



AL-NOOR SUGAR MILLS LIMITED

3rd Quarterly Results for the period
1st October 2018 to 30th June, 2019

COMPANY INFORMATION

BOARD OF DIRECTORS

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

Chairman
Managing Director
Resident Director

Independent Director
(N.I.T. Nominee)

BOARD AUDIT COMMITTEE

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

Chairman
Member
Member
Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

Chairman
Member
Member

CHIEF FINANCIAL OFFICER

MR. MUHAMMAD HANIF CHAMDIA

COMPANY SECRETARY

MR. MOHAMMAD YASIN MUGHAL
FCMA

AUDITORS

M/s. KRESTON HYDER BHIMJI & CO.
Chartered Accountants

LEGAL ADVISOR

MR. ABDUL SATTAR PINGAR

REGISTERED OFFICE

96-A, SINDHI MUSLIM SOCIETY,
KARACHI-74400
Tel: 34550161-63 Fax: 34556675

FACTORY

SHAHPUR JAHANIA, P.O. NOOR JAHANIA, TALUKA MORO,
DISTRICT SHAHEED BENAZIR BHUTTO ABAD (NAWABSHAH)

REGISTRAR & SHARES REGISTRATION OFFICE

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

WEBSITE

www.alnoorsugar.co

DIRECTORS' REPORT

Dear Members Asslamu-o- Alaikum

On behalf of Board of Directors' I take the opportunity to place before you the un-audited financial statements of your company for the period ended June 30, 2019.

Salient features of production and Financial Statements are as under:

PRODUCTION DATA	June 30, 2019	June 30, 2018
Crushing commenced on	13-12-2018	28-11-2017
Crushing completed on	19-03-2019	15-04-2018
Duration of crushing (days)	97	139
Sugarcane crushed (M Tons)	894,494	1,108,106
Sugar produced (M Tons)	94,825	110,810
Sugar recovery percentage	10.60	10.00
Molasses produced (M Tons)	40,120	52,217
MDF Production (Cubic Meters)	51,049	51,486
FINANCIAL DATA	(Rupees in thousands)	
Sales revenue	6,830,929	7,495,134
Cost of sales	(6,053,217)	(8,232,332)
Gross profit / (loss)	777,712	(737,198)
Distribution cost	(58,951)	(172,647)
Other operating expenses	(27,979)	(13,448)
Administrative expenses	(429,828)	(388,222)
Financial cost	(346,529)	(219,682)
Other income	6,485	1,318,070
Share of profit from associate	182,587	55,769
Profit / (loss) before taxation	103,497	(157,358)
Provision for taxation	(77,630)	126,224
Profit / (loss) after taxation	25,867	(31,134)
Earnings profit / (loss) per share	Rs.1.26	Rs. (1.52)

Segment wise performance is elaborated as under:

SUGAR DIVISION

During the period under review the mill crushed 894,494 metric tons of cane and produced 94,825 metric tons of sugar. During the same period last year the mill crushed 1,108,106 metric tons of cane and produced 110,810 metric tons of sugar. The current period production is less than last year by 14.43 percent or 15,985 metric tons. The decrease in production of sugar was mainly due to lower crushing volume. In the province of Sindh sugarcane crop was not as good as it was last year. This was due to non-availability of water in the required volume for development of cane crop. The cane crop in Punjab and Khyber Pakhtunkhwa was better in comparison with the crop in Sindh province. Recovery percentage slightly improved to 10.60 percent as against 10.00 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 2017-18. However the price of sugar declined substantially during first quarter and registered some improvement during the second two quarters of the year. Due to the huge cane crop specifically in the upper parts of the country for the previous year crushing season, the carry over stock is available with the sugar mills approximately 2.00 million tons.

MDF BOARD DIVISION

During the period under review the MDF Board division produced 51,049 cubic meters as against 51,486 cubic meters produced in the same period last year. The production is slightly lower than previous period but expected that the short fall would be made good during the fourth quarter of the year in order 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.

