



AL-NOOR SUGAR MILLS LIMITED

Half Yearly Results for the period
1st October 2018 to 31st March, 2019

COMPANY INFORMATION

BOARD OF DIRECTORS

MR. YUSUF AYOOB
MR. ISMAIL H. ZAKARIA
MR. SULEMAN AYOOB
MR. ABDUL 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. SHAMIM AHMAD
MR. ABDUL AZIZ AYOOB
MR. ZIA ZAKARIA
MR. MUHAMMAD ASIF

Chairman
Member
Member
Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

Chairman
Member
Member

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. 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 Asslamu-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 March 31st 2019. 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, 2019	March 31, 2018
Crushing commenced on	13-12-2018	28-11-2017
Crushing completed up to	19-03-2019	31-03-2018
Duration of crushing (days)	97	124
Sugarcane crushed (M Tons)	894,494	1,046,048
Sugar produced (M Tons)	94,825	102,648
Sugar recovery percentage	10.60	9.95
Molasses produced (M Tons)	40,120	52,670
MDF Production (Cubic Meters)	35,465	35,748
FINANCIAL DATA	(Rupees in thousands)	
Sales revenue	3,949,817	5,699,601
Cost of sales	(3,529,250)	(6,266,701)
Gross profit / (loss)	420,567	(567,100)
Distribution cost	(41,247)	(113,250)
Administrative expenses	(288,768)	(264,797)
Financial cost	(203,366)	(136,729)
Other operating expenses net of income	(18,127)	1,006,021
Share of profit from associate	86,148	17,687
(Loss) / Profit before taxation	(44,793)	(58,168)
Provision for taxation	(6,522)	92,351
(Loss) / Profit after taxation	(51,315)	34,183
(Loss) / Earnings per share	Rs.(2.51)	Rs.1.67

Segment wise performance is elaborated as under:

SUGAR DIVISION

During the period under review the mill crushed 894,494 metric tons of cane and produced 94,825 metric tons of sugar. During the same period last year the mill crushed 1,046,048 metric tons of cane and produced 102,648 metric tons of sugar. The current period production is less than last year by 7.62 percent or 7,823 metric tons. The decrease in production of sugar was mainly due to lower volume of crushing due to non-availability of raw material. The sugar cane crop in Punjab and Khyber Pakhtunkhwa was good as compared with the crop in Sindh. Recovery percentage increased to 10.60 percent as against 9.95 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 40kg which was the same as fixed for the crushing season 2017-18. However the price of sugar declined during the first quarter of the current year and thereafter registered some increase during the second quarter of the period under review.

Due to the bumper cane crop during the previous crushing season 2017-18 excess sugar was produced and was not sold due to low demand in the country and the mills had to carry over stock from the previous year's surplus of approximately 2 million tons. The excess production during the previous year in the local market and international market has kept the local prices of sugar under pressure during the first quarter of the current year. However during the second quarter of the current year the price of sugar registered some increase in the domestic market and expected that the trend would continue during the remaining period of the year.

MDF BOARD DIVISION

During the period under review the MDF Board division produced 35,465 cubic meters as against 35,748 cubic meters produced in the same period last year. The production is slightly lower by 283 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.

FUTURE OUTLOOK

It is expected that during the next crushing season cane crop in Punjab and KPK would be good depending on the availability of irrigation system of water and rain fall. However cane crop in Sindh would be seriously affected due to non availability of canal water and low rain fall.

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 Shah 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. (Aameen)



ISMAIL H. ZAKARIA
MANAGING DIRECTOR



SULEMAN AYOOB
Director

Karachi:
Dated: May 23, 2019



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, 2019, 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 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. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

The figures for the quarters ended March 31, 2019 and March 31, 2018 in these condensed interim financial statements have not been reviewed, as we are required to review only the cumulative figures for the half year ended March 31, 2019.

