



AL-NOOR SUGAR MILLS LIMITED

Half Yearly Results for the period
1st October 2021 to 31st March, 2022

Company Information

BOARD OF DIRECTORS

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

BOARD AUDIT COMMITTEE

MR. SHAMIM AHMAD
MR. ZIA ZAKARIA
MS. MUNIFA

HUMAN RESOURCE AND REMUNERATION COMMITTEE

MR. FARRUKH YASEEN
MR. SULEMAN AYOOB
MS. MUNIFA

REGISTERED OFFICE

96-A, Sindhi Muslim Society, Karachi-74400 Tel: 34550161-63 Fax: 34556675

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

REGISTRAR & SHARES REGISTRATION OFFICE

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

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, 2022. 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, 2022	March 31, 2021
Sugarcane crushed (M Tons)	940,764	677,781
Sugar produced (M Tons)	98,110	68,623
Sugar recovery percentage	10.43	10.12
Molasses produced (M Tons)	43,125	30,800
MDF Production (Cubic Meters)	43,435	44,764

FINANCIAL DATA	(Rupees in thousands)	
Sales revenue	4,949,934	4,482,342
Cost of sales	(4,003,864)	(3,654,199)
Gross profit	946,070	828,143
Distribution cost	(35,960)	(33,995)
Administrative expenses	(393,702)	(332,046)
Other operating expenses	(34,276)	(32,032)
Financial cost	(221,762)	(180,588)
Share of profit from associates	71,175	20,436
Other Income	12,344	21,349
Profit before taxation	343,889	291,267
Provision for taxation	(195,033)	(157,147)
Profit after taxation	148,856	134,120
Profit per share	Rs.7.27	Rs.6.55

Segment wise performance is elaborated as under:

SUGAR DIVISION

Al-Hamdulillah during the period under review the cane crop was good and the mill crushed 940,764 metric tons of cane and produced 98,110 metric tons of sugar. During the same period last year, the mill crushed 677,781 metric tons of cane and produced 68,623 metric tons of sugar. The current period production is higher than last year by 42.97 percent or 29,487 metric tons. During the current season the cane crop was good as evident from the higher crushing volume and increase in production of sugar. The sugar cane crop in Punjab and Khyber Pakhtunkhwa is also good when compared with the crop position of last season. It is anticipated that production of sugar during season would be around 7.5 million metric tons to 8 million tons which is in excess of the country's requirement. The Government of Sindh has enhanced the cost of sugar cane from Rs.202/= to Rs.250/= 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 43,435 cubic meters of sheets in various thickness as against 44,764 cubic meters produced in the same period last year. The production is slightly lower by 1,329 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

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

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 operations of the Company. Please pray to Almighty Allah to guide/help us to achieve the desired goals. (Ameen)



YUSUF AYOOB
Managng Director/CEO



ZIA ZAKARIA
Director

Karachi:
Dated: May 26, 2022



**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, 2022, 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 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, 2022 and 2021 have not been reviewed, as we were required to review only the cumulative figures for the half year ended March 31, 2022.

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 review report is Shaikh Mohammad Tanvir.

Kreston Hyderabad

CHARTERED ACCOUNTANTS

Karachi

Dated: May 26, 2022

UDIN: RR202210225vRdPI9cfl

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CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT MARCH 31, 2022