Future outlook of MDF division appears to be sustainable as the products of the division have established its acceptability in the domestic and neighboring countries markets.

BOARD OF DIRECTORS

During the period under consideration Director Mr. Zohair Zakaria resigned from the directorship of the company and it is expected that the casual vacancy would be filled in within the stipulated period prescribed under the Code of Corporate Governance.

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



ISMAIL H. ZAKARIA
MANAGING DIRECTOR



SULEMAN AYOOB
Director

Karachi: 25th July 2019

AL-NOOR SUGAR MILLS LTD.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2019

AS AT JUNE 30, 2019		Un-Audited June 2019	Audited September 2018
		(Rupees in thousand)	
Note			
ASSETS			
NON - CURRENT ASSETS			
	4	4,739,022	4,841,661
	5	5,172	2,583
	6	682,199	522,710
		2,871	3,893
		4,238	3,094
		5,433,502	5,373,941
CURRENT ASSETS			
		366,320	322,038
	8.1 & 8.2	3,082,354	2,219,497
		315,360	374,374
		73,995	69,270
		13,849	19,430
		439,166	791,556
		128,055	128,055
		6,880	50,926
		124,256	92,508
		4,550,235	4,067,654
		9,983,737	9,441,595
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
		500,000	500,000
		204,737	204,737
		1,000,000	1,000,000
		319,055	271,708
		(2,714)	(2,714)
		1,475,744	1,527,935
		2,996,822	3,001,666
NON-CURRENT LIABILITIES			
		1,421,250	2,101,737
		328,108	356,862
		1,749,358	2,458,599
CURRENT LIABILITIES			
		1,391,293	1,388,378
		112,007	59,226
		2,716,851	1,931,335
		5,670	5,169
		1,011,736	597,222
		5,237,557	3,981,330
		-	-
		9,983,737	9,441,595
CONTINGENCIES AND COMMITMENTS	7	-	-

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



ISMAIL H. ZAKARIA
Chief Executive Officer



SULEMAN AYOOB
Director



MUHAMMAD HANIF CHAMDIA
Chief Finance Officer

AL-NOOR SUGAR MILLS LTD.

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2019**

	For the Nine Months		For the quarter	
	October-June		April-June	
	2019	2018	2019	2018
	----- (Rupees in '000) -----			
Note				
Sales	6,830,929	7,495,134	2,881,112	1,795,533
Cost of sales	(6,053,217)	(8,232,332)	(2,523,967)	(1,965,631)
Gross profit / (loss)	777,712	(737,198)	357,145	(170,098)
Profit from trading activities	-	42	-	-
	777,712	(737,156)	357,145	(170,098)
Distribution Cost	(58,951)	(172,647)	(17,704)	(59,397)
Administration expenses	(429,828)	(388,222)	(141,060)	(123,425)
Other operating expenses	(27,979)	(13,448)	(5,885)	(1,311)
	(516,758)	(574,317)	(164,649)	(184,133)
	260,954	(1,311,473)	192,496	(354,231)
Other income - including export subsidy	6,485	1,318,028	2,518	299,912
	267,439	6,555	195,014	(54,319)
Finance cost	(346,529)	(219,682)	(143,163)	(82,953)
	(79,090)	(213,127)	51,851	(137,272)
Share of profit from associate	182,587	55,769	96,439	38,082
Profit/(loss) before taxation	103,497	(157,358)	148,290	(99,190)
Taxation				
-Current	(106,385)	(70,689)	(54,011)	(21,245)
-Deferred	28,755	196,913	(17,097)	55,118
	(77,630)	126,224	(71,108)	33,873
Profit/(loss) after taxation	25,867	(31,134)	77,182	(65,317)
Profit/(loss) Earning per share				
- Basic and diluted-(Rs)	1.26	(1.52)	3.77	(3.19)

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



ISMAIL H. ZAKARIA
Chief Executive Officer



SULEMAN AYOOB
Director



MUHAMMAD HANIF CHAMDIA
Chief Finance Officer

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2019**

	<u>For the Nine Months</u>		<u>For the quarter</u>	
	<u>October-June</u>		<u>April-June</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>----- (Rupees in '000) -----</u>			
Profit/(loss) after taxation	25,867	(31,134)	77,182	(65,317)
Other comprehensive income	-	-	-	-
Total Comprehensive Income	25,867	(31,134)	77,182	(65,317)

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



ISMAIL H. ZAKARIA
Chief Executive Officer



SULEMAN AYOOB
Director



MUHAMMAD HANIF CHAUDHARY
Chief Finance Officer

AL-NOOR SUGAR MILLS LTD.