Scope of Review:

We conducted our review in accordance with the International Standard on Review engagements 2410, "Review of condensed Interim financial statements 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 the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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

Kreston Hyderabad Blue

Chartered Accountants
Karachi
Dated: May 23, 2019

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OTHER OFFICES LAHORE - FAISALABAD - ISLAMABAD

A member of kreston international A global network of independent accounting firms.

AL-NOOR SUGAR MILLS LTD.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT MARCH 31, 2019

	Note	Un-Audited March 2019 (Rupees in '000)	Audited September 2018 (Rupees in '000)
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	4	4,767,429	4,841,661
Intangible asset	5	5,796	2,583
Long term investments under equity method in associate	6	585,760	522,710
Long term loans		1,481	3,893
Long term deposits		4,238	3,094
		5,364,704	5,373,941
CURRENT ASSETS			
Stores, spare parts and loose tools		332,271	322,038
Stock in trade	8.1 & 8.2	4,764,584	2,219,497
Trade debts		507,915	374,374
Loans and advances		65,042	69,270
Trade deposit and short term prepayments		24,649	19,430
Other receivables - including export subsidy		589,953	791,556
Income tax refund due from Government		185,387	178,981
Cash and bank balances		127,924	92,508
		6,597,725	4,067,654
		11,962,429	9,441,595
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 Reserve			
General reserve		1,000,000	1,000,000
Share of associate's unrealised loss on remeasurement of its available for sale investments		(2,714)	(2,714)
Unappropriated profit		225,250	271,708
Capital Reserve			
Surplus on revaluation of Property, plant and equipment		1,492,367	1,527,935
		2,919,640	3,001,666
NON-CURRENT LIABILITIES			
Long term financing		1,585,625	2,101,737
Deferred liabilities		311,010	356,862
		1,896,635	2,458,599
CURRENT LIABILITIES			
Trade and other payables		3,045,613	1,388,378
Accrued finance cost		97,854	59,226
Short term borrowings		3,044,759	1,931,335
Unclaimed dividend		5,706	5,169
Current portion of long term financing		952,222	597,222
		7,146,154	3,981,330
CONTINGENCIES AND COMMITMENTS			
	7	-	-
		11,962,429	9,441,595

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



ISMAIL H. ZAKARIA
Chief Executive Officer



SULEMAN AYOOB
Director



Muhammad Hanif Chamdia
Chief Finance Officer

AL-NOOR SUGAR MILLS LTD.

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2019**

		For the half year		For the quarter	
		October-March		January-March	
		2019	2018	2019	2018
Note		(Rupees in '000)			
Sales		3,949,817	5,699,601	1,721,537	2,660,388
Cost of sales	8	(3,529,250)	(6,266,701)	(1,329,587)	(2,724,816)
Gross profit / (loss)		420,567	(567,100)	391,950	(64,428)
Profit from trading activities		-	42	-	14
		420,567	(567,058)	391,950	(64,414)
Distribution Cost		(41,247)	(113,250)	(26,855)	(78,270)
Administration expenses		(288,768)	(264,797)	(153,389)	(137,610)
Other operating expenses		(22,094)	(12,137)	(10,952)	(11,103)
		(352,109)	(390,184)	(191,196)	(226,983)
		68,458	(957,242)	200,754	(291,397)
Other income - including export subsidy		3,967	1,018,116	3,891	616,025
		72,425	60,874	204,645	324,628
Finance cost		(203,366)	(136,729)	(121,385)	(60,706)
		(130,941)	(75,855)	83,260	263,922
Share of profit from associate		86,148	17,687	24,958	28,066
(Loss)/ Profit before taxation		(44,793)	(58,168)	108,218	291,988
Taxation					
- Current		(52,374)	(49,444)	(27,662)	(15,044)
- Deferred		45,852	141,795	21,054	19,487
		(6,522)	92,351	(6,608)	4,443
(Loss)/Profit after taxation		(51,315)	34,183	101,610	296,431
(Loss)/Earning per share -Basic and diluted-(Rs)		(2.51)	1.67	4.96	14.48

