



**AL-NOOR SUGAR MILLS LIMITED**

Half Yearly Results for the period  
1st October 2017 to 31st March, 2018

## 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. ZOHAIK 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. ZOHAIK ZAKARIA

### 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](http://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 2018.

Salient features of production and Financial Statements are as under:

<b>PRODUCTION DATA</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Crushing commenced on	28-11-2017	15-11-2016
Crushing completed up to	31-03-2018	23-03-2017
Duration of crushing (days)	124	129
Sugarcane crushed (M Tons)	1,046,048	1,315,682
Sugar produced (M Tons)	102,645	127,798
Sugar recovery percentage	9.95	9.70
Molasses produced (M Tons)	52,670	56,560
MDF Production (Cubic Meters)	35,748	28,078
<b>FINANCIAL DATA</b>	<b>(Rupees in thousands)</b>	
Sales revenue	5,699,601	3,177,000
Cost of sales	(6,266,701)	(2,561,119)
Gross (loss) / profit	(567,100)	615,881
Distribution cost	(113,250)	(34,167)
Administrative expenses	(264,797)	(251,057)
Financial cost	(136,729)	(114,035)
Other operating expenses net of income	1,023,708	(4,926)
(Loss) / Profit before taxation	(58,168)	211,696
Provision for taxation	92,351	(84,162)
Profit after taxation	34,183	127,534
Earnings per share	Rs.1.67	Rs.6.23

Segment wise performance is elaborated as under:

### SUGAR DIVISION

During the period under review the mill crushed 1,046,048 metric tons of cane and produced 102,645 metric tons of sugar. During the same period last year the mill crushed 1,315,682 metric tons of cane and produced 127,798 metric tons of sugar. The current period production is less than last year by 19.68 percent or 25,153 metric tons. The decrease in production of sugar was mainly due to lower volume of crushing. The sugar cane crop in Punjab and Khyber Pakhtunkhwa was good as compared with the crop in Sindh. Recovery percentage slightly increased to 9.95 percent as against 9.70 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 40 kg which was the same as fixed for the crushing season 2016-17. However the price of sugar declined substantially during the period under review and the sugar mills filed a case before the Honorable High Court of Sindh. The Honorable High Court of Sindh gave an interim decision that the sugar mills will purchase sugar cane at the rate of Rs.160 per 40 kg and the balance would be decided by the Honorable Supreme Court of Pakistan.

Due to the huge cane crop for the crushing season and the carry over stock from the previous year a surplus of approximately 2.5 million tons is expected. The excess production in the local market and international market has kept the local prices of sugar under pressure. Due to this alarming situation the Federal and Provincial governments allowed an initial export of 1.5 million tons of sugar with an export subsidy. Your company up to March 31st 2018 exported 84,835 tons of sugar. Unfortunately due to extremely slow release of subsidy payments and depressed international prices export quota still remains unutilized as of March 31st 2018.

### **MDF BOARD DIVISION**

During the period under review the MDF Board division produced 35,748 cubic meters as against 28,078 cubic meters produced in the same period last year. The production is higher by 27.32 percent and is in various sizes keeping in view the demand of the same in the market. It is anticipated that the production during the remaining period of the year would increase so as to meet the demand of the market.

### **FUTURE OUTLOOK**

It is expected that during the next crushing season cane crop in Punjab and KPK would be surplus. However cane crop in Sindh would be seriously affected due to non availability of water. We hope that the government will take timely decision for export as well as building buffer stock which would be the only way to stabilize domestic sugar prices.

### **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 Sha 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)

Karachi:  
Dated: May 28, 2018

  
**ISMAIL H ZAKARIA**  
MANAGING DIRECTOR



## **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, 2018, 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 (hereinafter 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. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

The figures of the condensed interim profit and loss account for quarters ended March 31, 2018 and March 31, 2017 have not been reviewed, as we were required to review only the cumulative figures for the half year ended March 31, 2018.

### **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 this condensed 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 on March 31, 2018, is not prepared, in all material respects, in accordance with approved accounting Standards as applicable in Pakistan for interim financial reporting.

