



AL-NOOR SUGAR MILLS LIMITED

Half Yearly Results for the period
1st October 2016 to 31st March, 2017

COMPANY INFORMATION

BOARD OF DIRECTORS

MR. YUSUF AYOOB
MR. ISMAIL H. ZAKARIA
MR. SULEMAN AYOOB
MR. A. AZIZ AYOOB
MR. NOOR MOHAMMAD ZAKARIA
MR. ZIA ZAKARIA
MR. SALIM AYOOB
MR. ZOHAIR ZAKARIA
MR. SHAMIM AHMAD
MR. MUHAMMAD ASIF

Chairman
Managing Director
Resident Director

Independent Director
(N.I.T. Nominee)

BOARD AUDIT COMMITTEE

MR. A. AZIZ AYOOB
MR. ZIA ZAKARIA
MR. SHAMIM AHMAD
MR. MUHAMMAD ASIF

Chairman
Member
Independent Director
Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

Chairman
Member
Member

CHIEF FINANCIAL OFFICER

MR. ZOHAIR ZAKARIA

COMPANY SECRETARY

MR. MOHAMMAD YASIN MUGHAL
FCMA

AUDITORS

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

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

WEBSITE

www.alnoorsugar.co

DIRECTORS' REPORT

Dear Members - Assalam-o-Alaikum:

On behalf of the Board of Directors, it is my privilege to present to you the Un-audited Financial Statements of your Company for the period ended March 31, 2017.

Salient features of the Financial Statements are as under:

PRODUCTION DATA	March 31, 2017	March 31, 2016
Crushing commenced on	15-11-2016	27-11-2015
Crushing completed on	23-03-2017	07-03-2016
Duration of crushing (days)	129	102
Sugarcane crushed (M. Tons)	1,315,682	907,287
Sugar produced (M. Tons)	127,798	92,501
Sugar recovery rate	9.70%	10.20%
Molasses produced (M. Tons)	56,560	39,405
MDF Production (C. Meters)	28,078	25,558

FINANCIAL DATA	(Rupees in thousands)	
Sales	3,177,000	3,315,849
Cost of sales	(2,561,119)	(2,840,506)
Gross profit	615,881	475,343
Distribution cost	(34,167)	(17,505)
Administrative expenses	(251,057)	(217,315)
Financial cost	(114,035)	(135,262)
Other operating expenses net of income	(4,926)	10,012
Profit before taxation	211,696	115,273
Provision for taxation	(84,162)	(38,659)
Profit after taxation	127,534	76,614
Earnings per share	Rs.6.23	Rs.3.74

SUGAR DIVISION

Sugarcane crop during the period under consideration was comparatively good particularly in the upper part of the Province when compared with the last year and as a result the volume of crushing increased by 408,395 metric tons or 45 percent. In 129 days of crushing, your mills crushed 1,315,682 metric tons of sugarcane as against 907,287 metric tons crushed in 102 days last year. The per day crushing enhanced to 10,199 metric tons as against 8,895 metric tons crushed last year. The increase in volume of crushing was due to good cane crop and also procurement of the same from Punjab. The sugar produced was 127,798 metric tons as against 92,501 metric tons produced during the same period of last year posting an increase of 38.16 percent. The recovery percentage also reduced to 9.70 percent as against 10.20 percent achieved last year and this was due to non-availability of water during the early period of cane crop. As per estimate the crushing of sugarcane during 2016-17 would be more or less the same as it was last year. The production of sugar is also expected to be slightly more than last year. Production of sugar for

AL-NOOR SUGAR MILLS LTD.

the current season plus carry over stock available with the sugar mills is in excess of the requirement of the country. Keeping in view the excess availability of sugar in the country, the Government has allowed the export of sugar but unfortunately the international price of sugar remained under pressure due to large global stocks and export quota could not be achieved. The above factors have kept significant pressure on the price of sugar in local market also.

MDF BOARD DIVISION:

During the period under review the MDF Board Division produced 28,078 cubic meters of final products in various thicknesses / sizes as against 25,558 cubic meters produced in the same period of last year. The production is higher than the last year's output by 9.86 percent and it is expected that the same would further increase during the remaining period of the year.

FUTURE OUTLOOK:

In spite of the severe climate change in the country the water situation has improved in the system and it is expected that the cane crop would improve in respect of yield per acre. It is expected that during the next crushing season the recovery percentage would enhance.