	Note	Un-Audited March 2022	Audited September 2021
(Rupees in '000)			
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	4	4,794,102	4,839,744
Right-of-use assets	5	7,017	10,605
Intangible asset	6	-	-
Long term investments	7	790,603	729,327
Long term loans		5,958	4,771
Long term deposits		4,868	4,268
		5,602,548	5,588,715
CURRENT ASSETS			
Stores, spare parts and loose tools		561,576	491,515
Stock in trade		6,541,005	1,871,492
Trade debts		714,781	390,866
Loans and advances		242,892	121,762
Trade deposits and short term prepayments		22,791	6,772
Other receivables		180,231	184,245
Taxation-Net		262,125	213,560
Cash and bank balances		153,246	231,482
		8,678,647	3,511,694
		14,281,195	9,100,409
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 - Revenue		1,000,000	1,000,000
Unappropriated profit		997,717	916,054
Share of associate's unrealised (loss) on remeasurement of associate's investments at fair value through other comprehensive income (OCI)		(2,596)	(2,596)
Surplus on revaluation of Property, plant and equipment		1,268,404	1,303,580
		3,468,262	3,421,775
NON-CURRENT LIABILITIES			
Long term financing		1,886,074	2,001,907
Lease liability against right-of-use asset		-	712
Deferred taxation - net		734,604	609,631
		2,620,678	2,612,250
CURRENT LIABILITIES			
Trade and other payables		2,351,838	946,429
Accrued finance cost		94,654	41,775
Short term borrowings		4,969,287	1,364,840
Unclaimed dividend		8,424	7,140
Current portion of long term financing		766,667	701,667
Current portion of lease liability against right-of-use asset		1,385	4,533
		8,192,255	3,066,384
CONTINGENCIES AND COMMITMENTS			
	8	-	-
		14,281,195	9,100,409

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


YUSUF AYOOB
Chief Executive Officer


ZIA ZAKARIA
Director


MUHAMMAD HANIF CHAMDIA
Chief Finance Officer

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2022**

		For the half year		For the quarter	
		October to March 2022	2021	January to March 2022	2021
Note		(Rupees in '000)			
Sales		4,949,934	4,482,342	2,166,219	2,108,172
Cost of sales	9	(4,003,864)	(3,654,199)	(1,594,104)	(1,654,122)
Gross profit		946,070	828,143	572,115	454,050
Profit from trading activities		4,739	1,032	3,952	51
		950,809	829,175	576,067	454,101
Distribution cost		(35,960)	(33,995)	(21,385)	(16,757)
Administrative expenses		(393,702)	(332,046)	(196,502)	(161,536)
Other operating expenses		(34,276)	(32,032)	(26,593)	(22,504)
		(463,938)	(398,073)	(244,480)	(200,797)
		486,871	431,102	331,587	253,304
Other income		7,605	20,317	3,382	7,631
		494,476	451,419	334,969	260,935
Finance cost		(221,762)	(180,588)	(149,175)	(113,718)
		272,714	270,831	185,794	147,217
Share of profit/(loss) from associates		71,175	20,436	56,926	(1,476)
Profit before taxation		343,889	291,267	242,720	145,741
Taxation		(195,033)	(157,147)	(136,408)	(90,545)
Profit after taxation		148,856	134,120	106,312	55,196
Earning per share - Basic and diluted-(Rupees)		7.27	6.55	5.19	2.70

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


YUSUF AYOOB
Chief Executive Officer


ZIA ZAKARIA
Director


MUHAMMAD HANIF CHAUDHARY
Chief Finance Officer

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2022**

	<u>For the half year</u>		<u>For the quarter</u>	
	<u>October to March</u>		<u>January to March</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>----- (Rupees in '000) -----</u>			
Profit after taxation	148,856	134,120	106,312	55,196
Other comprehensive income	-	-	-	-
Total Comprehensive income	148,856	134,120	106,312	55,196

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


YUSUF AYOOB
Chief Executive Officer


ZIA ZAKARIA
Director


MUHAMMAD HANIF CHAMDIA
Chief Finance Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2022