**KRESTON HYDER BHIMJI & CO.**  
CHARTERED ACCOUNTANTS

Karachi:  
Dated: May xx, 2018

Engagement Partner: Shaikh Mohammad Tanvir

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Website: [www.krestonhb.com](http://www.krestonhb.com) E-mail: [hyderbhimji@yahoo.com](mailto:hyderbhimji@yahoo.com), [hyderbhimji@gmail.com](mailto:hyderbhimji@gmail.com)

**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, 2018

	Note	Un-Audited March 2018 (Rupees in '000)	Audited September 2017 (Rupees in '000)
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	4	4,451,348	4,417,460
Long term investments	5	276,346	260,309
Long term loans		4,438	3,227
Long term deposits		3,210	5,510
		<b>4,735,342</b>	<b>4,686,506</b>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		338,605	321,159
Stock in trade		4,019,223	3,928,170
Trade debts		702,471	205,323
Loans and advances		157,482	60,281
Trade deposit and short term prepayments		25,679	16,033
Other receivables - Including Export subsidy announced by Federal and Provincial Governments on export sale of sugar		960,295	40,864
Income tax refund due from Government		25,011	25,011
		129,787	103,044
Cash and bank balances		317,779	129,209
		<b>6,676,332</b>	<b>4,829,094</b>
		<b>11,411,674</b>	<b>9,515,600</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
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 its available for sale investments		(2,110)	(2,110)
Unappropriated profit		394,062	334,397
Surplus on revaluation of Property, plant and equipment		1,073,171	1,098,653
		<b>2,669,860</b>	<b>2,635,677</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term financing		2,037,847	2,198,959
Deferred liabilities		361,657	503,451
		<b>2,399,504</b>	<b>2,702,410</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		3,861,005	1,130,486
Accrued finance cost		46,558	73,198
Unclaimed dividend		5,176	5,202
Short term borrowings		2,113,599	2,690,155
Current portion of long term financing		315,972	278,472
		<b>6,342,310</b>	<b>4,177,513</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6	-	-
		<b>11,411,674</b>	<b>9,515,600</b>

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

  
ISMAIL H. ZAKARIA  
Chief Executive Officer

  
SULEMAN AYOOB  
Director

  
Zohair Zakaria  
Chief Finance Officer

AL-NOOR SUGAR MILLS LTD.

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE HALF YEAR ENDED MARCH 31, 2018**

	Note	For the half year		For the quarter	
		October-March		Jan-March	
		2018	2017	2018	2017
(Rupees in '000)					
Sales		5,699,601	3,177,000	2,660,388	781,076
Cost of sales	7	(6,266,701)	(2,561,119)	(2,724,816)	(473,500)
Gross (loss) / profit		(567,100)	615,881	(64,428)	307,576
Profit from trading activities		42	55	14	15
		(567,058)	615,936	(64,414)	307,591
Distribution Cost		(113,250)	(34,167)	(78,270)	(20,826)
Administration expenses		(264,797)	(251,057)	(137,610)	(129,964)
Other operating expenses		(12,137)	(23,380)	(11,103)	(13,798)
		(390,184)	(308,604)	(226,983)	(164,588)
		(957,242)	307,332	(291,397)	143,003
Other income - including Export subsidy announced by Federal and Provincial Governments on export sale of sugar		1,018,116	6,338	616,025	3,249
		60,874	313,670	324,628	146,252
Finance cost		(136,729)	(114,035)	(60,706)	(75,648)
		(75,855)	199,635	263,922	70,604
Share of profit from associate	5	17,687	12,061	28,066	14,999
(Loss) / Profit before taxation		(58,168)	211,696	291,988	85,603
Taxation					
-Current		(49,444)	(57,537)	(15,044)	(23,919)
-Deferred		141,795	(26,625)	19,487	(13,324)
		92,351	(84,162)	4,443	(37,243)
Profit after taxation		34,183	127,534	296,431	48,360
Earnings per share					
- Basic and diluted- (Rupees)		1.67	6.23	14.48	2.36

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



ISMAIL H. ZAKARIA  
Chief Executive Officer



SULEMAN AYOOB  
Director



Zohair Zakaria  
Chief Finance Officer

**CONDENSED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE HALF YEAR ENDED MARCH 31, 2018**

	For the half year		For the quarter	
	October-March		Jan-March	
	2018	2017	2018	2017
	(Rupees in '000)			
Profit after taxation	34,183	127,534	296,431	48,360
Other comprehensive income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>34,183</b>	<b>127,534</b>	<b>296,431</b>	<b>48,360</b>