CHANGES IN THE COMPOSITION OF BOARD OF DIRECTORS:

The tenure of the present Board of Directors ended on March 25, 2017 and the members in their Extra Ordinary General Meeting held on March 29, 2017 elected the following persons as directors of your company for another period of three years as provided in the Listing Regulations of Pakistan Stock Exchange.

1	Mr. Ismail H Zakaria	
2	Mr. Yusuf Ayoob	
3	Mr. Suleman Ayoob	
4	Mr. Aziz Ayoob	
5	Mr. Noor Mohammad Zakaria	
6	Mr. Zia Zakaria	
7	Mr. Salim Ayoob	
8	Mr. Zohair Zakaria	
9	Mr. Shamim Ahmad	Independent Director
10	Mr. Muhammad Asif	N I T Nominee Director

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

Karachi:
Dated: May 22, 2017


ISMAIL H ZAKARIA
MANAGING DIRECTOR



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

Introduction

We have reviewed the accompanying condensed interim balance sheet of **AL-NOOR SUGAR MILLS LIMITED** ("the Company") as of March 31, 2017, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "condensed interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

The figures for the quarters ended March 31, 2017 and March 31, 2016 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed, as we are required to review only cumulative figures for the half year ended March 31, 2017.

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 interim financial information 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 information as of and for the half year ended March 31, 2017 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

Kreston Hyderabad Blue

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Fahad Ali Shaikh

Karachi : 22nd May, 2017

AL-NOOR SUGAR MILLS LTD.

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2017**

	Note	Un-Audited March 2017 (Rupees in '000)	Audited September 2016 (Rupees in '000)
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	4	4,207,769	4,110,945
Long term investments	5	271,657	267,515
Long term loans		1,852	3,935
Long term deposits		3,313	3,560
		4,484,591	4,385,955
CURRENT ASSETS			
Stores, spare parts and loose tools		325,994	306,976
Stock in trade		6,513,105	1,968,261
Trade debts		188,365	62,521
Loans and advances		64,275	71,133
Trade deposit and short term prepayments		19,123	5,367
Other receivables		39,612	40,712
Income tax refund due from Government		15,453	15,453
Income tax refundable-net of provision		6,048	9,558
Cash and bank balances		281,373	136,892
		7,453,348	2,616,873
		11,937,939	7,002,828
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Capital			
50,000,000 ordinary shares of Rs.10 each		500,000	500,000
Issued, subscribed and paid-up capital		204,737	204,737
General reserve		1,000,000	1,000,000
Share of associate's unrealised loss on remeasurement of investments		(2,038)	(2,038)
Unappropriated profit		465,683	393,071
		1,668,382	1,595,770
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
		1,113,903	1,140,876
		2,782,285	2,736,646
NON-CURRENT LIABILITIES			
Long term financing		1,402,819	1,607,704
Deferred liabilities		640,585	613,960
		2,043,404	2,221,664
CURRENT LIABILITIES			
Trade and other payables		2,912,645	865,476
Accrued finance cost		62,356	47,536
Short term borrowings		3,885,277	691,100
Current portion of long term financing		251,972	440,406
		7,112,250	2,044,518
CONTINGENCIES AND COMMITMENTS			
	6	-	-
		11,937,939	7,002,828

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.


ISMAIL H ZAKARIA
Managing Director


SULEMAN AYOB
Director

AL-NOOR SUGAR MILLS LTD.

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2017**

	Note	For the half year		For the quarter	
		October-March		Jan-March	
		2017	2016	2017	2016
(Rupees in '000)					
Sales		3,177,000	3,315,849	781,076	883,323
Cost of sales	7	(2,561,119)	(2,840,506)	(473,500)	(549,421)
Gross profit		615,881	475,343	307,576	333,902
Profit from trading activities		55	630	15	471
		615,936	475,973	307,591	334,373
Distribution Cost		(34,167)	(17,505)	(20,826)	(9,699)
Administration expenses		(251,057)	(217,315)	(129,964)	(109,185)
Other operating expenses		(23,380)	(12,893)	(13,798)	(12,893)
		(308,604)	(247,713)	(164,588)	(131,777)
		307,332	228,260	143,003	202,596
Other income		6,338	17,496	3,249	11,722
		313,670	245,756	146,252	214,318
Finance cost		(114,035)	(135,262)	(75,648)	(89,814)
		199,635	110,494	70,604	124,504
Share of profit from associate	5	12,061	4,779	14,999	2,244
Profit before taxation		211,696	115,273	85,603	126,748
Taxation					
- Current		(57,537)	(34,320)	(23,919)	(9,100)
- Deferred		(26,625)	(4,339)	(13,324)	8,499
		(84,162)	(38,659)	(37,243)	(601)
Profit after taxation		127,534	76,614	48,360	126,147
Earnings per share - Basic and diluted- (Rupees)		6.23	3.74	2.36	6.16

