1,814,167	433,867	2,248,034	1,644,166	584,691	2,228,857
Current portion of long term finance	612,083	300,619	912,702	532,917	298,128	831,045
	2,426,250	734,486	3,160,736	2,177,083	882,819	3,059,902
Accrued finance cost	97,893	90,606	188,499	75,730	70,506	146,236
Short term borrowings	2,499,000	2,645,092	5,144,092	1,097,016	1,561,432	2,658,448
Cash at bank accounts	(27,182)	(88,126)	(115,308)	(177,858)	(59,277)	(237,135)
	4,995,961	3,382,058	8,378,019	3,171,971	2,455,480	2,567,549

	March 2023			March 2022		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Finance cost	254,813	230,053	484,866	106,767	114,995	221,762
Income on saving account	(3,581)	-	(3,581)	(3,633)	-	(3,633)
	251,232	230,053	481,285	103,134	114,995	218,129

12. 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, 2023 and March 31, 2022 and assets and liabilities information regarding business segments as at March 31, 2023 and September 30, 2022:

	Sugar		MDF Board		Total	
	Half year ended March 31,		Half year ended March 31,		Half year ended March 31,	
	2023	2022	2023	2022	2023	2022
(Rupees in thousand)						
Revenue						
External Sales	3,210,910	1,934,608	3,062,810	3,015,326	6,273,720	4,949,934
External Sales of by-product	949,243	532,248	6,965	2,735	956,208	534,983
Inter-segment transfer- Electricity	76,858	97,691	-	-	76,858	97,691
Inter-segment transfer- Bagasse	75,564	54,275	-	-	75,564	54,275
	<u>4,312,575</u>	<u>2,618,822</u>	<u>3,069,775</u>	<u>3,018,061</u>	<u>7,382,350</u>	<u>5,636,883</u>
RESULTS						
(Loss)/profit from operation	(66,955)	273,365	163,134	213,507	96,179	486,871
Other Income	3,366	2,995	10,976	4,610	14,342	7,605
Finance cost	-	-	-	-	(484,866)	(221,762)
Share of profit from associates	-	-	-	-	296,333	71,175
(Loss)/profit before tax	-	-	-	-	(78,012)	343,889
Taxation	-	-	-	-	(8,353)	(195,033)
Net (loss)/profit after taxation for the period	-	-	-	-	<u>(86,365)</u>	<u>148,856</u>
OTHER INFORMATION						
Capital expenditures	201,224	9,398	32,602	117,294	233,826	126,692
Addition to right-of-use asset	-	-	17,956	-	17,956	-
Depreciation	65,583	66,615	97,081	105,016	162,664	171,631
Depreciation on right-of-use assets	-	-	3,598	3,588	3,598	3,588
Amortization	220	-	-	-	220	-

	Sugar		MDF Board		Total	
	March 31, 2023	September 30, 2022	March 31, 2023	September 30, 2022	March 31, 2023	September 30, 2022
Statement of financial position ----- (Rupees in '000) -----						
Assets						
Segment assets	8,780,060	6,039,211	4,079,170	4,011,344	12,859,230	10,050,555
Investment in associates	1,207,875	944,540	-	-	1,207,875	944,540
Unallocated assets			-		297,799	294,160
Total assets					14,364,904	11,289,255
Liabilities						
Segment liabilities	10,025,081	6,761,241	1,033,162	1,034,508	11,058,243	7,795,749
Unallocated liabilities					30,797	28,908
					11,089,040	7,824,657

Geographical Information

All non-current assets of the Company are located in Pakistan. Company's local external sales represent sales to various customers in Pakistan as well as outside Pakistan. The Company is not dependent on any single major customer whose sales is more than 10% of segment revenues. Geographical information about net sales is as follows:

	Unaudited March 31, 2023	Audited September 30, 2022
	Rupees in '000	
Pakistan	6,037,940	4,889,602
Afghanistan	200,221	34,521
Behrain	-	25,811
Kuwait	35,559	-
	6,273,720	4,949,934

13. 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.

14. 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.

15. AUTHORIZATION

These condensed interim financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on May 25, 2023.