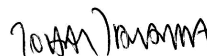
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**ISMAIL H. ZAKARIA**  
Chief Executive Officer



**SULEMAN AYOOB**  
Director



**Zohair Zakaria**  
Chief Finance Officer



# AL-NOOR SUGAR MILLS LTD.

## CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2018

	Note	March 31, 2018	March 31, 2017
		Rupees in '000	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss) / Profit before taxation		(58,168)	211,696
Adjustments for:			
Depreciation of property, plant and equipment	4.1	131,295	112,924
Gain on disposal of property, plant and equipment		(5,778)	(4,090)
Provision for obsolescence and slow moving items		8,350	8,550
Finance cost		136,729	114,035
Share of profit from associate		(17,687)	(12,061)
		252,909	219,358
Cash generated before working capital changes		194,741	431,054
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(25,796)	(27,568)
Stock in trade		(91,053)	(4,544,844)
Trade debts		(497,148)	(125,844)
Loans and advances		(97,201)	6,858
Trade deposits and short term prepayments		(9,646)	(13,756)
Other receivables		(919,431)	1,100
		(1,640,275)	(4,704,054)
Increase in current liabilities			
Trade and other payables		2,730,519	2,047,169
Short term bank borrowings		(576,556)	3,194,177
		2,153,963	5,241,346
		708,429	968,346
Income tax paid		(76,187)	(54,027)
Finance cost paid		(163,369)	(99,215)
(Increase) / Decrease in long term loans		(1,211)	2,083
Decrease in long term deposits		2,300	247
		(238,467)	(150,912)
Net cash inflows from operating activities		469,962	817,434
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Addition in Property, Plant & Equipment		(170,084)	(211,478)
Sale proceeds from disposal of property, plant and equipment		10,680	5,820
Dividend received		1,650	7,919
Net cash used in investing activities		(157,754)	(197,739)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		-	1,000,000
Repayment of long term financing		(123,612)	(1,393,319)
Dividend paid		(26)	(81,895)
Net cash used in financing activities		(123,638)	(475,214)
Net increase in cash and cash equivalents		188,570	144,481
Cash and cash equivalents at the beginning of the period		129,209	136,892
Cash and cash equivalents at the end of the period		317,779	281,373

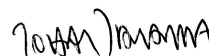
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ISMAIL H. ZAKARIA  
Chief Executive Officer



SULEMAN AYOOB  
Director



Zohair Zakaria  
Chief Finance Officer

# AL-NOOR SUGAR MILLS LTD.

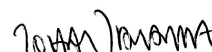
## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2018

	Issued, Subscribed & paid up capital	General reserves	Unrealised (loss) on remeasurement of investments	Un- appropriated profit	Capital Reserve Surplus on revaluation of Property Plant & Equipment	Total
	----- (Rupees in thousand) -----					
Balance as at October 1, 2016	204,737	1,000,000	(2,038)	393,071	1,140,876	2,736,646
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	-	-	-	2,033	(2,033)	-
	-	-	-	26,973	(26,973)	-
Balance as at March 31, 2017	204,737	1,000,000	(2,038)	465,683	1,113,903	2,782,285
Balance as at October 01, 2017	204,737	1,000,000	(2,110)	334,397	1,098,653	2,635,677
During the half year ended March 31, 2018						
Transactions with owners						
Total Comprehensive Income for the half year ended 31-March-2018	-	-	-	34,183	-	34,183
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax from:						
Company's Revaluation Surplus	-	-	-	23,555	(23,555)	-
Shares of associates incremental depreciation of revaluation surplus and on account of disposal of property, plant and equipment	-	-	-	1,927	(1,927)	-
	-	-	-	25,482	(25,482)	-
Balance as at March 31, 2018	204,737	1,000,000	(2,110)	394,062	1,073,171	2,669,860

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

  
ISMAIL H. ZAKARIA  
Chief Executive Officer

  
SULEMAN AYOOB  
Director

  
Zohair Zakaria  
Chief Finance Officer

## **NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED MARCH 31, 2018**

### **1 The Company and its Operations**

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

### **2 Basis of Preparation**

- 2.1** This condensed interim financial information has 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 information 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, 2017.

- 2.2** This condensed Interim financial information comprises of the condensed Interim Statement of Financial Position as at March 31, 2018 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, 2018. The comparative Statement of Financial Position presented in this condensed interim financial information has been extracted from the audited financial statements of the company for the year ended September 30, 2017, 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 unaudited condensed interim financial information for the half year ended March 31, 2017.