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.


ISMAIL H ZAKARIA
Managing Director


SULEMAN AYOOB
Director

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2017**

	<u>For the half year</u>		<u>For the quarter</u>	
	<u>October-March</u>		<u>Jan-March</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<u>----- (Rupees in '000) -----</u>			
Profit after taxation	127,534	76,614	48,360	126,147
Other comprehensive income	-	-	-	-
Total Comprehensive Income	<u>127,534</u>	<u>76,614</u>	<u>48,360</u>	<u>126,147</u>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.


ISMAIL H ZAKARIA
Managing Director


SULEMAN AYOOB
Director

AL-NOOR SUGAR MILLS LTD.

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2017

	Note	March 31, 2017	March 31, 2016
		Rupees in '000	
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		211,696	115,273
Adjustments for:			
Depreciation of property, plant and equipment	4.1	112,924	116,022
Gain on disposal of property, plant and equipment		(4,090)	(877)
Provision for obsolescence and slow moving items		8,550	4,926
Finance cost		114,035	135,262
Share of profit from associate		(12,061)	(4,779)
		219,358	250,554
Cash generated before working capital changes		431,054	365,827
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(27,568)	(35,920)
Stock in trade		(4,544,844)	(2,618,711)
Trade debts		(125,844)	(88,506)
Loans and advances		6,858	(28,276)
Trade deposits and short term prepayments		(13,756)	(7,724)
Other receivables		1,100	34,954
		(4,704,054)	(2,744,183)
Increase in current liabilities			
Trade and other payables		2,047,169	681,081
Short term bank borrowings		3,194,177	1,806,777
		5,241,346	2,487,858
		968,346	109,502
Income tax paid		(54,027)	(51,460)
Finance cost paid		(99,215)	(120,588)
Decrease in long term loans		2,083	3,219
Decrease / (Increase) in long term deposits		247	(15)
		(150,912)	(168,844)
Net cash inflows from / (used in) operating activities		817,434	(59,342)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in Property, Plant & Equipment		(211,478)	(435,442)
Sale proceeds from disposal of property, plant and equipment		5,820	1,340
Dividend received		7,919	11,549
Net cash used in investing activities		(197,739)	(422,553)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		1,000,000	944,000
Repayment of liabilities against assets subject to finance lease		-	(17,857)
Repayment of long term financing		(1,393,319)	(258,120)
Dividend paid		(81,895)	(67,563)
Net cash (out-flow) / in-flow from financing activities		(475,214)	600,460
Net increase in cash and cash equivalents (A+B+C)		144,481	118,565
Cash and cash equivalents at the beginning of the period		136,892	98,173
Cash and cash equivalents at the end of the period		281,373	216,738

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.


ISMAIL H ZAKARIA
Managing Director


SULEMAN AYOB
Director

AL-NOOR SUGAR MILLS LTD.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2017

	Issued, Subscribed & paid up capital	General reserves	Unrealised (loss) on remeasurement of investments	Unappro- priated profit	Total
	-----Rupees in '000-----				
Balance as at October 1, 2015	204,737	1,000,000	(1,998)	234,725	1,437,464
During the half year ended March 31, 2016					
Transactions with owners					
Final dividend for the year ended September 30, 2015 @ Rs.3.30 per share	-	-	-	(67,563)	(67,563)
Total Comprehensive Income for the half year ended 31-March-2016	-	-	-	76,614	76,614
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax from:					
Company's Revaluation Surplus	-	-	-	25,997	25,997
Shares of associates incremental depreciation of revaluation surplus	-	-	-	2,135	2,135
	-	-	-	28,132	28,132
Balance as at March-2016	204,737	1,000,000	(1,998)	271,908	1,474,647
Balance as at October 01, 2016	204,737	1,000,000	(2,038)	393,071	1,595,770
During the half year ended March 31, 2017					
Transactions with owners					
Final dividend for the year ended September 30, 2016 @ Rs. 4.00 per share	-	-	-	(81,895)	(81,895)
Total Comprehensive Income for the half year ended 31-March-2017	-	-	-	127,534	127,534
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax from:					
Company's Revaluation Surplus	-	-	-	24,940	24,940
Shares of associates incremental depreciation of revaluation surplus and on account of disposal of property, plant and equipment	-	-	-	2,033	2,033
	-	-	-	26,973	26,973
Balance as at March 31, 2017	204,737	1,000,000	(2,038)	465,683	1,668,382