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2019

	Note	June 2019	June 2018
(Rupees in thousand)			
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before taxation		103,497	(157,358)
Adjustments for:			
Depreciation of property, plant and equipment	4.1	213,014	200,174
Amortization of intangible assets		1,639	-
Gain on disposal of property, plant and equipment		(3,351)	(6,356)
Provision for obsolescence and slow moving items		9,381	8,350
Finance cost		346,529	219,682
Share of profit from associate		(182,587)	(55,769)
		384,625	366,081
Cash generated before working capital changes		488,122	208,723
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(53,663)	(39,898)
Stock in trade		(862,857)	984,636
Trade debts		59,014	(35,598)
Loans and advances		(4,725)	(11,101)
Trade deposits and short term prepayments		5,581	3,810
Other receivables		352,390	(847,220)
		(504,260)	54,629
Increase in current liabilities			
Trade and other payables		2,915	445,234
Short term bank borrowings		785,516	(297,085)
		788,431	148,149
		772,293	411,501
Income tax paid		(62,338)	(118,535)
Finance cost paid		(293,748)	(250,917)
Decrease in long term loans		1,022	(986)
Increase/(decrease) in long term deposits		(1,144)	2,415
		(356,208)	(368,023)
Net cash inflows from operating activities		416,085	43,478
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in Property, Plant & Equipment	5	(112,969)	(192,650)
Addition in intangible assets		(4,228)	-
Sale proceeds from disposal of property, plant and equipment		5,945	13,265
Dividend received		23,098	1,650
Net cash used in investing activities		(88,154)	(177,735)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		-	500,000
Repayment of long term financing		(265,973)	(212,848)
Dividend paid		(30,210)	(32)
Net cash (used in) / generated from financing activities		(296,183)	287,120
Net increase / (decrease) in cash and cash equivalents		31,748	152,863
Cash and cash equivalents at the beginning of the period		92,508	129,209
Cash and cash equivalents at the end of the period		124,256	282,072

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



ISMAIL H. ZAKARIA
Chief Executive Officer



SULEMAN AYOOB
Director



MUHAMMAD HANIF CHAUDHARY
Chief Finance Officer

AL-NOOR SUGAR MILLS LTD.


CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2019

	Issued, Subscribed & paid up capital	General reserves	Un-appropriated profit	Capital Reserve - Revaluation surplus on property, plant and equipment	Share of associate's unrealized (loss) on remeasurement of investment	Total
	(Rupees in thousand)					
Balance as at October 1, 2017-restated (note no 2.3)	204,737	1,000,000	338,952	1,058,349	(2,110)	2,599,928
During the nine months ended June 30, 2018						
Total Comprehensive Income for the nine months ended June 30, 2018	-	-	(31,134)	-	-	(31,134)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax			23,555	(23,555)		-
Share of associate's incremental depreciation of revaluation surplus	-	-	1,927	(1,927)		-
Balance as at June 30, 2018	204,737	1,000,000	333,300	1,032,867	(2,110)	2,568,794
Balance as at October 01, 2018	204,737	1,000,000	271,708	1,527,935	(2,714)	3,001,666
During the nine months ended June 30, 2019						
Transaction with owners						
Final dividend for the year ended September 30, 2018 @ Rs 1.50 per share	-	-	(30,711)	-	-	(30,711)
Total Comprehensive Income for the nine months ended June 30, 2019	-	-	25,867	-	-	25,867
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax			41,201	(41,201)		-
Share of associate's incremental depreciation of revaluation surplus			10,990	(10,990)		-
Balance as at June 30, 2019	204,737	1,000,000	319,055	1,475,744	(2,714)	2,996,822