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ISMAIL H. ZAKARIA
Chief Executive Officer


SULEMAN AYOOB
Director


Muhammad Hanif Chamdia
Chief Finance Officer

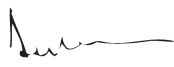
**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2019**

	For the half year		For the quarter	
	October-March		Jan-March	
	2019	2018	2019	2018
	(Rupees in '000)			
(Loss)/profit after taxation	(51,315)	34,183	101,610	296,431
Other comprehensive income	-	-	-	-
Total Comprehensive Income	(51,315)	34,183	101,610	296,431

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



ISMAIL H. ZAKARIA
Chief Executive Officer



SULEMAN AYOOB
Director



Muhammad Hanif Chamdia
Chief Finance Officer

AL-NOOR SUGAR MILLS LTD.

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2019

	Note	March 31, 2019	March 31, 2018
		Rupees in '000	
A. CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) before taxation		(44,793)	(58,168)
Adjustments for:			
Depreciation of property, plant and equipment	4.1	141,531	131,295
Amortization of intangible asset		1,015	-
Gain on disposal of property, plant and equipment		(1,389)	(5,778)
Provision for obsolescence and slow moving items		9,381	8,350
Finance cost		203,366	136,729
Share of profit from associate		(86,148)	(17,687)
		267,756	252,909
Cash generated before working capital changes		222,963	194,741
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(19,614)	(25,796)
Stock in trade		(2,545,087)	(91,053)
Trade debts		(133,541)	(497,148)
Loans and advances		4,228	(97,201)
Trade deposits and short term prepayments		(5,219)	(9,646)
Other receivables		201,603	(919,431)
		(2,497,630)	(1,640,275)
Increase in current liabilities			
Trade and other payables		1,657,235	2,730,519
Short term bank borrowings		1,113,424	(576,556)
		2,770,659	2,153,963
		495,992	708,429
Income tax paid		(58,780)	(76,187)
Finance cost paid		(164,738)	(163,369)
Decrease in long term loans		2,412	(1,211)
(Increase)/Decrease in long term deposits		(1,144)	2,300
		(222,250)	(238,467)
Net cash inflows from operating activities		273,742	469,962
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in Property, Plant & Equipment		(69,405)	(170,084)
Addition in intangible asset	5	(4,228)	-
Sale proceeds from disposal of property, plant and equipment		3,495	10,680
Dividend from associate received		23,098	1,650
Net cash used in investing activities		(47,040)	(157,754)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(161,112)	(123,612)
Dividend paid		(30,174)	(26)
Net cash used in financing activities		(191,286)	(123,638)
Net increase / decrease in cash and cash equivalents		35,416	188,570
Cash and cash equivalents at the beginning of the period		92,508	129,209
Cash and cash equivalents at the end of the period		127,924	317,779

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


ISMAIL H. ZAKARIA
Chief Executive Officer


SULEMAN AYOOB
Director


Muhammad Hanif Chamdia
Chief Finance Officer

AL-NOOR SUGAR MILLS LTD.

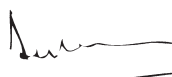
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2019

	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, 2017	204,737	1,000,000	338,952	1,058,349	(2,110)	2,599,928
During the half year ended March 31, 2018						
Total Comprehensive Income for the half year ended March 31, 2018	-	-	34,183	-	-	34,183
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	23,555	(23,555)	-	-
Share of associate's incremental depreciation of revaluation surplus	-	-	1,927	(1,927)	-	-
Balance as at March 31, 2018	204,737	1,000,000	398,617	1,032,867	(2,110)	2,634,111
Balance as at October 01, 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 Income 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	-	-	28,241	(28,241)	-	-
Share of associate's incremental depreciation of revaluation surplus	-	-	7,327	(7,327)	-	-
Balance as at March 31, 2019	204,737	1,000,000	225,250	1,492,367	(2,714)	2,919,640