	Note	March 31, 2022	March 31, 2021
		Rupees in '000	
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before taxation		343,889	291,267
Adjustments for:			
Depreciation of property, plant and equipment	4.1	171,631	134,306
Depreciation of right-of-use assets	5	3,588	3,588
Amortization of intangible assets	6	-	1,421
Gain on disposal of property, plant and equipment		(2,970)	(4,591)
Provision for obsolescence and slow moving items		10,232	10,551
Impairment allowance against trade debts		-	1,000
Finance cost		221,701	180,077
Interest on lease liability against right-of-use assets		61	511
Share of profit from associates		(71,175)	(20,436)
		333,068	306,427
Cash generated before working capital changes		676,957	597,694
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(80,293)	(80,686)
Stock in trade		(4,669,513)	(3,280,783)
Trade debts		(323,915)	(77,383)
Loans and advances		(121,130)	(26,197)
Trade deposits and short term prepayments		(16,019)	(11,306)
Other receivables		4,014	3,003
		(5,206,856)	(3,473,352)
Increase in current liabilities			
Trade and other payables		1,405,399	1,361,825
Short term borrowings		3,604,447	2,320,685
		5,009,846	3,682,510
		479,947	806,852
Payments for			
Income tax		(118,615)	(105,890)
Finance cost		(168,822)	(160,662)
Long term loans-net		(1,187)	(1,835)
Long term deposits -net		(600)	-
		(289,224)	(268,387)
Net cash inflows from operating activities		190,723	538,465
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in property, plant and equipment		(126,692)	(122,220)
Sale proceeds from disposal of property, plant and equipment		3,673	7,422
Dividend received		9,899	39,597
Net cash used in investing activities		(113,120)	(75,201)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		300,000	29,219
Repayment of long term financing		(350,833)	(251,875)
Payments for lease liability against right of use asset		(3,921)	(9,798)
Dividend paid		(101,085)	(60,694)
Net cash used in financing activities		(155,839)	(293,148)
Net (decrease) / increase in cash and cash equivalents		(78,236)	170,116
Cash and cash equivalents at the beginning of the period		231,482	387,058
Cash and cash equivalents at the end of the period		153,246	557,174

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


YUSUF AYOOB
Chief Executive Officer


ZIA ZAKARIA
Director


MUHAMMAD HANIF CHAUDHARY
Chief Finance Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2022

	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 at fair value through OCI	Total
----- (Rupees in thousand) -----						
Balance as at October 1, 2020 - (Audited)	204,737	1,000,000	705,809	1,364,357	(2,714)	3,272,189
During the half year ended March 31, 2021						
Transaction with owners						
Final dividend for the year ended September 30, 2020 @ Rs 3.00 per share	-	-	(61,421)	-	-	(61,421)
Total comprehensive income for the half year ended March 31, 2021	-	-	134,120	-	-	134,120
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax from:						
Company's Revaluation Surplus	-	-	24,145	(24,145)	-	-
Shares of associates incremental depreciation of revaluation surplus	-	-	6,289	(6,289)	-	-
	-	-	30,434	(30,434)	-	-
Balance as at March 31, 2021	204,737	1,000,000	808,942	1,333,923	(2,714)	3,344,888
Balance as at October 01, 2021 - (Audited)	204,737	1,000,000	916,054	1,303,580	(2,596)	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 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	1,268,404	(2,596)	3,468,262

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


YUSUF AYOOB
Chief Executive Officer


ZIA ZAKARIA
Director


MUHAMMAD HANIF CHAUDHARY
Chief Finance Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED MARCH 31, 2022

1 The Company and its Operations

The Company was incorporated in Pakistan as public limited company on August 08, 1969 and its shares are quoted at the Pakistan Stock Exchange Limited. The registered office of the Company is located at 96-A, Sindhi Muslim Cooperative Housing Society, Karachi, Sindh.

The Company owns and operates sugar, medium density fiber (MDF) board manufacturing unit which are located at District Shaheed Benazirabad and Noushero Feroz in the province of Sindh. The total area of industry land which includes the main factory is spread over 207.25 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, 2021.

2.3 These condensed Interim financial statements comprise of the condensed interim statement of financial position as at March 31, 2022 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, 2022. 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, 2021, 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, 2021.

- 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, 2022 and 2021 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, 2021.
- 3.2 Due to the seasonal availability of sugarcane, the manufacture of sugar is carried out during the period of availability of sugarcane and costs incurred/accrued upto the reporting date have been accounted for. Accordingly, the costs incurred/accrued after the reporting date will be reported in the subsequent interim and annual financial statements.
- 3.3 Certain new IFRSs and amendments to existing IFRSs, effective for periods beginning on or after October 01, 2021, 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, 2021.
- 3.5 The Company's financial risk objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended September 30, 2021.