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.


ISMAIL H ZAKARIA
Managing Director


SULEMAN AYOOB
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED MARCH 31, 2017

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.

2 Basis of Preparation

2.1 This condensed interim financial information is being submitted to the shareholders as required under section 245 of Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standard-34 "Interim Financial Reporting" as applicable in Pakistan and provision of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of and directives issued under the Companies Ordinance 1984 have been followed. This condensed interim financial information do not include all the information and disclosure 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, 2016.

2.2 This condensed interim financial information comprises of the condensed interim balance sheet as at March 31, 2017 and the condensed interim profit & loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and the condensed interim cash flow statement 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 profit and loss account and the condensed interim statement of comprehensive income for the quarter ended March 31, 2017. The comparative balance sheet presented in this condensed interim financial information has been extracted from the audited financial statements of the company for the year ended September 30, 2016, whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement figures have been extracted from the condensed interim financial information for the half year ended March 31, 2016.

2.3 The figures of the condensed interim profit and loss account and the condensed interim statement of comprehensive income for the quarter ended March 31, 2017 and 2016 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 this condensed interim financial information are consistent with those followed in the preparation of the company's annual financial statements for the year ended September 30.

AL-NOOR SUGAR MILLS LTD.

- 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 1, 2016 do not have any impact on the condensed interim financial information, and are therefore not disclosed.
- 3.4** The preparation of this condensed interim financial information requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses, estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. Judgements and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to financial statements as at and for the year ended September 30, 2016.

	Unaudited March 31, 2017	Audited September 30, 2016
	Rupees in '000	
4. PROPERTY PLANT AND EQUIPMENT		
Operating fixed Assets	3,602,464	3,467,597
Capital Work in Progress	605,305	643,348
	4,207,769	4,110,945
4.1 Operating Fixed Assets:		
Opening Net Book Value (NBV)	3,467,597	3,549,052
Direct Additions during the period/year		
Land	-	16,400
Plant and Machinery	1,550	13,517
Furniture, Fixture and Fittings	-	247
Office Equipment	2,819	3,610
Vehicles	22,158	15,847
	26,527	49,621
Transfer from CWIP during the period/year		
Factory Building	3,579	10,032
Non-Factory Building	1,321	5,647
Plant and Machinery	218,094	95,563
	222,994	111,242
Net Book Value of Asset disposed off during the period/year		
Plant & Machinery	-	(5,863)
Vehicles	(1,730)	(1,125)
	(1,730)	(6,988)
Depreciation Charged for the period/year	(112,924)	(235,330)
Closing Net Book Value	3,602,464	3,467,597

AL-NOOR SUGAR MILLS LTD.

**Unaudited
March 31,
2017** **Audited
September 30,
2016**
Rupees in '000

4.2 Capital Work in Progress

Opening Balance		643,348	90,577
Addition during the half year/year			
Civil Work		7,509	11,754
Plant & Machinery	4.2.1	169,042	652,259
Advance against land		8,400	-
		184,951	664,013
Capitalization during the half-year/year			
Civil Work		(4,900)	(15,679)
Plant & Machinery		(218,094)	(95,563)
		(222,994)	(111,242)
Closing Balance		605,305	643,348

4.2.1 Additions to plant and machinery under installation includes borrowing cost of Rs.11.281 million (2016:28.797millions) capitalized at the effective rate of 6.8% to 8.05% (2016:7.99% to 8.45%)