- 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, 2018 and 2017 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, 2017, except revaluation surplus on Property Plant & Equipment as stated below in 3.2.
- 3.2** Effective from 30 May 2017, the Companies Act, 2017 (the Act) was enacted which replaced and repealed the previous Companies Ordinance, 1984 (the repealed Ordinance). The Companies Act introduces new disclosure and presentation requirements and also section 235 of the repealed Ordinance relating to treatment of surplus arising on revaluation of property, plant and equipment has not been carried forward in the Act, consequently the Company has to account for and classify revaluation surplus in accordance with the requirements of IAS 16 "Property, Plant and Equipment". The Company used to transfer such surplus to an account called 'Surplus on revaluation of property plant and equipment' which was shown separately in statement of financial position after Capital and Reserves (i.e. Equity) whereas the IAS 16 requires same to be treated as part of equity and also there is change in treatment of loss on revaluation. Accordingly the Company has made the changes in its accounting policy as per the requirements of the Companies Act, 2017; however, there is no significant change in the reported amounts so no restatement is required with respect to amount, the only change required is reclassification of revaluation surplus as part of equity rather than separating it from capital and reserves. Additional disclosures required by the Act will be made in the annual financial statements of the Company.
- 3.3** 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.
- 3.4** Certain new IFRSs and amendments to existing IFRSs, effective for periods beginning on or after October 1, 2017 do not have any impact on the condensed interim financial information, and are therefore not disclosed.
- 3.5** The preparation of this condensed interim financial information 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 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, 2017.

## AL-NOOR SUGAR MILLS LTD.

	Unaudited March 31, 2018	Audited September 30, 2017
	Rupees in '000	
<b>4. PROPERTY PLANT AND EQUIPMENT</b>		
Operating fixed Assets	4,243,841	4,157,116
Capital Work in Progress	<u>207,507</u>	<u>260,344</u>
	<u>4,451,348</u>	<u>4,417,460</u>
<b>4.1 Operating Fixed Assets:</b>		
Opening Net Book Value (NBV)	4,157,116	3,467,597
<b>Direct Additions during the period/year</b>		
Plant and Machinery	9,435	23,719
Office Equipment	4,364	11,904
Vehicles	25,425	30,184
	<u>39,224</u>	<u>65,807</u>
<b>Transfer from CWIP during the period/year</b>		
Factory Building	23,910	12,040
Non-Factory Building	-	4,899
Power Plant	-	85,777
Plant and Machinery	159,788	773,251
	<u>183,698</u>	<u>875,967</u>
<b>Net Book Value of Asset disposed off during the period/year</b>		
Vehicles	(4,902)	(9,786)
	<u>(131,295)</u>	<u>(242,469)</u>
<b>Depreciation Charged for the period/year</b>		
	<u>(131,295)</u>	<u>(242,469)</u>
<b>Closing Net Book Value</b>	<u>4,243,841</u>	<u>4,157,116</u>
<b>4.2 Capital Work in Progress</b>		
Opening Balance	260,344	643,348
<b>Addition during the half year/year</b>		
Civil Work	15,436	26,524
Plant & Machinery	102,925	439,964
Advance against land	12,500	26,475
	<u>130,861</u>	<u>492,963</u>
<b>Capitalization during the half-year/year</b>		
Civil Work	(23,910)	(16,939)
Plant & Machinery	(159,788)	(859,028)
	<u>(183,698)</u>	<u>(875,967)</u>
<b>Closing Balance</b>	<u>207,507</u>	<u>260,344</u>

**4.2.1** Additions to plant and machinery under installation includes borrowing cost of Rs.Nil (2017:20.757 millions) capitalized at the effective rate nil (2017:6.78%-7.53%)

## AL-NOOR SUGAR MILLS LTD.

### 5. Long Term Investments

#### Investment in associated undertakings:-

	Shahmurad Sugar Mills Limited	Al Noor Management Modaraba (Pvt) Limited	Total March 31, 2018	Total September 30, 2017
Opening balance	257,635	2,674	260,309	267,515
Share of profit of associate for the half year / year	17,687	-	17,687	824
Shares of associate's unrealized gain on remeasurement of associate's available for sale of investment	-	-	-	(82)
Share of associate's share in reversal of its associate's incremental depreciation on account of revaluation of property plant and equipment	-	-	-	(35)
Shares of associate's share in its associate's incremental depreciation on account of revaluation of property, plant and equipment	-	-	-	6
Dividend received during the half year / year	(1,650)	-	(1,650)	(7,919)
	16,037	-	16,037	(7,206)
	<b>273,672</b>	<b>2,674</b>	<b>276,346</b>	<b>260,309</b>

The company holds 14.285% (September 2017:14.285%) interest in Al-Noor Modaraba Management (Pvt) Ltd, and holds 15.625% (September 2017:15.625%) 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 share 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, 2018.