Note	Unaudited March 31, 2022	Audited September 30, 2021
	Rupees in '000	

4. PROPERTY PLANT AND EQUIPMENT

Operating fixed Assets	4.1	4,655,645	4,794,225
Capital Work in Progress	4.2	138,457	45,519
		<u>4,794,102</u>	<u>4,839,744</u>

	Unaudited March 31, 2022	Audited September 30, 2021
	Rupees in '000	
4.1 Operating Fixed Assets:		
Opening Net Book Value (NBV)	4,794,225	4,523,350
Direct Additions during the period/year		
Plant and Machinery	13,453	33,838
Office Equipment	6,347	10,520
Vehicles	13,954	71,291
	33,754	115,649
Transfer from CWIP during the period/year		
Non-Factory Building	-	42,895
Power Plant	-	353,805
Plant and Machinery including power plant	-	76,052
	-	472,752
Fresh revaluation during period/year		
Vehicles	(703)	(6,056)
Depreciation Charged for the period/year	(171,631)	(311,469)
Depreciation Charged right-of-use asset during the period/year		-
Closing Net Book Value	4,655,645	4,794,225
4.2 Capital Work in Progress		
Opening Balance	45,519	383,616
Addition during the period/year		
Civil Work	9,424	14,741
Plant and Machinery	83,514	119,914
	92,938	134,655
Capitalization during the period/year		
Civil Work	-	(42,895)
Plant and Machinery	-	(429,857)
	-	(472,752)
Closing Balance	138,457	45,519

4.2.1 Additions to plant and machinery under installation includes borrowing cost of Rs.Nil (2021:6.996 million).

	Unaudited March 31, 2022	Audited September 30, 2021
	Rupees in '000	
5. RIGHT-OF-USE ASSETS		
Opening Balance	10,605	17,781
Addition during the period/year	-	-
Depreciation during the period/year	<u>(3,588)</u>	<u>(7,176)</u>
	<u>7,017</u>	<u>10,605</u>
6. INTANGIBLE ASSETS		
Opening Balance	-	2,839
Addition during the period/year	-	-
Amortization during the period/year	<u>-</u>	<u>(2,839)</u>
	<u>-</u>	<u>-</u>

- 6.1** The cost of intangible assets aggregating to Rs. 15.436 million have been fully amortized in accordance with Company's amortization policy. However these are still in use of the Company.

7. Long Term Investments

Investment in associated undertakings:-

	Shahmurad Sugar Mills Limited	Al Noor Management Modaraba (Pvt) Limited	Total March 31, 2022	Total September 30, 2021
Opening balance	728,368	959	729,327	747,755
Share of profit of associate for the period / year	71,175	-	71,175	21,030
Shares of associate's unrealized (loss) on remeasurement of associate's investment at fair value through OCI	-	-	-	139
Dividend received during the period / year	<u>(9,899)</u>	<u>-</u>	<u>(9,899)</u>	<u>(39,597)</u>
	<u>61,276</u>	<u>-</u>	<u>61,276</u>	<u>(18,428)</u>
	<u>789,644</u>	<u>959</u>	<u>790,603</u>	<u>729,327</u>

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 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, 2022.

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There is no material change in status of contingencies as disclosed in note No.24 (b) of the annual financial statement for the year ended September 30,2021 except that:

8.1.1 The Federal Board of Revenue (FBR) issued notices for conducting tax audits for multiple years commencing from 2016 to 2019 under section 177 of the Income Tax Ordinance,2001 and despite providing all records,submission of evidences and details, audit proceedings for the tax year 2016 were concluded by passing detrimental order under section 122(1)(5) of the Income Tax Ordinance 2001 whereby frivolous tax demand of Rs.8.857 billion for the year and no conclusion for other tax years has yet been made. The demand is based on arbitrary and illogical observations against which the company has preferred appeals to the Commissioner Inland Revenue (Appeal-II), Karachi which is pending for hearing. In the meanwhile, the Company also got stay orders from the Honorable Sindh High Court refraining the department to take coercive measures for recovery of the demand during the pendency of the Appeal. Since the demanded tax is not based on fact and records and in the view of Company, favourable outcome is expected in the appeal,hence no provision has been made in the financial statements against said demands.