5. Long Term Investments

Investment in associated undertakings:-

	Shahmurad Sugar Mills Limited	Al Noor Management Modaraba (Pvt) Limited	Total March 31, 2017	Total September 30, 2016
Opening balance	264,418	3,097	267,515	260,215
Share of profit of associate for the half year / year	12,061	-	12,061	18,904
Shares of associate's unrealized gain on remeasurement of associate's available for sale of investment	-	-	-	(46)
Share of associate's share in reversal of its associate's incremental depreciation on account of revaluation of property plant and equipment	-	-	-	(26)
Shares of associate's share in its associate's incremental depreciation on account of revaluation of property, plant and equipment	-	-	-	17
Dividend received during the half year / year	(7,919) 4,142	- -	(7,919) 4,142	(11,549) 7,300
	268,560	3,097	271,657	267,515

AL-NOOR SUGAR MILLS LTD.

The company holds 14.285% (September 2016:14.285%) interest in Al-Noor Modaraba Management (Pvt) Ltd, and holds 15.625% (September 2016:15.625%) interest in Shahmurad Sugar Mills Limited. Since the financial statements of Al Noor Modaraba Management (Pvt) Limited are not prepared except on year end June 30; and are not material hence no effect of results of Al-Noor Modaraba Management (Pvt) Ltd has been taken in this condensed interim financial information, however in the case of Shahmurad Sugar Mills Ltd, the shares of profit and other comprehensive income has been taken on the basis of its reviewed condensed interim financial information for the half year ended March 31, 2017.

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There is no material change in the status of contingencies as disclosed in the published annual audited financial statements for the year ended September 30, 2016.

**Unaudited
March 31,
2017** **Audited
September 30,
2016**

Rupees in '000

6.2 Commitments as on the balance sheet date

Letters of credit		
Stores	10,184	34,130
Raw Material	127,475	75,367
Plant and Machinery	145,282	79,603
	<u>282,941</u>	<u>189,100</u>

For the half year **For the quarter**
October-March **Jan-March**
2017 **2016** **2017** **2016**
 ----- (Rupees in '000) -----

7. COST OF SALES

Opening stock of finished goods	1,646,842	2,120,074	1,866,018	1,582,611
Cost of goods manufactured	7,157,725	5,581,950	4,850,930	3,828,328
	8,804,567	7,702,024	6,716,948	5,410,939
Closing stock of finished goods	(6,243,448)	(4,861,518)	(6,243,448)	(4,861,518)
	<u>2,561,119</u>	<u>2,840,506</u>	<u>473,500</u>	<u>549,421</u>

AL-NOOR SUGAR MILLS LTD.

- 7.1** Stocks of refined sugar amounting to Rs. 5,515 million (2016: Rs. 3,494.42 million) is pledged against cash finance facilities and Murabaha/Istisna arrangements.
- 7.2** Stock in trade includes stocks costing Rs. 6,384.625 million (2016: Rs. 163.821 million) written down to their net realizable value of 6,329.160 million (2016: Rs.22.427 million). This includes stock of molasses valued at net realizable value of Rs.160.506 million. (2016: Rs.163.821 million)

8. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated entities, staff retirement funds, directors and key management personnel. The transaction and balances of related parties during the period/as at period end are given below:

		March 31, 2017	March 31, 2016
		Rupees in '000	
Transactions:			
Relationship with the company	Nature of Transactions		
Associates			
Shahmurad Sugar Mills Ltd	Sale of molasses	265,842	135,477
Reliance Insurance Company Ltd	Insurance premium paid	16,177	10,842
	Insurance claim	-	24,115
Other Related Parties			
Directors' and key management personnel	Director's remuneration	10,990	13,180
	Executives remuneration	88,466	74,347
	Directors meeting fee	100	97
Staff provident fund	Contribution made during period	6,824	6,124
		March 31, 2017	September 30, 2016
		Rupees in '000	
Balances:			
Relationship with the Company	Nature of Transactions		
Associates			
Shahmurad Sugar Mills Ltd	Advance against sale	36,788	-
Reliance Insurance Company Ltd	Trade & other payables	12,033	-
Staff provident fund	Trade & other payables	2,197	11

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9. RELATIONSHIP WITH THE ISLAMIC AND CONVENTIONAL FINANCIAL INSTITUTION

The Company in the normal course of business deals with sole Islamic financial institutions as well as the financial institution who operate both the conventional side and Islamic window. The details of segregation between Shariah complaints and conventional assets/liabilities and income/expenditure are given below:

	March 2017			September 2016		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Long term financing-Musharka and others finance	99,000	1,303,819	1,402,819	768,375	839,329	1,607,704
Current portion of long term finance	36,000	215,972	251,972	95,125	345,281	440,406
	135,000	1,519,791	1,654,791	863,500	1,184,610	2,048,110
Trade and other payables						
- Murhaba/Istisna	1,900,000	-	1,900,000	-	-	-
Accrued finance cost	18,469	43,887	62,356	1,250	46,286	47,536
Short term borrowings	-	3,885,277	3,885,277	-	691,100	691,100
Cash at bank accounts	(59,252)	(213,382)	(272,634)	(11,098)	(125,212)	(136,310)
	1,994,217	5,235,573	7,229,790	853,652	1,796,784	2,650,436

	March 2017			March 2016		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Finance cost	26,887	87,148	114,035	59,065	76,197	135,262
Borrowing cost capitalized	-	11,281	11,281	-	5,723	5,723
Income on saving account	(978)	-	(978)	(1,322)	-	(1,322)
	25,909	98,429	124,338	57,743	81,920	139,663

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10. SEGMENT INFORMATION

The Company's operations are organized and managed separately according to the nature of products produced with each segment representing a strategic business unit that offers different products and serves different markets. The sugar segment is the manufacturer of sugar and board segment is a manufacturer of Medium Density Fiber (MDF) board. The following tables represent revenue and profit information regarding business segment for the period ended March 31, 2017 and March 31, 2016 and assets and liabilities information regarding business segments as at March 31, 2017 and September 30, 2016:

	Sugar		MDF Board		Consolidated	
	Half year ended March 31,		Half year ended March 31,		Half year ended March 31,	
	2017	2016	2017	2016	2017	2016
(Rupees in thousand)						
Revenue						
Sales	1,956,455	2,077,057	1,220,545	1,238,792	3,177,000	3,315,849
Sales of By-product & electricity						
External Sales	371,927	234,138	1,284	246	373,211	234,384
Inter segment transfer	53,174	41,605	-	-	53,174	41,605
	<u>2,381,556</u>	<u>2,352,800</u>	<u>1,221,829</u>	<u>1,239,038</u>	<u>3,603,385</u>	<u>3,591,838</u>
RESULTS						
Profit from operation	269,570	147,868	37,762	80,392	307,332	228,260
Other income					6,338	17,496
Finance cost					(114,035)	(135,262)
Share of profit from associate					12,061	4,779
Profit before tax					211,696	115,273
Taxation					(84,162)	(38,659)
Profit after taxation					127,534	76,614
Other Comprehensive Income					-	-
Total Comprehensive Income for the period					<u>127,534</u>	<u>76,614</u>
Other Comprehensive Income / (loss)						
OTHER INFORMATION						
Capital expenditures	127,777	140,608	83,701	294,834	211,478	435,442
Depreciation	63,369	62,703	49,555	53,319	112,924	116,022

	Sugar		MDF Board		Total	
	March 31, 2017	September 30, 2016	March 31, 2017	September 30, 2016	March 31, 2017	September 30, 2016
(Rupees in '000)						
BALANCE SHEET						
Assets						
Segment assets	9,081,228	4,122,328	2,563,553	2,587,974	11,644,781	6,710,302
Investment in associates	271,657	267,515	-	-	271,657	267,515
Unallocated assets					21,501	25,011
Total assets					<u>11,937,939</u>	<u>7,002,828</u>
Liabilities						
Segment liabilities	8,270,251	3,406,891	849,079	839,703	9,119,330	4,246,594
Unallocated liabilities					36,324	19,588
					<u>9,155,654</u>	<u>4,266,182</u>

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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.280.975 million(2016:282.44 million) represent sales to customers in various countries of Asia as follows:

	Unaudited March 31, 2017	Audited September 30, 2016
	Rupees in '000	
Pakistan	2,896,025	3,097,849
Asian countries other than Pakistan	280,975	218,000
	<u>3,177,000</u>	<u>3,315,849</u>

11. WORKER'S PROFIT PARTICIPATION FUND, WORKERS WELFARE FUND AND TAXATION

Allocation to the Worker's Profit participation Fund, Worker's Welfare Fund and provision for taxation are provisional, final liability would be determined on the basis of annual results.