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



ISMAIL H. ZAKARIA
Chief Executive Officer



SULEMAN AYOOB
Director



MUHAMMAD HANIF CHAMDIA
Chief Finance Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2019

1. The Company and its Operations

The Company was incorporated in Pakistan as a public limited company on April 9, 1979. Its shares are quoted at the Pakistan Stock Exchange. The registered office of the Company is located at 96-A, Sindhi Muslim Cooperative Housing Society, Karachi, Sindh. The Company owns and operates Sugar and Ethanol manufacturing units which are located at Jhoke Sharif, District Sujawal in the province of Sindh. The total area of industry land which includes the main factory is spread over 333.32 Acres.

2. Basis of Preparation

- 2.1** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of :

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. The condensed interim financial statements does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the company's annual financial statements for the year ended September 30, 2018.

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, 2018.
- 3.2** Due to the seasonal availability of sugarcane, the manufacture of sugar is carried out during the period of availability of sugarcane and costs incurred/accrued up to the reporting date have been accounted for. Accordingly, the costs incurred/accrued after the reporting date will be reported in the subsequent interim and annual financial statements.
- 3.3** Certain new IFRSs and amendments to existing IFRSs, effective for periods beginning on or after October 01, 2018 do not have any significant impact on the condensed interim financial statements, and are therefore not disclosed, except for the following;

IFRS 15 Revenue from Contract with customers

According to IFRS 15, revenue is recognized to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is

AL-NOOR SUGAR MILLS LTD.

recognized when, or as, the customer obtains control of the goods or services. IFRS 15 also includes guidance on the presentation of the contract balances, that is, assets and liabilities arising from contracts with customers, depending on the relationship between the entity's performance and the customer's payment. IFRS 15 supersedes IAS 11, Construction Contracts and IAS 18, Revenue as well as related interpretations.

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

IFRS 9 Financial Instruments

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

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

SECP has notified vide its S.R.O 299 (I)/2019 that the effective date for the applicability will be for the reporting period/year ending on or after year ending June, 30 2019. Accordingly, the Company intends to apply IFRS 9 in preparation of financial statements for the year ending 30, September 2019.

- 3.4** The preparation of these condensed interim financial statements require 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 these condensed interim financial statements are the same as those that were applied to financial statements as at and for the year ended September 30, 2018.

Unaudited	Audited
June 30,	September 30,
2019	2018
Rupees in '000	

4. PROPERTY PLANT AND EQUIPMENT

Operating fixed Assets	4,465,469	4,570,047
Capital Work in Progress	273,553	271,614
	<u>4,739,022</u>	<u>4,841,661</u>

AL-NOOR SUGAR MILLS LTD.

	Unaudited June 30, 2019	Audited September 30, 2018
	Rupees in '000	
4.1 Operating Fixed Assets:		
Opening Net Book Value (NBV)	4,570,047	4,157,116
Direct Additions during the period/year		
Plant and Machinery	24,309	36,922
Furniture, Fixture and Fittings	325	3,672
Office Equipment	3,091	7,308
Vehicles	19,313	32,174
	47,037	80,076
Transfer from CWIP during the period/year		
Free hold Land	-	48,125
Factory Building	20,536	26,499
Non-Factory Building	4,465	-
Power Plant	2,452	
Plant and Machinery	36,540	160,973
	63,993	235,597
Fresh revaluation during period/year		
Free hold Land	-	159,978
Factory Building	-	49,896
Non-Factory Building	-	155,829
Power Plant	-	199
Plant and Machinery	-	14,330
	-	380,232
Net Book Value of Asset disposed off during the period/year		
Vehicles	(2,594)	(9,375)
Depreciation Charge for the period/year	(213,014)	(273,599)
Closing Net Book Value	4,465,469	4,570,047
4.2 Capital Work in Progress		
Opening Balance	271,614	260,344
Addition during the period/year		
Civil Work	18,528	33,676
Plant & Machinery	47,404	191,541
Advance against land	-	21,650
	65,932	246,867
Capitalization during the period/year		
Civil Work	(25,001)	(26,499)
Plant & Machinery	(38,992)	(160,973)
Advance against Land	-	(48,125)
	(63,993)	(235,597)
Closing Balance	273,553	271,614