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



ISMAIL H. ZAKARIA
Chief Executive Officer



SULEMAN AYOOB
Director



Muhammad Hanif Chamdia
Chief Finance Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED MARCH 31, 2019

1 The Company and its Operations

The Company was incorporated in Pakistan as a public limited company on August 08, 1969 and its shares are quoted at the Pakistan Stock Exchange Limited. The Company owns and operate Sugar, medium density fiber (MDF) board and generation of power units which are located at Shahpur Jahania, District Shaheed Benazirabad in the province of Sindh. The registered office of the Company is located at 96-A, Sindhi Muslim Cooperative Housing Society, Karachi, Sindh. The total area of factory land is spread over 220.58 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. 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, 2018.

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, 2019. 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, 2018, 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, 2018.

Figures of opening balances in the comparative statement of changes in equity were restated as disclosed in note no 5 of the annual financial statement therefore restated figures are taken in the comparative statement of changes in equity in the condensed interim financial statements.

- 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, 2019 and 2018 are not subject to review by the auditor.

3 Significant accounting policies and other necessary disclosures

- 3.1** The accounting policies and methods of computation followed for the preparation of this 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, 2018.
- 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, 2018 do not have any significant impact on the condensed interim financial statements, and are therefore not disclosed, except for the following;

IFRS 15 Revenue from Contract with customers

According to IFRS 15, revenue is recognized to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognized when, or as, the customer obtains control of the goods or services. IFRS 15 also includes guidance on the presentation of the contract balances, that is, assets and liabilities arising from contracts with customers, depending on the relationship between the entity's performance and the customer's payment. IFRS 15 supersedes IAS 11, Construction Contracts and IAS 18, Revenue as well as related interpretations.

The Company has assessed that significant performance obligation in contracts with customers are closely related to the delivery of goods and therefore are discharged over the period of the relationship with relevant customers. Hence, the Company has concluded that it is in compliance with the requirement of the new accounting standard.

IFRS 9 Financial Instruments

IFRS 9 'Financial Instruments' has replaced IAS 39 'Financial Instruments: Recognition and Measurement' for annual periods beginning on or after July 1, 2018, bringing together all three aspects of the accounting for financial instruments: classification and impairment and hedge accounting.

The adoption of IFRS 9 has changed the accounting for impairment losses for financial assets by replacing the incurred losses model approach with a forward looking Expected Credit Loss (ECL) approach. ECL are based on the difference between the contractual cash flows in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

SECP has notified vide its S.R.O 229 (I)/2019 that the effective date for the applicability will be for the reporting period/year ending on or after year ending June, 30 2019. Accordingly, the Company intends to apply IFRS 9 in preparation of financial statements for the year ending 30, September 2019.

AL-NOOR SUGAR MILLS LTD.

- 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, 2018.

		Unaudited March 31, 2019	Audited September 30, 2018
		Rupees in '000	
4. PROPERTY PLANT AND EQUIPMENT			
Operating fixed Assets	4.1	4,507,093	4,570,047
Capital Work in Progress	4.2	260,336	271,614
		4,767,429	4,841,661
4.1 Operating Fixed Assets:			
Opening Net Book Value (NBV)		4,570,047	4,157,116
Direct Additions during the period/year			
Plant and Machinery		4,144	36,922
Furniture, Fixture and Fittings		267	3,672
Office Equipment		1,765	7,308
Vehicles		16,875	32,174
		23,051	80,076
Transfer from CWIP during the period/year			
Free hold Land		-	48,125
Factory Building		18,147	26,499
Non-Factory Building		4,465	-
Power Plant		2,452	-
Plant and Machinery		32,568	160,973
		57,632	235,597
Fresh revaluation during period/year			
Free hold Land		-	159,978
Factory Building		-	49,896
Non-Factory Building		-	155,829
Power Plant		-	199
Plant and Machinery		-	14,330
		-	380,232
Net Book Value of Asset disposed off during the period/year			
Vehicles		(2,106)	(9,375)
Depreciation Charge for the period/year		(141,531)	(273,599)
Closing Net Book Value		4,507,093	4,570,047

AL-NOOR SUGAR MILLS LTD.