12. FAIR VALUES

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

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

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

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

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

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

13. AUTHORIZATION

This condensed interim financial information was authorized for issue by the Board of Directors of the Company in their meeting held on May 22, 2017.

14. GENERAL

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


ISMAIL H ZAKARIA
Managing Director


SULEMAN AYOB
Director

بورڈ آف ڈائریکٹرز کی ترتیب میں تبدیلی

موجودہ ڈائریکٹروں کی مدت 25 مارچ 2017 کو ختم ہو چکی ہے اور ممبران نے غیر معمولی اجلاس منعقدہ 29 مارچ 2017 میں درج ذیل افراد کو آئندہ تین سال کی مدت کیلئے لسٹنگ ریگولیشنز آف پاکستان اسٹاک ایکسچینج کے تحت آپ کی کمپنی کے ڈائریکٹرز کے بطور منتخب کیا ہے:

1- جناب اسماعیل ایچ ڈکریا

2- جناب یوسف ایوب

3- جناب سلیمان ایوب

4- جناب عزیز ایوب

5- جناب نور محمد ڈکریا

6- جناب ضیاء ڈکریا

7- جناب سلیم ایوب

8- جناب زوہیر ڈکریا

9- جناب شمیم احمد

10- جناب محمد آصف

آزاد ڈائریکٹر

این آئی ٹی کی جانب سے نامزد کردہ

بورڈ آف ڈائریکٹرز اس بات کا عزم کرتے ہیں اور اپنے تمام شراکت داروں کو اس بات کا یقین دلاتے ہیں کہ انشاء اللہ بہتر منصوبہ بندی کے ذریعے چینی کی صنعت کو موجودہ بحرانوں سے باہر نکالنے کیلئے ہر ممکن کوشش کریں گے۔ آپ سب سے درخواست ہے کہ اللہ رب العزت کے حضور میں دعا کیجئے کہ ہم اس کی رحمت سے اپنے ان عزائم کی تکمیل میں کامیابی حاصل کر پائیں۔ (آمین)



اسماعیل ایچ ڈکریا

مینجنگ ڈائریکٹر

برہمقام کراچی

مورخہ 22 مئی 2017

شوگر ڈویژن

زیر نظر دورانے کے دوران گنے کی فصل گزشتہ سال کے مقابلے میں قدرے بہتر تھی بالخصوص بالائی سندھ کے علاقے میں جس کے نتیجے میں گنے کی پٹائی 408,395 میٹرک ٹن یا 45% کے حساب سے زائد رہی۔ پٹائی کے سیزن میں 129 دنوں کے دوران آپکی ملز نے 1,315,682 میٹرک ٹن گنا پیسا جبکہ گزشتہ سال پٹائی کے سیزن میں 102 دنوں کے دوران 907,287 میٹرک ٹن گنا پیسا گیا۔ یومیہ گنے کی پٹائی کا حجم 10,199 میٹرک ٹن رہا جبکہ گزشتہ سال اسی عرصے کے دوران پٹائی کا یہ حجم 8,895 میٹرک ٹن تھا۔ پٹائی کے حجم میں اس اضافے کی بنیادی وجہ گنے کی فصل کا اچھا ہونا تھا اور اس کے علاوہ گنا کی سپلائی پنجاب سے بھی حاصل کی گئی۔ چینی کی پیداوار زیر نظر دورانے میں 127,798 میٹرک ٹن رہی جبکہ گزشتہ سال اسی عرصے کے دوران چینی کی پیداوار 92,501 میٹرک ٹن تھی، اس طرح چینی کی پیداوار میں 38.16% کا اضافہ ریکارڈ کیا گیا ہے۔ جبکہ ریکوری 9,70% فیصد رہی جو کہ گزشتہ سال اسی عرصے کے دوران 10.20% تھی اور اس کی بنیادی وجہ گنے کے فصل کے آغاز میں پانی کی کمی تھی۔ ایک اندازے کے مطابق مجموعی طور پر اس سال 2016-17 بھی گنے کی پٹائی کا حجم کم و بیش گزشتہ سال کی طرح ہی رہے گا، اور گزشتہ سال کے مقابلے میں پیداوار میں کچھ اضافے کی توقع ہے۔ اس سال پیدا ہونے والی چینی اور اس کے ساتھ ساتھ گزشتہ سال سے بچ جانے والا ذخیرہ جو کہ ملوں کے پاس محفوظ ہے کو اگر ملا کر دیکھا جائے تو اس سپلائی ملک میں پائی جانے والی طلب سے زیادہ ہے، ملک کے اندر طلب سے زائد مقدار میں چینی کی موجودگی کو مد نظر رکھتے ہوئے حکومت نے چینی کو برآمد کرنے کی اجازت تو دیدی لیکن بد قسمتی سے عالمی سطح پر بھی چینی کے بڑے ذخائر کی وجہ سے چینی کے نرخ کافی دباؤ کا شکار رہے ہیں جس کی وجہ سے برآمدات کے کوٹے سے بھی بھرپور فائدہ اٹھایا جاسکا۔ مذکورہ بالا وجوہات کی بنیاد پر مقامی سطح پر بھی چینی کے نرخ دباؤ کا شکار رہے۔