4.2.1 Additions to plant and machinery under installation includes borrowing cost of Rs17.281 millions (2018:Nil millions) capitalized at the effective rate 11% (2018:Nil)

AL-NOOR SUGAR MILLS LTD.

	Unaudited June 30, 2019	Audited September 30, 2018
	Rupees in '000	
5. INTANGIBLE ASSET		
Softwares		
Net Carrying value basis		
Opening carrying value	(752)	-
Additions during the year - at cost	4,228	
Amortization for the year	(1,639)	(752)
	1,837	(752)
Gross Carrying value basis		
Cost	14,436	10,208
Accumulated amortisation	(9,264)	(7,625)
	5,172	2,583

6. LONG TERM INVESTMENTS

Investment in associated undertakings:-

	Shahmurad Sugar Mills Limited	Al Noor Modaraba Management (Pvt) Limited	Total June 30, 2019	Total September 30 2018
Opening balance	520,894	1,816	522,710	264,864
Share of profit of associate for the period / year	182,587	-	182,587	93,705
Shares of associate's unrealized gain on remeasurement of associate's available for sale of investment	-	-	-	(711)
Share of associate's share in reversal of its associate's incremental depreciation on account of revaluation of property plant and equipment	-	-	-	-
Share of associate's surplus on fresh revaluation of property, plant and equipment net of deferred tax	-	-	-	164,542
Share of associate's tax rate impact related to its surplus on revaluation of property, plant and equipment	-	-	-	1,960
Dividend received during the period / year	(23,098)	-	(23,098)	(1,650)
	159,489	-	159,489	257,846
	680,383	1,816	682,199	522,710

AL-NOOR SUGAR MILLS LTD.

The company holds 14.285% (September 2018:14.285%) interest in Al-Noor Modaraba Management (Pvt) Ltd, and holds 15.625% (September 2018:15.625%) interest in Shahmurad Sugar Mills Limited. Since the financial statements of Al Noor Modaraba Management (Pvt) Limited are not prepared except on year end June 30; and are not material hence no effect of results of Al-Noor Modaraba Management (Pvt) Ltd has been taken in these condensed interim financial statements, however in the case of Shahmurad Sugar Mills Ltd, the share of profit and other comprehensive income has been taken on the basis of its reviewed condensed interim financial statements for the half year ended June 30, 2019.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

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

Unaudited
June 30,
2019
Audited
September 30,
2018
Rupees in '000

7.2 Commitments as on the balance sheet date

Letters of credit		
Stores	7,803	11,513
Raw Material	193,090	195,612
Plant and Machinery	53,757	6,152
	254,650	213,277

For Nine Months
October-June
2019 2018
For the quarter
April-June
2019 2018

(Rupees in '000)

8. COST OF SALES

Opening stock of finished goods	1,864,499	3,596,450	4,249,536	3,341,370
Cost of goods manufactured	6,867,410	7,120,147	953,123	1,108,526
	8,731,909	10,716,597	5,202,659	4,449,896
Closing stock of finished goods	(2,678,692)	(2,484,265)	(2,678,692)	(2,484,265)
	6,053,217	8,232,332	2,523,967	1,965,631

8.1 Stock of refined sugar amounting of Rs. Million 2,361.731 (June 2018:Rs.2,049.866 million) has been pledged against cash finance facilities and Murabaha/Istisna arrangements.

8.2 Stock in trade includes stocks costing Rs. Nil (June 2018: Rs. 2,361.491 million) written down to their net realizable value of Rs.Nil (June 2018: 2,262.736 million). This includes stock of molasses and bagasse valued at net realizable value of Rs.21.227 million (June 2018: Rs.32.986 millions)

AL-NOOR SUGAR MILLS LTD.