	Unaudited March 31, 2019	Audited September 30, 2018
	Rupees in '000	
4.2 Capital Work in Progress		
Opening Balance	271,614	260,344
Addition during the period/year		
Civil Work	16,516	33,676
Plant & Machinery	29,838	191,541
Advance against land	-	21,650
	46,354	246,867
Capitalization during the period/year		
Civil Work	(22,612)	(26,499)
Plant & Machinery	(35,020)	(160,973)
Advance against Land	-	(48,125)
	(57,632)	(235,597)
Closing Balance	260,336	271,614

4.2.1

4.2.1 This includes borrowing cost of Rs10.892 million capitalized during the period at the effective rate 11% .

	Unaudited March 31, 2019	Audited September 30, 2018
	Rupees in '000	
5. INTANGIBLE ASSET		
Softwares		
Net Carrying value basis		
Opening carrying value	2,583	-
Additions during the period / year - at cost	4,228	3,335
Amortization for the period / year	(1,015)	(752)
	5,796	2,583
Gross Carrying value basis		
Cost	14,436	10,208
Accumulated amortisation	(8,640)	(7,625)
	5,796	2,583

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, 2019	Total September 30, 2018
Opening balance	520,894	1,816	522,710	264,864
Share of profit of associate for the period / year	86,148	-	86,148	93,705
Shares of associate's unrealized gain on remeasurement of associate's available for sale of investment	-	-	-	(711)
Share of associate's surplus on fresh revaluation of property, plant and equipment net of deferred tax	-	-	-	164,542
Share of associate's tax rate impact related to its surplus on revaluation of property, plant and equipment	-	-	-	1,960
Dividend received during the period / year	(23,098)	-	(23,098)	(1,650)
	63,050	-	63,050	257,846
	583,944	1,816	585,760	522,710

The company holds 14.285% (September 2018:14.285%) interest in Al-Noor Modaraba Management (Pvt) Ltd, and holds 15.625% (September 2018:15.625%) 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, 2019.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There is no material change in status of contingencies of the annual financial statement for the year ended September 30, 2018.

**Unaudited
March 31,
2019** **Audited
September 30,
2018**
Rupees in '000

7.2 Commitments as on the balance sheet date

Letters of credit		
Stores	25,481	11,513
Raw Material	299,737	195,612
Plant and Machinery	248	6,152
	325,466	213,277

AL-NOOR SUGAR MILLS LTD.

For the half year October-March 2019	2018	For the quarter January-March 2019	2018
--	------	--	------

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

8. COST OF SALES

Opening stock of finished goods	1,864,499	3,596,450	1,134,404	1,348,017
Cost of goods manufactured	5,914,287	6,011,621	4,444,719	4,718,169
	7,778,786	9,608,071	5,579,123	6,066,186
Closing stock of finished goods	(4,249,536)	(3,341,370)	(4,249,536)	(3,341,370)
	<u>3,529,250</u>	<u>6,266,701</u>	<u>1,329,587</u>	<u>2,724,816</u>

8.1 Stock of refined sugar amounting of Rs. 3,029 million (March 2018:Rs.2,080 million) has been pledged against cash finance facilities and Murabaha/Istisna arrangements.

8.2 Stock in trade includes stocks costing Rs. 229.267 million (March 2018: Rs. 3,647.376 million) written down to their net realizable value of Rs.201.455 million (March 2018: 3,520.391 million). This includes stock of molasses and bagasse valued at net realizable value of Rs.128.983 million. (March 2018: Rs.143.060 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:

the period/as at period end are given below.