8.1.2 During the period the Assistant /Deputy Commissioner Inland Revenue issued show cause notice under section 161(1A) of the Income Tax Ordinance 2002 for the tax year 2016,2017 and 2019 and has passed order there under that the Company should have to charge and deposit tax u/s 236 H of the Income Tax Ordinance 2001 on the sale to unregistered buyers treating them as non-filers retailers instead of depositing tax u/s 236 G by treating unregistered buyers as whole sellers/distributors/dealers. The officer has created aggregate demand of Rs.76.314 million in respect of the above mentioned tax years. However the Company has filed Appeal before the Commissioner Inland Revenue Appeals (CIRA) but those appeals has dismissed and now the Company filed appeal in tribunal and we confident that the matter will be decided in favour of the Company hence no provision is made in this respect.

	Unaudited March 31, 2022	Audited September 30, 2021
Rupees in '000		
8.2 Commitments as on the balance sheet date		
Letters of credit		
Stores	40,211	33,149
Raw Material	307,674	185,890
Machinery	16,192	95,796
	364,077	314,835
	For the half year October-March 2022	For the quarter January-March 2021

9. COST OF SALES

	----- (Rupees in '000) -----			
Opening stock of finished goods	1,213,057	776,628	1,060,502	1,184,543
Cost of goods manufactured	8,149,511	6,834,147	5,892,306	4,426,155
	9,362,568	7,610,775	6,952,808	5,610,698
Closing stock of finished goods	(5,358,704)	(3,956,576)	(5,358,704)	(3,956,576)
	4,003,864	3,654,199	1,594,104	1,654,122

- 9.1** Stock of refined sugar amounting of Rs.4,869 Million (2021:Rs.3,325 Million) has been pledged against cash finance facilities and Murabaha/Istisna arrangements.
- 9.2** Stock in trade includes stocks costing of Rs. Nil (Mar 2021: Rs.233.448 million) written down to their net realizable value of Rs. Nil (Mar 2021: 171.847 million). Stock of molasses and bagasse are valued at net realizable value of Rs.483.391 million. (Mar 2021: Rs.135.593 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:

		March 31, 2022	March 31, 2021
		Rupees in '000	
Transactions:			
Relationship with the company	Nature of Transactions		
Associates (By virtue of common directorship / shareholding)			
Shahmurad Sugar Mills Ltd	Sale of goods	445,979	486,483
	Dividend received	9,899	39,597
	Share of profit in associates	71,175	20,436
Reliance Insurance Company Ltd	Insurance premium paid	21,985	16,904
	Insurance claim received	3,750	6,189
Other Related Parties			
Directors' and key management personnel	Director's remuneration	16,392	14,570
	Executives remuneration	66,384	51,898
	Directors meeting fee	160	176
Staff provident fund	Contribution made during period including directors	14,321	12,452
		March 31, 2022	September 30, 2021
		Rupees in '000	
Balances:			
Relationship with the Company	Nature of Transactions		
Associates (By virtue of common directorship / shareholding)			
Shahmurad Sugar Mills Ltd	Trade and other payables	18,784	-
Reliance Insurance Company Ltd	Trade and other payables	8,268	3,566
	Insurance claim receivable	238	2,741
Staff provident fund	Trade and other payables	5,008	1,086