### 6. CONTINGENCIES AND COMMITMENTS

#### 6.1 Contingencies

There is no material change in status of contingencies as disclosed in note No.23 (a) of the annual financial statement for the year ended September 30,2017,except for the following:

- 6.1.1 During the period under review, the Government of Sindh issued a notification no. 8(142)/ S.O(EXT)2017, according to which, the minimum price of sugarcane has been fixed at the rate of Rs. 182 per 40 kg for the crushing season 2017-2018. The Sugar mills, against the said notification, filed a petition in the High Court of Sindh. The Honourable Court after deliberations with all stakeholders announced the judgement fixing the purchase price at the Rs. 160 to be paid to growers and the balance of Rs. 22 per 40 kg to be decided by the Supreme Court of Pakistan. However, the Company, as a matter of prudence accounted for the said difference of Rs. 22 per 40kg in this condensed interim financial information aggregating to Rs.575.326 million.

## AL-NOOR SUGAR MILLS LTD.

**6.1.2** During the period under review the matter of the quality premium has been decided by the Honourable Supreme Court of Pakistan against the Sugar Mills. The Legal Counsel of the Company is of the view that the Honorable Supreme Court of Pakistan has now simply prescribed the criteria for future, which if followed properly, would make quality premium applicable in the future, and in relation to the past (other than crushing season 1998-1999) it appears that no liability arose as no legally binding notification under section 16(v) of the Sugar Factories Control Act, 1950 can be said to be in the field in the light of the decision of Honourable Supreme Court. Accordingly, no liability arises for the past except for the year 1998 - 99 for which also quality premium is not payable owing to lesser recovery than base recovery in case of the Company.

**6.1.3** During the period under review the Supreme Court has decided the matter of Excise duty, as disclosed in the note 19.2 of the audited financial statements of the Company for the year ended September 30, 2017, in favour of the Company and has decreed that if any tax in this regard has been collected by the excise authorities the same shall be refunded or adjusted as the case may be subject to determination by the competent forum that burden of such excise duty has not been passed on the general public. Accordingly, Company intends to claim for refund of Rs.19 million in the due course of time.

<b>Unaudited March 31, 2018</b>	<b>Audited September 30, 2017</b>
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Rupees in '000

### 6.2 Commitments as on the balance sheet date

Letters of credit		
Stores	-	7,998
Raw Material	-	117,863
Plant and Machinery	-	107,102
	-	232,963

For the half year October-March 2018	For the quarter Jan-March 2018
2017	2017
----- (Rupees in '000) -----	

### 7. COST OF SALES

Opening stock of finished goods	<b>3,596,450</b>	1,646,842	<b>1,348,017</b>	1,866,018
Cost of goods manufactured	<b>6,011,621</b>	7,157,725	<b>4,718,169</b>	4,850,930
	<b>9,608,071</b>	8,804,567	<b>6,066,186</b>	6,716,948
Closing stock of finished goods	<b>(3,341,370)</b>	(6,243,448)	<b>(3,341,370)</b>	(6,243,448)
	<b>6,266,701</b>	2,561,119	<b>2,724,816</b>	473,500

**7.1** Stock of refined sugar amounting of Rs.2,080 million (March 2017:Rs.5,515 million) has been pledged against cash finance facilities and Murabaha/Istisna arrangements.