9. TRANSACTIONS WITH RELATED PARTIES

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

		June 30, 2019	June 30, 2018
Transactions:			
Relationship with the Company	Nature of Transactions	(Rupees in thousand)	
Associates			
Shahmurad Sugar Mills Ltd	Sale of goods	394,844	319,351
Reliance Insurance Company Ltd	Insurance premium paid	32,971	9,062
	Insurance claim	2,446	3,380
Other Related Parties			
Directors' and key management personnel	Director's remuneration	17,075	15,026
	Executives remuneration	65,473	95,322
	Directors meeting fee	185	135
Staff provident fund	Contribution made during period excluding directors	14,768	13,828
		June 30, 2019	September 30, 2018
Balances			
Relationship with the Company	Nature of Transactions	(Rupees in thousand)	
Associates			
Shahmurad Sugar Mills Ltd	Trade & other payables	6,116	37,500
Reliance Insurance Company Ltd	Trade & other payables	5,130	14,823
Staff provident fund	Trade & other payables	598	145

10. RELATIONSHIP WITH THE ISLAMIC AND CONVENTIONAL FINANCIAL INSTITUTION

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

	June 2019			September 2018		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Long term financing-Musharka and others finance	1,390,000	31,250	1,421,250	2,006,250	95,487	2,101,737
Current portion of long term finance	922,500	89,236	1,011,736	450,000	147,222	597,222
	2,312,500	120,486	2,432,986	2,456,250	242,709	2,698,959
Trade and other payables	-	-	-	-	-	-
-Murhaba/Istisna	-	-	-	-	-	-
Accrued finance cost	24,582	87,425	112,007	31,134	28,092	59,226
Short term borrowings	-	2,716,851	2,716,851	-	1,931,335	1,931,335
Cash at bank accounts	(4,624)	(104,892)	(109,516)	(18,938)	(71,298)	(90,236)
	2,332,458	2,819,870	5,152,328	2,468,446	2,130,838	4,599,284
	June 2019			June 2018		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Finance cost	214,103	132,426	346,529	72,501	147,181	219,682
Borrowing cost capitalized	10,892	-	10,892	-	-	-
Income on saving account	(752)	-	(752)	(447)	-	(447)
	224,243	132,426	356,669	72,054	147,181	219,235

AL-NOOR SUGAR MILLS LTD.

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

	Sugar		MDF Board		Total	
	Nine months ended June 30,		Nine months ended June 30,		Nine months ended June 30,	
	2019	2018	2019	2018	2019	2018
	(Rupees in '000)					
Revenue						
Sales	3,724,362	5,056,639	3,106,567	2,438,495	6,830,929	7,495,134
Sales of By-product & electricity						
External Sales	459,098	409,099	5,314	1,516	464,412	410,615
Inter segment transfer	76,032	79,338	-	-	76,032	79,338
	4,259,492	5,545,076	3,111,881	2,440,011	7,371,373	7,985,087

RESULTS

Profit/(loss) from operation	87,997	(1,484,131)	172,957	172,658	260,954	(1,311,473)
Other income including export subsidy					6,485	1,318,028
Finance cost					(346,529)	(219,682)
Share of profit from associate					182,587	55,769
Profit/(Loss) before tax					103,497	(157,358)
Taxation					(77,630)	126,224
Profit/(loss) after taxation					25,867	(31,134)
Other Comprehensive Income					-	-
Total Comprehensive Income/(loss) for the period					25,867	(31,134)

Other Comprehensive Income / (loss)

OTHER INFORMATION

Capital expenditures	31,909	124,835	81,060	67,815	112,969	192,650
Depreciation	106,866	101,930	106,148	98,244	213,014	200,174
Amortization	693	-	946	-	1,639	-

AL-NOOR SUGAR MILLS LTD.