16. GENERAL

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


NOOR MOHAMMAD ZAKARIA
Chief Executive Officer
ZIA ZAKARIA
Chairman
MUHAMMAD HANIF CHAUDHARY
Chief Finance Officer

بورڈ آف ڈائریکٹرز

آپ کی کمپنی کے موجودہ بورڈ آف ڈائریکٹرز کی میعاد 30 مارچ 2023 کو ختم ہوئی اور مذکورہ تاریخ کو منعقدہ اپنی غیر معمولی جنرل میٹنگ میں ممبران نے مندرجہ ذیل افراد کو تین سال کی مدت کے لیے بورڈ کے ڈائریکٹرز کے طور پر منتخب کیا۔

1- جناب ضیاء زکریا

2- جناب نور محمد زکریا

3- جناب محمد سلیم ایوب

4- جناب اسد احمد محی الدین

5- محترمہ منیقہ ایوب

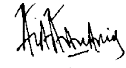
6- جناب فرخ یسین


7- جناب خرم آفتاب

جناب فرخ یاسین اور جناب خرم آفتاب آزاد ڈائریکٹرز ہیں۔

ڈائریکٹرز ان تمام اسٹیک ہولڈرز کے وقف کام اور عزم کے لیے اپنی تعریف بھی ریکارڈ پر رکھنا چاہتے ہیں جنہوں نے کمپنی کے تمام آپریشنز کو برقرار رکھنے کے لیے اپنی خدمات میں توسیع کی۔ براہ کرم اللہ تعالیٰ سے دعا کریں کہ وہ ہمیں مطلوبہ اہداف کے حصول میں رہنمائی/مدد فرمائے۔ (آمین)

منجانب بورڈ آف ڈائریکٹرز


ضیاء زکریا
چیئر مین/ڈائریکٹر


نور محمد زکریا
ڈائریکٹر/چیف ایگزیکٹو آفیسر (CEO)

کراچی: 25 مئی 2023ء

سیکنٹ وار کارکردگی کو ذیل میں بیان کیا گیا ہے:

شوگر ڈویژن

زیر جائزہ مدت کے دوران گنے کی فصل گزشتہ سال کی طرح اچھی نہیں رہی اور مل نے 789,713 میٹرک ٹن گنے کی کرشنگ کی اور 79,575 میٹرک ٹن چینی پیدا کی۔ گزشتہ سال اسی عرصے کے دوران مل نے 940,764 میٹرک ٹن گنے کی پائی کی اور 98,110 میٹرک ٹن چینی پیدا کی۔ چینی کی موجودہ مدت کی پیداوار 18.89 فیصد یا 18,535 میٹرک ٹن کم ہے۔ جیسا کہ موجودہ سیزن کے دوران، گنے کی فصل اچھی نہیں تھی جیسا کہ کم کرشنگ حجم اور چینی کی پیداوار میں کمی سے ظاہر ہے۔ یہ توقع کی جاتی ہے کہ سیزن کے دوران چینی کی پیداوار کم ہوگی لیکن توقع ہے کہ ملک کی ضروریات کو پورا کرے گا جس میں پچھلے سال کی پیداوار سے زیادہ ذخیرہ بھی شامل ہے۔ خام مال کی عدم دستیابی کی وجہ سے کرشنگ کا دورانیہ بھی 112 دن سے کم ہو کر 94 دن رہ گیا ہے۔ حکومت سندھ نے گنے کی قیمت = 250 روپے سے بڑھا کر 302 روپے فی چالیس کلوگرام کر دی ہے۔ چینی کی پیداواری لاگت بڑھ گئی۔ شوگر مل کو سیزن کے دوران پیداواری عمل میں غلطی سے بچنے کے لیے دور دراز علاقوں سے خام مال منگوانا پڑتا ہے۔