**7.2** Stock in trade includes stocks costing Rs.3,647.376 million (March 2017: Rs. 6,384.625 million) written down to their net realizable value of Rs.3,520.391 million (March 2017: Rs.6,329.160 million). This includes stock of molasses valued at net realizable value of Rs.143.060 million. (March 2017: Rs.160.506 million)

## AL-NOOR SUGAR MILLS LTD.

### 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, 2018	March 31, 2017
		Rupees in '000	
<b>Transactions:</b>			
<b>Relationship with the company</b>	<b>Nature of Transactions</b>		
<b>Associates</b>			
Shahmurad Sugar Mills Ltd	Sale of molasses	176,795	265,842
Reliance Insurance Company Ltd	Insurance premium paid	8,597	16,177
	Insurance claim	1,225	-
<b>Other Related Parties</b>			
Directors' and key management personnel	Director's remuneration	13,180	10,990
	Executives remuneration	69,343	88,466
	Directors meeting fee	90	100
Staff provident fund	Contribution made during period excluding directors	8,712	6,824
		March 31, 2018	September 30, 2017
		Rupees in '000	
<b>Balances:</b>			
<b>Relationship with the Company</b>	<b>Nature of Transactions</b>		
<b>Associates</b>			
Shahmurad Sugar Mills Ltd	Debtor for Sale	4,295	-
Reliance Insurance Company Ltd	Trade & other payables	15,668	-
Staff provident fund	Trade & other payables	2,865	146

### 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 2018			September 2017		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Long term financing-Musharka and others finance	1,868,750	169,097	2,037,847	2,050,000	148,959	2,198,959
Current portion of long term finance	150,000	165,972	315,972	93,750	184,722	278,472
	2,018,750	335,069	2,353,819	2,143,750	333,681	2,477,431
Trade and other payables						
-Murhaba/Istisna	-	-	-	499,565	-	499,565
Accrued finance cost	24,706	21,852	46,558	17,371	55,827	73,198
Short term borrowings	-	2,113,599	2,113,599	-	2,690,155	2,690,155
Cash at bank accounts	(23,616)	(285,530)	(309,146)	(3,688)	(124,456)	(128,144)
	2,019,840	2,184,990	4,204,830	2,656,998	2,955,207	5,612,205



## AL-NOOR SUGAR MILLS LTD.

	March 2018			March 2017		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Finance cost	72,501	64,228	136,729	26,887	87,148	114,035
Borrowing cost capitalized	-	-	-	-	11,281	11,281
Income on saving account	(447)	-	(447)	(978)	-	(978)
	<u>72,054</u>	<u>64,228</u>	<u>136,282</u>	<u>25,909</u>	<u>98,429</u>	<u>124,338</u>

### 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, 2018 and March 31, 2017 and assets and liabilities information regarding business segments as at March 31, 2018 and September 30, 2017:

	Sugar		MDF Board		Consolidated	
	Half year ended March 31, 2018	Half year ended March 31, 2017	Half year ended March 31, 2018	Half year ended March 31, 2017	Half year ended March 31, 2018	Half year ended March 31, 2017
(Rupees in thousand)						
<b>Revenue</b>						
Sales	4,073,386	1,956,455	1,626,215	1,220,545	5,699,601	3,177,000
Sales of By-product & electricity						
External Sales	258,177	371,927	1,516	1,284	259,693	373,211
Inter segment transfer	52,478	53,174	-	-	52,478	53,174
	<u>4,384,041</u>	<u>2,381,556</u>	<u>1,627,731</u>	<u>1,221,829</u>	<u>6,011,772</u>	<u>3,603,385</u>
<b>RESULTS</b>						
(Loss) / Profit from operation	(1,067,152)	269,570	109,910	37,762	(957,242)	307,332
Other income including export subsidy					1,018,116	6,338
Finance cost					(136,729)	(114,035)
Share of profit from associate					17,687	12,061
(Loss) / Profit before tax					(58,168)	211,696
Taxation					92,351	(84,162)
Profit after taxation					34,183	127,534
Other Comprehensive Income					-	-
Total Comprehensive Income for the period					<u>34,183</u>	<u>127,534</u>
Other Comprehensive Income / (loss)						
<b>OTHER INFORMATION</b>						
Capital expenditures	111,094	127,777	58,990	83,701	170,084	211,478
Depreciation	68,405	63,369	62,890	49,555	131,295	112,924