		March 31, 2019	March 31, 2018
		Rupees in '000	
Transactions:			
<u>Relationship with the company</u>	<u>Nature of Transactions</u>		
Associates			
Shahmurad Sugar Mills Ltd	Sale of molasses	284,854	176,795
Reliance Insurance Company Ltd	Insurance premium paid	26,063	8,597
	Insurance claim	6,091	1,225
Other Related Parties			
Directors' and key management personnel	Director's remuneration	13,327	13,180
	Executives remuneration	38,076	69,343
	Directors meeting fee	105	90
Staff provident fund	Contribution made during period excluding directors	9,884	8,712

		March 31, 2019	September 30, 2018
		Rupees in '000	
Balances:			
<u>Relationship with the Company</u>	<u>Nature of Transactions</u>		
Associates			
Shahmurad Sugar Mills Ltd	Trade & other payables	49,546	37,500
Reliance Insurance Company Ltd	Trade & other payables	11,065	14,823
Staff provident fund	Trade & other payables	3,229	145

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 2019			September 2018		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Long term financing-Musharka and others finance	1,538,750	46,875	1,585,625	2,006,250	95,487	2,101,737
Current portion of long term finance	830,000	122,222	952,222	450,000	147,222	597,222
	2,368,750	169,097	2,537,847	2,456,250	242,709	2,698,959
Accrued finance cost	51,613	46,241	97,854	31,134	28,092	59,226
Short term borrowings	-	3,044,759	3,044,759	-	1,931,335	1,931,335
Cash at bank accounts	(20,472)	(89,044)	(109,516)	(18,938)	(71,298)	(90,236)
	2,399,891	132,000	2,531,891	2,468,446	2,130,838	4,599,284

	March 2019			March 2018		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Finance cost	128,561	74,805	203,366	72,501	64,228	136,729
Borrowing cost capitalized	10,892	-	10,892	-	-	-
Income on saving account	(195)	-	(195)	(447)	-	(447)
	139,258	74,805	214,063	72,054	64,228	136,282

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, 2019 and March 31, 2018 and assets and liabilities information regarding business segments as at March 31, 2019 and September 30, 2018:

	Sugar		MDF Board		Consolidated	
	Half year ended March 31,		Half year ended March 31,		Half year ended March 31,	
	2019	2018	2019	2018	2019	2018
(Rupees in thousand)						
Revenue						
Sales	1,818,177	4,073,386	2,131,640	1,626,215	3,949,817	5,699,601
Sales of By-product & electricity						
External Sales	351,324	258,177	3,660	1,516	354,984	259,693
Inter segment transfer	76,032	52,478	-	-	76,032	52,478
	<u>2,245,533</u>	<u>4,384,041</u>	<u>2,135,300</u>	<u>1,627,731</u>	<u>4,380,833</u>	<u>6,011,772</u>
RESULTS						
(Loss) / Profit from operation	(77,658)	(1,067,152)	146,116	109,910	68,458	(957,242)
Other income including export subsidy					3,967	1,018,116
Finance cost					(203,366)	(136,729)
Share of profit from associate					86,148	17,687
(Loss) before tax					(44,793)	(58,168)
Taxation					(6,522)	92,351
(Loss)/Profit after taxation					(51,315)	34,183
Other Comprehensive Income					-	-
Total Comprehensive (Loss)/ Income for the period					<u>(51,315)</u>	<u>34,183</u>
Other Comprehensive Income / (loss)						
OTHER INFORMATION						
Capital expenditures	23,210	111,094	46,195	58,990	69,405	170,084
Depreciation	71,107	68,405	70,424	62,890	141,531	131,295
Amortization	462	-	553	-	1,015	-
Addition in intangible assets	4,228	3,335	-	-	4,228	3,335

AL-NOOR SUGAR MILLS LTD.