MDF بورڈ ڈویژن

زیر جائزہ مدت کے دوران MDF بورڈ ڈویژن نے مختلف موٹائی میں 34,050 کیوبک میٹر ٹریس تیار کیں جو کہ گزشتہ سال اسی مدت میں 43,435 کیوبک میٹر پیدا کی گئی تھیں۔ پیداوار 9,385 کیوبک میٹر کم ہے جس کی وجہ مطلوبہ حجم میں خام مال کی عدم دستیابی ہے۔ سیلاب کے بعد کے اثرات کی وجہ سے خام مال کی دستیابی میں کمی آئی تھی، جس نے صوبے میں سڑکوں اور پلوں کو نقصان پہنچایا جن کی بحالی کی ضرورت ہے۔ جنگلات خام مال کا اہم ذریعہ ہیں زیادہ بارش اور سیلاب کی وجہ سے بھی متاثر ہوئے تھے۔

مستقبل کا جائزہ

توقع ہے کہ اگلے کرشنگ سیزن کے دوران ملک میں گنے کی فصل میں اضافہ متوقع ہے کیونکہ رواں سال کے دوران کاشتکاروں کو زیادہ منافع ملنے کی وجہ سے زیر کاشت رقبہ بڑھے گا لیکن پانی کی کمی ایک بڑی تشویش تھی۔ مستقبل کے نقطہ نظر کی غیر یقینی صورتحال سے متعلق دیگر اندرونی اور بیرونی عوامل ہیں۔ بڑی عالمی معیشتیں کساد بازاری کے رجحانات، طلب میں کمی، اعلیٰ مالیاتی لاگت بشمول طویل روپی۔ یوکرین تنازعہ بڑی تشویش کا باعث ہیں۔ اندرونی طور پر پاکستان کو سیاسی عدم استحکام، مالیاتی سختی، درآمدات سمیت تجارت پر پابندیوں کا سامنا ہے۔ آئی ایم ایف کے ساتھ مالی معاملات میں تاخیر ملک کے استحکام کے لیے اہم عوامل ہیں۔

انتظامیہ اندرونی اور بیرونی چیلنجز سے بخوبی آگاہ ہے اور کمپنی کی مجموعی کارکردگی کو بہتر بنانے کے لیے شوگر اور MDF بورڈ ڈویژنز کی شراکت کو بہتر بنانے کے لیے ضروری اقدامات کر رہی ہے۔

ڈائریکٹرز کی رپورٹ

بڑی خوشی کے ساتھ مجھے بورڈ کی جانب سے آپ کے سامنے 31 مارچ 2023 کو ختم ہونے والی مدت کے لیے آپ کی کمپنی کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی ہو رہی ہے۔ ان حسابات کا قانونی آڈیٹرز نے جائزہ لیا ہے جیسا کہ کوڈ آف کارپوریٹ گورننس کے تحت ضرورت ہے۔

پیداوار اور مالیاتی حسابات کی نمایاں خصوصیات حسب ذیل ہیں:

31 مارچ 2022	31 مارچ 2023	معلومات بابت پیداوار
940,764	789,713	گنے کی پسائی (میٹرک ٹن)
98,110	79,575	پیداوار برائے چینی (میٹرک ٹن)
10.43	10.09	ریکوری برائے چینی (فیصد)
43.125	36,100	پیداوار برائے راب (میٹرک ٹن)
43,435	34,050	ایم ڈی ایف پیداوار (کیوبک میٹر)

(روپے ہزاروں میں)	(روپے ہزاروں میں)	مالیاتی معلومات
4,949,934	6,273,720	فروختگی
(4,003,864)	(5,671,138)	لاگت برائے فروختگی
946,070	602,582	خام منافع
(35,960)	(42,299)	اخراجات برائے ترسیل
(393,702)	(457,490)	انتظامی اخراجات
(34,276)	(6,614)	دیگر اخراجات
(221,762)	(484,866)	مالیاتی اخراجات
71,175	296,333	منافع کا حصہ ایسوی ایٹ میں
12,344	14,342	دیگر آمدن
343,889	(78,012)	(نقصان) / منافع قبل از ٹیکس
(195,033)	(8,353)	ٹیکس کے لئے فراہمی
148,856	(86,365)	(نقصان) / منافع بعد از ٹیکس
Rs.7.27	Rs.(4.22)	(نقصان) / منافع فی حصص (بنیادی)

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