## AL-NOOR SUGAR MILLS LTD.

	Sugar		MDF Board		Total	
	March 31, 2018	September 30. 2017	March 31, 2018	September 30. 2017	March 31, 2018	September 30. 2017
----- (Rupees in '000) -----						
<b>BALANCE SHEET</b>						
<b>Assets</b>						
Segment assets	8,274,758	6,572,875	2,705,805	2,554,361	10,980,530	9,127,236
Investment in associates	276,346	260,309	-	-	276,346	260,309
Unallocated assets			-		154,798	128,055
Total assets					11,411,674	9,515,600
<b>Liabilities</b>						
Segment liabilities	7,975,952	6,166,054	756,456	704,436	8,732,408	6,870,490
Unallocated liabilities					9,406	9,433
					8,741,814	6,879,923

### 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.3,428.870 million(2017:280.975 million) represent sales to customers in various countries of Asia as follows:

	Unaudited March 31, 2018	Audited September 30, 2017
	Rupees in '000	
Pakistan	2,272,902	2,896,025
Afghanistan	3,260,464	280,975
Other Countries	166,235	-
	5,699,601	3,177,000

### 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 28th May 2018.

**14. GENERAL**

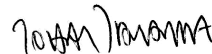
Amounts have been rounded off to the nearest thousand rupee unless otherwise stated.



**ISMAIL H. ZAKARIA**  
Chief Executive Officer



**SULEMAN AYOOB**  
Director



**Zohair Zakaria**  
Chief Finance Officer

### مستقبل پر نظر

یہ توقع کی جاتی ہے کہ آئندہ پسائی کے سیزن کے دوران پنجاب اور کے پی کے میں گنے کی اضافی فصل ہوگی تاہم سندھ میں پانی کی عدم دستیابی کے باعث فصل شدید متاثر ہوگی۔ ہم امید کرتے ہیں کہ حکومت برآمدات نیز بفر اسٹاک کے بارے میں بروقت فیصلہ کرے گی جو چینی کے مقامی نرخوں کو مستحکم بنانے کا واحد راستہ ہے۔

### بورڈ آف ڈائریکٹرز

زیر جائزہ مدت کے دوران بورڈ آف ڈائریکٹرز کی تشکیل میں کوئی تبدیلی رونما نہیں ہوئی۔

بورڈ آف ڈائریکٹرز معزز حصص داران کو اس بات کی یقین دہانی کرانا چاہتا ہے کہ ملک میں شوگر انڈسٹری کو درپیش موجودہ چیلنجوں کا مقابلہ انشاء اللہ بہتر منصوبہ بندی اور انتھک محنت کے ذریعے کیا جائے گا تا کہ کمپنی کے لئے کامیابیاں حاصل کی جاسکیں۔ آپ سے گزارش ہے کہ اللہ رب العزت کے حضور ہمارے لئے دعا کریں کہ اللہ تعالیٰ مطلوبہ مقاصد کے حصول کے لئے ہماری رہنمائی اور مدد فرمائیں۔ (آمین)



اسماعیل ایچ ڈکریا  
مینجنگ ڈائریکٹر

برقام کراچی

مورخہ 28 مئی 2018

شعبہ جات کے لحاظ سے کارکردگی درج ذیل کے مطابق رہی۔

### شوگر ڈویژن

زیر جائزہ مدت کے دوران مل نے 1,046,048 میٹرک ٹن گنے کی پسائی کی اور 102,645 میٹرک ٹن چینی کی پیداوار حاصل ہوئی۔ گزشتہ سال کی اس مدت میں مل نے 1,315,682 میٹرک ٹن گنا پسائی کر کے 127,798 میٹرک ٹن چینی حاصل کی تھی۔ رواں مدت کی پیداوار گزشتہ سال سے 19.68 فیصد یا 25,152 میٹرک ٹن کم رہی۔ چینی کی پیداوار میں کمی کی بنیادی وجہ پسائی کے حجم میں کمی تھی۔ پنجاب اور خیبر پختونخوا میں گنے کی فصل سندھ کے مقابلے میں اچھی رہی۔ وصولیابی کی شرح گزشتہ سال کے حاصل کردہ 9.70 فیصد کے مقابلے میں معمولی اضافے سے 9.95 روپے رہی۔

حکومت سندھ کی جانب سے گنے کے نرخ کا -182 روپے فی چالیس کلوگرام کا اعلان کیا گیا تھا جبکہ کرشنک سیزن 2016-17 کے لئے بھی یہی نرخ مقرر کئے گئے تھے تاہم اس مدت کے دوران چینی کے نرخ بتدریج کم ہوئے اور شوگر ملوں نے معزز عدالت عالیہ سندھ میں کیس داخل کر دیا۔ معزز ہائی کورٹ آف سندھ نے ایک عبوری حکم دیا کہ شوگر ملز گنے کو -160 روپے فی چالیس کلوگرام کے نرخ پر خریدیں گی اور باقی ماندہ کا فیصلہ معزز سپریم کورٹ آف پاکستان کی جانب سے کیا جائے گا۔