	Sugar		MDF Board		Total	
	June 30, 2019	September 30, 2018	June 30, 2019	September 30, 2018	June 30, 2019	September 30, 2018
	----- (Rupees in '000) -----					
BALANCE SHEET						
Assets						
Segment assets	6,484,059	5,970,440	2,682,544	2,769,464	9,166,603	8,739,904
Investment in associates	682,199	522,710	-	-	682,199	522,710
Unallocated assets			-		134,935	178,981
Total assets					<u>9,983,737</u>	<u>9,441,595</u>
Liabilities						
Segment liabilities	6,482,570	5,721,395	498,675	713,365	6,981,245	6,434,760
Unallocated liabilities					<u>5,670</u>	<u>5,169</u>
					<u>6,986,915</u>	<u>6,439,929</u>

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.689.191 million(2018:4,458.835 million) represent sales to customers in various countries of Asia as follows:

	June 30, 2019	June 30, 2018
	Rupees in '000	
Pakistan	6,141,738	2,870,044
Afghanistan	689,191	4,458,835
Other Countries	-	166,255
	<u>6,830,929</u>	<u>7,495,134</u>

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

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

13. FAIR VALUES

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

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

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

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

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

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

14. AUTHORIZATION

This condensed interim financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 25th July 2019.

15. GENERAL

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

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



ISMAIL H. ZAKARIA
Chief Executive Officer



SULEMAN AYOOB
Director




MUHAMMAD HANIF CHAMDIA
Chief Finance Officer

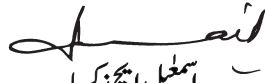
ایم ڈی ایف ڈویژن کے مستقبل کے نقطہ نظر سے مصنوعات کو گھریلو اور پڑوسی ممالک کی مارکیٹوں میں اس کی قبولیت قائم رہے گی۔

بورڈ آف ڈائریکٹرز

دورن سہ ماہی ڈائریکٹر جناب ظہیر زکریہ نے اپنے عہدے سے استعفیٰ دے دیا ہے اور کوڈ آف گورننس کے قواعد کے مطابق اس کی جگہ کو پُر کریں گے۔

بورڈ آف ڈائریکٹرز کو انتہائی خوشی ہے کہ ہمارے اسٹیک ہولڈرز نے اپنی تمام تر صلاحیتوں کو برائے کار لا کر بہترین پلاننگ کے ساتھ آگے بڑھنے کی کوشش کی، انشاء اللہ ملک کی شوگر انڈسٹری موجودہ مشکل صورتحال کا سامنا کرے گی۔ برائے کرم اللہ تعالیٰ سے اپنی دعاؤں میں اضافہ کریں تاکہ ہماری رہنمائی ہو اور ہمیں اللہ کی مدد لے کر اس ناسک کو پورا کر سکیں۔ (آمین)


سلیمان ایوب
ڈائریکٹر


اسمعیل ایچ زکریا
منیجنگ ڈائریکٹر

کراچی: 25 جولائی 2019

شعبہ جات کے لحاظ کارکردگی درج ذیل کے مطابق رہی۔

شوگر ڈویژن

زیر جائزہ مدت کے دوران مل نے 894,494 میٹرک ٹن گنا پیسا اور 94,825 میٹرک ٹن چینی تیار کی۔ گزشتہ سال اسی دوران مدت مل نے 1,108,106 میٹرک ٹن گنا پیسا اور 110,810 میٹرک ٹن چینی تیار کی۔ حالیہ مدت کی پیداوار گزشتہ سال سے 14.43 فیصد یا 15,985 میٹرک ٹن کم ہے۔ چینی کی پیداوار میں کمی کی اہم وجہ خام مال کی عدم دستیابی کے باعث کرشنگ کا کم ترین حجم ہونا تھا۔ گنے کی فصل پنجاب اور خیبر پختونخواہ میں سندھ کی فصل کے مقابلے میں اچھی تھی۔ وصولی کا فیصد تناسب گزشتہ سال سے 10.00 فیصد کے مقابلے میں 10.60 فیصد بڑھ گیا۔ گنے کی قیمت کا اعلان حکومت سندھ کی جانب سے 182/= روپے فی 40 کلوگرام کیا گیا جو کہ کرشنگ سیزن 2017-18 کیلئے طے کردہ قیمت کے برابر تھا۔ تاہم چینی کی قیمت میں پہلی سہ ماہی میں کمی تھی جب کہ دوسری دونوں سہ ماہیوں میں چینی کی قیمت میں بہتری ہوئی۔ گزشتہ سال گنے کی فصل اچھی تھی اور اسی سال چینی کی پیداوار میں سے 20 لاکھ میٹرک ٹن شوگر ملوں کے پاس موجود ہے۔