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 2022			September 2021		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Long term financing-Musharka and others finance	1,151,250	734,824	1,886,074	1,553,750	448,157	2,001,907
Current portion of long term finance	403,750	362,917	766,667	435,000	266,667	701,667
	1,555,000	1,097,741	2,652,741	1,988,750	714,824	2,703,574
Accrued finance cost	50,372	44,282	94,654	14,388	27,387	41,775
Short term borrowings	2,100,000	2,869,287	4,969,287	500,000	864,840	1,364,840
Cash at bank accounts	(61,243)	(83,226)	(144,469)	(120,128)	(107,044)	(227,172)
	3,644,129	3,928,084	7,572,213	2,383,010	1,500,007	3,883,017

	March 2022			March 2021		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Finance cost	106,767	112,866	219,633	94,464	86,124	180,588
Borrowing cost capitalized	-	-	-	-	6,996	6,996
Income on saving account	(3,633)	-	(3,633)	(13,250)	-	(13,250)
	103,134	112,866	216,000	81,214	93,120	174,334

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, 2022 and March 31, 2021 and assets and liabilities information regarding business segments as at March 31, 2022 and September 30, 2021:

	Sugar		MDF Board		Consolidated	
	Half year ended March 31,		Half year ended March 31,		Half year ended March 31,	
	2022	2021	2022	2021	2022	2021
(Rupees in thousand)						
Revenue						
External Sales	1,934,608	1,398,183	3,015,326	3,084,159	4,949,934	4,482,342
External Sales of by-product	532,248	486,483	2,735	5,426	534,983	491,909
Inter-segment transfer- Electricity	97,691	117,065	-	-	97,691	117,065
Inter-segment transfer- Bagasse	54,275	98,450			54,275	98,450
	2,618,822	2,100,181	3,018,061	3,089,585	5,636,883	5,189,766
RESULTS						
Profit from operation	273,365	130,900	213,507	300,202	486,871	431,102
Other Income	2,995	9,892	4,610	10,425	7,605	20,317
Finance cost					(221,762)	(180,588)
Share of profit from associates					71,175	20,436
Profit before tax					343,889	291,267
Taxation					(195,033)	(157,147)
Net profit after taxation for the period					148,856	134,120
OTHER INFORMATION						
Capital expenditures	9,398	10,288	117,294	111,932	126,692	122,220
Depreciation	66,615	68,638	105,016	65,668	171,631	134,306
Depreciation on right-of-use assets			3,588	3,588	3,588	3,588
Amortization	-	627	-	794	-	1,421

	Sugar		MDF Board		Total	
	March 31, 2022	September 30, 2021	March 31, 2022	September 30, 2021	March 31, 2022	September 30, 2021
(Rupees in '000)						
Statement of financial position						
Assets						
Segment assets	9,096,959	4,420,426	4,131,509	3,737,096	13,228,468	8,157,522
Investment in associates	790,603	729,327	-	-	790,603	729,327
Unallocated assets			-		262,124	213,560
Total assets					14,281,195	9,100,409
Liabilities						
Segment liabilities	9,720,169	4,903,278	1,043,326	724,431	10,763,495	5,627,709
Unallocated liabilities					49,438	50,925
					10,812,933	5,678,634

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.285.254 million (2021: 1,223.890 million) represent sales to customers in various countries of Asia as follows:

	Unaudited March 31, 2022	Audited September 30, 2021
Rupees in '000		
Pakistan	4,889,602	4,027,924
Afghanistan	34,521	407,380
Bahrain	25,811	33,432
Kuwait	-	13,606
	4,949,934	4,482,342

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 26, 2022.

16. GENERAL

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


YUSUF AYOOB
Chief Executive Officer
ZIA ZAKARIA
Director
MUHAMMAD HANIF CHAUDHARY
Chief Finance Officer

سیگمنٹ وارکارکردگی کو ذیل میں بیان کیا گیا ہے:

شوگر ڈویژن:

الحمد للہ زیر جائزہ مدت کے دوران گنے کی فصل اچھی رہی اور مل نے 940,764 میٹرک ٹن گنے کی کرشنگ کی اور 98,110 میٹرک ٹن چینی پیدا کی۔ گزشتہ سال اسی عرصے کے دوران مل نے 677,781 میٹرک ٹن گنے کی کرشنگ کی اور 68,623 میٹرک ٹن چینی پیدا کی۔ موجودہ مدت کی پیداوار گزشتہ سال کے مقابلے میں 42.97 فیصد یا 29,487 میٹرک ٹن زیادہ ہے۔ موجودہ سیزن کے دوران گنے کی فصل اچھی رہی جیسا کہ کرشنگ کے زیادہ حجم اور چینی کی پیداوار میں اضافے سے ظاہر ہے۔ گزشتہ سیزن کی فصل کی پوزیشن کے مقابلے پنجاب اور خیبر پختونخوا میں گنے کی فصل بھی اچھی ہے۔ توقع ہے کہ سیزن کے دوران چینی کی پیداوار تقریباً 7.5 ملین میٹرک ٹن سے 8 ملین ٹن تک ہوگی جو کہ ملک کی ضرورت سے زیادہ ہے حکومت سندھ نے گنے کی قیمت 202/ روپے سے بڑھا کر 250/ روپے فی چالیس کلوگرام کر دی ہے۔ چینی کی پیداواری لاگت میں اضافہ ہوا ہے۔ شوگر مل کو دور دراز کے علاقوں سے خام مال منگوانا پڑتا ہے تاکہ سیزن کے دوران پیداواری عمل میں خلل نہ پڑے۔


MDF بورڈ ڈویژن:

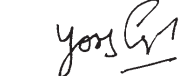
زیر جائزہ مدت کے دوران MDF بورڈ ڈویژن نے مختلف موٹائی میں 43,435 کیوبک میٹر ٹیس تیار کیں جبکہ گزشتہ سال اسی مدت میں 44,764 کیوبک میٹر پیدا کی گئی تھیں۔ پیداوار 1,329 کیوبک میٹر سے کم ہے اور مارکیٹ کے حصوں میں اسی کی مانگ کو مد نظر رکھتے ہوئے مختلف سائز میں ہے۔ امید ہے کہ سال کے بقیہ عرصے کے دوران پیداوار کو برقرار رکھا جائے گا۔

بورڈ آف ڈائریکٹرز:

زیر غور مدت کے دوران آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی تشکیل میں کوئی تبدیلی نہیں ہوئی۔

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)


ضیاء زکریا
ڈائریکٹر


یوسف ایوب
منیجنگ ڈائریکٹر/چیف ایگزیکٹو آفیسر

کراچی: 26 مئی 2022ء

ڈائریکٹرز کی رپورٹ

محترم ممبران اسلام علیکم

بڑی خوشی کے ساتھ مجھے بورڈ کی جانب سے آپ کے سامنے 31 مارچ 2022 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:

معلومات بابت پیداوار	31 مارچ 2022	31 مارچ 2021
گنے کی پسائی (میٹرک ٹن)	940,764	677,781
پیداوار برائے چینی (میٹرک ٹن)	98,110	68,623
ریکوری برائے چینی (فیصد)	10.43	10.12
پیداوار برائے راب (میٹرک ٹن)	43,125	30,800
ایم ڈی ایف پیداوار (کیوبک میٹر)	43,435	44,764

مالیاتی معلومات	(روپے ہزاروں میں)	(روپے ہزاروں میں)
فروختگی	4,949,934	4,482,342
لاگت برائے فروختگی	(4,003,864)	(3,654,199)
خام منافع	946,070	828,143
اخراجات برائے ترسیل	(35,960)	(33,995)
انتظامی اخراجات	(393,702)	(332,046)
دیگر اخراجات	(34,276)	(32,032)
مالیاتی اخراجات	(221,762)	(180,588)
منافع کا حصہ ایسوی ایٹ میں	71,175	20,436
دیگر آمدن	12,344	21,349
منافع قبل از ٹیکس	343,889	291,267
ٹیکس کے لئے فراہمی	(195,033)	(157,147)
منافع بعد از ٹیکس	148,856	134,120
منافع فی حصص (بنیادی)	Rs.7.27	Rs.6.55

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