کرشنک سیزن کے لئے گنے کی بھاری فصل اور گزشتہ سال سے اسٹاک لے جانے کے باعث 2.5 ملین ٹن اضافی چینی کی امید ہے۔ مقامی اور بین الاقوامی مارکیٹ میں اضافی پیداوار سے چینی کی مقامی قیمتیں دباؤ میں ہیں۔ اس گھمبیر صورتحال کے باعث وفاقی اور صوبائی حکومتوں نے 1.5 ملین ٹن چینی کی ابتدائی برآمد کی اجازت ایکسپورٹ سبسڈی کے ساتھ دی۔ آپ کی کمپنی نے 31 مارچ 2018 تک 84,835 ٹن چینی برآمد کی۔ بد قسمتی سے سبسڈی کی ادائیگیوں کے انتہائی سست رفتاری سے اجرا اور کمتر بین الاقوامی نرخوں کے باعث ایکسپورٹ کوٹہ 31 مارچ 2018 تک غیر استعمال شدہ صورت میں پڑا ہے۔

### ایم ڈی ایف بورڈ ڈویژن

زیر جائزہ مدت کے دوران ایم ڈی ایف بورڈ ڈویژن نے 35,748 کیوبک میٹر کی پیداوار حاصل کی جبکہ اس کے برخلاف گزشتہ سال کی اسی مدت میں 28,078 کیوبک میٹر پیداوار حاصل کی گئی تھی۔ پیداوار 27.32 فیصد زائد رہی اور مارکیٹ میں اس کی طلب کو مد نظر رکھتے ہوئے مختلف سائزوں میں تیار کی گئی۔ یہ اندازہ ہے کہ سال کی باقی ماندہ مدت کے دوران پیداوار میں اضافہ ہوگا تا کہ مارکیٹ کی طلب کو پورا کیا جائے۔

## ڈائریکٹرز کی رپورٹ

معزز ممبران گرامی

السلام علیکم

میرے لئے یہ بات باعث افتخار ہے کہ بورڈ آف ڈائریکٹرز کی جانب سے میں آپ کی خدمت میں غیر آڈٹ شدہ مالیاتی حسابات بتاریخ 31 مارچ 2018 پیش کرنے جا رہا ہوں۔

پروڈکشن اور مالیاتی حسابات سے متعلق اہم معلومات ذیل میں پیش خدمت ہیں۔

<u>31 مارچ 2017</u>	<u>31 مارچ 2018</u>	<u>معلومات بابت پیداوار</u>
15-11-2016	28-11-2017	آغاز پسائی مورخہ
23-03-2017	31-03-2018	تکمیل پسائی مورخہ
129	124	دورانہ پسائی (دنوں میں)
1,315,682	1,046,048	گنے کی پسائی (میٹرک ٹن)
127,798	102,645	پیداوار برائے چینی (میٹرک ٹن)
9.70	9.95	ریبوری برائے چینی
56,560	52,670	پیداوار برائے راب (میٹرک ٹن)
28,078	35,748	ایم ڈی ایف پیداوار (کیوبک میٹر)
<u>(روپے ہزاروں میں)</u>	<u>(روپے ہزاروں میں)</u>	<u>مالیاتی معلومات</u>
3,177,000	5,699,601	فروختگی
(2,561,119)	(6,266,701)	لاگت برائے فروختگی
615,881	(567,100)	خام منافع
(34,167)	(113,250)	اخراجات برائے ترسیل
(251,057)	(264,797)	انتظامی اخراجات
(114,035)	(136,729)	مالیاتی اخراجات
(4,926)	1,023,708	دیگر آمدن و اخراجات
211,696	(58,168)	(خسارہ)/ منافع قبل از ٹیکس
(84,162)	92,351	ٹیکس کے لئے فراہمی
127,534	34,183	منافع بعد از ٹیکس
Rs.6.23	Rs.1.67	آمدن فی حصص (بنیادی)



*If undelivered please return to :*

**AL-NOOR SUGAR MILLS LTD.**

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