ایم ڈی ایف بورڈ ڈویژن:

زیر جائزہ مدت کے مطابق ایم ڈی ایف بورڈ ڈویژن نے 51,049 کیوبک میٹر کی پیداوار کی جس میں 51,486 کیوبک میٹر گزشتہ سال کے مقابلے میں اس سال پیداوار ہوئی۔ پیداوار میں پچھلے دورانیہ میں تھوڑا کم ہے کیونکہ بازار کی طلب کو پورا کرنے کیلئے سال کی چوتھائی سہ ماہی کے دوران مختصر بہتری ہوگی۔

مستقبل پر نظر:

یہ توقع کی جارہی ہے کہ پنجاب اور خیبر پختونخواہ میں چینی کی پیداوار میں چینی کی اگلی کرشنگ کے دوران اضافہ ہوگا۔ جبکہ سندھ میں گنے کی کاشت بڑی متاثر کن ہوگی جس کی بنیادی وجہ پانی کی عدم دستیابی ہے۔ ہم امید کرتے ہیں کہ حکومت اس سلسلے میں بروقت اقدام اٹھائیگی تاکہ بفر اسٹاک کے فیصلے کی روشنی میں گھریلو صارفین کی چینی کی قیمتوں کو مستحکم کیا جاسکے۔

ڈائریکٹرز کی رپورٹ برائے ممبران

معزز ممبران گرامی
السلام وعلیکم

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 30 جون 2019 پیش کرنے جارہا ہوں۔

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

30 جون 2018	30 جون 2019	معلومات بابت پیداوار
28-11-2017	13-12-2018	آغاز پسائی مورخہ
15-04-2018	19-03-2019	پتھیل پسائی مورخہ
139	97	دورانیہ پسائی (دنوں میں)
1,108,106	894,494	گنے کی پسائی (میٹرک ٹن)
110,810	94,825	پیداوار برائے چینی (میٹرک ٹن)
10.00	10.60	ریوری برائے چینی (فیصد)
52,217	40,120	پیداوار برائے راب (میٹرک ٹن)
51,486	51,049	ایم ڈی ایف پیداوار (کیوبک میٹر)
(روپے ہزاروں میں)	(روپے ہزاروں میں)	مالیاتی معلومات
7,495,134	6,830,929	فروختگی
(8,232,332)	(6,053,217)	لاگت برائے فروختگی
(737,198)	777,712	خام منافع / (خسارہ)
(172,647)	(58,951)	اخراجات برائے ترسیل
(13,448)	(27,979)	دیگر آپریٹنگ لاگت
(388,222)	(429,828)	انتظامی اخراجات
(219,682)	(346,529)	مالیاتی اخراجات
1,318,070	6,485	دیگر آمدن و اخراجات
55,769	182,587	منافع کا حصہ ایسوی ایٹ میں
(157,358)	103,497	منافع / (خسارہ) قبل از ٹیکس
126,224	(77,630)	ٹیکس کے لئے فراہمی
(31,134)	25,867	منافع / (خسارہ) بعد از ٹیکس
Rs. (1.52)	Rs. 1.26	منافع / (خسارہ) فی حصص (بنیادی)

BOOK POST
PRINTED MATTER

Lasani
WOOD



If undelivered please return to :

AL-NOOR SUGAR MILLS LTD.

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