ایم ڈی ایف بورڈ ڈویژن

زیر نظر دورانے کے دوران ایم ڈی ایف بورڈ کی جانب سے مختلف موٹائی / سائز کی تہتی مصنوعات 28,078 کلو میٹر رتی جبکہ گزشتہ سال اسی عرصے کے دوران یہ پیداواری حجم 25,558 کلو میٹر تھا۔ یہ پیداواری حجم گزشتہ سال کے مقابلے میں 9.86% زائد پیداوار امید کی جاتی ہے کہ رواں سال کے باقی ماندہ حصے میں بھی پیداواری صلاحیت اسی رفتار سے برقرار رہے گی۔

مستقبل پر نظر

ملک میں شدید موسمی صورتحال کے باوجود آبی نظام میں پانی کی مقدار میں خاطر خواہ اضافہ ہوا ہے اور اسی تناظر میں اس بات کی توقع کی جاسکتی ہے کہ گنے کی فی ایکڑ پیداوار میں بھی اضافہ ہوگا۔ اس بات کی بھی امید کی جاسکتی ہے کہ آئندہ پٹائی کے سیزن میں ریکوری کی شرح فیصد میں بھی بہتری آئے گی۔

ڈائریکٹرز رپورٹ برائے ممبران

معزز ممبران گرامی
السلام علیکم

یہ بات میرے لئے باعث افتخار ہے کہ میں بورڈ آف ڈائریکٹرز کی جانب سے آپ کی خدمت میں آپ کی کمپنی کی غیر آڈٹ شدہ مالیاتی
دستاویزات برائے مالی سال 31 مارچ 2017 پیش کر رہا ہوں۔

زیر نظر مالی دستاویزات کی بابت چیدہ چیدہ خصوصیات درج ذیل ہیں:

31 مارچ 2016	31 مارچ 2017	معلومات بابت پیداوار
27-11-2015	15-11-2016	گنے کی پسائی کا آغاز
07-03-2016	23-03-2017	پسائی کی تکمیل
102	129	پسائی کا دورانیہ (دنوں میں)
907,287	1,315,682	گنے کی پسائی (میٹرک ٹن میں)
92,501	127,798	چینی کی پیداوار (میٹرک ٹن میں)
10.20%	9.70%	چینی کی ریکوری کی شرح
39,405	56,560	راب کی پیداوار (میٹرک ٹن میں)
25,558	28,078	ایم ڈی ایف کی پیداوار (کلب میٹر میں)
(روپے ہزاروں میں)	(روپے ہزاروں میں)	مالیاتی معلومات
3,315,849	3,177,000	فروختگی
(2,840,506)	(2,561,119)	لاگت برائے فروختگی
475,343	615,881	خام منافع
(17,505)	(34,167)	لاگت برائے تقسیم مال
(217,315)	(251,057)	انتظامی اخراجات
(135,262)	(114,035)	تموہیلی اخراجات
10,012	(4,926)	دیگر آمدن بعد از اخراجات
115,273	211,696	منافع قبل از ٹیکس
(38,659)	(84,162)	پروویژن برائے ٹیکس
76,614	127,534	منافع بعد از ٹیکس
Rs.3.74	Rs.6.23	آمدن فی حصص



If undelivered please return to :

AL-NOOR SUGAR MILLS LTD.

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