	Sugar		MDF Board		Total	
	March 31, 2019	September 30. 2018	March 31, 2019	September 30. 2018	March 31, 2019	September 30. 2018
----- (Rupees in '000) -----						
BALANCE SHEET						
Assets						
Segment assets	8,416,907	5,970,440	2,774,375	2,769,464	11,191,282	8,739,904
Investment in associates	585,760	522,710	-	-	585,760	522,710
Unallocated assets			-		185,387	178,981
Total assets					11,962,429	9,441,595
Liabilities						
Segment liabilities	8,436,948	5,721,395	600,135	713,365	9,037,083	6,434,760
Unallocated liabilities					5,706	5,169
					9,042,789	6,439,929

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.413.546 million(2018:3,428.870 million) represent sales to customers in various countries of Asia as follows:

	Unaudited March 31, 2019	Audited September 30, 2018
	Rupees in '000	
Pakistan	3,536,271	2,272,902
Afghanistan	413,546	3,260,464
Other Countries	-	166,235
	3,949,817	5,699,601

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 were authorized for issue by the Board of Directors of the Company in their meeting held on 23rd May 2019.

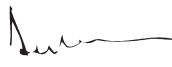
15. GENERAL

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

15.2 Corresponding figures have been reclassified where considered necessary for better presentation and comparison.



ISMAIL H. ZAKARIA
Chief Executive Officer



SULEMAN AYOOB
Director





Muhammad Hanif Chamdia
Chief Finance Officer

بورڈ آف ڈائریکٹرز

زیر غور مدت کے دوران بورڈ آف ڈائریکٹرز کی ترتیب میں کوئی تبدیلی نہیں تھی۔

بورڈ آف ڈائریکٹرز اپنے معزز اسٹیک ہولڈرز کو بہتر لائحہ عمل کے ساتھ کامیابی کے حصول کیلئے وقف کاوشوں کا یقین دلاتے ہیں، انشاء اللہ جس حالیہ مشکل صورتحال کا سامنا ملک کی شوگر انڈسٹری کی جانب سے کیا جا رہا ہے۔ براہ کرم اللہ تعالیٰ سے دعا کریں کہ وہ مطلوبہ مقاصد کے حصول کیلئے ہماری رہنمائی / مدد فرمائیں۔ (آمین)


سلیمان ایوب
ڈائریکٹر


اسمعیل ایچ زکریا
منیجنگ ڈائریکٹر

کراچی: 23 مئی 2019ء

شعبہ جات کے لحاظ کارکردگی درج ذیل کے مطابق رہی۔

شوگر ڈویژن

زیر جائزہ مدت کے دوران مل نے 894,494 میٹرک ٹن گنا پیسا اور 94,825 میٹرک ٹن چینی تیار کی۔ گزشتہ سال اسی دوران مدت مل نے 1,046,048 میٹرک ٹن گنا پیسا اور 102,648 میٹرک ٹن چینی تیار کی۔ حالیہ مدت کی پیداوار گزشتہ سال سے 7.62 فیصد یا 7,823 میٹرک ٹن کم ہے۔ چینی کی پیداوار میں کمی کی اہم وجہ خام مال کی عدم دستیابی کے باعث کرشنک کا کم ترین حجم ہونا تھا۔ گنے کی فصل پنجاب اور خیبر پختونخواہ میں سندھ کی فصل کے مقابلے میں اچھی تھی۔ وصولی کا فیصد تناسب گزشتہ سال سے 9.95 فیصد کے مقابلے میں 10.60 فیصد بڑھ گیا۔ گنے کی قیمت کا اعلان حکومت سندھ کی جانب سے $182 / =$ روپے فی 40 کلوگرام کیا گیا جو کہ کرشنک سیزن 2017-18 کیلئے طے کردہ قیمت کے برابر تھا۔ تاہم چینی کی قیمت میں رواں سال کی پہلی سہ ماہی میں کمی واقع ہوئی۔

گزشتہ کرشنک سیزن 2017-18 کے دوران گنے کی وافر مقدار میں فصل کے باعث اضافی چینی پیدا کی گئی اور ملکی طلب میں کمی کے باعث فروخت نہیں کی گئی اور ملوں کو گزشتہ سال کے تقریباً 2 ملین ٹن فاضل ذخیرہ کو پچھلے سال سے لانا پڑا۔ دوران گزشتہ سال اضافی پیداوار نے مقامی بازار اور بین الاقوامی بازار میں چینی کی مقامی قیمت کو رواں سال کی پہلی سہ ماہی میں دباؤ میں رکھا۔ تاہم رواں سال کی دوسری سہ ماہی کے دوران ملکی بازار میں چینی کی قیمت میں اضافہ ہوا اور اس رجحان کو سال کی بقیہ مدت کے دوران جاری رہنے کی توقع کی گئی۔

میڈیم ڈینسٹی فائبر (MDF) بورڈ ڈویژن

زیر جائزہ مدت کے دوران شعبہ ایم ڈی ایف بورڈ نے گزشتہ سال کی اسی مدت کی پیداوار 35,748 کیوبک میٹر کے مقابلے میں 35,465 کیوبک میٹر پیداوار کی۔ پیداوار 283 کیوبک میٹر سے معمولی کم ہے اور بازاری اقسام کی طلب کو مد نظر رکھتے ہوئے مختلف حجم میں ہے۔ یہ توقع کی جاتی ہے کہ رواں سال کی بقیہ مدت کے دوران پیداوار برقرار رکھی جائے گی۔

مستقل پر نظر

یہ توقع کی جاتی ہے کہ اگلے کرشنک سیزن کے دوران پنجاب اور خیبر پختونخواہ میں گنے کی فصل بہتر ہوگی جس کا انحصار آبپاشی کے نظام اور بارشیں ہونے پر ہے۔ تاہم سندھ میں گنے کی فصل شدید متاثر ہوگی جس کا باعث نہری پانی کی عدم دستیابی اور کم بارشیں ہونا ہے۔

ڈائریکٹرز کی رپورٹ برائے ممبران

معزز ممبران گرامی

السلام علیکم!

بورڈ آف ڈائریکٹرز کی جانب سے میں آپ کے سامنے کمپنی کے مالی عرصہ جس کا اختتام 31 مارچ، 2019 کو ہوا کی غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتا ہوں۔ یہ مالیاتی گوشوارے کمپنی کے آڈیٹرز نے نظر ثانی کئے ہیں جیسے کہ کوڈ آف کارپوریٹ گورنس میں بتایا گیا ہے۔

مصنوعات کے اہم عمل کاری اور مالیاتی گوشوارے درج ذیل ہیں۔

31 مارچ 2018	31 مارچ 2019	معلومات بابت پیداوار
28-11-2017	13-12-2018	آغاز پسائی مورخہ
31-03-2018	19-03-2019	مختل پسائی مورخہ
124	97	دورانہ پسائی (دنوں میں)
1,046,048	894,494	گنے کی پسائی (میٹرک ٹن)
102,648	94,825	پیداوار برائے چینی (میٹرک ٹن)
9.95	10.60	ریکوری برائے چینی (فیصد)
52,670	40,120	پیداوار برائے راب (میٹرک ٹن)
35,748	35,465	ایم ڈی ایف پیداوار (کیوبک میٹر)
(روپے ہزاروں میں)	(روپے ہزاروں میں)	مالیاتی معلومات
5,699,601	3,949,817	فروختگی
(6,266,701)	(3,529,250)	لاگت برائے فروختگی
(567,100)	420,567	خام منافع
(113,250)	(41,247)	اخراجات برائے ترسیل
(264,797)	(288,768)	انتظامی اخراجات
(136,729)	(203,366)	مالیاتی اخراجات
1,006,021	(18,127)	دیگر آمدن و اخراجات
17,687	86,148	منافع کا حصہ ایسوی ایٹ میں
(58,168)	(44,793)	(خسارہ)/منافع قبل از ٹیکس
92,351	(6,522)	ٹیکس کے لئے فراہمی
34,183	(51,315)	(خسارہ)/منافع بعد از ٹیکس
Rs.1.67	Rs.(2.51)	(خسارہ)/آمدن فی حصص (بنیادی)



If undelivered please return to :

AL-NOOR SUGAR MILLS LTD.

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